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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025

OR

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

For the transition period from to

Commission file number 001-42282

BKV CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**85-0886382**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1200 17th Street, Suite 2100 **Denver, Colorado**	**80202**
(Address of Principal Executive Offices)	(Zip Code)

(720) 375-9680

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 Par Value	BKV	New York Stock Exchange

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 x No o

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 x No o

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	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	o
		Emerging growth company	x

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. x

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

As of May 7, 2025, 84,708,373 shares of the registrant's common stock were outstanding.

Table of Contents

Glossary of Commonly Used Terms

The definitions set forth below include indicated terms in this Quarterly Report on Form 10-Q. All natural gas referred to in this Quarterly Report are stated at the legal pressure base of the state or area where the reserves exist and at 60 degrees Fahrenheit.

"***ABR***" refers to the alternative borrowing rate.

"***Banpu***" refers to our sponsor, Banpu Public Company Limited, a public company listed on the Stock Exchange of Thailand and the ultimate parent company of BKV Corporation, BNAC, Banpu Power, and BPPUS.

"***Banpu Power***" refers to Banpu Power Public Company Limited, a public company listed on the Stock Exchange of Thailand. Banpu owns approximately 75.4% of Banpu Power as of March 31, 2025.

"***Barnett***" refers to the Barnett Shale in the Fort Worth Basin of Texas.

"***Barnett Zero Project***" refers to BKV dCarbon Barnett Zero, LLC, a Delaware limited liability company and our first operational CCUS project.

"***Bbl***" refers to one stock tank barrel, of 42 U.S. gallons liquid volume, used in this Quarterly Report on Form 10-Q in reference to crude oil or other liquid hydrocarbons.

"***Bcf***" refers to one billion cubic feet of natural gas or CO_2.

"***Bcfe***" refers to one billion cubic feet of natural gas equivalent.

"***BKV dCarbon Ventures***" refers to BKV dCarbon Ventures, LLC, a Delaware limited liability company and the CCUS business of BKV Corporation.

"***BKV Upstream Midstream***" refers to BKV Upstream Midstream, LLC, a Delaware limited liability company and wholly-owned subsidiary of BKV Corporation.

"***BKV-BPP Cotton Cove***" or "***BKV-BPP Cotton Cove Joint Venture***" refers to BKV-BPP Cotton Cove, LLC, a Delaware limited liability company and the joint venture between BKV dCarbon Ventures and BPPUS, in which we own an indirect 51% interest.

"***BKV-BPP Power***" or "***BKV-BPP Power Joint Venture***" refers to BKV-BPP Power, LLC, a Delaware limited liability company and the joint venture between BKV Corporation and BPPUS, in which we own a 50% interest.

"***BKV-CIP Joint Venture***" refers to BKV dCarbon Project, LLC, a Delaware limited liability company and the joint venture between BKV dCarbon Ventures and C Squared Solutions, Inc., in which we own a 51% interest.

"***BKV-CIP JV Agreement***" refers to the Limited Liability Company Agreement of BKV dCarbon Project, LLC, entered into on May 8, 2025, by BKV dCarbon Ventures, C Squared Solutions, Inc. and, for the limited purposes specified therein, BKV Corporation.

"***BNAC***" refers to Banpu North America Corporation, a subsidiary of Banpu, our sponsor, and the majority stockholder of BKV Corporation.

"***BPPUS***" refers to Banpu Power US Corporation, a wholly-owned subsidiary of Banpu Power and the owner of a 50% interest in the BKV-BPP Power Joint Venture and a 49% interest in the BKV-BPP Cotton Cove Joint Venture.

"***Btu***" refers to British thermal unit, which is the heat required to raise the temperature of one pound of liquid water by one degree Fahrenheit.

"***Carbon Sequestered Gas***" refers to a Scope 1, 2, and 3 carbon neutral natural gas product.

"***CCUS***" refers to carbon capture, utilization, and sequestration.

"***Chaffee***" refers to BKV Chaffee Corners, LLC, a Delaware limited liability company and, prior to its sale on June 14, 2024, a wholly-owned subsidiary of BKV Corporation.

"***Chelsea***" refers to BKV Chelsea, LLC, a Delaware limited liability company and wholly-owned subsidiary of BKV Corporation.

"***CO_2***" refers to carbon dioxide.

"***CO_{2e}***" refers to carbon dioxide equivalent.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"developed reserves" are reserves of any category that can be expected to be recovered: (i) through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well or (ii) through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

"***Devon Barnett Acquisition***" refers to our acquisition of more than 289,000 net acres, 3,850 producing operated wells and related upstream assets in the Barnett from Devon Energy Corporation, which closed in October 2020.

"***Eagle Ford Project***" refers to BKV dCarbon Las Tiendas, LLC, a Delaware limited liability company.

"***ERCOT***" refers to the Electric Reliability Council of Texas.

"***ESG***" refers to environmental, social, and governance.

"***Exxon Barnett Acquisition***" refers to our acquisition of approximately 165,000 net acres, 2,100 operated wells and related natural gas upstream, midstream and other assets in the Barnett from XTO Energy, Inc. and Barnett Gathering LLC, subsidiaries of Exxon Mobil Corporation, which closed on June 30, 2022.

"***GAAP***" refers to generally accepted accounting principles in the United States.

"***GHG***" refers to greenhouse gases.

"***HRCO***" refers to a contract for the financial purchase and sale of power based on a floating price of natural gas at a predetermined location using a predetermined conversion factor, or heat rate, required to turn the fuel input into electricity.

"***LNG***" refers to liquefied natural gas.

"***MBbls***" refers to one thousand barrels of crude oil or other liquid hydrocarbons.

"***Mcf***" refers to one thousand cubic feet.

"***Mcf/d***" refers to one thousand cubic feet per day.

"***Mcfe***" refers to one thousand cubic feet of natural gas equivalent.

"***MMBtu***" refers to one million British thermal units, which is the heat required to raise the temperature of one pound of liquid water by one degree Fahrenheit.

"***MMcf***" refers to one million cubic feet.

"***MMcf/d***" refers to one million cubic feet per day.

"***MMcfe***" refers to one million cubic feet of natural gas equivalent, calculated by converting barrels of crude oil or other liquid hydrocarbons to natural gas at a ratio of one Bbl to six Mcf of natural gas. This is an energy content correlation and does not reflect a value or price relationship between the commodities.

"***MMcfe/d***" refers to one million cubic feet of natural gas equivalent per day.

"***NEPA***" refers to the Marcellus Shale in the Appalachian Basin of Northeast Pennsylvania.

"***net acres***" refers to the percentage of total acres an owner has out of a particular number of acres, or a specified tract. For example, an owner who has 50% interest in 100 acres owns 50 net acres.

"***net zero***" refers to the full elimination and/or offset of Scope 1, Scope 2, and/or Scope 3 emissions, as applicable, from our owned and operated upstream businesses.

"***NGL***" refers to natural gas liquids.

"***NYMEX***" refers to the New York Mercantile Exchange.

"***OPEC***" refers to the Organization of the Petroleum Exporting Countries.

"***OPIS***" refers to a Dow Jones Company that surveys and collects price information and publishes benchmarks for various energy commodities.

"***proved developed producing reserves***" or "***PDP reserves***" refers to quantities of proved developed reserves expected to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

"***proved reserves***" refers to quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible — from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations — prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. The area of the reservoir considered as proved includes: (i) the area identified by drilling and limited by fluid contacts, if any, and (ii) adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons ("LKH") as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty. Where direct observation from well penetrations has defined an HKO elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty. Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when: (a) successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (b) the project has been approved for development by all necessary parties and entities, including governmental entities. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

"***RBL Borrower***" refers to BKV Upstream Midstream, LLC, a wholly-owned subsidiary of BKV Corporation.

"***RBL Credit Agreement***" refers to that certain reserve-based lending agreement dated as of June 11, 2024, among BKV Corporation, the RBL Borrower, Citibank, N.A., as administrative agent, and the financial institutions party thereto.

"***Revolving Credit Agreement***" refers to $100.0 million of commitments of unsecured revolving loans with Bangkok Bank Public Company Limited (New York Branch).

"***Revolving Credit Facilities***" refers to an uncommitted credit facilities with Oversea Chinese Banking Corporation and Standard Chartered Bank of up to $55.0 million and $50.0 million, respectively.

"***Scope 1 emissions***" refers to direct GHG emissions that occur from sources that are controlled or owned by an organization.

"***Scope 2 emissions***" refers to indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.

"***Scope 3 emissions***" refers to GHG emissions that result from the end use of an organization's products, as estimated per Category 11 (Use of Sold Product), as well as emissions from other business activities from assets not owned or controlled by the organization but that the organization indirectly impacts in its value chain.

"***Section 45I tax credits***" refers to tax credits provided under Section 45I of the Code.

"***Section 45Q tax credits***" refers to tax credits provided under Section 45Q of the Code.

"***SOFR***" refers to the secured overnight financing rate.

"***Temple I***" refers to the combined gas turbine and steam turbine power plant located in Temple, Texas and owned by the BKV-BPP Power Joint Venture.

"***Temple II***" refers to a second combined gas turbine and steam turbine power plant located in Temple, Texas, which power plant sits on the same site as Temple I and is owned by the BKV-BPP Power Joint Venture.

"***Temple Plants***" refers to Temple I and Temple II, collectively.

"***Term Loan Credit Agreement***" refers to a credit agreement with a syndicate of banks and Bangkok Bank Public Company Limited (New York Branch), as the administrative agent, which included $600.0 million of commitments for term loans used to solely to fund a portion of the purchase price for the Exxon Barnett Acquisition.

"***undeveloped reserves***" are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time. Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir or by other evidence using reliable technology establishing reasonable certainty.

"***working interest***" refers to the right granted to the lessee of a property to explore for and to produce and own natural gas or other minerals. The working interest owners bear the exploration, development, and operating costs on either a cash, penalty, or carried basis.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact contained in this Quarterly Report on Form 10-Q, regarding our strategy, future operations, financial position, estimated revenue and losses, projected costs, prospects, plans and objectives of management and dividend policy, are forward-looking statements. When used in this Quarterly Report on Form 10-Q, words such as “expect,” “project,” “estimate,” “believe,” “anticipate,” “intend,” “budget,” “plan,” “seek,” “envision,” “forecast,” “target,” “predict,” “may,” “should,” “would,” “could,” “will,” the negative of these terms and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our business strategy;
- our reserves;
- our financial strategy, liquidity, and capital required for our development programs;
- our relationship with Banpu, including future agreements with Banpu;
- actual and potential conflicts of interest relating to Banpu, its affiliates, and other entities in which members of our officers and directors are or may become involved;
- volatility in natural gas, NGL, and oil prices;
- our dividend policy;
- our drilling plans and the timing and amount of future production of natural gas, NGL, and oil;
- our hedging strategy and results;
- competition and government regulation;
- changes in trade regulation, including tariffs and other market factors;
- legal, regulatory, or environmental matters;
- marketing of natural gas, NGL, and oil;
- business or leasehold acquisitions and integration of acquired businesses;
- our ability to develop existing prospects;
- costs of developing our properties and of conducting our operations;
- our plans to establish midstream contracts that allow us to supply our own natural gas directly to the Temple Plants;
- our plan to continue to build out our power generation business and to expand into retail power;
- our ability to develop, produce, and sell Carbon Sequestered Gas;
- our ability to effectively operate and grow our CCUS business;
- our ability to forecast annual CO_2e sequestration rates for our CCUS projects;
- our ability to reach final investment decision and execute and complete any of our pipeline of identified CCUS projects;
- our ability to identify and complete additional CCUS projects as we expand our upstream operations;
- our ability to effectively operate and grow our retail power business;

- our anticipated Scope 1, 2, and 3 emissions from our owned and operated upstream and natural gas midstream businesses and our sustainability plans and goals, including our plans to offset our Scope 1, 2, and 3 emissions from our owned and operated upstream and natural gas midstream businesses;
- our ESG strategy and initiatives, including those relating to the generation and marketing of environmental attributes or new products seeking to benefit from ESG-related activities, and the continuation of government tax incentives applicable thereto;
- the impact of regional epidemics or pandemics and its effects on our business and financial condition;
- general economic conditions;
- cost inflation;
- credit markets;
- our ability to service our indebtedness;
- our ability to expand our business, including through the recruitment and retention of skilled personnel;
- our future operating results;
- the remediation of our material weaknesses; and
- our plans, objectives, expectations, and intentions.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under "*Risk Factors*" in our Annual Report on Form 10-K for the year ended December 31, 2024 ("2024 Annual Report on Form 10-K"). These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. Any forward-looking statement speaks only as of the date on which such statement is made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

BKV Corporation
Condensed Consolidated Balance Sheets
(in thousands)
(Unaudited)

Table of Contents

	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 15,299	$ 14,868
Accounts receivable, net	61,258	54,435
Accounts receivable, related parties	11,725	11,414
Prepaid expenses	5,027	7,638
Inventory	6,079	6,255
Commodity derivative assets, current	194	—
Asset held for sale	5,500	—
Total current assets	105,082	94,610
Natural gas properties		
Developed properties	2,364,068	2,315,167
Undeveloped properties	10,863	10,757
Midstream assets	276,742	276,644
Accumulated depreciation, depletion, and amortization	(747,720)	(714,287)
Total natural gas properties, net	1,903,953	1,888,281
Other property and equipment, net	94,781	97,300
Goodwill	18,417	18,417
Investment in joint venture	105,588	115,173
Commodity derivative assets	6,567	—
Other noncurrent assets	16,619	17,307
Total assets	$ 2,251,007	$ 2,231,088
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 105,471	$ 121,366
Contingent consideration payable	—	20,000
Commodity derivative liabilities, current	141,934	20,277
Income taxes payable to related party	1,868	1,438
Other current liabilities	4,284	3,124
Total current liabilities	253,557	166,205
Asset retirement obligations	200,680	198,795
Commodity derivative liabilities	50,240	47,357
Deferred tax liability, net	59,069	88,688
Long-term debt, net	200,000	165,000
Other noncurrent liabilities	5,667	5,469
Total liabilities	769,213	671,514
Commitments and contingencies (Note 10)		
Stockholders' equity		
Common stock, $0.01 par value; 300,000 authorized shares; 84,708 and 84,600 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	1,513	1,512
Treasury stock, shares at cost; 214 shares and 214 shares as of March 31, 2025 and December 31, 2024, respectively	(6,663)	(6,663)
Additional paid-in capital	1,448,556	1,447,671
Retained earnings	38,388	117,054
Total stockholders' equity	1,481,794	1,559,574
Total liabilities and stockholders' equity	$ 2,251,007	$ 2,231,088

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

BKV Corporation
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(Unaudited)

Table of Contents

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Revenues and other operating income		
Natural gas, NGL, and oil sales	$ 216,126	$ 141,687
Midstream revenues	2,771	4,128
Derivative losses, net	(152,191)	(3,679)
Marketing revenues	6,485	4,921
Section 45Q tax credits	3,307	2,329
Related party revenues	426	1,101
Other	1,896	1,427
Total revenues and other operating income	78,820	151,914
Operating expenses		
Lease operating and workover	35,055	34,468
Taxes other than income	10,222	11,365
Gathering and transportation	55,793	59,066
Depreciation, depletion, amortization, and accretion	39,970	52,166
General and administrative	25,257	20,645
Other	6,226	8,567
Total operating expenses	172,523	186,277
Loss from operations	(93,703)	(34,363)
Other income (expense)		
Gains on contingent consideration liabilities	—	6,594
Losses from equity affiliate	(9,585)	(7,707)
Interest expense	(5,052)	(16,083)
Interest expense, related party	—	(1,973)
Interest income	149	1,633
Other income	336	335
Loss before income taxes	(107,855)	(51,564)
Income tax benefit	29,189	12,979
Net loss	$ (78,666)	$ (38,585)
Net loss per common share:		
Basic	$ (0.93)	$ (0.58)
Diluted	$ (0.93)	$ (0.58)
Weighted average number of common shares outstanding:		
Basic	84,706	66,287
Diluted	84,706	66,287

