



B I S O N
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Q3 2026 INVESTOR UPDATE

O C T O B E R 2 0 2 6

Prepared by Robert Kuhn, CEO/President/Managing General Partner

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October 2026

Dear Investors,

The third quarter was the most active in Bison II's history. We invested or committed roughly \$6.8 million to acquisitions and development, paid a record distribution to investors, and raised \$4.7 million in new capital that will go toward expanding the fund's asset base. Oil prices will go up and down, but our strategy will remain unchanged: acquire exceptional assets at disciplined valuations in the Permian, create value through diversification and development, and maximize total investor returns over the life of the fund.

Q3 Highlights

- Closed two acquisitions totaling approximately \$5.3 million, adding 240 net mineral acres across Reeves and Upton County
- Participating in flush production from two new Currie wells since early August
- Paying our largest distribution to date alongside this letter, our second consecutive record, funded entirely by production cash flow
- Raised \$4.7 million in new capital, bringing total fund capital raised to \$28.5 million

Our Current Footprint

AS OF OCTOBER 2026 • 12 OPERATORS ACROSS 19 PROPERTIES

OPERATOR	ASSETS	PDP	DUC / DRILLING	PERMITS	UPSIDE*	TOTAL*	NET MINERAL ACRES
OXY	3	20	0	11	52	83	3.8
Mewbourne	6	18	7	2	59	86	375.0
Exxon	2	2	16	0	20	38	49.4
EOG	1	0	0	0	24	24	150.0
Laguna Resources	1	6	0	0	12	18	40.0
Diamondback	1	6	0	0	8	14	22.7
SM Energy	1	0	4	0	0	4	0.0
Ichthys	1	0	0	3	18	21	2.3
Crescent Energy	1	3	0	0	10	13	24.7
Vaquero	1	0	0	2	18	20	54.0
ConocoPhillips	1	0	0	0	34	34	9.4
TOTAL	19	55	27	18	255	355	731.4

*Total inventory includes PDP, DUC / drilling, permit, and estimated upside locations. Upside locations are estimates only and are not guaranteed to be drilled or developed. Four producing Strain wells shown under Mewbourne are operated by Blue Arrow Operating. Columns may not sum exactly due to rounding. As of October 2026.

Oil Market Overview

WTI (West Texas Intermediate) opened July near \$68 per barrel after June's ceasefire framework and the reopening of the Strait of Hormuz. When strikes resumed on July 7, prices moved sharply higher, and WTI exceeded \$105 on September 15, averaging approximately \$100 over the final two weeks of the quarter. As we write in mid-October, WTI is trading near \$100. Elevated prices continue to improve the economics of both our existing production and the new wells coming online. We stress test our current assets, and

any asset we consider acquiring, under a range of price environments. That said, we believe elevated prices are here to stay, and we see room for them to move higher still.

Understanding Quarterly Distributions

With this letter, we are paying the fund's largest distribution to date: \$728,853.50 to investors. Distributions are day-weighted from each investor's admission date, so a \$100,000 unit held for the full quarter received approximately \$2,810. Because operators pay revenue 45 to 90 days after the production month, this payment reflects production through approximately **the end of July**.

For perspective, that payment annualizes to approximately 11% on invested capital. We share the number for context, not as a run rate. We are still acquiring assets as we finalize the fund's loading phase, and we would encourage investors not to read anything into distribution levels between now and the end of the year. What matters is what the fund owns: an exceptional set of Permian assets sitting on a significant base of reserves and future development inventory, and that base is what will drive distributions once the loading phase is complete.

Bison II is built around a targeted five-year arc: a loading phase while the fund is open to new capital, a development phase in the middle years as the inventory we are assembling is drilled and turned into producing wells, and an exit window at the end, when the portfolio combines established cash flow with attractive remaining development opportunities for a future buyer. The chart below shows each phase and what it is designed to do.



Targeted, not guaranteed. Illustrative lifecycle; actual timing may be earlier or later and depends on development, commodity prices, buyer appetite, portfolio performance, and market conditions. An exit may be delayed, extended, or not occur; cash flow, tax outcomes, and return of capital are not assured.

We also want to be candid about the short-term impact of raising new capital. As new investors enter the fund, per-unit distributions are temporarily reduced while that capital is invested. Finding the right investments takes time. We may evaluate twenty opportunities before committing to one, and even after an acquisition closes, there is a delay before the asset's revenue begins flowing through to distributions. This creates a timing mismatch between raising capital and generating cash flow. Closing the fund to new investors at the end of 2026 will eliminate this source of new dilution, allowing the existing portfolio time

to mature and contribute more fully to quarterly payments. We accept this short-term trade-off because we believe deploying capital into attractive assets will ultimately benefit investors through increased reserves, future cash flow, and potential tax deductions associated with intangible and tangible drilling costs.

