



Empire Petroleum Corporation

3Q 2022 EARNINGS CALL

www.empirepetroleumcorp.com

NYSE American: EP

Forward Looking Statements

This presentation has been prepared by Empire Petroleum Corporation (the “Company”) to assist Investor in making their own evaluation of the Company and any proposed transaction between the Company and Investor and between the parties listed in this document. This presentation does not purport to be all-inclusive or contain all of the information needed to evaluate a transaction or an investment in the Company. In all cases, interested parties should conduct their own investigation and analysis of the Company, any of their prospects and the data set forth in this information. The Company makes no representation or warranty as to the accuracy or completeness of the information contained herein.

The information contained herein includes certain statements and estimates provided by the Company with respect to the projected future performance of the Company. Such statements, estimates, and projections reflect various assumptions by management of the Company concerning possible anticipated results, which assumptions may or may not be correct. No representations are made as to the accuracy of such statements, estimates, or projections.

All statements, other than statements of historical fact, contained in this report are forward-looking statements. Forward-looking statements generally are accompanied by words such as “anticipate,” “believe,” “estimate,” “expect,” “may,” “might,” “potential,” “project” or similar statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct.

Factors that could cause results to differ materially from the results discussed in such forward-looking statements include, but are not limited to: (i) unforeseen capital requirements, (ii) unforeseen or increased costs incurred in exploration and development, (iii) unforeseen engineering, mechanical or technological difficulties in drilling wells, (iv) uncertainty of exploration results, (v) operating hazards, (vi) competition from other natural resource companies, (vii) fluctuations of prices for oil and gas, (viii) the effects of governmental and environmental regulation, and (ix) general economic conditions and other risks.

Non-GAAP Reconciliation

Certain financial information included in Empire’s financial results are not measures of financial performance recognized by accounting principles generally accepted in the United States, or GAAP. These non-GAAP financial measures include “Adjusted Net Income”, “EBITDA” and “Adjusted EBITDA”. These disclosures may not be viewed as a substitute for results determined in accordance with GAAP and are not necessarily comparable to non-GAAP performance measures which may be reported by other companies.

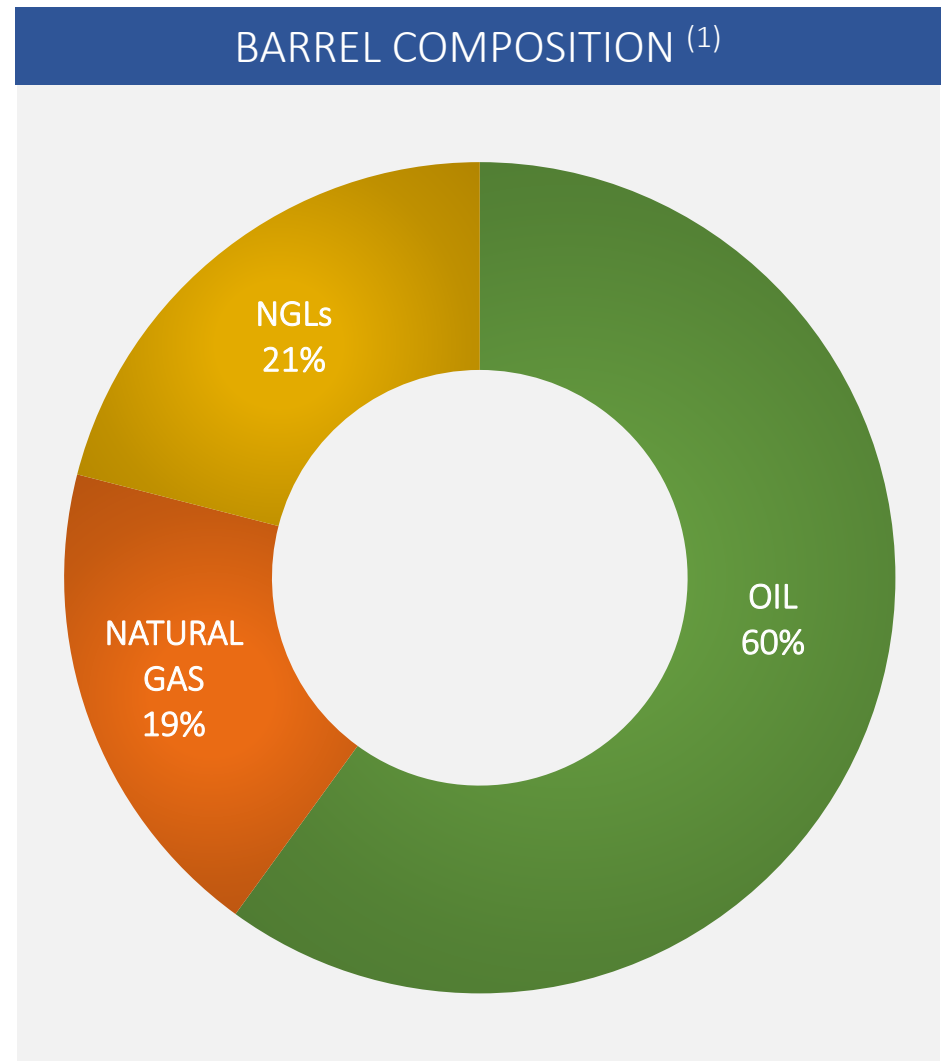
Adjusted Net Income is presented because the timing and amount of these items cannot be reasonably estimated and affect the comparability of operating results from period to period, and current periods to prior periods.

