

**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 September 30, 2025
or

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

Commission File Number 001-35700

Diamondback Energy, Inc.
(Exact name of registrant as specified in its charter)

DE

45-4502447

(State or other jurisdiction of incorporation or organization)

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

500 West Texas Ave.,

Suite 100

Midland, TX

(Address of principal executive offices)

79701

(Zip Code)

(432) 221-7400

(Registrant's telephone number, including area code)

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

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|---------------------------------------------|--------------------------|--------------------------------------------------------------|
| Common Stock, par value \$0.01 per share | FANG | The Nasdaq Stock Market LLC (NASDAQ Global Select Market) |

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

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

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

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

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

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

As of October 31, 2025, the registrant had 286,525,614 shares of common stock outstanding.

DIAMONDBACK ENERGY, INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2025
TABLE OF CONTENTS

| | Page |
|---------------------------------------------------------------------------------------------------------------|--------------------|
| Glossary of Oil and Natural Gas Terms | ii |
| Glossary of Certain Other Terms | iv |
| Cautionary Statement Regarding Forward-Looking Statements | v |
| PART I. FINANCIAL INFORMATION | |
| Item 1. Financial Statements | 1 |
| Condensed Consolidated Balance Sheets | 1 |
| Condensed Consolidated Statements of Operations | 2 |
| Condensed Consolidated Statements of Stockholders' Equity | 3 |
| Condensed Consolidated Statements of Cash Flows | 5 |
| Notes to the Condensed Consolidated Financial Statements | 6 |
| 1. Description of the Business and Basis of Presentation | 6 |
| 2. Summary of Significant Accounting Policies | 7 |
| 3. Revenue from Contracts with Customers | 8 |
| 4. Acquisitions and Divestitures | 9 |
| 5. Endeavor Energy Resources, LP Acquisition | 13 |
| 6. Property and Equipment | 15 |
| 7. Asset Retirement Obligations | 16 |
| 8. Related Party Transactions | 16 |
| 9. Debt | 18 |
| 10. Stockholders' Equity and Earnings (Loss) Per Share | 22 |
| 11. Equity-Based Compensation | 24 |
| 12. Income Taxes | 26 |
| 13. Derivatives | 26 |
| 14. Fair Value Measurements | 29 |
| 15. Supplemental Information To Statements of Cash Flows | 31 |
| 16. Commitments and Contingencies | 31 |
| 17. Subsequent Events | 32 |
| 18. Segment Information | 33 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 34 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 52 |
| Item 4. Controls and Procedures | 54 |
| PART II. OTHER INFORMATION | |
| Item 1. Legal Proceedings | 55 |
| Item 1A. Risk Factors | 55 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 55 |
| Item 5. Other Information | 56 |
| Item 6. Exhibits | 56 |
| Signatures | 58 |

GLOSSARY OF OIL AND NATURAL GAS TERMS

The following is a glossary of certain oil and natural gas industry terms that are used in this Quarterly Report on Form 10-Q (this “report”) and our other periodic reports under the Exchange Act:

| | |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Argus WTI Houston | Grade of oil that serves as a benchmark price for oil at Houston, Texas. |
| Argus WTI Midland | Grade of oil that serves as a benchmark price for oil at Midland, Texas. |
| Basin | A large depression on the earth’s surface in which sediments accumulate. |
| Bbl or barrel | One stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to crude oil or other liquid hydrocarbons. |
| BO/d | One barrel of crude oil per day. |
| BOE | One barrel of oil equivalent, with six thousand cubic feet of natural gas being equivalent to one barrel of oil. |
| BOE/d | One BOE per day. |
| Brent | A major trading classification of light sweet oil that serves as a benchmark price for oil worldwide. |
| Completion | The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency. |
| Crude oil | Liquid hydrocarbons retrieved from geological structures underground to be refined into fuel sources. |
| Development costs | Capital costs incurred in the acquisition, exploitation and exploration of proved oil and natural gas reserves. |
| Differential | An adjustment to the price of oil or natural gas from an established spot market price to reflect differences in the quality and/or location of oil or natural gas. |
| Exploitation | A development or other project which may target proven or unproven reserves (such as probable or possible reserves), but which generally has a lower risk than that associated with exploration projects. |
| Fracturing | The process of creating and preserving a fracture or system of fractures in a reservoir rock typically by injecting a fluid under pressure through a wellbore and into the targeted formation. |
| Horizontal drilling | A drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at a right angle with a specified interval. |
| Henry Hub | Natural gas gathering point that serves as a benchmark price for natural gas futures on the NYMEX. |
| HSC Hub | Natural gas gathering point that serves as a benchmark price for natural gas at the Houston Ship Channel area. |
| Horizontal wells | Wells drilled directionally horizontal to allow for development of structures not reachable through traditional vertical drilling mechanisms. |
| MBbls | One thousand barrels of crude oil and other liquid hydrocarbons. |
| MBO/d | One thousand BO per day. |
| MBOE | One thousand BOE. |
| MBOE/d | One thousand BOE per day. |
| Mcf | One thousand cubic feet of natural gas. |
| Mineral interests | The interests in ownership of the resource and mineral rights, giving an owner the right to profit from the extracted resources. |
| MMBtu | One million British Thermal Units. |
| MMcf | Million cubic feet of natural gas. |
| Net acres | The sum of the fractional working interest owned in gross acres. |
| Oil and natural gas properties | Tracts of land consisting of properties to be developed for oil and natural gas resource extraction. |
| Operator | The individual or company responsible for the exploration and/or production of an oil or natural gas well or lease. |
| Proved reserves | The estimated quantities of oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reservoirs under existing economic and operating conditions. |
| Reserves | The estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to the market and all permits and financing required to implement the project. Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations). |

| | |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reservoir | A porous and permeable underground formation containing a natural accumulation of producible natural gas and/or crude oil that is confined by impermeable rock or water barriers and is separate from other reservoirs. |
| Royalty interest | An interest that gives an owner the right to receive a portion of the resources or revenues without having to carry any costs of development, which may be subject to expiration. |
| Waha Hub | Natural gas gathering point that serves as a benchmark price for natural gas at western Texas and New Mexico. |
| Working interest | An operating interest that gives the owner the right to drill, produce and conduct operating activities on the property and receive a share of production and requires the owner to pay a share of the costs of drilling and production operations. |
| WTI | West Texas Intermediate, a light sweet blend of oil produced from fields in western Texas and is a grade of oil that serves as a benchmark for oil on the NYMEX. |
| WTI Cushing | Grade of oil that serves as a benchmark price for oil at Cushing, Oklahoma. |

GLOSSARY OF CERTAIN OTHER TERMS

The following is a glossary of certain other terms that are used in this report and our other periodic reports under the Exchange Act:

| | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 2024 Notes | The outstanding senior notes issued by Diamondback Energy, Inc. under indentures where Diamondback E&P is the sole guarantor, consisting of the 5.200% Senior Notes due 2027, 5.150% Senior Notes due 2030, 5.400% Senior Notes due 2034, 5.750% Senior Notes due 2054 and 5.900% Senior Notes due 2064. |
| ASU | Accounting Standards Update. |
| Equity Plan | The Company's 2021 Amended and Restated Equity Incentive Plan. |
| Exchange Act | The Securities Exchange Act of 1934, as amended. |
| FASB | Financial Accounting Standards Board. |
| GAAP | Accounting principles generally accepted in the United States. |
| Nasdaq | The Nasdaq Global Select Market. |
| OPEC | Organization of the Petroleum Exporting Countries. |
| SEC | United States Securities and Exchange Commission. |
| SEC Prices | Unweighted arithmetic average of the first-day-of-the-month price for each month during the 12-month period prior to the ending date of the period covered by this report. |
| Securities Act | The Securities Act of 1933, as amended. |
| Guaranteed Senior Notes | The outstanding senior notes issued by Diamondback Energy, Inc. under indentures where Diamondback E&P is the sole guarantor, consisting of the 3.250% Senior Notes due 2026, 5.200% Senior Notes due 2027, 3.500% Senior Notes due 2029, 5.150% Senior Notes due 2030, 3.125% Senior Notes due 2031, 6.250% Senior Notes due 2033, 5.400% Senior Notes due 2034, 5.550% Senior Notes due 2035, 4.400% Senior Notes due 2051, 4.250% Senior Notes due 2052, 6.250% Senior Notes due 2053, 5.750% Senior Notes due 2054 and 5.900% Senior Notes due 2064. |
| SOFR | The secured overnight financing rate. |
| TSR | Total stockholder return of the Company's common stock. |
| Viper LLC | Viper Energy Partners LLC, a Delaware limited liability company and a subsidiary of Viper Energy, Inc. |
| Wells Fargo | Wells Fargo Bank, National Association. |

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this report are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which involve risks, uncertainties and assumptions. All statements, other than statements of historical fact, including statements regarding our: future performance; business strategy; future operations (including drilling plans and capital plans); estimates and projections of revenues, losses, costs, expenses, returns, cash flow and financial position; reserve estimates and our ability to replace or increase reserves; anticipated benefits or other effects of strategic transactions (including the Endeavor Acquisition, Double Eagle Acquisition, 2025 Drop Down and the recently completed Sitio Acquisition (in each case, as defined below) discussed in this report and other acquisitions or divestitures; and plans and objectives of management (including plans for future cash flow from operations and for executing environmental strategies) are forward-looking statements. When used in this report, the words “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “model,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” and similar expressions (including the negative of such terms) as they relate to the Company are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although we believe that the expectations and assumptions reflected in our forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond our control. In particular, the factors discussed in this report and detailed under [Part II, Item 1A. Risk Factors](#) in this report and our [Annual Report on Form 10-K](#) for the year ended December 31, 2024, could affect our actual results and cause our actual results to differ materially from expectations, estimates or assumptions expressed, forecasted or implied in such forward-looking statements. Unless the context requires otherwise, references to “we,” “us,” “our” or the “Company” are intended to mean the business and operations of the Company and its consolidated subsidiaries.

Factors that could cause our outcomes to differ materially include (but are not limited to) the following:

- changes in supply and demand levels for oil, natural gas and natural gas liquids and the resulting impact on the price for those commodities;
- the impact of public health crises, including epidemic or pandemic diseases and any related company or government policies or actions;
- actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments;
- changes in general economic, business or industry conditions, including changes in foreign currency exchange rates, interest rates and inflation rates, instability in the financial sector;
- regional supply and demand factors, including delays, curtailment delays or interruptions of production, or governmental orders, rules or regulations that impose production limits;
- federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations;
- physical and transition risks relating to climate change;
- 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 Texas Railroad Commission in an effort to control induced seismicity in the Permian Basin;
- significant declines in prices for oil, natural gas, or natural gas liquids, which could require recognition of significant impairment charges;
- changes in U.S. energy, environmental, monetary and trade policies, including with respect to tariffs or other trade barriers and any resulting trade tensions;
- conditions in the capital, financial and credit markets, including the availability and pricing of capital for drilling and development operations and our environmental and social responsibility projects;
- challenges with employee retention and an increasingly competitive labor market;
- changes in availability or cost of rigs, equipment, raw materials, supplies and oilfield services;
- changes in safety, health, environmental, tax and other regulations or requirements (including those addressing air emissions, water management, or the impact of global climate change);
- security threats, including cybersecurity threats and disruptions to our business and operations from breaches of our information technology systems, or from breaches of information technology systems of third parties with whom we transact business;

- lack of, or disruption in, access to adequate and reliable transportation, processing, storage and other facilities for our oil, natural gas and natural gas liquids;
- failures or delays in achieving expected reserve or production levels from existing and future oil and natural gas developments, including due to operating hazards, drilling risks, or the inherent uncertainties in predicting reserve and reservoir performance;
- difficulty in obtaining necessary approvals and permits;
- severe weather conditions and natural disasters;
- acts of war or terrorist acts and the governmental or military response thereto;
- changes in the financial strength of counterparties to our credit facilities and hedging contracts;
- changes in our credit rating;
- risks related to the recently completed Endeavor Acquisition, Double Eagle Acquisition, 2025 Drop Down and Sitio Acquisition; and
- other risks and factors disclosed or incorporated by reference under [Part II, Item 1A. Risk Factors](#) and our [Annual Report on Form 10-K](#) for the year ended December 31, 2024.

In light of these factors, the events anticipated by our forward-looking statements may not occur at the time anticipated or at all. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. We cannot predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those anticipated by any forward-looking statements we may make. Accordingly, you should not place undue reliance on any forward-looking statements made in this report. All forward-looking statements speak only as of the date of this 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 applicable law.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

| | September 30, 2025 | December 31, 2024 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| Assets | | |
| (In millions, except par values and share data) | | |
| Current assets: | | |
| Cash and cash equivalents (\$53 million and \$27 million related to Viper) | \$ 159 | \$ 161 |
| Restricted cash (\$390 million and \$— million related to Viper) | 393 | 3 |
| Accounts receivable: | | |
| Joint interest and other, net | 345 | 198 |
| Oil and natural gas sales, net (\$290 million and \$149 million related to Viper) | 1,280 | 1,387 |
| Inventories | 86 | 116 |
| Derivative instruments | 174 | 168 |
| Prepaid expenses and other current assets | 144 | 77 |
| Total current assets | <u>2,581</u> | <u>2,110</u> |
| Property and equipment: | | |
| Oil and natural gas properties, full cost method of accounting (\$24,498 million and \$22,666 million excluded from amortization at September 30, 2025, and December 31, 2024, respectively) (\$14,589 million and \$5,713 million related to Viper and \$5,275 million and \$2,180 million excluded from amortization related to Viper) | 94,309 | 82,240 |
| Other property, equipment and land | 1,019 | 1,440 |
| Accumulated depletion, depreciation, amortization and impairment (\$1,454 million and \$1,081 million related to Viper) | (22,795) | (19,208) |
| Property and equipment, net | <u>72,533</u> | <u>64,472</u> |
| Funds held in escrow | 17 | 1 |
| Equity method investments | 362 | 375 |
| Assets held for sale | 505 | — |
| Derivative instruments | 1 | 2 |
| Deferred income taxes, net (\$— million and \$185 million related to Viper) | — | 173 |
| Other assets | 214 | 159 |
| Total assets | <u>\$ 76,213</u> | <u>\$ 67,292</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable - trade | \$ 426 | \$ 253 |
| Accrued capital expenditures | 846 | 690 |
| Current maturities of debt (\$380 million and \$— million related to Viper) | 394 | 900 |
| Other accrued liabilities | 1,000 | 1,020 |
| Revenues and royalties payable | 1,433 | 1,491 |
| Derivative instruments | 10 | 43 |
| Income taxes payable | 33 | 414 |
| Total current liabilities | <u>4,142</u> | <u>4,811</u> |
| Long-term debt (\$2,241 million and \$1,083 million related to Viper) | 15,848 | 12,075 |
| Derivative instruments | 106 | 106 |
| Asset retirement obligations | 584 | 573 |
| Deferred income taxes | 9,877 | 9,826 |
| Other long-term liabilities | 22 | 39 |
| Total liabilities | <u>30,579</u> | <u>27,430</u> |
| Commitments and contingencies (Note 16) | | |
| Stockholders' equity: | | |
| Common stock, \$0.01 par value; 800,000,000 shares authorized; 286,876,206 and 290,984,373 shares issued and outstanding at September 30, 2025, and December 31, 2024, respectively | 3 | 3 |
| Additional paid-in capital | 32,606 | 33,501 |
| Retained earnings (accumulated deficit) | 6,486 | 4,238 |
| Accumulated other comprehensive income (loss) | (7) | (6) |
| Total Diamondback Energy, Inc. stockholders' equity | <u>39,088</u> | <u>37,736</u> |
| Non-controlling interest | 6,546 | 2,126 |
| Total equity | <u>45,634</u> | <u>39,862</u> |
| Total liabilities and stockholders' equity | <u>\$ 76,213</u> | <u>\$ 67,292</u> |

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-------------------------------------------------------------------|----------------------------------|----------|---------------------------------|----------|
| | 2025 | 2024 | 2025 | 2024 |
| (In millions, except per share amounts, shares in thousands) | | | | |
| Revenues: | | | | |
| Oil sales | \$ 2,994 | \$ 2,160 | \$ 8,885 | \$ 6,025 |
| Natural gas sales | 87 | (17) | 396 | 38 |
| Natural gas liquid sales | 366 | 211 | 1,139 | 566 |
| Sales of purchased oil | 459 | 282 | 1,168 | 698 |
| Other operating income | 18 | 9 | 62 | 28 |
| Total revenues | 3,924 | 2,645 | 11,650 | 7,355 |
| Costs and expenses: | | | | |
| Lease operating expenses | 490 | 316 | 1,338 | 825 |
| Production and ad valorem taxes | 212 | 153 | 654 | 413 |
| Gathering, processing and transportation | 122 | 102 | 378 | 261 |
| Purchased oil expense | 455 | 280 | 1,168 | 696 |
| Depreciation, depletion, amortization and accretion | 1,286 | 742 | 3,649 | 1,694 |
| General and administrative expenses | 70 | 49 | 210 | 141 |
| Merger and transaction expenses | 17 | 258 | 94 | 273 |
| Other operating expenses | 36 | 35 | 111 | 68 |
| Total costs and expenses | 2,688 | 1,935 | 7,602 | 4,371 |
| Income (loss) from operations | 1,236 | 710 | 4,048 | 2,984 |
| Other income (expense): | | | | |
| Interest expense, net | (70) | (18) | (166) | (101) |
| Other income (expense), net | 108 | 89 | 133 | 87 |
| Gain (loss) on derivative instruments, net | 120 | 131 | 149 | 101 |
| Gain (loss) on extinguishment of debt | (32) | — | 23 | 2 |
| Income (loss) from equity investments, net | 8 | 6 | 20 | 23 |
| Total other income (expense), net | 134 | 208 | 159 | 112 |
| Income (loss) before income taxes | 1,370 | 918 | 4,207 | 3,096 |
| Provision for (benefit from) income taxes | 287 | 210 | 894 | 685 |
| Net income (loss) | 1,083 | 708 | 3,313 | 2,411 |
| Net income (loss) attributable to non-controlling interest | 65 | 49 | 191 | 147 |
| Net income (loss) attributable to Diamondback Energy, Inc. | \$ 1,018 | \$ 659 | \$ 3,122 | \$ 2,264 |
| Earnings (loss) per common share: | | | | |
| Basic | \$ 3.51 | \$ 3.19 | \$ 10.71 | \$ 12.00 |
| Diluted | \$ 3.51 | \$ 3.19 | \$ 10.71 | \$ 12.00 |
| Weighted average common shares outstanding: | | | | |
| Basic | 288,826 | 204,730 | 290,188 | 187,253 |
| Diluted | 288,826 | 204,730 | 290,188 | 187,253 |

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

| | Common Stock | | Additional Paid-in Capital | Retained Earnings (Accumulated Deficit) | Accumulated Other Comprehensive Income (Loss) | Non-Controlling Interest | Total |
|-------------------------------------------------------|--------------|--------|-------------------------------|--------------------------------------------------|--------------------------------------------------------|-----------------------------|-----------|
| | Shares | Amount | | | | | |
| (\$ in millions, shares in thousands) | | | | | | | |
| Balance December 31, 2024 | 290,984 | \$ 3 | \$ 33,501 | \$ 4,238 | \$ (6) | \$ 2,126 | \$ 39,862 |
| Viper equity-based compensation | — | — | — | — | — | 1 | 1 |
| Distribution equivalent rights payments | — | — | — | (1) | — | — | (1) |
| Stock-based compensation | — | — | 22 | — | — | — | 22 |
| Cash paid for tax withholding on vested equity awards | (155) | — | (25) | — | — | — | (25) |
| Repurchased shares under buyback program | (3,656) | — | (580) | — | — | — | (580) |
| Viper LLC's units issued for acquisition | — | — | — | — | — | 119 | 119 |
| Net proceeds from Viper's issuance of common stock | — | — | — | — | — | 1,232 | 1,232 |
| Dividends to non-controlling interest | — | — | — | — | — | (95) | (95) |
| Dividends paid | — | — | — | (290) | — | — | (290) |
| Issuance of shares upon vesting of equity awards | 115 | — | — | — | — | — | — |
| Change in ownership of consolidated subsidiaries, net | — | — | 206 | — | — | (199) | 7 |
| Other comprehensive income (loss) | — | — | 1 | — | (1) | — | — |
| Net income (loss) | — | — | — | 1,405 | — | 86 | 1,491 |
| Balance March 31, 2025 | 287,288 | 3 | 33,125 | 5,352 | (7) | 3,270 | 41,743 |
| Viper equity-based compensation | — | — | — | — | — | 2 | 2 |
| Distribution equivalent rights payments | — | — | — | (2) | — | — | (2) |
| Stock-based compensation | — | — | 29 | — | — | — | 29 |
| Cash paid for tax withholding on vested equity awards | (1) | — | (1) | — | — | — | (1) |
| Repurchased shares under buyback program | (2,992) | — | (393) | — | — | — | (393) |
| Repurchased shares under Viper's buyback program | — | — | — | — | — | (10) | (10) |
| Common shares issued for acquisition | 6,843 | — | 1,101 | — | — | — | 1,101 |
| Dividends to non-controlling interest | — | — | — | — | — | (82) | (82) |
| Dividends paid | — | — | — | (291) | — | — | (291) |
| Issuance of shares upon vesting of equity awards | 17 | — | — | — | — | — | — |
| Change in ownership of consolidated subsidiaries, net | — | — | (734) | — | — | 718 | (16) |
| Net income (loss) | — | — | — | 699 | — | 40 | 739 |
| Balance June 30, 2025 | 291,155 | 3 | 33,127 | 5,758 | (7) | 3,938 | 42,819 |
| Viper equity-based compensation | — | — | — | — | — | 2 | 2 |
| Distribution equivalent rights payments | — | — | — | (1) | — | (1) | (2) |
| Stock-based compensation | — | — | 29 | — | — | — | 29 |
| Cash paid for tax withholding on vested equity awards | (4) | — | — | — | — | — | — |
| Repurchased shares under buyback program | (4,286) | — | (608) | — | — | — | (608) |
| Repurchased shares under Viper's buyback program | — | — | — | — | — | (90) | (90) |
| Common shares issued for acquisition | — | — | — | — | — | 1,435 | 1,435 |
| Viper LLC's units issued for acquisition | — | — | — | — | — | 1,326 | 1,326 |
| Dividends to non-controlling interest | — | — | — | — | — | (78) | (78) |
| Dividends paid | — | — | — | (289) | — | — | (289) |
| Issuance of shares upon vesting of equity awards | 11 | — | — | — | — | — | — |
| Change in ownership of consolidated subsidiaries, net | — | — | 58 | — | — | (51) | 7 |
| Net income (loss) | — | — | — | 1,018 | — | 65 | 1,083 |
| Balance September 30, 2025 | 286,876 | 3 | 32,606 | 6,486 | (7) | 6,546 | 45,634 |

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity - (Continued)
(Unaudited)

| | Common Stock | | Additional Paid-in Capital | Retained Earnings (Accumulated Deficit) | Accumulated Other Comprehensive Income (Loss) | Non-Controlling Interest | Total |
|----------------------------------------------------------------|--------------|--------|-------------------------------|--------------------------------------------------|--------------------------------------------------------|-----------------------------|-----------|
| | Shares | Amount | | | | | |
| (\$ in millions, shares in thousands) | | | | | | | |
| Balance December 31, 2023 | 178,724 | \$ 2 | \$ 14,142 | \$ 2,489 | \$ (8) | \$ 805 | \$ 17,430 |
| Distribution equivalent rights payments | — | — | — | (4) | — | — | (4) |
| Stock-based compensation | — | — | 21 | — | — | — | 21 |
| Cash paid for tax withholding on vested equity awards | (187) | — | (34) | — | — | — | (34) |
| Repurchased shares under buyback program | (279) | — | (42) | — | — | — | (42) |
| Proceeds from partial sale of investment in Viper Energy, Inc. | — | — | 219 | — | — | 197 | 416 |
| Dividends to non-controlling interest | — | — | — | — | — | (44) | (44) |
| Dividends paid | — | — | — | (548) | — | — | (548) |
| Issuance of shares upon vesting of equity awards | 82 | — | — | — | — | — | — |
| Change in ownership of consolidated subsidiaries, net | — | — | (55) | — | — | 70 | 15 |
| Net income (loss) | — | — | — | 768 | — | 41 | 809 |
| Balance March 31, 2024 | 178,340 | 2 | 14,251 | 2,705 | (8) | 1,069 | 18,019 |
| Viper equity-based compensation | — | — | — | — | — | 1 | 1 |
| Distribution equivalent rights payments | — | — | — | (3) | — | — | (3) |
| Stock-based compensation | — | — | 25 | — | — | — | 25 |
| Cash paid for tax withholding on vested equity awards | (16) | — | (3) | — | — | — | (3) |
| Dividends to non-controlling interest | — | — | — | — | — | (54) | (54) |
| Dividends paid | — | — | — | (352) | — | — | (352) |
| Issuance of shares upon vesting of equity awards | 70 | — | — | — | — | — | — |
| Change in ownership of consolidated subsidiaries, net | — | — | (6) | — | — | 6 | — |
| Net income (loss) | — | — | — | 837 | — | 57 | 894 |
| Balance June 30, 2024 | 178,394 | 2 | 14,267 | 3,187 | (8) | 1,079 | 18,527 |
| Viper equity-based compensation | — | — | — | — | — | 1 | 1 |
| Distribution equivalent rights payments | — | — | — | (3) | — | — | (3) |
| Stock-based compensation | — | — | 23 | — | — | — | 23 |
| Repurchased shares under buyback program | (2,920) | — | (515) | — | — | — | (515) |
| Common shares issued for acquisition | 117,267 | 1 | 20,109 | — | — | — | 20,110 |
| Net proceeds from Viper's issuance of common stock | — | — | — | — | — | 476 | 476 |
| Dividends to non-controlling interest | — | — | — | — | — | (59) | (59) |
| Dividends paid | — | — | — | (416) | — | — | (416) |
| Issuance of shares upon vesting of equity awards | 2 | — | — | — | — | — | — |
| Change in ownership of consolidated subsidiaries, net | — | — | 123 | — | — | (156) | (33) |
| Net income (loss) | — | — | — | 659 | — | 49 | 708 |
| Balance September 30, 2024 | 292,743 | \$ 3 | \$ 34,007 | \$ 3,427 | \$ (8) | \$ 1,390 | \$ 38,819 |

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

| | Nine Months Ended September 30, | |
|----------------------------------------------------------------------------------------------------|---------------------------------|----------------|
| | 2025 | 2024 |
| (In millions) | | |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ 3,313 | \$ 2,411 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Provision for (benefit from) deferred income taxes | 235 | 180 |
| Depreciation, depletion, amortization and accretion | 3,649 | 1,694 |
| (Gain) loss on extinguishment of debt | (23) | (2) |
| (Gain) loss on derivative instruments, net | (149) | (101) |
| Cash received (paid) on settlement of derivative instruments | 108 | (36) |
| (Income) loss from equity investment, net | (20) | (23) |
| Equity-based compensation expense | 61 | 49 |
| Other | (47) | 77 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 138 | 61 |
| Income tax receivable | 3 | 12 |
| Prepaid expenses and other current assets | (65) | 78 |
| Accounts payable and accrued liabilities | (355) | (490) |
| Income taxes payable | (515) | (51) |
| Revenues and royalties payable | 28 | 109 |
| Other | 54 | 104 |
| Net cash provided by (used in) operating activities | <u>6,415</u> | <u>4,072</u> |
| Cash flows from investing activities: | | |
| Additions to oil and natural gas properties | (2,580) | (1,934) |
| Property acquisitions | (5,411) | (7,994) |
| Proceeds from sale of assets | 314 | 459 |
| Other | (14) | 103 |
| Net cash provided by (used in) investing activities | <u>(7,691)</u> | <u>(9,366)</u> |
| Cash flows from financing activities: | | |
| Proceeds under term loan agreements | 2,000 | 1,000 |
| Repayments under term loan agreements | (900) | — |
| Proceeds from borrowings under credit facilities | 8,222 | 1,185 |
| Repayments under credit facilities | (8,148) | (1,333) |
| Proceeds from senior notes | 2,800 | 5,500 |
| Repayment of senior notes | (672) | (25) |
| Repurchased shares under buyback program | (1,576) | (557) |
| Proceeds from partial sale of investment in Viper Energy, Inc. | — | 451 |
| Net proceeds from Viper's issuance of common stock | 1,232 | 476 |
| Dividends paid to stockholders | (870) | (1,316) |
| Dividends to non-controlling interest | (255) | (157) |
| Other | (169) | (142) |
| Net cash provided by (used in) financing activities | <u>1,664</u> | <u>5,082</u> |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 388 | (212) |
| Cash, cash equivalents and restricted cash at beginning of period | 164 | 585 |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 552</u> | <u>\$ 373</u> |

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Organization and Description of the Business

Diamondback Energy, Inc., together with its subsidiaries (collectively referred to as “Diamondback,” the “Company,” “we” or “our” unless the context otherwise requires), is an independent oil and natural gas company currently focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves primarily in the Permian Basin in West Texas.

As of September 30, 2025, the wholly owned subsidiaries of Diamondback include Diamondback E&P LLC (“Diamondback E&P”), a Delaware limited liability company, Rattler Midstream GP LLC, a Delaware limited liability company, Rattler Midstream LP, a Delaware limited partnership, QEP Resources, Inc., a Delaware corporation and Eclipse Merger Sub II, LLC, a Delaware limited liability company.

Basis of Presentation

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries, including its publicly-traded subsidiary, Viper Energy, Inc., after all significant intercompany balances and transactions have been eliminated upon consolidation. The Company has one reportable segment, the upstream segment.

On August 19, 2025, upon completion of the Sitio Acquisition (as defined and discussed in Note 4—[Acquisitions and Divestitures](#)), VNOM Sub, Inc., (formerly known as Viper Energy, Inc., “Former Viper”) became a wholly owned subsidiary of Viper Energy, Inc. (formerly known as New Cobra Pubco, Inc., “New Viper”), as a result of a merger contemplated by the documents governing the Sitio Acquisition (such merger, the “Viper PubCo Merger”). References to “Viper” refer to (i) New Viper following the Viper PubCo Merger, and (ii) Former Viper prior to the Viper PubCo Merger.

As of September 30, 2025, the Company owned approximately 43% of Viper’s combined outstanding Class A common stock and Class B common stock. The Company determined that it controls the activities of Viper in accordance with the guidance for variable interest entities in Accounting Standards Codification (“ASC”) Topic 810, “Consolidation,” and therefore continues to consolidate Viper in the Company’s financial statements at September 30, 2025. See further discussion of the Company’s determination that Viper is a variable interest entity (“VIE”) in Note 2—[Summary of Significant Accounting Policies](#). The results of operations attributable to the non-controlling interest in Viper are presented within equity and net income and are shown separately from the equity and net income attributable to the Company.

