



Empire Petroleum Corporation

1ST QUARTER 2023



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 its own evaluation of the Company and any proposed transaction between the Company and Investor. 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 its prospects and the data set forth in this presentation. 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 actual results to differ materially from those 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 described in reports the Company files with the SEC, including its Annual Report on Form 10-K

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 (Loss)”, “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, right of use assets and discount on convertible notes, income tax (benefit) expense, and other adjustments. Company management believes this presentation is relevant and useful because it helps investors understand the Company’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.

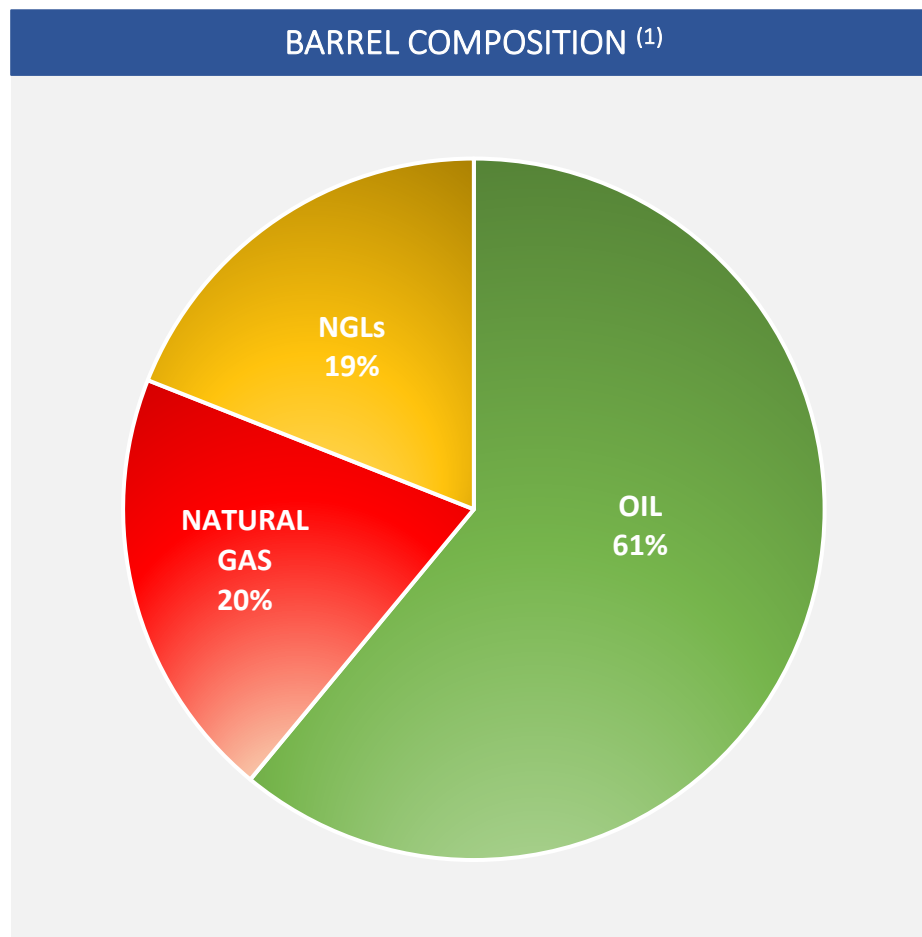
See the Appendix to this presentation for reconciliations to the most comparable GAAP measure.

- Increased year-over-year per day sales volumes by 4% to 2,206 Boe/d
- Recorded first quarter 2023 revenue of \$10.1MM and net loss of \$2.5MM
 - Lower price realizations quarter over sequential quarter
 - Oil price per bbl decreased by 7% to \$74.33
 - Natural gas price per mcf decreased by 22% to \$2.84
 - Due to lower natural gas prices began to curtail production in March 2023
 - LOE and G&A per boe in line with 4Q 2022
 - Higher workover expense resulted from increased activity to return inactive wells to production
- Generated Adjusted EBITDA of \$0.2MM
- Ended Q1 2023 with \$7.1MM of liquidity (including \$6.8MM of cash), working capital of \$2.3MM

