

Crescent Energy Company

EIN 87-1133610

Attachment to Form 8937 dated September 12, 2024

**Line 10**

Crescent Energy Company, a Delaware corporation ("***Crescent***"), CUSIP: 44952J 104

SilverBow Resources, Inc., a Delaware corporation ("***SilverBow***"), CUSIP: 82836G 102

**Line 12**

Crescent Energy Company ticker symbol is CRGY.

SilverBow Resources, Inc. ticker symbol was SBOW.

**Line 14**

On July 30, 2024, SilverBow and Crescent completed the combination of SilverBow's business with the business of Crescent (such combination, the "***Transaction***") pursuant to the Agreement and Plan of Merger, dated as of May 15, 2024 (the "***Merger Agreement***"), by and among, Crescent, SilverBow, Artemis Acquisition Holdings Inc., a wholly owned corporate subsidiary of Crescent ("***Artemis Holdings***"), Artemis Merger Sub Inc., a wholly owned corporate subsidiary of Crescent ("***Merger Sub Inc.***"), and Artemis Merger Sub II LLC, a wholly owned limited liability company subsidiary of Artemis Acquisition Holdings Inc. ("***Merger Sub LLC***").

The Transaction was consummated through a series of steps, including (i) the merger of Merger Sub Inc. with and into SilverBow, with SilverBow surviving the merger (such merger, the "***Initial Merger***"), and (ii) immediately following the Initial Merger, the merger of SilverBow with and into Merger Sub LLC, an indirect, wholly owned subsidiary of Crescent and a direct, wholly owned subsidiary of Artemis Holdings, with Merger Sub LLC surviving the merger (such merger, together with the Initial Merger, the "***Mergers***").

Each share of common stock, par value \$0.01 per share, of SilverBow ("***SilverBow Common Stock***") issued and outstanding was converted into the right to receive from Crescent one of the following forms of consideration:

- (1) Each share of SilverBow Common Stock with respect to which an election to receive the cash consideration was made was converted into the right to receive \$38.00 in cash.
- (2) Each share of SilverBow Common Stock with respect to which an election to receive the stock consideration was made was converted into the right to receive 3.125 shares of Crescent Class A Common Stock.

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(3) Each share of SilverBow Common Stock with respect to which an election to receive the mixed consideration was made was converted into the right to receive consideration consisting of (A) 1.866 shares of Class A common stock, par value \$0.0001 per share, of Crescent (“**Crescent Class A Common Stock**”) and (B) \$15.31 in cash.

(4) Each share of SilverBow Common Stock for which no election was made was converted into the right to receive 3.125 shares of Crescent Class A Common Stock.

Additional details regarding the Transaction can be found in the registration statement on Form S-4/A filed with the U.S. Securities and Exchange Commission by Crescent on June 21, 2024 (Registration No. 333-280162) (the “**Form S-4**”) and available at the following link:

<https://www.sec.gov/Archives/edgar/data/1866175/000162828024029390/crescentenergy-sx4a1.htm>

### **Line 15**

The information contained herein does not constitute tax advice and does not purport to be a complete description of all tax consequences that may apply to a particular shareholder.

Additional information regarding the U.S. federal income tax consequences of the Mergers can be found in the Form S-4 under “Material U.S. Federal Income Tax Consequences”.

Crescent and SilverBow intend that the Mergers, taken together, qualify as a “reorganization” within the meaning of Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), and the remainder of this attachment assumes such qualification. Crescent and SilverBow did not obtain, and do not intend to obtain, any tax opinion of counsel or any ruling from the U.S. Internal Revenue Service (“**IRS**”) regarding any matters related to the Mergers. Accordingly, there can be no assurance that the IRS will not take a contrary position to the tax consequences described herein or that a court will not agree with a contrary position of the IRS.

Assuming the Mergers qualify as a “reorganization” within the meaning of Section 368(a) of the Code, the quantitative effect of the Mergers on the basis of a SilverBow shareholder who is a U.S. person (a “**U.S. holder**”) not in a special class of holders subject to special rules (as further described in the Form S-4) generally will depend on the form of consideration received by such SilverBow shareholder:

- *Receipt of Solely Cash Consideration:* A U.S. holder that exchanged its shares of SilverBow Common Stock solely for cash pursuant to the Mergers generally will recognize gain or loss equal to the difference, if any, between the amount of cash received for such SilverBow Common Stock and the aggregate adjusted tax basis of such shares of SilverBow Common Stock with no further tax basis impact.
- *Receipt of Solely Stock Consideration:* A U.S. holder that exchanged its shares of SilverBow Common Stock solely for Crescent Class A Common Stock pursuant to the Mergers generally will not recognize any gain or loss for U.S. federal income tax purposes, except with respect to cash, if any, received in lieu of a fractional share of Crescent Class A Common Stock (as discussed below). Each such U.S. holder’s aggregate adjusted tax

basis in the shares of Crescent Class A Common Stock received in the Mergers (including any fractional share deemed to be received) will equal such U.S. holder's aggregate adjusted tax basis in the shares of SilverBow Common Stock surrendered in the Mergers. If a U.S. holder holds different blocks of SilverBow Common Stock (generally, SilverBow Common Stock acquired on different dates or at different prices), such U.S. holder should consult with its tax advisor with respect to the determination of the tax bases of the particular shares of Crescent Class A Common Stock received in the Mergers.

- *Receipt of Stock Consideration and Cash Consideration:* A U.S. holder that exchanged its shares of SilverBow Common Stock for a combination of Crescent Class A Common Stock and cash (other than any cash received in lieu of a fractional share of Crescent Class A Common Stock) pursuant to the Mergers generally will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount by which the sum of the fair market value of the Crescent Class A Common Stock (including any fractional share of Crescent Class A Common Stock the U.S. holder is treated as having received) and cash received by the U.S. holder in the Mergers exceeds such U.S. holder's aggregate adjusted tax basis in its shares of SilverBow Common Stock surrendered in the Mergers and (ii) the amount of cash received by such U.S. holder in the Mergers (in each case, excluding any cash received in lieu of a fractional share of Crescent Class A Common Stock, which will be treated as discussed below). The aggregate adjusted tax basis of the shares of Crescent Class A Common Stock received by such a U.S. holder in the Mergers (including any fractional share of Crescent Class A Common Stock deemed to be received) will be the same as the aggregate adjusted tax basis of the shares of SilverBow Common Stock surrendered in the Mergers, (i) decreased by the amount of cash received in the Mergers (excluding any cash received in lieu of a fractional share of Crescent Class A Common Stock) and (ii) increased by the amount of gain recognized in the exchange (excluding gain recognized upon the receipt of cash in lieu of a fractional share of Crescent Class A Common Stock). If a U.S. holder holds different blocks of SilverBow Common Stock (generally, SilverBow Common Stock acquired on different dates or at different prices), any gain or loss will be determined separately with respect to each block of shares of SilverBow Common Stock surrendered by such U.S. holder in the Mergers, and such U.S. holder's basis in its shares of Crescent Class A Common Stock may be determined with reference to each block of shares of SilverBow Common Stock. Any such U.S. holder should consult its tax advisor regarding the manner in which cash and shares of Crescent Class A Common Stock received in the Mergers should be allocated among different blocks of shares of SilverBow Common Stock and with respect to the determination of the tax bases of the particular shares of Crescent Class A Common Stock received in the Mergers.
- *Cash in Lieu of a Fractional Share:* A U.S. holder that received cash in lieu of a fractional share of Crescent Class A Common Stock generally will be treated as having received such fractional share pursuant to the Mergers and then as having sold such fractional share to Crescent for cash. As a result, such U.S. holder generally will recognize gain or loss equal to the difference, if any, between the amount of cash received for such fractional share and the portion of such U.S. holder's aggregate tax basis in its SilverBow Common Stock surrendered that is allocated to such fractional share of Crescent Class A Common Stock.

**Line 16**

See description of calculation of change in basis under Line 15 above.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how a holder of SilverBow Common Stock should determine the fair market value of any Crescent Class A Common Stock received in the Mergers for purposes of calculating any gain recognized upon the receipt of a combination of Crescent Class A Common Stock and cash in the Mergers. Each holder of SilverBow Common Stock should consult its own tax advisor to determine what measure of fair market value is appropriate.

**Line 17**

The tax treatment described herein is based (in part) on Sections 368, 354, 358, and 1001 of the Code.

**Line 18**

*Solely Cash Consideration:* Loss may be recognized.

*Solely Stock Consideration:* No loss may be recognized.

*Stock Consideration and Cash Consideration:* No loss may be recognized.

*Cash in Lieu of a Fractional Share:* Loss may be recognized.

**Line 19**

The Mergers were consummated on July 30, 2024. Accordingly, the reportable tax year of U.S. holders of SilverBow Common Stock for reporting the tax effect of the Mergers is the taxable year that includes July 30, 2024.