On March 5, 2024, the Company exercised certain of its demand rights, pursuant to a registration rights agreement amended and restated on November 10, 2023, and on March 8, 2024, the Company completed a public offering of approximately 13.23 million shares of Viper’s Class A common stock at a price of \$35.00 per share for proceeds, net of underwriters’ discount, of approximately \$451 million. After this offering, the Company owned less than 50% of Viper’s combined outstanding Class A common stock and Class B common stock, resulting in Viper no longer being a controlled company under the Nasdaq rules.

These condensed consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the SEC. They reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for interim periods, on a basis consistent with the annual audited financial statements. All such adjustments are of a normal recurring nature. Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to SEC rules and regulations, although the Company believes the disclosures are adequate to make the information presented not misleading. This Quarterly Report on Form 10-Q should be read in conjunction with the Company’s most recent [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2024, which contains a summary of the Company’s significant accounting policies and other disclosures.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period financial statement presentation. These reclassifications had an immaterial effect on the previously reported total assets, total liabilities, stockholders’ equity, results of operations or cash flows.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

Certain amounts included in or affecting the Company's condensed consolidated financial statements and related disclosures must be estimated by management, requiring certain assumptions to be made with respect to values or conditions that cannot be known with certainty at the time the condensed consolidated financial statements are prepared. These estimates and assumptions affect the amounts the Company reports for assets and liabilities and the Company's disclosure of contingent liabilities as of the date of the condensed consolidated financial statements. Actual results could differ from those estimates.

Making accurate estimates and assumptions is particularly difficult in the oil and natural gas industry given the challenges resulting from volatility in oil and natural gas prices. For instance, conflicts in the Middle East and globally, higher interest rates, effects of tariffs, actions taken by OPEC and its non-OPEC allies, known collectively as OPEC+, global supply chain disruptions, measures to combat persistent inflation and instability in the financial sector have contributed to recent economic and pricing volatility. The financial results of companies in the oil and natural gas industry have been impacted materially as a result of these events and changing market conditions. Such circumstances generally increase uncertainty in the Company's accounting estimates, particularly those involving financial forecasts.

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. Nevertheless, 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 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, fair value estimates of derivative instruments, the fair value determination of assets acquired and liabilities assumed and estimates of income taxes, including deferred tax valuation allowances.

Variable Interest Entity

Viper is a publicly traded corporation formed by the Company in 2014 to provide an attractive return to its stockholders (the largest of which is Diamondback) by focusing on business results, maximizing dividends through organic growth and pursuing accretive growth opportunities through acquisitions of mineral, royalty, overriding royalty, net profits and similar interests from the Company and from third parties. Viper has no employees and the Company provides management, operating and administrative services to Viper under a services and secondment agreement, including the services of the executive officers and other employees.

In connection with the reduction of the Company's ownership percentage in Viper to below 50% in March 2024, the Company re-evaluated whether Viper should continue to be consolidated in the Company's financial statements. Viper meets the definition of a VIE under ASC Topic 810 and the Company continues to be the primary beneficiary of the VIE through its ability, via existing contractual agreements, to direct the activities that most significantly affect the economic performance of Viper. The Company also has the obligation to absorb losses and the right to receive benefits that could be significant to Viper. As such, the Company will continue to consolidate the activity of Viper. The Viper 2024 Equity Offering, the Viper 2025 Equity Offering (each as defined and discussed in Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#)), the 2025 Drop Down and the Sitio Acquisition (each as defined and discussed in Note 4—[Acquisitions and Divestitures](#)) were determined not to be events that would cause the Company to change its conclusion regarding Viper's status as a VIE.

Viper maintains its own capital structure that is separate from the Company. The Company is not under any obligation to provide additional financial support or investment to Viper. Viper's assets cannot be used by the Company for general corporate purposes and the creditors of Viper's liabilities do not have recourse to the Company's assets. The assets and liabilities of Viper are included in the Company's condensed consolidated balance sheets and disclosed parenthetically, if material.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Recent Accounting Pronouncements

Recently Adopted Pronouncements

There are no recently adopted pronouncements of significance.

Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740) – Improvements to Income Tax Disclosures,” which requires that certain information in a reporting entity’s tax rate reconciliation be disaggregated and provides additional requirements regarding income taxes paid. The amendments are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and should be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company’s disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

In November 2024, the FASB issued ASU 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) – Disaggregation of Income Statement Expenses,” which requires additional disclosure about specified categories of expenses included in relevant expense captions presented on the income statement. The amendments are effective for annual periods beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company’s disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

The Company considers the applicability and impact of all ASUs. ASUs not listed above were assessed and determined to be either not applicable, previously disclosed, or not material upon adoption.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from Contracts with Customers

The following tables present the Company’s revenue from contracts with customers:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--------------------------------------------------------|----------------------------------|----------|---------------------------------|----------|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | | |
| Oil sales | \$ 2,994 | \$ 2,160 | \$ 8,885 | \$ 6,025 |
| Natural gas sales | 87 | (17) | 396 | 38 |
| Natural gas liquid sales | 366 | 211 | 1,139 | 566 |
| Total oil, natural gas and natural gas liquid revenues | 3,447 | 2,354 | 10,420 | 6,629 |
| Sales of purchased oil | 459 | 282 | 1,168 | 698 |
| Other service revenues | 8 | 6 | 38 | 21 |
| Total revenue from contracts with customers | \$ 3,914 | \$ 2,642 | \$ 11,626 | \$ 7,348 |

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following tables present the Company's revenue from oil, natural gas and natural gas liquids disaggregated by basin:

| | Three Months Ended September 30, 2025 | | | | Three Months Ended September 30, 2024 | | | |
|--------------------------|---------------------------------------|----------------|-------|----------|---------------------------------------|----------------|-------|----------|
| | Midland Basin | Delaware Basin | Other | Total | Midland Basin | Delaware Basin | Other | Total |
| | (In millions) | | | | | | | |
| Oil sales | \$ 2,786 | \$ 206 | \$ 2 | \$ 2,994 | \$ 1,823 | \$ 336 | \$ 1 | \$ 2,160 |
| Natural gas sales | 80 | 7 | — | 87 | (8) | (9) | — | (17) |
| Natural gas liquid sales | 340 | 26 | — | 366 | 179 | 33 | (1) | 211 |
| Total | \$ 3,206 | \$ 239 | \$ 2 | \$ 3,447 | \$ 1,994 | \$ 360 | \$ — | \$ 2,354 |

| | Nine Months Ended September 30, 2025 | | | | Nine Months Ended September 30, 2024 | | | |
|--------------------------|--------------------------------------|----------------|-------|-----------|--------------------------------------|----------------|-------|----------|
| | Midland Basin | Delaware Basin | Other | Total | Midland Basin | Delaware Basin | Other | Total |
| | (In millions) | | | | | | | |
| Oil sales | \$ 8,213 | \$ 648 | \$ 24 | \$ 8,885 | \$ 4,985 | \$ 1,034 | \$ 6 | \$ 6,025 |
| Natural gas sales | 360 | 35 | 1 | 396 | 28 | 9 | 1 | 38 |
| Natural gas liquid sales | 1,049 | 89 | 1 | 1,139 | 444 | 122 | — | 566 |
| Total | \$ 9,622 | \$ 772 | \$ 26 | \$ 10,420 | \$ 5,457 | \$ 1,165 | \$ 7 | \$ 6,629 |

4. ACQUISITIONS AND DIVESTITURES

2025 Activity

Diamondback Acquisitions and Divestitures

2025 Drop Down Transaction

On May 1, 2025, the Company's wholly owned subsidiary Endeavor Energy Resources, LP ("EER LP") divested all of the issued and outstanding equity interests in 1979 Royalties, LP and 1979 Royalties GP, LLC (collectively, the "Endeavor Subsidiaries"), each of which was a subsidiary of the Company, pursuant to a definitive equity purchase agreement with Viper and Viper LLC in exchange for consideration consisting of (i) \$873 million in cash, and (ii) the issuance of 69.63 million Viper LLC units and an equivalent number of shares of Viper's Class B common stock, including certain customary post-closing adjustments (the "2025 Drop Down"). Viper funded the cash consideration for the 2025 Drop Down with a portion of the proceeds from the Viper 2025 Equity Offering (as defined and discussed in Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#)) and borrowings under the Viper LLC Revolving Credit Facility (as defined and discussed in Note 9—[Debt](#)). The 2025 Drop Down was accounted for as a transaction between entities under common control.

EER LP can exchange some or all of the Viper LLC units received together with an equal number of shares of Viper's Class B common stock for an equal number of shares of Viper's Class A common stock. The mineral and royalty interests held and divested by the Endeavor Subsidiaries at the closing of the 2025 Drop Down represented approximately 24,446 net royalty acres in the Permian Basin, 69% of which were operated by the Company, have an average net royalty interest of approximately 2.2% and had oil production as of the closing date of approximately 17,097 BO/d (the "Endeavor Mineral and Royalty Interests"). The Endeavor Mineral and Royalty Interests included interests in horizontal wells comprised of 5,574 gross proved developed production wells (of which approximately 32% were operated by the Company), 116 gross completed wells and 394 gross drilled but uncompleted wells, all of which were principally concentrated in the Midland Basin, with the balance located primarily in the Delaware and Williston Basins.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Double Eagle Acquisition

On April 1, 2025, the Company completed its acquisition of all of the issued and outstanding interests of DE Permian, LLC, DE IV Combo, LLC and DE IV Operating, LLC, each of which were wholly owned subsidiaries of Double Eagle IV Midco, LLC (“Double Eagle”) (the “Double Eagle Acquisition”) for consideration of \$3.1 billion in cash and approximately 6.84 million shares of the Company’s common stock, including transaction costs and subject to certain customary post-closing adjustments. The assets acquired in the Double Eagle Acquisition consisted of approximately 67,700 gross (40,000 net) acres, which are primarily located in the Midland Basin and approximately 407 gross (342 net) horizontal locations in primary development targets. The Company funded the cash portion of the Double Eagle Acquisition through a combination of proceeds from the 2035 Notes (as defined and discussed in Note 9—[Debt](#)), proceeds from the 2025 Term Loan (as defined and discussed in Note 9—[Debt](#)) and borrowings under the Company’s revolving credit facility.

Viper Acquisition

Sitio Acquisition

On August 19, 2025, Viper completed a series of transactions in which New Viper acquired Sitio Royalties Corp. (“Sitio”), Sitio Royalties Operating Partnership, LP (“Sitio OpCo”) and their respective subsidiaries, pursuant to the Agreement and Plan of Merger, dated June 2, 2025, by and among Former Viper, Viper LLC, Sitio, Sitio OpCo, New Viper, Cobra Merger Sub, Inc. and Scorpion Merger Sub, Inc., in an all-equity transaction valued at approximately \$4.0 billion, subject to further adjustments for transaction costs and certain customary post-closing adjustments, including the retirement of Sitio’s net debt of approximately \$1.2 billion (the “Sitio Acquisition”).

The mineral and royalty interests acquired in the Sitio Acquisition represent approximately 25,300 net royalty acres in the Permian Basin and approximately 9,000 net royalty acres in the Denver-Julesburg, Eagle Ford and Williston basins, for total acreage of approximately 34,300 net royalty acres. On October 30, 2025, Viper entered into an equity interest purchase agreement to divest all the non-Permian assets acquired from Sitio in the Sitio Acquisition. See Note 17—[Subsequent Events](#) for additional information on this divestiture.

2024 Activity

Diamondback Acquisitions and Divestitures

Endeavor Acquisition

For details on the Endeavor Acquisition, which closed on September 10, 2024, see Note 5—[Endeavor Energy Resources, LP Acquisition](#).

TRP Exchange

On December 20, 2024, the Company completed a transaction with TRP Energy, LLC (“TRP”), in which the Company exchanged certain assets including approximately 47,034 gross (35,673 net) acres located in the Delaware Basin and \$312 million in cash, subject to customary post-closing adjustments, for certain of TRP’s assets consisting of approximately 21,582 gross (15,421 net) acres located in the Midland Basin with 55 operated locations (the “TRP Exchange”). The TRP Exchange expanded our operating footprint and enhanced our inventory of near-term drilling locations and was valued at approximately \$1.3 billion. The Company funded the cash portion of the exchange with cash on hand and borrowings under its revolving credit facility.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following table presents the acquisition consideration transferred in the TRP Exchange (in millions):

| | | |
|--------------------------------|-----------|--------------|
| Consideration: | | |
| Oil and natural gas properties | \$ | 989 |
| Midstream assets | | 53 |
| Suspense liabilities relieved | | (9) |
| Cash consideration | | 312 |
| Total consideration | \$ | 1,345 |

Acquisition Date Fair Value of Consideration Transferred

The acquisition date fair value of oil and natural gas properties transferred was determined using an income approach utilizing the discounted cash flow method, which takes into account production forecasts, projected commodity prices and pricing differentials, and estimates of future capital and operating costs which were then discounted utilizing an estimated weighted-average cost of capital for industry market participants. These inputs are not observable in the market and are considered level 3 inputs within the fair value hierarchy. The oil and natural gas properties transferred did not significantly impact the Company's capitalized costs or proved reserves as of December 31, 2024.

The acquisition date fair value of midstream assets transferred was determined based on the cost approach, which utilized asset listings and cost records with consideration for the age, condition, utilization and economic support of the assets.

Allocation of Consideration Transferred

The TRP Exchange has been accounted for under the acquisition method of accounting for business combinations in accordance with ASC Topic 805, "Business Combinations." The following table represents the allocation of the total consideration transferred in the TRP Exchange to the identifiable assets acquired and the liabilities assumed based on the fair values at the acquisition date. Although the allocation of consideration transferred is substantially complete as of the date of this filing, title to properties exchanged remain subject to change as the details of the transaction are finalized subsequent to closing. As such, there may be further adjustments to the fair value of certain assets acquired and liabilities assumed. The allocation of consideration transferred will be finalized within twelve months of the closing date of the transaction.

The following table sets forth the Company's preliminary purchase price allocation (in millions):

| | | |
|----------------------------------------------------|-----------|--------------|
| Total consideration | \$ | 1,345 |
| Fair value of liabilities assumed: | | |
| Suspense liabilities | | (8) |
| Fair value of assets acquired: | | |
| Oil and natural gas properties | | 1,353 |
| Net assets acquired and liabilities assumed | \$ | 1,345 |

With the completion of the TRP Exchange, the Company acquired proved properties of \$851 million and unproved properties of \$502 million.

The results of operations attributable to the TRP Exchange since the acquisition date have been included in the condensed consolidated statements of operations and include \$68 million and \$283 million of total revenue and \$21 million and \$133 million of net income for the three and nine months ended September 30, 2025.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

WTG Midstream Transaction

The Company owns a 25% non-operating equity investment in Remuda Midstream Holdings LLC, referred to as the “WTG joint venture.” On July 15, 2024, the WTG joint venture sold its WTG Midstream LLC subsidiary (the “WTG Midstream Transaction”), for which the Company received as its portion of the consideration 10.1 million common units issued by Energy Transfer LP (NYSE: ET) and \$190 million in cash, subject to customary post-closing adjustments. The common unit consideration is also subject to preferred distributions to incentive members of the WTG joint venture which reduce the proceeds attributable to the Company. At the closing of the WTG Midstream Transaction, the value attributable to the Company of the 10.1 million common units was approximately \$135 million, of which approximately \$81 million was received by the Company and \$54 million was initially held in escrow pursuant to an escrow agreement entered into by the WTG joint venture in connection with the initial transaction. In the first nine months of 2025, the Company received approximately \$15 million related to the settlement of working capital and the full \$54 million of the escrow amount was released. The total value of distributions received by the Company of \$336 million, including certain customary post-closing adjustments, exceeded the carrying value of the Company’s investment balance in the WTG joint venture, resulting in an aggregate gain of approximately \$139 million, of which approximately \$23 million and \$65 million was recognized during the three and nine months ended September 30, 2025, respectively. The gain is included in the caption “Other income (expense), net” in the condensed consolidated statement of operations.

Viper Acquisitions

Viper Tumbleweed Acquisitions

In September and October of 2024, Viper completed a series of related acquisitions including the Viper TWR Acquisition, the Viper Q Acquisition and the Viper M Acquisition (collectively, the “Viper Tumbleweed Acquisitions”), each as defined and discussed below.

On October 1, 2024, Viper acquired all of the issued and outstanding equity interests in TWR IV, LLC and TWR IV SellCo, LLC from Tumbleweed Royalty IV, LLC (“TWR IV”) and TWR IV SellCo Parent, LLC (the “Viper TWR Acquisition”), pursuant to a definitive purchase and sale agreement for consideration consisting of approximately (i) \$464 million in cash, including transaction costs and certain customary post-closing adjustments, (ii) 10.09 million Viper LLC units to TWR IV, (iii) an option for TWR IV to acquire up to 10.09 million shares of Viper’s Class B common stock (the “TWR Class B Option”), and (iv) contingent cash consideration of up to \$41 million, payable in January of 2026, based on the average price of WTI sweet crude oil prompt month futures contracts for the calendar year 2025 (the “WTI 2025 Average”).

TWR IV can exchange some or all of its Viper LLC units for an equal number of shares of Viper’s Class A common stock. The mineral and royalty interests acquired in the Viper TWR Acquisition represent approximately 3,067 net royalty acres located primarily in the Permian Basin. Viper funded the cash consideration through a combination of cash on hand, borrowings under Viper’s then revolving credit facility and proceeds from the Viper 2024 Equity Offering (as defined and discussed in Note 10—[Stockholders’ Equity and Earnings \(Loss\) Per Share](#)).

On September 3, 2024, Viper acquired all of the issued and outstanding equity interests in Tumbleweed-Q Royalties, LLC (the “Viper Q Acquisition”), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately \$114 million in cash, including transaction costs and certain customary post-closing adjustments, and (ii) contingent cash consideration of up to \$5 million, payable in January of 2026, based on the WTI 2025 Average.

Additionally, on September 3, 2024, Viper acquired all of the issued and outstanding equity interests in MC TWR Royalties, LP and MC TWR Intermediate, LLC (the “Viper M Acquisition” and together with the Viper Q Acquisition, the “Viper Q & M Acquisitions”), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately \$76 million in cash, including transaction costs and certain customary post-closing adjustments, and (ii) contingent cash consideration of up to \$4 million, payable in January of 2026, based on the WTI 2025 Average. The mineral and royalty interests acquired in the Viper Q & M Acquisitions represent approximately 406 and 267 net royalty acres located primarily in the Permian Basin, respectively. Viper funded the cash consideration for the Viper Q & M Acquisitions through a combination of cash on hand and borrowings under Viper’s then revolving credit facility.

See Note 14—[Fair Value Measurements](#) for further discussion of the fair value of the contingent consideration liabilities for each of the Viper Tumbleweed Acquisitions discussed above (collectively, the “2026 WTI Contingent Liability”).

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

5. ENDEAVOR ENERGY RESOURCES, LP ACQUISITION

On September 10, 2024, the Company completed its acquisition of Endeavor Parent, LLC (“Endeavor”) (the “Endeavor Acquisition”) for consideration consisting of (i) \$7.1 billion in cash paid to the Endeavor equityholders, (ii) \$238 million for the repayment of Endeavor’s net debt, which included the \$219 million net debt position and the associated \$19 million make-whole premium paid upon redemption of the senior notes and costs incurred to terminate Endeavor’s revolving credit facility, and (iii) approximately 117.27 million shares of the Company’s common stock. The Endeavor Acquisition included approximately 500,849 gross (361,927 net) acres, which are primarily located in the Permian Basin. Following the Endeavor Acquisition, the Company believes its inventory has industry-leading depth and quality that will be converted into cash flow with the industry’s lowest cost structure, creating a differentiated value proposition for Diamondback stockholders.

The cash consideration for the Endeavor Acquisition was funded through a combination of cash on hand, the net proceeds from the Company’s April 2024 Notes offering and borrowings under the Tranche A Loans (as defined and discussed in Note 9—[Debt](#)). Immediately following the close of the Endeavor Acquisition, Endeavor equityholders held approximately 39.8% of Diamondback’s common stock. As of September 30, 2025, Endeavor’s equityholders held approximately 36.2% of the Company’s common stock.

Following the closing of the Endeavor Acquisition, the Company filed with the SEC a shelf registration statement, which became immediately effective upon filing, registering for resale the shares of common stock issued in the Endeavor Acquisition, as required by the terms of the related registration rights agreement.

The following table presents the acquisition consideration paid to Endeavor equityholders in the Endeavor Acquisition (in millions, except per share data, shares in thousands):

| Consideration: | | |
|--------------------------------------------------------------------------------------|-----------|---------------|
| Shares of Diamondback common stock issued at closing | | 117,267 |
| Closing price per share of Diamondback common stock on the closing date | \$ | 171.49 |
| Fair value of Diamondback common stock issued | \$ | 20,110 |
| Base cash amount | \$ | 8,000 |
| Preliminary closing adjustments | | (928) |
| Cash consideration to Endeavor equityholders | | 7,072 |
| Cash payment of net debt position and make-whole amount | | 238 |
| Total cash consideration | | 7,310 |
| Total consideration (including fair value of Diamondback common stock issued) | \$ | 27,420 |

Purchase Price Allocation

The Endeavor Acquisition has been accounted for under the acquisition method of accounting for business combinations in accordance with ASC Topic 805, “Business Combinations.” The following table represents the allocation of the total purchase price for the acquisition of Endeavor to the identifiable assets acquired and the liabilities assumed based on the fair values at the acquisition date. The purchase price allocation was completed in September 2025.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following table sets forth the Company's purchase price allocation (in millions):

| | | |
|------------------------------------------------------|-----------|---------------|
| Total consideration | \$ | 27,420 |
| Fair value of liabilities assumed: | | |
| Accounts payable - trade | \$ | 18 |
| Accrued capital expenditures | | 225 |
| Other accrued liabilities | | 524 |
| Revenues and royalties payable | | 567 |
| Derivative instruments | | 5 |
| Income taxes payable | | 223 |
| Other current liabilities | | 25 |
| Asset retirement obligations | | 267 |
| Deferred income taxes | | 7,249 |
| Other long-term liabilities | | 5 |
| Amount attributable to liabilities acquired | \$ | 9,108 |
| Fair value of assets acquired: | | |
| Accounts receivable - joint interest and other, net | \$ | 63 |
| Accounts receivable - oil and natural gas sales, net | | 659 |
| Inventories | | 77 |
| Derivative instruments | | 25 |
| Prepaid expenses and other current assets | | 20 |
| Oil and natural gas properties | | 34,805 |
| Other property, equipment and land | | 849 |
| Other assets | | 30 |
| Amount attributable to assets acquired | \$ | 36,528 |
| Net assets acquired and liabilities assumed | \$ | 27,420 |

The purchase price allocation above is based on the fair values of the assets and liabilities of Endeavor as of the closing date of the Endeavor Acquisition. The majority of the value of assets acquired and liabilities assumed was measured based on inputs that are not observable in the market and are therefore considered Level 3 inputs. The fair value of acquired property and equipment is based on the cost approach, which utilized asset listings and cost records with consideration for the reported age, condition, utilization and economic support of the assets. Oil and natural gas properties were valued using an income approach utilizing the discounted cash flow method, which takes into account production and mineral interest forecasts, projected commodity prices and pricing differentials, and estimates of future capital and operating costs which were then discounted utilizing an estimated weighted-average cost of capital for industry market participants. The value of derivative instruments was based on observable inputs including forward commodity-price curves which are considered Level 2 inputs. Deferred income taxes represent the tax effects of differences in the tax basis and acquisition-date fair values of assets acquired and liabilities assumed. The fair values of asset retirement obligations and inventories were calculated in accordance with the Company's internal policies as described in [Note 2—Summary of Significant Accounting Policies in the Company's Annual Report on Form 10-K](#) for the year ended December 31, 2024. The fair values of various current assets and liabilities including accounts receivable and accounts payable approximate their carrying values on the closing date of the Endeavor Acquisition because of the short-term nature of the instruments.

With the completion of the Endeavor Acquisition, the Company acquired proved properties of \$20.6 billion and unproved properties of \$14.2 billion, primarily in the Midland Basin.

The results of operations attributable to the Endeavor Acquisition since the acquisition date have been included in the condensed consolidated statements of operations and include \$1.2 billion and \$3.7 billion of total revenue and \$271 million and \$1.0 billion of net income for the three and nine months ended September 30, 2025, respectively.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Pro Forma Financial Information

The following unaudited summary pro forma financial information for the three and nine months ended September 30, 2024, has been prepared to give effect to the Endeavor Acquisition as if it had occurred on January 1, 2023. The unaudited pro forma financial information does not purport to be indicative of what the combined company's results of operations would have been if the transaction had occurred on the dates indicated, nor is it indicative of the future financial position or results of operations of the combined company.

The below information reflects pro forma adjustments for the issuance of the Company's common stock as consideration for the Endeavor Acquisition, as well as pro forma adjustments based on available information and certain assumptions that the Company believes are reasonable, including adjustments to depreciation, depletion and amortization based on the full cost method of accounting.

Additionally, pro forma earnings for the three and nine months ended September 30, 2024, include historical acquisition-related costs incurred by Endeavor of \$412 million and \$415 million, respectively, which consist primarily of incentive compensation, investment banking and legal costs. The Company incurred acquisition related costs of \$1 million and \$38 million for the three and nine months ended September 30, 2025, which consist primarily of severance and accelerated incentive compensation payments to former Endeavor employees. The pro forma results of operations do not include any cost savings or other synergies that may result from the Endeavor Acquisition or any estimated costs that have been or will be incurred by the Company to integrate the acquired assets. The pro forma financial data does not include the results of operations for any other acquisitions made during the periods presented, as they were primarily acreage acquisitions, and their results were not deemed material.

| | Three Months Ended September 30, 2024 | Nine Months Ended September 30, 2024 |
|------------------------------------------------------------|------------------------------------------|-----------------------------------------|
| | (In millions, except per share amounts) | |
| Revenues | \$ 3,877 | \$ 11,800 |
| Income (loss) from operations | \$ 983 | \$ 4,797 |
| Net income (loss) attributable to Diamondback Energy, Inc. | \$ 853 | \$ 2,020 |
| Basic earnings (loss) per common share | \$ 2.87 | \$ 6.79 |
| Diluted earnings (loss) per common share | \$ 2.87 | \$ 6.79 |

6. PROPERTY AND EQUIPMENT

Property and equipment includes the following as of the dates indicated:

| | September 30, 2025 | December 31, 2024 |
|------------------------------------------------------------------|-----------------------|----------------------|
| | (In millions) | |
| Oil and natural gas properties: | | |
| Subject to depletion | \$ 69,811 | \$ 59,574 |
| Not subject to depletion | 24,498 | 22,666 |
| Gross oil and natural gas properties | 94,309 | 82,240 |
| Accumulated depletion | (14,613) | (11,083) |
| Accumulated impairment | (7,954) | (7,954) |
| Oil and natural gas properties, net | 71,742 | 63,203 |
| Other property, equipment and land | 1,019 | 1,440 |
| Accumulated depreciation, amortization, accretion and impairment | (228) | (171) |
| Total property and equipment, net | \$ 72,533 | \$ 64,472 |

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Under the full cost method of accounting, the Company is required to perform a ceiling test each quarter which determines a limit, or ceiling, on the book value of proved oil and natural gas properties. No impairment expense was recorded for the three and nine months ended September 30, 2025, or 2024 based on the results of the respective quarterly ceiling tests.

In addition to commodity prices, the Company's production rates, levels of proved reserves, future development costs, transfers of unevaluated properties and other factors will determine its actual ceiling test calculation and impairment analysis in future periods. If the future trailing 12-month commodity prices decline as compared to the commodity prices used in prior quarters, the Company may have material write downs in subsequent quarters. It is possible that circumstances requiring additional impairment testing will occur in future interim periods, which could result in potentially material impairment charges being recorded.

Assets Held for Sale

During the third quarter of 2025, the Company commenced plans to sell certain assets consisting of midstream water assets and inventory with a carrying value of \$505 million. As of September 30, 2025, the Company had ceased depreciating these assets and classified them as held for sale on the Company's condensed consolidated balance sheet. At December 31, 2024, the midstream water assets and inventory were included in the Company's consolidated balance sheet under the caption "Other property, equipment and land" and "Inventories," respectively.

At the time these assets were transferred to held for sale, their carrying values approximated or were less than their respective fair values less costs to sell based on observable exit prices obtained from third party bids. As such, no impairment loss was recorded on these assets upon their transfer to held for sale. The Company completed the sale of these assets in the fourth quarter of 2025. For further discussion on the sale of these assets, see Note 17—[Subsequent Events](#).

7. ASSET RETIREMENT OBLIGATIONS

The following table describes the changes to the Company's asset retirement obligations liability for the following periods:

| | Nine Months Ended September 30, | |
|---------------------------------------------------|----------------------------------------|---------------|
| | 2025 | 2024 |
| | (In millions) | |
| Asset retirement obligations, beginning of period | \$ 592 | \$ 245 |
| Additional liabilities incurred | 31 | 5 |
| Liabilities acquired | 13 | 191 |
| Liabilities settled and divested | (62) | (21) |
| Accretion expense | 27 | 13 |
| Revisions in estimated liabilities | 3 | 75 |
| Asset retirement obligations, end of period | <u>604</u> | <u>508</u> |
| Less current portion ⁽¹⁾ | 20 | 15 |
| Asset retirement obligations - long-term | <u>\$ 584</u> | <u>\$ 493</u> |

(1) The current portion of the asset retirement obligation is included in the caption "Other accrued liabilities" in the Company's condensed consolidated balance sheets.

8. RELATED PARTY TRANSACTIONS

Deep Blue

As of September 30, 2025, the Company and Five Point Energy LLC had a joint venture, Deep Blue Midland Basin LLC ("Deep Blue"), in which the Company owned a 30% equity ownership interest. Additionally, the Company has other significant related party transactions with Deep Blue, which result in (i) certain accounts receivable due from Deep Blue, (ii) accrued capital expenditures and other accrued payables related to a commitment to fund certain capital expenditures on projects that were in process at the time of the Deep Blue transaction, and (iii) lease operating expenses and capitalized expenses related to fees paid to Deep Blue under a 15-year dedication for its produced water and supply water within a 12-county area of mutual interest in the Midland Basin.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

For further discussion on additional transactions with Deep Blue, see Note 17—[Subsequent Events](#).