Operations Update

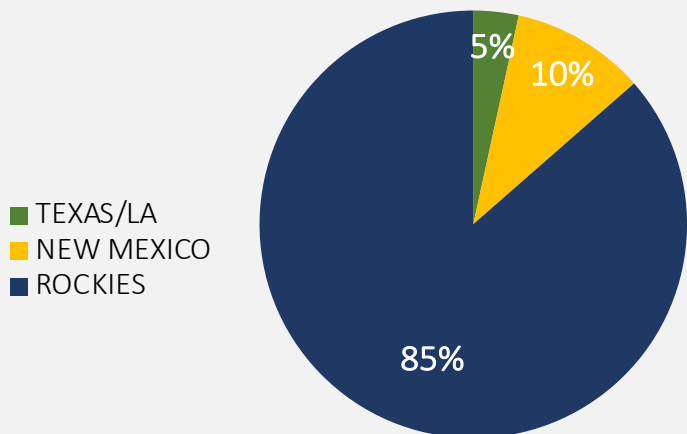


- Ensure production growth with a cost-effective capital program in 2023 and 2024
 - Apply lessons learned from multiple testing methods during the pilot programs in 2022 to the development phase
- We see solid organic production increase on our core oil assets
- Focus on waterflood performance and efficient RTP on wells
- 2023 will be the first major drilling program for Empire



