



# Freehold Royalties

Annual General Meeting and Corporate  
Presentation, May 14, 2025

**UNIQUELY NORTH AMERICAN**

## Five Year Review

# Enhancing Value to Shareholders

Year	Action	Result
2019	Exit working interest business	Focus on <b>high margin</b> barrels
2020	Initiate <b>US expansion</b>	Improved <b>scalability</b> of the business
2021-22	Focus on opportunistic <b>US growth</b>	<b>Superior return</b> on capital employed (ROCE)
2024	Focus on <b>Permian Basin Expansion</b>	Increased exposure to <b>investment grade</b> counterparties
2025	<b>Terminate Management Agreement</b> NCIB in place <sup>1</sup>	Continue to <b>drive value</b> for shareholders

Note | <sup>1</sup>NCIB subject to approval by the Toronto Stock Exchange





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# Freehold Royalties

Corporate Presentation, May 14, 2025

**UNIQUELY NORTH AMERICAN**

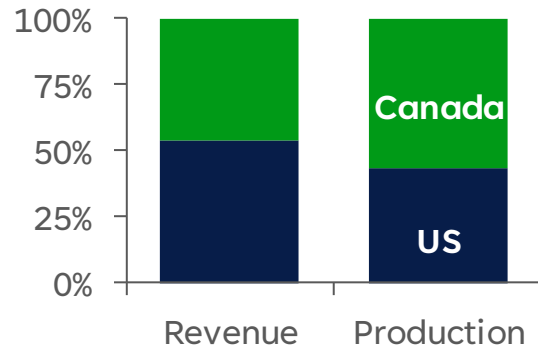
## Freehold's Value Proposition

# North American Portfolio Overview

- Exposure to major conventional oil and shale basins with more than 360 royalty counterparties
- ~6.1 million gross acres in Canada, and ~1.2 million gross drilling acres in the United States
- 9.0% dividend yield<sup>1</sup> supported to ~US\$50/bbl WTI with decades of inventory

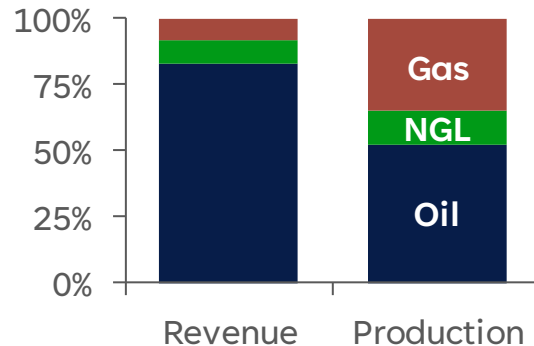
### Geographic Breakdown

(Q1 2025)



### Product Breakdown

(Q1 2025)



65%  
liquids  
(Q1 2025)



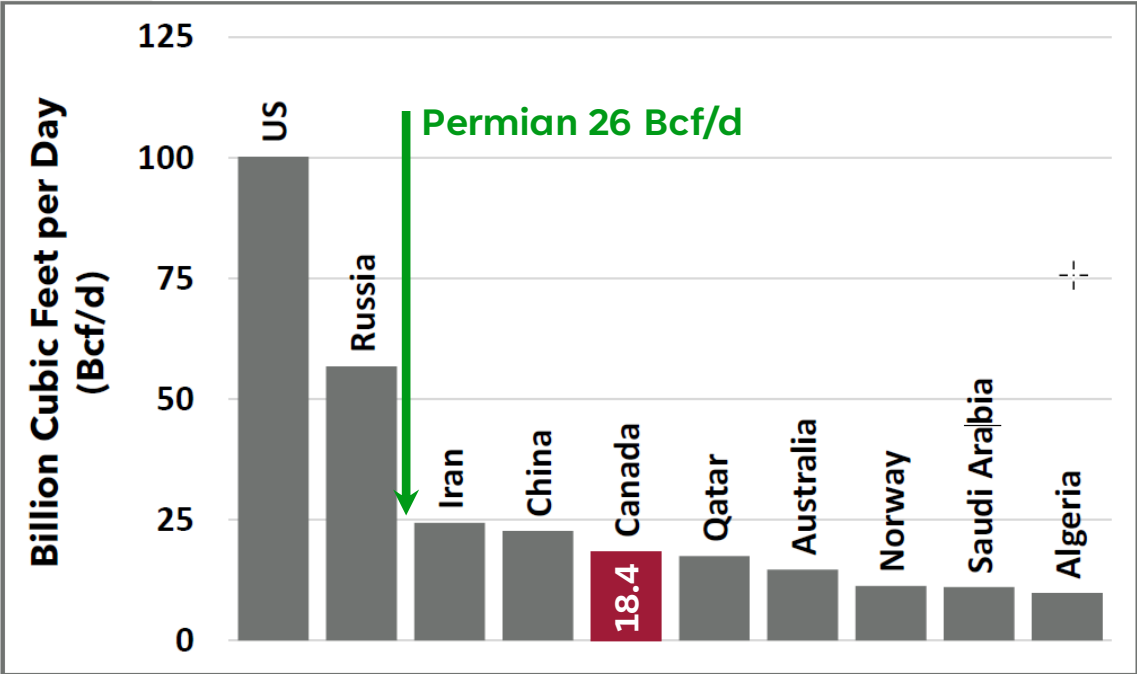
Source | Company Reports

Note | <sup>1</sup> Based on current monthly dividend of C\$0.09 per share and FRU closing share price of C\$12.00 on May 12, 2025

# Multi-Basin Exposure Driving Value

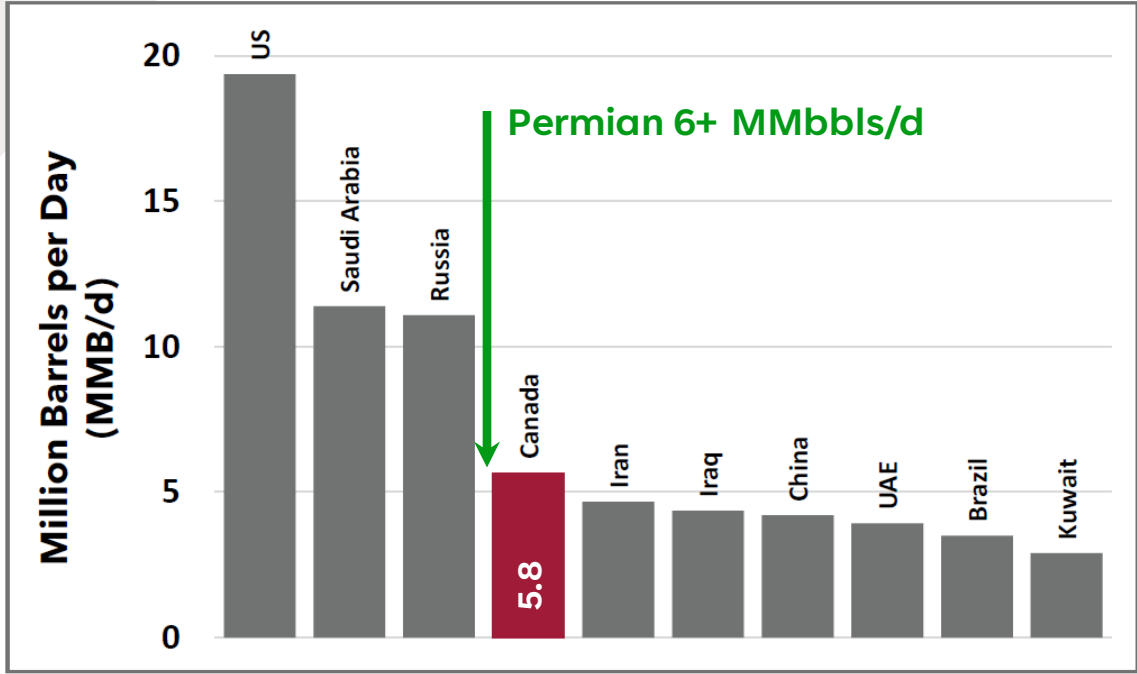
## Positioning In Hydrocarbon Rich Basins