The following table presents the significant related party balances included in the condensed consolidated balance sheets at September 30, 2025, and December 31, 2024:

| | September 30, 2025 | December 31, 2024 |
|----------------------------------------------------|-----------------------|----------------------|
| | (In millions) | |
| Current assets - Accounts receivable | \$ 15 | \$ 5 |
| Long-term assets - Equity method investments | \$ 152 | \$ 137 |
| Current liabilities - Accrued capital expenditures | \$ (22) | \$ (31) |
| Current liabilities - Other accrued liabilities | \$ (51) | \$ (22) |

During the three and nine months ended September 30, 2025, and 2024, the Company recorded approximately \$23 million, \$95 million, \$30 million and \$90 million, respectively, for water services provided by Deep Blue during the completion phase of wells. These costs were capitalized and are included in the caption “Oil and natural gas properties” on the condensed consolidated balance sheets.

The following table presents the significant related party transactions included in the condensed consolidated statements of operations for the three and nine months ended September 30, 2025, and 2024:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--------------------------|----------------------------------|-------|---------------------------------|-------|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | | |
| Lease operating expenses | \$ 39 | \$ 29 | \$ 111 | \$ 83 |

Viper

For discussion on related party transactions with Viper, see Note 4—[Acquisitions and Divestitures](#) - 2025 Drop Down Transaction.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

9. DEBT

Long-term debt consisted of the following as of the dates indicated:

| | September 30, 2025 | December 31, 2024 |
|-------------------------------------------------------------------------------------------|-----------------------|----------------------|
| | (In millions) | |
| 3.250% Senior Notes due 2026 | \$ 750 | \$ 750 |
| 5.625% Senior Notes due 2026 | 14 | 14 |
| 5.200% Senior Notes due 2027 | 850 | 850 |
| 7.125% Medium-term Notes, Series B, due 2028 | 73 | 73 |
| 3.500% Senior Notes due 2029 | 915 | 915 |
| 5.150% Senior Notes due 2030 | 850 | 850 |
| 3.125% Senior Notes due 2031 | 740 | 767 |
| 6.250% Senior Notes due 2033 | 1,100 | 1,100 |
| 5.400% Senior Notes due 2034 | 1,300 | 1,300 |
| 5.550% Senior Notes due 2035 | 1,200 | — |
| 4.400% Senior Notes due 2051 | 539 | 650 |
| 4.250% Senior Notes due 2052 | 656 | 750 |
| 6.250% Senior Notes due 2053 | 650 | 650 |
| 5.750% Senior Notes due 2054 | 1,480 | 1,500 |
| 5.900% Senior Notes due 2064 | 1,000 | 1,000 |
| Tranche A Loans | — | 900 |
| 2025 Term Loan | 1,500 | — |
| Unamortized debt issuance costs | (105) | (91) |
| Unamortized discount costs | (25) | (25) |
| Unamortized premium costs | 2 | 3 |
| Unamortized basis adjustment of dedesignated interest rate swap agreements ⁽¹⁾ | (62) | (72) |
| Revolving credit facility | 175 | — |
| Viper revolving credit facility | 160 | 261 |
| Viper 5.375% Senior Notes due 2027 | 380 | 430 |
| Viper 4.900% Senior Notes due 2030 | 500 | — |
| Viper 7.375% Senior Notes due 2031 | — | 400 |
| Viper 5.700% Senior Notes due 2035 | 1,100 | — |
| Viper Term Loan | 500 | — |
| Total debt, net | 16,242 | 12,975 |
| Less: current maturities of debt | 394 | 900 |
| Total long-term debt | \$ 15,848 | \$ 12,075 |

(1) Represents the unamortized basis adjustment related to two receive-fixed, pay-variable interest rate swap agreements which were previously designated as fair value hedges of the Company's 3.500% fixed rate senior notes due 2029. This basis adjustment is being amortized to interest expense over the remaining term of the 2029 Notes utilizing the effective interest method.

References in this section to the Company shall mean Diamondback Energy, Inc. and Diamondback E&P, collectively, unless otherwise specified.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Credit Agreement

On June 12, 2025, Diamondback E&P, as borrower and Diamondback Energy, Inc., as parent guarantor, entered into a sixteenth amendment to the existing credit agreement (the "Credit Agreement"), which among other things (i) extended the maturity date to June 12, 2030, and (ii) decreased the interest rate, such that outstanding borrowings under the Credit Agreement bear interest at a per annum rate elected by Diamondback E&P that is equal to (x) term SOFR or (y) an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50% and 1-month term SOFR plus 1.0%, subject to a 1.0% floor), in each case plus the applicable margin. The applicable margin ranges from 0.000% to 0.750% per annum in the case of the alternate base rate and from 1.000% to 1.750% per annum in the case of term SOFR, in each case based on the pricing level, and the commitment fee ranges from 0.100% to 0.250% per annum on the average daily unused portion of the commitments, based on the pricing level. The pricing level depends on the Company's long-term senior unsecured debt ratings. The Credit Agreement provides for a maximum credit amount of \$2.5 billion. As of September 30, 2025, the Company had \$175 million in outstanding borrowings under the Credit Agreement and approximately \$2.3 billion available for future borrowings. During the three and nine months ended September 30, 2025, the weighted average interest rate on borrowings under the Credit Agreement was 5.55% and 5.66%, respectively. During the three and nine months ended September 30, 2024, the weighted average interest rate on borrowings under the Credit Agreement was 6.64%.

As of September 30, 2025, the Company was in compliance with all financial maintenance covenants under the Credit Agreement.

Viper LLC Revolving Credit Facility

On June 12, 2025, Former Viper, as guarantor, entered into a credit agreement with Viper LLC, as borrower, and Wells Fargo, as the administrative agent (the "Viper LLC Revolving Credit Facility"), which among other things, provides Viper LLC with a senior unsecured revolving credit facility with a commitment of \$1.5 billion. The Viper LLC Revolving Credit Facility has a maturity date of June 12, 2030, with the ability to request three extensions of the maturity date by one year. The Viper LLC Revolving Credit Facility was previously guaranteed by certain subsidiaries of Viper LLC, and upon completion of the Sitio Acquisition, those subsidiary guarantees were released and New Viper and Former Viper became co-guarantors. The Viper LLC Revolving Credit Facility replaced Viper LLC's previous revolving credit facility, dated July 20, 2018, among Viper, Viper LLC and Wells Fargo as amended, restated, amended and restated, supplemented or otherwise modified prior to June 12, 2025.

As of September 30, 2025, Viper LLC had \$160 million in outstanding borrowings and \$1.3 billion available for future borrowings under the Viper LLC Revolving Credit Facility. The weighted average interest rates on borrowings under Viper LLC's respective revolving credit facilities were 5.83% and 6.21% for the three and nine months ended September 30, 2025, respectively, and 7.51% and 7.52% for the three and nine months ended September 30, 2024, respectively.

Borrowings under the Viper LLC Revolving Credit Facility bear interest at a per annum rate elected by Viper LLC that is equal to term SOFR or an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50% and one month term SOFR plus 1.0%, subject to a 1.0% floor), in each case plus the applicable margin. The applicable margin ranges from 0.125% to 1.000% per annum in the case of the alternate base rate loans and from 1.125% to 2.000% per annum in the case of term SOFR loans, in each case based on the pricing level. Further, the commitment fee ranges from 0.125% to 0.325% per annum on the average daily unused portion of the commitment, again based on the pricing level. The pricing level depends on the rating of Viper's long-term senior unsecured debt by certain ratings agencies.

The Viper LLC Revolving Credit Facility contains a financial covenant that requires Viper to maintain a Total Net Debt to Capitalization Ratio (as defined in the Viper LLC Revolving Credit Facility) of no more than 65%. As of September 30, 2025, Viper LLC was in compliance with all financial maintenance covenants under the Viper LLC Revolving Credit Facility.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Term Loan Agreements

Diamondback Term Loan Agreements

2025 Term Loan

In connection with the Double Eagle Acquisition, Diamondback Energy, Inc., as guarantor, entered into a term loan credit agreement with Diamondback E&P LLC, as borrower, and Bank of America, N.A., as administrative agent (the “2025 Term Loan”) on March 21, 2025.

The 2025 Term Loan provided the Company with the ability to borrow up to \$1.5 billion on an unsecured basis to fund a portion of the cash consideration for the Double Eagle Acquisition and costs and expenses related to the acquisition. On the date of closing of the Double Eagle Acquisition, the 2025 Term Loan was fully drawn in a single borrowing. Any then-outstanding amounts will mature and be payable in full on the second anniversary of the initial funding date. During the three and nine months ended September 30, 2025, the weighted average interest rate on borrowings under the 2025 Term Loan was 5.66% and 5.67%, respectively.

Outstanding borrowings under the 2025 Term Loan bear interest at a per annum rate elected by the Company that is equal to (i) term SOFR plus 0.10% (“Adjusted Term SOFR”) or (ii) an alternate base rate (which is equal to the greatest of (a) the Federal Funds effective rate plus 0.50%, (b) the prime rate (c) Adjusted Term SOFR plus 1.0%, and (d) 1.0%), in each case plus the applicable margin. The applicable margin ranges from 0.125% to 1.000% per annum in the case of the alternate base rate and from 1.125% to 2.000% per annum in the case of Adjusted Term SOFR, in each case based on the pricing level, and the commitment fee is equal to 0.125% per annum on the aggregate principal amount of the commitments. The pricing level depends on the Company’s long-term senior unsecured debt ratings.

Tranche A Loans

On February 29, 2024, Diamondback Energy, Inc., as guarantor, entered into a term loan credit agreement with Diamondback E&P LLC, as borrower, and Citibank, N.A., as administrative agent, which is comprised of \$1.0 billion of Tranche A Loans (the “Tranche A Loans”). The Tranche A Loans were fully drawn to fund a portion of the cash consideration for the Endeavor Acquisition.

On May 5, 2025, the Company used the cash proceeds received from the 2025 Drop Down to repay in full and terminate the \$900 million remaining outstanding Tranche A Loans. During the nine months ended September 30, 2025, the weighted average interest rate on borrowings under the Tranche A Loans was 5.87%. During the three and nine months ended September 30, 2024, the weighted average interest rate on borrowings under the Tranche A Loans was 6.46%.

Viper Term Loan

On July 23, 2025, in connection with the Sitio Acquisition, Viper, as guarantor, entered into a term loan credit agreement with Viper LLC, as borrower, and Goldman Sachs Bank USA, as administrative agent, (the “Viper Term Loan”).

The Viper Term Loan provided Viper with the ability to borrow up to \$500 million on a senior unsecured basis to fund a portion of the retirement of Sitio’s debt, in connection with the Sitio Acquisition. On the date of closing of the Sitio Acquisition, the Viper Term Loan was fully drawn in a single borrowing. Any then-outstanding amounts will mature and be payable in full on the second anniversary of the initial funding date. In connection with the Sitio Acquisition, New Viper became a co-guarantor of the Viper Term Loan.

Borrowings under the Viper Term Loan bear interest at a per annum rate elected by Viper LLC that is equal to term SOFR or an alternate base rate (which is equal to the greatest of the prime rate, the federal funds effective rate plus 0.50% and 1-month term SOFR plus 1.0%, subject to a 1.0% floor), in each case plus the applicable margin. The applicable margin ranges from 0.250% to 1.125% per annum in the case of the alternate base rate loans and from 1.250% to 2.125% per annum in the case of term SOFR loans, in each case based on the pricing level. The pricing level depends on the rating of Viper’s long-term senior unsecured debt by certain ratings agencies. In addition, the fee on undrawn commitments is equal to 0.20% per annum on the aggregate principal amount of such commitments. During the three and nine months ended September 30, 2025, the weighted average interest rate on borrowings under the Viper Term Loan was 5.92%.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Issuance of Notes

Diamondback Notes

On March 20, 2025, the Company issued \$1.2 billion aggregate principal amount of 5.550% Senior Notes due April 1, 2035 (the “2035 Notes”). The Company received net proceeds of \$1.2 billion, after underwriters’ discounts and transaction costs. Interest on the 2035 Notes is payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 2025. The Company used the net proceeds to fund a portion of the cash consideration for the Double Eagle Acquisition.

The 2035 Notes are included in the Guaranteed Senior Notes, which are senior unsecured obligations and are fully and unconditionally guaranteed by Diamondback E&P, are senior in right of payment to any of the Company’s future subordinated indebtedness and rank equal in right of payment with all of the Company’s existing and future senior indebtedness.

Viper Notes

On July 23, 2025, Viper LLC, as borrower, and Former Viper as guarantor, issued \$1.6 billion in aggregate principal amount of Viper LLC’s senior notes consisting of (i) \$500 million aggregate principal amount of 4.900% Senior Notes due August 1, 2030 (the “Viper 2030 Notes”), and (ii) \$1.1 billion aggregate principal amount of 5.700% Senior Notes due August 1, 2035 (the “Viper 2035 Notes” and together with the Viper 2030 Notes, the “Viper 2025 Notes”). Viper received net proceeds of approximately \$1.58 billion, after underwriters’ discounts and transaction costs. Interest on the Viper 2025 Notes is payable semi-annually in February and August of each year, beginning on February 1, 2026. Concurrently, Viper used a portion of the proceeds to redeem or satisfy and discharge, as discussed below, approximately \$780 million in aggregate principal amounts of Viper’s outstanding senior notes. Following the closing of the Sitio Acquisition, Viper used the remaining proceeds from the issuance of the Viper 2025 Notes to (i) retire Sitio’s 7.875% senior notes due 2028, (ii) repay borrowings under Sitio’s revolving credit facility, (iii) pay fees, costs and expenses related to the redemption or repayment of such debt, and (iv) for general corporate purposes.

The Viper 2025 Notes are senior unsecured obligations and are fully and unconditionally guaranteed by Former Viper, and, following the closing of the Sitio Acquisition, also by New Viper. The Viper 2025 Notes have been registered under the Securities Act.

Retirement of Notes

Diamondback Retirement of Notes

In the second quarter of 2025, the Company opportunistically repurchased an aggregate principal amount of approximately \$252 million of its senior notes, which consisted of \$27 million of the 3.125% Senior Notes due 2031, \$111 million of the 4.400% Senior Notes due 2051, \$94 million of the 4.250% Senior Notes due 2052 and \$20 million of the 5.750% Senior Notes due 2054, all in open market transactions for total cash consideration, including accrued interest paid, of approximately \$196 million, at an average of 76.8% of par value. These repurchases resulted in a gain on extinguishment of debt of approximately \$55 million during the nine months ended September 30, 2025.

Viper Retirement of Notes

In the second quarter of 2025, Viper opportunistically repurchased principal amounts of \$50 million of Viper’s 5.375% Senior Notes due 2027 (the “Viper 2027 Notes”) in open market transactions for total cash consideration of \$50 million, at an average of 99.7% of par value. Viper’s repurchases resulted in an immaterial gain on extinguishment of debt during the nine months ended September 30, 2025.

On July 23, 2025, using proceeds from the issuance of the Viper 2025 Notes, Viper (i) redeemed all of Viper’s outstanding 7.375% Senior Notes due 2031 (the “Viper 2031 Notes”) for total cash consideration of approximately \$434 million including the applicable redemption premium of 106.767% of par and accrued and unpaid interest up to, but not including, the redemption date, and (ii) issued and delivered a notice of redemption to redeem all of Viper’s outstanding Viper 2027 Notes on November 1, 2025, for total cash consideration, including payment of interest due to, but not including, the redemption date at a redemption price equal to 100% of the principal amount of the Viper 2027 Notes. The redemption of the Viper 2031 Notes resulted in a loss on extinguishment of debt of \$32 million. Concurrent with the notice of redemption for the Viper 2027 Notes, Viper irrevocably deposited with Computershare Trust Company, National Association, the trustee under the

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

indenture governing the Viper 2027 Notes, approximately \$390 million, the redemption amount of the Viper 2027 Notes, which is reflected in the caption “Restricted cash” on the condensed consolidated balance sheet as of September 30, 2025. The indenture governing the Viper 2027 Notes was satisfied and discharged at that time in accordance with its terms and ceased to be of further effect as to the Viper 2027 Notes issued thereunder, except those provisions of the indenture that, by their terms, survived the satisfaction and discharge. The satisfaction and discharge of the Viper 2027 Notes did not represent a legal defeasance or release, and, as such, the Viper 2027 Notes were reflected as a short-term obligation until subsequently redeemed on November 1, 2025.

10. STOCKHOLDERS’ EQUITY AND EARNINGS (LOSS) PER SHARE

Stock Repurchase Program

On July 31, 2025, the Company’s board of directors approved an increase in the Company’s common stock repurchase program from \$6.0 billion to \$8.0 billion of the Company’s outstanding common stock, excluding excise tax. Purchases under the repurchase program may be made from time to time in open market or privately negotiated transactions and are subject to market conditions, applicable regulatory and legal requirements, contractual obligations and other factors. The repurchase program does not require the Company to acquire any specific number of shares. This repurchase program may be suspended from time to time, modified, extended or discontinued by the board of directors at any time. During the three and nine months ended September 30, 2025, and 2024, the Company repurchased approximately \$603 million, \$1.6 billion, \$515 million and \$557 million of common stock under this repurchase program, respectively, in each case excluding excise tax. As of September 30, 2025, approximately \$3.1 billion remained available for future repurchases under the Company’s common stock repurchase program, excluding excise tax.

Viper 2025 Equity Offering

On February 3, 2025, Viper completed an underwritten public offering of approximately 28.34 million shares of Viper’s Class A common stock, which included 3.70 million shares issued pursuant to an option to purchase additional shares of Viper’s Class A common stock granted to the underwriters, at a price to the public of \$44.50 per share for total net proceeds of approximately \$1.2 billion, after the underwriters’ discount and transaction costs (the “Viper 2025 Equity Offering”). The net proceeds were used (i) to fund a portion of Viper’s cash consideration for the 2025 Drop Down, (ii) to fund cash consideration for other acquisitions, and (iii) for general corporate purposes.

Viper 2024 Equity Offering

On September 13, 2024, Viper completed an underwritten public offering of approximately 11.5 million shares of its Class A common stock, which included 1.5 million shares issued pursuant to an option to purchase additional shares of Class A common stock granted to the underwriters, at a price to the public of \$42.50 per share for total net proceeds to Viper of approximately \$476 million, after underwriters’ discounts and transaction costs (the “Viper 2024 Equity Offering”). The net proceeds were used to fund a portion of the cash consideration for the Viper TWR Acquisition.

Change in Ownership of Consolidated Subsidiaries

Non-controlling interests in the accompanying condensed consolidated financial statements represent minority interest ownership in Viper and are presented as a component of equity. When the Company’s relative ownership interests in Viper change, adjustments to non-controlling interest and additional paid-in-capital, tax effected, will occur.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following table summarizes changes in the ownership interest in consolidated subsidiaries during the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------|--------|---------------------------------|----------|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | | |
| Net income (loss) attributable to the Company | \$ 1,018 | \$ 659 | \$ 3,122 | \$ 2,264 |
| Change in ownership of consolidated subsidiaries | 58 | 123 | (470) | 62 |
| Change from net income (loss) attributable to the Company's stockholders and transfers with non-controlling interest | \$ 1,076 | \$ 782 | \$ 2,652 | \$ 2,326 |

Dividends

The following table presents dividends and distribution equivalent rights paid on the Company's common stock during the respective periods:

| | Base | | Variable | | Total Per Share | | Total | |
|--------------------|-----------------------------------------|------|----------|------|-----------------|------|-------|-------|
| | (In millions, except per share amounts) | | | | | | | |
| 2025 | | | | | | | | |
| First quarter | \$ | 1.00 | \$ | — | \$ | 1.00 | \$ | 291 |
| Second quarter | | 1.00 | | — | | 1.00 | | 293 |
| Third quarter | | 1.00 | | — | | 1.00 | | 291 |
| Total year-to-date | \$ | 3.00 | \$ | — | \$ | 3.00 | \$ | 875 |
| 2024 | | | | | | | | |
| First quarter | \$ | 0.90 | \$ | 2.18 | \$ | 3.08 | \$ | 552 |
| Second quarter | | 0.90 | | 1.07 | | 1.97 | | 355 |
| Third quarter | | 0.90 | | 1.44 | | 2.34 | | 419 |
| Total year-to-date | \$ | 2.70 | \$ | 4.69 | \$ | 7.39 | \$ | 1,326 |

Earnings (Loss) Per Share

The Company's earnings (loss) per share amounts have been computed using the two-class method. The two-class method is an earnings allocation proportional to the respective ownership among holders of common stock and participating securities. Basic earnings (loss) per share amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. Diluted earnings per share include the effect of potentially dilutive non-participating securities outstanding for the period. Additionally, the per share earnings of Viper are included in the consolidated earnings per share computation based on the consolidated group's holdings of the subsidiaries.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

A reconciliation of the components of basic and diluted earnings per common share is presented below:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------|----------------------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions, except per share amounts, shares in thousands) | | | |
| Net income (loss) attributable to common shares | \$ 1,018 | \$ 659 | \$ 3,122 | \$ 2,264 |
| Less: distributed and undistributed earnings allocated to participating securities ⁽¹⁾ | 4 | 6 | 14 | 17 |
| Net income (loss) attributable to common stockholders | <u>\$ 1,014</u> | <u>\$ 653</u> | <u>\$ 3,108</u> | <u>\$ 2,247</u> |
| Weighted average common shares outstanding: | | | | |
| Basic weighted average common shares outstanding | 288,826 | 204,730 | 290,188 | 187,253 |
| Effect of dilutive securities: | | | | |
| Weighted-average potential common shares issuable | — | — | — | — |
| Diluted weighted average common shares outstanding | <u>288,826</u> | <u>204,730</u> | <u>290,188</u> | <u>187,253</u> |
| Basic net income (loss) attributable to common shares | \$ 3.51 | \$ 3.19 | \$ 10.71 | \$ 12.00 |
| Diluted net income (loss) attributable to common shares | \$ 3.51 | \$ 3.19 | \$ 10.71 | \$ 12.00 |

(1) Unvested restricted stock awards and performance stock awards that contain non-forfeitable distribution equivalent rights are considered participating securities and therefore are included in the earnings per share calculation pursuant to the two-class method.

11. EQUITY-BASED COMPENSATION

Under the Equity Plan approved by the board of directors, the Company is authorized to issue up to 11.8 million shares of incentive and non-statutory stock options, restricted stock awards and restricted stock units, performance awards and stock appreciation rights to eligible employees. The Company currently has outstanding restricted stock units and performance-based restricted stock units under the Equity Plan. At September 30, 2025, approximately 3.7 million shares of common stock remain available for future grants under the Equity Plan. The Company classifies its restricted stock units and performance-based restricted stock units as equity-based awards and estimates the fair values of restricted stock awards and units as the closing price of the Company's common stock on the grant date of the award, which is expensed over the applicable vesting period.

In addition to the Equity Plan, Viper maintains its own long-term incentive plan, which is not significant to the Company.

The following table presents the financial statement impacts of equity compensation plans and related costs on the Company's financial statements:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------|----------------------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | | |
| General and administrative expenses | \$ 22 | \$ 16 | \$ 61 | \$ 49 |
| Equity-based compensation capitalized pursuant to full cost method of accounting for oil and natural gas properties | \$ 9 | \$ 8 | \$ 24 | \$ 22 |

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Restricted Stock Units

The following table presents the Company's restricted stock unit activity during the nine months ended September 30, 2025, under the Equity Plan:

| | Restricted Stock Units | Weighted Average Grant-Date Fair Value |
|--------------------------------|---------------------------|-------------------------------------------|
| Unvested at December 31, 2024 | 645,408 | \$ 159.84 |
| Granted | 675,821 | \$ 149.23 |
| Vested | (135,930) | \$ 160.73 |
| Forfeited | (49,150) | \$ 153.37 |
| Unvested at September 30, 2025 | 1,136,149 | \$ 153.70 |

The aggregate grant date fair value of restricted stock units that vested during the nine months ended September 30, 2025, was \$22 million. As of September 30, 2025, the Company's unrecognized compensation cost related to unvested restricted stock units was \$119 million, which is expected to be recognized over a weighted-average period of 2.0 years.

Performance Based Restricted Stock Units

The following table presents the Company's performance restricted stock units activity under the Equity Plan for the nine months ended September 30, 2025:

| | Performance Restricted Stock Units | Weighted Average Grant-Date Fair Value |
|-----------------------------------------------|---------------------------------------|-------------------------------------------|
| Unvested at December 31, 2024 | 278,902 | \$ 278.72 |
| Granted | 186,519 | \$ 217.98 |
| Vested | (6,590) | \$ 158.96 |
| Unvested at September 30, 2025 ⁽¹⁾ | 458,831 | \$ 256.13 |

(1) A maximum of 1,107,526 units could be awarded based upon the Company's final TSR ranking.

As of September 30, 2025, the Company's unrecognized compensation cost related to unvested performance based restricted stock units was \$54 million, which is expected to be recognized over a weighted-average period of 1.5 years.

In March 2025, eligible employees received performance restricted stock unit awards totaling 171,638 units from which a minimum of 0% and a maximum of 200% of the units could be awarded based upon the measurement of TSR of the Company's common stock as compared to a designated peer group during the three-year performance period of January 1, 2025, to December 31, 2027, and cliff vest at December 31, 2027, subject to continued employment. The initial payout of the March 2025 awards will be further adjusted by a TSR modifier that may reduce the payout or increase the payout up to a maximum of 250%. Additionally, in May 2025 the Company granted 14,881 performance restricted stock units under substantially the same terms as the March 2025 performance restricted stock unit awards.

The fair value of each performance restricted stock unit issuance is estimated at the date of grant using a Monte Carlo simulation, which results in an expected percentage of units to be earned during the performance period.

The following table presents a summary of the grant-date fair values of performance restricted stock units granted and the related assumptions for the awards granted during the periods presented:

| | March 2025 | May 2025 |
|-----------------------|------------|-----------|
| Grant-date fair value | \$ 222.34 | \$ 167.75 |
| Risk-free rate | 3.99 % | 4.00 % |
| Company volatility | 34.60 % | 33.30 % |

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

12. INCOME TAXES

The following table provides the Company's provision for (benefit from) income taxes and the effective income tax rate for the periods indicated:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-------------------------------------------|------------------------------------|--------|---------------------------------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions, except for tax rate) | | | |
| Provision for (benefit from) income taxes | \$ 287 | \$ 210 | \$ 894 | \$ 685 |
| Effective income tax rate | 20.9 % | 22.9 % | 21.3 % | 22.1 % |

Total income tax expense from continuing operations for the three and nine months ended September 30, 2025, differed from amounts computed by applying the U.S. federal statutory tax rate to pre-tax income primarily due to (i) state income taxes, net of federal benefit, (ii) the effect of research and development tax credits, (iii) limitations on the deduction of certain permanent items, and (iv) other permanent differences between book and taxable income. For the three and nine months ended September 30, 2024, total income tax expense from continuing operations differed from amounts computed by applying the U.S. federal statutory tax rate to pre-tax income primarily due to (i) state income taxes, net of federal benefit, (ii) the impact of permanently nondeductible transaction costs, and (iii) other differences between book and taxable income.

On July 4, 2025, H.R. 1, commonly known as the One Big Beautiful Bill Act (the "Act"), was enacted. The Act included multiple provisions applicable to U.S. income taxes for businesses, including immediate expensing of research or experimental expenses, bonus depreciation for qualified tangible property, deductible intangible drilling costs for purposes of the corporate alternative minimum tax, and enhancements to limits on business interest expense deductions. The Company accounted for the Act in the period of enactment and materially reduced its estimate of current tax expense for 2025, primarily offset by an increase in estimated deferred tax expense for 2025, with no material net impact on the effective tax rate for the quarter.

In connection with the Sitio Acquisition, Viper acquired prepaid income tax balances of approximately \$14 million and deferred tax assets of \$5 million related to loss carryforwards. Viper also recognized a deferred tax liability of approximately \$122 million.

In connection with the 2025 Drop Down in May 2025, the Company recorded a \$170 million increase in tax payable and a \$164 million decrease in deferred tax liability through paid in capital. Due to the resulting increase in the Company's ownership of Viper LLC, the Company recorded a \$202 million decrease to deferred tax liability, and a \$212 million decrease in the deferred tax asset through non-controlling interest on the Company's condensed consolidated balance sheet.

In connection with the closing of the Endeavor Acquisition, the Company recognized a \$7.2 billion deferred tax liability.

Based on application of the Inflation Reduction Act of 2022 guidance, the Company's income tax expense for the three and nine months ended September 30, 2025, was not impacted by the corporate alternative minimum tax.

13. DERIVATIVES

At September 30, 2025, the Company has commodity derivative contracts and interest rate swaps outstanding. All derivative financial instruments are recorded at fair value.

Commodity Contracts

The Company has entered into multiple crude oil and natural gas derivatives, indexed to the respective indices as noted in the table below, to reduce price volatility associated with certain of its oil and natural gas sales. The Company has not designated its commodity derivative instruments as hedges for accounting purposes and, as a result, marks its commodity derivative instruments to fair value and recognizes the cash and non-cash changes in fair value in the condensed consolidated statements of operations under the caption "Gain (loss) on derivative instruments, net."

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

By using derivative instruments to economically hedge exposure to changes in commodity prices, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates credit risk. The Company has entered into commodity derivative instruments only with counterparties that are also lenders under its credit facility and have been deemed an acceptable credit risk. As such, collateral is not required from either the counterparties or the Company on its outstanding commodity derivative contracts.