(1) Barrel composition based on 1Q 2023 per day sales volumes

PRIORITY CAPITAL PROJECTS 2023



ROCKIES

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

NEW MEXICO

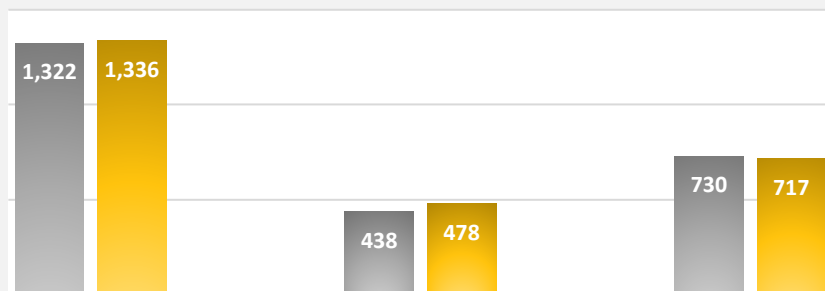
- RTP – Maintenance
- Facility upgrades

TEXAS/LA

- Workover/Cleanout/Re-frac

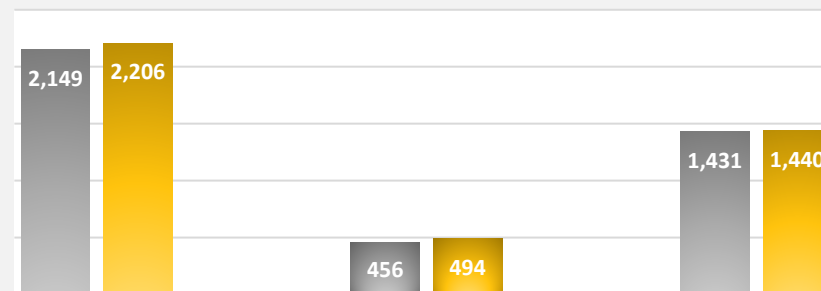
DAILY OIL PRODUCTION: BBL/D

■ 4Q 2022 ■ 1Q 2023



DAILY PRODUCTION: BOE/D ⁽¹⁾

■ 4Q 2022 ■ 1Q 2023

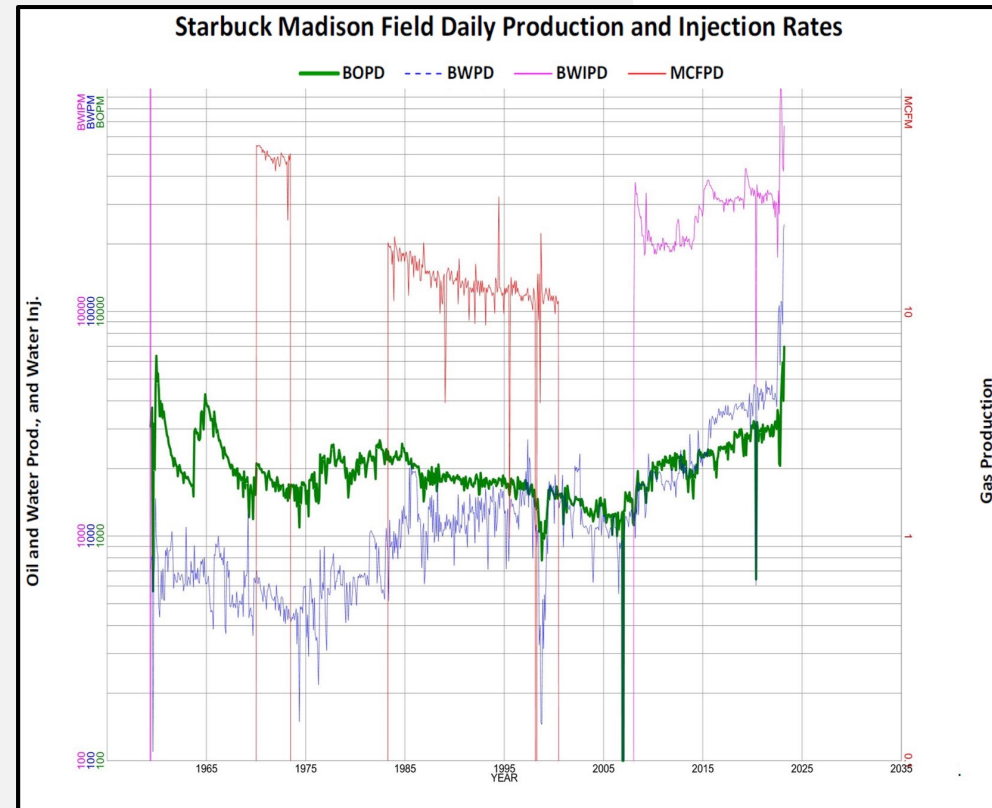


(1) BOE - Barrel of oil equivalent, determined using a ratio of 6 Mcf of natural gas equal to one barrel of oil equivalent.

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

Starbuck Field

- Strong waterflood initial response producing at 7% incline in 2022
- Producing from the Mississippian Madison at an average depth of 3,400'
- 2022 Pre-Pilot production ~3,000 barrels/month
- Current Post Pilot Production ~ 7,000 bbls/month
 - Post Pilot Production still being tied in
 - Waterflood expected to have further Production increases
- Facility infrastructure to be upgraded in Phase 2
- 13 Producing wells and 5 injectors
- WI ~96%, NRI ~82.6%

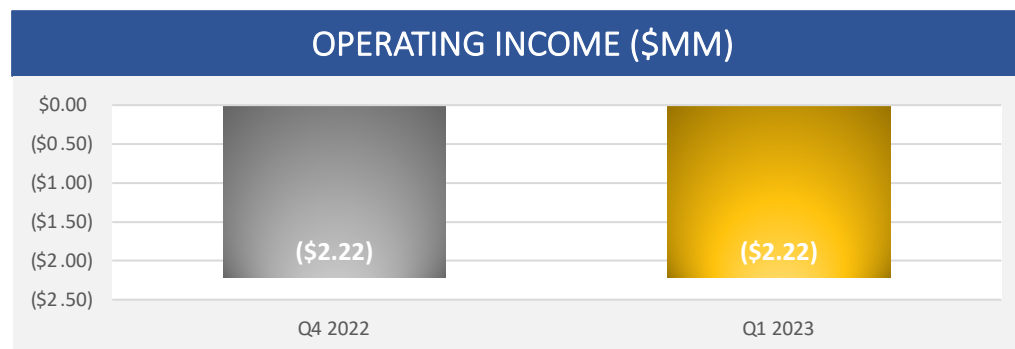
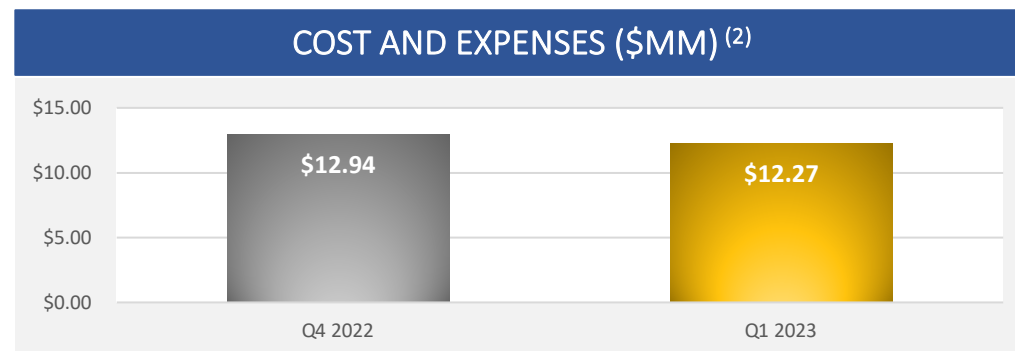
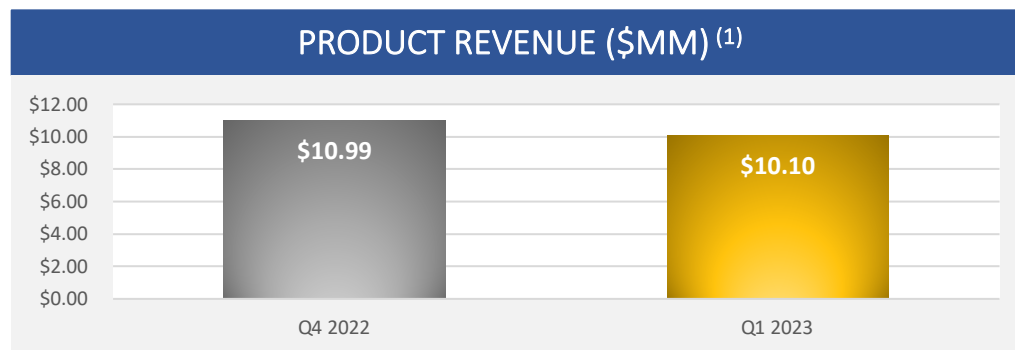


