

USED C 2018 Drilling Fund A

Fall - Q3 2023

2022 Tax Documents (Schedule K-1s) Have Been Posted To Investor Portal Accounts.

If you have not already downloaded your 2022 Tax Document(s), visit www.usedc.com and click Investor Login on the Investor Relations tab.

Quarterly Updates:

- If you have not done so already, please login to sign-up for Direct Deposit: <https://usedc.com/individual-investors/#investor-forms>
- For the latest U.S. Energy news, events and market updates, visit: <https://usedc.com/newsroom/>

Program Summary

| | |
|---|---------------|
| Initial Distribution Date: | October 2019 |
| Total Investor Capital: | \$67,427,000. |
| Partnership Wells: | 26 |
| This Distribution's Cash-on-Cash Return: | 1.52% |
| Cumulative Distributions - Last 12 Months | 8.30% |
| Correspondence/Distribution Frequency | Quarterly |

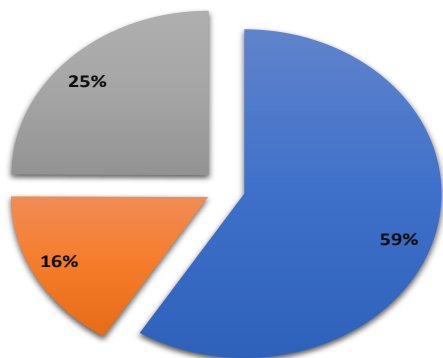
This quarter's distribution stands at 1.52%, a slight decrease from the previous quarter that can primarily be attributed to the fluctuation in oil prices coupled with natural decline in production.

Pricing Note: The partnership's Q3 distribution was generated during the May to July time frame during which oil prices fluctuated between \$67- \$82 per barrel.

As the wells in this partnership continue to mature, we continue to project slight declines in their production volumes each quarter, which is part of the normal decline curve for these wells. However, if oil prices remain elevated it will partially offset the impact of the natural decline in production.

The partnership has successfully achieved a diverse portfolio across three key oil basins, as illustrated in the chart. Specifically, we have a total of 5 wells in the Permian Basin, 17 in the Powder River Basin, and 4 in the Eagle Ford Shale. The breakdown of capital by basin is shown in the chart below.

Capital Allocation by Basin/Formation



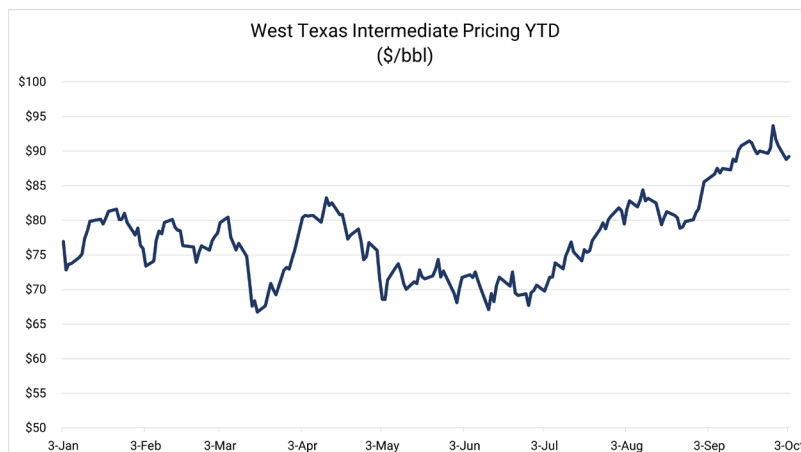
■ Eagle Ford Shale ■ Permian Basin ■ Powder River Basin

Online Portal and Tax Documents. Please continue to utilize your Investor Portal Account for access to quarterly program updates, tax documents and earning statements:

<https://www.usedclogin.com>

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Energy Market Update. During the third quarter of 2023, oil prices experienced a steady climb, commencing in the low \$70/bbl range and currently trading in the high \$80s as of October 17, 2023. This consistent upward trajectory can be attributed to a combination of factors. Tightened global supply, primarily due to extended supply curbs by the top OPEC+ producers, Saudi Arabia, and Russia, has exerted pressure on the overall supply. Simultaneously, an optimistic demand outlook has emerged, notably from China, the world's largest oil importer. China's commitment to additional stimulus measures aimed at fostering domestic economic growth has bolstered the case for increased demand in the oil market.



A significant geopolitical development has unfolded since the beginning of October. The state of Israel and the terrorist group Hamas have become embroiled in an existential conflict, posing threats not only to each other's survival but also to the lives of innocent citizens, both Palestinian and Israeli, caught in the crossfire. The severity of this conflict is such that it holds the potential to escalate into a regional or even global crisis. For energy markets and the global economy, the risks are considerable and could swerve or accelerate in response to multiple variables.

Access to U.S. Energy News & Industry Insight

U.S. Energy continues to provide numerous media interviews and host events on topics ranging from the current state of the energy market to recent company milestones. Links to several articles from the past quarter are included below.

For the latest coverage, please visit: <https://usedc.com/newsroom/>

Back in 2021, we had the pleasure of authoring a contributed article for OILMAN Magazine about the value of investing in qualified opportunity zones, (Missed) Opportunity Zones – Why Investors Should Take Note. The submission provided readers with a comprehensive explanation of qualified opportunity zone investing, including both the advantages they bring to underdeveloped and impoverished census tracts, and how investors benefit from the generous tax breaks included, provided they meet the program's requirements.

To recap, qualified opportunity zones are a new investment vehicle created by the Tax Cuts and Jobs Act of 2017, whose funds are designed to improve federally designated opportunity zone tracts. Provided investors maintain their investment stake for a 10-year period, they owe nothing in capital gains tax until the end of the 2026 calendar year.

You can read U.S. Energy's full article here:

<https://www.usedc.com/revisiting-qualified-opportunity-zones/decision-to-cut-oil-production/>



PR UPDATE

"Revisiting Qualified Opportunity Zones"

By: **Matthew Iak, EVP**
Featured in *OILMAN Magazine*

U.S. Energy Development Corporation
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