The Company defines Adjusted EBITDA as net income (loss) plus net interest expense, depreciation, depletion and amortization (“DD&A”), accretion, amortization of loan issuance costs, ROU assets, and discount on convertible notes, and other non-cash items. Company management believes this presentation is relevant and useful because it helps investors understand Empire’s operating performance and makes it easier to compare its results with those of other companies that have different financing, capital and tax structures. Adjusted EBITDA should not be considered in isolation from or as a substitute for net income, as an indication of operating performance or cash flows from operating activities or as a measure of liquidity. In addition, Adjusted EBITDA does not represent funds available for discretionary use.

Key Takeaways

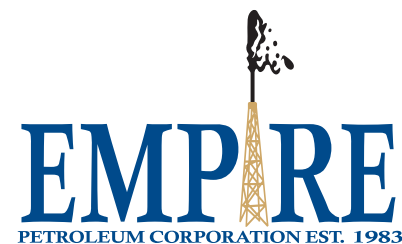
- Recorded Q3 2022 revenue of \$14.8 million, adjusted net income of \$3.7 million (\$0.16/share) and adjusted EBITDA of \$4.8 million (\$23.36/Boe)
- Increased cash position by 27% to \$15.7 million and reduced debt during Q3 2022, ending the period with \$16.0 million of liquidity
- Grew sales volumes by 3% from Q2 2022
- Made significant progress on the Starbuck Field Enhancement Program
- Spudded four new non-operated Bakken wells with completion expected in Q4 2022

- MAXIMIZE PRODUCTION, MINIMIZE COSTS
- INCREASE PRODUCTION OF LEGACY WELLS
- ARREST PRODUCTION DECLINES BY BRINGING WELLS BACK ONLINE
- SAFELY AND RESPONSIBLY DELIVER THE ENERGY THE WORLD NEEDS

