

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

PEGGY OLENIK, Individually and on Behalf of All
Others Similarly Situated and Derivatively on Behalf
of Nominal Defendant EARTHSTONE ENERGY,
INC.,

Plaintiff,

v.

FRANK A. LODZINSKI, RAY SINGLETON,
DOUGLAS E. SWANSON, BRAD THIELEMANN,
ROBERT L. ZORICH, JAY F. JOLIAT, ZACHARY
G. URBAN, ENCAP INVESTMENTS L.P., BOLD
ENERGY III LLC, BOLD ENERGY HOLDINGS
LLC and OAK VALLEY RESOURCES, LLC,

Defendants,

and

EARTHSTONE ENERGY, INC, a
Delaware corporation,

Nominal Defendant.

C.A. No. 2017-0414-JRS

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS AND DERIVATIVE ACTION

*The Delaware Court of Chancery authorized this Notice.
This is not a solicitation from an attorney.*

TO: ALL RECORD AND BENEFICIAL HOLDERS OF EARTHSTONE COMMON STOCK ISSUED AND OUTSTANDING AS OF NOVEMBER 7, 2016 (THE "CLASS SHARES") IN THEIR CAPACITIES AS HOLDERS OF CLASS SHARES, TOGETHER WITH THEIR HEIRS, ASSIGNS, TRANSFEREES, AND SUCCESSORS-IN-INTEREST, IN EACH CASE IN THEIR CAPACITY AS HOLDERS OF CLASS SHARES (THE "CLASS," TO BE COMPOSED OF "CLASS MEMBERS").

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOUR RIGHTS WILL BE AFFECTED BY THIS LITIGATION.**

This Notice relates to a proposed settlement (the "Settlement") of the lawsuit whose caption appears on page 1 of this Notice (the "Action"). The Action was brought by an Earthstone stockholder on behalf of Earthstone Energy Inc. (the "Company," "Earthstone" or the "Nominal Defendant") as well as a class of Earthstone stockholders in the Court of Chancery of the State of Delaware (the "Court"). If the Court approves the Settlement, it will resolve all claims brought, or that could have been brought, in the Action.

The complete terms of the Settlement, which will not take effect unless approved by the Court, are set forth in a Stipulation of Settlement, dated January 4, 2021 (the "Stipulation"), entered into by and among (i) plaintiff Peggy Olenik ("Plaintiff")¹ derivatively on behalf of Earthstone and directly for the Class; (ii) Defendants Frank A. Lodzinski, Ray Singleton, Douglas E. Swanson, Brad Thielemann, Robert L. Zorich, Jay F. Joliat and Zachary G. Urban (the "Individual Defendants"), (iii) EnCap Investments L.P. ("EnCap"), Bold Energy III LLC ("Bold"), Bold Energy Holdings LLC ("Bold Holdings") and Oak Valley Resources LLC ("Oak Valley"), and (iv) Earthstone (the Individual Defendants, EnCap, Bold, Bold Holdings, Oak Valley and Earthstone together, "Defendants") (Plaintiff and Defendants together, the "Parties")².

¹ Plaintiff was substituted in this Action for her husband, Nicholas Olenik, by Court Order dated February 14, 2020, after Mr. Olenik's death.

² Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings assigned to them in the Stipulation. A copy of the Stipulation is available for review at the following website <https://abdataclassaction.com/about-us/cases/>.

WHAT IS THE PURPOSE OF THIS NOTICE?

The purpose of this Notice is to inform Earthstone stockholders about (a) the Action; (b) the Settlement; (c) Earthstone stockholders' rights with respect to the Settlement; and (d) the Settlement Hearing that the Court will hold on March 31st, 2021, at 9:15 a.m., via Zoom.