As of September 30, 2025, the Company had the following outstanding commodity derivative contracts. When aggregating multiple contracts, the weighted average contract price is disclosed.

| Settlement Month | Settlement Year | Type of Contract | Bbls/MMBtu Per Day | Index | Swaps | Collars | | |
|--------------------|-----------------|---------------------------|--------------------|-------------------|-------------------------------|------------------------------|--------------------------------|--|
| | | | | | Weighted Average Differential | Weighted Average Floor Price | Weighted Average Ceiling Price | |
| OIL | | | | | | | | |
| Oct. - Dec. | 2025 | Roll Swap | 65,000 | WTI Cushing | \$1.07 | \$— | \$— | |
| Oct. - Dec. | 2025 | Basis Swap ⁽¹⁾ | 76,000 | Argus WTI Midland | \$1.05 | \$— | \$— | |
| Jan. - Jun. | 2026 | Basis Swap ⁽¹⁾ | 25,000 | Argus WTI Midland | \$0.96 | \$— | \$— | |
| Jul. - Dec. | 2026 | Basis Swap ⁽¹⁾ | 20,000 | Argus WTI Midland | \$0.95 | \$— | \$— | |
| NATURAL GAS | | | | | | | | |
| Oct. - Dec. | 2025 | Costless Collar | 690,000 | Henry Hub | \$— | \$2.49 | \$5.28 | |
| Jan. - Dec. | 2026 | Costless Collar | 800,000 | Henry Hub | \$— | \$2.88 | \$6.34 | |
| Jan. - Dec. | 2027 | Costless Collar | 520,000 | Henry Hub | \$— | \$2.92 | \$6.37 | |
| Oct. - Dec. | 2025 | Basis Swap ⁽¹⁾ | 610,000 | Waha Hub | \$(0.98) | \$— | \$— | |
| Oct. - Dec. | 2025 | Basis Swap ⁽¹⁾ | 20,000 | HSC Hub | \$(0.49) | \$— | \$— | |
| Jan. - Dec. | 2026 | Basis Swap ⁽¹⁾ | 610,000 | Waha Hub | \$(1.67) | \$— | \$— | |
| Jan. - Dec. | 2026 | Basis Swap ⁽¹⁾ | 100,000 | HSC Hub | \$(0.35) | \$— | \$— | |
| Jan. - Dec. | 2027 | Basis Swap ⁽¹⁾ | 300,000 | Waha Hub | \$(1.35) | \$— | \$— | |
| Jan. - Dec. | 2027 | Basis Swap ⁽¹⁾ | 100,000 | HSC Hub | \$(0.26) | \$— | \$— | |

(1) The Company has fixed price basis swaps for the spread between the Cushing crude oil price and the Midland WTI crude oil price as well as the spread between the Henry Hub natural gas price, the Waha Hub and the HSC Hub natural gas price. The weighted average differential represents the amount of reduction to the Cushing, Oklahoma oil price and the Waha Hub and HSC Hub natural gas price for the notional volumes covered by the basis swap contracts.

| Settlement Month | Settlement Year | Type of Contract | Bbls Per Day | Index | Strike Price | Deferred Premium |
|------------------|-----------------|------------------|--------------|-------------------|--------------|------------------|
| OIL | | | | | | |
| Oct. - Dec. | 2025 | Put | 46,000 | Brent | \$53.91 | \$1.64 |
| Oct. - Dec. | 2025 | Put | 100,000 | Argus WTI Houston | \$53.00 | \$1.68 |
| Oct. - Dec. | 2025 | Put | 176,000 | WTI Cushing | \$53.79 | \$1.64 |
| Jan. - Mar. | 2026 | Put | 36,000 | Brent | \$53.13 | \$1.73 |
| Jan. - Mar. | 2026 | Put | 85,000 | Argus WTI Houston | \$51.26 | \$1.65 |
| Jan. - Mar. | 2026 | Put | 160,000 | WTI Cushing | \$52.23 | \$1.66 |
| Apr. - Jun. | 2026 | Put | 17,000 | Brent | \$52.50 | \$1.74 |
| Apr. - Jun. | 2026 | Put | 50,000 | Argus WTI Houston | \$50.00 | \$1.64 |
| Apr. - Jun. | 2026 | Put | 65,000 | WTI Cushing | \$50.00 | \$1.75 |
| Jul. - Sep. | 2026 | Put | 5,000 | Brent | \$52.50 | \$1.63 |
| Jul. - Sep. | 2026 | Put | 5,000 | Argus WTI Houston | \$50.00 | \$1.70 |
| Jul. - Sep. | 2026 | Put | 10,000 | WTI Cushing | \$50.00 | \$1.83 |

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Interest Rate Swaps and Treasury Locks

Interest Rate Swaps

As of September 30, 2025, the Company has two receive-fixed, pay-variable interest rate swap agreements for notional amounts of \$150 million, which are considered economic hedges of the Company's 3.50% fixed rate senior notes due 2029 (the "2029 Notes"). During the three and nine months ended September 30, 2025, the Company terminated and settled an aggregate \$150 million and \$600 million, respectively, of the previous \$900 million notional amount of interest rate swaps for an aggregate loss of \$15 million and \$67 million, respectively. The losses on the partial termination of interest rate swaps are recognized in the caption "Gain (loss) on derivative instruments, net" on the condensed consolidated statements of operations for the three and nine months ended September 30, 2025. The Company receives a fixed 3.50% rate of interest on these swaps and pays the variable rate of SOFR plus 2.1865%. The interest rate swaps are not treated as hedges for accounting purposes and, as a result, changes in fair value are recorded in earnings under the caption "Gain (loss) on derivative instruments, net" in the condensed consolidated statements of operations.

The interest rate swaps were designated as fair value hedges at inception, but the Company subsequently elected to discontinue hedge accounting. The cumulative fair value basis adjustment recorded at the time of dedesignation is being amortized to interest expense over the remaining term of the 2029 Notes utilizing the effective interest method. See Note 9—[Debt](#) for further details.

Treasury Locks

From time to time the Company enters into certain treasury lock contracts to reduce the forecasted interest rate risk associated with the issuance of senior unsecured notes. Changes in the value and settlement of treasury locks are recognized under the caption "Gain (loss) on derivative instruments, net" on the condensed consolidated statements of operations.

Balance Sheet Offsetting of Derivative Assets and Liabilities

The fair value of derivative instruments is generally determined using established index prices and other sources which are based upon, among other things, futures prices and time to maturity. These fair values are recorded by netting asset and liability positions, including any deferred premiums, that are with the same counterparty and are subject to contractual terms which provide for net settlement. See Note 14—[Fair Value Measurements](#) for further details.

Gains and Losses on Derivative Instruments

The following table summarizes the gains and losses on derivative instruments included in the condensed consolidated statements of operations:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------------------------|----------------------------------|--------|---------------------------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | | |
| Gain (loss) on derivative instruments, net: | | | | |
| Commodity contracts | \$ 115 | \$ 99 | \$ 126 | \$ 137 |
| Interest rate swaps ⁽¹⁾ | — | 32 | 18 | (11) |
| 2026 WTI Contingent Liability | 2 | — | 3 | — |
| Treasury locks | 3 | — | 2 | (25) |
| Total | \$ 120 | \$ 131 | \$ 149 | \$ 101 |
| Net cash received (paid) on settlements: | | | | |
| Commodity contracts | \$ 72 | \$ 33 | \$ 181 | \$ 53 |
| Interest rate swaps ⁽¹⁾ | (15) | (37) | (75) | (64) |
| Treasury locks | 3 | — | 2 | (25) |
| Total | \$ 60 | \$ (4) | \$ 108 | \$ (36) |

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

(1) The three and nine months ended September 30, 2025, includes cash paid on interest rate swaps terminated prior to their contractual maturity of \$15 million and \$67 million, respectively. The three and nine months ended September 30, 2024, includes cash paid on interest rate swaps terminated prior to their contractual maturity of \$37 million.

14. FAIR VALUE MEASUREMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As discussed in [Note 14—Fair Value Measurements in the Company’s Annual Report on Form 10-K](#) for the year ended December 31, 2024, certain financial instruments of the Company are reported at fair value on the Company’s condensed consolidated balance sheets. The net amounts of derivative instruments are classified as current or noncurrent based on their anticipated settlement dates. The Company has an immaterial investment that is reported at fair value using observable, quoted stock prices and is included in “Other assets” on the Company’s condensed consolidated balance sheets at September 30, 2025, and December 31, 2024.

Viper LLC’s 2026 WTI Contingent Liability is reported at fair value using observable market data inputs and a Monte Carlo pricing model, which are considered Level 2 inputs within the fair value hierarchy. The 2026 WTI Contingent Liability was recorded in “Other accrued liabilities” on the Company’s condensed consolidated balance sheet at September 30, 2025, and in “Other long-term liabilities” on the Company’s consolidated balance sheet at December 31, 2024. The change in fair value of the 2026 WTI Contingent Liability is recognized in “Gain (loss) on derivative instruments, net” on the Company’s condensed consolidated statements of operations for the three and nine months ended September 30, 2025.

The following table provides the fair value of financial instruments that are recorded at fair value in the condensed consolidated balance sheets as of September 30, 2025, and December 31, 2024:

| | As of September 30, 2025 | | | | | Gross Amounts Offset in Balance Sheet | Net Fair Value Presented in Balance Sheet |
|--------------------------------------------------|--------------------------|---------|---------|---------------------------|---------------------------|---------------------------------------------|-------------------------------------------------|
| | Level 1 | Level 2 | Level 3 | Total Gross Fair Value | Total Gross Fair Value | | |
| (In millions) | | | | | | | |
| Assets: | | | | | | | |
| Current assets- Derivative instruments: | | | | | | | |
| Commodity derivative instruments | \$ — | \$ 327 | \$ — | \$ 327 | \$ 327 | (153) | 174 |
| Non-current assets- Derivative instruments: | | | | | | | |
| Commodity derivative instruments | \$ — | \$ 66 | \$ — | \$ 66 | \$ 66 | (65) | 1 |
| Non-current assets- Other assets: | | | | | | | |
| Investment | \$ 44 | \$ — | \$ — | \$ 44 | \$ 44 | — | 44 |
| Liabilities: | | | | | | | |
| Current liabilities- Derivative instruments: | | | | | | | |
| Commodity derivative instruments | \$ — | \$ 154 | \$ — | \$ 154 | \$ 154 | (153) | 1 |
| Interest rate swaps | \$ — | \$ 9 | \$ — | \$ 9 | \$ 9 | — | 9 |
| Current liabilities- Other accrued liabilities: | | | | | | | |
| 2026 WTI Contingent Liability | \$ — | \$ 27 | \$ — | \$ 27 | \$ 27 | — | 27 |
| Non-current liabilities- Derivative instruments: | | | | | | | |
| Commodity derivative instruments | \$ — | \$ 149 | \$ — | \$ 149 | \$ 149 | (65) | 84 |
| Interest rate swaps | \$ — | \$ 22 | \$ — | \$ 22 | \$ 22 | — | 22 |

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

| As of December 31, 2024 | | | | | | |
|-------------------------------------------------------|---------|---------|---------------------------|---------------------------------------------|-------------------------------------------------|--------|
| Level 1 | Level 2 | Level 3 | Total Gross Fair Value | Gross Amounts Offset in Balance Sheet | Net Fair Value Presented in Balance Sheet | |
| (In millions) | | | | | | |
| Assets: | | | | | | |
| Current assets- Derivative instruments: | | | | | | |
| Commodity derivative instruments | \$ — | \$ 274 | \$ — | \$ 274 | (106) | \$ 168 |
| Non-current assets- Derivative instruments: | | | | | | |
| Commodity derivative instruments | \$ — | \$ 19 | \$ — | \$ 19 | (17) | \$ 2 |
| Non-current assets- Other assets: | | | | | | |
| Investment | \$ 8 | \$ — | \$ — | \$ 8 | \$ — | \$ 8 |
| Liabilities: | | | | | | |
| Current liabilities- Derivative instruments: | | | | | | |
| Commodity derivative instruments | \$ — | \$ 121 | \$ — | \$ 121 | (106) | \$ 15 |
| Interest rate swaps | \$ — | \$ 28 | \$ — | \$ 28 | \$ — | \$ 28 |
| Non-current liabilities- Derivative instruments: | | | | | | |
| Commodity derivative instruments | \$ — | \$ 27 | \$ — | \$ 27 | (17) | \$ 10 |
| Interest rate swaps | \$ — | \$ 96 | \$ — | \$ 96 | \$ — | \$ 96 |
| Non-current liabilities- Other long-term liabilities: | | | | | | |
| 2026 WTI Contingent Liability | \$ — | \$ 30 | \$ — | \$ 30 | \$ — | \$ 30 |

Assets and Liabilities Not Recorded at Fair Value

The following table provides the fair value of financial instruments that are not recorded at fair value in the condensed consolidated balance sheets:

| | September 30, 2025 | | December 31, 2024 | |
|---------------|--------------------|------------|-------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| (In millions) | | | | |
| Debt | \$ 16,242 | \$ 16,239 | \$ 12,975 | \$ 12,564 |

The fair values of the Company's borrowings under the Credit Agreement, the Viper LLC Revolving Credit Facility, the 2025 Term Loan, Viper Term Loan and Tranche A Loans (prior to repayment and termination) approximate their carrying values based on borrowing rates available to the Company for bank loans with similar terms and maturities and are classified as Level 2 in the fair value hierarchy. The fair values of the outstanding notes were determined using the quoted market price at each period end, a Level 1 classification in the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in certain circumstances. These assets and liabilities can include those acquired in a business combination, inventory, proved and unproved oil and natural gas properties, equity method investments, asset retirement obligations and other long-lived assets that are written down to fair value when impaired or held for sale. Refer to Note 4—[Acquisitions and Divestitures](#), Note 5—[Endeavor Energy Resources, LP Acquisition](#) and Note 6—[Property and Equipment](#) for additional discussion of nonrecurring fair value adjustments.

Fair Value of Financial Assets

The carrying amount of cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, funds held in escrow, accounts payable and other accrued liabilities approximate their fair value because of the short-term nature of the instruments.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

15. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

| | Nine Months Ended September 30, | |
|--------------------------------------------------------------------------------|---------------------------------|-------------|
| | 2025 | 2024 |
| (In millions) | | |
| Supplemental disclosure of cash flow information: | | |
| Cash (paid) received for income taxes, net | \$ (1,216) | \$ (191) |
| Supplemental disclosure of non-cash transactions: | | |
| Accrued capital expenditures included in accounts payable and accrued expenses | \$ 1,043 | \$ 710 |
| Common shares issued for acquisitions | \$ (2,536) | \$ (20,110) |
| Viper LLC's units issued for acquisition | \$ (1,445) | \$ — |

16. COMMITMENTS AND CONTINGENCIES

The Company is a party to various routine legal proceedings, disputes and claims arising in the ordinary course of its business, including those that arise from interpretation of federal and state laws and regulations affecting the crude oil and natural gas industry, personal injury claims, title disputes, royalty disputes, contract claims, employment claims, claims alleging violations of antitrust laws, contamination claims relating to oil and natural gas exploration and development and environmental claims, including claims involving assets previously sold to third parties and no longer part of the Company's current operations. While the ultimate outcome of the pending proceedings, disputes or claims and any resulting impact on the Company, cannot be predicted with certainty, the Company's management believes that none of these matters, if ultimately decided adversely, will have a material adverse effect on the Company's financial condition, results of operations or cash flows. The Company's assessment is based on information known about the pending matters and its experience in contesting, litigating and settling similar matters. Actual outcomes could differ materially from the Company's assessment. The Company records accrued liabilities for contingencies related to outstanding legal proceedings, disputes or claims when information available indicates that a loss is probable and the amount of the loss can be reasonably estimated.

Environmental Matters

The United States Department of the Interior, Bureau of Safety and Environmental Enforcement, ordered several oil and gas operators, including a corporate predecessor of Energen Corporation, to perform decommissioning and reclamation activities related to a Louisiana offshore oil and gas production platform and related facilities. In response to the insolvency of the operator of record, the government ordered the former operators and/or alleged former lease record title owners to decommission the platform and related facilities. The Company has agreed to an arrangement with other operators to contribute to a trust to fund the decommissioning costs, however, the Company's portion of such costs are not expected to be material.

Several coastal Louisiana parishes and the State of Louisiana have filed numerous lawsuits under Louisiana's State and Local Coastal Resources Management Act ("SLCRMA") against numerous oil and gas producers seeking damages for coastal erosion in or near oil fields located within Louisiana's coastal zone. The Company is a defendant in five of these cases. The Company has exercised contractual indemnification rights where applicable. Plaintiffs' SLCRMA theories are unprecedented and there remains significant uncertainty about the claims (both as to scope and damages). Although the Company cannot predict the ultimate outcome of these matters, the Company believes the claims lack merit and intends to continue vigorously defending these lawsuits.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

17. SUBSEQUENT EVENTS

Third Quarter 2025 Dividend Declaration

On October 30, 2025, the board of directors of the Company declared a base cash dividend for the third quarter of 2025 of \$1.00 per share of common stock, payable on November 20, 2025, to its stockholders of record at the close of business on November 13, 2025. Future base and variable dividends are at the discretion of the Company's board of directors.

Diamondback Divestitures

EPIC Divestiture

On October 31, 2025, the Company divested its 27.5% equity interest in EPIC Crude Holdings, LP ("EPIC") pursuant to a definitive purchase and sale agreement with Plains All American Pipeline, L.P. and Plains GP Holdings (collectively, "Plains") for approximately \$504 million in cash and an additional \$96 million in contingent consideration (the "EPIC Divestiture"). The contingent cash payment is due should the capacity expansion of EPIC be formally sanctioned before year-end 2027. On October 31, 2025, the Company used \$500 million of the cash proceeds received from the EPIC Divestiture to partially repay principal borrowings under the Company's 2025 Term Loan.

Divestiture of Water Assets to Deep Blue

On October 1, 2025, the Company divested Environmental Disposal Systems, LLC ("EDS"), its subsidiary, to Deep Blue, which was originally acquired in connection with the Endeavor Acquisition, in exchange for upfront net cash proceeds of \$694 million. The transaction provides for the potential for the Company to earn up to an additional \$200 million in contingent consideration based on the achievement of certain completion thresholds for the years 2026 through 2028. As part of the divestiture, the Company renewed its 15-year dedication to Deep Blue for its produced water and supply water within a 12-county area of mutual interest in the Midland Basin. The Company's equity ownership interest in Deep Blue remained at 30% following the closing of the transaction. The cash proceeds from the divestiture were used to repay borrowings under the Credit Agreement and for general corporate purposes.

As of September 30, 2025, the assets related to this divestiture met the criteria to be classified as held for sale on the Company's condensed consolidated balance sheets. See Note 6—[Property and Equipment](#) for additional discussion about the balance sheet classification of these assets as of September 30, 2025.

Viper Divestiture

Pending Divestiture of Non-Permian Assets

On October 30, 2025, Viper entered into an equity interest purchase agreement to divest all its non-Permian assets, including those acquired from Sitio, to an affiliate of GRP Energy Capital LLC and Warwick Capital Partners LLP for a purchase price of approximately \$670 million, subject to customary purchase price adjustments (the "Pending Viper Non-Permian Divestiture"). The properties to be divested consist of approximately 9,400 net royalty acres in the Denver-Julesburg, Eagle Ford and Williston basins with current production of approximately 4,750 BO/d. The Pending Viper Non-Permian Divestiture is subject to customary closing conditions and is expected to close in the first quarter of 2026.

Retirement of Notes

In the fourth quarter of 2025, the Company opportunistically repurchased an aggregate principal amount of approximately \$203 million of its senior notes, which consisted of \$152 million of the 4.400% Senior Notes due 2051 and \$51 million of the 4.250% Senior Notes due 2052, in open market transactions for total cash consideration, including accrued interest paid, of approximately \$167 million, at an average of 82.3% of par value. These repurchases resulted in a gain on extinguishment of debt of approximately \$33 million during the fourth quarter of 2025.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

18. SEGMENT INFORMATION

The Company is managed on a consolidated basis as one operating segment and one reportable segment, the upstream segment, which is engaged in the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves primarily in the Permian Basin in West Texas. This singular operating and reportable segment is comprised of (i) the Company and its wholly owned subsidiaries, and (ii) Viper and its consolidated subsidiaries, which have been aggregated due to the similarity in their economic characteristics, products and services, processes, type of customers, method of distribution for their products and the regulatory environment in which they operate. The upstream segment derives its revenue from customers through the sale of oil and natural gas products as well as other immaterial service contracts. See Note 3—[Revenue from Contracts with Customers](#) for further discussion of the Company's sources of revenue.

The Chief Operating Decision Maker ("CODM") uses the Company's condensed consolidated financial results to make key operating decisions, assess performance and to allocate resources. The measures of segment profit or loss and total assets utilized by the CODM are net income and total assets as reported on the condensed consolidated statements of operations and the condensed consolidated balance sheets, respectively. The significant expense categories, their amounts and other segment items that are regularly provided to the CODM are those that are reported in the Company's condensed consolidated statements of operations.

The CODM uses consolidated net income as a measure of profitability to evaluate segment performance and to make capital allocation decisions such as reinvestment in the business or return of capital through the payment of base and variable dividends or repurchases under the share repurchase program.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto presented in this report as well as our audited financial statements and notes thereto included in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors. See [Part II, Item 1A, Risk Factors](#) and [Cautionary Statement Regarding Forward-Looking Statements](#).

Overview

We are an independent oil and natural gas company currently focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. As discussed in Note 1—[Description of the Business and Basis of Presentation](#) and Note 18—[Segment Information](#) of the notes to the condensed consolidated financial statements, as of September 30, 2025, we have one reportable segment, the upstream segment.

Third Quarter 2025 Financial and Operating Highlights

- Recorded net income of \$1.0 billion.
- Paid dividends to stockholders of \$289 million during the third quarter of 2025 and declared a base cash dividend payable in the fourth quarter of 2025 of \$1.00 per share of common stock.
- Increased our common stock repurchase program authorization to \$8.0 billion, excluding excise taxes, repurchased \$603 million of our common stock, excluding excise taxes, and had approximately \$3.1 billion available for future repurchases under our common stock repurchase program at September 30, 2025.
- Our cash operating costs were \$10.05 per BOE, including lease operating expenses of \$5.65 per BOE, cash general and administrative expenses of \$0.55 per BOE and production and ad valorem taxes of \$2.44 per BOE and gathering, processing and transportation expenses of \$1.41 per BOE.
- Our average production was 942.9 MBOE/d.
- Drilled 107 gross horizontal wells in the Midland Basin and one gross horizontal well in the Delaware Basin and turned 137 gross operated horizontal wells (137 in the Midland Basin and none in the Delaware Basin) to production.
- Cash capital expenditures, excluding acquisitions, were \$774 million.

Transactions and Recent Developments

Acquisitions and Divestitures

Diamondback Divestitures

EPIC Divestiture

On October 31, 2025, we divested our 27.5% equity interest in EPIC pursuant to a definitive purchase and sale agreement with Plains for approximately \$504 million in cash and an additional \$96 million in contingent consideration. On October 31, 2025, we used \$500 million of the cash proceeds received from the EPIC Divestiture to partially repay principal borrowings under the Company's 2025 Term Loan.

Divestiture of Water Assets to Deep Blue

On October 1, 2025, we divested EDS to Deep Blue, which was originally acquired in connection with the Endeavor Acquisition, in exchange for upfront net cash proceeds of \$694 million and the potential for us to earn up to an additional \$200 million in contingent consideration based on the achievement of certain completion thresholds for the years 2026 through 2028. As part of the divestiture, the Company renewed its 15-year dedication to Deep Blue for its produced water and supply water within a 12-county area of mutual interest in the Midland Basin. The cash proceeds from the divestiture were used to repay borrowings under the Credit Agreement and for general corporate purposes.

Viper Acquisitions and Divestitures

Pending Viper Divestiture of Non-Permian Assets

On October 30, 2025, Viper entered into an equity interest purchase agreement to divest all its non-Permian assets, including those acquired from Sitio, for a purchase price of approximately \$670 million, subject to customary purchase price adjustments. The properties to be divested consist of approximately 9,400 net royalty acres in the Denver-Julesburg, Eagle Ford and Williston basins with current production of approximately 4,750 BO/d. The Pending Viper Non-Permian Divestiture is subject to customary closing conditions and is expected to close in the first quarter of 2026.

Sitio Acquisition

On August 19, 2025, Viper and Viper LLC completed the Sitio Acquisition in an all-equity transaction valued at approximately \$4.0 billion, subject to further adjustments for transaction costs and certain customary post-closing adjustments, including the retirement of Sitio's net debt of \$1.2 billion. The mineral and royalty interests acquired in the Sitio Acquisition represent approximately 25,300 net royalty acres in the Permian Basin and approximately 9,000 net royalty acres in the Denver-Julesburg, Eagle Ford and Williston basins, for total acreage of approximately 34,300 net royalty acres.

Capital Transactions

Viper 2025 Notes Offering and Redemption of Notes

On July 23, 2025, Viper LLC issued the Viper 2025 Notes for an aggregate principal amount of \$1.6 billion. Viper used a portion of the net proceeds from the issuance of the Viper 2025 Notes to redeem or satisfy and discharge, as applicable, approximately \$780 million in aggregate principal amount of their previously outstanding senior notes, including accrued interest paid and redemption premiums. The Viper 2027 Notes were subsequently redeemed in full on November 1, 2025. Viper used the remaining net proceeds (i) to retire Sitio's 7.875% senior notes due 2028, (ii) to repay borrowings under Sitio's revolving credit facility, (iii) to pay fees, costs and expenses related to the redemption or repayment of such debt, and (iv) for general corporate purposes.

Viper Term Loan

In connection with the closing of the Sitio Acquisition, Viper LLC entered into the \$500 million Viper Term Loan, which Viper drew in a single borrowing to partially fund the retirement of Sitio's debt.

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further discussion of the capital transactions above.

Retirement of Notes

In the fourth quarter of 2025, we opportunistically repurchased principal amounts of \$152 million of our 4.400% Senior Notes due 2051 and \$51 million of our 4.250% Senior Notes due 2052 in open market transactions for total cash consideration of \$167 million, including accrued interest paid, at an average of 82.3% of par value.

See Note 4—[Acquisitions and Divestitures](#) and Note 17—[Subsequent Events](#) of the notes to the condensed consolidated financial statements for further discussion of the transactions above.

Commodity Prices and Impairment

Prices for oil, natural gas and natural gas liquids are determined primarily by prevailing market conditions. Regional and worldwide economic activity, changes in trade or other government policies or regulations, including with respect to tariffs or other trade barriers, and any resulting trade tensions, extreme weather conditions and other substantially variable factors influence market conditions for these products. These factors are beyond our control and are difficult to predict. During the first nine months of 2025 and 2024, WTI prices averaged \$66.65 and \$77.61 per Bbl, respectively, and Henry Hub prices averaged \$3.48 and \$2.22 per MMBtu, respectively.

Given the overall decline in SEC Prices through the first three quarters of 2025 and into the fourth quarter of 2025 as compared to 2024, we believe a material non-cash impairment of our assets is reasonably likely to occur in the fourth quarter of 2025. In addition to commodity prices, our production rates, levels of proved reserves, future development costs, transfers of unevaluated properties, income tax rate assumptions and other factors will determine our actual ceiling test calculation and impairment analysis in future periods. Based on the number of factors that may impact our future estimate of proved reserves, we are currently unable to determine an estimate of the amount or range of amounts of any potential impairment charge in the fourth quarter of 2025. Impairment charges affect our results of operations but do not reduce our cash flow.

For additional information around risks related to commodity prices, see [Part II, Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk](#).

Upstream Operations

Our activities are primarily directed at the horizontal development of the Wolfcamp and Spraberry formations in the Midland Basin and the Wolfcamp and Bone Spring formations in the Delaware Basin within the Permian Basin. Additionally, our publicly-traded subsidiary, Viper, is focused on owning and acquiring mineral interests and royalty interests in oil and natural gas properties primarily in the Permian Basin and derives royalty income and lease bonus income from such interests.

As of September 30, 2025, we had approximately 862,019 net acres in the Permian Basin, which primarily consisted of approximately 751,146 net acres in the Midland Basin and 110,873 net acres in the Delaware Basin.

The following table sets forth the total number of operated horizontal wells drilled and completed during the periods indicated:

| Area: | Three Months Ended September 30, 2025 | | | | Nine Months Ended September 30, 2025 | | | |
|----------------|---------------------------------------|-----|--------------------------|-----|--------------------------------------|-----|--------------------------|-----|
| | Drilled | | Completed ⁽¹⁾ | | Drilled | | Completed ⁽²⁾ | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| Midland Basin | 107 | 97 | 137 | 127 | 352 | 326 | 361 | 342 |
| Delaware Basin | 1 | 1 | — | — | 4 | 4 | 15 | 13 |
| Total | 108 | 98 | 137 | 127 | 356 | 330 | 376 | 355 |

(1) The average lateral length for the wells completed during the third quarter of 2025 was 11,020 feet. Operated completions during the third quarter of 2025 consisted of 28 Lower Spraberry wells, 27 Wolfcamp A wells, 27 Wolfcamp B wells, 26 Jo Mill wells, 11 Middle Spraberry wells, 10 Dean wells, four Barnett wells, three Upper Spraberry wells and one Wolfcamp D.

(2) The average lateral length for the wells completed during the nine months ended September 30, 2025, was 12,060 feet. Operated completions during the nine months ended September 30, 2025, consisted of 80 Wolfcamp B wells, 77 Lower Spraberry wells, 71 Wolfcamp A wells, 54 Jo Mill wells, 32 Middle Spraberry wells, 22 Dean wells, 13 Upper Spraberry wells, 10 Barnett wells, eight Third Bone Spring wells, seven Wolfcamp D wells and two Second Bone Spring wells.

As of September 30, 2025, we operated the following wells:

| Area: | As of September 30, 2025 | | | | | |
|----------------|--------------------------|-------|------------------|-------|-------|-------|
| | Vertical Wells | | Horizontal Wells | | Total | |
| | Gross | Net | Gross | Net | Gross | Net |
| Midland Basin | 4,437 | 4,216 | 4,744 | 4,441 | 9,181 | 8,657 |
| Delaware Basin | 105 | 93 | 516 | 477 | 621 | 570 |
| Total | 4,542 | 4,309 | 5,260 | 4,918 | 9,802 | 9,227 |

As of September 30, 2025, we and Viper held interests in 54,868 gross (9,571 net) wells, including 1,988 gross (332 net) wells in which we have a non-operated working interest.

Consistent with our previously announced expected levels of activity for the remainder of 2025, we ran 13 rigs and five completion crews during the third quarter of 2025 to execute on our capital and operating plan, including holding oil production volumes relatively flat. While our development plan during the first two quarters of 2025 had reduced capital expenditure budgets compared to our original 2025 guidance, capital expenditures are expected to increase moderately in the fourth quarter of 2025 as part of our effort to hold oil production relatively flat. A core tenet of our plan to remain disciplined on our expenditures and moderating oil production is maximizing the consistency of our ability to operate efficiently at scale.

Guidance

Our revised development plan is presented below. Under the revised development plan, we target maintaining maximum operational flexibility in anticipation of the market revealing a stronger signal regarding the future of commodity prices. We currently plan to continue moderating oil production volumes through the end of 2025, while also improving per share metrics through increased efficiency and the use of our enhanced stock repurchase plan. As a result, we are raising our annual BOE guidance by approximately 2%, primarily to reflect the successful closing of the Sitio merger, coupled with continued improvements in gas capture efficiency. Additionally, we expect to reduce our debt in the fourth quarter of 2025 through the generation of cash flow from operations as well as from the divestiture of non-core assets.

The following table presents our updated estimates of certain financial and operating results for the full year of 2025 and the fourth quarter of 2025:

| | 2025 Guidance |
|-----------------------------------------------------|----------------------------------------|
| Net production - MBOE/d | 910 - 920 (from 890 - 910) |
| Oil production - MBO/d | 495 - 498 (from 485 - 492) |
| Q4 2025 oil production - MBO/d (total - MBOE/d) | 505 - 515 (927 - 963) |
| (Unit costs \$/BOE): | |
| Lease operating expenses, including workovers | \$5.40 - \$5.70 (from \$5.30 - \$5.70) |
| General and administrative expenses - cash | \$0.60 - \$0.75 |
| Non-cash stock-based compensation | \$0.25 - \$0.35 |
| Depreciation, depletion, amortization and accretion | \$14.50 - \$15.50 |
| Interest expense (net of interest income) | \$0.60 - \$0.80 |
| Gathering, processing and transportation | \$1.45 - \$1.60 (from \$1.60 - \$1.75) |
| Production and ad valorem taxes (% of revenue) | ~7% |
| Q4 2025 cash taxes (in millions) ⁽¹⁾⁽²⁾ | \$270 - \$350 |

(1) Includes approximately \$175 million in tax impacts from asset divestitures in the fourth quarter.