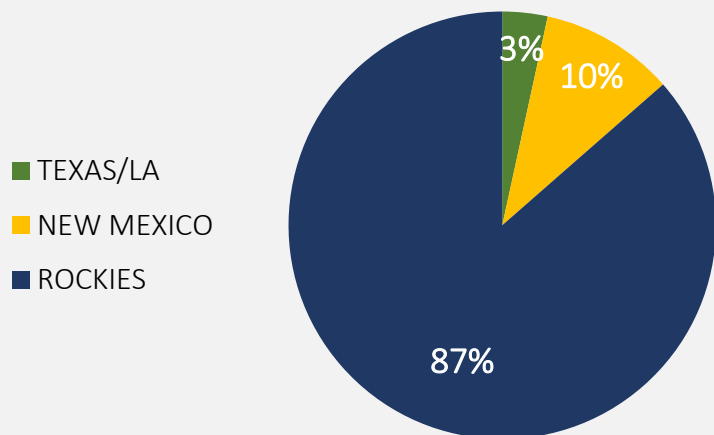


(1) Barrel composition based on 3Q 2022 sales volumes

Operations Update



PRIORITY CAPITAL PROJECTS 2022



ROCKIES

- Starbuck Field Enhancement
- Non-Op Participation
- Recompletion/New Drills

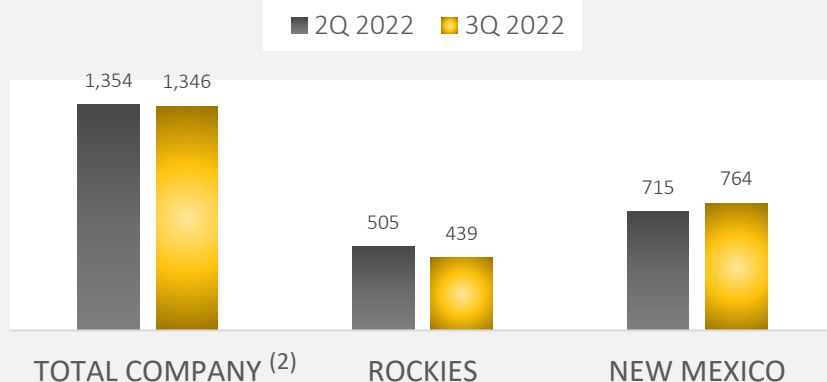
NEW MEXICO

- RTP – Maintenance
- Facilities Upgrades

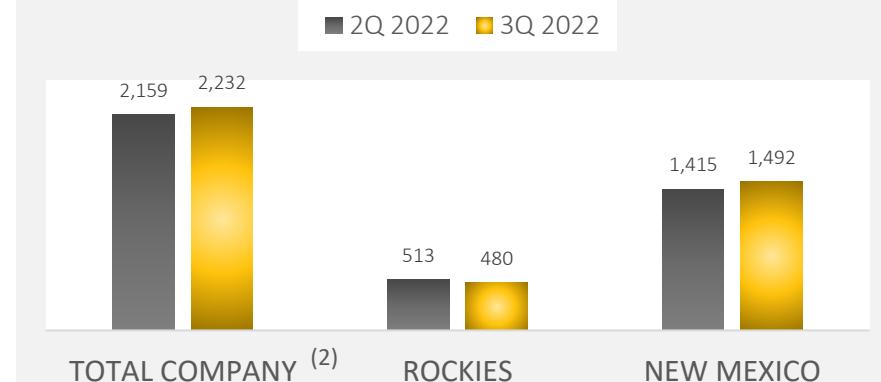
LOUISIANA

- Sidetrack Well/Re-Complete

DAILY OIL PRODUCTION: BBL/D



DAILY PRODUCTION: BOE/D ⁽¹⁾



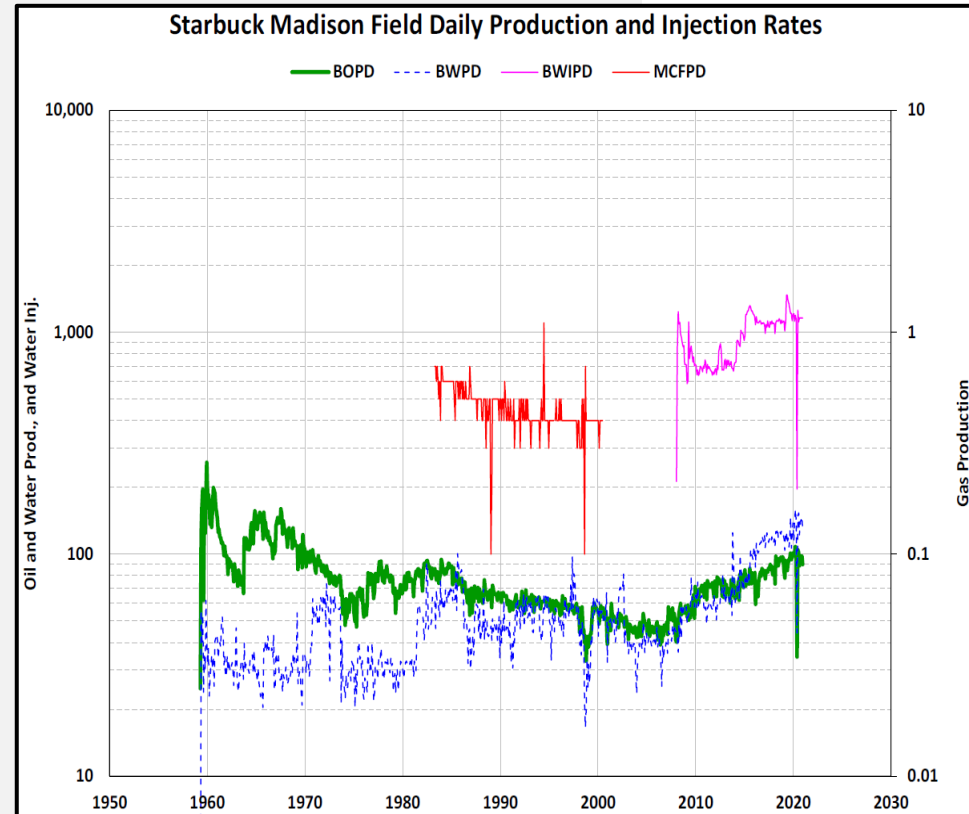
(1) BOE - Barrel of oil equivalent, determined using a ratio of 6 Mcf of natural gas equal to one barrel of oil equivalent.

(2) Total Company includes production from Rockies, New Mexico, Texas, Louisiana

2022 Rockies Capital Program

Starbuck Field

- Pre-project production ~3000 barrels/month
- Strong waterflood initial response currently producing at 7% incline
- Producing from the Mississippian Madison at an average depth of 3,400'
- Two Formations-Two Waterfloods
- OOIP estimated at 25mm barrels/EUR 30% OOIP
- Cumulative primary production 1,350,000 barrels
- Facility infrastructure already in place
- Field Bought as part of 2019 EnergyQuest acquisition valued at \$1,029,000 at WTI~\$64
- Cobb study completed in 2021; CGA engineered value at \$14,900,000 (SEC 12/31/21)
- 13 Producing wells and 5 injectors
- WI ~96%, NRI ~82.6%