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

BKV Corporation
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

Table of Contents

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash flows from operating activities:		
Net loss	$ (78,666)	$ (38,58
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion, amortization, and accretion	40,063	52,2
Equity-based compensation expense	2,067	1,0
Deferred income tax benefit	(29,619)	(13,1
Unrealized losses on derivatives, net	133,985	40,1
Gains on contingent consideration liabilities	—	(6,5
Settlement of contingent consideration	(20,000)	(20,0
Proceeds from the sale of call options	—	23,5
Payments for the purchase of put options	(16,206)	-
Impairment of asset held for sale	2,446	-
Losses from equity affiliate	9,585	7,7
Other, net	(187)	7
Changes in operating assets and liabilities:		
Accounts receivable, net	(6,823)	(6,1
Accounts receivable, related party	(311)	(7
Accounts payable and accrued liabilities	(16,523)	(20,7
Other changes in operating assets and liabilities	2,809	(2
Net cash provided by operating activities	22,620	19,2
Cash flows from investing activities:		
Capital expenditures	(57,374)	(19,8
Proceeds from sales of assets	1,109	-
Other investing activities, net	257	(
Net cash used in investing activities	(56,008)	(19,8
Cash flows from financing activities:		
Proceeds under RBL Credit Agreement	170,000	-
Payments on RBL Credit Agreement	(135,000)	-
Proceeds from draws on credit facilities	—	30,0
Payments on credit facilities	—	(31,0
Payments of deferred offering costs	—	(5
Net share settlements, equity-based compensation	(1,181)	-
Net cash provided by (used in) financing activities	33,819	(1,5
Net increase (decrease) in cash, cash equivalents, and restricted cash	431	(2,2
Cash, cash equivalents, and restricted cash, beginning of period	14,868	165,0
Cash, cash equivalents, and restricted cash, end of period	$ 15,299	$ 162,8

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

BKV Corporation
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

Table of Contents

	Three Months Ended March 31,	
Supplemental cash flow information:	**2025**	**2024**
Cash payments for:		
Interest	$ 4,487	$ 3,988
Non-cash investing and financing activities:		
Increase (decrease) in accrued capital expenditures	$ 628	$ (1,833)
Additions to asset retirement obligations	$ 35	$ 20
Lease liabilities arising from obtaining right-of-use assets	$ —	$ 494
Decrease in accrued offering costs	$ —	$ (142)
Adjustment of minority ownership puttable shares to redemption value	$ —	$ 1,548
Adjustment of equity-based compensation to redemption value	$ —	$ 495

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

BKV Corporation
Condensed Consolidated Statements of Stockholders' Equity and Mezzanine Equity
(in thousands)
(Unaudited)

Table of Contents

	Stockholders' Equity							Mezzanine Equity			
	Common Stock		Treasury		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity	Common Stock		Equity-based Compensation	Total Mezzanine Equity
	Shares	Amount	Shares	Amount				Shares	Amount		
Balance, December 31, 2024	84,600	$ 1,512	214	$ (6,663)	$ 1,447,671	$ 117,054	$ 1,559,574	—	$ —	$ —	$ —
Net loss	—	—	—	—	—	(78,666)	(78,666)	—	—	—	—
Common stock issued upon vesting of RSUs, net of shares withheld for income taxes	108	1	—	—	(1,182)	—	(1,181)	—	—	—	—
Equity-based compensation	—	—	—	—	2,067	—	2,067	—	—	—	—
Balance, March 31, 2025	84,708	$ 1,513	214	$ (6,663)	$ 1,448,556	$ 38,388	$ 1,481,794	—	$ —	$ —	$ —

	Stockholders' Equity							Mezzanine Equity			
	Common Stock		Treasury		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity	Common Stock		Equity-based Compensation	Total Mezzanine Equity
	Shares	Amount	Shares	Amount				Shares	Amount		
Balance, December 31, 2023	63,873	$ 1,283	213	$ (4,582)	$ 1,034,144	$ 259,924	$ 1,290,769	2,403	$ 59,988	$ 126,966	$ 186,954
Net loss	—	—	—	—	—	(38,585)	(38,585)	—	—	—	—
Adjustment of minority ownership puttable shares to redemption value	—	—	—	—	(1,548)	—	(1,548)	—	1,548	—	1,548
Adjustment of equity-based compensation to redemption value	—	—	—	—	(495)	—	(495)	—	—	495	495
Common stock issued upon vesting of RSUs, net of shares withheld for income taxes	—	—	—	—	—	—	—	69	—	—	—
Equity-based compensation	—	—	—	—	—	—	—	—	—	1,073	1,073
Balance, March 31, 2024	63,873	$ 1,283	213	$ (4,582)	$ 1,032,101	$ 221,339	$ 1,250,141	2,472	$ 61,536	$ 128,534	$ 190,070

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

BKV Corporation

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

Note 1 - Business and Basis of Presentation

General

BKV Corporation (“BKV Corp”) was formed on May 1, 2020 and is a corporation registered with the State of Delaware. BKV Corp is a growth driven energy company focused on creating value for its shareholders through organic development of its properties, as well as accretive acquisitions. BKV Corp’s core business is to produce natural gas from its owned and operated upstream businesses.

The majority shareholder of BKV Corp is BNAC. BKV Corp's ultimate parent company is Banpu Public Company Limited, a public company listed in the Stock Exchange of Thailand. As of May 9, 2025, the date these condensed consolidated financial statements were available to be issued, BNAC owned 75.4% of BKV Corp's shares. The remaining 24.6% of shares of common stock of BKV Corp were owned by non-controlling members of management, members of the board of directors, and employee and non-employee shareholders.

Basis of Presentation of the Unaudited Condensed Consolidated Financial Statements

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts for BKV Corp's wholly-owned subsidiaries. The condensed consolidated financial statements are unaudited and should be read in conjunction with the Company’s 2024 Annual Report on Form 10-K, as certain disclosures and information required by GAAP for complete consolidated financial statements have been condensed or omitted. The condensed consolidated financial statements, in the opinion of management, reflect all adjustments, which include normal and recurring adjustments, necessary to fairly state the Company’s financial position, results of operations, and cash flows for the periods presented herein. The interim results are not necessarily indicative of results to be expected for the year ending December 31, 2025 or for any other future annual or interim period. The December 31, 2024 condensed consolidated balance sheet was derived from the Company's 2024 Annual Report on Form 10-K, but does not include all disclosures required by GAAP for annual financial statements.

Together, BKV Corp and its wholly-owned subsidiaries are referred to collectively as “BKV” or the “Company.” All intercompany balances and transactions between these entities have been eliminated within the condensed consolidated financial statements. Current and deferred income taxes and related tax expense have been determined based on the stand-alone results of BKV by applying the separate return method to BKV’s operations as if it were a separate taxpayer.

Business Segment Information

In accordance with Accounting Standards Codification (“ASC”) 280 - *Segment Reporting*, the Company is organized, managed, and identified as one operating segment and one reportable segment as the Company does not distinguish between business lines for the purpose of making decisions about resource allocation and performance management. The Company’s Chief Executive Officer, identified as the Chief Operating Decision Maker (“CODM”), evaluates financial performance on a consolidated basis, primarily using net income from the condensed consolidated statements of operations. Additionally, the CODM reviews reported consolidated revenues, significant segment expenses, and other segment items as presented on the condensed consolidated statements of operations on a monthly basis to allocate resources, manage liquidity, and assess overall Company performance relative to budget. The CODM also monitors total assets and capital expenditures, on a consolidated basis, as presented on the condensed consolidated balance sheets and condensed consolidated statements of cash flows, respectively.

Revision of Previously Issued Financial Statements

In connection with the preparation of the consolidated financial statements for the year ended December 31, 2024, the Company identified an error in its previously issued consolidated financial statements that originated prior to January 1, 2021. Specifically, in connection with the corporate restructuring of BKV Corp in 2020, the tax basis of certain assets was calculated in error resulting in an understatement of deferred tax liabilities, net of $7.4 million, an understatement of tax expense, and an overstatement of retained earnings.

Management assessed the materiality of this error and concluded it was not material to the Company's previously issued financial statements. Management has revised its previously issued consolidated financial statements to correct the errors as follows (in thousands):

Consolidated Statements of Stockholders' Equity and Mezzanine Equity	As Previously Reported	Adjusted	As Revised
Retained earnings			
Balance, December 31, 2023	$ 267,368	$ (7,444)	$ 259,924
Balance, March 31, 2024	228,783	(7,444)	221,339
Total stockholders' equity			
Balance, December 31, 2023	1,298,213	(7,444)	1,290,769
Balance, March 31, 2024	1,257,585	(7,444)	1,250,141

Reclassification

Certain prior period amounts have been reclassified in order to conform to the current period presentation. These reclassifications had no impact on previously reported balance sheets, net loss, net cash flows, or stockholders' equity.

Initial Public Offering

On September 27, 2024, the Company completed its initial public offering (the "IPO") of 15,000,000 shares of common stock at a price to the public of $18.00 per share. After underwriting discounts and commissions of $16.2 million, the Company received net proceeds from the offering of $253.8 million. The Company also granted the IPO underwriters a 30-day option to purchase up to 2,250,000 additional shares of common stock on the same terms. The underwriters partially exercised the option and on October 28, 2024, purchased 701,003 additional shares of common stock, resulting in additional net proceeds of $11.9 million, after deducting underwriting discounts and commissions of $0.8 million.

Upon consummation of the IPO, 5,026,638 mezzanine shares were converted into common stock.

Liquidity

As of March 31, 2025, the Company held $15.3 million of cash and cash equivalents. The Company's working capital deficit as of March 31, 2025 was $148.5 million, and for the three months ended March 31, 2025, cash flows provided by operating activities was $22.6 million. The Company intends to make the payments related to its debt and investments in capital expenditures with cash flows from operations. During the three months ended March 31, 2025, the Company purchased put options with several counterparties and paid a premium of $16.2 million. For further discussion on derivative transactions, see *Note 5 - Derivative Instruments*.

Significant Judgments and Accounting Estimates

The preparation of these condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. There have been no significant changes to the Company's accounting estimates from those disclosed in the Company's 2024 Annual Report on Form 10-K.

Significant Accounting Policies

The Company's significant accounting policies are described in the notes to the consolidated financial statements for the year ended December 31, 2024, which are disclosed in the 2024 Annual Report on Form 10-K. There have been no significant changes in accounting policies during the three months ended March 31, 2025.

Common Shares Issued and Outstanding

As of March 31, 2025 and December 31, 2024, the Company had common shares issued and outstanding of 84,708,373 and 84,600,301, respectively.

Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, *Disaggregation of Income Statement Expenses*. This standard requires that entities (i) disclose amounts of purchases of inventory, employee compensation, and depreciation, depletion, and amortization, including those recognized as part of oil and gas-producing activities (or other amounts of depletion expense) included in each relevant expense caption, (ii) include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements, (iii) disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (iv) disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This standard is effective January 1, 2027 with early adoption permitted. Management is currently evaluating the impact this standard will have on the Company's disclosures.

Recently Adopted Accounting Standards

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures*, which requires entities to disclose the title of the chief operating decision maker and, on an interim and annual basis, significant segment expenses and the composition of other segment items for each segment's reported profit. The standard also permits disclosure of additional measures of segment profit. BKV adopted this guidance effective January 1, 2024 and currently identifies one operating segment and one reportable segment.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which requires public entities to disclose more consistent and detailed categories in their statutory to effective income tax rate reconciliations and further disaggregate income taxes paid by jurisdiction. For each annual period presented, the new standard requires disclosure of the year-to-date amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign. It also requires additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than 5% of total income taxes paid (net of refunds received). This ASU is effective for the Company prospectively to all annual periods beginning after December 15, 2024, and interim reporting periods beginning after December 15, 2025.

Note 2 - Debt

RBL Credit Agreement

On June 11, 2024, the Company and BKV Upstream Midstream entered into the RBL Credit Agreement with BKV Upstream Midstream as the borrower and BKV Corp as the guarantor on the RBL Credit Agreement. The RBL Credit Agreement includes a maximum credit commitment of $1.5 billion. As of March 31, 2025, the RBL Credit Agreement had a borrowing base of $750.0 million, an elected commitment of $600.0 million, and the ability to issue up to $40.0 million in letters of credit. As of March 31, 2025 and December 31, 2024, the Company's reserve-based lending agreement had outstanding balances of $200.0 million and $165.0 million, respectively. On May 6, 2025, with the unanimous consent of the credit facility lenders, the Company and BKV Upstream Midstream amended the RBL Credit Agreement to, among other things, increase the borrowing base by $100.0 million and the elected commitment by $65.0 million. This amendment constituted the semiannual borrowing base redetermination. As of May 9, 2025, $230.0 million of revolving borrowings and $14.1 million of letters of credit were outstanding under the RBL Credit Agreement, leaving $420.9 million of available capacity thereunder for future borrowings and letters of credit.

The loans may be borrowed, repaid, and reborrowed during the term of the RBL Credit Agreement. The RBL Credit Agreement matures on June 12, 2028. The obligations under the RBL Credit Agreement are secured and guaranteed on a secured basis by all of BKV Upstream Midstream's current and future material subsidiaries. Loans under the RBL Credit Agreement bear interest at one, three, or six-month term SOFR or an ABR, as applicable, plus a credit spread adjustment of 0.10% for SOFR borrowings, plus an applicable margin per annum. Interest is payable on the last day of each interest period and at maturity. BKV Upstream Midstream is obligated to pay certain fees to the lenders and administrative agent under the RBL Credit Agreement, including commitment fees on the average daily amount of the undrawn portion of the commitments. During the three months ended March 31, 2025, BKV Upstream Midstream recognized $0.5 million of commitment fees, which is included in interest expense on the condensed consolidated statements of operations.

The RBL Credit Agreement contains various restrictive covenants that, among other things, limit BKV Upstream Midstream's ability and the ability of its restricted subsidiaries to, subject to certain exceptions: (i) incur indebtedness; (ii) incur liens; (iii) acquire or merge with any other company; (iv) sell assets or equity interests of its subsidiaries; (v) make investments; (vi) pay dividends or make other restricted payments; (vii) change its lines of business; (viii) enter into certain hedge agreements; (ix) enter into transactions with affiliates; (x) own any subsidiary that is not organized in the United States; (xi) prepay any unsecured senior or subordinated indebtedness; (xii) engage in certain marketing activities; and (xiii) allow, on a net basis, gas imbalances, take-or-pay, or other prepayments with respect to proved oil and gas properties. Beginning with the fiscal quarter ending September 30, 2024, the RBL Credit Agreement requires BKV Upstream Midstream to always hedge not less than 50% of projected production from our proved developed producing reserves for the subsequent 24 calendar month period immediately following such required delivery date.

The RBL Credit Agreement also includes financial covenants that require BKV Upstream Midstream to maintain:

• on a quarterly basis, a minimum Current Ratio (as defined in the RBL Credit Agreement) of no less than 1.00 to 1.00; and

• on a quarterly basis, a Net Leverage Ratio (as defined in the RBL Credit Agreement) of no greater than 3.25 to 1.00.

The RBL Credit Agreement includes customary equity cure rights that will enable BKV Upstream Midstream to cure certain breaches of the minimum current ratio covenant or the maximum net leverage ratio covenant. As of March 31, 2025, BKV Upstream Midstream was in compliance with such covenants in the RBL Credit Agreement.

The RBL Credit Agreement generally includes customary events of default for a reserve-based credit facility, some of which allow for an opportunity to cure. If an event of default relating to bankruptcy or other insolvency events occurs, the revolving loans will immediately become due and payable; if any other event of default exists, the administrative agent or the requisite lenders will be permitted to accelerate the maturity of the revolving loans. The RBL Credit Agreement is secured by substantially all of BKV Upstream Midstream's assets and those of the guarantors, and upon an event of default the agent under the RBL Credit Agreement could commence foreclosure proceedings.

Upon consummation of the RBL Credit Agreement, BKV Upstream Midstream paid financing costs of $8.1 million, which have been deferred and capitalized as debt issuance costs and included within other assets on the condensed consolidated balance sheets. The debt issuance costs are amortized over the life of the RBL Credit Agreement. As of March 31, 2025 and December 31, 2024, $6.4 million and $6.9 million, respectively, of unamortized debt issuance costs remained outstanding. As of March 31, 2025 and December 31, 2024, the effective interest rate on the RBL Credit Agreement was 7.40% and 7.50%, respectively, and the outstanding letters of credit were $14.1 million for both periods.

Note 3 - Natural Gas Properties & Other Property and Equipment

As of March 31, 2025 and December 31, 2024, accumulated depreciation, depletion, and amortization for developed natural gas properties was $728.8 million and $697.0 million, respectively. For the three months ended March 31, 2025 and 2024, depreciation, depletion, and amortization expense for developed natural gas properties was $31.8 million and $45.1 million, respectively.

As of March 31, 2025 and December 31, 2024, accumulated depreciation for midstream assets was $18.9 million and $17.3 million, respectively. For the three months ended March 31, 2025 and 2024, depreciation expense on midstream assets was $1.6 million and $1.9 million, respectively.