(2) Includes estimated favorable impact on the year-to-date period of tax legislation enacted in the third quarter.

Results of Operations

Comparison of the Three Months Ended September 30, 2025, and June 30, 2025

As noted in “—[Commodity Prices](#),” the markets for oil and natural gas are highly volatile and are influenced by a number of factors which can lead to significant changes in our results of operations and management’s operational strategy on a quarterly basis. Accordingly, our results of operations discussion focuses on a comparison of the current quarter’s results of operations with those of the immediately preceding quarter. We believe our discussion provides investors with a more meaningful analysis of material operational and financial changes which occurred during the quarter based on current market and operational trends.

The following table sets forth selected operating data for the periods indicated:

| | Three Months Ended | |
|---------------------------------------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Revenues (In millions): | | |
| Oil sales | \$ 2,994 | \$ 2,852 |
| Natural gas sales | 87 | 97 |
| Natural gas liquid sales | 366 | 367 |
| Total oil, natural gas and natural gas liquid revenues | \$ 3,447 | \$ 3,316 |
| Production Data: | | |
| Oil (MBbls) | 46,345 | 45,108 |
| Natural gas (MMcf) | 115,353 | 110,119 |
| Natural gas liquids (MBbls) | 21,180 | 20,248 |
| Combined volumes (MBOE) ⁽¹⁾ | 86,751 | 83,709 |
| Daily oil volumes (BO/d) | 503,750 | 495,692 |
| Daily combined volumes (BOE/d) | 942,946 | 919,879 |
| Average Prices: | | |
| Oil (\$ per Bbl) | \$ 64.60 | \$ 63.23 |
| Natural gas (\$ per Mcf) | \$ 0.75 | \$ 0.88 |
| Natural gas liquids (\$ per Bbl) | \$ 17.28 | \$ 18.13 |
| Combined (\$ per BOE) | \$ 39.73 | \$ 39.61 |
| Oil, hedged (\$ per Bbl) ⁽²⁾ | \$ 63.70 | \$ 62.34 |
| Natural gas, hedged (\$ per Mcf) ⁽²⁾ | \$ 1.75 | \$ 1.45 |
| Natural gas liquids, hedged (\$ per Bbl) ⁽²⁾ | \$ 17.28 | \$ 18.13 |
| Average price, hedged (\$ per BOE) ⁽²⁾ | \$ 40.58 | \$ 39.89 |

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per Bbl.

(2) Hedged prices reflect the effect of our commodity derivative transactions on our average sales prices and include gains and losses on cash settlements for matured commodity derivatives, which we do not designate for hedge accounting. Hedged prices exclude gains or losses resulting from the early settlement of commodity derivative contracts.

Production Data. Substantially all of our revenues are generated through the sale of oil, natural gas and natural gas liquids production. The following tables provide information on the mix of our production for the periods indicated:

| | Three Months Ended | |
|-----------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Oil (MBbls) | 54 % | 54 % |
| Natural gas (MMcf) | 22 | 22 |
| Natural gas liquids (MBbls) | 24 | 24 |
| | 100 % | 100 % |

| | Three Months Ended September 30, 2025 | | | | Three Months Ended June 30, 2025 | | | |
|-----------------------------|---------------------------------------|----------------|-------|---------|----------------------------------|----------------|-------|---------|
| | Midland Basin | Delaware Basin | Other | Total | Midland Basin | Delaware Basin | Other | Total |
| Production Data: | | | | | | | | |
| Oil (MBbls) | 42,979 | 3,322 | 44 | 46,345 | 41,639 | 3,417 | 52 | 45,108 |
| Natural gas (MMcf) | 107,507 | 7,807 | 39 | 115,353 | 100,981 | 8,785 | 353 | 110,119 |
| Natural gas liquids (MBbls) | 19,927 | 1,227 | 26 | 21,180 | 18,846 | 1,390 | 12 | 20,248 |
| Total (MBOE) | 80,824 | 5,850 | 77 | 86,751 | 77,315 | 6,271 | 123 | 83,709 |

Oil, Natural Gas and Natural Gas Liquids Revenues. Our revenues are a function of oil, natural gas and natural gas liquids production volumes sold and average sales prices received for those volumes.

Our oil, natural gas and natural gas liquids revenues for the third quarter of 2025 increased by \$131 million to \$3.4 billion compared to the second quarter of 2025. The increase consisted of \$100 million attributable to the 4% growth in our combined production volumes, and \$31 million attributable to higher average prices received primarily for our oil production.

Approximately 53% of the increase in our combined production volumes is attributable to Viper's Sitio Acquisition. The remainder of production growth is largely attributable to new wells added between periods.

Net Sales of Purchased Oil. We have entered into purchase transactions and separate sales transactions with third parties to satisfy certain of our unused oil pipeline capacity commitments. The following table presents the net sales of purchased oil from third parties for the periods indicated:

| (In millions) | Three Months Ended | |
|----------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Sales of purchased oil | \$ 459 | \$ 335 |
| Purchased oil expense | 455 | 331 |
| Net sales of purchased oil | \$ 4 | \$ 4 |

Other Revenues. The following table presents other insignificant revenue for the periods indicated:

| (In millions) | Three Months Ended | |
|------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Other operating income | \$ 18 | \$ 27 |

Lease Operating Expenses. The following table shows lease operating expenses for the periods indicated:

| (In millions, except per BOE amounts) | Three Months Ended | | | |
|---------------------------------------|--------------------|---------|---------------|---------|
| | September 30, 2025 | | June 30, 2025 | |
| | Amount | Per BOE | Amount | Per BOE |
| Lease operating expenses | \$ 490 | \$ 5.65 | \$ 440 | \$ 5.26 |

Lease operating expenses increased for the third quarter of 2025 compared to the second quarter of 2025 primarily due to \$14 million in additional electrical generation and artificial lift costs and \$10 million in additional well workover costs. The remainder of the change is primarily due to the second quarter of 2025 including reductions in prior period water disposal cost estimates for properties acquired in the Endeavor Acquisition.

Production and Ad Valorem Tax Expense. The following table shows production and ad valorem tax expense for the periods indicated:

| (In millions, except per BOE amounts) | Three Months Ended | | | | | |
|-----------------------------------------|--------------------|---------|----------------------------------------------------------------|---------------|---------|----------------------------------------------------------------|
| | September 30, 2025 | | | June 30, 2025 | | |
| | Amount | Per BOE | Percentage of oil, natural gas and natural gas liquids revenue | Amount | Per BOE | Percentage of oil, natural gas and natural gas liquids revenue |
| Production taxes | \$ 163 | \$ 1.88 | 4.8 % | \$ 156 | \$ 1.86 | 4.7 % |
| Ad valorem taxes | 49 | 0.56 | 1.4 | 58 | 0.70 | 1.8 |
| Total production and ad valorem expense | \$ 212 | \$ 2.44 | 6.2 % | \$ 214 | \$ 2.56 | 6.5 % |

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of oil, natural gas and natural gas liquids revenue remained consistent from the second quarter of 2025 to the third quarter of 2025.

Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Ad valorem taxes during the third quarter of 2025 compared to the second quarter of 2025 reflect a \$14 million reduction to the accrual for 2024 based on actual assessments received in the third quarter of 2025 and other individually insignificant changes, which were partially offset by a \$2 million increase related to properties acquired in Viper's Sitio Acquisition.

Gathering, Processing and Transportation Expense. The following table shows gathering, processing and transportation expenses for the periods indicated:

| (In millions, except per BOE amounts) | Three Months Ended | | | |
|------------------------------------------|--------------------|---------|---------------|---------|
| | September 30, 2025 | | June 30, 2025 | |
| | Amount | Per BOE | Amount | Per BOE |
| Gathering, processing and transportation | \$ 122 | \$ 1.41 | \$ 145 | \$ 1.73 |

The decrease in gathering, processing and transportation expenses primarily reflects a net reduction of \$22 million due primarily to the second quarter of 2025 including \$11 million of gathering and transportation charges related to the Double Eagle Acquisition, which were subsequently reclassified to revenue in the third quarter of 2025 as we integrated and conformed contracts to the Company's financial statement presentation and other individually insignificant items.

Depreciation, Depletion, Amortization and Accretion. The following table provides the components of our depreciation, depletion, amortization and accretion expense for the periods indicated:

| (In millions, except BOE amounts) | Three Months Ended | |
|---------------------------------------------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Depletion of proved oil and natural gas properties | \$ 1,250 | \$ 1,230 |
| Depreciation and amortization of other property and equipment | 24 | 23 |
| Other amortization | 3 | 4 |
| Asset retirement obligation accretion | 9 | 9 |
| Depreciation, depletion, amortization and accretion | \$ 1,286 | \$ 1,266 |
| Oil and natural gas properties depletion rate per BOE | \$ 14.41 | \$ 14.69 |
| Depreciation, depletion, amortization and accretion per BOE | \$ 14.82 | \$ 15.12 |

General and Administrative Expenses. The following table shows general and administrative expenses for the periods indicated:

| (In millions, except per BOE amounts) | Three Months Ended | | | |
|-------------------------------------------|--------------------|---------|---------------|---------|
| | September 30, 2025 | | June 30, 2025 | |
| | Amount | Per BOE | Amount | Per BOE |
| General and administrative expenses | \$ 48 | \$ 0.55 | \$ 46 | \$ 0.55 |
| Non-cash stock-based compensation | 22 | 0.25 | 21 | 0.25 |
| Total general and administrative expenses | \$ 70 | \$ 0.80 | \$ 67 | \$ 0.80 |

Other Operating Costs and Expenses. The following table shows other operating costs and expenses for the periods indicated:

| (In millions) | Three Months Ended | |
|---------------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Merger and transaction expenses | \$ 17 | \$ 40 |
| Other operating expenses | \$ 36 | \$ 36 |

Merger and transaction expenses for the third quarter of 2025 primarily consisted of (i) approximately \$15 million of employee severance payments made in connection with Viper's Sitio Acquisition, and (ii) other individually insignificant items. Merger and transaction expenses for the second quarter of 2025 primarily consisted of (i) \$29 million of advisory, legal and filing fees related to the 2025 Drop Down, and (ii) \$13 million of employee severance and other costs incurred in connection with the Endeavor Acquisition.

Derivative Instruments. The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on settlements of derivative instruments for the periods indicated:

| (In millions) | Three Months Ended | |
|-----------------------------------------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Gain (loss) on derivative instruments, net ⁽¹⁾ | \$ 120 | \$ (197) |
| Net cash received (paid) on settlements ⁽¹⁾ | \$ 60 | \$ (37) |

(1) The three months ended September 30, 2025, and June 30, 2025, include cash paid on interest rate swaps terminated prior to their contractual maturity of \$15 million, and \$52 million, respectively.

The change from a loss to a gain on derivative instruments for the third quarter of 2025 compared to the second quarter of 2025 primarily reflects (i) a \$330 million increase in the value of our unsettled natural gas contracts due to a decrease in market prices for natural gas compared to our contract prices, (ii) a \$51 million increase in cash received on the settlement of natural gas contracts, (iii) a \$37 million reduction in cash payments made to partially terminate \$150 million of notional amount of our interest rate swaps during the third quarter of 2025 compared to partially terminating \$450 million of notional amount of interest rate swaps during the second quarter of 2025, and (iv) other individually insignificant changes. These gains were partially offset by losses attributable to (i) a \$64 million decrease in the value of our unsettled oil contracts due to an increase in market prices for oil compared to our contract prices, and (ii) a \$53 million reduction in the value of our remaining interest rate swap contracts due to the early termination of additional notional value discussed above.

See Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements for further details regarding our derivative instruments.

Other Income (Expense). The following table shows other income and expenses for the periods indicated:

| (In millions) | Three Months Ended | |
|--------------------------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Interest expense, net | \$ (70) | \$ (56) |
| Other income (expense), net | \$ 108 | \$ (2) |
| Gain (loss) on extinguishment of debt | \$ (32) | \$ 55 |
| Income (loss) from equity investments, net | \$ 8 | \$ 4 |

The increase in interest expense, net for the third quarter of 2025 compared to the second quarter of 2025 primarily consists of (i) \$16 million from the Viper 2025 Notes issued in July 2025, (ii) an \$8 million decrease in capitalized interest costs, which increased interest expense, and (iii) \$3 million of interest expense on the Viper Term Loan issued in connection with Viper's Sitio Acquisition. These increases were partially offset by reductions of (i) \$6 million attributable to Viper's redemption of the Viper 2031 Notes, (ii) \$5 million attributable to the repayment of the Tranche A Loans in May 2025, (iii) \$5 million on the Company's revolving credit facility due to lower average outstanding borrowings during the third quarter of 2025, and (iv) other individually insignificant changes.

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further details regarding outstanding borrowings.

The increase in other income (expense), net for the third quarter of 2025 compared to the second quarter of 2025 is primarily due to the third quarter of 2025 including (i) a \$99 million gain on the sale of an equity method investment, (ii) a net gain of \$23 million related to the receipt of additional proceeds in connection with the WTG Midstream Transaction, and (iii) other individually insignificant offsetting items.

See Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements for further details regarding the Company's divestiture activity.

The loss on extinguishment of debt in the third quarter of 2025 of \$32 million was recorded on the redemption of the Viper 2031 Notes. The gain on extinguishment of debt in the second quarter of 2025 is due to the Company opportunistically repurchasing an aggregate principal amount of \$252 million of its senior notes for total cash consideration, including accrued interest paid, of approximately \$196 million.

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further details regarding the Company's retirement of a portion of its senior notes during the third quarter of 2025.

Provision for (Benefit from) Income Taxes. The following table shows the provision for (benefit from) income taxes for the periods indicated:

| (In millions) | Three Months Ended | |
|-------------------------------------------|--------------------|---------------|
| | September 30, 2025 | June 30, 2025 |
| Provision for (benefit from) income taxes | \$ 287 | \$ 204 |

The change in our income tax provision for the third quarter of 2025 compared to the second quarter of 2025 was primarily due to the increase in pre-tax income between the periods which resulted largely from gains on derivative contracts and gains on the divestiture of equity method investments recorded during the third quarter of 2025 as discussed above. See Note 12—[Income Taxes](#) of the notes to the condensed consolidated financial statements for further discussion of our income tax expense.

Comparison of the Nine Months Ended September 30, 2025, and 2024

The following table sets forth selected operating data for the periods indicated:

| | Nine Months Ended September 30, | |
|---------------------------------------------------------|---------------------------------|-----------------|
| | 2025 | 2024 |
| Revenues (In millions): | | |
| Oil sales | \$ 8,885 | \$ 6,025 |
| Natural gas sales | 396 | 38 |
| Natural gas liquid sales | 1,139 | 566 |
| Total oil, natural gas and natural gas liquid revenues | <u>\$ 10,420</u> | <u>\$ 6,629</u> |
| Production Data: | | |
| Oil (MBbls) | 134,288 | 79,540 |
| Natural gas (MMcf) | 326,050 | 168,431 |
| Natural gas liquids (MBbls) | 58,389 | 30,085 |
| Combined volumes (MBOE) ⁽¹⁾ | 247,019 | 137,697 |
| Daily oil volumes (BO/d) | 491,897 | 290,292 |
| Daily combined volumes (BOE/d) | 904,832 | 502,544 |
| Average Prices: | | |
| Oil (\$ per Bbl) | \$ 66.16 | \$ 75.75 |
| Natural gas (\$ per Mcf) | \$ 1.21 | \$ 0.23 |
| Natural gas liquids (\$ per Bbl) | \$ 19.51 | \$ 18.81 |
| Combined (\$ per BOE) | \$ 42.18 | \$ 48.14 |
| Oil, hedged (\$ per Bbl) ⁽²⁾ | \$ 65.27 | \$ 74.86 |
| Natural gas, hedged (\$ per Mcf) ⁽²⁾ | \$ 2.14 | \$ 0.96 |
| Natural gas liquids, hedged (\$ per Bbl) ⁽²⁾ | \$ 19.51 | \$ 18.81 |
| Average price, hedged (\$ per BOE) ⁽²⁾ | \$ 42.92 | \$ 48.53 |

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per Bbl.

(2) Hedged prices reflect the effect of our commodity derivative transactions on our average sales prices and include gains and losses on cash settlements for matured commodity derivatives, which we do not designate for hedge accounting. Hedged prices exclude gains or losses resulting from the early settlement of commodity derivative contracts.

Production Data. Substantially all of our revenues are generated through the sale of oil, natural gas and natural gas liquids production. The following tables set forth the mix of our production data by product and basin for the periods indicated:

| | Nine Months Ended September 30, | |
|-----------------------------|---------------------------------|--------------|
| | 2025 | 2024 |
| Oil (MBbls) | 54 % | 58 % |
| Natural gas (MMcf) | 22 | 20 |
| Natural gas liquids (MBbls) | 24 | 22 |
| | <u>100 %</u> | <u>100 %</u> |

| | Nine Months Ended September 30, 2025 | | | | Nine Months Ended September 30, 2024 | | | |
|-----------------------------|--------------------------------------|----------------|-------|---------|--------------------------------------|----------------|-------|---------|
| | Midland Basin | Delaware Basin | Other | Total | Midland Basin | Delaware Basin | Other | Total |
| Production Data: | | | | | | | | |
| Oil (MBbls) | 123,959 | 10,199 | 130 | 134,288 | 65,741 | 13,722 | 77 | 79,540 |
| Natural gas (MMcf) | 298,829 | 26,553 | 668 | 326,050 | 128,978 | 39,033 | 420 | 168,431 |
| Natural gas liquids (MBbls) | 54,542 | 3,772 | 75 | 58,389 | 24,008 | 6,043 | 34 | 30,085 |
| Total (MBOE) | 228,306 | 18,397 | 316 | 247,019 | 111,245 | 26,271 | 181 | 137,697 |

Oil, Natural Gas and Natural Gas Liquids Revenues. Our revenues are a function of oil, natural gas and natural gas liquids production volumes sold and average sales prices received for those volumes.

Our oil, natural gas and natural gas liquids revenues for the nine months ended September 30, 2025, increased by \$3.8 billion, or 57%, to \$10.4 billion from the same period in 2024 primarily due to a \$4.7 billion increase driven by the 79% growth in our combined production volumes. This increase was partially offset by a net reduction of \$924 million primarily due to lower average prices received for our oil production for the nine months ended September 30, 2025.

Approximately 56% of the increase in our combined production volumes is attributable to the Endeavor Acquisition and 8% is attributable to the Double Eagle Acquisition. The remainder of production growth is largely attributable to new wells added between periods.

Net Sales of Purchased Oil. We entered into purchase transactions and separate sale transactions with third parties to satisfy certain of our unused oil pipeline capacity commitments. The following table presents the net sales of purchased oil from third parties for the periods indicated:

| (In millions) | Nine Months Ended September 30, | |
|----------------------------|---------------------------------|--------|
| | 2025 | 2024 |
| Sales of purchased oil | \$ 1,168 | \$ 698 |
| Purchased oil expense | 1,168 | 696 |
| Net sales of purchased oil | \$ — | \$ 2 |

Other Revenues. The following table shows the other revenues for the periods indicated:

| (In millions) | Nine Months Ended September 30, | |
|------------------------|---------------------------------|-------|
| | 2025 | 2024 |
| Other operating income | \$ 62 | \$ 28 |

Other operating income increased for the nine months ended September 30, 2025, compared to the same period in 2024 primarily due to (i) recording \$30 million in midstream and service revenues attributable to assets acquired in the Endeavor Acquisition, and (ii) a \$17 million increase in lease bonus income received during 2025. These increases were partially offset by a \$13 million reduction in midstream revenues following the divestiture of certain midstream assets in connection with the TRP Exchange that closed in the fourth quarter of 2024.

Lease Operating Expenses. The following table shows lease operating expenses for the periods indicated:

| (In millions, except per BOE amounts) | Nine Months Ended September 30, | | | |
|---------------------------------------|---------------------------------|---------|--------|---------|
| | 2025 | | 2024 | |
| | Amount | Per BOE | Amount | Per BOE |
| Lease operating expenses | \$ 1,338 | \$ 5.42 | \$ 825 | \$ 5.99 |

Lease operating expenses increased for the nine months ended September 30, 2025, compared to the same period in 2024 primarily due to (i) \$368 million of costs associated with operating wells acquired in the Endeavor Acquisition, (ii) an additional \$55 million of costs from higher legacy production volumes, (iii) \$44 million in additional well workover costs, (iv) \$34 million of costs attributable to operating wells acquired in the Double Eagle Acquisition, (v) a \$25 million increase in maintenance costs, and (vi) individually insignificant offsetting changes. The decrease in the overall rate per BOE for the nine

months ended September 30, 2025, compared to the same period in 2024 was primarily the result of lower disposal costs associated with properties acquired in connection with the Endeavor Acquisition and the Double Eagle Acquisition.

Production and Ad Valorem Tax Expense. The following table shows production and ad valorem tax expense for the periods indicated:

| (In millions, except per BOE amounts) | Nine Months Ended September 30, | | | | | |
|-----------------------------------------|---------------------------------|---------|----------------------------------------------------------------|--------|---------|----------------------------------------------------------------|
| | 2025 | | | 2024 | | |
| | Amount | Per BOE | Percentage of oil, natural gas and natural gas liquids revenue | Amount | Per BOE | Percentage of oil, natural gas and natural gas liquids revenue |
| Production taxes | \$ 490 | \$ 1.98 | 4.7 % | \$ 294 | \$ 2.14 | 4.4 % |
| Ad valorem taxes | 164 | 0.67 | 1.6 | 119 | 0.86 | 1.8 |
| Total production and ad valorem expense | \$ 654 | \$ 2.65 | 6.3 % | \$ 413 | \$ 3.00 | 6.2 % |

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of revenue from sales of oil, natural gas and natural gas liquids increased in 2025 compared to 2024 due primarily to the 2024 period including a \$17 million refund for the settlement of an audit, which reduced production taxes in the prior year period.

Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Ad valorem taxes for the nine months ended September 30, 2025, as compared to the same period in 2024 increased by \$45 million, primarily due to additional taxes incurred on properties acquired since September 30, 2024. The rate of ad valorem taxes per BOE and as a percentage of revenue declined due to a reduction in expected ad valorem tax rates on legacy properties for 2025 compared to the rates during 2024.

Gathering, Processing and Transportation Expense. The following table shows gathering, processing and transportation expenses for the periods indicated:

| (In millions, except per BOE amounts) | Nine Months Ended September 30, | | | |
|------------------------------------------|---------------------------------|---------|--------|---------|
| | 2025 | | 2024 | |
| | Amount | Per BOE | Amount | Per BOE |
| Gathering, processing and transportation | \$ 378 | \$ 1.53 | \$ 261 | \$ 1.90 |

The increase in gathering, processing and transportation expenses for the nine months ended September 30, 2025, compared to the same period in 2024 is attributable primarily to (i) \$36 million incurred on additional production acquired in the Endeavor Acquisition, (ii) \$30 million associated with production from new wells completed between the nine months ended September 30, 2025, and September 30, 2024, (iii) \$29 million associated with transportation costs incurred to meet our minimum volume commitments on certain pipelines, (iv) \$19 million related to new firm transportation contracts that became effective during the nine months ended September 30, 2025, (v) \$10 million related to properties acquired in the TRP Exchange, and (vi) other individually insignificant changes. The decrease in the overall rate per BOE for the nine months ended September 30, 2025, compared to the same period in 2024 was driven by recording gathering, processing and transportation charges for the majority of production from the Endeavor Acquisition, and to a lesser extent, the Double Eagle Acquisition, as a reduction to revenue in accordance with the terms of the acquired contracts.

Depreciation, Depletion, Amortization and Accretion. The following table provides the components of our depreciation, depletion, amortization and accretion expense for the periods indicated:

| (In millions, except BOE amounts) | Nine Months Ended September 30, | |
|---------------------------------------------------------------|---------------------------------|----------|
| | 2025 | 2024 |
| Depletion of proved oil and natural gas properties | \$ 3,545 | \$ 1,638 |
| Depreciation and amortization of other property and equipment | 70 | 36 |
| Other amortization | 7 | 6 |
| Asset retirement obligation accretion | 27 | 14 |
| Depreciation, depletion, amortization and accretion | \$ 3,649 | \$ 1,694 |
| Oil and natural gas properties depletion rate per BOE | \$ 14.35 | \$ 11.90 |
| Depreciation, depletion, amortization and accretion per BOE | \$ 14.77 | \$ 12.30 |

The increase in depletion of proved oil and natural gas properties of \$1.9 billion for the nine months ended September 30, 2025, as compared to the same period in 2024 consists primarily of \$1.3 billion from growth in production volumes and \$605 million due to an increase in the depletion rate resulting largely from the addition of higher value leasehold costs and proved reserves from the Endeavor Acquisition, the Double Eagle Acquisition and, to a lesser extent, Viper's Sitio Acquisition and TWR Acquisition subsequent to the third quarter of 2024.

Additionally, depreciation and amortization of other property and equipment increased in connection with the acquisition of other assets in the Endeavor Acquisition.

General and Administrative Expenses. The following table shows general and administrative expenses for the periods indicated:

| (In millions, except per BOE amounts) | Nine Months Ended September 30, | | | |
|-------------------------------------------|---------------------------------|---------|--------|---------|
| | 2025 | | 2024 | |
| | Amount | Per BOE | Amount | Per BOE |
| General and administrative expenses | \$ 149 | \$ 0.60 | \$ 92 | \$ 0.67 |
| Non-cash stock-based compensation | 61 | 0.25 | 49 | 0.36 |
| Total general and administrative expenses | \$ 210 | \$ 0.85 | \$ 141 | \$ 1.03 |

General and administrative expenses increased for the nine months ended September 30, 2025, compared to the same period in 2024 primarily due to (i) a \$45 million increase in employee compensation and benefit costs related to increasing headcount largely from the Endeavor Acquisition and annual discretionary compensation adjustments, (ii) an \$11 million increase in software, contract labor and professional services costs, and (iii) other individually insignificant items.

Other Operating Costs and Expenses. The following table shows the other operating costs and expenses for the periods indicated:

| (In millions) | Nine Months Ended September 30, | |
|---------------------------------|---------------------------------|--------|
| | 2025 | 2024 |
| Merger and transaction expenses | \$ 94 | \$ 273 |
| Other operating expenses | \$ 111 | \$ 68 |

Merger and transaction expenses for the nine months ended September 30, 2025, were primarily comprised of (i) \$38 million of employee severance and other costs incurred in connection with the Endeavor Acquisition, (ii) \$21 million in advisory, legal and filing fees incurred by the Company and \$10 million incurred by Viper related to the 2025 Drop Down, (iii) \$15 million of employee severance payments made in connection with Viper's Sitio Acquisition, (iv) \$10 million in advisory and legal fees related to the TRP Exchange, and (v) other individually insignificant costs. Merger and transaction expenses for the nine months ended September 30, 2024, relate to costs incurred for the Endeavor Acquisition.

See Note 5—[Endeavor Energy Resources, LP Acquisition](#) and Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements for further details regarding the Endeavor Acquisition as well as the Sitio Acquisition and TRP Exchange, respectively.

The increase in other operating expenses for the nine months ended September 30, 2025, compared to the same period in 2024 primarily resulted from a \$70 million increase in midstream service costs related to additional production from the Endeavor Acquisition, which was partially offset by an \$11 million net decrease in loss on the sale of property, plant and equipment, and a \$12 million reduction in impairment charges taken on certain midstream assets in 2024 as well as other individually insignificant items.

Derivative Instruments. The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on settlements of derivative instruments for the periods indicated:

| (In millions) | Nine Months Ended September 30, | | | |
|-----------------------------------------------------------|---------------------------------|-----|------|------|
| | 2025 | | 2024 | |
| Gain (loss) on derivative instruments, net ⁽¹⁾ | \$ | 149 | \$ | 101 |
| Net cash received (paid) on settlements ⁽¹⁾ | \$ | 108 | \$ | (36) |

(1) The nine months ended September 30, 2025, and 2024 include cash paid on interest rate swaps terminated prior to their contractual maturity of \$67 million and \$37 million, respectively.

The increase in gain on derivative instruments for the nine months ended September 30, 2025, compared to the same period in 2024 primarily reflects (i) a \$177 million increase in cash received on the settlement of natural gas contracts, (ii) a \$40 million increase in the value of our unsettled interest rate swap contracts primarily due to a decline in expected future interest rates and the early termination of \$600 million in notional amount of the interest rate swaps in 2025 which was in a liability position, and (iii) a \$20 million decrease in cash paid for the semi-annual settlement of our interest rate derivatives. These gains were partially offset by losses attributable primarily to (i) a \$126 million decrease in the value of our unsettled natural gas contracts primarily due to an increase in market prices for natural gas compared to our contract prices, (ii) a \$49 million increase in cash paid for the settlement of our oil contracts primarily related to premiums on our oil puts, (iii) a \$14 million decrease in the value of our unsettled oil contracts primarily due to an increase in market prices for oil compared to our contract prices, and (iv) other individually insignificant changes. See Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements for further details regarding our derivative instruments.

Other Income (Expense). The following table shows other income and expenses for the periods indicated:

| (In millions) | Nine Months Ended September 30, | | | |
|--------------------------------------------|---------------------------------|-------|------|-------|
| | 2025 | | 2024 | |
| Interest expense, net | \$ | (166) | \$ | (101) |
| Other income (expense), net | \$ | 133 | \$ | 87 |
| Gain (loss) on extinguishment of debt | \$ | 23 | \$ | 2 |
| Income (loss) from equity investments, net | \$ | 20 | \$ | 23 |

Interest expense, net increased by \$65 million for the nine months ended September 30, 2025, compared to the same period in 2024. This increase primarily consisted of (i) a \$129 million reduction in interest income attributable to holding funds raised for the Endeavor Acquisition in cash in short-term interest bearing accounts during the nine months ended September 30, 2024, which reduced interest expense, (ii) \$91 million of additional interest expense on the April 2024 Notes, (iii) \$43 million of interest expense on the 2025 Term Loan issued in March 2025, (iv) \$35 million of interest expense on the 2025 Notes issued in March 2025, (v) \$16 million of interest expense on the Viper 2025 Notes issued in July 2025, (vi) \$16 million of additional interest expense on the Company's revolving credit facility due to higher average outstanding borrowings, and (vii) \$14 million of additional interest expense on the Tranche A Loans that were repaid in May 2025. These increases were partially offset by (i) a \$250 million increase in capitalized interest costs, which reduces interest expense, (ii) a \$28 million reduction attributable to the amortization of debt issuance costs related to our terminated bridge facility being fully amortized in 2024, and (iii) other individually insignificant changes.