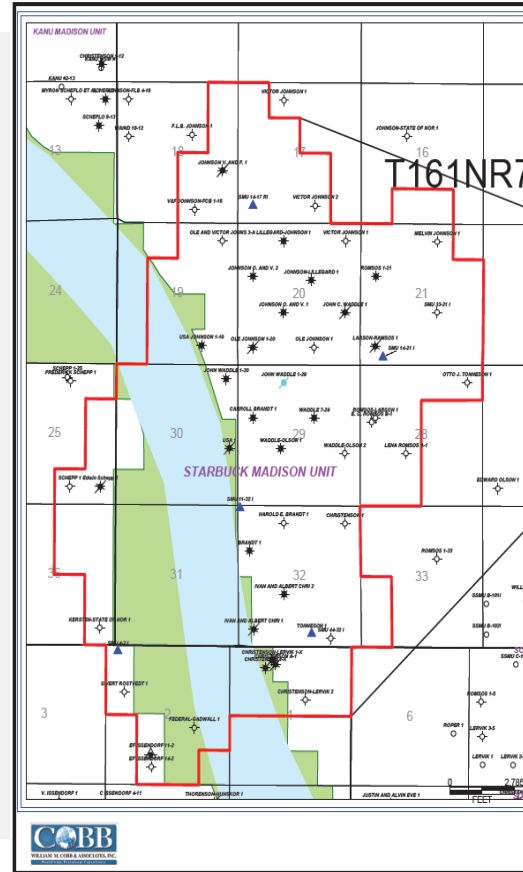


2022 Rockies Capital Program

Starbuck Field Enhancement

\$10MM Investment

- Targeted multiple increase in production
 - Improved Operational Management Through Waterflood Optimization
 - Coiled Tubing Infill Drilling utilizing horizontal well design
 - Low cost, short payback
 - Facility infrastructure already in place
- Project execution underway with 3 phases completed by YE2022
 - Projects in 2023 and beyond will be driven by lessons learned from the initial 2022 project
- Repeatable Across Held-by-Production Acreage



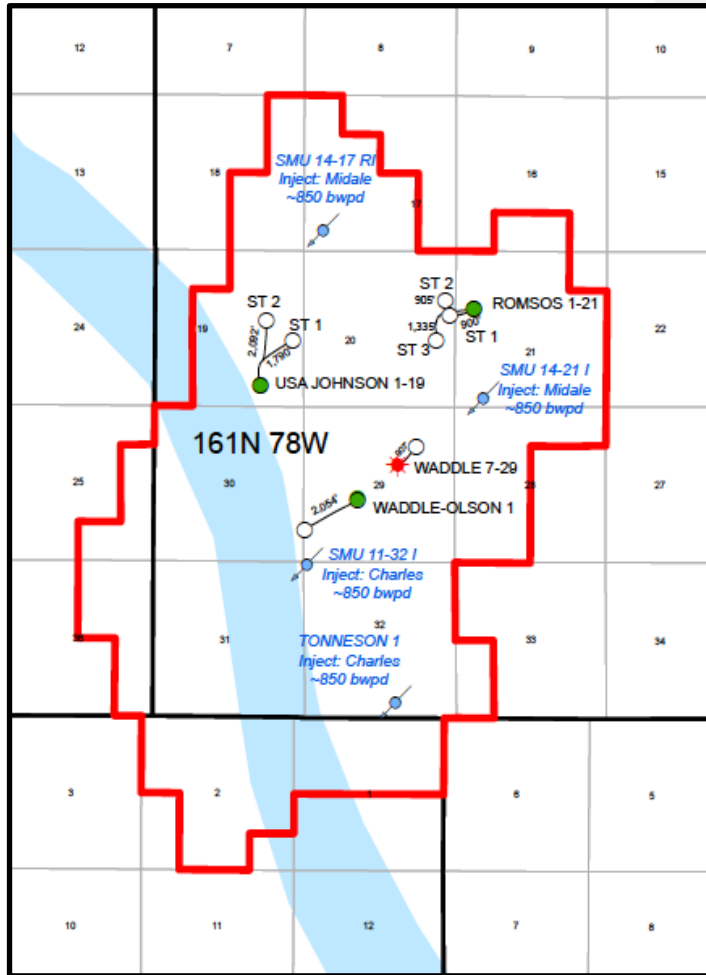
Williston Basin
Bottineau County, North Dakota
STARBUCK MADISON UNIT



Exhibit 1

- Phase I:** Completion of behind pipe prospects, cleanouts and re-stimulation of current completions, and restimulation of three current injectors. **(Completed)**
- Phase II:** Lateral sidetrack drilling of up to four well candidates. **(Completed)**
- Phase III:** Upgrading surface facility to improve thermal management in the field. **(Completing)**
- Phase IV:** Drilling new vertical wells to improve the current production and injector sweep efficiency. **(2023)**

Starbuck Field 3rd Quarter Activity



WATERFLOOD CONFORMANCE

- Starbuck Madison Unit 11-32 Injector**
 - Plugged off perforations in non-productive zone, perforate in proper zone and stimulate. Injection increased from roughly 130 bwpd to 900 bwpd
- Tonneson 1-32**
 - Workover performed whereby EP re-perforated and stimulated. Injection increase from 275 bwpd to 900 bwpd
- Starbuck Madison Unit 14-17**
 - Workover performed whereby EP re-perforated and stimulated. Increase injection from 350 bwpd to 900 bwpd
- Starbuck Madison Unit 14-21**
 - Workover performed whereby EP re-perforated and stimulated. Increase injection from 100 bwpd to 900 bwpd

PRODUCING WELLS

- Waddle Olson 7-29**
 - Added new Charles Formation perforations and re-stimulated. A horizontal sidetrack was also added in Phase 2
- Brandt 1-32**
 - Re-perforated zones in producing formation and stimulated
- Carroll Brandt 1-29**
 - Added new perforations and stimulated
- I & A Christenson 2-32**
 - Re-perforated new zones and stimulated
- Johnson Lillegard 1-20**
 - Plugged off Midale perforations, re-perforated and stimulated in productive intervals.
- Lillegard Johnson 1-20**
 - Re-perforated and stimulated in productive intervals
- Christenson 1X-1**
 - Re-perforated and stimulated in productive intervals