Financial Update



Financial Performance

- Increase in quarter over quarter net per day sales volumes, lower product revenue due to price realizations
 - Acquisitions
 - Field Enhancements
 - New wells
- Positioned for commodity price improvements in 2023 and 2024
 - Delaying a portion of gas production until gas price improves
 - ~85% production not hedged

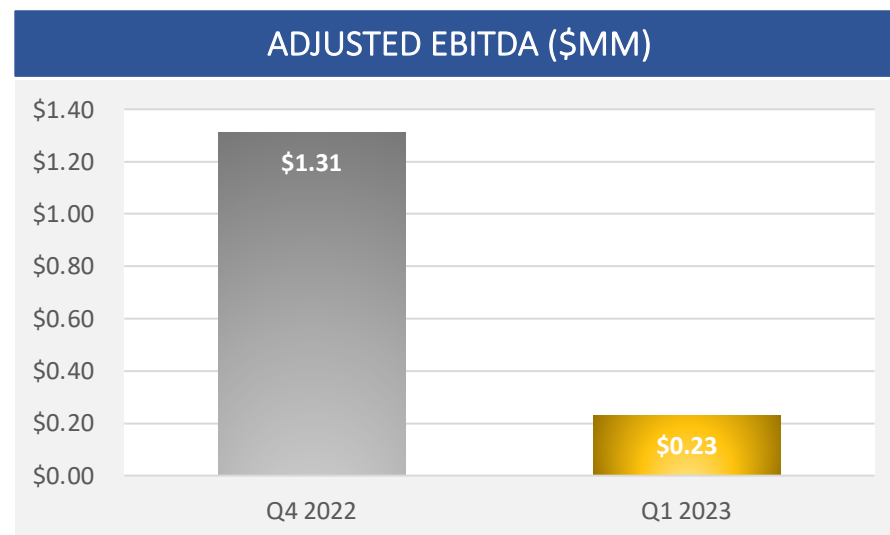
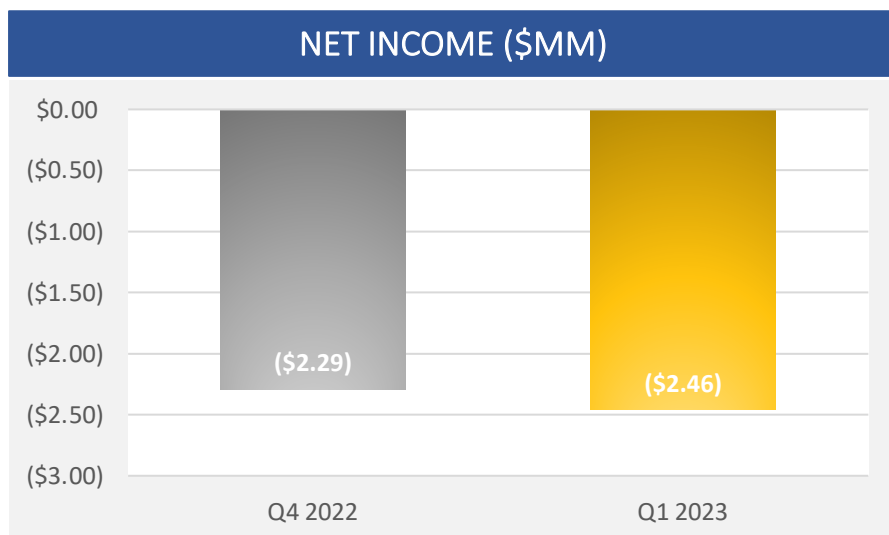
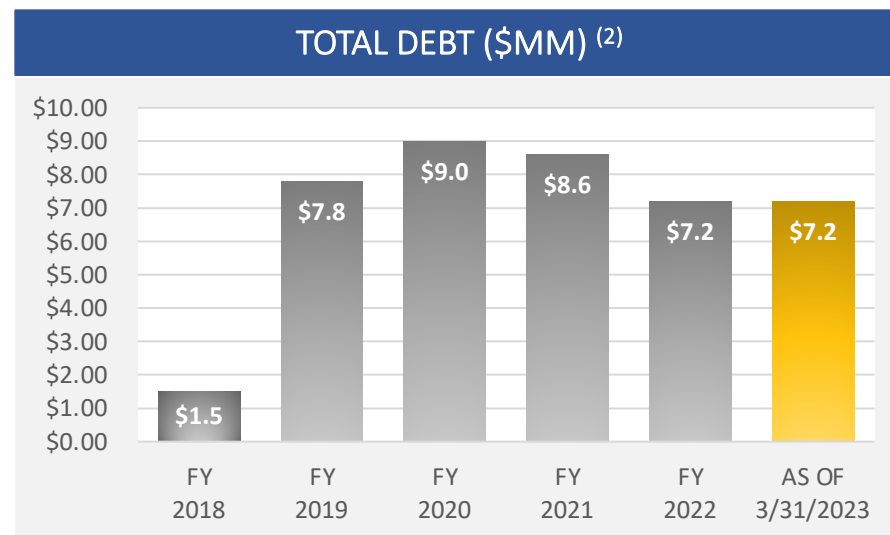


