



Empire Petroleum Corporation

2ND 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

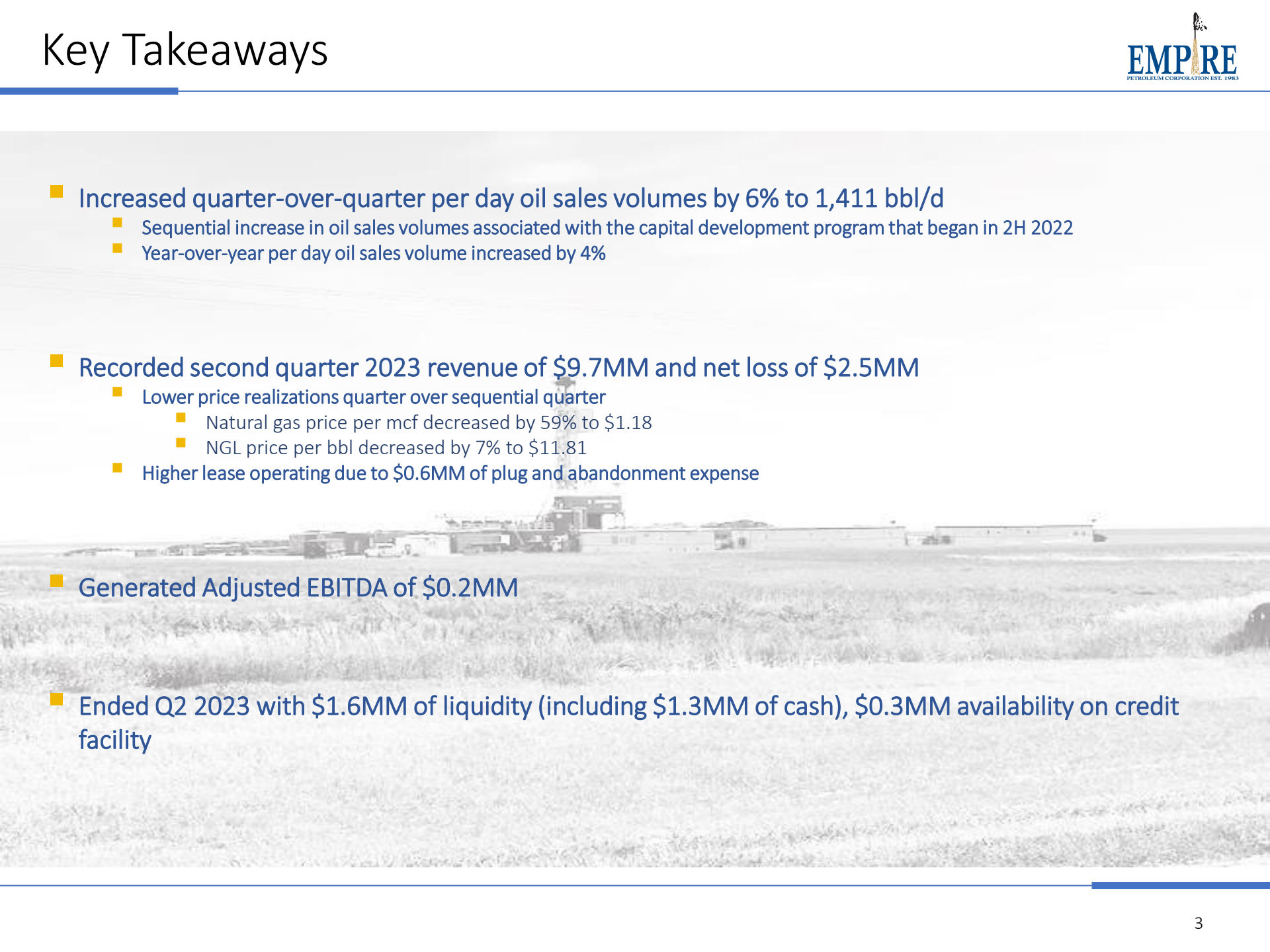
Non-GAAP Reconciliation

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 quarter-over-quarter per day oil sales volumes by 6% to 1,411 bbl/d
 - Sequential increase in oil sales volumes associated with the capital development program that began in 2H 2022
 - Year-over-year per day oil sales volume increased by 4%
 - Recorded second quarter 2023 revenue of \$9.7MM and net loss of \$2.5MM
 - Lower price realizations quarter over sequential quarter
 - Natural gas price per mcf decreased by 59% to \$1.18
 - NGL price per bbl decreased by 7% to \$11.81
 - Higher lease operating due to \$0.6MM of plug and abandonment expense
 - Generated Adjusted EBITDA of \$0.2MM
 - Ended Q2 2023 with \$1.6MM of liquidity (including \$1.3MM of cash), \$0.3MM availability on credit facility