At this hearing (the "Settlement Hearing"), the Court will, among other things: (a) determine whether Plaintiff and Plaintiff's Counsel have adequately represented the interests of Earthstone and the Class; (b) determine whether the Settlement is fair, reasonable, and adequate to Plaintiff, Earthstone and the Class, and should be approved by the Court; (c) determine whether a Final Judgment should be entered dismissing the Action with prejudice; (d) determine whether Plaintiff's application for the Fee & Expense Award and Incentive Award should be approved; (e) hear and consider any objections to the Settlement or any Fee and Expense Award or any Incentive Award granted by the Court in an application to be submitted by Plaintiff's Counsel; and (f) consider any other matters concerning the Settlement that may properly be brought before the Court.

WHAT IS THIS CASE ABOUT?

THE FOLLOWING DESCRIPTION OF THE ACTION HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS. THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF ANY FINDINGS OF FACT.

On November 7, 2016, Earthstone, Earthstone Energy Holdings LLC, Lynden USA Operating LLC, Lynden USA, Inc., Bold and Bold Holdings entered into the "Up-C" transaction challenged in this Action (the "Transaction"), pursuant to which Earthstone combined its business with that of Bold, a company controlled by EnCap and its affiliates. Under the terms of the Transaction, Earthstone issued Bold approximately 36 million shares of newly-issued Earthstone Class B common stock that, based on the then-trading price of Earthstone, had an implied value of approximately \$340 million.

On June 2, 2017, Plaintiff filed a Verified Stockholder Class Action and Derivative Complaint (the "Complaint") on behalf of all other similarly situated stockholders of Earthstone and on behalf of Earthstone alleging, among other things, that Defendants Frank A. Lodzinski, Ray Singleton, Douglas E. Swanson, Brad Thielemann, Robert L. Zorich, Jay F. Joliat, Zachary G. Urban, EnCap, Bold, Bold Holdings, and Oak Valley breached their fiduciary duties and/or aided and abetted breaches of fiduciary duty in connection with the Transaction.³

After the filing of an Amended Complaint and motions to dismiss filed by all Defendants, the Court heard oral argument on the motions and on July 20, 2018, issued a Memorandum Opinion granting Defendants' motions. Plaintiff appealed to the Supreme Court of Delaware, and following the submission of briefs and oral argument, on April 5, 2019, the Supreme Court of Delaware reversed the Court's dismissal in part, affirmed the dismissal in part, and remanded the Action for further proceedings.

Following the Supreme Court of Delaware's reversal, Plaintiff served requests for production of documents, issued subpoenas to third parties involved with the Transaction, and proceeded with general discovery in support of the claims in the Action, including working with experts. After a failed mediation in October of 2019, Plaintiff proceeded to begin depositions of various persons involved in the Transaction, which took place in July and August of 2020. On September 1, 2020, the Parties again engaged in mediation, with a new mediator; but again, the mediation was not successful. However, the Parties continued to engage on a possible resolution, and ultimately agreed to enter into a settlement.

The Parties then drafted and negotiated the Stipulation to memorialize the terms of the Settlement. As laid out in the Stipulation, Plaintiff intends to submit a Fee and Expense Application and an Incentive Award Application to the Court.

In consideration of the proposed Settlement, Defendants and/or their insurers shall pay a total of three million five hundred thousand dollars and no cents (\$3.5 million) in cash (the "Settlement Amount") to fully resolve the Action. In addition, the Company has agreed to certain governance changes, including the creation of an Independent Director Committee for review of Covered Transactions with regard to certain actual or potential M&A transactions between Earthstone and EnCap, or Earthstone and any entity in which EnCap or its funds own more than 50% of the outstanding

³ The Complaint was also filed against Phillip D. Kramer, who was dismissed from this Action pursuant to the Stipulation and Order of Dismissal Only as to Defendant Phillip D. Kramer entered by the Court on October 12, 2017.

equity (the “Covered Transaction Policy”). The Covered Transactions Policy shall be instituted within 60 days of the Execution Date of the Stipulation, and shall remain in place for 4 years or until the voting power of EnCap’s ownership of Earthstone voting securities falls below 30%.