(1) Product Revenue excludes: Other Revenue and Gain (Loss) on Derivatives

(2) Cost and Expenses includes: Lease Operating Expense, Production & Ad Valorem Taxes, DD&A, Accretion of Asset Retirement Obligation, Impairment and G&A

Financial Performance

MARKET DATA		MAY 16, 2023
Symbol	NYSE American: EP	
Share Price	\$9.79	
52 Week Range	\$8.00-22.76	
Market Cap	\$219.713 mm	
Common Shares Outstanding ⁽¹⁾	22.1 mm	
Insider Holdings	~49%	



(1) This represents 3/31/2023 Common Shares Outstanding

(2) Includes short term and long term debt



THANK YOU

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Mike Morrisett

President & CEO
Director



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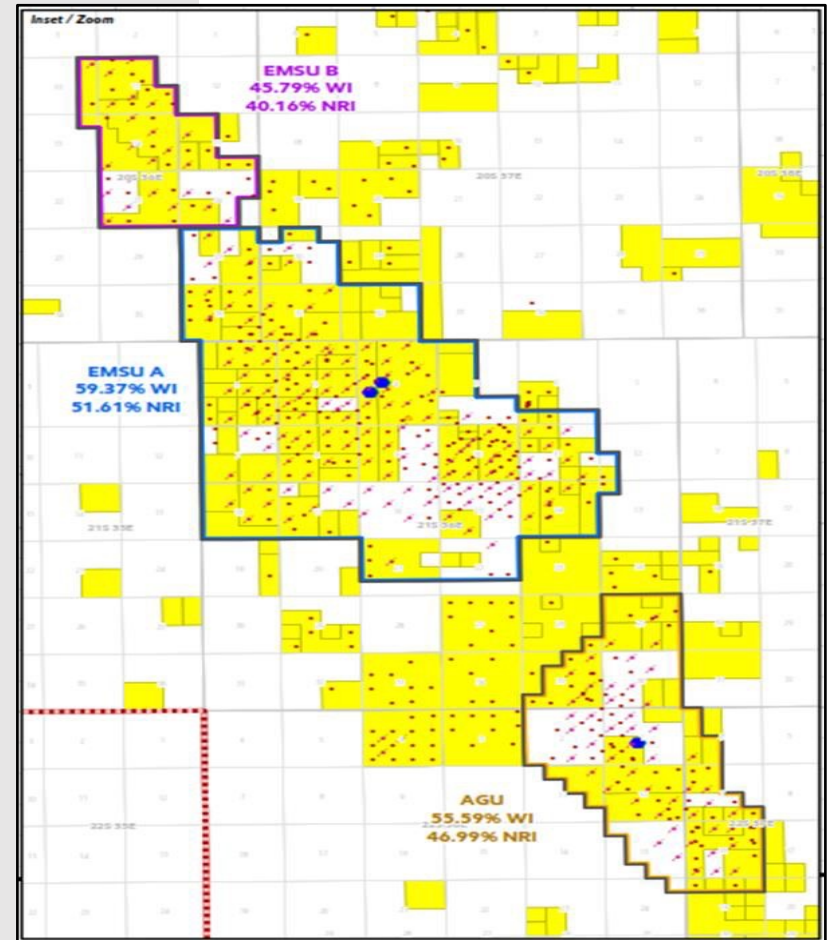
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Appendix