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further details regarding outstanding borrowings.

Other income (expense), net for the nine months ended September 30, 2025, increased compared to the same period in 2024, primarily due to an increase of \$62 million in the gain recognized on the sale of various equity method investments in 2025 compared to 2024. This net gain was partially offset by a \$15 million decrease in the value of an investment recorded at fair value during the nine months ended September 30, 2025, compared to the same period in 2024 and other individually insignificant items.

The increase in gain (loss) on extinguishment of debt is primarily attributable to the Company opportunistically repurchasing a portion of its senior notes during the second quarter of 2025 net of the loss recognized on the redemption of Viper's 2031 Notes as discussed in "[—Results of Operations - Comparison of the Three Months Ended September 30, 2025, and June 30, 2025.](#)"

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further details regarding the Company's retirement of a portion of its senior notes during the second quarter of 2025.

Provision for (Benefit from) Income Taxes. The following table shows the provision for (benefit from) income taxes for the periods indicated:

| (In millions) | Nine Months Ended September 30, | | | |
|-------------------------------------------|---------------------------------|-----|------|-----|
| | 2025 | | 2024 | |
| Provision for (benefit from) income taxes | \$ | 894 | \$ | 685 |

The change in our income tax provision for the nine months ended September 30, 2025, compared to the same period in 2024 was primarily due to the increase in pre-tax income resulting largely from higher revenues attributable to properties acquired in connection with the Endeavor Acquisition. See Note 12—[Income Taxes](#) of the notes to the condensed consolidated financial statements for further discussion of our income tax expense.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

Historically, our primary sources of liquidity have included cash flows from operations, proceeds from our public equity offerings, borrowings under our revolving credit facility, borrowings under term loans, proceeds from the issuance of senior notes and sales of non-core assets. Our primary uses of capital have been for the acquisition, development and exploration of oil and natural gas properties, repayment of debt and returning capital to stockholders. At September 30, 2025, we had approximately \$2.4 billion of liquidity consisting of \$106 million in standalone cash and cash equivalents and \$2.3 billion available under our credit facility. As discussed above, we have revised our capital budget guidance for 2025 to \$3.45 billion to \$3.55 billion to prioritize free cash flow generation. At September 30, 2025, we had approximately \$14 million of senior notes, excluding the Viper 2027 Notes, maturing in the next 12 months.

Future cash flows are subject to a number of variables, including the level of oil and natural gas production and volatility of commodity prices. Further, significant additional capital expenditures will be required to more fully develop our properties. Prices for our commodities are determined primarily by prevailing market conditions, regional and worldwide economic activity, weather and other substantially variable factors. These factors are beyond our control and are difficult to predict as discussed further in [Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K](#) for the year ended December 31, 2024, and [in our Quarterly Report on Form 10-Q](#) for the quarterly period ended March 31, 2025, filed with the SEC on May 7, 2025. In order to mitigate this volatility, we enter into derivative contracts with a number of financial institutions, all of which are participants in our credit facility, to economically hedge a portion of our estimated future crude oil and natural gas production as discussed further in Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements and [Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk](#). The level of our hedging activity and duration of the financial instruments employed depend on our desired cash flow protection, available hedge prices, the magnitude of our capital program and our operating strategy.

Cash Flow

Our cash flows for the nine months ended September 30, 2025, and 2024 are presented below:

| | Nine Months Ended September 30, | | | |
|-----------------------------------------------------|---------------------------------|---------|------|---------|
| | 2025 | | 2024 | |
| | (In millions) | | | |
| Net cash provided by (used in) operating activities | \$ | 6,415 | \$ | 4,072 |
| Net cash provided by (used in) investing activities | | (7,691) | | (9,366) |
| Net cash provided by (used in) financing activities | | 1,664 | | 5,082 |
| Net increase (decrease) in cash | \$ | 388 | \$ | (212) |

Operating Activities

The increase in operating cash flows for the nine months ended September 30, 2025, compared to the same period in 2024 primarily resulted from (i) \$3.8 billion in additional revenue, excluding sales of purchased oil, and (ii) an increase of \$144 million in cash received on settlements of derivatives. These cash inflows were partially offset by (i) higher cash operating expenses, excluding purchased oil expense, of approximately \$792 million, (ii) an increase of \$1.0 billion in cash paid for taxes, and (iii) fluctuations in other working capital balances due primarily to the timing of when collections were made on accounts receivable and payments were made on accounts payable. See “—[Results of Operations](#)” for discussion of significant changes in our revenues and expenses.

Investing Activities

The majority of our net cash used in investing activities during the nine months ended September 30, 2025, was for drilling and completion costs incurred in conjunction with our development program as well as the acquisition of properties and equipment for the Double Eagle Acquisition and Viper’s Sitio Acquisition. The majority of our net cash used in investing activities during the nine months ended September 30, 2024, was for the Endeavor Acquisition.

Capital Expenditure Activities

Our capital expenditures excluding acquisitions and equity method investments (on a cash basis) were as follows for the specified period:

| | Nine Months Ended September 30, | |
|---------------------------------------------------------------------------------------------|---------------------------------|-------------------|
| | 2025 | 2024 |
| | (In millions) | |
| Operated drilling and completion additions to oil and natural gas properties ⁽¹⁾ | \$ (2,203) | \$ (1,785) |
| Capital workovers, non-operated additions to oil and natural gas properties and science | (205) | (13) |
| Infrastructure, environmental and midstream additions | (172) | (136) |
| Total | <u>\$ (2,580)</u> | <u>\$ (1,934)</u> |

(1) See “—[Transactions and Recent Developments—Upstream Operations](#)” above for additional detail on wells drilled and turned to production during the three and nine months ended September 30, 2025.

Financing Activities

During the nine months ended September 30, 2025, net cash provided by financing activities was primarily attributable to (i) \$2.8 billion of proceeds from the issuance of the 2035 Notes and Viper 2025 Notes, (ii) \$2.0 billion of proceeds from the 2025 Term Loan and the Viper Term Loan, (iii) \$1.2 billion in proceeds from the Viper 2025 Equity Offering, (iv) \$74 million in borrowings on our credit facilities, net of repayments. These cash inflows were partially offset by (i) \$1.7 billion of repurchases as part of our and Viper’s share repurchase programs, (ii) \$900 million in repayments on our Tranche A Loans, (iii) \$870 million of dividends paid to stockholders, (iv) \$672 million paid to retire senior notes, (v) \$255 million in dividends paid to non-controlling interest, (vi) and various other individually insignificant costs.

During the nine months ended September 30, 2024, net cash provided by financing activities was primarily attributable to (i) \$5.5 billion of proceeds from the issuance of the April 2024 Notes, (ii) \$1.0 billion in borrowings under the Tranche A Loans, (iii) \$476 million in proceeds from the Viper 2024 Equity Offering, and (iv) \$451 million in proceeds from the public offering of Viper’s Class A common stock. These cash inflows were partially offset by (i) \$1.3 billion of dividends paid to stockholders, (ii) \$557 million of repurchases as part of the share repurchase programs, (iii) \$157 million in dividends paid to non-controlling interest, (iv) \$148 million in repayments under our credit facilities, net of borrowings, (v) \$95 million of debt issuance costs primarily associated with the April 2024 Notes, Tranche A Loans and bridge facility, and (vi) \$37 million in cash paid for tax withholdings on vested employee stock awards.

Capital Resources

Our working capital requirements are primarily supported by our cash and cash equivalents and available borrowings under our revolving credit facility. We may draw on our revolving credit facility to meet short-term cash requirements, or issue debt or equity securities as part of our longer-term liquidity and capital management program. Because of the alternatives available to us, we believe that our short-term and long-term liquidity are adequate to fund not only our current operations, but also our near-term and long-term capital requirements.

As we pursue our business and financial strategy, we regularly consider which capital resources, including cash flow and equity and debt financings, are available to meet our future financial obligations, planned capital expenditure activities and liquidity requirements. Our future ability to grow proved reserves and production will be highly dependent on the capital resources available to us. Any prolonged volatility in the capital, financial and/or credit markets and/or adverse macroeconomic conditions may limit our access to, or increase our cost of, capital or make capital unavailable on terms acceptable to us or at all.

Revolving Credit Facilities and Other Debt Instruments

As of September 30, 2025, our debt, including the debt of Viper, consisted of approximately \$14.1 billion in aggregate outstanding principal amount of senior notes, \$1.5 billion in aggregate outstanding borrowings under the 2025 Term Loan Agreement, \$500 million in aggregate outstanding borrowings under the Viper Term Loan and \$335 million in aggregate outstanding borrowings under revolving credit facilities.

As of September 30, 2025, our Credit Agreement, which matures on June 12, 2030, had a maximum credit amount available of \$2.5 billion, with \$175 million outstanding borrowings and \$2.3 billion available for future borrowings.

Viper LLC's Revolving Credit Facility

The Viper LLC Revolving Credit Facility, which matures on June 12, 2030, provides for a commitment amount of \$1.5 billion. As of September 30, 2025, the Viper LLC Revolving Credit Facility had \$160 million in outstanding borrowings and \$1.3 billion available for future borrowings.

For additional discussion of our debt as of September 30, 2025, see Note 9—[Debt](#) of the notes to the condensed consolidated financial statements.

Capital Requirements

In addition to future operating expenses and working capital commitments discussed in “[Transactions and Recent Developments—Upstream Operations](#),” our primary short and long-term liquidity requirements, excluding those of Viper, consist primarily of (i) capital expenditures, (ii) payments of principal and interest on our revolving credit facility, 2025 Term Loan and senior notes, (iii) payments of other contractual obligations, and (iv) cash used to pay for dividends and repurchases of securities.

2025 Capital Spending Plan

Our board of directors has approved our revised 2025 capital budget guidance for drilling, midstream, infrastructure and environmental expenditures, which takes into consideration any impacts from Viper's Sitio Acquisition. The capital budget was reduced during the first half of 2025 compared to original 2025 guidance as a result of our deliberate moderation of activity, coupled with material efficiency gains and synergy capture following the integration of recent acquisitions. Additionally, we have benefited from structural improvements in our cost base, including lower service pricing and an ever-optimizing supply chain given our size and scale. We expect an increase in activity for the remainder of 2025, and as a result, the low end of our capital budget guidance range for the full year 2025 has increased slightly from our prior guidance. Our current capital budget guidance ranges from approximately \$3.45 billion to \$3.55 billion, including \$2.93 billion to \$2.95 billion for operated horizontal drilling and completions, \$300 million to \$350 million for non-operated activity, capital workovers and science and \$225 million to \$250 million spent on infrastructure, midstream and environmental capital expenditures. We currently expect to drill approximately 445 to 465 gross (412 to 430 net) horizontal wells and complete approximately 510 to 520 gross (471 to 481 net) horizontal wells across our operated leasehold acreage in the Midland and Southern Delaware Basins, with an average lateral length of approximately 11,500 feet.

The amount and timing of our capital expenditures are largely discretionary and within our control. We could choose to defer a portion of these planned capital expenditures depending on a variety of factors, including but not limited to the success of our drilling activities, prevailing and anticipated prices for oil and natural gas, the availability of necessary equipment, infrastructure and capital, the receipt and timing of required regulatory permits and approvals, seasonal conditions, drilling and acquisition costs and the level of participation by other interest owners. We are currently operating 13 drilling rigs and five completion crews. We will continue monitoring commodity prices and overall market conditions and can adjust our rig cadence and our capital expenditure budget in response to changes in commodity prices and overall market conditions.

Interest on 2035 Notes

On March 20, 2025, we issued \$1.2 billion in aggregate principal amount of the 2035 Notes, as discussed further in Note 9—[Debt](#). As a result, we expect to incur additional cash interest costs on the 2035 Notes of approximately \$33 million in the fourth quarter of 2025, \$133 million cumulatively in the years from 2026 through 2027, \$133 million cumulatively in the years from 2028 through 2029 and \$366 million cumulatively between 2030 and 2035.

Interest on Viper 2025 Notes

On July 23, 2025, Viper issued \$1.6 billion in aggregate principal amount of the Viper 2025 Notes. In 2025, Viper does not expect to incur any cash interest costs on the Viper 2025 Notes. Viper expects to incur future cash interest costs on the Viper 2025 Notes of approximately \$174 million cumulatively in the years from 2026 through 2027, \$174 million cumulatively in the years from 2028 through 2029 and \$402 million between 2030 and 2035.

Retirement of Notes

In the fourth quarter of 2025, we opportunistically repurchased principal amounts of \$152 million of our 4.400% Senior Notes due 2051 and \$51 million of our 4.250% Senior Notes due 2052 in open market transactions for total cash consideration of \$167 million, including accrued interest paid, at an average of 82.3% of par value.

Return of Capital Commitment

Currently, our board of directors has approved a return of capital commitment of at least 50% of adjusted free cash flow to our stockholders through repurchases under our share repurchase program, base dividends and variable dividends. The remainder of our free cash flow will be used primarily to reduce debt. On October 30, 2025, our board of directors declared a base cash dividend for the third quarter of 2025 of \$1.00 per share of common stock.

Adjusted free cash flow is a non-GAAP financial measure. As used by us, adjusted free cash flow is defined as cash flow from operating activities before changes in working capital in excess of cash capital expenditures and further adjusted for merger and transaction expenses, costs of early termination of derivatives and settlements of any treasury locks. We believe that adjusted free cash flow is useful to investors as it provides a measure to compare both cash flow from operating activities and additions to oil and natural gas properties across periods on a consistent basis.

On July 31, 2025, our board of directors approved a \$2.0 billion increase in common stock repurchase authorization under our existing common stock repurchase program from \$6.0 billion to \$8.0 billion, excluding excise tax. Since the inception of the stock repurchase program, we have repurchased an aggregate of 36.1 million shares of our common stock for a total cost of \$5.0 billion, excluding excise tax, as of October 31, 2025, leaving approximately \$3.0 billion for future repurchases under such stock repurchase program, excluding excise tax. Subject to regulatory restrictions and other factors discussed elsewhere in this report, we intend to continue to purchase shares under this repurchase program opportunistically with available funds primarily from cash flow from operations and liquidity events such as the sale of assets while maintaining sufficient liquidity to fund our capital expenditure programs; however, the stock repurchase program is at the discretion of our board of directors and can be amended, terminated or suspended at any time. Repurchases may be executed in privately negotiated or open-market transactions, consistent with Rule 10b-18 under the Securities Exchange Act of 1934 and other applicable requirements. All shares repurchased will be retired. See Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#) of the notes to the condensed consolidated financial statements for further discussion of our stock repurchase program.

Guarantor Financial Information

Diamondback E&P is the sole guarantor under the indentures governing the outstanding Guaranteed Senior Notes.

Guarantees are “full and unconditional,” as that term is used in Regulation S-X, Rule 3-10(b)(3), except that such guarantees will be released or terminated in certain circumstances set forth in the indentures governing the Guaranteed Senior Notes, such as, with certain exceptions, (i) in the event Diamondback E&P (or all or substantially all of its assets) is sold or disposed of, (ii) in the event Diamondback E&P ceases to be a guarantor of or otherwise be an obligor under certain other indebtedness, and (iii) in connection with any covenant defeasance, legal defeasance or satisfaction and discharge of the relevant indenture.

Diamondback E&P’s guarantees of the Guaranteed Senior Notes are senior unsecured obligations and rank senior in right of payment to any of its future subordinated indebtedness, equal in right of payment with all of its existing and future

senior indebtedness, including its obligations under its revolving credit facility and effectively subordinated to any of its existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

The rights of holders of the Guaranteed Senior Notes against Diamondback E&P may be limited under the U.S. Bankruptcy Code or state fraudulent transfer or conveyance law. Each guarantee contains a provision intended to limit Diamondback E&P's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent conveyance. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of Diamondback E&P. Moreover, this provision may not be effective to protect the guarantee from being voided under fraudulent conveyance laws. There is a possibility that the entire guarantee may be set aside, in which case the entire liability may be extinguished.

The following tables present summarized financial information for Diamondback Energy, Inc., as the parent, and Diamondback E&P, as the guarantor subsidiary, on a combined basis after elimination of (i) intercompany transactions and balances between the parent and the guarantor subsidiary, and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor. The information is presented in accordance with the requirements of Rule 13-01 under the SEC's Regulation S-X. The financial information may not necessarily be indicative of results of operations or financial position had the guarantor subsidiary operated as an independent entity.

| | September 30, 2025 | December 31, 2024 |
|---------------------------------------------------------|--------------------|-------------------|
| | (In millions) | |
| Summarized Balance Sheets: | | |
| Assets: | | |
| Current assets | \$ 988 | \$ 933 |
| Property and equipment, net | \$ 22,761 | \$ 21,795 |
| Other noncurrent assets | \$ 59 | \$ 32 |
| Liabilities: | | |
| Current liabilities | \$ 2,523 | \$ 2,943 |
| Intercompany accounts payable, non-guarantor subsidiary | \$ 6,285 | \$ 3,381 |
| Long-term debt | \$ 13,608 | \$ 10,978 |
| Other noncurrent liabilities | \$ 2,895 | \$ 2,979 |

| | Nine Months Ended September 30, 2025 |
|--------------------------------------------|-----------------------------------------|
| | (In millions) |
| Summarized Statement of Operations: | |
| Revenues | \$ 5,204 |
| Income (loss) from operations | \$ 1,276 |
| Net income (loss) | \$ 782 |

Critical Accounting Estimates

There have been no changes in our critical accounting estimates from those disclosed in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024.

Recent Accounting Pronouncements

See Note 2—[Summary of Significant Accounting Policies](#) of the notes to the condensed consolidated financial statements for recent accounting pronouncements not yet adopted, if any.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

Our major market risk exposure in our exploration and production business is in the pricing applicable to our oil and natural gas production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot market prices applicable to our natural gas production. Pricing for oil and natural gas production can be volatile and unpredictable. We cannot predict events, including conflicts in the Middle East, changes in interest rates and inflation and global supply chain disruptions that may lead to future price volatility. We cannot predict events that may lead to future price volatility and the near term energy outlook remains subject to heightened levels of uncertainty. Further, the prices we receive for production depend on many other factors outside of our control.

We use derivatives, including swaps, basis swaps, roll swaps, costless collars, puts and basis puts, to reduce price volatility associated with certain of our oil and natural gas sales.

At September 30, 2025, we had a net asset derivative position of \$90 million related to our commodity price risk derivatives. Utilizing actual derivative contractual volumes under our commodity price derivatives as of September 30, 2025, a 10% increase in forward curves associated with the underlying commodity would have decreased the net asset position by \$27 million to \$63 million, while a 10% decrease in forward curves associated with the underlying commodity would have increased the net asset position by \$71 million to \$161 million. However, any cash derivative gain or loss may be substantially offset by a decrease or increase, respectively, in the actual sales value of production covered by the derivative instrument. For additional information on our open commodity derivative instruments at September 30, 2025, see Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements.

Counterparty and Customer Credit Risk

Our principal exposures to credit risk are due to the concentration of receivables from the sale of our oil and natural gas production (approximately \$1.3 billion at September 30, 2025), and to a lesser extent, receivables resulting from joint interest and other receivables (approximately \$244 million at September 30, 2025).

Joint interest receivables arise from billings to entities that own partial interests in wells we operate. These entities participate in our wells primarily based on their ownership in leases on which we intend to drill. We have little ability to control whether these entities will participate in our wells. We do not require our customers to post collateral and the failure or inability of our significant customers to meet their obligations to us due to their liquidity issues, bankruptcy, insolvency or liquidation may adversely affect our financial results.

Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates on our indebtedness under our revolving credit facilities, 2025 Term Loan and changes in the fair value of our fixed rate debt.

Outstanding borrowings under our Credit Agreement bear interest at a per annum rate elected by Diamondback E&P that is equal to (i) term SOFR or (ii) an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50% and 1-month term SOFR plus 1.0%, subject to a 1.0% floor), in each case plus the applicable margin. At September 30, 2025, the applicable margin ranges from 0.000% to 0.750% per annum in the case of the alternate base rate and from 1.000% to 1.750% per annum in the case of term SOFR, in each case based on the pricing level for our revolving credit facility. We are obligated to pay a quarterly commitment fee ranging from 0.100% to 0.250% per year on the unused portion of the commitment for our revolving credit facility.

Outstanding borrowings under the 2025 Term Loan bear interest at a per annum rate elected by the Company that is equal to (i) Adjusted Term SOFR or (ii) an alternate base rate (which is equal to the greatest of (a) the Federal Funds effective rate plus 0.50%, (b) the prime rate, (c) Adjusted Term SOFR plus 1.0%, and (d) 1.0%), in each case plus the applicable margin. At September 30, 2025, the applicable margin ranges from 0.125% to 1.000% per annum in the case of the alternate base rate and from 1.125% to 2.000% per annum in the case of Adjusted Term SOFR, in each case based on the pricing level for the 2025 Term Loan. We are obligated to pay a commitment fee equal to 0.125% per year on the aggregate principal amount of the commitments for the 2025 Term Loan.

Borrowings under the Viper LLC Revolving Credit Facility bear interest at a per annum rate elected by Viper LLC that is equal to term SOFR or an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50% and 1-month term SOFR plus 1.0%, subject to a 1.0% floor), in each case plus the applicable margin. For Viper LLC's revolving credit facility, the applicable margin ranges from 0.125% to 1.000% per annum in the case of the alternate base rate and from 1.125% to 2.000% per annum in the case of term SOFR, in each case based on the pricing level. Viper is obligated to pay a commitment fee equal to 0.125% to 0.325% per year on the aggregate principal amount of the commitments.

Borrowings under the Viper Term Loan bear interest at a per annum rate elected by Viper LLC that is equal to term SOFR or an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50% and 1-month term SOFR plus 1.0%, subject to a 1.0% floor), in each case plus the applicable margin. For the Viper Term Loan, the applicable margin ranges from 0.250% to 1.125% per annum in the case of the alternate base rate loans and from 1.250% to 2.125% per annum in the case of term SOFR loans, in each case based on the pricing level. The pricing level depends on the rating of Viper's long-term senior unsecured debt by certain ratings agencies. Viper is obligated to pay a commitment fee equal to 0.20% per annum on the aggregate principal amount of the commitments.

The pricing levels described above depend on certain rating agencies' ratings of our long-term senior unsecured debt and on the ratings of Viper's long-term senior unsecured debt as applicable. We believe significant interest rate changes would not have a material near-term impact on our future earnings or cash flows. For additional information on our variable interest rate debt at September 30, 2025, see Note 9—[Debt](#) of the notes to the condensed consolidated financial statements.

Historically, we have at times used interest rate swaps to manage our exposure to (i) interest rate changes on our floating-rate debt, and (ii) fair value changes on our fixed rate debt. At September 30, 2025, we have interest rate swap agreements for an aggregate \$300 million notional amount to manage the impact of changes to the fair value of our fixed rate senior notes due to changes in market interest rates through December 2029. We pay an average variable rate of interest for these swaps based on three month SOFR plus 2.1865% and receive a fixed interest rate of 3.50% from our counterparties. At September 30, 2025, our receive-fixed, pay-variable interest rate swaps were in a liability position of \$31 million and the weighted average variable rate was 5.81%. For additional information on our interest rate swaps, see Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements.

ITEM 4. CONTROLS AND PROCEDURES

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

As of September 30, 2025, an evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2025, our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting. Management's assessment of, and conclusion on, the effectiveness of internal control over financial reporting did not include the internal controls of the entities acquired in the Sitio Acquisition on August 19, 2025. Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. The Company is in the process of integrating Sitio's and our internal controls over financial reporting. As a result of these integration activities, certain controls will be evaluated and may be changed. Except as noted above, there have not been any changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

Diamondback has elected to use a \$1 million threshold for disclosing certain environmental proceedings to which a federal, state or local governmental authority is a party.

We are a party to various routine legal proceedings, disputes and claims arising in the ordinary course of our business, including those that arise from interpretation of federal and state laws and regulations affecting the natural gas and crude oil industry, personal injury claims, title disputes, royalty disputes, contract claims, employment claims, claims alleging violations of antitrust laws, contamination claims relating to oil and natural gas exploration and development and environmental claims, including claims involving assets previously sold to third parties and no longer part of our current operations. While the ultimate outcome of the pending proceedings, disputes or claims and any resulting impact on us, cannot be predicted with certainty, we believe that none of these matters, if ultimately decided adversely, will have a material adverse effect on our financial condition, results of operations or cash flows. See Note 16—[Commitments and Contingencies](#) of the notes to the condensed consolidated financial statements.

ITEM 1A. RISK FACTORS

Our business faces many risks. Any of the risks discussed in this report and our other SEC filings could have a material impact on our business, financial position or results of operations. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially impair our business operations, financial condition or future results.

As of the date of this filing, we continue to be subject to the risk factors previously disclosed in [Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K](#) for the year ended December 31, 2024, filed with the SEC on February 26, 2025, [Part II, Item 1A Risk Factors in our Quarterly Report on Form 10-Q](#) for the quarterly period ended March 31, 2025, filed with the SEC on May 7, 2025, and in subsequent filings we make with the SEC. There have been no material changes in our risk factors from those described in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024, and in our [Quarterly Report on Form 10-Q](#) for the quarterly period ended March 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Unregistered Sales of Equity Securities**

None.

Issuer Repurchases of Equity Securities

Our common stock repurchase activity for the three months ended September 30, 2025, was as follows:

| Period | Total Number of Shares Purchased ⁽¹⁾ | Average Price Paid Per Share ⁽²⁾⁽⁴⁾ | Total Number of Shares Purchased as Part of Publicly Announced Plan | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan ⁽³⁾⁽⁴⁾ |
|--------------------------------------------------------------|-------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (In millions, except per share amounts, shares in thousands) | | | | |
| July 1, 2025 - July 31, 2025 | 1,618 | \$ 142.32 | 1,618 | \$ 3,472 |
| August 1, 2025 - August 31, 2025 | 1,332 | \$ 140.19 | 1,332 | \$ 3,285 |
| September 1, 2025 - September 30, 2025 | 1,339 | \$ 139.24 | 1,336 | \$ 3,099 |
| Total | 4,289 | \$ 140.70 | 4,286 | |

(1) Includes 3,426 shares of common stock repurchased from executives in order to satisfy tax withholding requirements. Such shares are canceled and retired immediately upon repurchase.

(2) The average price paid per share includes any commissions paid to repurchase stock.

(3) On July 31, 2025, our board of directors approved a \$2.0 billion increase in our common stock repurchase authorization from \$6.0 billion to \$8.0 billion, excluding excise tax. The stock repurchase program has no time limit and may be suspended, modified, or discontinued by the board of directors at any time.

(4) The Inflation Reduction Act of 2022, which was enacted into law on August 16, 2022, imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. All dollar amounts presented exclude such excise taxes, as applicable.

ITEM 5. OTHER INFORMATION

On August 13, 2025, Charles A. Meloy, a member of the board of directors of the Company, adopted a Rule 10b5-1 trading agreement intended to satisfy Rule 10b5-1(c), as amended. The plan relates to the sale of up to 110,000 shares of our common stock between November 12, 2025, and May 8, 2026. The shares covered by this plan include shares of common stock currently held by Wolfrack Energy, L.L.C., a Texas limited liability company of which Mr. Meloy is the sole manager and has voting and dispositive power over the shares of common stock.

None of the Company's other directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2025.

On October 31, 2025, the Company's board of directors approved certain amendments to our Fifth Amended and Restated Bylaws, effective immediately (as amended and restated, the "Sixth Amended and Restated Bylaws"). Among other things, the Sixth Amended and Restated Bylaws:

- (i) clarify and enhance procedural mechanics and disclosure requirements relating to stockholders calling special meetings and stockholder director nominations and submissions of proposals, including requiring additional background information from proposed director nominees;
- (ii) adopt a federal forum provision, selecting federal courts as the exclusive forum for claims under the Securities Act, unless the Company consents in writing to the selection of an alternative forum; and
- (iii) make other technical, conforming, modernizing and clarifying amendments.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Sixth Amended and Restated Bylaws, a copy of which is filed as Exhibit 3.3 hereto.

ITEM 6. EXHIBITS**EXHIBIT INDEX**

| Exhibit Number | Description |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1 | Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on June 14, 2023). |
| 3.2 | Certificate of Amendment No. 1 to Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on September 10, 2024). |
| 3.3* | Sixth Amended and Restated Bylaws of the Company, adopted as of October 31, 2025. |
| 4.1 | Indenture, dated as of July 23, 2025, between Viper Energy Partners LLC and Computershare Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K (file No. 001-36505) filed by Former Viper on July 23, 2025). |
| 4.2 | Second Supplemental Indenture, dated as of August 19, 2025, by and among Viper Opco, New Viper and Computershare Trust Company, National Association (incorporated by reference to Exhibit 4.8 of the Current Report on Form 8-K (File No. 001-42807) filed by New Viper on August 19, 2025). |
| 10.1 | Term Loan Credit Agreement, dated as of July 23, 2025, by and among Viper Energy Partners LLC, Former Viper, the lenders party thereto and Goldman Sachs Bank USA, as administrative agent (incorporated by reference to Exhibit 4.3 of the Current Report on Form 8-K (File No. 001-36505) filed by Former Viper on July 23, 2025). |
| 22.1 | List of Issuers and Subsidiary Guarantors (incorporated by reference to Exhibit 22.1 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on August 5, 2021). |
| 31.1* | Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended. |
| 31.2* | Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended. |
| 32.1** | Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code. |
| 32.2** | Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code. |
| 101 | The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith.

** The certifications attached as Exhibit 32.1 and Exhibit 32.2 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

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

DIAMONDBACK ENERGY, INC.

Date: November 5, 2025

/s/ Kaes Van't Hof

Kaes Van't Hof

Chief Executive Officer

(Principal Executive Officer)

Date: November 5, 2025

/s/ Jere W. Thompson III

Jere W. Thompson III

Chief Financial Officer

(Principal Financial Officer)

SIXTH AMENDED AND RESTATED BYLAWS

OF

DIAMONDBACK ENERGY, INC.

A DELAWARE CORPORATION

(THE “CORPORATION”)

ADOPTED AS OF OCTOBER 31, 2025

SIXTH AMENDED AND RESTATED BYLAWS

OF

DIAMONDBACK ENERGY, INC.

**ARTICLE I
OFFICES**

Section 1.1 Registered Office. The registered office of the Corporation within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the Corporation or individual acting as the Corporation’s registered agent in Delaware.

Section 1.2 Additional Offices. The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the “*Board*”) may from time to time determine or as the business and affairs of the Corporation may require.