LATERAL SIDETRACKS

- USA Johnson 1-19**
 - Two horizontal laterals
- Romsos 1-21**
 - Two horizontal laterals with geological sidetracks
- Waddle 7-29**
 - One horizontal lateral
- Waddle-Olson 1**
 - Two horizontal laterals

Financial Update



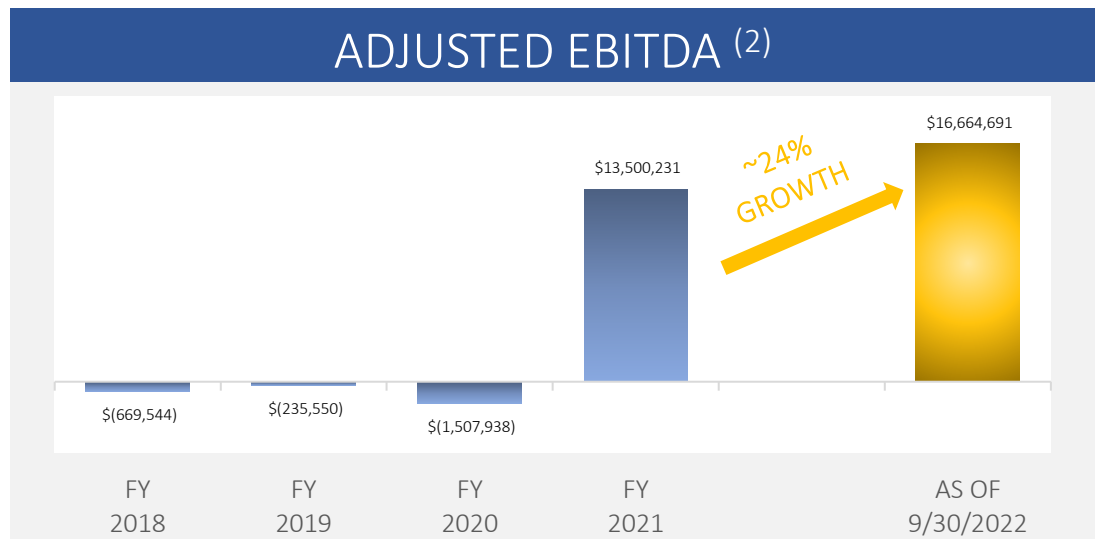
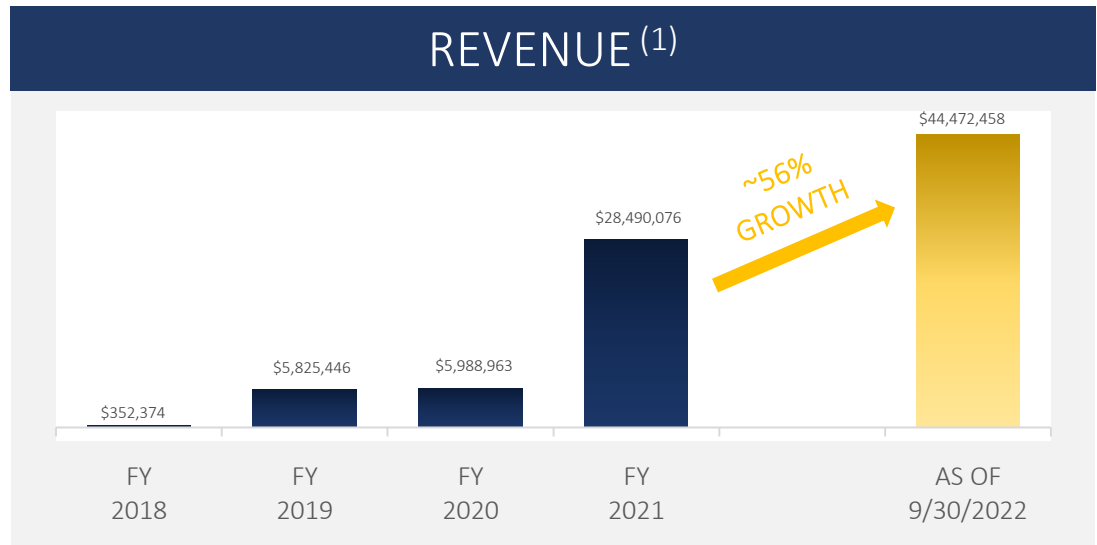
Financial Performance

- Production increase
 - Acquisitions
 - Field Enhancements
 - New wells

- Lower ND differentials to (\$2.20/bbl)

- ~40% year over year increase of commodity prices

- Continued focus of paying down debt



(1) Revenue excludes losses/gains tied to derivatives (FY 2018: \$113,081, FY 2019: \$33,643, FY 2020: \$1,738,871, FY 2021: (\$586,181), AS OF 9/30/2022: (\$93,740))