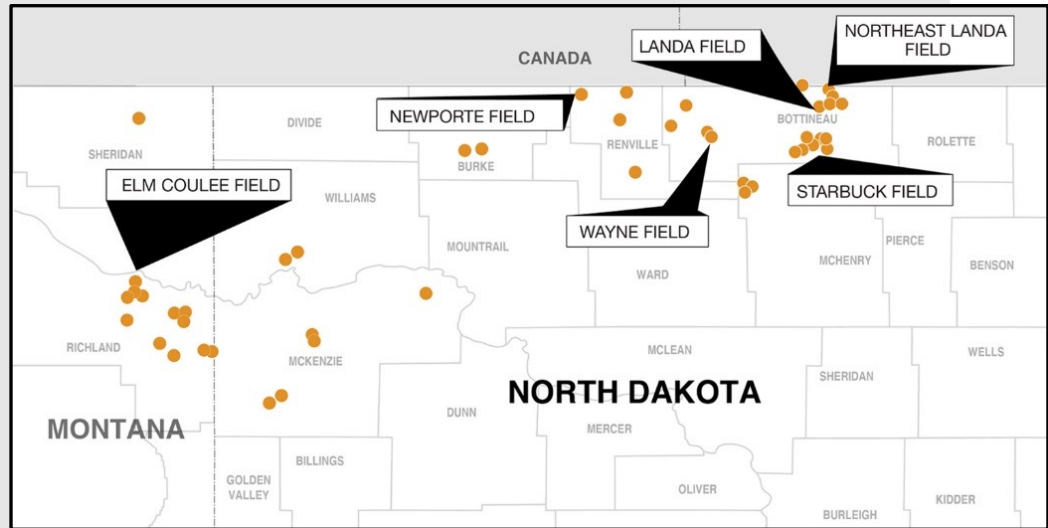


- Purchased from Exxon/XTO in May 2021
- Contiguous 48,000 gross acre position in prolific Central Basin Platform of Lea County, NM
- Substantial oil in place with additional recovery potential from infills and waterflood optimization
- Upgrading field systems





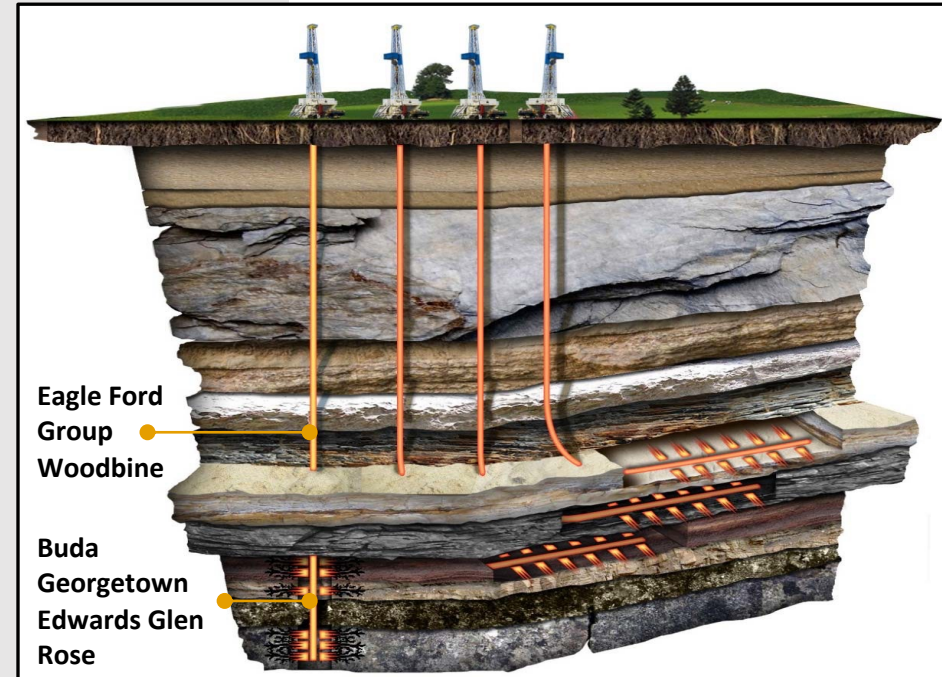
- Large working interest in several prolific fields centered around Bottineau County and Elm Coulee Field in Richland County, Montana
- Production gained from 3,000 bbls/mon. to 7,000 bbls/mon. on a small pilot program. Vast capacity to increase at Starbuck
- We have identified strong upside in other Fields for 2023 and 2024 for Pilot and drilling increases.