Global Gas Production



Source: Energy Institute Statistical Review of World Energy (2024)

Global Oil Production



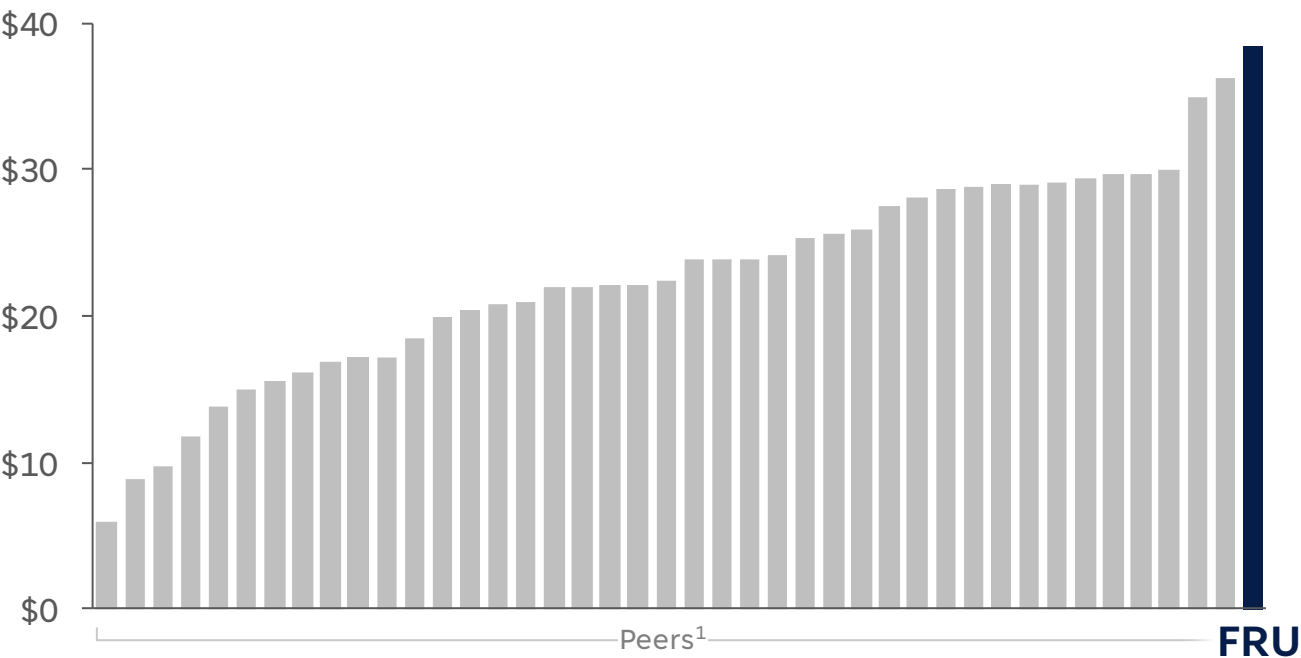
Source: Energy Institute Statistical Review of World Energy (2024)  
Note: Production includes crude oil, shale oil, oil sands, condensates and NGLs.

Exposure To World Class Assets – Across North America

# Multi-Basin Exposure Driving Value

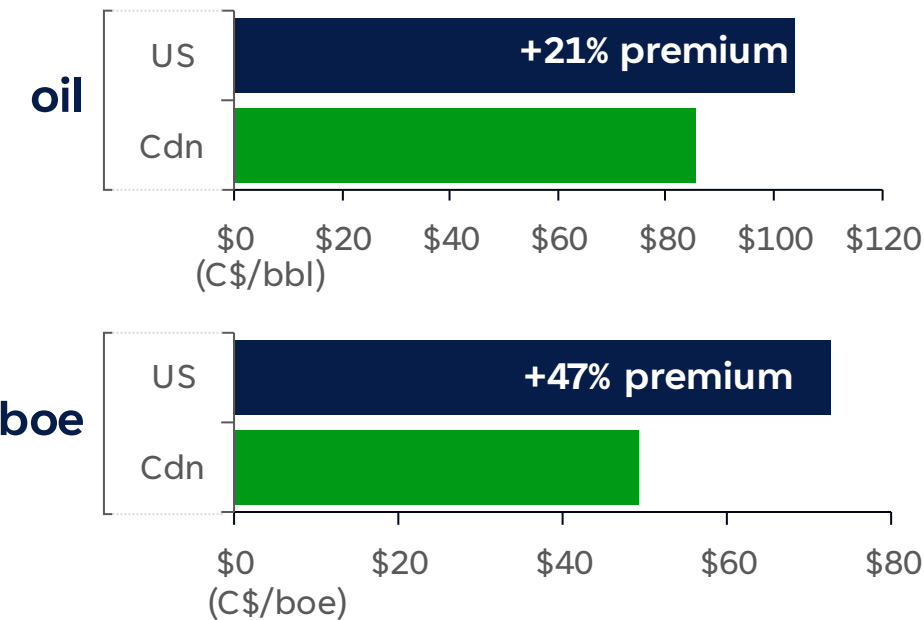
## High Margin Barrels – Best in the Business

2025E cashflow per boe<sup>1</sup>  
(C\$/boe)



**Note** | <sup>1</sup>Assumes strip pricing as of May 5, 2025; peers include Peters & Co.' Canadian coverage universe, excluding integrated producers; 2025 price assumptions include US\$60.97/bbl WTI, 0.72 CAD/USD and US\$4.05/mcf NYMEX