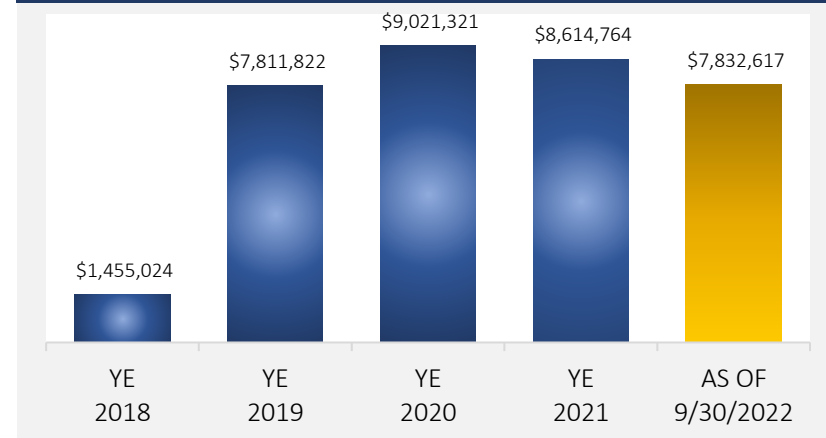
(2) Non-GAAP Adjusted EBITDA defined on withing the Disclaimer slide

Financial Metrics and Debt

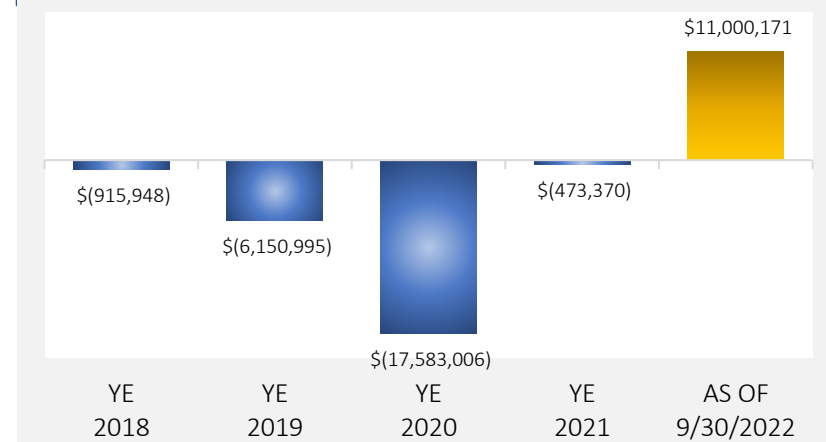
MARKET DATA NOVEMBER 14, 2022

Symbol	NYSE American: EP
Share Price	\$14.30
52 Week Range	\$8.00-24.90
Market Cap	\$316 mm
Common Shares Outstanding	22.1 mm
Insider Holdings	~49%

TOTAL DEBT (1)