Other property and equipment consisted of the following:

(in thousands)	**March 31, 2025**	**December 31, 2024**
Carbon capture, utilization, and sequestration	$ 74,426	$ 69,743
Buildings	6,746	15,707
Furniture, fixtures, equipment, and vehicles	19,973	19,306
Computer software	5,896	5,595
Leasehold improvements	1,685	1,685
Land	3,090	3,090
Construction in process	4,627	3,575
Total	116,443	118,701
Accumulated depreciation	(21,662)	(21,401)
Other property and equipment, net	$ 94,781	$ 97,300

For the three months ended March 31, 2025 and 2024, depreciation expense for other property and equipment was $1.7 million and $1.4 million, respectively. During the three months ended March 31, 2025, the Company received proceeds on the sale of other properties of $1.1 million, and recognized a gain on sale of these properties of $1.1 million, which is included in other revenues in the condensed consolidated statements of operations.

Asset Held for Sale

The Company classifies assets as “held for sale” when, among other factors, management approves and commits to sell the assets with the intent to complete the sale within one year. The net assets held for sale are then recorded at the lower of the current value and the fair market value, less costs to sell, if any.

As of March 31, 2025, the Company approved the plan to sell its field office in Bridgeport, Texas. The Company intends to complete the sale of this field office within twelve months, and has classified this asset as held for sale, which is presented separately on the condensed consolidated balance sheets. The Company recognized an impairment on the field office of $2.4 million using an estimated selling price of $5.5 million. The impairment is netted within other revenues on the condensed consolidated statements of operations. See below for the major class of assets held for the sale for the Bridgeport field office:

(in thousands)	March 31, 2025
Buildings	$ 6,515
Accumulated depreciation	(1,015)
Total asset held for sale	$ 5,500

Note 4 - Fair Value Measurements

As the Company uses the market approach to determine the fair value of its derivative instruments, these fair values are also compared to the values given by counterparties for reasonableness. Since natural gas and NGL swaps do not include optionality and therefore generally have no unobservable inputs, they are classified as Level 2. The Company factors its own non-performance risk into the valuation of derivatives using current published credit default swap rates. As of March 31, 2025 and December 31, 2024, the impact of the non-performance risk adjustment to the Company's fair value of commodity derivative liabilities was $8.9 million and $6.6 million, respectively.

The following tables set forth by level within the fair value hierarchy, the financial assets and liabilities that were accounted for at fair value on a recurring basis:

	March 31, 2025		
	Fair Value Measurements Using:		
(in thousands)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets			
Derivative instruments	$ 6,761	$ —	$ 6,761
Financial liabilities			
Derivative instruments	192,174	—	192,174

	December 31, 2024		
	Fair Value Measurements Using:		
(in thousands)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial liabilities			
Derivative instruments	$ 67,634	$ —	$ 67,634

The contingent consideration was generated from the Devon Barnett Acquisition*.* As of December 31, 2024, the contingent consideration was included in current liabilities in the condensed consolidated balance sheets as a payable as the final payout of $20.0 million was made on January 8, 2025. The Devon Barnett Acquisition and the Exxon Barnett Acquisition contingencies are described further in *Note 10 - Commitments and Contingencies*. The Devon Barnett Acquisition was accounted for as an asset acquisition with the contingent consideration meeting the criteria of a derivative in accordance with ASC 815 - *Derivatives and Hedging*. See *Note 5 - Derivative Instruments* for further discussion.

The minority ownership puttable shares from the 2021 Plan (as defined in *Note 8 - Stockholders' Equity*) were recorded at fair value upon initial recognition in mezzanine equity, and its common stock was valued using both observable (Level 2) and unobservable (Level 3) inputs. Subsequent to the Company's IPO, the minority ownership puttable shares were converted to common stock. The minority ownership puttable shares are further described in *Note 8 - Stockholders' Equity*.

Equity-based compensation from the 2021 Plan was recorded at fair market value on the grant date. The underlying market condition was valued using the application of Monte Carlo simulations using both observable (Level 2) and unobservable (Level 3) inputs. Prior to the Company's IPO, the remaining components of the awards were valued based on the fair market value of the common stock of the Company, which is valued consistent with valuation methodologies described for the minority ownership puttable shares. Equity-based compensation is further described in *Note 8 - Stockholders' Equity*.

The table below sets forth the changes in the Company's Level 3 fair value measurements:

	Three Months Ended March 31, 2024			
(in thousands)	**Contingent Consideration**	**Minority Ownership**	**Equity-Based Compensation**	**Total**
Balance, beginning of period	$ 29,676	$ 59,988	$ 126,966	$ 216,630
Grant date fair value of equity-based compensation, pre-IPO	—	—	1,073	1,073
Change in fair market value *(all instruments)*	(6,594)	1,548	495	(4,551)
Balance, end of period	$ 23,082	$ 61,536	$ 128,534	$ 213,152

Note 5 - Derivative Instruments

The Company may utilize derivative contracts in connection with its natural gas and NGL operations to provide an economic hedge of the Company’s exposure to commodity price risk associated with anticipated future natural gas and NGL production. The Company also determined that the contingent consideration generated from the Devon Barnett Acquisition met the definition of a derivative in accordance with ASC 815 - *Derivative and Hedging*, and the fair value of the contingent consideration was $20.0 million as of December 31, 2024, and is included in contingent consideration payable in the condensed consolidated balance sheets. The change in the fair value of this contingent consideration was a gain of $4.6 million for three months ended March 31, 2024, and is included in gains on contingent consideration liabilities on the condensed consolidated statements of operations. See *Note 10 - Commitments and Contingencies* for further discussion.

The derivative contracts outstanding as of March 31, 2025 consisted of commodity swaps, basis swaps, put and call options, and producer collar agreements, subject to master netting agreements with each individual counterparty. The following table presents gross commodity derivative balances prior to applying netting adjustments recorded in the condensed consolidated balance sheets:

		March 31, 2025		
(in thousands)	**Balance Sheet Location**	**Gross Amounts of Assets and Liabilities**	**Offset Adjustments**	**Net Amounts of Assets and Liabilities**
Current derivative assets	Commodity derivative assets, current	$ 4,481	$ (4,287)	$ 194
Noncurrent derivative assets	Commodity derivative assets	15,198	(8,631)	6,567
Current derivative liabilities	Commodity derivative liabilities, current	146,221	(4,287)	141,934
Noncurrent derivative liabilities	Commodity derivative liabilities	58,871	(8,631)	50,240

(in thousands)	Balance Sheet Location	December 31, 2024		
		Gross Amounts of Assets and Liabilities	Offset Adjustments	Net Amounts of Assets and Liabilities
Current derivative assets	Commodity derivative assets, current	$ 5,187	$ (5,187)	$ —
Noncurrent derivative assets	Commodity derivative assets	872	(872)	—
Current derivative liabilities	Commodity derivative liabilities, current	25,464	(5,187)	20,277
Noncurrent derivative liabilities	Commodity derivative liabilities	48,229	(872)	47,357

Collar, Commodity Swap, and Basis Swap Contracts

A commodity collar provides for a price floor and a price ceiling. The floating price for the collar contract is traded for a fixed price when the floating price is not between the floor and ceiling. If the floating price is between these contracted prices, no trade occurs. A commodity swap agreement is an agreement whereby a floating price based on the underlying commodity is traded for a fixed price over a specified period. Basis swaps provide a guaranteed price differential for natural gas from two different specified delivery points over a specified period. The fair value of open collar, commodity swap, and basis swap contracts reported in the condensed consolidated balance sheets may differ from that which would be realized in the event the Company terminated its position in the respective contract.

Derivative Contracts

The following tables set forth the derivative losses, net on the condensed consolidated statements of operations:

(in thousands)	Three Months Ended March 31,	
	2025	2024
Gain (loss) on settled derivatives, net	$ (18,206)	$ 36,464
Loss on unsettled derivatives, net	(133,985)	(40,143)
Derivative losses, net	$ (152,191)	$ (3,679)

Settled derivative gains, net for the three months ended March 31, 2024 includes gains of $13.3 million related to the termination of certain natural gas commodity derivative swap contracts prior to their contractual settlement dates. $8.4 million of such gains is attributable to early-terminated natural gas commodity derivative swap contracts covering production during the three months ended March 31, 2024.

During the first quarter in 2024, the Company entered into an agreement to sell a call option and subsequently received a net premium of $23.5 million for contracts that settle in 2026 and 2027. The call option has an established ceiling price of $5.00 per MMBtu. If at the time of settlement the contracted settlement price exceeds the ceiling price, the Company pays the counterparty an amount equal to the difference between the contracted settlement price and the ceiling price multiplied by the contract volumes. The premium received was recorded as a liability and is subsequently adjusted to the current fair value of the option written.

During the first quarter in 2025, the Company entered into agreements to buy put options and subsequently paid a net premium of $16.2 million for contracts that settle in 2026 and 2027. The put options have an established floor of $3.00 per MMBtu. If at the time of settlement the contracted settlement price falls below the floor, the counterparties pay the Company an amount equal to the difference between the contracted settlement price and the floor multiplied by the contract volumes.

Volume of Derivative Activities

As of March 31, 2025, the Company's derivative activities based on volume and contract prices, categorized by primary underlying risk and related commodity, by year, were as follows:

The following table represents natural gas commodity derivatives indexed to NYMEX Henry Hub pricing:

Instrument	MMBtu	Weighted Average Price (USD)	Weighted Average Price Floor	Weighted Average Price Ceiling	Fair Value as of March 31, 2025 (in thousands)
2025					
Swap	78,400,000	$ 3.41			$ (85,464)
Collars	9,800,000		$ 3.71	$ 4.11	$ (5,555)
2026					
Swap	57,825,000	$ 3.60			$ (48,283)
Collars	25,550,000		$ 3.67	$ 4.19	$ (11,244)
Call options	36,500,000			$ 5.00	$ (19,784)
Put options	36,500,000			$ 3.00	$ 5,273
2027					
Collars	29,200,000		$ 3.53	$ 3.93	$ (3,162)
Call options	36,500,000			$ 5.00	$ (13,729)
Put options	36,500,000			$ 3.00	$ 10,268

The following table represents natural gas basis derivatives based on the applicable basis reference price listed below:

Instrument	Basis Reference Price	MMBtu	Weighted Average Basis Differential	Fair Value as of March 31, 2025 (in thousands)
2025				
Swap	Transco Leidy Basis	9,625,000	$ (0.86)	$ 1,502
Swap	HSC Basis	22,000,000	$ (0.45)	$ 1,263
Swap	Transco St 85 (Z4) Basis	17,875,000	$ 0.45	$ 534

The following table represents natural gas liquids commodity derivatives for contracts, by contract type, expiring through December 31, 2026 based on the applicable index listed below:

Instrument	Commodity Reference Price	Gallons	Weighted Average Price (USD)	Fair Value as of March 31, 2025 (in thousands)
2025				
Swap	OPIS Purity Ethane Mont Belvieu	80,850,000	$ 0.25	$ (4,115)
Swap	OPIS IsoButane Mont Belvieu Non-TET	5,775,000	$ 0.87	$ (770)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	7,218,750	$ 0.83	$ (913)
Swap	OPIS Propane Mont Belvieu Non-TET	31,762,500	$ 0.73	$ (3,659)
Swap	OPIS Natural Gasoline Mont Belvieu Non-TET	11,550,000	$ 1.41	$ (517)
2026				
Swap	OPIS Purity Ethane Mont Belvieu	94,762,500	$ 0.25	$ (3,996)
Swap	OPIS IsoButane Mont Belvieu Non-TET	6,221,250	$ 0.86	$ (412)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	10,053,750	$ 0.82	$ (581)
Swap	OPIS Propane Mont Belvieu Non-TET	37,327,500	$ 0.70	$ (2,718)
Swap	OPIS Natural Gasoline Mont Belvieu Non-TET	16,275,000	$ 1.40	$ 649

Note 6 - Revenue from Contracts with Customers

All of the Company's revenues are generated in the states of Pennsylvania and Texas. Revenues consist of the following:

	Three Months Ended March 31, 2025		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 24,572	$ 143,411	$ 167,983
NGLs	—	44,683	44,683
Oil	—	3,460	3,460
Total natural gas, NGL, and oil sales	24,572	191,554	216,126
Marketing revenues	—	6,485	6,485
Midstream revenues	—	2,771	2,771
Section 45Q tax credits	—	3,307	3,307
Related party and other	—	2,322	2,322
Total	$ 24,572	$ 206,439	$ 231,011

	Three Months Ended March 31, 2024		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 12,493	$ 83,843	$ 96,336
NGLs	—	43,417	43,417
Oil	—	1,934	1,934
Total natural gas, NGL, and oil sales	12,493	129,194	141,687
Marketing revenues	—	4,921	4,921
Midstream revenues	1,243	2,885	4,128
Section 45Q tax credits	—	2,329	2,329
Related party and other	31	2,497	2,528
Total	$ 13,767	$ 141,826	$ 155,593

Accounts receivable and revenue from contracts with customers

As of March 31, 2025 and December 31, 2024, the Company’s receivables from contracts with customers were $56.6 million and $49.8 million, respectively. Also, as of March 31, 2025 and December 31, 2024, one purchaser accounted for more than 10% of accounts receivables, and for the three months ended March 31, 2025 and 2024, that purchaser’s revenues were $166.5 million and $92.3 million, respectively. Another purchaser’s revenues, that also accounted for more than 10% of the Company’s revenues during the three months ended March 31, 2025 and 2024 amounted to $40.8 million and $39.1 million, respectively. The Company does not believe that the loss of these customers would have a material adverse effect on the condensed consolidated financial statements because alternative customers are readily available.

Note 7 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities included in current liabilities consist of the following:

(in thousands)	March 31, 2025	December 31, 2024
Accounts payable	$ 59,240	$ 53,238
Revenues payable	16,682	17,921
Commodity derivative settlements payable	11,575	3,891
Accrued payroll	8,828	23,435
Oil and gas production and other taxes payable	6,054	21,263
Other accrued liabilities	3,092	1,618
Total	$ 105,471	$ 121,366

Note 8 - Stockholders' Equity

Equity-Based Compensation

2024 Equity and Incentive Compensation Plan

The Company's 2024 Equity and Incentive Compensation Plan (the "2024 Plan") became effective immediately prior to the consummation of the IPO. The 2024 Plan permits the grant of awards to the non-employee directors, officers, and other employees of BKV Corp and its controlled subsidiaries in order to provide incentives and rewards for service and/or performance. The Company may grant stock options, appreciation rights, restricted stock, restricted stock units ("RSUs"), performance shares, performance units, cash incentive awards, and certain other awards based on or related to shares of the Company's common stock. Under the 2024 Plan, the Company can issue up to 5,000,000 shares of its common stock, which are subject to adjustment to reflect any extraordinary cash dividend, stock dividend, split, or combination of the Company's common stock. The aggregate number of shares of the Company's common stock available for award under the 2024 Plan will be reduced by one share of the Company's common stock for every one share of its common stock subject to an award granted under the 2024 Plan. Each grant of an award under the 2024 Plan will be evidenced by an award agreement that includes terms and provisions, determined by the Company's Compensation Committee (or other committee of the board of directors designated by the board to administer the 2024 Plan), which outlines the number of shares of common stock, earning or vesting terms, and any other terms consistent with the 2024 Plan.

Any shares of common stock awarded under the 2024 Plan that have been canceled, forfeited, expired, settled for cash shares, or is unearned (in whole or part) will be added back to the aggregate number of shares of common stock available under the 2024 Plan, with the exception of the following: (i) shares of common stock withheld by the Company in payment of the exercise price of a stock option; (ii) shares of common stock tendered or otherwise used in payment of the exercise price of a stock option; (iii) shares of common stock withheld by the Company or tendered or otherwise used to satisfy a tax withholding obligation; (iv) shares of common stock subject to share-settled appreciation rights that are not actually issued in connection with the settlement of such appreciation right; and (v) shares of common stock reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of stock options. As of March 31, 2025, 2,873,158 shares were available for future grants under the 2024 Plan.

Performance-Based Restricted Stock Units

During the three months ended March 31, 2025, the Company granted 571,471 performance-based restricted stock units ("PRSUs") under the 2024 Plan. These PRSUs cliff vest on December 31, 2026 and are subject to a performance period beginning January 1, 2024 and ending on December 31, 2026 (the "2024 PRSU Performance Period"). The table below summarizes the

PRSU activity for the three months ended March 31, 2025:

(in thousands, except per share amounts)	Shares	Weighted Average Grant Date Fair Value
Unvested PRSUs as of January 1, 2025	703	$ 12.23
Granted	571	$ 18.58
Vested	(6)	$ 12.23
Forfeited	(22)	$ 12.14
Unvested PRSUs as of March 31, 2025	1,246	$ 15.12

These PRSUs are eligible to be earned based on three performance conditions: (i) annualized Total Shareholder Return ("aTSR") of the Company's common stock during the 2024 PRSU Performance Period, weighted at 30%, (ii) relative Total Shareholder Return ("rTSR") of the common stock of the Company's benchmark group during the 2024 PRSU Performance Period, weighted at 30%, and (iii) Return on Capital Employed ("ROCE") based on the average annual performance over the 2024 PRSU Performance Period, weighted at 40%.