The Stipulation provides that after payment from the Settlement Amount of any award of attorneys’ fees and expenses to Plaintiff’s Counsel, taxes, and any costs and expenses for distribution and administration of the Settlement Fund and the notice to Class Members, 45% of the remaining Settlement Fund shall be paid to eligible Class Members who are included in the definition of “Authorized Claimants” (defined below) and 55% shall be paid to the Company.

The Stipulation further provides, among other things, that the Company, the Defendants, each of their respective insurers, and the Released Parties shall have no obligation to pay or bear any additional amounts, expenses, costs, damages, or fees to or for the benefit of Plaintiff or any Class Members in connection with this Settlement, including but not limited to attorneys’ fees and expenses for any counsel to any Class Member, or any costs of notice or settlement administration or otherwise.

HOW WILL CLASS MEMBERS BE PAID?

Only Class Members who are Authorized Claimants will qualify to share in the distribution of the Settlement Fund allocable to the Class after payment of an award of attorneys’ fees, Administrative Costs, including any additional notice costs, and any taxes owed with respect to the Account.

“Authorized Claimants” means all Persons, excluding any Excluded Holders, who beneficially held shares as of the Class Distribution Record Date. “Class Distribution Record Date” means the most recent date on or after the Effective Date of the Stipulation for which the Depository Trust Company (“DTC”) has produced, or is able to produce, a Security Position Report (“SPR”) identifying the position holdings of DTC participants.

If you held and continue to hold your shares as of the Class Distribution Record Date, you are a Class Member and an Authorized Claimant, eligible to receive a pro-rata proportion of the remaining Settlement Fund as determined by the Settlement Administrator. Potential Class Members and Class Members who are Authorized Claimants do not need to file a proof of claim form.

Class Members who sold or disposed of their Earthstone shares prior to the Class Distribution Record Date (or who no longer beneficially hold such shares) are not Authorized Claimants and are not eligible to receive any portion of the Class Payment that is allocable to those shares.

If the Settlement is approved by the Court, the releases contained in the Stipulation and summarized herein will apply with full force and effect to all Class Members, including those Class Members who do not qualify as Authorized Claimants.

If the Settlement and the proposed plan of allocation (“Plan of Allocation”) of the Settlement Fund to Class Members is approved by the Delaware Court, each Authorized Claimant shall receive a distribution from the Class Amount equal to the product of the Class Amount and a fraction, the numerator of which is the number of shares of Earthstone common stock held by such Authorized Claimant as of the Class Distribution Record Date, and the denominator of which is the total number of shares of Earthstone common stock held by all Authorized Claimants as of the Class Distribution Record Date (the “Class Payment”). Again, you must beneficially hold the shares as of the Class Distribution Record Date and meet the other requirements under the definition of Authorized Claimants to be eligible to receive the Class Payment for those shares.

If there is any balance in the Settlement Fund attributable to the Class Amount following the initial payment of the Class Amount, such amounts, if economical and feasible, shall be distributed in an equitable and economic fashion among the Authorized Claimants in the same manner as described above. If such further distribution is not economical or feasible, Plaintiff’s Counsel may distribute any balance which still remains in the Account, after provision for all anticipated expenses, in accordance with Delaware’s unclaimed property law. Neither Defendants nor their insurers shall have any reversionary interest in the Account.

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE AN AUTHORIZED CLAIMANT OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

HOW WILL PLAINTIFF'S COUNSEL BE PAID?

Before final approval of the proposed Settlement, Plaintiff's Counsel will file a Fee and Expense Application with the Court (the "Fee and Expense Application"). Plaintiff's Counsel's Fee and Expense Application will seek an aggregate award of up to \$1,100,000, inclusive of reasonable expenses incurred in connection with the Action. Defendants and the Company presently take no position on the Fee and Expense Application. Any resulting Fee and Expense Award will be paid, or caused to be paid, solely out of the Settlement Amount.