OPERATING INCOME



(1) Includes short term and long term debt



THANK YOU

www.empirepetroleumcorp.com

Tommy Pritchard
CEO and Director

Mike Morrisett
President and Director



539.444.8002



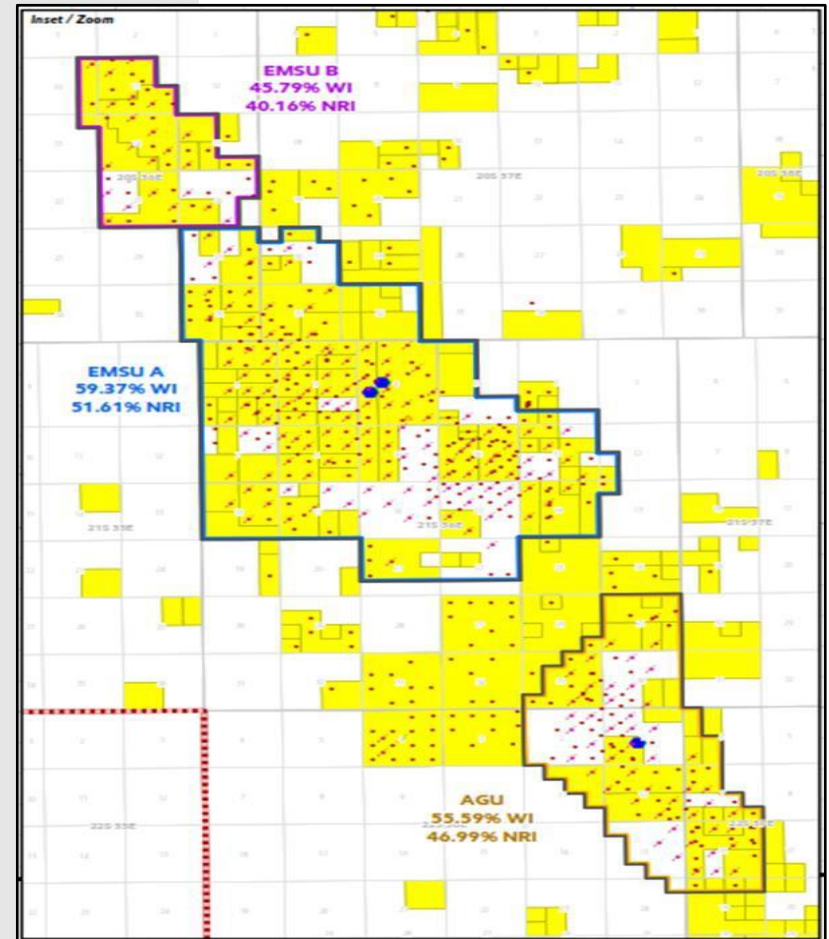
info@empirepetrocorp.com

Appendix



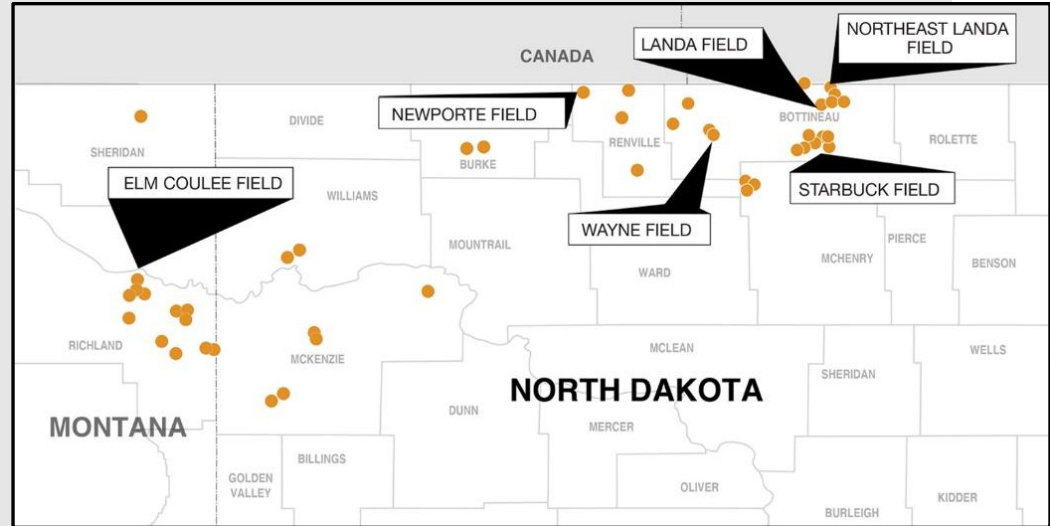


- Purchased from Exxon/XTO in May 2021
- Contiguous 48,000 gross acre position in prolific Central Basin Platform of Lea County, NM
- Net Production of 137,300 BOE for 3Q 2022
- Substantial oil in place with additional recovery potential from infills and waterflood optimization
- Upgrading field systems while increasing field-wide production
- Optimization of field marketing contracts ongoing with favorable results





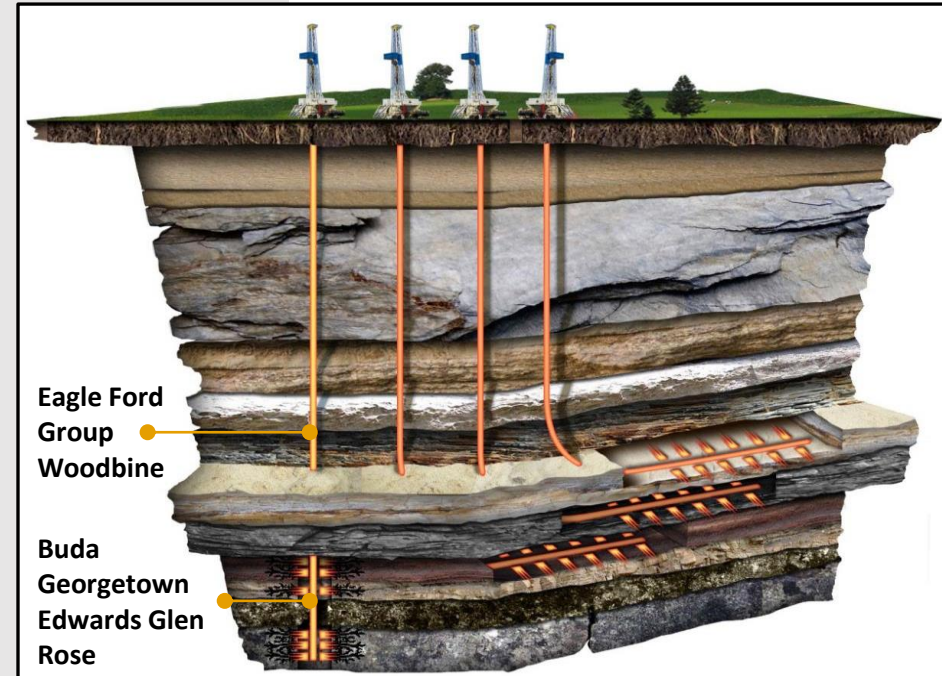
- Purchased from Quantum Energy-backed EnergyQuest in March 2019
- Large working interest in several prolific fields from the Madison Formation centered around Bottineau County and Red River formation in Elm Coulee Field, Richland County, Montana



- Impressive, near-flat to inclining production rates over the last few years
- Large held-by-production acreage in both North Dakota and Montana with consolidation opportunities
- Non-operated working interest in several Bakken new-drills with 100%+ returns
- Largest 2022 capital expenditure program in Starbuck Field focused on increasing production and reserves
- Net Production of ~44,200 BOE for 3Q 2022