Putting New Capital to Work

We put roughly \$6.8 million to work during the quarter: approximately \$5.3 million of acquisitions and \$1.5 million of operator billings for drilling, completion and operations on wells already underway.

In early July we closed the second tranche of State Boomer Knight for \$2.0 million: 90 net mineral acres in Reeves County that, together with the 72 we acquired in April, bring our position in the Mewbourne-operated unit to 162 net mineral acres. Two wells were spud in June and are now being completed, with first production expected in the fourth quarter and eight upside locations behind them.

At the end of July we closed the \$3.3 million two-asset purchase previewed in our last letter: Lane A, 150 net mineral acres in the core of the Midland Basin, our first position in Upton County, with 24 identified drilling locations, and a Glasscock County property with four completed wells awaiting first production.

The fund now holds 19 assets and approximately 731 net mineral acres across eight Permian Basin counties: 55 producing wells, 27 more drilled or drilling, 18 permitted locations, and more than 250 future upside locations, split roughly 60/40 between the Delaware and Midland Basins by net mineral acreage.

Our strategy has never been simply to buy producing wells. Bison II is a total return fund that deliberately assembles a mix of current production that pays us today, drilled but uncompleted wells that bring production in the medium term, and net mineral acreage that converts into new wells for years to come. The chart below shows where that mix sits in the life of an oil and gas asset. We concentrate our buying in the middle of the development path, after the geology is proven but before the market has fully paid for it, and this quarter's purchases sit squarely in that window: wells being completed at Boomer Knight, completed wells awaiting first production at Glasscock, and proven Midland Basin locations at Lane A.



Key notes

1. **LOCATIONS**
Leases with no immediate drilling plan. We do not speculate on timing.
2. **LEASE UNITIZED: PERMITS AND DRILL / DUCS**
A plan to drill is already in motion and a major operator is managing the acreage. This is where our interest is greatest.
3. **PDP**
Drilling and completion are done; the well is producing and cash-flowing.

Portfolio attributes we expect buyers to value

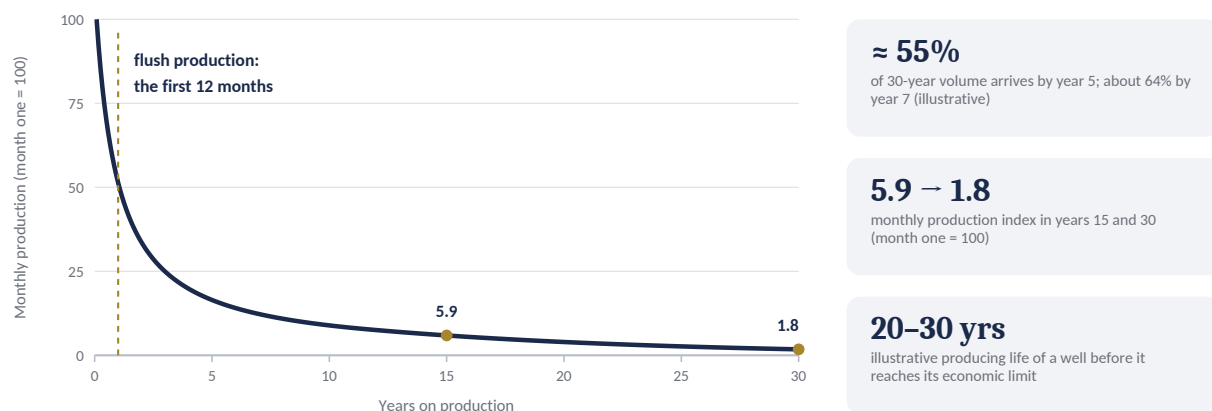
1. **STABLE PDP PRODUCTION**
Consistent, reliable producing wells.
2. **NEAR-TERM FLUSH PRODUCTION**
The 12-month window of high initial production.
3. **SIGNIFICANT UPSIDE**
Proven locations with development potential.
4. **CORRECT PORTFOLIO MIX**
A balanced blend across all development stages.

Illustrative development lifecycle and buying range; actual acquisition timing, economics, and outcomes vary by asset. Buyer preferences reflect Bison's experience and market observation; no exit, price, or timing is assured.

A Different Strategy from Wellbore-Only Funds

Many oil and gas funds marketed on social media to individual investors buy production through wellbore-only interests. Distributions can look strong for the first year or two as flush production comes online, but every well declines, and a wellbore-only fund owns nothing behind its existing wells: no acreage, no future locations, no new reserves. As the decline curve takes hold, distributions fall significantly, and with no new inventory behind the existing wells, later years depend entirely on how those aging wells perform. It is important to remember that the goal is to deliver investors a return *on* their money, not just a return *of* their money.