Operations Update



Operating Strategy – Forward Plan

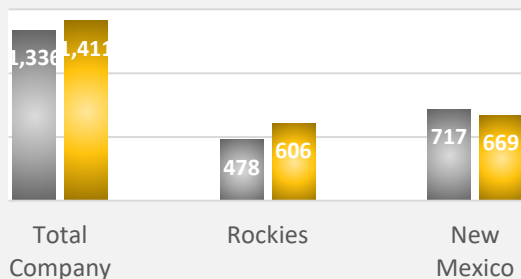
- **Ensure production growth with a cost-effective capital program in 2023 and 2024**
 - Apply lessons learned from multiple testing methods during the pilot programs in 2022 to the development phase
- **We anticipate solid organic production increase on our core oil assets**
- **Focus on waterflood performance and efficient RTP on wells**
- **2023 will begin the first major drilling program for Empire**
 - Starbuck development consists of 10-14 wells
- **Pilot drilling program in New Mexico expected to begin in 2024**

2023 STARBUCK DEVELOPMENT PROGRAM

TIMING	Began late September and ending in Q4
AVG LATERAL LENGTH	~2,300 ft
WELL COUNTS	10 – 14
AVG CAPITAL PER WELL	\$1.6 - \$1.8 MM
TOTAL CAPITAL	\$20 – 22MM

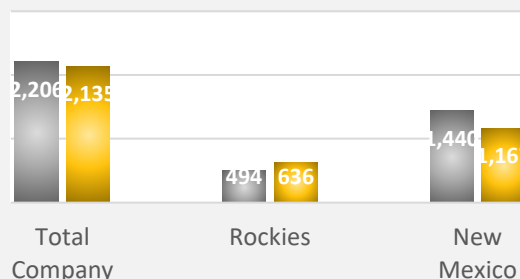
DAILY OIL PRODUCTION: BBL/D

■ 1Q 2023 ■ 2Q 2023



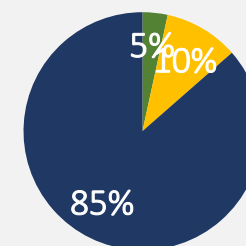
DAILY PRODUCTION: BOE/D ⁽¹⁾

■ 1Q 2023 ■ 2Q 2023



CAPITAL SPEND BY PROPERTY

■ TEXAS/LA ■ NEW MEXICO ■ ROCKIES



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

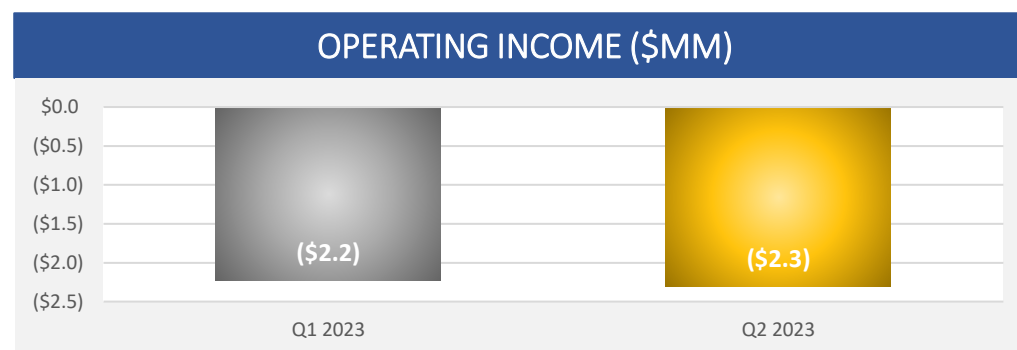
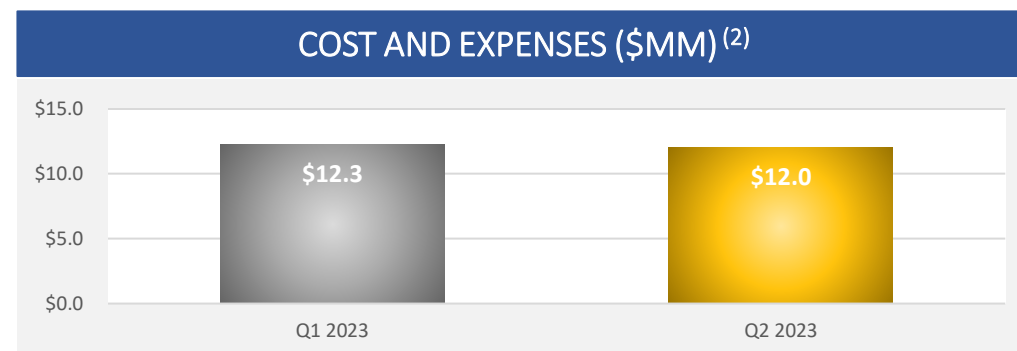
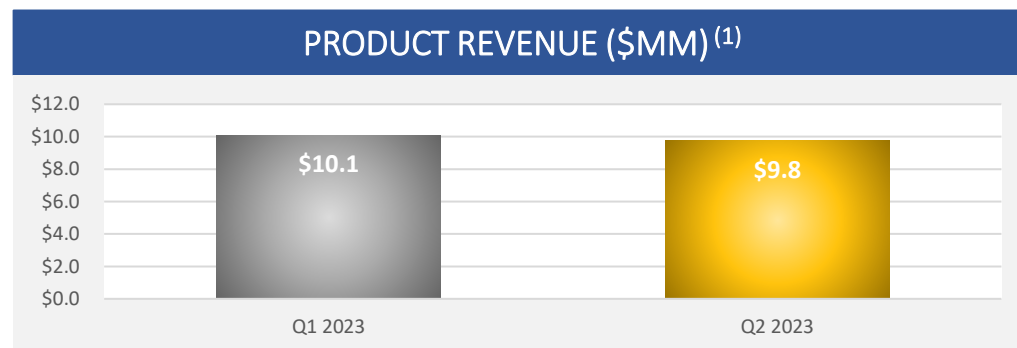
(2) Total Company includes production from Rockies, New Mexico, Texas, Louisiana