- 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 2023 capital expenditure program in Starbuck Field focused on increasing production and reserves

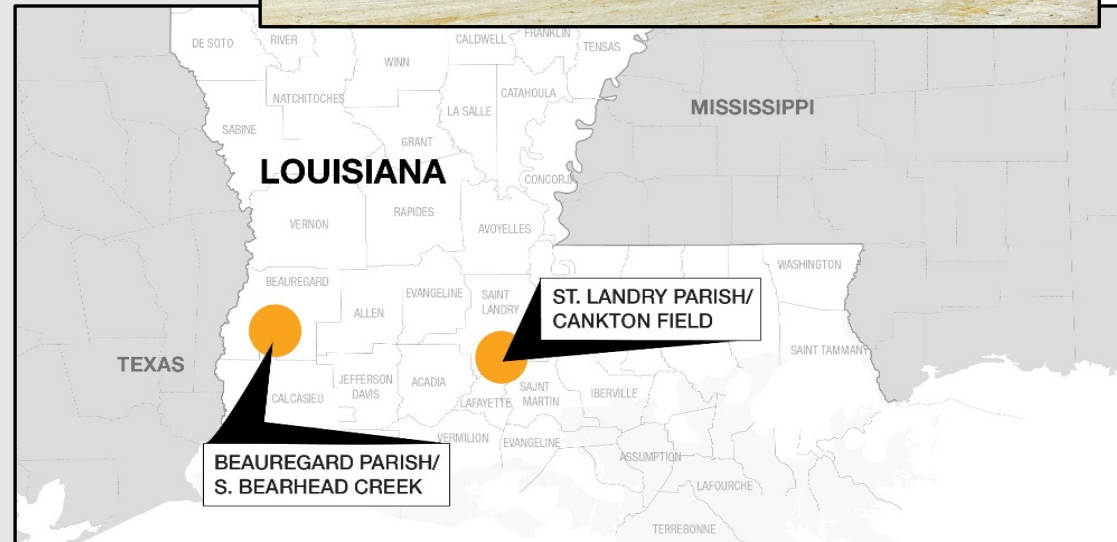


- Principal producing asset in the Fort Trinidad Field in Houston and Madison Counties, Texas
- **Over 30,000 net acres held-by-production**
- Stacked pays in multiple geologic horizons
- **Well reactivation program underway with focus on bypassed pay**
- Evaluating in-field locations





- Oil weighted production in St. Landry and Beauregard Parishes, Louisiana
- Projects currently focused on increasing infrastructure to expand the behind-pipe reserves & production at a lower LOE



Adjusted EBITDA Reconciliation



QUARTERLY					
	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Net Income (Loss)	3,623,427	5,534,280	215,941	(2,289,519)	(2,459,591)
Add Back:					
Interest Expense	110,648	111,785	125,330	161,777	237,299
DD&A	434,446	455,799	539,543	519,403	622,489
Accretion of Asset Retirement Obligation	330,000	336,488	342,619	348,799	401,275
Impairment expense	-	-	-	936,620	-
Amortization of right of use assets	39,706	50,901	44,627	128,613	76,225
EBITDA	4,538,227	6,489,253	1,268,060	(194,307)	(1,122,303)
Adjustments:					
Stock based compensation	376,284	486,903	809,641	1,043,929	949,639
(Gain) loss on derivatives	112,321	23,893	(42,474)	294,190	66,823
Settlement on or Purchase of Derivative Instruments	(83,260)	(77,631)	(83,926)	(15,449)	(41,187)
CEO Severance expense	-	-	-	-	374,820
Write off of JDA note receivable	-	-	1,399,030	-	-
XTO final settlement	-	-	1,448,363	-	-
Settlement and fees related to Texas sales tax audit	650,000	439,318	-	180,040	-
Adjusted EBITDA	5,593,572	7,361,737	4,798,694	1,308,403	227,792