Plaintiff's Counsel will apply to the Court for a special award to the Plaintiff for her services as a derivative and Class representative of up to \$2,500 to be payable from the fees and expenses the Court awards to Plaintiff's Counsel in connection with the Fee and Expense Application (the "Incentive Award Application"). Defendants and the Company presently take no position on the Incentive Award Application.

WHY ARE THE PARTIES SETTLING?

The Parties have determined that it is desirable and beneficial that the Action and any dispute related thereto is fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

Plaintiff and Plaintiff's Counsel have thoroughly considered the facts and law underlying the Action. They believe that the claims asserted in the Action have merit. Nonetheless, Plaintiff and Plaintiff's Counsel also recognize the significant risk, expense, and length of continued proceedings necessary to prosecute the Action against Defendants through trial and appeal. Plaintiff and Plaintiff's Counsel recognize the uncertain outcome and risk of any litigation, especially in complex cases such as the Action, as well as the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's Counsel are also mindful of the difficulty in proving the violations asserted in the Action. In consideration of the mediation that led to the Settlement and after weighing the risks of continued litigation, Plaintiff and Plaintiff's Counsel have determined that it is in the best interests of Earthstone and its stockholders that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation, and that these terms and conditions are fair, reasonable, and adequate.

Defendants have denied and continue to deny all material allegations made by Plaintiff in the Action, including any and all allegations of wrongdoing, liability, and damages. Defendants have denied and continue to deny that they acted improperly in connection with the matters alleged in the Action, or that they breached their fiduciary duties in consummating the Transaction.

Defendants believe that they have substantial defenses to the claims alleged against them in the Action. Defendants believe that, at all relevant times, they acted in good faith, and in a manner they reasonably believed to be in the best interests of the Company and its stockholders. Nevertheless, Defendants have concluded that further litigation would be time-consuming and expensive, and would be a significant distraction to its business operations, particularly considering the effects of COVID-19 on the oil and gas industry. After weighing the costs, disruption, and distraction of continued litigation, Defendants have determined, solely to eliminate the risk, burden, and expense of further litigation, and without admitting any wrongdoing or liability whatsoever, that the Action should be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Defendants do so with the understanding that neither the Stipulation, nor any document referred to therein, nor any action taken to carry out the Stipulation, is, may be construed as, or may be used as an admission by or against Defendants of any fault, wrongdoing, or liability whatsoever or the lack of merit of any defense that has been or could have been asserted in the Action.

WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

If the Settlement is approved, the Court will enter an order and final judgment (the "Final Judgment"). Pursuant to the Final Judgment, upon the Effective Date of the Settlement, the Action will be dismissed with prejudice and the following Releases will occur:

- (a) The Action and the Released Claims shall be dismissed with prejudice, on the merits, and without costs;
- (b) Upon the Effective Date, Defendants, Plaintiff, the Company, any stockholder of the Company (in his, her, or its capacity as a stockholder), and all Class Members (in his, her, or its capacity as a stockholder or former stockholder), on behalf of themselves, their legal representatives, heirs, executors, trustees, administrators, estates, predecessors, successors, predecessors-in-interest, successors-in-interest, transferees, and assigns, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them (the "Releasing Parties"), agree to fully,

finally, and forever, release, settle, and discharge the Defendant Released Parties from and with respect to every one of the Plaintiff Released Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting any Plaintiff Released Claims against any of the Defendant Released Parties;

- (c) Upon the Effective Date, each of the Defendants and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, agree to fully, finally and forever, release, settle, and discharge the Plaintiff Released Parties from and with respect to every one of the Defendant Released Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting any of the Defendant Released Claims against any of the Plaintiff Released Parties
- (d) The Released Parties shall be deemed to be released and forever discharged from all of the Released Claims; and
- (e) Plaintiff, the Company, and all Class Members, and their respective heirs, executors and administrators, estates, predecessors-in-interest, predecessors, successors in interest, successors and assigns, will be forever barred and enjoined from commencing, instituting or prosecuting any Released Claims against any of the Released Parties.

