

Adams Natural Resources Fund, Inc.

500 East Pratt Street, Suite 1300
Baltimore, MD 21202

January 11, 2019

2018 TAX INFORMATION

Please Read Carefully

To our Shareholders:

This letter, showing the investment income dividends and the capital gain and return of capital distributions paid by the Fund during the calendar year 2018, is sent to assist you in preparing your federal income tax return. The dates and amounts of the payments are as follows:

<u>Date Paid 2018</u>	<u>(I) Investment Income Dividends</u> <u>(Per share)</u>	<u>(A) Percentage Entitled To Corporate Dividend Deduction</u>	<u>(II) Long-Term** Capital Gain Distributions</u> <u>(Per share)</u>	<u>(III) Return of Capital Distributions</u> <u>(Per share)</u>
March 1	\$0.07	100%	\$0.02	\$0.01
June 1	0.07	100%	—	0.03
August 31	0.07	100%	—	0.03
December 21	0.24*	100%	0.38*	0.25
Totals	<u>\$0.45</u>		<u>\$0.40</u>	<u>\$0.32</u>

* These payments are taxable whether taken in shares of the Fund's stock or in cash. The cost, for income tax purposes, of full shares received is \$16.05 per share.

** There were no short-term capital gain distributions in 2018.

The Fund has qualified as a "regulated investment company" as defined in the applicable provisions of the Internal Revenue Code. Shareholders who were entitled to receive the investment income dividends and the capital gain and return of capital distributions, described above, should report them for federal income tax purposes as follows:

I. *The investment income dividends*, whether received in stock or cash, should be reported by you as ordinary dividend income. Pursuant to the tax treatment for dividend income under the Tax Cuts and Jobs Act of 2017, 100% of the investment income dividends paid by the Fund in 2018 qualify as "qualified dividend income" taxable at 0%, 15%, or 20% depending on your taxable income. The enclosed Form 1099-DIV has the applied percentages in the amounts in boxes 1a and 1b, if applicable. In addition, Column (A) in the table above indicates the percentage of each investment income dividend that qualifies for the 50% dividends received deduction allowed certain corporations with respect to dividends received from domestic corporations.

II. *The long-term capital gain distributions*, whether received in stock or cash, should be reported as a "capital gain distribution" and treated by you as long-term capital gains regardless of the length of time you have held the shares. The total capital gain you received is included in your enclosed Form 1099-DIV in box 2a. Capital gain distributions do not qualify for the dividends received deduction described in paragraph I above.

III. *The return of capital distributions* are non-taxable and reduce the cost basis of your shares. The total return of capital you received is included in your enclosed Form 1099-DIV in box 3.

The Fund had 0% of ordinary dividend income derived from U.S. Government Obligations in 2018. This information is provided to assist you in preparing your state tax return.

Please consult your tax adviser regarding your individual tax situation. Retain this letter for tax purposes.

Adams Natural Resources Fund, Inc.

JANIS F. KERNS

General Counsel & Secretary