**ARTICLE II
STOCKHOLDERS MEETINGS**

Section 2.1 Annual Meetings. The annual meeting of stockholders shall be held at such place and time and on such date as shall be determined by the Board and stated in the notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a). At each annual meeting, the stockholders shall elect directors of the Corporation and may transact any other business as may properly be brought before the meeting.

Section 2.2 Special Meetings.

(a) Right to Call Special Meetings. Except as otherwise required by law or the terms of any one or more series of Preferred Stock, special meetings of stockholders of the Corporation may be called by any of the following: (i) at any time by the Chairman of the Board, Chief Executive Officer, or the Board pursuant to a resolution adopted by a majority of the Whole Board (as defined below); and (ii) by the Chairman of the Board or the Board following receipt by the Secretary of the Corporation of the written request (which request shall comply with the requirements and procedures set forth in this Section 2.2) of one or more stockholders of the Corporation (acting on their own behalf and not by assigning or delegating their rights to any other person or entity) that together have continuously held, for their own accounts, beneficial ownership of at least 25% aggregate “net long position” in the issued and outstanding voting stock of the Corporation entitled to vote generally in the election of directors (the “*Requisite Percent*”) for at least one year prior to the date such request is delivered to the Corporation and

at the special meeting date. For purpose of determining the Requisite Percent, “net long position” shall be determined with respect to each requesting stockholder by subtracting such stockholder’s short position from such stockholder’s long position, based on Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) (as such Rule is amended from time to time or, if applicable, any successor Rule), provided that:

(i) for the purposes of such definition, reference in such Rule to:

(A) the “date that a tender offer is first publicly announced or otherwise made known by the bidder to holders of the security to be acquired” shall be the date of the relevant special meeting request;

(B) the “highest tender offer price or stated amount of the consideration offered for the subject security” shall refer to the closing sales price of the Corporation’s common stock on the primary securities exchange on which such stock is listed on such date (or, if such date is not a trading day, the next succeeding trading day);

(C) the “person whose securities are the subject of the offer” shall refer to the Corporation; and

(D) a “subject security” shall refer to the issued and outstanding voting stock of the Corporation; and

(ii) the net long position of such stockholder shall be reduced by the number of shares as to which such stockholder does not, or will not, have the right to vote on its own behalf at the special meeting or as to which such stockholder has entered into any derivative or other agreement, arrangement, or understanding that hedges or transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of such shares.

Special meetings of stockholders of the Corporation may not be called by any person or persons other than those specified in this Section 2.2(a) and the Corporation’s Certificate of Incorporation, as the same may be amended or restated from time to time (the “*Certificate of Incorporation*”). For purposes of these Bylaws, the “*Whole Board*” shall mean the total number of directors the Corporation would have if there were no vacancies.

(b) Stockholder Requests for Special Meetings. In order for a special meeting upon stockholder request (a “*stockholder requested special meeting*”) to be called, one or more requests for a special meeting (each, a “*special meeting request*,” and collectively, the “*special meeting requests*”) must be signed by the stockholders of the Corporation holding the Requisite Percent of the voting stock of the Corporation and must be delivered to the Secretary at the principal executive offices of the Corporation by registered or certified mail, return receipt requested; provided, however, that no stockholder requested special meeting shall be called pursuant to any special meeting request unless one or more special meeting requests relating to

such meeting constituting the Requisite Percent have been delivered to the Secretary in compliance with all of the requirements of Section 2.2 of these Bylaws within 60 days of the earliest dated special meeting request in respect of such stockholder requested special meeting. The special meeting request(s) shall:

(i) set forth the name and address, as they appear on the Corporation's books and records maintained by the Corporation's transfer agent and registrar, of each stockholder of the Corporation signing such request, together with the identity of the beneficial owner, if any, directing such stockholder of record to submit such request;

(ii) state the specific purpose or purposes of the special meeting, the matter or matters proposed to be acted on at the special meeting, the reasons for conducting such business at the special meeting, and the text of any proposal or business to be considered at the special meeting (including the text of any resolutions proposed to be considered and, in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), which language shall be contained in the notice of special meeting required by Section 2.3 of these Bylaws;

(iii) bear the date of signature of each such stockholder signing the special meeting request;

(iv) provide documentary evidence that the stockholder(s) requesting the special meeting together have continuously owned, for their own account, the Requisite Percent for at least one year prior to the date such special meeting request is delivered to the Corporation and attach a notarized affidavit swearing to the net long position of such stockholder(s);

(v) provide a representation by each stockholder signing the special meeting request that such stockholder intends to appear in person at the stockholder requested special meeting and is entitled to vote thereat, and an agreement to promptly inform the Corporation in the event such representation becomes inaccurate (in which event any shares of voting stock of the Corporation owned by such stockholder shall cease to be counted as contributing to the Requisite Percent);

(vi) provide a representation by each stockholder signing the special meeting request that such stockholder intends to continue net long ownership of such shares through the date of the special meeting and an agreement to promptly inform the Corporation in the event such representation becomes inaccurate (in which event any shares of voting stock of the Corporation no longer owned on a net long basis by such stockholder shall cease to be counted as contributing to the Requisite Percent);

(vii) provide the acknowledgement of each stockholder signing the special meeting request that the special meeting request shall be deemed to be revoked (and any special meeting scheduled in response thereto may be cancelled) if the net long position in shares of voting stock owned by such signing stockholders is less than the Requisite

Percent at any time between the date of the special meeting request and the date of the applicable special meeting;

(viii) with respect to special meeting requests related to the election of directors, include all additional information required by Section 3.2 to be included in a stockholder's notice of nomination of persons for election to the Board; and

(ix) with respect to all other special meeting requests, include all additional information required by Section 2.7 to be included in a stockholder's notice of business (other than the nomination of persons for election to the Board) to be brought before an annual meeting.

A beneficial owner who wishes to deliver a special meeting request must cause the nominee or other person who serves as the stockholder of record of such beneficial owner's stock to sign the special meeting request. If a stockholder of record is the nominee for more than one beneficial owner of stock, the stockholder of record may deliver a special meeting request solely with respect to the capital stock of the Corporation beneficially owned by the beneficial owners who are directing the stockholder of record to sign such special meeting request.

(c) Revocation of Special Meeting Requests.

(i) Any requesting stockholder may revoke a request for a special meeting at any time by written revocation delivered to the Secretary of the Corporation at the principal executive offices of the Corporation.

(ii) All special meeting requests shall be deemed to be revoked upon the first date that, after giving effect to any revocation(s), the net long position in the shares of voting stock of the Corporation owned by the stockholders listed on the unrevoked special meeting requests decreases to a number of shares representing less than the Requisite Percent.

(iii) If the revocation of all special meeting requests (giving effect to deemed revocations pursuant to Section 2.2(c)(ii)) has occurred, then the Board, in its discretion, may cancel the special meeting of the stockholders (or, if the special meeting has not yet been called, may direct the Chairman of the Board or Chief Executive Officer, as applicable, not to call such a meeting).

(d) Business Considered at Special Meetings. Business transacted at any stockholder requested special meeting shall be limited to the purpose(s) stated in the valid special meeting request(s) signed by stockholders holding the Requisite Percent of the Corporation's voting stock; provided, however, that nothing herein shall prohibit the Board from submitting matters, whether or not described in the stockholder special meeting request(s), to the stockholders at any stockholder requested special meeting. If none of the stockholders who submitted a special meeting request appears at or sends a qualified representative to the stockholder requested special meeting to present the matters to be presented for consideration

that were specified in the special meeting request, the Corporation need not present such matters for a vote at such meeting, notwithstanding the fact that proxies or votes may have been received by the Corporation with respect thereto.

(e) Improper or Overlapping Business. Notwithstanding anything to the contrary contained in this Section 2.2 or these Bylaws, the Secretary shall not accept and shall consider ineffective, a special meeting request and neither the Chairman of the Board nor the Board (following receipt by the Secretary of the Corporation of the written request pursuant to Section 2.2(a)(ii)) shall be required to call a stockholder requested special meeting in connection therewith if:

(i) the special meeting request relates to an item of business that (A) is not a proper subject for stockholder action under these Bylaws or applicable law, (B) is similar to an item of business that was presented at any meeting of stockholders held within 120 calendar days prior to the receipt by the Corporation of the special meeting request or (C) is similar to an item included in the Corporation's notice as an item of business to be brought before a stockholder meeting that has been called but not yet held;

(ii) the special meeting request is received by the Corporation (A) during the period commencing 90 calendar days prior to the first anniversary of the preceding year's annual meeting of stockholders and ending on the date of the next annual meeting of stockholders or (b) in the 30 days following the date of any annual meeting of stockholders; or

(iii) the special meeting request otherwise does not comply with or has not been delivered in accordance with the provisions of this Section 2.2. Nominations pursuant to Section 3.4 of these Bylaws may not be made in connection with a special meeting of stockholders.

For purposes of Section 2.2(e)(i)(B), the removal of directors and the filling of resulting vacancies shall be considered the same or similar to the election of directors at the preceding annual meeting of stockholders.

(f) Determination by the Board. Except as otherwise provided by law, in the case of a stockholder requested special meeting, the Board shall have the power and duty: (i) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the requirements and procedures set forth in this Section 2.2 and other applicable provisions of these Bylaws; and (ii) if any proposed nomination or business was not made or proposed in accordance with the requirements and procedures set forth in this Section 2.2 and other applicable provisions of these Bylaws or applicable law, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. In the event that the Board cancels a special meeting (or, if the special meeting has not yet been called, directs the Chairman of the Board or the Chief Executive Officer, as applicable, not to call such a meeting) pursuant to Section 2.2(c)(iii), then the

stockholder(s) who requested such meeting may not call (or participate in calling) another special meeting for one year after such cancellation.

(g) Right to Engage Independent Inspectors. In the event of the delivery, in the manner provided in this Section 2.2, to the Corporation of the requisite special meeting request or requests and/or any related revocation or revocations, the Board may engage, in its discretion, one or more nationally recognized independent inspectors for the purpose of promptly performing a ministerial review of the validity of the requests and/or revocations. For the purpose of permitting the inspectors to perform such review, no special meeting request shall be granted until such date as the independent inspectors certify to the Board and the Corporation that the special meeting requests delivered to the Corporation in accordance with this Section 2.2, and not revoked, by such stockholders (acting on their own behalf and not by assigning or delegating their rights to any other person or entity) together represent at least the Requisite Percent of the Corporation's voting stock that has been continuously held by such stockholders, for their own account, for at least one year prior to the date of delivery of such requests to the Corporation, all in accordance with Section 2.2 of these Bylaws. Nothing contained in this Section 2.2 shall in any way be construed to suggest or imply that the Board or any stockholder shall not be entitled to contest the validity of any request or revocation thereof, whether before or after such certification by the independent inspectors, or take any other action (including, without limitation, the commencement, prosecution, or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(h) Place, Time and Date of Special Meetings. Special meetings of stockholders shall be held at such place and time and on such date as shall be determined by the Board and stated in the Corporation's notice of the special meeting given under Section 2.3 of these Bylaws, provided that the Board may in its sole discretion determine that the special meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a), provided further that, except as otherwise set forth in these Bylaws or unless a later date is required in order to allow the Corporation to file the information required under Item 8 (or any comparable or successor provision) of Schedule 14A under the Exchange Act, if applicable, the date of any stockholder requested special meeting shall be: (i) not more than 90 days after the determination of the validity of the special meeting request(s) by the independent inspectors; or (ii) if no such independent inspectors are engaged to review the validity of one or more special meeting requests, not more than 90 days after the special meeting request(s) complying with the requirements and procedures of this Section 2.2 have been delivered to the Secretary of the Corporation.

Section 2.3 Notices. Notice of each stockholders meeting stating the place, if any, date, and time of the meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting if such date is different from the record date for determining stockholders entitled to notice of the meeting shall be given in the manner permitted by Section 9.3 to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting. Such notice shall be given by the Corporation not less than 10 nor more than 60 days before the date of the

meeting. If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation's notice of meeting (or any supplement thereto). Any meeting of stockholders as to which notice has been given may be postponed, and any special meeting of stockholders as to which notice has been given may be cancelled, by the Board upon public announcement (as defined in Section 2.7(b)) given before the date previously scheduled for such meeting.

Section 2.4 Quorum. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.6 until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the voting power of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any such other corporation to vote shares held by it in a fiduciary capacity.

Section 2.5 Voting of Shares.

(a) Voting Lists. The Secretary shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order for each class of stock and showing the address and the number of shares registered in the name of each stockholder. Nothing contained in this Section 2.5(a) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. If the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. The stock ledger shall be the only evidence as

to who are the stockholders entitled to examine the list required by this Section 2.5(a) or to vote in person or by proxy at any meeting of stockholders.

(b) Manner of Voting. At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxyholders at any meeting conducted by remote communication may be effected by a ballot submitted by electronic transmission (as defined in Section 9.3), provided that any such electronic transmission must either set forth or be submitted with information from which the Corporation can determine that the electronic transmission was authorized by the stockholder or proxyholder. The Board, in its discretion, or the chairman of the meeting of stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(c) Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Proxies need not be filed with the Secretary of the Corporation until the meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority.

(i) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder.

Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(d) Required Vote.

(i) Uncontested Election. Except as provided in Section 2.5(d)(ii) and subject to the rights of any holders of one or more series of Preferred Stock, voting separately by class or series, to elect directors pursuant to the terms of one or more series of Preferred Stock, each director shall be elected by a vote of the majority of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this Section 2.5(d)(i), a majority of the votes cast means that the number of shares voted “for” a director must exceed the number of votes cast “against” that director. In an uncontested election, any incumbent director who is not elected because he or she does not receive a majority of the votes cast shall immediately tender his or her resignation for consideration by the Board. The Board will evaluate whether to accept or reject such resignation or whether other action should be taken; provided, however, that the Board will act on such resignation, and the Corporation shall publicly disclose the Board’s decision to accept or reject such resignation and, if applicable, the rationale behind such decision, within 90 days from the date of the certification of the director elections results. The Board may fill any vacancy resulting from the non-election or resignation of a director as provided in these Bylaws or the Certificate of Incorporation.

(ii) Contested Election. Subject to the rights of any holders of one or more series of Preferred Stock, voting separately by class or series, to elect directors pursuant to the terms of one or more series of Preferred Stock, in a contested election, each director shall be elected by a plurality of the votes cast, which shall mean that the directors receiving the largest number of “for” votes will be elected in such contested election, at any meeting for the election of directors at which a quorum is present. For purposes of this Section 2.5(d)(ii), a contested election means an election in which (i) as of the last day for giving notice of a stockholder nominee, a stockholder has nominated a candidate for director in accordance with the requirements of these Bylaws, and (ii) as of the date that notice of the annual meeting is given, the Board considers that a stockholder-nominated director candidacy has created a bona fide election contest.

(iii) All Other Matters. Except as set forth in Section 2.5(d)(i) and Section 2.5(d)(ii), all other matters shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon, unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these Bylaws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

(e) Inspectors of Election. The Board may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more persons as inspectors of election, who may be employees of the Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board,

the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

Section 2.6 Adjournments. Any meeting of stockholders, annual or special, may be adjourned by the chairman of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or some other place. When a meeting is adjourned to another time or place, (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), notice need not be given of any such adjourned meeting if the date, time and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (iii) set forth in the notice of meeting. At the adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case may be, may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 2.3, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.7 Advance Notice for Business.

(a) Annual Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the annual meeting by or at the direction of the Board or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder of record both on the date of the giving of the notice provided for in this Section 2.7(a) and on the date of such annual meeting and who is entitled to vote at such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.7(a). Except for

proposals properly made in accordance with Rule 14a-8 under the Exchange Act and included in the notice of meeting given by or at the direction of the Board, the foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of stockholders. Stockholders seeking to nominate persons for election to the Board must comply with Section 3.2 or Section 3.4 of these Bylaws, and this Section 2.7 shall not be applicable to nominations.

(i) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.7(a)(iv), a stockholder's notice to the Secretary with respect to such business, to be timely, must (x) comply with the provisions of this Section 2.7(a)(i) and (y) be timely updated by the times and in the manner required by the provisions of Section 2.7(a)(iii). A stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that if the annual meeting is called for a date that is more than 30 days earlier or more than 60 days later than such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 2.7(a).

(ii) To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than nominations) must set forth:

(A) as to each such matter such stockholder proposes to bring before the annual meeting (1) a brief description of the business desired to be brought before the annual meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, (2) the text of the proposal or business (including the text of any resolutions proposed for consideration and if such business includes a proposal to amend these Bylaws, the text of the proposed amendment) and (3) the reasons for conducting such business at the annual meeting,

(B) the name and address of the stockholder proposing such business, as they appear on the Corporation's books, and the name and address of any Stockholder Associated Person,

(C) (1) the class or series and number of shares of capital stock of the Corporation that are owned of record or are directly or indirectly owned beneficially by such stockholder and by any Stockholder Associated Person, (2) the date or dates such shares were acquired, (3) the investment intent of such acquisition and (4) any pledge by any Stockholder Associated Person with respect to any of such shares,

(D) any option, warrant, convertible security, stock appreciation right, swap or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right is subject to settlement in the underlying class or series of shares of the Corporation or otherwise (a “*Derivative Instrument*”) directly or indirectly owned beneficially by such stockholder or by any Stockholder Associated Person and any other direct or indirect opportunity of such stockholder or any Stockholder Associated Person to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation,

(E) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any shares of the Corporation,

(F) any short interest in any security of the Corporation held by such stockholder or any Stockholder Associated Person (for purposes of this Section 2.7 a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security),

(G) any rights owned beneficially by such stockholder or Stockholder Associated Person to dividends on the shares of the Corporation that are separated or separable from the underlying shares of the Corporation,

(H) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner,

(I) a description of all agreements, arrangements or understandings (written or oral) between or among such stockholder, any Stockholder Associated

Person or any other person or persons (including their names) in connection with the proposal of such business by such stockholder,

(J) any other information relating to such stockholder and any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for election of directors (even if an election contest is not involved), or would be otherwise required, in each case pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder,

(K) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting, and

(L) a statement of whether such stockholder or any Stockholder Associated Person intends, or is part of a group that intends, to solicit proxies in connection with the proposal.

(iii) A stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.7(a) shall be true and correct as of the record date for determining the stockholders entitled to notice of the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation (x) in the case of the update and supplement required to be made as of such record date, not later than five business days after such record date and (y) in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof, as applicable, not later than eight business days prior to the date for the meeting or any adjournment or postponement thereof, if practicable (or if not practicable, on the first practicable date prior to the date for the meeting or such adjournment or postponement thereof).

(iv) The foregoing notice requirements of this Section 2.7(a) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Exchange Act, and such stockholder's proposal has been included in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.7(a), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.7(a) shall be deemed to preclude discussion by any stockholder of any such business. If the Board or the chairman of the annual meeting determines that any stockholder proposal

was not made in accordance with the provisions of this Section 2.7(a) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.7(a), such proposal shall not be presented for action at the annual meeting. Notwithstanding the foregoing provisions of this Section 2.7(a), if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(v) In addition to the provisions of this Section 2.7(a), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.7(a) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(b) **Definitions.** For purposes of these Bylaws, "**public announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act; "**Stockholder Associated Person**" shall mean for any stockholder (i) any person controlling, directly or indirectly, such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder, or (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation; and a "**qualified representative**" of a stockholder shall mean a duly authorized officer, manager, trustee or partner of such stockholder or a person authorized by a writing executed by such stockholder (or a reliable reproduction of the writing) stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders, which writing or reproduction must be delivered to the Corporation not fewer than five business days before the stockholder meeting.

Section 2.8 Conduct of Meetings. The chairman of each annual and special meeting of stockholders shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the President or if the President is not a director, such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these Bylaws or such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such

rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary so appointed to act by the chairman of the meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9 Consents in Lieu of Meeting. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to act by written consent, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation, unless the Board approves in advance the taking of such action by means of written consent of stockholders, in which case such action may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation to its registered office in the State of Delaware, the Corporation's principal place of business, or the Secretary of the Corporation. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date the earliest dated consent is delivered to the Corporation, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Corporation by delivery to the Corporation's registered office in the State of Delaware, the Corporation's principal place of business, or the Secretary. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. An electronic transmission consenting to the action to be taken and transmitted by a stockholder, proxyholder or a person or persons authorized to act for a stockholder or proxyholder shall be deemed to be written, signed and dated for purposes hereof if such electronic transmission sets forth or is delivered with information from which the Corporation can determine that such transmission was transmitted by a stockholder or proxyholder (or by a person authorized to act for a stockholder or proxyholder) and the date on which such stockholder, proxyholder or authorized person transmitted such transmission. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and delivered to the Corporation by delivery either to the Corporation's registered office in the State of Delaware, the Corporation's principal place of business, or the Secretary of the Corporation.

Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the limitations on delivery in the previous sentence, consents given by electronic transmission may be otherwise delivered to the Corporation's principal place of business or to the Secretary if, to the extent, and in the manner provided by resolution of the Board. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used; provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders were delivered to the Corporation as provided in this Section 2.9.

Section 2.10 Delivery to the Corporation. Except as otherwise set forth in Section 2.9, whenever this Article II requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information (other than a document authorizing another person to act for a stockholder by proxy at a meeting of stockholders pursuant to Section 212 of the General Corporation Law of the State of Delaware ("**DGCL**")) to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), the Corporation shall not be required to accept delivery of such document or information unless the document or information is in writing exclusively (and not in an electronic transmission) and delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested.

ARTICLE III DIRECTORS

Section 3.1 Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders. Directors need not be stockholders or residents of the State of Delaware.

Section 3.2 Advance Notice for Nomination of Directors.

(a) Only persons who are nominated in accordance with the following procedures or the procedures set forth in Section 3.4 of these Bylaws shall be eligible for election as directors by the stockholders of the Corporation, except as may be otherwise provided by the terms of one or more series of Preferred Stock with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board, (ii) by any stockholder of the Corporation (x)

who is a stockholder of record both on the date of the giving of the notice provided for in this Section 3.2 and on the date of the applicable meeting and who is entitled to vote in the election of directors at such meeting and (y) who complies with the notice procedures set forth in this Section 3.2, or (iii) by any Eligible Holder (as defined below) who satisfies the requirements and complies with the procedures set forth in Section 3.4 of these Bylaws.

(b) In addition to any other applicable requirements, for a nomination to be made by a stockholder, (1) such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation, (2) such stockholder must have complied in all respects with the requirements of Regulation 14A under the Exchange Act including, without limitation, the requirements of Rule 14a-19 (as such rule and regulations may be amended from time to time), and (3) the Board or an executive officer designated thereby shall determine that the stockholder has satisfied the requirements of this Section 3.2(b), as well as the satisfaction of any undertaking delivered under Section 3.2(d) below. To be timely, a stockholder's notice to the Secretary must (x) comply with the provisions of this Section 3.2(b) and (y) be timely updated by the times and in the manner required by the provisions of Section 3.2(e). A stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that if the annual meeting is called for a date that is more than 30 days earlier or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the special meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting or special meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 3.2.

(c) In no event may a nominating stockholder provide timely notice with respect to a greater number of director candidates than are subject to election by stockholders at the applicable meeting. Notwithstanding anything in Section 3.2(b) to the contrary, if the number of directors to be elected to the Board at an annual meeting is greater than the number of directors whose terms expire on the date of the annual meeting and there is no public announcement by the Corporation naming all of the nominees for the additional directors to be elected or specifying the size of the increased Board before the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders, a stockholder's notice required by this Section 3.2 shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase that are to be filled by election at such annual meeting, if it shall be received by the Secretary at the principal executive offices

of the Corporation not later than the close of business on the 10th day following the date on which such public announcement was first made by the Corporation.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth:

(i) a written undertaking by the stockholder giving the notice that such stockholder will solicit holders of shares representing at least 67% of the voting power of the stock entitled to vote in the election of directors in accordance with Rule 14a-19 under the Exchange Act;

(ii) as to each person whom the stockholder proposes to nominate for election as a director:

(A) the name, age, business address and residence address of the person,

(B) the principal occupation or employment of the person,

(C) the class or series and number of shares of capital stock of the Corporation that are owned of record or are directly or indirectly owned beneficially by the person,

(D) any Derivative Instrument directly or indirectly owned beneficially by such nominee and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation,

(E) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, and

(F) the questionnaire, representation and agreement required by Section 3.2(i), completed and signed by such nominee.

(iii) as to the stockholder giving the notice:

(A) the name and address of such stockholder as they appear on the Corporation's books, and the name and address of any Stockholder Associated Person,

(B) (1) the class or series and number of shares of capital stock of the Corporation that are owned of record or directly or indirectly owned beneficially by such stockholder and any Stockholder Associated Person, (2) the

date or dates such shares were acquired, (3) the investment intent of such acquisition and (4) any pledge by any Stockholder Associated Person with respect to any of such shares,

(C) any Derivative Instrument directly or indirectly owned beneficially by such stockholder or Stockholder Associated Person and any other direct or indirect opportunity of such stockholder or any Stockholder Associated Person to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation,

(D) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any shares of the Corporation,

(E) any short interest in any security of the Corporation held by such stockholder or any Stockholder Associated Person (for purposes of this Section 3.2 a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security),

(F) any rights beneficially owned, directly or indirectly, by such stockholder or Stockholder Associated Person to dividends on the shares of the Corporation that are separated or separable from the underlying shares of the Corporation,

(G) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner,

(H) a description of all agreements, arrangements or understandings (written or oral) between or among such stockholder, any Stockholder Associated Person, any proposed nominee or any other person or persons (including their names) (x) pursuant to which the nomination or nominations are to be made by such stockholder, and (y) related to any subject matter that will be material in the stockholder's solicitation of stockholders, regardless of whether such agreement, arrangement or understanding relates specifically to the Corporation,

(I) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice,

(J) any other information relating to such stockholder and any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder,

(K) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder or any Stockholder Associated Person, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, on the other hand, and

(L) a statement of whether such stockholder or any Stockholder Associated Person intends, or is part of a group that intends, to solicit proxies for the election of the proposed nominee.

Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) A stockholder providing notice of a director nomination shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 3.2 shall be true and correct as of the record date for determining the stockholders entitled to notice of the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation (x) in the case of the update and supplement required to be made as of such record date, not later than five business days after such record date and (y) in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof, as applicable, not later than eight business days prior to the date for the meeting or any adjournment or postponement thereof, if practicable (or if not practicable, on the first practicable date prior to the date for the meeting or such adjournment or postponement thereof). In addition, at the request of the Board, a proposed nominee shall furnish to the Secretary of the Corporation within ten days after receipt of such request such information as may reasonably be required by the Corporation to (i) determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee or (ii) facilitate disclosure to stockholders of all material facts that, in the reasonable discretion of the Corporation, are relevant for stockholders to make an informed decision on the director election proposal, including information regarding any Stockholder Associated Person, and if such information is not furnished within such time period, the notice of such director's nomination shall not be considered to have been timely given for purposes of this Section 3.2.

(f) Except as may be otherwise provided by the terms of one or more series of Preferred Stock with respect to the rights of one or more series of Preferred Stock to nominate and elect directors, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3.2 or Section 3.4 of these Bylaws. If the Board or the chairman of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this Section 3.2 or Section 3.4 of these Bylaws, then such nomination shall not be considered at the meeting in question. Notwithstanding the foregoing provisions of this Section 3.2, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(g) Notwithstanding the foregoing provisions of this Section 3.2, unless otherwise required by law, if any stockholder that nominates persons for election under this Section 3.2 (1) provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (2) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act, then the Corporation shall disregard any proxies or votes solicited for the such proposed nominees. Upon request by the Corporation, if any nominating stockholder provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such nominating stockholder shall deliver to the Corporation, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act.

(h) In addition to the provisions of this Section 3.2, a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 3.2 shall be deemed to affect any rights of the holders of Preferred Stock to elect directors pursuant to the Certificate of Incorporation or the right of the Board to fill newly created directorships and vacancies on the Board pursuant to the Certificate of Incorporation.

(i) To be eligible to be a nominee for election or re-election pursuant to a nomination made by a stockholder under Section 2.2(b), Section 3.2(a)(ii) or Section 3.4 of these Bylaws, a stockholder must deliver with such stockholder's request (in the case of Section 2.2 of these Bylaws) or notice (in the case of Section 3.2 or 3.4 of these Bylaws) must include:

(i) a written questionnaire with respect to the background, qualifications, stock ownership and independence of such proposed nominee (in the form provided by the Secretary within 10 days following a written request therefor by a stockholder of record) and

(ii) a written representation and executed agreement (in the form provided by the Secretary within 10 days following a written request therefor by a stockholder of record) that such nominee:

(A) will act as a representative of all of the stockholders of the Corporation while serving as a director;

(B) has read and agrees, and, if elected to serve as a member of the Board, will be in compliance with and adhere to the Corporation's Corporate Governance Guidelines and Code of Business Conduct and Ethics and any other company policies and guidelines applicable to directors;

(C) is not and will not become a party to:

(1) any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity in connection with nomination, service or action as a director of the Corporation that has not been disclosed to the Corporation prior to or concurrently with the delivery of the stockholder's request (in the case of Section 2.2 of these Bylaws) or notice (in the case of Section 3.2 or 3.4 of these Bylaws),

(2) any agreement, arrangement or understanding with any person or entity as to how the nominee would vote or act on any issue or question as a director (a "***Voting Commitment***") that has not been disclosed to the Corporation prior to or concurrently with the delivery of the stockholder's request (in the case of Section 2.2 of these Bylaws) or notice (in the case of Section 3.2 or 3.4 of these Bylaws) or

(3) any Voting Commitment that could limit or interfere with the nominee's ability to comply, if elected as a director of the Corporation, with the nominee's fiduciary duties under applicable law;

(D) if elected as a director of the Corporation, intends to serve the entire term until the next meeting at which such candidate would face re-election;

(E) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made not misleading; and

(F) will provide to the Corporation such other information as it may reasonably request.

Section 3.3 Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed their expenses, if any, of attendance at each meeting of the Board and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees

of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

Section 3.4 Proxy Access.

(a) Subject to the provisions of this Section 3.4, if expressly requested in the relevant Nomination Notice (as defined below), the Corporation shall include in its proxy statement for any annual meeting of stockholders:

(i) the name of any person nominated for election to the Board (the “*Nominee*”), which shall also be included on the Corporation’s form of proxy and ballot (together with the proxy statement, the “*proxy materials*”), by any Eligible Holder (as defined below) or group of up to 20 Eligible Holders that, as determined by the Board or its designee, acting in good faith, has both (individually and collectively, in the case of a group) satisfied all applicable conditions and complied with all applicable procedures set forth in this Section 3.4 (such Eligible Holder or group of Eligible Holders being a “*Nominating Stockholder*”);

(ii) disclosure about the Nominee and the Nominating Stockholder required under the rules of the Securities and Exchange Commission or other applicable law to be included in the proxy statement;

(iii) any written statement included by the Nominating Stockholder in the Nomination Notice for inclusion in the proxy statement in support of the Nominee’s election to the Board (subject, without limitation, to Section 3.4(g)), if such statement does not exceed 500 words; and

(iv) any other information that the Corporation or the Board determines, in their discretion, to include in the proxy statement relating to the nomination of the Nominee, including, without limitation, any statement in opposition to the nomination and any of the information provided pursuant to this Section 3.4.