Freehold realized pricing Q1-2025



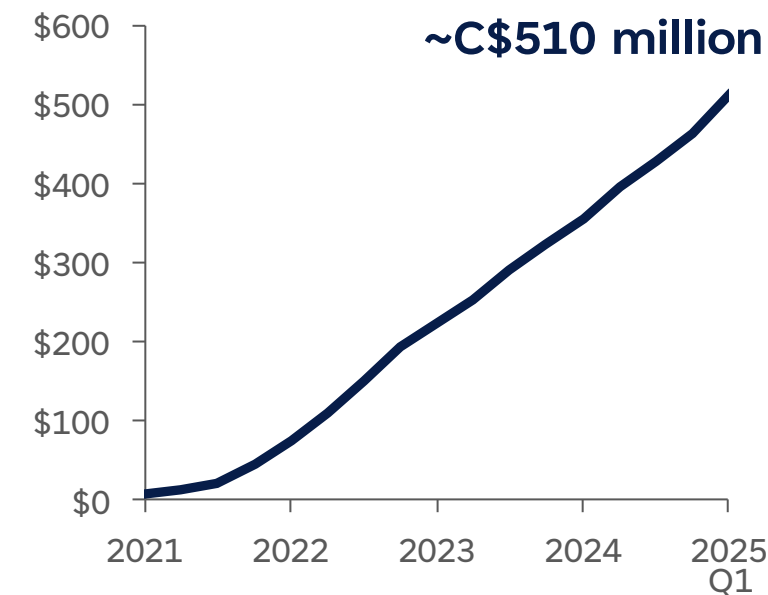
Expanding into the US has delivered a ~10% increase in liquids mix, with a 47% uplift in pricing due to light oil volumes, and Gulf Coast market access



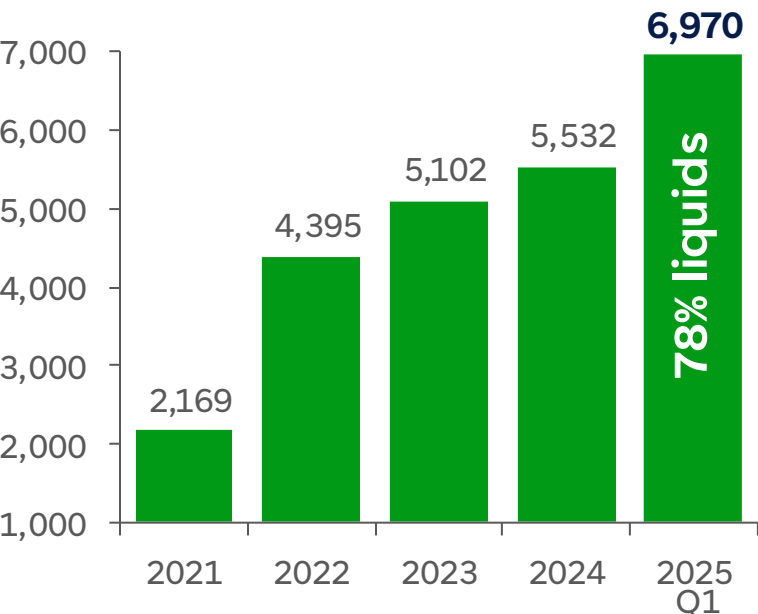
# Multi-Basin Exposure Driving Value

## US Investments Providing Significant Returns

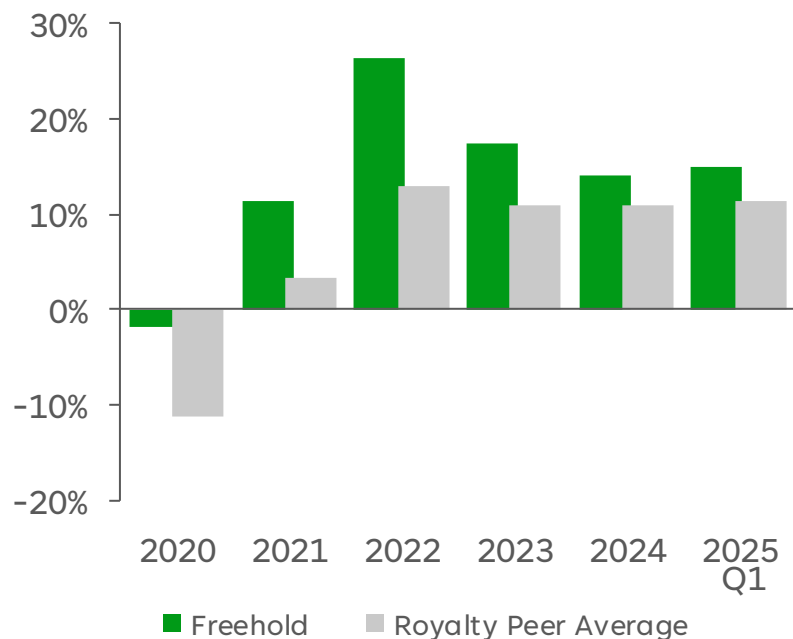
Cumulative US royalty revenue  
(C\$ millions)



Freehold's US royalty production  
(boe/d)



Corporate ROCE<sup>1</sup>



Expect total payback on C\$565 million in pre-2024 acquisitions in 2026<sup>2</sup>

**Note |** <sup>1</sup>Return on Capital Employed calculated as earnings before taxes divided by total shareholders' equity plus net debt; see "Non-GAAP Financial Measures and Ratios and Other Financial Measures" in Advisories; royalty peers include PrairieSky Royalties, Topaz Energy, Black Stone Minerals, Kimbell Royalty Partners, Viper Energy Partners

<sup>2</sup>Assumes simple payout before taxes and adjustments on acquisitions to establish U.S. royalty position (2019 to 2023)