The aTSR and rTSR components of the awards are market-based conditions valued using the Monte-Carlo Simulation pricing model, which calculates multiple potential outcomes and establishes grant date fair value based on the most likely outcome. For purposes of the grant date fair value during the three months ended March 31, 2025, the aTSR and rTSR components assumed a risk free rate of 3.9%, a dividend yield of an immaterial amount, and volatility of 40% that used a combination of daily historical and implied volatility over a look back period commensurate with the remaining term of the assets. The weighted average grant date fair value of the aTSR and rTSR components of PRSU awards granted during the three months ended March 31, 2025 was $13.62 and $22.44, respectively.

ROCE is considered to be a non-market performance condition. Thus, the likelihood of achievement must be reassessed at every reporting period, and compensation expense is adjusted accordingly. As of March 31, 2025, management estimates ROCE performance for the post IPO grants to be lower than the target performance by approximately 18.1%, and for the grants that were issued during the three months ended March 31, 2025 to be greater than the target performance level by approximately 40.4%. The grant date fair value of the PRSUs presented in the activity for the three months ended March 31, 2025 takes into account the grant date fair value for ROCE, due to the non-market performance conditions being probable of achievement as of the respective modification date or grant date which establishes a grant date fair value. The weighted average grant date fair value of the ROCE component of PRSU awards granted during the three months ended March 31, 2025 was $19.40.

As of March 31, 2025, there was $17.8 million of unrecognized compensation expense related to the PRSU awards, which will be amortized over a weighted average period of 2.2 years.

Equity-based compensation related to PRSUs was $1.2 million for the three months ended March 31, 2025, which is included in general administrative expenses in the condensed consolidated statements of operations.

Time-Based Restricted Stock Units

During the three months ended March 31, 2025, the Company granted 380,887 time-based restricted stock units ("TRSUs") under the 2024 Plan. Under the applicable provisions of the 2024 Plan, the TRSU incentive award vests annually over three anniversary dates in equal portions with the first tranche vesting on January 1, 2025, subject to continued employment with the Company and board of director approval. The table below summarizes the TRSU activity for the three months ended March 31, 2025:

(in thousands, except per share amounts)	Shares		Weighted Average Grant Date Fair Value
Unvested TRSUs as of January 1, 2025	469	$	18.05
Granted	381	$	19.40
Vested	(156)	$	18.05
Forfeited	(14)	$	18.32
Unvested TRSUs as of March 31, 2025	680	$	18.80

As of March 31, 2025, there was $11.9 million of unrecognized compensation expense related to the 2024 TRSU awards, which will be amortized over a weighted average period of 2.4 years.

Equity-based compensation related to TRSUs was $0.9 million for the three months ended March 31, 2025, which is included in general administrative expenses in the condensed consolidated statements of operations.

Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan (the "ESPP") became effective immediately prior to the consummation of the IPO. A total of 500,000 shares of the Company's common stock are available for awards under the ESPP and only permits eligible employees to purchase shares of the Company's common stock through payroll deductions, which cannot exceed 10% of the employee's eligible compensation. The ESPP will be implemented through a series of offerings of up to a period of 27 months, which will consist of one offering period. During the offering period, payroll contributions will accumulate without interest and, on the last trading day of the offering period, accumulated payroll deductions will be used to purchase shares of the Company's common stock. For the three months ended March 31, 2025, the Company did not recognize any equity-based compensation expense related to the ESPP.

2021 Equity and Incentive Compensation Plan

On January 1, 2021, the BKV Corporation Long-Term Incentive Plan (the "2021 Plan") was established. Upon consummation of the IPO, 7,724,499 RSUs were considered to have been granted under ASC 718 - *Compensation-Stock Compensation* ("ASC 718"), when taking into consideration performance RSUs at the maximum performance level and TRSUs anticipated to be legally granted in the three years following inception. As of December 31, 2024, the awards considered granted under ASC 718 since inception equaled the number of RSUs legally granted. Prior to the Company's IPO, RSUs under the 2021 Plan were recognized in mezzanine equity on the condensed consolidated statements of stockholders' equity and mezzanine equity and were valued using unobservable inputs. See *Note 4 - Fair Value Measurements* for further detail.

Performance-Based Restricted Stock Units

PRSUs cliff vest and were subject to a vesting or performance period beginning January 1, 2021 and ending on December 31, 2023 (the "Performance Period"). As of December 31, 2023, or the Performance Period, the Company achieved its goals as follows: TSR met its threshold at 136%, ROCE met its threshold at 131%, and IPO readiness met its threshold at 200%. In February 2024, the Plan's committee approved the Company's goals and the PRSUs outstanding as of December 31, 2023 vested with some being forfeited prior to the Plan's approval.

The following table summarizes the PRSU activity under the 2021 Plan for the three months ended March 31, 2024:

(in thousands, except per share amounts)	Shares	Weighted Average Gra Date Fair Value
Unvested PRSUs as of January 1, 2024	3,967	$ 19.[illegible]
Vested	(3,963)	$ 19.[illegible]
Forfeited	(4)	$ 19.[illegible]
Unvested PRSUs as of March 31, 2024	—	$ [illegible]

Time-Based Restricted Stock Units

The following table summarizes the TRSU activity under the 2021 Plan for the three months ended March 31, 2024:

(in thousands, except per share amounts)	Shares	Weighted Average Gra Date Fair Value
Unvested TRSUs as of December 31, 2023	727	$ 22.[illegible]
Vested	(258)	$ 22.[illegible]
Forfeited	(12)	$ 12.[illegible]
Unvested TRSUs as of March 31, 2024	457	$ 22.[illegible]

For the three months ended March 31, 2024, equity-based compensation expense related to the TRSUs under the 2021 Plan was $1.1 million, which is included in general and administrative expenses in the condensed consolidated statements of operations. Upon consummation of the IPO, the remaining TRSUs from the 2021 Plan vested.

Note 9 - Equity Method Investment

The Company is a 50% owner of BKV-BPP Power, which is accounted for as an equity method investment. BKV-BPP Power owns and operates the Temple Plants, which are two combined cycle gas turbine and steam turbine power plants located on the same site in the ERCOT North Zone in Temple, Texas. The Temple Plants deliver power to customers on the ERCOT power network in Texas. BKV-BPP Power also has a wholly-owned subsidiary that engages in retail power sales to customers in Texas.

BKV-BPP Power has a term loan from each of its affiliates, BNAC and BPPUS, each in the amount of $141.0 million, both of which mature on November 1, 2026.

The Company has an Administrative Service Agreement ("ASA") with BKV-BPP Power, in which the Company provides certain services as required by the ASA, on an annual basis with options to extend. During the three months ended March 31, 2025 and 2024, the Company recognized revenues of $0.4 million and $1.1 million, respectively, related to the services provided under the ASA, which is included in related party revenues on the condensed consolidated statements of operations.

During the three months ended March 31, 2025 and 2024, the Company recognized, based on its 50% ownership interest in BKV-BPP Power, losses of $9.6 million and $7.7 million, respectively. For the three months ended March 31, 2025, BKV-BPP Power's total revenues, net, included unrealized derivative losses of $16.0 million and operating expenses included unrealized derivative gains of $3.0 million. For the three months ended March 31, 2024, BKV-BPP Power's total revenues, net, included unrealized derivative losses of $5.8 million and operating expenses included unrealized derivative losses of $2.1 million.

The table below sets forth the summarized financial information of BKV-BPP Power:

Income Statement	**Three Months Ended March 31,**	
	2025	**2024**
(in thousands)	**(unaudited)**	
Total revenues, net	$ 97,672	$ 84,969
Depreciation and amortization	9,627	9,885
Operating expenses	94,134	73,318
Income (loss) from operations	(6,089)	1,766
Interest expense	(16,073)	(18,182)
Other income	2,992	1,002
Net loss	$ (19,170)	$ (15,414)

Note 10 - Commitments and Contingencies

From time to time, the Company may be subject to various claims, title matters, and legal proceedings arising in the ordinary course of business, including environmental contamination claims, personal injury and property damage claims, claims related to joint interest billings and other matters under natural gas operating agreements, and other contractual disputes. The Company maintains general liability and other insurance to cover some of these potential liabilities. All known liabilities are fully accrued based on the Company's best estimate of the potential loss. While the outcome and impact on the Company cannot be predicted with certainty, results may change in future periods. For the periods presented in the condensed consolidated financial statements, the Company believes that its ultimate liability, with respect to any such matters, will not have a significant impact or material adverse effect on its financial positions, results of operations, or cash flows. Results of operations and cash flows, however, could be significantly impacted in the reporting periods in which such matters are resolved.

As a part of the consideration paid for the Devon Barnett Acquisition, additional cash consideration would be required to be paid by the Company if certain thresholds were met for average Henry Hub natural gas and WTI crude oil prices for each of the calendar years during the period beginning January 2021 through December 31, 2024 (the "Devon Barnett Earnout"). Average Henry Hub payouts and threshold were as follows: $2.75/MMBtu $20.0 million, $3.00/MMBtu $25.0 million, $3.25/MMBtu $35.0 million, and $3.50/MMBtu $45.0 million; average WTI payouts and thresholds are as follows for these periods: $50.00/Bbl $10.0 million, $55.00/Bbl $12.5 million, $60.00/Bbl $15.0 million, and $65.00/Bbl $20.0 million. Payments were due in the month following the end of the respective measurement period for which the hurdle rates were set. As of December 31, 2024, the final portion of the arrangement was considered to be settled resulting in a settlement of $20.0 million, which is reflected as contingent consideration payable within current liabilities on the condensed consolidated balance sheets, and was paid on January 8, 2025. As described in *Note 4 - Fair Value Measurements* and *Note 5 - Derivative Instruments*, the contingent consideration was accounted for as a derivative instrument. Management uses NYMEX forward pricing estimates for both Henry Hub and WTI hurdle rates and Monte Carlo simulations to determine the fair value of the contingent consideration. For the three months ended March 31, 2024, the change in the fair value of the contingent consideration was a gain of $4.6 million. This change in the fair value during this period impacted the associated liability on the condensed consolidated balance sheets and recognition of the gain was recognized in the gains on contingent consideration liabilities on the condensed consolidated statements of operations.

In conjunction with the Exxon Barnett Acquisition, additional cash consideration would have been required to be paid by the Company if certain thresholds for future Henry Hub natural gas prices were met for the year ended December 31, 2024. Based on the thresholds for this period, no payout was required. As of December 31, 2024, the fair value of the contingent consideration was zero. The change in the fair value of the contingent consideration for the three months ended March 31, 2024 was a gain of $2.0 million. This change in the fair value during this period reduced the associated liability on the condensed consolidated balance sheets and recognition of the gain was recognized in the gains on contingent consideration liabilities on the condensed consolidated statements of operations. Refer to *Note 4 - Fair Value Measurements* for the valuation methodology and associated inputs.

The Company has volume commitments in the form of gathering, processing, and transportation agreements with various third parties that require delivery of 1,068,885,447 dekatherms of natural gas. The significant majority of the agreements terminate by 2029, with one agreement extending through 2036. As of March 31, 2025, the aggregate undiscounted future payments required under these contracts total $304.7 million.

A summary of the Company's commitments, excluding contingent consideration, as of March 31, 2025, is provided in the following table:

(in thousands)	2025	2026	2027	2028	2029	Thereafter	Total
RBL Credit Agreement	$ —	$ —	$ —	$ 200,000	$ —	$ —	$ 200,000
Interest payable	612	—	—	—	—	—	612
Operating lease payments	941	1,047	908	924	947	3,662	8,429
Volume commitments	51,775	67,615	58,959	53,144	34,257	38,929	304,679
Total	$ 53,328	$ 68,662	$ 59,867	$ 254,068	$ 35,204	$ 42,591	$ 513,720

Note 11 - Income Taxes

The effective tax rates for the three months ended March 31, 2025 and 2024 were 27.1% and 25.2%, respectively. For the three months ended March 31, 2025, the difference in the effective tax rate from the U.S. statutory federal income tax rate of 21.0% was primarily due to the Company benefiting from the Section 45I tax credits from marginal production and from the monetization of certain Section 45Q tax credits from the injection of CO_2 waste in the Barnett Zero Project well. For the three months ended March 31, 2024, the difference in the effective tax rate from the U.S. statutory federal income tax rate of 21.0% was primarily due to the Company benefiting from the monetization of certain Section 45I tax credits from marginal production.

Note 12 - Earnings Per Share

Basic net income (loss) per common share for each period is calculated by dividing net income (loss) by the basic weighted average number of common shares outstanding during the period. Diluted net income (loss) per common share is calculated by dividing net income (loss) of the Company by the diluted weighted average number of common shares outstanding for the respective period. Diluted weighted average number of common shares outstanding and the dilutive effect of potential common shares is calculated using the treasury method. The Company includes potential shares of common stock for PRSUs and TRSUs in the calculation of diluted weighted average shares outstanding based on the number of common shares that would be issuable if the end of the reporting period was also the end of the performance period. During periods in which the Company incurred a net loss, diluted weighted average common shares outstanding were equal to basic weighted average of common shares outstanding because the effects of all potential common shares was anti-dilutive.

The following is a reconciliation of the Company's basic weighted average number of common shares outstanding to the diluted weighted average number of common shares outstanding:

	Three Months Ended March 31,	
(in thousands)	2025	2024
Basic weighted average common shares outstanding	84,706	66,287
Add: dilutive effect of TRSUs	—	—
Add: dilutive effect of PRSUs	—	—
Diluted weighted average of common shares outstanding	84,706	66,287
Weighted average number of outstanding securities excluded from the calculation of diluted loss per share		
TRSUs	22	281
PRSUs	—	3,899

Note 13 - Subsequent Events

On May 6, 2025, the Company and BKV Upstream Midstream entered into the Second Amendment to Credit Agreement, which amended the RBL Credit Agreement. See *Note 2 - Debt* for further information.

On May 8, 2025, BKV dCarbon Ventures, together with C Squared Solutions, Inc., a Delaware corporation and, for the limited purposes specified therein, BKV Corp, entered into the Limited Liability Company Agreement of BKV dCarbon Project, LLC (the “BKV-CIP JV Agreement”) forming BKV dCarbon Project, LLC (the “BKV-CIP Joint Venture”) for the purpose of developing CCUS projects. For more information regarding the terms of the BKV-CIP JV Agreement and the ancillary agreements entered into by BKV dCarbon Ventures and BKV Corp in connection therewith, refer to the Company's Current Report on Form 8-K filed on May 8, 2025.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in Item 1 of Part I, Financial Statements in this report on Form 10-Q and our audited consolidated financial statements and related notes, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the year ended December 31, 2024 included in our 2024 Annual Report on Form 10-K filed on March 31, 2025. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs, and expectations. We disclaim any duty to publicly update any forward-looking statements except as otherwise required by applicable law.

In this section, references to "BKV," the "Company," "we," "us," and "our" refer to BKV Corporation and its subsidiaries, unless otherwise indicated or the context otherwise requires. For more information on our organizational structure, see "Note 1 - Business and Basis of Presentation" to our condensed consolidated financial statements included in Item 1 of Part I of this report.

Overview

We are a forward thinking, growth driven energy company focused on creating value for our stockholders through the organic development of our properties as well as accretive acquisitions. Our core business is to produce natural gas from our owned and operated upstream businesses, which are supported by our four business lines: natural gas production; our natural gas midstream business; power generation; and CCUS. We expect our owned and operated upstream and natural gas midstream businesses to achieve net zero Scope 1 and Scope 2 emissions by the early 2030s, and net zero Scope 1, 2, and 3 emissions by the late 2030s. We maintain a "closed-loop" approach to our net zero emissions goal through the operation of our four business lines. We are committed to vertically integrating portions of our business to reduce costs and improve overall commercial optimization of the full value chain. For instance, in the Barnett, our natural gas production is gathered and transported in part through our midstream systems and we commenced sequestration operations at our first CCUS project in November 2023. We expect our second and third CCUS projects to commence sequestration activities in the first half of 2026 and are evaluating a robust backlog of actionable CCUS opportunities. We believe that our differentiated business model, net zero emissions focus, highly experienced management team and technology-driven approach to operating our business will enable us to create stockholder value.