Financial Update



Financial Performance

- Increase in quarter over quarter net per day oil sales volumes, lower product revenue due to price realizations
- Positioned for commodity price improvements in 2023 and 2024
 - Delaying a portion of gas production until gas price improves
 - ~80% 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, and G&A

Financial Performance

MARKET DATA

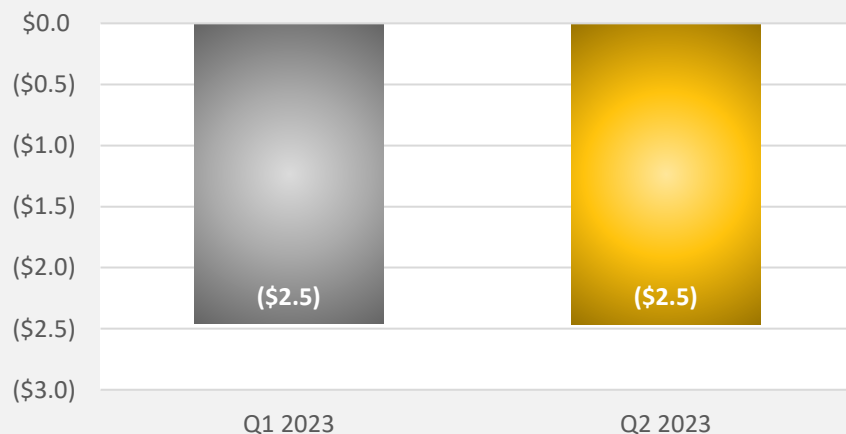
OCTOBER 3, 2023

Symbol NYSE American	EP (listed March 2022)
Part of Russell 3000® and Russell 2000® Indexes	
Share Price	\$9.06
52 Week Range	\$7.99-16.95
Market Cap ⁽¹⁾	\$207.4 mm
Common Shares Outstanding ⁽²⁾	22.9 mm
Insider Holdings	~45%
Auditors	Grant Thornton

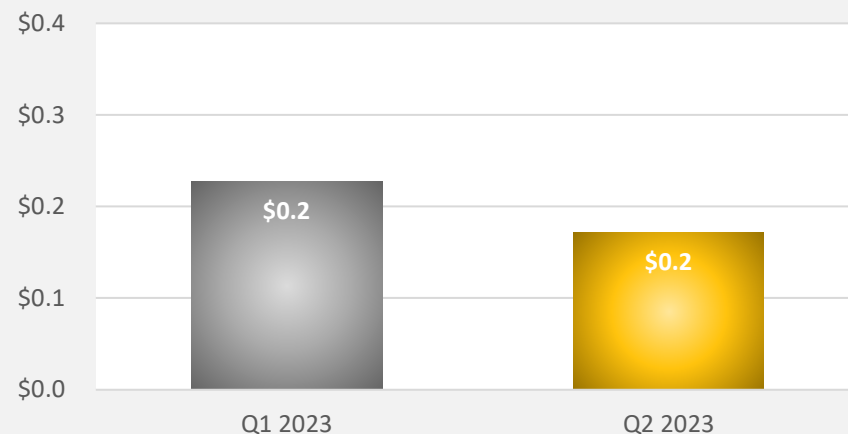
TOTAL DEBT (\$MM) ⁽³⁾



NET INCOME (\$MM)