(b) The maximum number of Nominees nominated by all Nominating Stockholders that will be included in the Corporation’s proxy materials with respect to an annual meeting of stockholders shall not exceed the greater of (x) two and (y) 20% of the total number of directors of the Corporation (rounded down to the nearest whole number) on the last day on which a Nomination Notice may be submitted pursuant to this Section 3.4 (the “*Maximum Number*”); *provided*, that (i) any individual nominated by a Nominating Stockholder for inclusion in the Corporation’s proxy materials pursuant to this Section 3.4 who is subsequently withdrawn or that the Board itself decides to nominate for election at such annual meeting and (ii) any incumbent directors who had been Nominees, or nominees of a stockholder pursuant to Section 3.2 of these Bylaws, with respect to any of the preceding two annual meetings of stockholders and whose election at the upcoming annual meeting is being recommended by the Board, shall be counted as Nominees for purposes of determining when the Maximum Number has been reached. In the event that one or more vacancies for any reason occurs on the Board

after the deadline set forth in Section 3.4(d) below but before the date of the annual meeting, and the Board resolves to reduce the size of the Board in connection therewith, the Maximum Number shall be calculated based on the number of directors in office as so reduced. If the number of Nominees pursuant to this Section 3.4 for any annual meeting of stockholders exceeds the Maximum Number then, promptly upon notice from the Corporation, each Nominating Stockholder will select one Nominee for inclusion in the proxy statement until the Maximum Number is reached, going in order of the amount (largest to smallest) of the ownership position as disclosed in each Nominating Stockholder's Nomination Notice, with the process repeated if the Maximum Number is not reached after each Nominating Stockholder has selected one Nominee. If, after the deadline for submitting a Nomination Notice as set forth in Section 3.4(d), a Nominating Stockholder becomes ineligible or withdraws its nomination, or a Nominee becomes ineligible, unwilling or unable to serve on the Board, or a Nominee is thereafter nominated for election by the Board, whether before or after the mailing of the definitive proxy statement, then the nomination shall be disregarded, and the Corporation: (i) shall not be required to include in its proxy materials the disregarded Nominee or any successor or replacement nominee proposed by the Nominating Stockholder or by any other Nominating Stockholder; and (ii) may otherwise communicate to its stockholders, including without limitation by amending or supplementing its proxy materials, that the Nominee will not be included as a Nominee in the proxy materials and will not be voted on at the annual meeting.

(c) For purposes of this Section 3.4:

(i) An "**Eligible Holder**" is a person who has owned (as defined below) the Required Ownership Percentage (as defined below) of the Corporation's outstanding common stock (the "**Required Shares**") continuously for the Minimum Holding Period (as defined below) as of both the date that the Nomination Notice is delivered to, or mailed to and received by, the Secretary of the Corporation in accordance with this Section 3.4 and the record date for determining the stockholders entitled to vote at the annual meeting and must continue to own the Required Shares through the annual meeting date. The "**Required Ownership Percentage**" is 3% or more of the Corporation's outstanding common stock, and the "**Minimum Holding Period**" is 3 years. For purposes of this Section 3.4, (i) a group of funds under common management and investment control, (ii) a group of funds under common management and funded primarily by a single employer or (iii) a "group of investment companies," as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended, shall be treated as one Eligible Holder if such Eligible Holder shall provide together with the Nomination Notice documentation reasonably satisfactory to the Corporation in its sole and absolute discretion that demonstrates that the funds meet the criteria of clause (i), (ii) or (iii). For the avoidance of doubt, in the event of a nomination by a group of Eligible Holders, any and all requirements and obligations for an individual Eligible Holder that are set forth in this Section 3.4, including the Minimum Holding Period, shall apply to each member of such group; *provided, however*, that the Required Ownership Percentage shall apply to the ownership of the group in the aggregate. Should any stockholder withdraw from a group of Eligible Holders at any time prior to the annual meeting of

stockholders, the group of Eligible Stockholders shall only be deemed to own the shares held by the remaining members of the group.

(ii) An Eligible Holder “owns” only those outstanding shares of the Corporation as to which the Eligible Holder possesses both:

(A) the full voting and investment rights pertaining to the shares; and

(B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares;

provided that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares: (1) sold by such Eligible Holder or any of its affiliates in any transaction that has not been settled or closed, (2) borrowed by such Eligible Holder or any of its affiliates for any purpose or purchased by such Eligible Holder or any of its affiliates pursuant to an agreement to resell, or (3) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such Eligible Holder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding shares of the Corporation, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of: (x) reducing in any manner, to any extent or at any time in the future, such Eligible Holder’s or any of its affiliates’ full right to vote or direct the voting of any such shares, and/or (y) hedging, offsetting, or altering to any degree, any gain or loss arising from the full economic interest in such shares by such Eligible Holder or any of its affiliates.

An Eligible Holder “owns” shares held in the name of a nominee or other intermediary so long as the Eligible Holder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. An Eligible Holder’s ownership of shares shall be deemed to continue during any period in which the Eligible Holder has delegated any voting power by means of a proxy, power of attorney, or other similar instrument or arrangement that is revocable at any time by the Eligible Holder. An Eligible Holder’s ownership of shares shall be deemed to continue during any period in which the Eligible Holder has loaned such shares; provided, that the Eligible Holder has the power to recall such loaned shares on no more than five business days’ notice and has recalled such loaned shares as of the date of the Nomination Notice and holds such shares through the date of the annual meeting. The terms “owned,” “owning” and other variations of the word “own” shall have correlative meanings. Whether outstanding shares of the Corporation are “owned” for these purposes shall be determined by the Board or its designee acting in good faith.

(iii) No person shall be permitted to be in more than one group constituting a Nominating Stockholder, and if any person appears as a member of more than one group, it shall be deemed to be a member of the group that has the largest ownership position as reflected in the Nomination Notice.

(d) To nominate a Nominee, the Nominating Stockholder must submit the Nomination Notice no earlier than 150 calendar days and no later than 120 calendar days before the anniversary of the date that the Corporation mailed its proxy statement for the prior year's annual meeting of stockholders; *provided, however*, that, subject to the immediately following sentence, if the annual meeting is called for a date that is more than 30 days earlier or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, for notice by the Nominating Stockholder to be timely, it must be so received not later than the later of (x) the close of business on the 180th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period for the giving of a Nomination Notice under this Section 3.4. Within the time period specified in this Section 3.4(d) for delivering the Nomination Notice, a Nominating Stockholder must submit to the Secretary of the Corporation at the principal executive offices of the Corporation all of the following information and documents (collectively, the "**Nomination Notice**"):

(i) one or more written statements from the record holder of the Required Shares (and from each intermediary through which the Required Shares are or have been held during the Minimum Holding Period) verifying that, as of a date within seven calendar days prior to the date the Nomination Notice is delivered to, or mailed to and received by, the Secretary of the Corporation, the Nominating Stockholder owns, and has owned continuously for the Minimum Holding Period, the Required Shares, and the Nominating Stockholder's agreement to provide, within five business days after (A) the record date for the annual meeting (if, prior to the record date, the Corporation (1) has made a public announcement of such record date or (2) delivered a written notice of the record date (including by electronic mail) to the Nominating Stockholder) or (B) the date on which the Corporation delivered to the Nominating Stockholder written notice (including by electronic mail) of the record date (if such notice is provided after the record date), written statements from the record holder and intermediaries verifying the Nominating Stockholder's continuous ownership of the Required Shares through the record date;

(ii) a copy of the Schedule 14N (or any successor form) relating to the Nominee, completed and filed with the Securities and Exchange Commission by the Nominating Stockholder as applicable, in accordance with Securities and Exchange Commission rules;

(iii) the information required with respect to the nomination of directors pursuant to Section 3.2 of these Bylaws;

(iv) the details of any relationship that existed within the past three years and that would have been described pursuant to Item 6(e) of Schedule 14N (or any successor item) if it existed on the date of submission of the Schedule 14N;

if elected;

(v) the consent of each Nominee to being named in the proxy statement as a nominee and to serving as a director

(vi) a representation and warranty by the Nominating Stockholder (including each group member):

(A) that the Nominating Stockholder acquired the Required Shares in the ordinary course of business and neither the Nominating Stockholder nor the Nominee nor their respective affiliates and associates acquired, or are holding, securities of the Corporation for the purpose, or with the effect, of influencing or changing control of the Corporation;

(B) that the Nominating Stockholder intends to maintain the Required Ownership Percentage through the date of the annual meeting and as to whether or not the Nominating Stockholder intends to continue to hold the Required Shares for at least one year following the annual meeting;

(C) that the Nominee's candidacy or, if elected, Board membership would not violate applicable state or federal law or the rules of any stock exchange on which the Corporation's securities are traded;

(D) that the Nominating Stockholder has not nominated and will not nominate for election any individual as a director at the annual meeting other than its Nominee(s);

(E) that the Nominating Stockholder has not and will not engage in a, and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(*l*) (without reference to the exception in Rule 14a-1(*l*)(2)(iv)) (or any successor rules) with respect to the annual meeting, other than with respect to the Nominee or any nominee of the Board; and

(F) that the Nominating Stockholder will not use any proxy card other than the Corporation's proxy card in soliciting stockholders in connection with the election of a Nominee at the annual meeting;

(vii) in the case of a nomination by a group, the designation by all group members of one group member that is authorized to act on behalf of all group members with respect to matters relating to the nomination, including withdrawal of the nomination;

(viii) an executed agreement, in a form deemed satisfactory by the Board or its designee, acting in good faith, pursuant to which the Nominating Stockholder (including each group member) agrees to:

(A) comply with all applicable laws, rules and regulations in connection with the nomination, solicitation and election;

(B) file any written solicitation materials with the Corporation's stockholders relating to one or more of the Corporation's directors or director nominees or any Nominee with the Securities and Exchange Commission, regardless of whether any such filing is required under rule or regulation or whether any exemption from filing is available for such materials under any rule or regulation;

(C) assume all liability stemming from an action, suit or proceeding concerning any actual or alleged legal or regulatory violation arising out of any communication by the Nominating Stockholder or the Nominee with the Corporation, its stockholders or any other person in connection with the nomination or election of directors, including, without limitation, the Nomination Notice;

(D) indemnify and hold harmless (jointly with all other group members, in the case of a group member) the Corporation and each of its directors, officers, employees, agents, affiliates or other persons acting on behalf of the Corporation individually against any liability, loss, damages, expenses or other costs (including attorneys' fees) incurred in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers, employees, agents, affiliates or other persons acting on behalf of the Corporation arising out of or relating to a failure or alleged failure of the Nominating Stockholder or the Nominee to comply with, or any breach or alleged breach of, his, her or its, as applicable, obligations, agreements or representations under this Section 3.4; and

(E) provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made not misleading;

(ix) the questionnaire, representation and agreement required by Section 3.2(i), completed and signed by the

Nominee:

(A) to provide to the Corporation such other information, including completion of the Corporation's director questionnaire, as it may reasonably request;

(B) to act as a representative of all of the stockholders of the Corporation while serving as a director;

(C) that the Nominee has read and agrees, if elected, to serve as a member of the Board, to adhere to the Corporation's Corporate Governance Guidelines and Code of Business Conduct and Ethics and any other company policies and guidelines applicable to directors;

(D) that the Nominee is not and will not become a party to (1) any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity in connection with nomination, service or action as a director of the Corporation that has not been disclosed to the Corporation prior to or concurrently with the Nominating Stockholder's submission of the Nomination Notice, (2) any agreement, arrangement or understanding with any person or entity as to how the Nominee would vote or act on any issue or question as a director (a "***Voting Commitment***") that has not been disclosed to the Corporation prior to or concurrently with the Nominating Stockholder's submission of the Nomination Notice or (3) any Voting Commitment that could limit or interfere with the Nominee's ability to comply, if elected as a director of the Corporation, with the Nominee's fiduciary duties under applicable law; and

(E) to provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made not misleading.

The information and documents required by this Section 3.4(d) shall be: (1) provided with respect to and executed by each group member, in the case of information applicable to group members; and (2) provided with respect to the persons specified in Instruction 1 to Items 6(c) and (d) of Schedule 14N (or any successor item) in the case of a Nominating Stockholder or group member that is an entity. The Nomination Notice shall be deemed submitted on the date on which all the information and documents referred to in this Section 3.4(d) (other than such information and documents contemplated to be provided after the date the Nomination Notice is provided) have been delivered to or, if sent by mail, received by the Secretary of the Corporation.

(e) In the event that any information or communication provided by the Nominating Stockholder or any Nominee(s) to the Corporation or its stockholders ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made not misleading, each Nominating Stockholder or Nominee, as the case may be, shall promptly (and in any event within 48 hours of discovering such misstatement or omission) notify the Secretary of the Corporation of (i) any defect in such previously provided information and (ii) the information that is required to correct any such defect. In the event that the Nominating

Stockholder (including any group member) has failed to continue to satisfy the eligibility requirements described in Section 3.4(c), such Nominating Stockholder shall promptly notify the Secretary of the Corporation.

(f) Notwithstanding anything to the contrary contained in this Section 3.4, the Corporation may omit from its proxy statement any Nominee and any information concerning such Nominee (including a Nominating Stockholder's statement in support), and no vote on such Nominee will occur (notwithstanding that proxies in respect of such vote may have been received by the Corporation), and the Nominating Stockholder may not, after the last day on which a Nomination Notice would be timely, cure in any way any defect preventing the nomination of the Nominee, if:

(i) the Corporation receives a notice pursuant to Section 3.2 of these Bylaws that a stockholder intends to nominate a candidate for director at the annual meeting;

(ii) if the Nominating Stockholder who has nominated such Nominee has engaged in or is currently engaged in a, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(I) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Nominee(s) or a nominee of the Board;

(iii) the Nominating Stockholder or the designated lead group member, as applicable, or any qualified representative thereof, does not appear at the annual meeting of stockholders to present the nomination submitted pursuant to this Section 3.4 or the Nominating Stockholder withdraws its nomination;

(iv) the Board, acting in good faith, determines that such Nominee's nomination or election to the Board would result in the Corporation violating or failing to be in compliance with these Bylaws or the Corporation's Certificate of Incorporation or any applicable law, rule or regulation to which the Corporation is subject, including any rules or regulations of any stock exchange on which the Corporation's securities are traded;

(v) the Nominee was nominated for election to the Board pursuant to this Section 3.4 at one of the Corporation's two preceding annual meetings of stockholders and either withdrew or became ineligible or unavailable for election at such annual meeting or received a vote of less than 25% of the shares of common stock entitled to vote for such Nominee at either such annual meeting;

(vi) the Nominee has been, within the past three years, an officer or director of a competitor, as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914, as amended;

(vii) the Corporation is notified, or the Board or its designee acting in good faith determines, that a Nominating Stockholder has failed to continue to satisfy the eligibility requirements described in Section 3.4(c), any of the representations and warranties made in the Nomination Notice ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statement not misleading), the Nominee becomes unwilling or unable to serve on the Board or any violation or breach occurs of the obligations, agreements, representations or warranties of the Nominating Stockholder or the Nominee under this Section 3.4;

(viii) if the Nominee (A) is not independent under the listing standards of each principal U.S. exchange upon which the common stock of the Corporation is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board in determining and disclosing independence of the Corporation's directors, in each case as determined by the Board in its sole discretion, or (B) does not qualify as independent under the audit committee independence requirements set forth in the rules of the principal U.S. exchange on which shares of the Corporation are listed or as a "non-employee director" under Exchange Act Rule 16b-3;

(ix) if the Nominee is a named subject of a pending criminal proceeding (excluding traffic violations and other minor misdemeanors) or has been convicted in such a criminal proceeding within the past 10 years; and

(x) if the Nominee is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended.

(g) Notwithstanding anything to the contrary contained in this Section 3.4, the Corporation may omit from its proxy statement, or may supplement or correct, any information, including all or any portion of the statement in support of the Nominee included in the Nomination Notice, if the Board or its designee in good faith determines that (i) such information is not true in all material respects or omits a material statement necessary to make the statements made not misleading, (ii) such information directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any individual, corporation, partnership, association or other entity, organization or governmental authority, (iii) the inclusion of such information in the proxy statement would otherwise violate the SEC proxy rules or any other applicable law, rule or regulation or (iv) the inclusion of such information in the proxy statement would impose a material risk of liability upon the Corporation.

(h) The Corporation may solicit against, and include in the proxy statement its own statement relating to, any Nominee.

(i) This Section 3.4 shall be the exclusive method for stockholders to include nominees for director in the Corporation's proxy materials.

Section 3.5 White Proxy Card. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board.

ARTICLE IV BOARD MEETINGS

Section 4.1 Annual Meetings. The Board shall meet as soon as practicable after the adjournment of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this Section 4.1.

Section 4.2 Regular Meetings. Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places as shall from time to time be determined by the Board.

Section 4.3 Special Meetings. Special meetings of the Board (a) may be called by the Chairman of the Board or Chief Executive Officer and (b) shall be called by the Chairman of the Board, Chief Executive Officer or Secretary on the written request of at least a majority of directors then in office, or the sole director, as the case may be, and shall be held at such time, date and place as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in Section 9.3, to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation, or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 9.4.

Section 4.4 Quorum; Required Vote. A majority of the Whole Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.5 Consent In Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.6 Organization. The Board shall elect a Chairman of the Board from among the directors. The chairman of each meeting of the Board shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or in the absence (or inability or refusal to act) of the President or if the President is not a director, a chairman elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary shall perform the duties of the Secretary at such meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V COMMITTEES OF DIRECTORS

Section 5.1 Establishment. The Board may by resolution passed by a majority of the Whole Board designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board when required. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

Section 5.2 Available Powers. Any committee established pursuant to Section 5.1 hereof, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

Section 5.3 Alternate Members. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee.

Section 5.4 Procedures. Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee (but not including any alternate member, unless such alternate member has replaced any absent or disqualified member at the time of, or in connection with, such meeting) shall constitute a

quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these Bylaws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these Bylaws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these Bylaws.

ARTICLE VI OFFICERS

Section 6.1 Officers. The officers of the Corporation elected by the Board may include a Chief Executive Officer, a President, a Treasurer, a Secretary and such other officers (including without limitation a Chief Financial Officer, Vice Presidents, Assistant Secretaries and Assistant Treasurers) as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI. Such officers shall also have such powers and duties as from time to time may be conferred by the Board. The Chief Executive Officer or President may also appoint such other officers (including without limitation one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these Bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer.

(a) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer shall preside when present at all meetings of the stockholders and (if he or she shall be a director) of the Board.

(b) President. The President, if any, shall be subject to the direction and control of the Chief Executive Officer and the Board and shall have such powers and duties as the board of directors, or the Chief Executive Officer may assign to the President. In the absence (or inability or refusal to act) of the Chief Executive Officer, the President shall preside when present at all meetings of the stockholders and (if he or she shall be a director) of the Board.

(c) Vice Presidents. In the absence (or inability or refusal to act) of the President, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board) shall perform the duties and have the powers of the President.

Any one or more of the Vice Presidents may be given an additional designation of rank or function. Specifically, Vice Presidents may include Executive Vice Presidents and Senior Vice Presidents.

(d) Secretary.

(i) The Secretary shall attend all meetings of the stockholders, the Board and (as required) committees of the Board and shall record the proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chief Executive Officer or the President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or any Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

(ii) The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

(e) Assistant Secretaries. The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Secretary, perform the duties and have the powers of the Secretary.

(f) Treasurer. The Treasurer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation which from time to time may come into the Treasurer's hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board, the Chief Executive Officer or the President may authorize).

(g) Assistant Treasurers. The Assistant Treasurer or, if there shall be more than one, the Assistant Treasurers in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Treasurer, perform the duties and exercise the powers of the Treasurer.

Section 6.2 Term of Office; Removal; Vacancies. The elected officers of the Corporation shall be elected annually by the Board at its first meeting held after each annual meeting of stockholders. All officers elected by the Board shall hold office until the next annual meeting of the Board and until their successors are duly elected and qualified or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer may be

removed, with or without cause, at any time by the Board. Any officer appointed by the Chief Executive Officer or President may also be removed, with or without cause, by the Chief Executive Officer or President, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chief Executive Officer or President may be filled by the Chief Executive Officer or President, as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

Section 6.3 Other Officers. The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary or desirable.

Section 6.4 Multiple Officeholders; Stockholder and Director Officers. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

ARTICLE VII SHARES

Section 7.1 Certificated and Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed in accordance with Section 7.3 representing the number of shares registered in certificate form. The Corporation shall not have power to issue a certificate representing shares in bearer form.

Section 7.2 Multiple Classes of Stock. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights to be set forth in full or summarized on the face or back of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or

other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

Section 7.3 Signatures. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by (a) the Chief Executive Officer, the President or a Vice President and (b) the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.4 Consideration and Payment for Shares.

(a) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may consist of any tangible or intangible property or benefit to the Corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities.

(b) Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

Section 7.5 Lost, Destroyed or Wrongfully Taken Certificates.

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the

Corporation registers a transfer of such shares before receiving notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

Section 7.6 Transfer of Stock.

(a) If a certificate representing shares of the Corporation is presented to the Corporation with a stock power or other indorsement requesting the registration of transfer of such shares or an instruction is presented to the Corporation requesting the registration of transfer of uncertificated shares, the Corporation shall register the transfer as requested if:

(i) in the case of certificated shares, the certificate representing such shares has been surrendered;

(ii) (A) with respect to certificated shares, the indorsement is made by the person specified by the certificate as entitled to such shares; (B) with respect to uncertificated shares, an instruction is made by the registered owner of such uncertificated shares; or (C) with respect to certificated shares or uncertificated shares, the indorsement or instruction is made by any other appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;

(iii) the Corporation has received a guarantee of signature of the person signing such indorsement or instruction or such other reasonable assurance that the indorsement or instruction is genuine and authorized as the Corporation may request;

(iv) the transfer does not violate any restriction on transfer imposed by the Corporation that is enforceable in accordance with Section 7.8(a); and

(v) such other conditions for such transfer as shall be provided for under applicable law have been satisfied.

(b) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 7.7 Registered Stockholders. Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial

ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.8 Effect of the Corporation's Restriction on Transfer.

(a) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the DGCL and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice sent by the Corporation to the registered owner of such shares within a reasonable time after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

(b) A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice sent by the Corporation to the registered owner of such shares within a reasonable time after the issuance or transfer of such shares.

Section 7.9 Regulations. The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

ARTICLE VIII INDEMNIFICATION

Section 8.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "*proceeding*"), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan (hereinafter a "*Covered Person*"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by applicable law, as the same exists or may hereafter be amended, against all expenses, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes and penalties and

amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection with such proceeding; provided, however, that, except as provided in Section 8.3 with respect to proceedings to enforce rights to indemnification and advancement of expenses, the Corporation shall indemnify a Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board.

Section 8.2 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1, a Covered Person shall also have the right to be paid by the Corporation the expenses (including, without limitation, attorneys' fees) incurred in defending, testifying, or otherwise participating in any such proceeding in advance of its final disposition (hereinafter an "*advancement of expenses*"); provided, however, that, if the DGCL requires, an advancement of expenses incurred by a Covered Person in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such Covered Person, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "*undertaking*"), by or on behalf of such Covered Person, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "*final adjudication*") that such Covered Person is not entitled to be indemnified for such expenses under this Article VIII or otherwise.

Section 8.3 Right of Indemnitee to Bring Suit. If a claim under Section 8.1 or Section 8.2 is not paid in full by the Corporation within 60 days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the Covered Person may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim to the fullest extent permitted by law. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Covered Person shall also be entitled to be paid the expense of prosecuting or defending such suit. In any suit brought by (a) the Covered Person to enforce a right to indemnification hereunder (but not in a suit brought by a Covered Person to enforce a right to an advancement of expenses) it shall be a defense that, and (b) the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Covered Person has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, shall be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an

advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

Section 8.4 Non-Exclusivity of Rights. The rights provided to Covered Persons pursuant to this Article VIII shall not be exclusive of any other right that any Covered Person may have or hereafter acquire under applicable law, the Certificate of Incorporation, these Bylaws, an agreement, a vote of stockholders or disinterested directors, or otherwise.

Section 8.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and/or any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust, other enterprise or nonprofit entity against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 8.6 Indemnification of Other Persons. This Article VIII shall not limit the right of the Corporation to the extent and in the manner permitted by law to indemnify and to advance expenses to persons other than Covered Persons. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any other person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of Covered Persons under this Article VIII.

Section 8.7 Amendments. Any repeal or amendment of this Article VIII by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VIII, shall, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Covered Persons on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

Section 8.8 Certain Definitions. For purposes of this Article VIII, (a) references to “other enterprise” shall include any employee benefit plan; (b) references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; (c) references to “serving at the request of the Corporation” shall include any service that imposes duties on, or involves services by, a person with respect to any employee benefit plan, its participants, or beneficiaries; and (d) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interest of the Corporation” for purposes of Section 145 of the DGCL.

Section 8.9 Contract Rights. The rights provided to Covered Persons pursuant to this Article VIII (a) shall be contract rights based upon good and valuable consideration, pursuant to which a Covered Person may bring suit as if the provisions of this Article VIII were set forth in a separate written contract between the Covered Person and the Corporation, (b) shall fully vest at the time the Covered Person first assumes his or her position as a director or officer of the Corporation, (c) are intended to be retroactive and shall be available with respect to any act or omission occurring prior to the adoption of this Article VIII, (d) shall continue as to a Covered Person who has ceased to be a director or officer of the Corporation and (e) shall inure to the benefit of the Covered Person's heirs, executors and administrators.

Section 8.10 Severability. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VIII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE IX MISCELLANEOUS

Section 9.1 Place of Meetings. If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these Bylaws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 9.5 hereof, then such meeting shall not be held at any place.

Section 9.2 Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a record date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the

adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 9.2(a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(c) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is otherwise required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or the Secretary of the Corporation. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is otherwise required, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

Section 9.3 Means of Giving Notice.

(a) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, (ii) by means of facsimile telecommunication or other form of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (i) if given by hand delivery, orally, or by telephone, when actually received by the director, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iv) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing

on the records of the Corporation, (v) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (vi) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) Notice to Stockholders. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any stockholder, such notice may be given (i) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (ii) by means of a form of electronic transmission consented to by the stockholder, to the extent permitted by, and subject to the conditions set forth in Section 232 of the DGCL. Each document enclosed with or annexed or appended to a notice will be deemed to be a part of such notice for purposes of the foregoing. A notice to a stockholder shall be deemed given as follows: (i) if given by hand delivery, when actually received by the stockholder, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, and (iv) if given by a form of electronic transmission consented to by the stockholder to whom the notice is given and otherwise meeting the requirements set forth above, (A) if by facsimile transmission, when directed to a number at which the stockholder has consented to receive notice, (B) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (C) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (1) such posting and (2) the giving of such separate notice, and (D) if by any other form of electronic transmission, when directed to the stockholder. A stockholder may revoke such stockholder's consent to receiving notice by means of electronic communication by giving written notice of such revocation to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary or an Assistant Secretary or to the Corporation's transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(c) Electronic Transmission. "**Electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by telex, facsimile telecommunication, electronic mail, telegram and cablegram.

(d) Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate

of Incorporation or these Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(e) Exceptions to Notice Requirements. Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. If the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated. If the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (1) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

Section 9.4 Waiver of Notice. Whenever any notice is required to be given under applicable law, the Certificate of Incorporation, or these Bylaws, a written waiver of such notice, signed before or after the date of such meeting by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except

where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.5 Meeting Attendance via Remote Communication Equipment.

(a) Stockholder Meetings. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(b) Board Meetings. Unless otherwise restricted by applicable law, the Certificate of Incorporation, or these Bylaws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.6 Dividends. The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation's capital stock) on the Corporation's outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

Section 9.7 Reserves. The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

Section 9.8 Contracts and Negotiable Instruments. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, any contract, bond,

deed, lease, mortgage or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers or other employee or employees of the Corporation as the Board may from time to time authorize. Such authority may be general or confined to specific instances as the Board may determine. The Chief Executive Officer, the President or any Vice President may execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation. Subject to any restrictions imposed by the Board, the Chief Executive Officer, President or any Vice President may delegate powers to execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation to other officers or employees of the Corporation under such person's supervision and authority, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 9.9 Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board.

Section 9.10 Seal. The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 9.11 Books and Records. The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Section 9.12 Resignation. Any director, committee member or officer may resign by giving notice thereof in writing or by electronic transmission to the Chief Executive Officer, President or the Secretary. The resignation shall take effect at the time specified therein, or at the time of receipt of such notice if no time is specified or the specified time is earlier than the time of such receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.13 Surety Bonds. Such officers, employees and agents of the Corporation (if any) as the Chief Executive Officer, the President or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Corporation, in such amounts and by such surety companies as the Chief Executive Officer, President or the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Secretary.

Section 9.14 Securities of Other Corporations. Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, President or any Vice President. Any such officer, may, in the name

of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

Section 9.15 Amendments.

(a) The Board shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of a majority of the Whole Board shall be required to adopt, amend, alter or repeal the Bylaws.

(b) The Bylaws may be adopted, amended, altered or repealed by the stockholders at any special meeting of the stockholders if duly called for that purpose (provided; that in the notice of such special meeting, notice of such purpose shall be given), or at any annual meeting; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by applicable law or the Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the Bylaws.

Section 9.16 Forum Selection. Subject to Article XII of the Certificate of Incorporation, unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended, including all causes of action asserted against any defendant to such complaint.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Section 9.16. This provision is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

CERTIFICATION

I, Kaes Van't Hof, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diamondback Energy, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Kaes Van't Hof

Kaes Van't Hof

Chief Executive Officer

CERTIFICATION

I, Jere W. Thompson III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diamondback Energy, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Jere W. Thompson III

Jere W. Thompson III
Chief Financial Officer

CERTIFICATION OF PERIOD REPORT

In connection with the Quarterly Report on Form 10-Q of Diamondback Energy, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Kaes Van't Hof, Chief Executive Officer of Diamondback Energy, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Kaes Van't Hof
Kaes Van't Hof
Chief Executive Officer

CERTIFICATION OF PERIOD REPORT

In connection with the Quarterly Report on Form 10-Q of Diamondback Energy, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Jere W. Thompson III, Chief Financial Officer of Diamondback Energy, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Jere W. Thompson III

Jere W. Thompson III
Chief Financial Officer