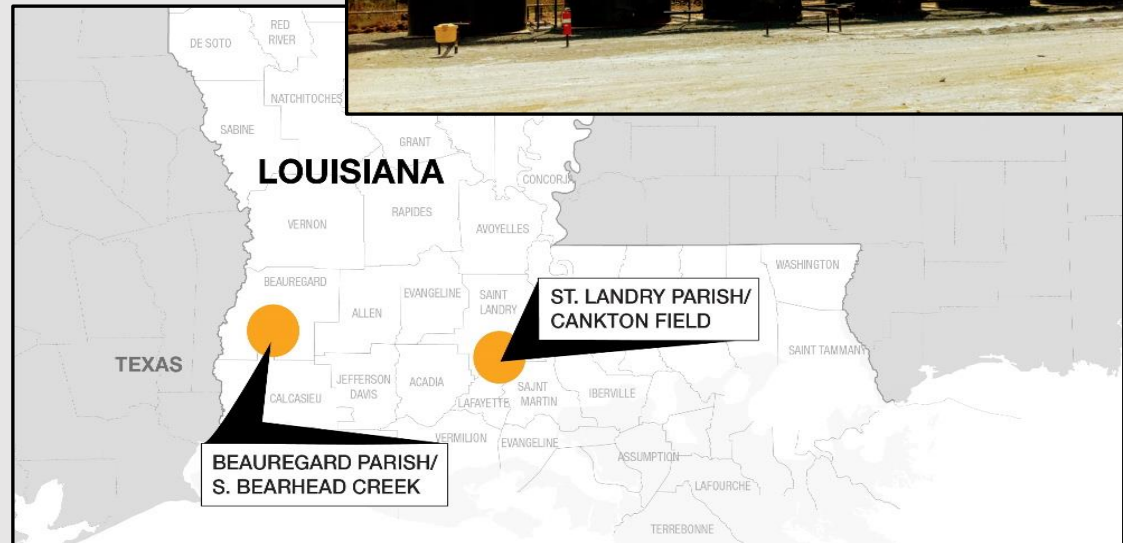


- Purchased from HPS in April 2020 with substantial gathering purchased from Canyon Midstream
- Principal producing asset in the Fort Trinidad Field in Houston and Madison Counties, Texas
- **Over 30,000 net acres held-by-production**
- Stacked pays in multiple geologic horizons
- Well reactivation program underway with focus on bypassed pay





- Legacy assets acquired in 2018
- Oil weighted production in St. Landry and Beauregard Parishes, Louisiana
- Upside from behind-pipe exploitation
- Two Projects currently focused on behind-pipe reserves



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	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net Income (Loss)	\$ 215,941	\$5,534,280	\$ (3,726,225)	\$ 9,373,648	\$ (9,995,367)
Adjusted for:					
Warrants and options granted in G&A	809,641	486,903	-	1,672,823	-
Unrealized (gain) loss on derivatives	(126,400)	(53,726)	(295,668)	(151,065)	(113,943)
Write off of JDA note receivable	1,399,030	-	-	1,399,030	-
XTO final settlement - noncash settlement	1,448,363	-	-	1,448,363	-
Convertible debt modification inducement expense	-	-	2,276,813	-	2,276,813
Loss (gain) on conversion option	-	-	(689,215)	-	(92,931)
Right to buy issuance costs	-	-	-	-	989,115
Stock compensation expense	-	-	-	-	406,250
Forgiveness of PPP loan	-	-	-	-	(160,700)
Adjusted Net Income	<u>\$ 3,746,575</u>	<u>\$5,967,457</u>	<u>\$ (2,434,295)</u>	<u>\$13,742,799</u>	<u>\$ (6,690,763)</u>
Diluted Weighted Average Shares Outstanding	24,065,485	23,294,723	16,560,705	22,778,836	13,278,341
Adjusted Net Income (Loss) Per Share	<u>\$ 0.16</u>	<u>\$ 0.26</u>	<u>\$ (0.15)</u>	<u>\$ 0.60</u>	<u>\$ (0.50)</u>

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	2022	2022	2021	2022	2021
Net Income (Loss)	\$ 215,941	\$ 5,534,280	\$ (3,726,225)	\$ 9,373,648	\$ (9,995,367)
Add Back:					
Interest Expense	125,330	111,785	4,467,679	347,763	7,373,113
DD&A	539,543	455,799	1,279,534	1,429,788	2,025,407
Accretion	342,619	336,488	327,018	1,009,107	881,638
Amortization of loan issuance costs	-	-	-	-	14,587
Amortization of ROU assets	44,627	50,901	47,935	135,234	54,363
Amortization of disc. on convertible notes	-	-	4,090,214	-	6,670,129
EBITDA	\$ 1,268,060	\$ 6,489,253	\$ 6,486,155	\$ 12,295,540	\$ 7,023,870
Consideration of noncash items:					
Warrants and options granted in G&A	809,641	486,903	-	1,672,823	-
Unrealized (gain) loss on derivatives	(126,400)	(53,726)	(295,668)	(151,065)	(113,943)
Write off of JDA note receivable	1,399,030	-	-	1,399,030	-
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Right to buy issuance costs	-	-	-	-	989,115
Stock compensation expense	-	-	-	-	406,250
Forgiveness of PPP loan	-	-	-	-	(160,700)
Adjusted EBITDA	<u>\$ 4,798,694</u>	<u>\$ 6,922,430</u>	<u>\$ 7,778,085</u>	<u>\$ 16,664,691</u>	<u>\$ 10,328,474</u>