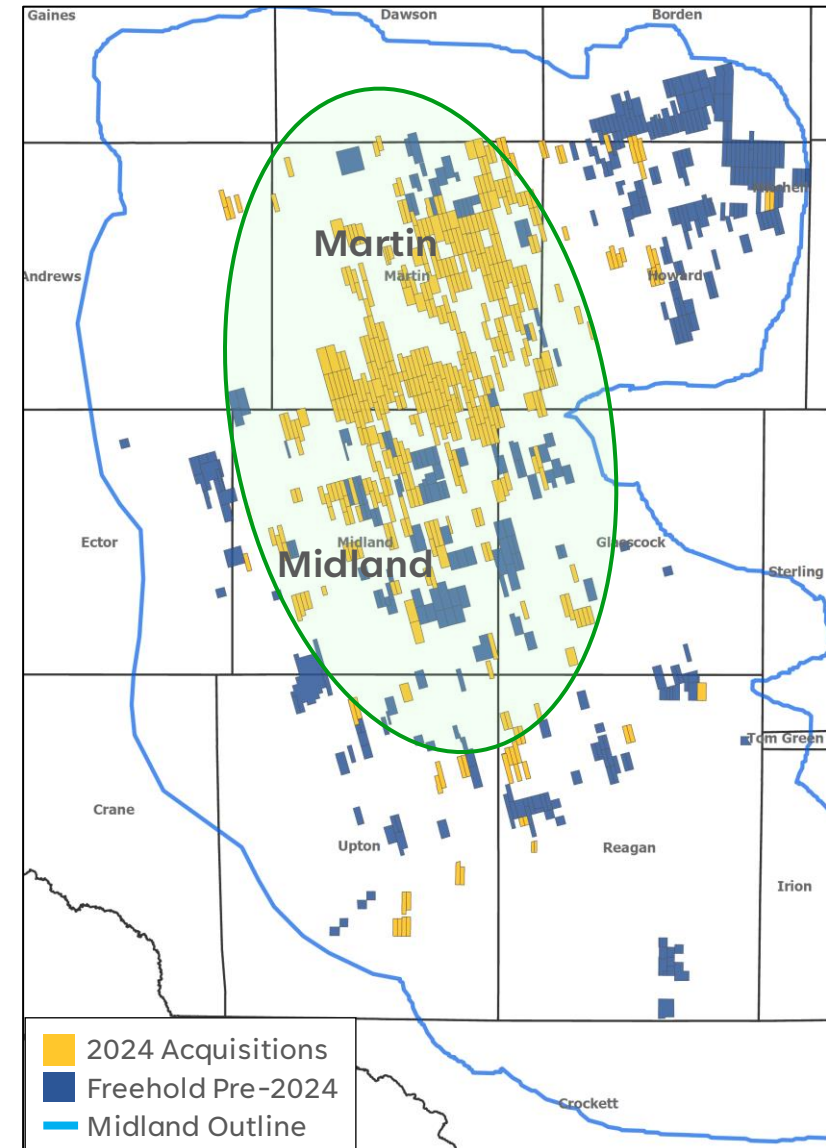


C\$392 million invested in 2024 has reshaped Freehold's position

## Midland Basin Positioning

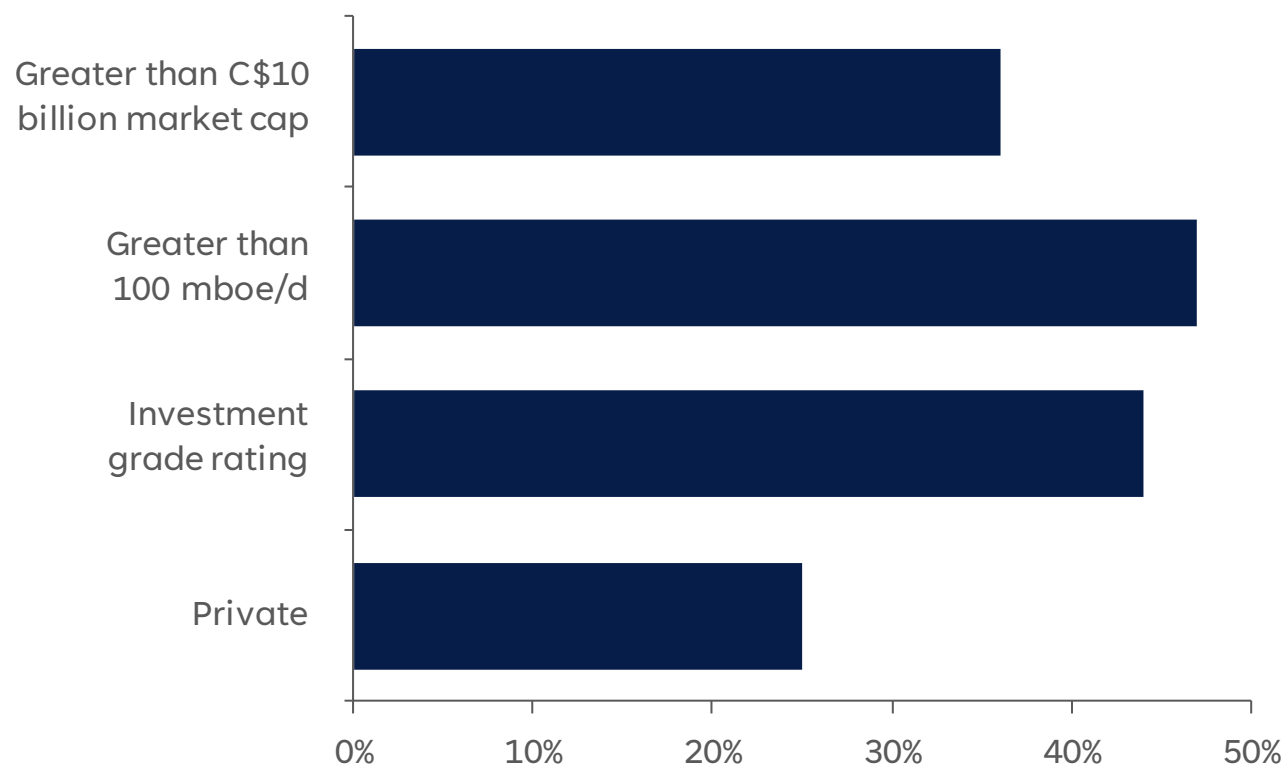
- 2024 acquisitions focused on building out “wall to wall carpeting” in the Midland basin
- Market share has grown significantly – **positioned to capture 1 in 3 wells** vs 1 in 12 in 2023
- 1/3 of development inventory is **concentrated in undeveloped DSUs**
- Midland is **Freehold's largest asset**: ~22% of production (up from ~11% in 2023)