Recent Developments

- **Second Amendment to the RBL Credit Agreement.** On May 6, 2025, with the unanimous consent of our credit facility lenders, we entered into the Second Amendment to Credit Agreement, which amended the RBL Credit Agreement to, among other things, increase the borrowing base by $100.0 million and the elected commitment by $65.0 million. This amendment constituted the semiannual borrowing base redetermination. See "*Liquidity and Capital Resources — RBL Credit Agreement*" for additional information regarding the RBL Credit Agreement and the covenants contained therein.
- **Strategic CCUS Joint Venture**. As previously announced, on May 8, 2025, BKV dCarbon Ventures, together with C Squared Solutions, Inc., a subsidiary of the Energy Transition Fund managed by Copenhagen Infrastructure Partners, and, for the limited purposes specified therein, BKV Corporation, entered into the BKV-CIP JV Agreement forming the BKV-CIP Joint Venture for the purpose of developing CCUS projects. Also on May 8, 2025 and contemporaneously with their entry into the BKV-CIP JV Agreement, the parties thereto also entered into certain ancillary agreements related to the joint venture. BKV dCarbon Ventures has contributed to the BKV-CIP Joint Venture its ownership of the Barnett Zero and Eagle Ford Projects, and has committed to future contributions of certain CCUS projects, related assets, and/or cash, in exchange for a 51% interest therein. Subject to certain exceptions, BKV intends to develop its CCUS projects exclusively through the BKV-CIP Joint Venture. For more information regarding the terms of the BKV-CIP JV Agreement and ancillary agreements entered into by the Company and BKV dCarbon Ventures in connection therewith, please refer to the Company's Current Report on Form 8-K filed on May 8, 2025.

Operational and Financial Highlights

Below are some highlights of our operating and financial results for the three months ended March 31, 2025.

- Production of natural gas, NGLs, and oil was 68.5 Bcfe, or 761.1 MMcfe/d.
- Average realized product prices, excluding the impact of settled derivatives, were $3.15 per Mcfe.

- Production revenues were $216.1 million and midstream revenues were $2.8 million.
- Lease operating expense was $33.7 million, or $0.49 per Mcfe.
- Net loss was $(78.7) million.
- Net cash provided by operating activities was $22.6 million.
- Accrued capital expenditures were $58.0 million.

Factors That Affect Comparability of Our Financial Condition and Results of Operations

Our business depends on many factors, primarily commodity prices, market supply and demand for natural gas, NGLs, and oil, upstream capital costs, and production costs. We continually monitor domestic and global factors which may cause our actual results of operations to differ from historical results or expected outlook.

Commodity Pricing. The natural gas and NGL industry is cyclical and commodity prices are highly volatile, and we expect these prices to continue to remain volatile in the near future. In order to manage our market exposure of price volatility, we utilize derivative contracts in connection with our natural gas operations to provide an economic hedge of our exposure to commodity price risks associated with anticipated future natural gas and NGL production. However, there are still market risks beyond our control that may impact our financial condition, results of operations, and cash flows.

Supply, demand, market risk, and the impact on natural gas, NGL, and oil prices. Natural gas and oil prices are subject to large fluctuations in response to relatively minor changes in the demand for natural gas, NGLs, and oil. Prices are affected by current and expected supply and demand dynamics, including the level of drilling, completion, and production activities by other natural gas production companies, global industry-wide supply chain disruptions, widespread shortages of labor, material, and services, the ability to agree and maintain production levels by members of OPEC and other oil producing countries, and political instability of other energy producing countries, resulting in increased supply in the global market. Other factors impacting supply and demand include weather conditions (including severe weather events), pipeline capacity constraints, inventory storage levels, basis differentials, export capacity, supply chain quality and availability, strength of the U.S. dollar as well as other factors, the majority of which are outside of our control.

Upstream Capital Costs. Businesses engaged in the exploration and production of natural gas and NGLs, such as ours, face the challenge of natural production declines. As initial reservoir pressures are depleted, natural gas and NGL production from a given well naturally decreases. Thus, as does any natural gas exploration and production company, we deplete part of our asset base with each unit of natural gas and NGLs we produce. We attempt to overcome this natural decline by drilling and refracturing to unlock additional reserves and acquiring more reserves than we produce. Our future growth will depend on our ability to enhance production levels from our existing reserves and to continue to add reserves in excess of production in a cost-effective manner, through development of existing assets and acquisitions. Our ability to make capital expenditures to increase production from our existing reserves and to add reserves through drilling is dependent on our capital resources and can be limited by many factors, including our ability to access capital in a cost-effective manner and to timely obtain drilling permits and regulatory approvals.

Other factors significantly affecting our financial condition and results of operations include, among others:

- success in drilling new wells;
- the availability of attractive acquisition opportunities and our ability to execute them;
- the amount of capital we invest in the leasing and development of our properties;
- facility or equipment availability and unexpected downtime; and
- delays imposed by or resulting from compliance with regulatory requirements.

Production Volumes.

The following table presents our historical production volumes for the periods presented:

	Three Months Ended March 31,	
	2025	2024
Production Data		
Natural gas (MMcf)	54,121	59,644
NGLs (MBbls)	2,344	2,485
Oil (MBbls)	53	28
Total volumes (MMcfe)	68,503	74,722
Average daily total volumes (MMcfe/d)	761.1	821.1

Sources of Revenues

Currently, substantially all of our revenues are derived from the sale of our natural gas production and the NGLs that are extracted from processing our natural gas, though we also generate a portion of our revenues from the sale of crude oil, midstream and surface operations, and certain marketing revenue and other income. Our midstream and surface operations primarily support our own exploration and production operations, with revenues generated primarily from fees charged for midstream and surface services, including transportation, freshwater sourcing and disposal, and other services to us and our affiliates and, to a lesser extent, third parties.

Realized Commodity Prices

NYMEX Henry Hub, for gas prices, and NYMEX WTI, for oil prices, are widely used benchmarks for the pricing of natural gas and oil in the United States. The price we receive for our natural gas and oil production is generally different than the NYMEX price because of adjustments for delivery location ("basis"), relative quality and other factors. As such, our revenues are sensitive to the price of the underlying commodity to which they relate. For further discussion on our derivative contracts, see *Note 5 - Derivative Instruments* to the unaudited condensed consolidated financial statements. The following is a comparison of average pricing excluding and including the effects of derivatives:

	Three Months Ended March 31,	
	2025	2024
Average prices:		
Natural gas ($/Mcf):		
Average NYMEX Henry Hub price	$ 3.65	$ 2.24
Average natural gas realized price (excluding derivatives)	$ 3.10	$ 1.62
Average natural gas realized price (including derivatives) (1)	$ 2.86	$ 2.00
Differential	$ (0.55)	$ (0.62)
NGLs ($/Bbl):		
Average NGL realized price (excluding derivatives)	$ 19.06	$ 17.47
Average NGL realized price (including derivatives) (1)	$ 16.89	$ 17.53
Oil ($/Bbl):		
Average oil realized price	$ 65.28	$ 69.07
High and low daily spot prices:		
Oil ($/Bbl):		
High NYMEX WTI	$ 80.73	$ 84.39
Low NYMEX WTI	$ 66.31	$ 70.62
Natural gas ($/Mcf):		
High NYMEX Henry Hub	$ 9.86	$ 13.20
Low NYMEX Henry Hub	$ 2.93	$ 1.25

[1] Impact of derivatives prices excludes $13.3 million of gains on derivative contract terminations for the three months ended March 31, 2024.

Results of Operations

Comparison of the Three Months Ended March 31, 2025 and 2024

Operating Revenues and Operating Income

Our operating revenues and other income from operations include the activity from the sale of natural gas, NGLs, and oil, midstream revenues, gains and losses on our derivative contracts, marketing revenues, Section 45Q tax credits, related party revenues, and other income from operations. The following table provides information on our revenues and other operating income for the periods presented:

(in thousands, other than percentages)	Three Months Ended March 31, 2025	2024	$ Change	% Change
Revenues				
Natural gas revenues	$ 167,983	$ 96,336	$ 71,647	74 %
NGL revenues	44,683	43,417	1,266	3 %
Oil revenues	3,460	1,934	1,526	79 %
Midstream revenues	2,771	4,128	(1,357)	(33)%
Derivative losses, net	(152,191)	(3,679)	(148,512)	*
Marketing revenues	6,485	4,921	1,564	32 %
Section 45Q tax credits	3,307	2,329	978	42 %
Related party revenues	426	1,101	(675)	(61)%
Other	1,896	1,427	469	33 %
Total revenues and other operating income	$ 78,820	$ 151,914		

**Percentage not meaningful*

Natural Gas Revenues

Our natural gas revenues increased by approximately $71.6 million, or 74%, to $168.0 million for the three months ended March 31, 2025, from $96.3 million for the three months ended March 31, 2024. The impact of commodity price increases, excluding the effect of derivative settlements, provided an $80.6 million increase in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes). The increase was offset by lower production volumes during the three months ended March 31, 2025, primarily from the assets in the Barnett and from the sale of Chaffee and certain non-operated assets held by Chelsea in June 2024, which collectively accounted for an $8.9 million decrease in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period average price).

NGL Revenues

Our NGL revenues increased by approximately $1.3 million, or 3%, to $44.7 million for the three months ended March 31, 2025, from $43.4 million for the three months ended March 31, 2024. The impact of commodity price increases, excluding the effect of derivative settlements, accounted for a $3.7 million increase in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes). The increase was offset by lower production volumes during the three months ended March 31, 2025, which accounted for a $2.5 million decrease in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period average price).

Oil Revenues

Our oil revenues increased by approximately $1.5 million, or 79%, to $3.5 million for the three months ended March 31, 2025, from $1.9 million for the three months ended March 31, 2024. The increase was primarily due to higher production volumes during the three months ended March 31, 2025, which accounted for a $1.7 million increase in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period average price). The increase was offset by the impact of commodity price decreases, excluding the effect of derivative settlements, which accounted for a $0.2 million decrease in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes).

Midstream Revenues

Our midstream revenues decreased by approximately $1.4 million, or 33%, to $2.8 million for the three months ended March 31, 2025, from $4.1 million for the three months ended March 31, 2024. This decrease was primarily due to the divestiture of Chaffee of $1.2 million as we sold our Repsol Midstream Interest in connection with this sale. The remainder of the decrease was due to changes in deal structures that reduced midstream transportation revenue while increasing third party gas sales.

Derivative Losses, Net

For the three months ended March 31, 2025, we had net realized and unrealized losses on derivative contracts of $152.2 million compared to net realized and unrealized losses on derivative contracts of $3.7 million for the three months ended March 31, 2024. The increased losses for the three months ended March 31, 2025 were from our open derivative positions, which were in more of an unrealized loss position of $134.0 million compared to the three months ended March 31, 2024 of $40.1 million. The increased losses on our derivative contracts were also due to realized losses of $18.2 million compared to realized gains of $36.5 million due to higher natural gas prices during this period compared to the same period in the prior year.

Marketing Revenues

Our marketing revenues increased by approximately $1.6 million, or 32% to $6.5 million for the three months ended March 31, 2025 from $4.9 million for the three months ended March 31, 2024. Our marketing revenues are derived under our marketing agreement with a third party pursuant to which we receive a fixed percentage of all net income realized in the resale of our and other producers' hydrocarbons. The increase in marketing revenues during the three months ended March 31, 2025 was primarily due to a higher pricing environment compared to the same period in 2024.

Section 45Q Tax Credits

We generated $3.3 million in Section 45Q tax credits during the three months ended March 31, 2025 related to CO_2 waste sequestration activities under our Barnett Zero Project compared to $2.3 million during the three months ended March 31, 2024. The increase period over period was due to more CO_2 waste sequestered in 2025 compared to the prior period.

Related Party Revenues

Our related party revenues were $0.4 million for the three months ended March 31, 2025, compared to $1.1 million for the three months ended March 31, 2024. The decrease in related party revenues was due to a $0.7 million decrease in operating fee income with BKV-BPP Power, attributable to lower contracted rates.

Other Revenues

Other revenues includes the gain (loss) on the sale of assets and the sale of third-party natural gas. Other revenues were $1.9 million for the three months ended March 31, 2025 compared to $1.4 million for the three months ended March 31, 2024. The period-over-period increase was primarily due to an increase in third party gas sales of $2.5 million and an increase in the gain on sale of assets of $0.4 million, offset by the impairment on our asset held for sale of $2.4 million.

Operating Expenses

Our operating expenses reflect costs incurred in the development, production, and sale of natural gas, NGLs, and oil. The following table provides information on our operating expenses:

(in thousands, other than percentages and average costs)	Three Months Ended March 31, 2025	2024	$ Change	% Change
Operating expenses				
Lease operating and workover	$ 35,055	$ 34,468	$ 587	2%
Taxes other than income	10,222	11,365	(1,143)	(10)%
Gathering and transportation costs	55,793	59,066	(3,273)	(6)%
Depreciation, depletion, amortization, and accretion	39,970	52,166	(12,196)	(23)%
General and administrative	25,257	20,645	4,612	22%
Other	6,226	8,567	(2,341)	(27)%
Total operating expense	$ 172,523	$ 186,277		
Average costs per Mcfe				
Lease operating and workover	$ 0.51	$ 0.46	$ 0.05	11%
Taxes other than income	0.15	0.15	—	0%
Gathering and transportation costs	0.81	0.79	0.02	3%
Depreciation, depletion, amortization, and accretion	0.58	0.70	(0.12)	(17)%
General and administrative	0.37	0.28	0.09	32%
Other	0.09	0.11	(0.02)	(18)%
Total	$ 2.51	$ 2.49		
**Percentage not meaningful*				

Lease Operating and Workover

The following table summarizes our components of lease operating expenses for the periods presented:

	Three Months Ended March 31, 2025		2024		$ Change	% Change
(in thousands, other than percentages and average costs)	Amount	Per Mcfe	Amount	Per Mcfe		
Lease operating expenses	$ 33,675	$ 0.49	$ 32,463	$ 0.43	$ 1,212	4 %
Workover expenses	1,380	0.02	2,005	0.03	(625)	(31)%
Total lease operating and workover expense	$ 35,055	$ 0.51	$ 34,468	$ 0.46	$ 587	2 %

Lease operating and workover expenses were $35.1 million, or $0.51 per Mcfe, for the three months ended March 31, 2025, which was an increase of approximately $0.6 million from $34.5 million, or $0.46 per Mcfe, for the three months ended March 31, 2024. The increase in lease operating expenses during the three months ended March 31, 2025 compared to the same period in 2024 was primarily driven by a credit received of $1.5 million for a water sharing agreement during the three months ended March 31, 2024. The increase was also due to increases in repairs and maintenance and timing of fees of $1.0 million and vehicle expense of $0.4 million during the three months ended March 31, 2025. This was offset by $1.4 million of less workover and operating activity due to winter storms and $1.0 million decreases in compression and water expenses due to well shut-ins during the three months ended March 31, 2025.

Taxes Other Than Income

Taxes other than income were $10.2 million, or $0.15 per Mcfe, for the three months ended March 31, 2025, which was a decrease of approximately $1.1 million, or 10%, from $11.4 million, or $0.15 per Mcfe, for the three months ended March 31, 2024. The decrease in taxes other than income during the three months ended March 31, 2025 compared to 2024 was due to decreases in ad valorem and property taxes associated with our operations in the Barnett and NEPA of $4.9 million and $0.2 million, respectively. This was offset by production taxes of $4.0 million in the Barnett. Certain ad valorem and production taxes are not applicable to our NEPA properties.

Gathering and Transportation

Gathering and transportation expenses were $55.8 million, or $0.81 per Mcfe, for the three months ended March 31, 2025, which was a decrease of approximately $3.3 million, or 6%, from $59.1 million, or $0.79 per Mcfe, for the three months ended March 31, 2024. This decrease was driven by decreased production in the Barnett of $3.2 million and NGL rate decreases of $0.4 million. This was offset by new contracts we entered into during 2024 where we started outsourcing gathering costs with our midstream business of $0.3 million.

Depreciation, Depletion, Amortization, and Accretion

Depreciation, depletion, amortization, and accretion was $40.0 million, or $0.58 per Mcfe, for the three months ended March 31, 2025, which was a decrease of approximately $12.2 million, or 23%, from $52.2 million, or $0.70 per Mcfe, for the three months ended March 31, 2024. The decrease in depreciation, depletion, amortization, and accretion during the three months ended March 31, 2025 compared to the three months ended March 31, 2024 was primarily due to a depletion rate adjustment in 2025.

General and Administrative

General and administrative expenses were $25.3 million, or $0.37 per Mcfe, for the three months ended March 31, 2025, which was an increase of approximately $4.6 million, or 22%, from $20.6 million, or $0.28 per Mcfe, for the three months ended March 31, 2024. The increase in general and administrative expenses during the three months ended March 31, 2025 compared to the three months ended March 31, 2024 was due to increases from Company-wide growth initiatives of $2.6 million in employee bonuses, contract labor, employee-based compensation, and employee expenses, and $2.0 million in consulting and information technology-related expenses.