Statement of Operations (Condensed)



QUARTERLY	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Revenue:					
Oil Sales	10,416,422	13,329,366	11,501,521	9,731,245	8,938,715
Gas Sales ⁽¹⁾	883,902	1,321,896	1,526,148	802,425	656,035
Natural Gas Liquids ("NGLs") Sales ⁽¹⁾	1,215,494	1,041,136	945,317	457,504	504,954
Total Product Revenues	12,515,818	15,692,398	13,972,986	10,991,174	10,099,704
Other	24,043	24,913	22,921	30,552	19,364
Gain (Loss) on Derivatives	(112,321)	(23,893)	42,474	(294,190)	(66,823)
Total Revenue	12,427,540	12,693,418	14,038,381	10,727,536	10,052,245
Costs and Expenses:					
Lease Operating Expense	4,572,401	4,656,901	7,751,755	6,602,984	6,520,163
Production and Ad Valorem Taxes	901,238	1,137,841	1,112,246	792,141	758,114
Depletion, Depreciation & Amortization	434,446	455,799	539,543	519,403	622,489
Accretion of Asset Retirement Obligation	330,000	336,488	342,619	348,799	401,275
Impairment	-	-	-	936,620	-
General and Administrative	2,079,102	2,795,548	2,040,418	2,699,880	3,023,279
Stock based compensation	376,278	486,904	809,641	1,043,718	949,639
Total General and Administrative	2,455,380	3,282,452	2,850,059	3,743,598	3,972,918
Total Cost and Expenses	8,693,465	9,869,481	12,596,222	12,943,545	12,274,959
Operating Income (Loss)	3,734,075	5,823,937	1,442,159	(2,216,009)	(2,222,714)
Other Income and (Expense):					
Interest Expense	(110,648)	(111,785)	(125,330)	(161,777)	(237,299)
Other Income (Expense)	-	(177,872)	(1,100,888)	297,165	422
Income (Loss) before Taxes	3,623,427	5,534,280	215,941	(2,080,621)	(2,459,591)
Income Tax (Provision) Benefit	-	-	-	(208,898)	-
Net Income (Loss)	3,623,427	5,534,280	215,941	(2,289,519)	(2,459,591)

(1) Presentation for 1Q 2022, 2Q 2022, 3Q 2022 and 4Q 2022 reflects reclassification of gathering and processing costs from lease operating expense, which is consistent with the presentation of results for Q1 2023

Operating Data (Condensed)



QUARTERLY	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Net Production Volumes:					
Oil (Bbl)	114,255	123,167	123,804	121,592	120,257
Natural gas (Mcf)	213,945	208,363	231,522	221,818	231,218
Natural gas liquids (Bbl)	40,152	38,518	42,989	39,151	39,756
Total (Boe)	190,064	196,412	205,380	197,712	198,549
Average daily equivalent sales (Boe/d)	2,112	2,158	2,232	2,149	2,206
Average Price per Unit:					
Oil (\$/Bbl)	\$91.17	\$108.22	\$92.90	\$80.03	\$74.33
Natural gas (\$/Mcf)	\$4.13	\$6.34	\$6.59	\$3.62	\$2.84
Natural gas liquids (\$/Bbl)	\$30.27	\$27.03	\$21.99	\$11.69	\$12.70
Total (\$/Boe)	\$65.85	\$79.90	\$68.03	\$55.59	\$50.87
Operating Costs and Expenses per BOE:					
Lease operating expense	\$24.06	\$23.71	\$37.74	\$33.40	\$32.84
Production and ad valorem taxes	\$4.74	\$5.79	\$5.42	\$4.01	\$3.82
Depreciation, Depletion, Amortization	\$2.29	\$2.32	\$2.63	\$2.63	\$3.14
Accretion of Asset Retirement Obligation	\$1.73	\$1.71	\$1.67	\$1.76	\$2.02
General & administrative (including stock based compensation)	\$12.92	\$16.71	\$13.88	\$18.93	\$20.01
General & administrative (excluding stock based compensation)	\$10.94	\$14.23	\$9.93	\$13.65	\$15.23