**Midland and Martin counties most active areas - 45% of drilling activity over last 5 years**



# Strong Balance Sheets, Long Term Thinkers Aligned with High Quality Operators

## Freehold payor qualities



## Our Top 10 Royalty Payors

ConocoPhillips

ExxonMobil

TEINE  
ENERGY

WHITECAP  
RESOURCES INC

DIAMONDBACK  
ENERGY

HIGHPEAK  
ENERGY

tamarack valley ENERGY

Canadian Natural

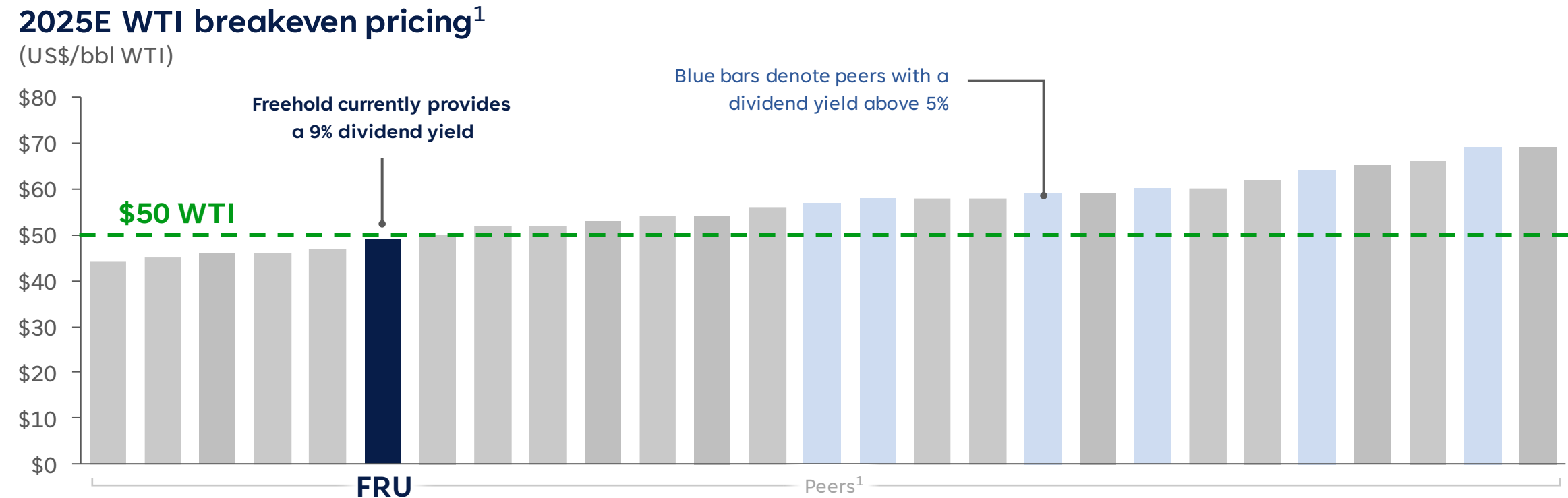
TOURMALINE  
OIL CORP.

SURGE  
Energy

**FREEHOLD**  
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# Finance and Dividend Strength

## Dividend Resiliency



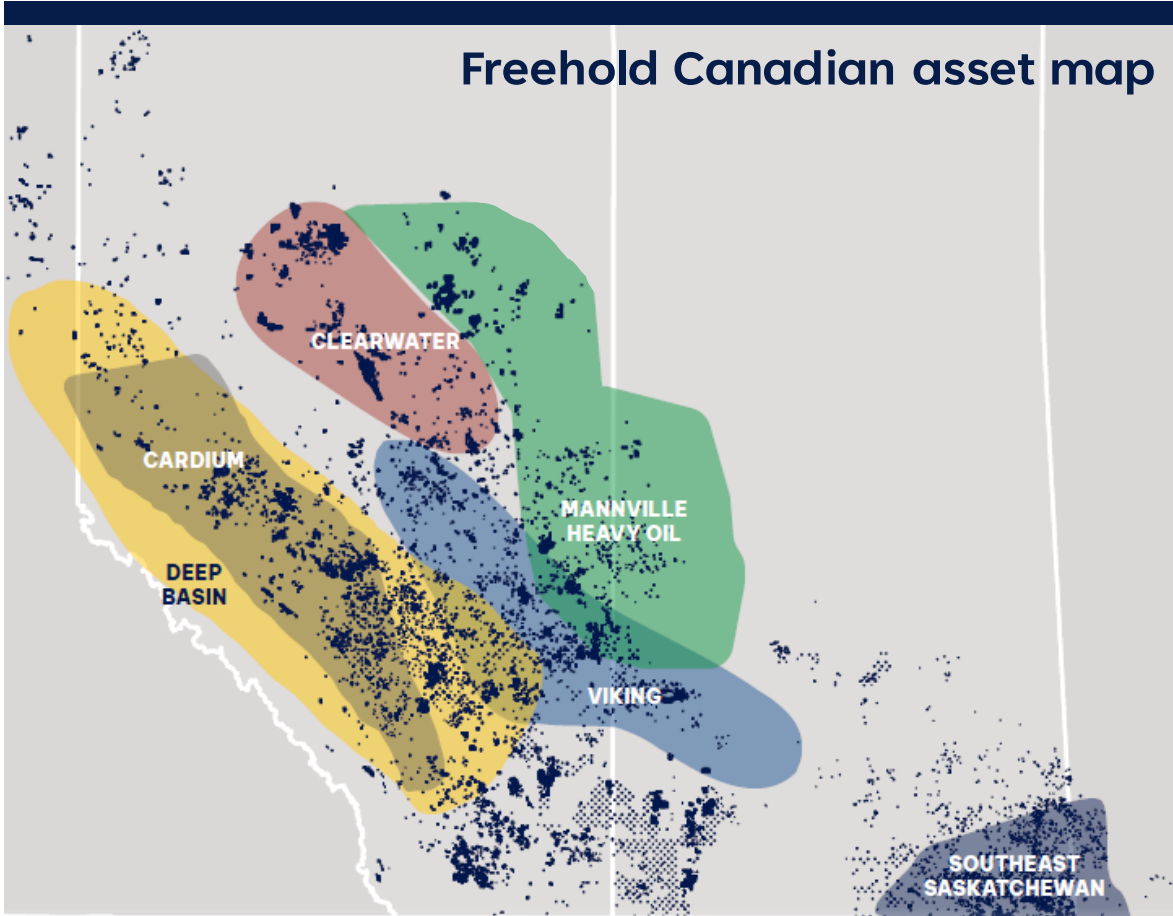
**Freehold’s dividend is sustainable through variable commodity cycles**

**Note** | <sup>1</sup>Peers includes liquids weighted producers (>60% of current production is crude oil and liquids), based on unhedged cashflow; only WTI price has been adjusted, assumes 15:1 pricing ratio between WTI and NYMEX

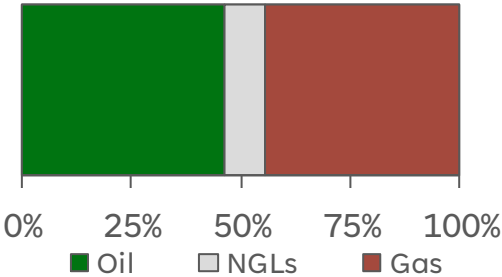
11 **Source** | Peters & Co. Limited estimates



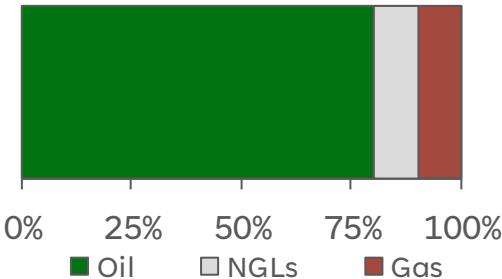
# Canadian Portfolio Overview



## Production summary (Q1 2025)



## Revenue summary (Q1 2025)



## Summary Q1 2025 (boe/d)

Viking	1,100
SE Sask	1,150
Heavy Oil	1,020
Clearwater	530
Cardium	900
Deep Basin	2,775
Mannville/Other	1,800
Total	~9,280