Other Operating Expenses

Other operating expenses were $6.2 million, or $0.09 per Mcfe, for the three months ended March 31, 2025, which was a decrease of approximately $2.3 million, or 27%, from $8.6 million, or $0.11 per Mcfe, for the three months ended March 31, 2024. The decrease in other operating expenses during the three months ended March 31, 2025 compared to the same period in 2024 was primarily due to $5.0 million of accrued waste emissions costs established by the Inflation Reduction Act recognized during the three months ended March 31, 2024. This was offset by an increase of $1.6 million in third-party natural gas purchases due to increased volumes and increased natural gas prices during the three months ended March 31, 2025 compared to the same period in 2024.

Other Income (Expense)

Gains on contingent consideration liabilities. For the three months ended March 31, 2024, we recognized a gain on contingent consideration liabilities accruing as an earnout obligation under the purchase agreements executed in connection with the Devon Barnett Acquisition and the Exxon Barnett Acquisition. The gain on contingent consideration liabilities was $6.6 million for the three months ended March 31, 2024, and consisted of gains of $4.6 million and $2.0 million from the Devon Barnett Acquisition and the Exxon Barnett Acquisition, respectively. The contingent considerations under these purchase agreements expired in 2024.

Losses from equity affiliate. Losses from our equity affiliate were $9.6 million for the three months ended March 31, 2025, which was a change of $1.9 million, from $7.7 million compared to the same period in 2024. Losses from our equity affiliate are related to our investment in, and our proportionate share in the income or losses of the BKV-BPP Power Joint Venture.

Interest expense. Interest expense was $5.1 million for the three months ended March 31, 2025, which was a decrease of $11.0 million, from $16.1 million for the three months ended March 31, 2024. The decrease in interest expense during the three months ended March 31, 2025 was primarily due to lower interest rates incurred during the three months ended March 31, 2025 on our RBL Credit Facility, which we entered into on June 11, 2024, compared to the interest rates on our Term Loan Credit Agreement and Revolving Credit Facilities during the three months ended March 31, 2024.

Interest expense, related party. Interest expense from our related party borrowings with BNAC was $2.0 million for the three months ended March 31, 2024, which was paid down in June 2024.

Interest income. Interest income was $0.1 million for the three months ended March 31, 2025, which was a decrease of $1.5 million, compared to $1.6 million for the same period in 2024. The decrease was primarily due to the cessation of interest earned on restricted cash following the repayment of the Term Loan Agreement in June 2024, which had previously funded the debt service reserve account.

Income tax benefit. For the three months ended March 31, 2025, we had an income tax benefit of $29.2 million, which was an increase of $16.2 million, from a $13.0 million in income tax benefit for the three months ended March 31, 2024. During the three months ended March 31, 2025, the increase in income tax benefit was due to higher net losses and excess tax benefits relating to the vesting of restricted shares.

Liquidity and Capital Resources

Capital Commitments

Our primary needs for cash are to fund our upstream development, midstream, power, and CCUS activities, fund operations and capital expenditures, acquisitions, and asset retirement obligations, cover any debt interest or minimum volume commitment obligations, pay down debt, and return capital to stockholders. Our primary use of cash during the three months ended March 31, 2025 and 2024 was to fund the development of our natural gas properties.

During the three months ended March 31, 2025 and 2024, cash paid for capital expenditures was $57.4 million and $19.9 million, respectively. Our current estimated budget for accrued capital expenditures in 2025 is approximately $320 million to $380 million. Capital expenditures for our operated properties 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 natural gas and NGLs, the availability of 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 will continue to monitor commodity prices and overall market conditions and can adjust our rig cadence up or down in response to changes in commodity prices and overall market conditions.

Capital Resources

Historically, our primary sources of capital and liquidity have consisted of internally generated cash flows from operations, together with loans and capital contributions from our majority stockholder, BNAC. We also enter into financial instruments to reduce the impact of commodity price volatility and provide a level of certainty and stability around cash flows. We currently believe that our cash flows from operations, cash on hand, borrowings under our RBL Credit Agreement, and our commodity hedges in place will provide sufficient liquidity to fund our operations and our capital expenditures into 2025, excluding our CCUS business. We expect to fund up to 50% of our CCUS business from a variety of external sources, which may include joint ventures, project-based equity partnerships, debt financing, and federal grants with the remaining capital needs being funded with cash flows from operations.

The following table summarizes our cash flows for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net cash provided by operating activities	$ 22,620	$ 19,251
Net cash used in investing activities	(56,008)	(19,884)
Net cash provided by (used in) financing activities	33,819	(1,590)
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 431	$ (2,223)

Cash flows provided by operating activities. Net cash provided by operating activities was $22.6 million for the three months ended March 31, 2025, compared to $19.3 million for the three months ended March 31, 2024. Net cash provided by operating activities increased during the three months ended March 31, 2025 compared to the three months ended March 31, 2024 due to a $24.7 million increase in income from operations (excluding net unrealized gains (losses), depreciation, depletion, amortization, and accretion, equity-based compensation, and impairment of asset held for sale), resulting from higher natural gas prices compared to 2024, and a $20.4 million increase in working capital. These increases were offset by cash received in January 2024 for the sale of call options of $23.5 million, cash paid in February 2025 for the purchase of put options of $16.2 million, a decrease in interest income of $1.5 million, and a $0.5 million increase in cash paid for interest.

Operating cash flow fluctuations are substantially driven by realized commodity prices, production volumes, and operating expenses. Prices for natural gas and NGLs have historically been volatile, primarily as a result of supply and demand, pipeline infrastructure constraints, basis differentials, inventory storage levels, and seasonal influences. We are unable to predict future commodity prices and therefore cannot provide assurance about future levels of cash provided by operating activities.

Cash flows used in investing activities. Net cash used in investing activities was $56.0 million for the three months ended March 31, 2025, compared to net cash used in investing activities of $19.9 million for the three months ended March 31, 2024. The change was due to the increase of $39.7 million of capital expenditures (excluding CCUS activities) for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This was offset by the decrease of $2.2 million of expenditures on CCUS activities over the same period and additional cash proceeds on the sale of assets of $1.3 million.

The following table presents our capital expenditures (excluding leasehold costs and acquisitions) on an accrual basis for the three months ended March 31, 2025 and 2024 and reconciles to cash flows used for capital expenditures in the condensed consolidated statements of cash flows.

	Three Months Ended March 31,	
	2025	2024
Total use of cash and cash equivalents for capital expenditures	$ (57,374)	$ (19,861)
Decrease (increase) in accrued capital expenditures	(628)	1,833
Capital expenditures (accrued)	$ (58,002)	$ (18,028)

Cash flows provided by (used in) financing activities. Net cash provided by financing activities was $33.8 million for the three months ended March 31, 2025, which consisted of net borrowings on debt of $35.0 million, and was offset by payments of $1.2 million for taxes related to net share settlement of restricted stock units. For the three months ended March 31, 2024, net cash used in financing activities was $1.6 million, which was due to net payments on debt of $1.0 million and payments of deferred offering costs of $0.6 million.

Working Capital

As of March 31, 2025, we had cash and cash equivalents of $15.3 million, compared to $14.9 million of cash and cash equivalents as of December 31, 2024. Our net working capital deficit was $148.5 million as of March 31, 2025, compared to a deficit of $71.6 million as of December 31, 2024.

Our working capital fluctuates based on the timing of cash collections on accounts receivable and payments on accounts payable. Our collection of receivables has historically been timely, and losses associated with uncollectible receivables have historically not been significant. Furthermore, we expect that our pace of development, production volumes, commodity prices, and differentials to NYMEX pricing for our natural gas and oil production will be the largest variables impacting our working capital.

RBL Credit Agreement

On June 11, 2024, BKV Corporation, as guarantor, and BKV Upstream Midstream, as borrower, entered into the RBL Credit Agreement with Citibank, N.A., as the administrative agent, and the financial institutions party thereto. The RBL Credit Agreement includes a maximum credit commitment of $1.5 billion. As of March 31, 2025, the RBL Credit Agreement had a borrowing base of $750.0 million, an elected commitment of $600.0 million, and the ability to issue up to $40.0 million in letters of credit. The loans may be borrowed, repaid, and reborrowed during the term of the RBL Credit Agreement. The RBL Credit Agreement will mature on June 12, 2028. The obligations under the RBL Credit Agreement are secured and guaranteed on a secured basis by BKV Corporation, BKV Upstream Midstream, and all of BKV Upstream Midstream’s current and future material restricted subsidiaries. Loans under the RBL Credit Agreement bear interest at one, three, or six-month term SOFR or ABR, as applicable, plus a credit spread adjustment of 0.10% for SOFR borrowings, plus an applicable margin per annum. Interest is payable on the last day of each interest period and at maturity. We are obligated to pay certain fees to the lenders and administrative agent under the RBL Credit Agreement, including commitment fees on the average daily amount of the undrawn portion of the commitments. On May 6, 2025, with the unanimous consent of our credit facility lenders, we amended the RBL Credit Agreement to, among other things, increase the borrowing base by $100.0 million and the elected commitment by $65.0 million. This amendment constituted the semiannual borrowing base redetermination. As of May 9, 2025, $230.0 million of revolving borrowings and $14.1 million of letters of credit were outstanding under the RBL Credit Agreement, leaving $420.9 million of available capacity thereunder for future borrowings and letters of credit.

The RBL Credit Agreement contains various restrictive covenants that, among other things, limit BKV Upstream Midstream’s ability and the ability of its restricted subsidiaries to, subject to certain exceptions: (i) incur indebtedness; (ii) incur liens; (iii) acquire or merge with any other company; (iv) sell assets or equity interests of their subsidiaries; (v) make investments; (vi) pay dividends or make other restricted payments; (vii) change their lines of business; (viii) enter into certain hedge agreements; (ix) enter into transactions with affiliates; (x) own any subsidiary that is not organized in the United States; (xi) prepay any unsecured senior or subordinated indebtedness; (xii) engage in certain marketing activities; and (xiii) allow, on a net basis, gas imbalances, take-or-pay or other prepayments with respect to their proved oil and gas properties.

Beginning with the fiscal quarter ending September 30, 2024, the RBL Credit Agreement requires BKV Upstream Midstream and its restricted subsidiaries to always hedge not less than 50% of projected production from their proved developed producing reserves for the subsequent 24 calendar month period immediately following such required delivery date.

The RBL Credit Agreement also includes financial covenants that require BKV Upstream Midstream to maintain:

- on a quarterly basis, a minimum Current Ratio (as defined in the RBL Credit Agreement) of no less than 1.00 to 1.00; and
- on a quarterly basis, a Net Leverage Ratio (as defined in the RBL Credit Agreement) of no greater than 3.25 to 1.00.

The RBL Credit Agreement includes customary equity cure rights that will enable us to cure certain breaches of the minimum current ratio covenant or the maximum net leverage ratio covenant.

The RBL Credit Agreement generally includes customary events of default for a reserve-based credit facility, some of which allow for an opportunity to cure. If an event of default relating to bankruptcy or other insolvency events occurs, the revolving loans will immediately become due and payable; if any other event of default exists, the administrative agent or the requisite lenders will be permitted to accelerate the maturity of the revolving loans. The RBL Credit Agreement is secured by substantially all of the assets of BKV Corporation, BKV Upstream Midstream and its restricted subsidiaries that are guarantors, and upon an event of default the agent under the RBL Credit Agreement could commence foreclosure proceedings.

BKV-BPP Power and BKV-BPP Cotton Cove Joint Ventures

Under the terms of the BKV-BPP Power LLC Agreement and BKV-BPP Cotton Cove LLC Agreement, we do not have the ability to unilaterally cause BKV-BPP Power or BKV-BPP Cotton Cove to make distributions. During the three months ended March 31, 2025 and 2024, no distributions were made by BKV-BPP Power or BKV-BPP Cotton Cove. In addition, we may be required to make additional capital contributions to one or both joint ventures to fund items approved in their respective annual budgets or other matters approved by their respective boards. Such additional capital contributions, which are not subject to any limit on the potential amount required, would reduce the amount of cash otherwise available to us. However, any additional capital contributions to BKV-BPP Power must be approved by a majority of BKV-BPP Power's ten member board of managers, five of whom are appointed by us and five of whom are appointed by BPPUS. Similarly, any additional capital contributions to BKV-BPP Cotton Cove must receive the unanimous approval of BKV-BPP Cotton Cove, LLC's six member board of managers, four of whom are appointed by us and two of whom are appointed by BPPUS.

Off-Balance Sheet Arrangements

We may enter into off-balance sheet arrangements and transactions that could give rise to material off-balance sheet arrangements. As of March 31, 2025, our material off-balance sheet arrangements and transactions included volume commitments of $304.7 million and letters of credit of $14.1 million against the RBL Credit Agreement. For further information regarding these arrangements, see "*Note 10 - Commitments and Contingencies*" to our condensed consolidated financial statements and under *"—Loan Agreements and Credit Facilities — RBL Credit Agreement."*

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations are based upon our historical consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, and related disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For more information, see *Note 1 - Business and Basis of Presentation* to our condensed consolidated financial statements. As of March 31, 2025, there have been no material changes to our critical accounting policies and estimates as described in our 2024 Annual Report on Form 10-K for the year ended December 31, 2024.

Tariffs and Trading Relationships

In April 2025, the U.S. government announced a baseline tariff of 10% on products imported from all countries and an additional individualized reciprocal tariff on the countries with which the United States has the largest trade deficits, including China. Increased tariffs by the United States have led and may continue to lead to the imposition of retaliatory tariffs by foreign jurisdictions. Additionally, the U.S. government has announced and rescinded multiple tariffs on several foreign jurisdictions, which has increased uncertainty regarding the ultimate effect of the tariffs on economic conditions. Current uncertainties about tariffs and their effects on trading relationships may impact the demand for, and price of natural gas, NGLs, and oil, increase the costs of goods and services or the availability of raw materials that we rely on to operate our business or impact interest rates. Although we are continuing to monitor the economic effects of such announcements, as well as opportunities to mitigate their related impacts, costs and other effects associated with the tariffs remain uncertain and could adversely impact our financial position, results of operations, and liquidity.

Emerging Growth Company Status

We are an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act of 1933, as amended, including as modified by the Jumpstart Our Business Startups of 2012 (the "JOBS Act"). As a result, for so long as we qualify as an emerging growth company, we are eligible to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies. We have elected to take advantage of certain of the reduced disclosure obligations in this Quarterly Report on Form 10-Q and may elect to take advantage of other reduced reporting requirements in our future filings with the SEC. As a result, the information that we provide to our stockholders may be different from other public reporting companies.

Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. However, we have irrevocably elected not to avail ourselves of this exemption. Rather, we will adopt new or revised accounting standards on the relevant dates in which adoption of such standards is required for other public companies.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of our IPO. Such fifth anniversary will occur in 2029. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer," our gross revenues for any fiscal year equal or exceed $1.235 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in our market risks since December 31, 2024, as set forth in our 2024 Annual Report on Form 10-K.

Commodity Price Risk and Hedging Activities

Our primary market risk exposure is in the price we receive for our natural gas and NGL production. Pricing is primarily driven by spot regional market prices applicable to our U.S. natural gas production. Pricing for natural gas and NGLs has historically been volatile and unpredictable, and we expect this volatility to continue in the future. The prices we receive for our production depend on many factors outside of our control, including volatility in the differences between product prices at sales points and the applicable index price.

To mitigate some of the potential negative impact on our cash flows caused by changes in commodity prices, we enter into financial derivative instruments for a portion of our natural gas and NGL production when management believes that favorable future prices can be secured.

Our financial hedging activities are intended to support natural gas and NGL prices at targeted levels and to manage our exposure to natural gas and NGL price fluctuations. These contracts may include commodity price swaps, whereby we will receive a fixed price and pay a variable market price to the contract counterparty, producer collars that set a floor and ceiling price for the hedged production, or basis differential swaps. These contracts are financial instruments and do not require or allow for physical delivery of the hedged commodity. The derivative contracts outstanding as of March 31, 2025 consisted of commodity price swaps, basis differential swaps, put and call options, and producer collar agreements, subject to master netting agreements with each individual counterparty.

These derivative contracts cover portions of our projected positions through 2027. Our commodity hedge position as of March 31, 2025 is summarized in *"Note 5 - Derivative Instruments"* to our condensed consolidated financial statements.

We may enter into single hedge transactions with settlements up to 48 months. The aggregation of these executed hedge instruments may not exceed 60% without board of director approval of our forecasted production volumes for the current year and subsequent year, and for up to 40% and 25% of our forecasted production volumes in each of the respective subsequent years thereafter. During the three months ended March 31, 2025 and 2024, a hypothetical increase or decrease of $0.10 per Mcf in NYMEX would have resulted in a $2.7 million and $1.5 million decrease or increase in natural gas hedge revenues, respectively, and a hypothetical increase or decrease of $1.00 per Bbl of NGL purity product price would have resulted in a $1.6 million and $1.1 million decrease or increase in NGL hedge revenues, respectively.