The Stipulation defines these capitalized terms as follows:

“Plaintiff Released Claims” shall mean any and all claims for relief or cause of action, debts, demands, rights, or liabilities whatsoever, known or unknown, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, against any of the Plaintiff Released Parties (defined below) (i) arising out of and/or relating in any way to Plaintiff’s prosecution of, participation in, and/or settlement of the Action and/or Plaintiff’s conduct as a representative plaintiff in the Action, or (ii) that otherwise in any way relate to the Action, including the subject matter thereof. For the avoidance of doubt, the Plaintiff’s Released Claims shall not include the right to enforce this Settlement Agreement or the Settlement.

“Plaintiff Released Parties” means Peggy Olenik, Nicholas Olenik and their past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributes, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, limited liability companies, corporations, affiliates, associated entities, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, brokers, dealers, experts, lenders, commercial bankers, attorneys (including, but not limited to, Plaintiff’s Counsel), personal or legal representatives, accounts, insurers, co-insurers, reinsurers, and associates.

“Defendant Released Claims” shall mean and all claims for relief or cause of action, debts, demands, rights, or liabilities whatsoever, known or unknown, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, against any of the Defendant Released Parties (defined below) that have been or could have been asserted by the Releasing Parties and/or the Plaintiff Released Parties (defined below) in any forum, including class, derivative, individual, or other claims, whether state, federal, or foreign, common law, legal, equitable, statutory, or regulatory, including, without limitation, claims under the federal securities laws, which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) the Action, including the Settlement; (ii) the Transaction; (iii) any proxy disclosures or other disclosures by Earthstone or any Defendant made in connection with the Transaction; (iv) any fiduciary duties and obligations of the Released Parties in connection with the Transaction or any disclosures related thereto, or any aiding and abetting thereof or secondary liability therefor; or (v) any of the allegations in the Complaint, the Amended Complaint, or any amendment(s) to any complaint filed in the Action, or which could have been filed in the Action.

“Defendant Released Parties” shall mean the Defendants, the Company, and their respective successors, successors-in-interest, predecessors, predecessors-in-interest, parents, subsidiaries, affiliates, partners, employees, representatives, agents, trustees, executors, heirs, estates, spouses, marital communities, assigns or transferees and any person or entity acting for or on behalf of any of them and each of them, and each of the respective successors, successors-in-interest, predecessors, predecessors-in-interest, parents, subsidiaries, affiliates, representatives, agents, trustees, executors, heirs, estates, spouses, marital communities, assigns and transferees of the foregoing, as well as any person or entity acting for or on behalf of any of them and each of them (including, without limitation, any investment bankers, financial advisors, accountants, insurers, reinsurers or attorneys and any past or present officers, directors, partners, and employees of any of them).

“Released Claims” means Defendant Released Claims and Plaintiff Released Claims, collectively or individually.

“Released Parties” means Defendant Released Parties and Plaintiff Released Parties, collectively or individually.

The contemplated releases given by the Releasing Parties in this Stipulation and Settlement extend to Released Claims that the Releasing Parties did not know or suspect to exist at the time of the release, which if known, might have affected the decision to enter into this Stipulation or Settlement. With respect to the Released Claims, the Releasing Parties shall be deemed to have waived any and all provisions, rights, and benefits conferred by any law of the United States, any law of any state, or principle of common law which governs or limits a person's release of unknown claims to the fullest extent permitted by law, and to have relinquished, to the full extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

With respect to the Released Claims, the Releasing Parties shall also be deemed to have waived any and all provisions, rights, and benefits conferred by any law of any state of the United States or principle of common law, which is similar, comparable, or equivalent to California Civil Code Section 1542. The Parties acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the Released Claims, but that it is their intention to fully, finally, and forever settle and release any and all Released Claims, known or unknown, suspected or unsuspected, which now exist or heretofore existed, from the beginning of time to the Effective Date, without regard to the subsequent discovery or existence of such additional or different facts, to the fullest extent permitted by law.

For the avoidance of doubt, Plaintiff Released Claims do not include the right to enforce this Settlement Agreement or the Settlement.

WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?

The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before The Honorable Joseph R. Slight III, Vice Chancellor, on March 31st, 2021 at 9:15 a.m., via Zoom. The Court may change the date or time of the Settlement Hearing without further notice to the stockholders.

At the Settlement Hearing, the Court will consider, among other things: the matters listed on page 2 under the heading "WHAT IS THE PURPOSE OF THIS NOTICE?"

Any Earthstone Stockholder who is a Class Member and who objects to the Settlement or the Fee and Expense Application or the Incentive Award Application, or who otherwise wishes to be heard, may appear in person or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no such Person shall be heard, and no papers, briefs, pleadings, or other documents submitted by any such Person shall be received and considered by the Court unless, no later than 10 business days before the Settlement Hearing, such Person files with the Register in Chancery, Court of Chancery, Kent County Courthouse, 414 Federal Street, Dover, Delaware 19901, and serves upon the attorneys listed below: (a) a written and signed notice of intention to appear, which states the name, address, telephone number, and email address (if available) of the objector and, if represented, of his, her, or its counsel; (b) proof that the objector is a Class Member; and (c) a written, detailed statement of the Person's objections to any matter before the Court, and the specific grounds therefor or the reasons why such Person desires to appear and to be heard, as well as all documents and writings which such Person desires the Court to consider, including any legal and evidentiary support. These writings must also be served by File & Serve*Xpress*, by email, by hand, by first-class mail, or by express service upon the following attorneys such that they are received no later than 10 business days before the Settlement Hearing:

To Plaintiff:
LABATON SUCHAROW LLP
Ned Weinberger (Bar No. 5256)
300 Delaware Avenue, Suite 1340
Wilmington, DE 19801

ANDREWS & SPRINGER LLC
Peter B. Andrews (Bar No. 4623)
Craig J. Springer (Bar No 5529)
David M. Sborz (Bar No 6203)
3801 Kennett Pike
Building C, Suite 305
Wilmington, DE 19807

To Defendants:
MORRIS, NICHOLS, ARSHT & TUNNELL LLP
Kenneth J. Nachbar (Bar No 2067)
D. McKinley Measley (Bar No 5108)
Lauren K. Neal (Bar No. 5940)
1201 North Market Street
Wilmington, DE 19899-1347

RICHARDS, LAYTON & FINGER, P.A.
Raymond J. DiCamillo (Bar No. 3188)
Robert L. Burns (Bar No. 5314)
920 North King Street
Wilmington, DE 19801

Unless the Court orders otherwise, any person or entity who or which does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the Settlement and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, or from otherwise being heard concerning the Settlement in this or any other proceeding.

NOTICE TO PERSONS OR ENTITIES HOLDING, RECORD OWNERSHIP ON BEHALF OF OTHERS

If you are a brokerage firm, bank, or other person or entity who or that held shares of common stock of Earthstone as a record holder for the beneficial interest of persons or organizations other than yourself, you are hereby requested to promptly send this Notice to all of the respective beneficial owners. If additional copies of this Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to:

Earthstone Shareholder Settlement
c/o A.B. Data, Ltd.
P.O. Box 173029
(866) 302-3560
Fullfillment@abdata.com

WHERE CAN I FIND ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the Settlement. For more detailed information about the matters involved in the Action, you may refer to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, Kent County Courthouse, 414 Federal Street, Dover, Delaware 19901. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted at the following website:

<https://abdataclassaction.com/about-us/cases/>

For more information concerning the Settlement, you may also call or write to Co-Lead Counsel for Plaintiff noted above.

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE REGISTER IN CHANCERY REGARDING THIS NOTICE.

Dated: January 29, 2021

BY ORDER OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE

Earthstone Shareholder Settlement
c/o A.B. Data, Ltd.
P.O. Box 173029
Miliwaukee, WI 53217

**COURT-ORDERD NOTICE REGARDING
EARTHSTONE SHAREHOLDER SETTLEMENT**