## Canadian Inventory

~18,000

Development locations

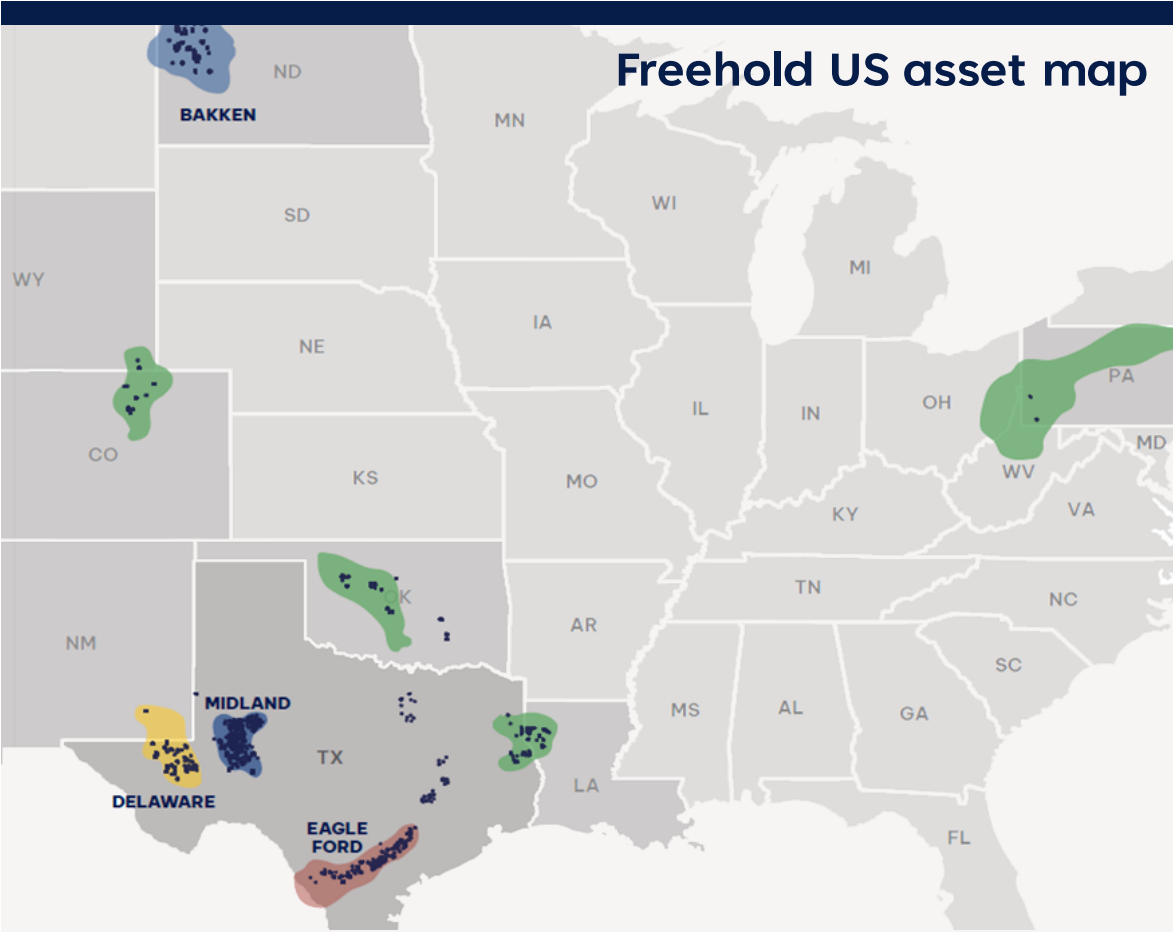
~\$10.3 billion

Undiscounted value

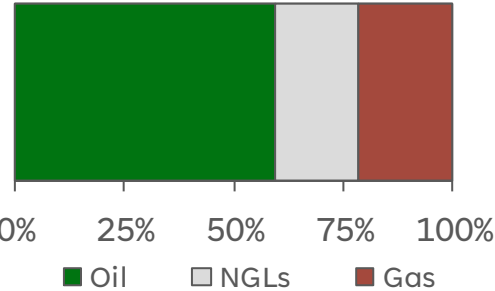
40 years

Inventory life

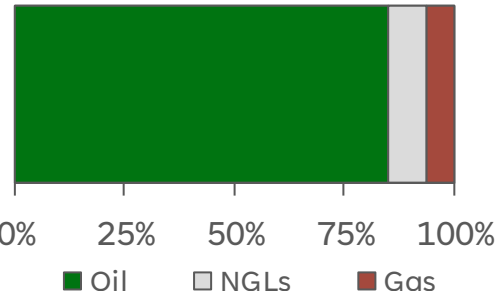
# US Portfolio Overview



## Production summary (Q1 2025)



## Revenue summary (Q1 2025)



## Summary Q1 2025 (boe/d)

Midland	3,700
Eagle Ford	2,500
Delaware	350
Other	450
Total	~7,000

## US Inventory

**~24,000<sup>1</sup>**  
Development locations

**~\$6.3 billion<sup>1</sup>**  
Undiscounted value

**30 years**  
Inventory life

Note | <sup>1</sup>2024 Asset Book plus December 2024 Midland Basin acquisition  
Source | Company Reports

# A Uniquely North American Energy Royalty Company

## Why Own Freehold

**9.0% Dividend Yield**

**~11,000 bbls/d  
Liquids<sup>1</sup>  
~88% of Revenue**

**Exposed to oil  
growth in both  
Canada and the US**

### Dividend Focused

Coverage down to ~US\$50/bbl WTI  
Target a dividend payout ratio of ~60%

### Liquids Weighted

16% CAGR on liquids production since 2020  
Free option on natural gas (34 MMcf/d)

### Poised for Oil Growth

Driven by Permian light oil & Canadian heavy oil  
(Clearwater and Mannville Stack)  
Top payors include ConocoPhillips, ExxonMobil



**Note** | 1. Volumes and revenue represent Q1-2025 results



# Freehold Royalties

May 14, 2025

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# Advisories

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# Advisories

## Non-GAAP Measures

Within this presentation, references are made to terms commonly used as key performance indicators in the oil and gas industry. We believe that net revenue, cash costs, netback, dividend payout ratio, and return on capital employed are useful non-GAAP financial measures or non-GAAP ratios for management and investors to analyze operating performance, financial leverage, and liquidity, and we use these terms to facilitate the understanding and comparability of Freehold's results of operations and financial position. However, these terms do not have any standardized meanings prescribed by the Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculations of similar measures for other entities.

Net revenue, which is calculated as revenues less ad valorem and production taxes (as incurred in the U.S. at the state level, largely Texas, which do not charge corporate income taxes but do assess flat tax rates on commodity revenues in addition to property tax assessments) details the net amount Freehold receives from its royalty payors, largely after state withholdings. Please refer to the table under the heading Netback and Cash Costs within our Management's Discussion and Analysis for the periods ended December 31, 2024 ("Q4-2024 MD&A"), which is available under Freehold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), for a quantitative calculation of net revenue as of December 31, 2024.

Cash costs, which is also calculated on a boe basis, is comprised of recurring cash-based costs, excluding taxes, reported on the statements of operations. For Freehold, cash costs are identified as royalty expense, operating expense, general and administrative expense, cash-based interest expense, cash-based management fees, and share based compensation payouts. Cash costs allow Freehold to benchmark how changes in its manageable cash-based cost structure compare against prior periods. Please refer to the table under the heading Netback and Cash Costs within our Q4-2024 MD&A for a quantitative calculation of cash costs as of December 31, 2024.