Additionally, to reduce its exposure to fluctuations in the market price of electricity and natural gas, BKV-BPP Power enters into financially settled HRCOs, which are contracts for the financial purchase and sale of power based on a floating price of natural gas at a predetermined location using a predetermined conversion factor, or heat rate, required to turn the fuel input into electricity. BKV-BPP Power is exposed to basis risk in its operations when its derivative contracts settle financially and it delivers physical electricity on different terms. For example, if BKV-BPP Power enters into an HRCO, it hedges its electricity production based on an agreed price for that electricity, but physical electricity must be delivered to delivery points in the market it serves. BKV-BPP Power is exposed to basis risk between the hub price specified in the HRCO and the price that it receives for the sales of physical electricity. BKV-BPP Power attempts to hedge basis risk where possible, but hedging instruments are sometimes not economically feasible or available in the quantities that it requires. BKV-BPP Power’s hedging activities do not provide it with protection for all of its basis risk and could result in economic losses and liabilities, which could have a material adverse effect on BKV-BPP Power, and thus on our business, financial condition, results of operations, and cash flows. Additionally, by using derivative instruments to economically hedge exposure to changes in power prices, we could limit the benefit we would receive from increases in the power prices, which could have an adverse effect on our financial condition. Moreover, in the event BKV-BPP Power is not able to satisfy its obligations under the HRCO, it must purchase power at prevailing market prices to satisfy the HRCO. Likewise, increases in power pricing could limit the benefit we receive under HRCOs and may result in losses. Either such event could have a material adverse effect on BKV-BPP Power, and thus on our business, financial condition, results of operations, and cash flows.

All derivative instruments, other than those that meet the normal purchase and normal sale scope exception, are recorded at fair market value in accordance with GAAP and are included in our condensed consolidated balance sheets as assets or liabilities. The fair values of our derivative instruments are adjusted for non-performance risk. Because we do not designate these derivatives as accounting hedges, they do not receive hedge accounting treatment; therefore, all mark-to-market gains or losses, as well as cash receipts or payments on settled derivative instruments, are recognized in our condensed consolidated statements of operations. We present total gains or losses on commodity derivatives (for both settled derivatives and derivative positions which remain open) within operating revenues as derivative losses, net.

Mark-to-market adjustments of derivative instruments cause earnings volatility but have no cash flow impact relative to changes in market prices until the derivative contracts are settled or monetized prior to settlement. We expect continued volatility in the fair value of our derivative instruments. Our cash flows are only impacted when the associated derivative contracts are settled or monetized by making or receiving payments to or from the counterparty. As of March 31, 2025, the estimated fair value of our commodity derivative instruments was a net liability of $185.4 million, comprised of current and noncurrent assets and current and noncurrent liabilities. As of December 31, 2024, the estimated fair value of our commodity derivative instruments was a net liability of $67.6 million, comprised of current and noncurrent liabilities.

By removing price volatility from a portion of our expected production through December 2027, we have mitigated, but not eliminated, the potential negative effects of changing prices on our operating cash flows for those periods. While mitigating the negative effects of falling commodity prices, these derivative contracts also limit the benefits we would receive from increases in commodity prices above the fixed hedge prices.

Counterparty Credit Risk

We routinely monitor and manage our exposure to counterparty risk related to derivative contracts by requiring specific minimum credit standards for all counterparties, actively monitoring counterparties’ public credit ratings, and avoiding concentration of credit exposure by transacting with multiple counterparties. Our commodity derivative contract counterparties are typically financial institutions with investment-grade credit ratings.

We enter into International Swap Dealers Association (“ISDA”) Master Agreements with each of our derivative counterparties prior to executing derivative contracts. The terms of the ISDA Master Agreements provide, among other things, the

Company and the counterparties with rights of set-off upon the occurrence of defined acts of default by either us or counterparty to a derivative contract.

In addition, we utilize an unaffiliated third party to market all of our natural gas production to various purchasers, which consist of credit-worthy counterparties, including utilities, LNG producers, industrial consumers, major corporations, and super majors in our industry. We rely on the credit worthiness of such third party marketer, who collects directly from the purchasers and remits to us the total of all amounts collected on our behalf, less their fee for making such sales.

Interest Rate Risks

As of March 31, 2025, our primary exposure to interest rate risk resulted from our $200.0 million of outstanding borrowings on our RBL Credit Agreement, which has a floating interest rate. As of March 31, 2024, our primary exposure to interest rate risk resulted from our outstanding related party borrowings with BNAC, the Term Loan Credit Agreement, the Revolving Credit Agreement, and our loan agreement previously entered into in March 2022 with Standard Chartered Bank (the “SCB Credit Facility”), all of which had floating interest rates. As of March 31, 2024, we had $75.0 million of outstanding borrowings with BNAC, $456.0 million of outstanding borrowings under the Term Loan Credit Agreement, $35.0 million of outstanding borrowings under the SCB Credit Facility, and $91.0 million of outstanding borrowings under the Revolving Credit Agreement. The average annualized interest rate incurred on our outstanding borrowings during the three months ended March 31, 2025 and 2024 was approximately 7.4% and 9.4%, respectively. We estimate that a 1.0% increase in the applicable average interest rates during the three months ended March 31, 2025 and 2024 would have resulted in increases of $0.5 million and $1.7 million in interest expense, respectively.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we have evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the 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 Commission's rules and forms, and 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 disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that due to the presence of our material weakness described below, as of March 31, 2025, our disclosure controls and procedures were not effective.

Material Weakness in Internal Control over Financial Reporting

As of March 31, 2025, a material weakness continued to exist in our internal control over financial reporting. A “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

We did not design and maintain effective controls related to the accounting for income taxes, which were not designed at a sufficient level of precision or rigor to prepare and review the tax rate reconciliation, return to provision, income tax provision, related income tax assets and liabilities, and disclosures in the consolidated financial statements. This material weakness resulted in (i) audit adjustments to income tax benefit, income taxes payable to related party, and deferred tax assets and liabilities in the consolidated financial statements as of December 31, 2021 and for the year then ended, (ii) an immaterial audit adjustment to the supplemental cash flow information for cash payments for income taxes and a reclassification between oil and gas production and other taxes payable and other accrued liabilities within *Note 11 - Accounts Payable and Accrued Liabilities* to our consolidated financial statements as of and for the year ended December 31, 2023, (iii) audit adjustments to deferred tax liabilities and additional paid-in capital as of December 31, 2024, and (iv), the revision of our previously issued financial statements for the interim and annual periods included in the years ended December 31, 2021, 2022, and 2023, and interim periods included in the year ended December 31, 2024. This material weakness could result in a misstatement of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Notwithstanding this material weakness, we believe our condensed consolidated financial statements fairly present, in all material respects, our financial condition, results of operations, and cash flows for the periods presented, in accordance with GAAP.

Remediation Efforts to Address the Material Weakness

We have taken steps towards remediating this material weakness primarily by designing and implementing additional internal controls, including those related to the preparation and review of the income tax rate reconciliation, return to provision, income tax provision, related income tax assets and liabilities, and income tax disclosures. Although we believe we are addressing the internal control deficiencies that led to this material weakness, the measures we have taken, and plan to take, may not be effective.

Inherent Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, 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 and internal control over financial reporting 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.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

This information is set forth in Part I, Item 1 in *Note 10 - Commitments and Contingencies* to the condensed consolidated financial statements incorporated herein.

Item 1A. Risk Factors

The Quarterly Report on Form 10-Q should be read in conjunction with the *"Risk Factors"* disclosed in our 2024 Annual Report on Form 10-K, which could materially affect our business, financial condition, or future results. There have been no material changes to the risk factors previously disclosed in the 2024 Annual Report on Form 10-K.

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

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

On March 14, 2025, Mr. Christopher Kalnin, Chief Executive Officer and an officer of the Company as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, adopted a trading arrangement for the sale of securities of the Company's common stock (a "Rule 10b5-1 Trading Plan"), as defined in Regulation S-K, Item 408. Mr. Kalnin's Rule 10b5-1 Trading Plan, which has a plan end date of March 13, 2026, provides for the sale of up to 400,000 shares of common stock pursuant to the terms of the plan.

On March 11, 2025, Mr. John Jimenez, who was at the time Chief Financial Officer and an officer of the Company as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, terminated his Rule 10b5-1 Trading Plan, which was previously adopted on December 13, 2024 and had a plan end date of December 11, 2026. Mr. Jimenez's Rule 10b5-1 Trading Plan provided for the sale of up to 58,204 shares of common stock pursuant to the terms of the plan. Mr. Jimenez anticipates retiring from the Company by May 15, 2025.

During the three months ended March 31, 2025, no other directors or officers (as defined in Rule 16a-1(f) of the Exchange Act), adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading agreement" (each as defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference: Form	SEC File Number	Exhibit	Filing Date	Filed or Furnished Herewith
3.1	Second Amended and Restated Certificate of Incorporation of BKV Corporation.	8-K	001-42282	3.1	9/27/24	
3.2	Second Amended and Restated Bylaws of BKV Corporation.	8-K	001-42282	3.2	9/27/24	
10.1†	Transition and Mutual Separation Agreement, dated as of February 3, 2025, between BKV Corporation and John T. Jimenez.	8-K	001-42282	10.1	2/3/25	
10.2†	Employment Agreement, dated as of February 3, 2025, between BKV Corporation and David R. Tameron	8-K	001-42282	10.2	2/3/25	
10.3†	Amended and Restated Employment Agreement, dated as of February 3, 2025, between BKV Corporation and Eric S. Jacobsen.	8-K	001-42282	10.3	2/3/25	
10.4	Second Amendment to Credit Agreement, dated as of May 6, 2025 among BKV Corporation, BKV Upstream Midstream, LLC, Citibank, N.A., and the Lenders party thereto.					X
31.1	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (embedded within the inline XBRL document).					X

† Compensatory plan or arrangement

Signatures

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

BKV Corporation

May 9, 2025	By: /s/ David R. Tameron
	David R. Tameron
	Chief Financial Officer

BKV Corporation

May 9, 2025	By: /s/ Barry S. Turcotte
	Barry S. Turcotte
	Chief Accounting Officer

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of May 6, 2025, is among BKV UPSTREAM MIDSTREAM, LLC, a Delaware limited liability company (the "Borrower"), BKV CORPORATION, a Delaware corporation ("Holdings"), each other Credit Party party hereto, each of the Lenders party hereto (including the Additional Lender (as defined below)), the Issuing Banks party hereto and CITIBANK, N.A., as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent").

RECITALS

A. The Borrower, Holdings, the Administrative Agent and the lenders from time to time party thereto (each, a "Lender," and collectively, the "Lenders") are party to that certain Credit Agreement, dated as of June 11, 2024 (as amended by that certain First Amendment to Credit Agreement dated as July 19, 2024, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Second Amendment Effective Date (as defined below), the "Existing Credit Agreement", and the Existing Credit Agreement, as amended by this Amendment, the "Credit Agreement"), pursuant to which the Lenders have made certain Loans and credit available to and on behalf of the Borrower.

B. The Additional Lender has agreed to make such Loans and extensions of credit and become a Lender under the Credit Agreement, as more specifically described herein.

C. The Borrower, the Administrative Agent and the Lenders party hereto constituting all Lenders, including the Additional Lender, have agreed (a) to amend certain provisions of the Existing Credit Agreement, including, among other things, to increase the Aggregate Elected Commitment Amounts and (b) to redetermine and increase the Borrowing Base to $850,000,000, in each case as more fully set forth herein.

D. By executing and delivering a signature page to this Amendment, each Lender will, upon the Second Amendment Effective Date, have the Commitments in the principal amount set forth on Annex I attached hereto.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. **Defined Terms**. Each capitalized term which is defined in the Credit Agreement, but which is not defined in this Amendment, shall have the meaning ascribed such term in the Credit Agreement after giving effect to this Amendment. Unless otherwise indicated, all references to sections in this Amendment refer to sections in the Credit Agreement as amended by this Amendment.

Section 2. **Amendments to Existing Credit Agreement**. The Existing Credit Agreement is hereby amended effective as of the Second Amendment Effective Date as follows:

2.1 Section 1.02 of the Existing Credit Agreement is hereby amended by adding the following new defined terms in proper alphabetical order as follows:

"Additional Amount" has the meaning set forth in the definition of "Permitted Refinancing Debt."

"HMT" has the meaning assigned such term in the definition of "Sanctions".

"OFAC" has the meaning assigned such term in the definition of "Sanctions".

"Sanctions Authorities" has the meaning assigned such term in the definition of "Sanctions".

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list or other Sanctions-related lists of designated persons maintained by OFAC or the U.S. Department of State, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by His Majesty's Treasury, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"Second Amendment Effective Date" means May 6, 2025.

2.2 Section 1.02 of the Existing Credit Agreement is hereby amended by amending and restating the following defined terms as follows:

"Aggregate Elected Commitment Amounts" at any time shall equal the sum of the Elected Commitments, as the same may be increased, reduced or terminated pursuant to Section 2.06(c). As of the Second Amendment Effective Date, the Aggregate Elected Commitment Amounts are $665,000,000.

"Borrowing Base" means at any time an amount equal to the amount determined in accordance with Section 2.07, as the same may be adjusted from time to time pursuant to the Borrowing Base Adjustment Provisions. As of the Second Amendment Effective Date, the Borrowing Base is $850,000,000.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any country-wide or territory-wide comprehensive Sanctions (as of the Effective Date, the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Cuba, Iran, North Korea, Syria and the Zaporizhzhia and Kherson Regions of Ukraine).

"Sanctioned Person" means, at any time, (a) any Person listed on any Sanctions List, (b) any Person located in, incorporated under the laws of, operating, organized or resident in a Sanctioned Country, (c) any Person 50 percent or more owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any Person otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities).

"Sanctions" means economic or financial sanctions or trade laws, regulations, embargoes or restrictive measures imposed, administered, enacted or enforced from time to time by the U.S. government, including those administered by (a) the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or the U.S. Department of State or (b) the United Nations, the European Union, any European Union member state or, His Majesty's Treasury of the United Kingdom ("HMT"), the respective governmental institutions and agencies of any of the foregoing, or any other applicable sanctions authority (together, the "Sanctions Authorities").

2.3 Clause (a) of the definition of "Permitted Refinancing Debt" in Section 1.02 of the Existing Credit Agreement is hereby amended by amending and restating the following provision as follows:

(a) such New Debt is in an aggregate principal amount not in excess of the sum of (i) the aggregate principal of (or accreted value, if applicable), plus (ii) accrued interest on, the amount then outstanding of the Refinanced Debt and an amount necessary to pay any fees and expenses, including premiums, related to such exchange or refinancing (the amounts set forth in this clause (ii), the "Additional Amounts");

2.4 Section 2.07(a) of the Existing Credit Agreement is hereby amended by amending and restating the following provision as follows:

(a) Initial Borrowing Base. For the period from and including the Second Amendment Effective Date to but excluding the first Redetermination Date thereafter, the amount of the Borrowing Base shall be $850,000,000. Notwithstanding the foregoing, the Borrowing Base may be subject to further adjustments between the Effective Date and the first Scheduled Redetermination and in between subsequent Scheduled Redeterminations from time to time pursuant to Interim Redeterminations and the Borrowing Base Adjustment Provisions.

2.5 Section 7.23(c) of the Existing Credit Agreement is hereby amended by amending and restating the following provision as follows:

(c) None of (i) Holdings, the Borrower, any Subsidiary or any of their respective directors, officers or employees, or (ii) to the knowledge of the Borrower, any agent of Holdings, the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person or located in a Sanctioned Country. The Borrower and each Guarantor shall not, and shall not permit or authorize any other person to, directly or indirectly use all or any part of the proceeds from the Loans or other transaction(s) contemplated by this Agreement, or lend, make payments of, contribute or otherwise make available such proceeds to any Person, to finance any trade, business or other activities (i) involving or for the benefit of any Sanctioned Person or (ii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

2.6 Section 9.08(b) of the Existing Credit Agreement is hereby amended by amending and restating the following provision as follows:

(b) The Borrower will not request any Borrowing or Letter of Credit, and the Borrower and each Guarantor shall not, and shall not permit or authorize any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any Borrowing or Letter of Credit or other transaction(s) contemplated by this Agreement, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, trade, business or transaction involving or for the benefit of any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

2.7 Section 9.14 of the Existing Credit Agreement is hereby amended by amending and restating the following provision as follows:

Section 9.14 Transactions with Affiliates. The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property or the rendering of any service, with any Affiliate unless such transactions are not otherwise prohibited under this Agreement and are upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's length transaction with a Person not an Affiliate. The restrictions set forth in this Section 9.14 shall not apply to (a) transactions among the Borrower and its Restricted Subsidiaries, (b) the execution and delivery of any Loan Document, (c) compensation to, and the terms of any employment contracts with, individuals who are officers, managers or directors of the Borrower and the Restricted Subsidiaries, provided such compensation is approved by the Borrower's board of managers (or other governing body) or Holdings' Board of Directors or provided for in the limited liability company agreement, articles or certificate of incorporation, bylaws or other applicable organizational documents of the Borrower or such Restricted Subsidiary, (d) payments made pursuant to Section 9.04, Section 9.05 or otherwise expressly permitted under this Agreement, (e) the issuance and sale of Equity Interests in the Borrower (other than Disqualified Capital Stock) or the amendment of the terms of any Equity Interests issued by the Borrower (other than Disqualified Capital Stock) including the issuance, sale or transfer of Equity Interests of the Borrower to Holdings in connection with capital contributions by Holdings to the Borrower, (f) transactions permitted under Section 9.12 and (g) transactions in effect on the Effective Date and set forth on Schedule 9.14.