Why the Decline Curve Matters



Illustrative only: hyperbolic decline transitioning to a terminal decline, indexed to a 30-year life. Actual wells vary materially by basin, bench, operator, and completion design. Not a forecast of any Fund asset.

Bison II is built differently. Because we own net mineral acreage and leasehold, we hold future development in years three and four and beyond: when an operator drills on our acreage, we have the option to participate at cost. The Currie wells we walked through last quarter, producing since early August, are this mechanism at work. As that inventory is drilled, we expect distributions to grow meaningfully over the fund's life, though not in a straight line: quarter to quarter, payments will continue to reflect prices, well performance, and the timing of receipts.*

Final Quarter of the Raise

The fund closes to new investors at the end of the year. For partners with an interest in investing again, this final quarter is the last opportunity: capital added before the close participates in the fund's remaining acquisitions and the eligible drilling cost deductions that come with them.

That close ends the fund's loading phase. From there Bison II enters its development phase: our operators drill and complete the inventory we have assembled, we fund our portion, and successive waves of new production expand the base that funds distributions. With oil prices where they are today, you can imagine how excited we are for what is yet to come.

Looking Forward

Our priorities for the final quarter of the year are clear:

- Complete the fund's final acquisitions with the same strict underwriting and capital discipline
- Begin receiving revenue from the Currie wells and see first production at Boomer Knight and the new Glasscock wells
- Expand our inventory of future development locations
- Maximize long-term value for a strategic exit

Quarterly distributions will fluctuate as capital is deployed and production timing works through the system. Our objective has never been to maximize any single quarter's distribution. It is to maximize total investor returns over the life of the fund.

Thank you for your continued confidence and partnership.

Sincerely,



Robert M. Kuhn
President / CEO / Managing General Partner
Bison Natural Resources

The following disclosures apply to the foregoing investor update and to all materials distributed by Bison Natural Resources in connection with Bison II, LP. Recipients are encouraged to read these disclosures carefully.

FORWARD-LOOKING STATEMENTS

This material contains forward-looking statements regarding anticipated performance, projected returns, projected distribution levels, and estimated resource potential. These statements are based on current expectations and assumptions and are subject to significant risks, uncertainties, and changes in circumstances. Actual results may differ materially from those expressed or implied. Forward-looking statements are not guarantees of future performance.

UPSIDE LOCATIONS & RESOURCE ESTIMATES

References to upside drilling locations, potential well sites, and estimated recoverable resources are based on internal engineering assessments, geological modeling, and management estimates. These upside locations are estimates only and should not be interpreted as definitive upside wells or guaranteed drilling opportunities. There is no assurance that any or all identified upside locations will be drilled, completed, or produce hydrocarbons at economically viable rates. Estimates have not been independently verified and do not constitute proved, probable, or possible reserves as defined by the SEC.

CASH FLOW PROJECTIONS

Cash flow projections and distribution estimates are forward-looking estimates and do not constitute a guarantee of future performance. Actual distributions will be determined by the Managing General Partner in its sole discretion based on available cash and may be lower than projected. Past distributions are not indicative of future distributions.

*** INTERNAL RETURN ESTIMATES**

All return figures, payback periods, cash flow projections, and expectations regarding future production and distribution levels referenced in this update are the Managing General Partner's internal estimates, based on our own type-curve analysis, offset well data, and current commodity prices. They are not forecasts of actual results and are not guarantees; actual results will vary with well performance, costs, and commodity prices.

INVESTMENT RISKS

An investment in Bison II involves a high degree of risk, including but not limited to: the loss of the entire investment; illiquidity of fund interests; commodity price volatility; operational risks associated with oil and gas exploration and production; regulatory and environmental risks; concentration risk in the Permian Basin; and risks related to the use of leverage. Suitable only for accredited investors who can bear the risk of loss and the lack of liquidity associated with the investment.

TAX CONSIDERATIONS

Any tax benefits referenced, including deductions reported on investor K-1s, are based on current interpretations of the Internal Revenue Code and applicable regulations, which are subject to change. Tax benefits may vary depending on each investor's individual circumstances, and past tax outcomes are not indicative of future tax results. Prospective investors should consult their own tax advisors regarding the specific tax implications of an investment in the fund, including the application of intangible drilling cost deductions, depletion allowances, and passive activity loss limitations.

OFFERING LIMITATIONS

This material does not constitute an offer to sell or a solicitation of an offer to buy securities. Any such offer will be made solely by means of the fund's Private Placement Memorandum and related subscription documents. This material is for informational purposes only and is directed exclusively to accredited investors as defined under Regulation D of the Securities Act of 1933.