Netback, which is calculated on a boe basis, as average realized price less production and ad valorem taxes, operating expenses, G&A expense, cash-based interest charges, cash-based management fees and share based payouts, represents the per boe netback amount allowing Freehold to benchmark how changes in commodity pricing, net of production and ad valorem taxes, and its cash-based cost structure compare against prior periods. Please refer to the table under the heading Netback and Cash Costs within our Q4-2024 MD&A for a quantitative calculation of netback as of December 31, 2024.

Dividend payout ratios are often used for dividend paying companies in the oil and gas industry to identify dividend levels in relation to funds from operations that are also used to finance debt repayments and/or acquisition opportunities. Dividend payout ratio is calculated as dividends paid as a percentage of funds from operations. Please refer to the table under the heading Dividend Policy and Analysis – Dividend Payout Ratio within the Q4-2024 MD&A for discussion on this supplementary financial measure as of December 31, 2024.

Return on Capital Employed ("ROCE") is a non-GAAP ratio and is calculated as Freehold's trailing 2024 net revenue from the US divided by total US acquisition cost of \$685 mm (excluding Freehold's December 2024 acquisition of \$259 mm). ROCE is a useful measure, and management uses this metric as it demonstrates the return that the Company achieves on the capital it employs in its business.

The 2024 financial metrics within this presentation are unaudited and have been presented for illustrative purposes only. The actual financial metrics and results of operations may differ significantly from the amounts reflected herein due to a variety of factors. The unaudited financial metrics represent management's estimates based on information available as of the date hereof and are subject to change as additional information becomes available and analyses are performed.

For further information related to these non-GAAP terms, including reconciliations to the most directly comparable GAAP terms, see our Q4-2024 MD&A, which is available under Freehold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## General Disclaimer and Cautionary Statement

Monetary references in this presentation are in Canadian dollars unless otherwise noted.

This presentation has not been prepared in connection with the sale of securities and is not an offering memorandum and should not be relied upon as such. This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any security in any jurisdiction.



# Advisories

## Third Party Information and Public Information

This presentation contains information regarding lands and interests from which Freehold Royalties Ltd. ("Freehold", "FRU", the "Corporation", "us", "we" or "our") collects or may in the future collect royalties and associated revenues. It also contains information relating to historical operations conducted by exploration and production enterprises. Except where otherwise stated, the disclosure in this presentation relating to the royalty lands and operations on such lands is based on information publicly disclosed by the operators of such lands and information/ data available in the public domain as at May 13, 2025. More current information may be available, or may become available from time to time, in subsequent public disclosure documents including Freehold's disclosure on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and our website ([www.freeholdroyalties.com](http://www.freeholdroyalties.com)). Although certain of this information has been independently verified by Freehold, as a royalty owner, Freehold may not have complete, current and accurate information relating to the royalty lands described in this presentation. Additionally, Freehold may, from time to time, receive operating, technical and financial information from operators on the royalty lands, which it is not permitted to disclose to the public. Freehold is dependent on operators on the royalty lands and their qualified persons to provide information to Freehold or on publicly available information to prepare required disclosure pertaining to the royalty lands and generally has limited ability to independently verify such information. Although Freehold does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate. Some information publicly reported by operators may relate to a larger property than the area covered by Freehold's royalty interest. Freehold's royalty interests often cover only a portion of the publicly reported reserves and production of the property.

## Advisory Relating to Forward-Looking Information

This presentation offers and assessment of Freehold's future plans and operations as at May 13, 2025 and contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws legislations. All statements, other than statements of historical fact included in this presentation, which address activities, events or developments that Freehold expects or anticipates to occur in the future, are forward-looking statements. Forward-looking statements often, but not always, contain terms such as may, will, should, anticipate, expect, is expected, continue, estimate, believe, project, forecast, budgets, scheduled, estimates, predicts, intends, aims, believes, plan, intend, target, outlook, focus, could and similar words suggesting future outcomes or statements regarding an outlook.

More particularly, this presentation, contains, without limitation, forward-looking statements pertaining to the following: Freehold's business plans; statements with respect to future events or future performance; Freehold's belief it has decades of inventory to sustain and grow cash flows and the dividend; Freehold's belief that it has approximately 30-40 years of inventory development upside, including ~40 years of drilling inventory in Freehold's Canadian plays, and ~30 years of drilling inventory in Freehold's US plays; our expectations that we have decades of inventory; our expectation that 1 in 3 wells drilled in the Midland Basin will be drilled on lands that Freehold has an interest in; Freehold's expectations that it will achieve a targeted dividend payout ratio of approximately 60% that is supported throughout the commodity cycle down to ~\$US50s WTI; that Freehold is poised for oil growth; that our dividend is sustainable through commodity cycles; that our monthly dividend of 9 cents per share will continue to be supported to ~US\$50/bbl WTI; our expectations that our dividend is resilient; our expectations that we will apply for and commence a normal course issuer bid once approval is granted; our expectations that we will continue to drive value for shareholders; our expectation to achieve total payback on pre-2024 acquisitions in 2026; that returns will continue to grow as Freehold grows; our expected cashflows per boe in 2025; and our expectation Freehold is exposed to oil growth in both Canada and the US. In addition, statements (including data in tables) relating to reserves and resources are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such reserves and resources will be realized. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