2.8 Annex I to the Existing Credit Agreement is hereby deleted in its entirety and replaced with Annex I attached hereto; provided that immediately after giving effect to this Amendment, (a) each Lender (including the Lender party hereto that was not a Lender immediately prior to the Second Amendment Effective Date (the "Additional Lender")) who holds Loans in an aggregate amount less than its Applicable Percentage (after giving effect to this Amendment) shall advance new Loans which shall be disbursed to the Administrative Agent and used to repay Loans outstanding to each Lender who holds Loans in an aggregate amount greater than its Applicable Percentage (after giving effect to this Amendment), (b) each Lender's (including the Additional Lender's) participation in each Letter of Credit, if any, shall be automatically adjusted to equal its Applicable Percentage, (c) such other adjustments shall be made as the Administrative Agent shall specify so that the Revolving Credit Exposure applicable to each Lender (including the Additional Lender) equals its Applicable Percentage and (d) each Lender party hereto waives any break funding payments owing to any such Lender that are required under Section 5.02 of the Credit Agreement as a result of the reallocation of the Loans and the other adjustments contemplated by this Amendment.

Section 3. **Borrowing Base Redetermination.** Subject to the satisfaction or waiver in writing of each of the conditions set forth in Section 4 below and in reliance upon the representations, warranties, covenants, and agreements contained in this Amendment, (a) the Administrative Agent and each Lender hereby redetermine and increase the Borrowing Base, effective as of the date hereof, to $850,000,000 and (b) the Administrative Agent, each Lender and the Borrower hereby agree and acknowledge that such redetermined Borrowing Base shall remain in effect until the date such Borrowing Base is otherwise adjusted pursuant to the terms of the Credit Agreement. The Borrower hereby accepts such Borrowing Base as so increased to be effective upon the Second Amendment Effective Date. The redetermination provided for herein shall be deemed to constitute the Scheduled Redetermination for April 15, 2025, and this Amendment shall constitute the New Borrowing Base Notice in accordance with Section 2.07(d) of the Credit Agreement.

Section 4. **Conditions Precedent**. This Amendment shall become effective on the date, when each of the following conditions is satisfied (the "Second Amendment Effective Date"):

4.1 The Administrative Agent shall have executed and received from the Lenders, the Borrower, and each other Credit Party counterparts (in such number as may be requested by the Administrative Agent) of this Amendment signed on behalf of each such Person.

4.2 The Administrative Agent shall have received a certificate of a Responsible Officer of each Credit Party setting forth (a) resolutions of its board of directors (or comparable governing body) with respect to the authorization of such Credit Party to execute and deliver this Amendment and to enter into the transactions contemplated in the Loan Documents, (b) the officers of such Credit Party (i) who are authorized to sign the Loan Documents to which such Credit Party is a party and (ii) who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with the Credit Agreement and the transactions contemplated thereby, (c) specimen signatures of such authorized officers, and (d) the bylaws, limited liability company agreements, limited partnership agreements, certificates of formation and certificates of limited partnership, as applicable, of such Credit Party, certified as being true and complete. The Administrative Agent and the Lenders may conclusively rely on such certificate until the Administrative Agent receives notice in writing from the Borrower to the contrary.

4.3 The Administrative Agent shall have received certificates of the appropriate State agencies with respect to the existence, qualification and good standing of each Credit Party from its state of incorporation or formation and with respect to foreign qualification in any other jurisdiction in which such Credit Party owns Oil and Gas Properties.

4.4 The Administrative Agent shall have received duly executed Notes payable to each Lender requesting a Note in a principal amount equal to its Maximum Credit Amount dated as of the Second Amendment Effective Date.

4.5 The Administrative Agent shall have received an opinion of Baker & Hostetler LLP, special counsel to the Credit Parties, in form and substance reasonably acceptable to the Administrative Agent and its counsel, addressed to the Administrative Agent, the Lenders and the Issuing Bank.

4.6 The Administrative Agent shall have received appropriate tax, judgment and UCC search certificates and county-level real property record search results reflecting no prior Liens encumbering the Properties of Holdings, the Borrower and its Restricted Subsidiaries for each jurisdiction requested by the Administrative Agent other than those Liens permitted by Section 9.03 of the Credit Agreement.

4.7 The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower certifying that (a) the representations and warranties set forth in Article VII of the Credit Agreement are true and correct in all material respects on the Second Amendment Effective Date except to the extent any such representations and warranties (i) are expressly limited to an earlier date, in which case, on and as of the Second Amendment Effective Date, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date or (ii) are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case, such representations and warranties shall be true and correct in all respects; (b) after giving effect to this Amendment on the Second Amendment Effective Date, (i) since December 31, 2023, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect and (ii) no Default or Event of Default shall have occurred and be continuing; (c) after giving effect to this Amendment on the Second Amendment Effective Date, the Borrower is in *pro forma* compliance with Sections 9.01(a) and 9.01(b) of the Credit Agreement; and (d) after giving effect to this Amendment on the Second Amendment Effective Date, the Borrower and its Restricted Subsidiaries have no indebtedness outstanding other than (i) the Loans and other extensions of credit under the Credit Agreement and (ii) any other Debt permitted by Section 9.02 of the Credit Agreement.

4.8 The Administrative Agent shall have received a solvency certificate from a Financial Officer of the Borrower substantially in the form of Exhibit L to the Credit Agreement.

4.9 The Administrative Agent shall have received a Borrowing Request in accordance with Section 2.03 of the Credit Agreement, if applicable.

4.10 The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Second Amendment Effective Date, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder (including the reasonable and documented fees and expenses of Latham & Watkins LLP, counsel to the Administrative Agent).

Section 5. **Representations and Warranties**. In order to induce the Administrative Agent and the Lenders to enter into this Amendment, each of the Borrower and the other Credit Parties hereby represents and warrants to the Administrative Agent and the Lenders that:

5.1 Accuracy of Representations and Warranties. The representations and warranties of each Credit Party contained in each Loan Document are true and correct in all material respects on and as of the date hereof except to the extent any such representations and warranties (a) are expressly limited to an earlier date, in which case, on and as of the date hereof, such representations and warranties continue to be true and correct in all material respects as of such specified earlier date or (b) are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case, such representations and warranties are true and correct in all respects.

5.2 Due Authorization. The execution and delivery of this Amendment and the performance of this Amendment and the Credit Agreement by the Borrower and each other Credit Party of this Amendment are within the Borrower's and such Credit Party's limited liability company powers and have been duly authorized by all necessary limited liability company action and, if required, action by any holders of its Equity Interests (including, without limitation, any action required to be taken by any class of directors, managers or supervisors of the Borrower or any other Person, whether interested or disinterested, in order to ensure the due authorization of this Amendment).

5.3 Validity and Binding Effect. This Amendment has been duly executed and delivered by the Borrower and each other Credit Party, and this Amendment and the Credit Agreement constitute valid and binding obligations of the Borrower and each other Credit Party enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally, and subject to general principles of equity, regardless of whether considered in a proceeding in equity or law.

5.4 Absence of Defaults. No Default or Event of Default has occurred that is continuing immediately prior to and after giving effect to this Amendment.

Section 6. **Reaffirmation; No Novation**. Each Credit Party (a) consents to this Amendment and the Credit Agreement and reaffirms its obligations under the Credit Agreement and each other Loan Document to which it is a party, (b) reaffirms all of its obligations under the Guarantee and Collateral Agreement, the guarantees set out therein and any other guarantees in the Loan Documents to which it is a party, and confirms that the Guarantee and Collateral Agreement and such other guarantees remain in full force and effect on a continuous basis, (c) reaffirms each Lien granted by each Credit Party to the Administrative Agent for the benefit of the Secured Parties, (d) acknowledges and agrees that the agreements, pledges and grants of security interests by the Credit Parties contained in the Credit Agreement and the Loan Documents are, and shall remain, in full force and effect after giving effect to this Amendment, and (e) agrees that the Obligations outstanding under the Existing Credit Agreement remain outstanding under the Credit Agreement. This Amendment shall not extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement or discharge or release the Lien or priority of any Loan Document or any other security therefor. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement or instruments securing or guaranteeing the same, which shall remain in full force and effect, except to any extent modified hereby.

Section 7. **Additional Lender**. The Additional Lender (i) represents and warrants that it has full power and authority, and has taken all action necessary, to execute and deliver this Amendment, to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and the Credit Agreement on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender or agent thereunder; (iii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or agent thereunder and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement and the other Loan Documents; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the other Loan Documents are required to be performed by it as a Lender. The Additional Lender represents and warrants that, in participating as a Lender, it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business, and not for the purpose of investing in the general performance or operations of the Borrower or any Subsidiary thereof or for the purpose of purchasing, acquiring or holding any other type of financial instrument, such as a security (and the Additional Lender hereby agrees not to assert a claim in contravention of the foregoing, such as a claim under the federal or state securities laws).

Section 8. **Miscellaneous**.

8.1 Confirmation. The Existing Credit Agreement and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. On and after the Second Amendment Effective Date, this Amendment shall for all purposes constitute a Loan Document.

8.2 Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Amendment shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed .pdf or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be.

8.3 No Oral Agreement. This Amendment, the Credit Agreement and the other Loan Documents represent the final agreement among the parties hereto and thereto and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

8.4 GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

8.5 Payment of Expenses; Indemnity. The Borrower agrees to pay or reimburse the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with this Amendment, any other documents prepared in connection herewith and the transactions contemplated hereby in accordance with Section 12.03 of the Credit Agreement. Section 12.03(b) of the Credit Agreement shall apply to this Amendment, *mutatis mutandis*.

8.6 Severability. Any provision of this Amendment which is held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

8.7 Loan Document. This Amendment shall constitute a “Loan Document” under and as defined in Section 1.02 of the Credit Agreement.

8.8 Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8.9 JURISDICTION; CONSENT TO SERVICE OF PROCESS; WAIVER OF JURY TRIAL. Section 12.09(b), (c) and (d) of the Credit Agreement shall apply to this Amendment, *mutatis mutandis*.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed effective as of the day and year first above written.

ꓷRROWER:	**BKV UPSTREAM MIDSTREAM, LLC** By: /s/ Lindsay Larrick Name: Lindsay Larrick Title: Chief Legal Officer
ꓷLDINGS:	**BKV CORPORATION** By: /s/ Lindsay Larrick Name: Lindsay Larrick Title: Chief Legal Officer

REDIT PARTIES:

BKV CHELSEA, LLC
By: /s/ Lindsay Larrick
Name: Lindsay Larrick
Title: Chief Legal Officer

BKV BARNETT, LLC

By: /s/ Lindsay Larrick
Name: Lindsay Larrick
Title: Chief Legal Officer

BKV OPERATING, LLC

By: /s/ Lindsay Larrick
Name: Lindsay Larrick
Title: Chief Legal Officer

BKV MIDSTREAM, LLC

By: /s/ Lindsay Larrick
Name: Lindsay Larrick
Title: Chief Legal Officer

BKV NORTH TEXAS, LLC

By: /s/ Lindsay Larrick
Name: Lindsay Larrick
Title: Chief Legal Officer

KALNIN VENTURES LLC

By: /s/ Lindsay Larrick
Name: Lindsay Larrick
Title: Chief Legal Officer

CITIBANK, N.A.,
as Administrative Agent, a Lender and Issuing Bank

By: /s/ Cliff Vaz
Name: Cliff Vaz
Title: Vice President

BARCLAYS BANK PLC,
as a Lender

By: /s/ Sydney G. Dennis
Name: Sydney G. Dennis
Title: Director

KEY BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ David Bornstein

Name: David Bornstein

Title: Senior Vice President

MIZUHO BANK, LTD.,
as a Lender

By: /s/ Edward Sacks
Name: Edward Sacks
Title: Managing Director

Citizens Bank, N.A.,
as a Lender

By: /s/ Parker Mears
Name: Parker Mears
Title: Senior Vice President

Sumitomo Mitsui Banking Corporation,
as a Lender

By: /s/ Alkesh Nanavaty
Name: Alkesh Nanavaty
Title: Executive Director

TRUIST BANK,
as a Lender

By: /s/ John Kovarik
Name: John Kovarik
Title: Managing Director

STANDARD CHARTERED BANK,
as a Lender

By: /s/ James Perkins /s/ Jackie Edwards

Name: James Perkins Jackie Edwards

Title: Associate Director Director, Relationship Manager

Bangkok Bank Public Company Limited
New York Brand, as a Lender

By: /s/ Thitipong Prasertsilp
Name: Thitipong Prasertsilp
Title: VP & Branch Manager

Texas Capital Bank,
as a Lender

By: /s/ Jared Mills
Name: Jared Mills
Title: Managing Director

FIRST HORIZON BANK,
as a Lender

By: /s/ W. David McCarver IV
Name: W. David McCarver IV
Title: Senior Vice President

Morgan Stanley Senior Funding, Inc.,
as a Lender

By: /s/ Karina Rodriguez
Name: Karina Rodriguez
Title: Vice President

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Priyankush Goswami
Name: Priyankush Goswami
Title: Authorized Signatory

BP ENERGY COMPANY,
as a Lender

By: /s/ William L. Shappley

Name: Edward Sacks

Title: Vice President

ANNEX I
LIST OF MAXIMUM CREDIT AMOUNTS

Name of Lender	Applicable Percentage	Maximum Credit Amount	Elected Commitment
itibank, N.A.	10.526315789%	$157,894,736.84	$70,000,000.00
arclays Bank PLC	9.774436090%	$146,616,541.35	$65,000,000.00
eyBank, National Association	9.774436090%	$146,616,541.35	$65,000,000.00
Iizuho Bank, Ltd.	9.774436090%	$146,616,541.35	$65,000,000.00
itizens Bank, N.A.	9.774436090%	$146,616,541.35	$65,000,000.00
umitomo Mitsui Banking Corporation	9.774436090%	$146,616,541.35	$65,000,000.00
ruist Bank	9.774436090%	$146,616,541.35	$65,000,000.00
tandard Chartered Bank	9.774436090%	$146,616,541.35	$65,000,000.00
angkok Bank Public Company Limited, New York Branch	9.774436090%	$146,616,541.35	$65,000,000.00
exas Capital Bank	5.263157895%	$78,947,368.42	$35,000,000.00
irst Horizon Bank	3.759398496%	$56,390,977.44	$25,000,000.00
Iorgan Stanley Senior Funding, Inc.	0.751879699%	$11,278,195.49	$5,000,000.00
oldman Sachs Bank USA	0.751879699%	$11,278,195.49	$5,000,000.00
P Energy Company	0.751879699%	$11,278,195.49	$5,000,000.00
OTAL	**100.000000000%**	**$1,500,000,000**	**$665,000,000**

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Christopher P. Kalnin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BKV Corporation;

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)) 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) [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14];

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: May 9, 2025

/s/ Christopher P. Kalnin
Christopher P. Kalnin
Chief Executive Officer
Principal Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, David R. Tameron, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BKV Corporation;

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)) 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) [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14];

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: May 9, 2025

/s/ David R. Tameron
David R. Tameron
Chief Financial Officer
Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Christopher P. Kalnin, the Chief Executive Officer of BKV Corporation (the "Company"), hereby certify, that, to the best of my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: May 9, 2025

/s/ Christopher P. Kalnin

Christopher P. Kalnin

Chief Executive Officer

Principal Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, David R. Tameron, the Chief Financial Officer of BKV Corporation (the "Company"), hereby certify, that, to the best of my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: May 9, 2025

/s/ David R. Tameron
David R. Tameron
Chief Financial Officer
Principal Financial Officer