# Advisories

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Freehold to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements because of many factors, the most significant of which include, without limitation: volatility in market prices for crude oil, NGL and natural gas; the impacts of the ongoing Israeli-Hamas-Hezbollah and potentially the broader Middle-East region, and Russia-Ukraine wars and any associated sanctions as well as OPEC+ curtailments on the global economy and commodity prices; geopolitical instability; political instability; the impacts of inflation and supply chain shortages on the operations of our industry partners and royalty payors, as well as on demand and commodity prices; the risks and impacts of tariffs (and retaliatory actions) imposed by Canada or the United States on exports and/or imports into and out of such countries; inflationary pressures; our ability to continue paying dividends; future capital expenditure levels; future production levels; future exchange rates; future tax rates; future legislation; the cost of developing and expanding our assets; our ability and the ability of our industry partners and royalty payors to obtain equipment in a timely manner to carry out development activities; our ability to market our product successfully to current and new customers; our expectation for the consumption of crude oil, NGLs and natural gas; our expectation for industry drilling levels on our royalty lands; the impact of competition; our ability to obtain financing on acceptable terms; our ability to add production and reserves through our development and acquisitions activities; pipeline capacity constraints; currency fluctuations; our and our counsel's interpretation of tax laws, regulations, royalties, or incentive programs relative to the interpretation and enforcement thereof by governmental authorities; changes in income tax laws or changes in tax laws, regulations, royalties, or incentive programs relating to the oil and gas industry; reliance on royalty payors to drill and produce on our lands and their ability to pay their obligations; uncertainties or imprecision associated with estimating oil and gas reserves; stock market volatility and our ability to access sufficient capital from internal and external sources; a significant or prolonged downturn in general economic conditions or industry activity; incorrect assessments of the value of acquisitions; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, technical, drilling, and processing problems; unanticipated litigation; environmental risks and liabilities inherent in oil and gas operations; and other factors discussed in our Q4-2024 MD&A and our Annual Information Form ("AIF") for the year ended December 31, 2024 which is available under Freehold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The statements contained in this presentation are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Freehold holds a royalty interest by the owners or operators of such properties in a manner consistent with good oilfield practices and all applicable regulations; the availability of capital to such operators to further develop such properties; the accuracy of public statements and disclosures made by the operators on the royalty lands; no material adverse change in the market prices of the commodities that underlie the asset portfolio; no material changes to existing tax treatment; no adverse development in respect of any significant property in which Freehold holds a royalty interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; the accuracy of assumptions and information used in Freehold's internal assessments of its royalty lands and the prospectivity thereof, including with respect to acquired assets; the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended; future commodity prices; future capital expenditure levels; future production levels; future exchange rates; future tax rates and tariff rates; future legislation; the cost of developing and producing our assets; our ability and the ability of our lessees to obtain equipment in a timely manner to carry out development activities; the interpretation and implementation of tax legislation; our ability to market our oil and gas successfully to current and new customers; our expectation for the consumption of crude oil and natural gas; our expectation for industry drilling levels; our expectations regarding completion of drilled wells; assumptions as to expected performance of current and future wells drilled by our royalty payors; our ability to obtain financing on acceptable terms; shut-in production; production additions from our audit function and our ability to add production and reserves through development and acquisition activities. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and investors are cautioned that forward looking statements are not guarantees of future performance.

Freehold cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. To the extent any guidance or forward-looking statements herein constitute a financial outlook, they are included herein to provide readers with an understanding of management's plans and assumptions for budgeting purposes and readers are cautioned that the information may not be appropriate for other purposes.

Risks are described in more detail in Freehold's AIF for year ended December 31, 2024, which is available under Freehold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement and speak only as of the date of this presentation. Our policy for updating forward-looking statements is to update our key operating assumptions quarterly and, except as required by law, we do not undertake to update any other forward-looking statements.

# Advisories

## Advisory Relating to Presentation of Oil and Natural Gas Reserves, Revenue and Production Information

This presentation contains information relating to crude oil, natural gas and NGL reserves and other information prepared in accordance with the requirements of Canadian securities laws in effect in Canada. The estimates of net reserves have been evaluated by our independent qualified reserves evaluators, Trimble Engineering Associates Ltd. ("Trimble") and RSC Group Inc. ("Ryder Scott"), in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") effective as of the relevant date noted with respect to such estimates herein using the report dated effective December 31, 2024 prepared by Trimble evaluating the oil, natural gas, natural gas liquids and sulfur reserves attributable to the Canadian assets of the Corporation as at December 31, 2024 ("Trimble Report"), and the report dated December 31, 2024 prepared by Ryder Scott evaluating the oil, natural gas, natural gas liquids and sulfur reserves attributable to the U.S. assets of the Corporation as at December 31, 2024 ("Ryder Scott Report"), respectively.

## Advisory relating to Development Locations and Associated Undiscounted Values

In this presentation, Freehold has presented an analysis of the Freehold's prospective drilling locations and associated undiscounted value of its royalty lands. The potential drilling locations and associated undiscounted value has been internally prepared by Freehold utilizing the assumptions and methodology on page 20 and 21 of Freehold's 2024 Asset Book, which is available on Freehold's website at [www.freeholdroyalties.com](http://www.freeholdroyalties.com). The development locations and the values presented as the associated undiscounted value in this presentation are not intended, and should not be construed, to represent a forecast of the wells that will be drilled or an estimate of reserves or resources or the value associated with reserves or resources. The development locations and the values presented have been presented to help investors understand management's assumptions utilized in determining areas of potential growth as well as part of the analysis utilized by management in assessing its potential royalty acquisitions; however, such development locations and associated value are not determinative of the actual wells that will be drilled on Freehold's royalty lands, the reserves or resources associated with the actual wells drilled or the value of such reserves or resources that will actually be recovered from Freehold's royalty lands. It is highly probable that the actual wells drilled on Freehold's royalty lands and the associated undiscounted values will be greater or less than the development locations and the associated undiscounted value. There are more risks and uncertainties associated with the development locations and the associated undiscounted value presented herein than there would be with an estimate of reserves or resources or the drilling locations or wells associated with such an estimate of reserves or resources. The risks associated with the analysis of the development locations and the associated undiscounted value presented herein include, but are not limited to, the risk that the operators will not have availability of capital to further develop such properties; the accuracy of public statements and disclosures made by the operators on the royalty lands; the risk that no resources will be discovered in areas where Freehold has assumed there are resources for the purpose of analyzing the potential development locations; the risk that if resources are discovered that they will not be recoverable; the risk that the character and quality of the reservoir will not be as good as in areas where there are existing wells; the risk that the actual performance of wells will not achieve the same performance as projected in the type curves used for estimating the associated undiscounted value; the risk that a material adverse change in the market price of the commodities that underlie the asset portfolio will affect future drilling and the value of any resources recovered; the risk that regulatory approvals will not be received for the development of such royalty lands; the risk that no operators will be willing or able to lease and develop the royalty lands; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. In addition many of the risks set out under the heading "Risk Factors" of the AIF for the year ended December 31, 2024 which is available under Freehold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) are relevant to the disclosure of the development locations and the associated undiscounted value presented herein.



# Advisories

## Advisory Related to Analogous Information

Certain information in this presentation may constitute "analogous information" as defined in NI 51-101 with respect to the certain drilling results, number of wells drilled, or offset well production from other producers with operations that are in geographical proximity to or believed to be on-trend with Freehold's interests in certain geographical areas in which it operates, and related recovery factors have been resented in this presentation for certain areas or formations that Freehold has royalty interests and such estimates of volumes and recovery factors. Such information has been based on publicly available information and Freehold has not independently verified the information. Such estimates have not been prepared in accordance with NI 51-101 or the COGE Book and Freehold cannot confirm that such estimates have been prepared by a qualified reserves evaluator. In some instances Freehold utilized documents including Canadian Discovery Digest and other sources of publicly available information. Management of Freehold believes the information is relevant to help demonstrate the basis for Freehold's belief in the value and future potential of the royalty lands relating to such areas or formations and to show some of the underlying assumptions for Freehold's business plans and strategies; however, such "analogous information" is not intended to represent an estimate of the quantity, value or recovery factors associated with Freehold's royalty lands in such areas or formations. There is no certainty that the results of the analogous information or inferred thereby will be achieved by Freehold and such information should not be construed as an estimate of future production levels, reserves or the actual characteristics and quality of Freehold's assets.

## Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil ("boe"). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 barrel). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.