ADJUSTED EBITDA (\$MM) ⁽⁴⁾



(1) Market Cap based on stock price at 10/3/2023 and common shares outstanding as of 9/29/2023

(2) This represents 9/29/2023 Common Shares Outstanding

(3) Includes short term and long term debt

(4) Non-GAAP Adjusted EBITDA defined on the Disclaimer slide with further reconciliation details on slide 12



THANK YOU

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Mike Morrisett

President & CEO
Director



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Appendix



Adjusted EBITDA Reconciliation ⁽¹⁾

QUARTERLY						
	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Net Income (Loss)	3,623,427	5,534,280	215,941	(2,289,519)	(2,459,591)	(2,464,909)
Add Back:						
Interest Expense	110,648	111,785	125,330	161,777	237,299	184,887
DD&A	434,446	455,799	539,543	519,403	622,489	711,042
Accretion of Asset Retirement Obligation	330,000	336,488	342,619	348,799	401,275	405,361
Impairment expense	-	-	-	936,620	-	-
Amortization of right of use assets	39,706	50,901	44,627	128,613	76,225	87,560
EBITDA	4,538,227	6,489,253	1,268,060	(194,307)	(1,122,303)	(1,076,059)
Adjustments:						
Stock based compensation	376,284	486,903	809,641	1,043,929	949,639	1,180,806
(Gain) loss on derivatives	112,321	23,893	(42,474)	294,190	66,823	66,657
Settlement on or Purchase of Derivative Instruments	(83,260)	(77,631)	(83,926)	(15,449)	(41,187)	-
CEO Severance (including employer taxes)	-	-	-	-	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	171,404

(1) Non-GAPP Adjusted EBITDA defined on the Disclaimer slide

Statement of Operations (Condensed)

QUARTERLY						
	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Revenue:						
Oil Sales	10,416,422	13,329,366	11,501,521	9,731,245	8,938,715	9,147,611
Gas Sales ⁽¹⁾	883,902	1,321,896	1,526,148	802,425	656,035	248,686
Natural Gas Liquids ("NGLs") Sales ⁽¹⁾	1,215,494	1,041,136	945,317	457,504	504,954	362,181
Total Product Revenues	12,515,818	15,692,398	13,972,986	10,991,174	10,099,704	9,758,478
Other	24,043	24,913	22,921	30,552	19,364	18,361
Gain (Loss) on Derivatives	(112,321)	(23,893)	42,474	(294,190)	(66,823)	(66,657)
Total Revenue	12,427,540	15,693,418	14,038,381	10,727,536	10,052,245	9,710,182
Costs and Expenses:						
Lease Operating Expense	4,572,401	4,656,901	7,751,755	6,602,984	6,520,163	7,099,000
Production and Ad Valorem Taxes	901,238	1,137,841	1,112,246	792,141	758,114	721,275
Depletion, Depreciation & Amortization	434,446	455,799	539,543	519,403	622,489	711,042
Accretion of Asset Retirement Obligation	330,000	336,488	342,619	348,799	401,275	405,361
Impairment	-	-	-	936,620	-	-
<i>General and Administrative</i>	<i>2,079,102</i>	<i>2,795,548</i>	<i>2,040,418</i>	<i>2,699,880</i>	<i>3,023,279</i>	<i>1,894,204</i>
<i>Stock based compensation</i>	<i>376,278</i>	<i>486,904</i>	<i>809,641</i>	<i>1,043,718</i>	<i>949,639</i>	<i>1,180,806</i>
Total General and Administrative	2,455,380	3,282,452	2,850,059	3,743,598	3,972,918	3,075,010
Total Cost and Expenses	8,693,465	9,869,481	12,596,222	12,943,545	12,274,959	12,011,688
Operating Income (Loss)	3,734,075	5,823,937	1,442,159	(2,216,009)	(2,222,714)	(2,301,506)
Other Income and (Expense):						
Interest Expense	(110,648)	(111,785)	(125,330)	(161,777)	(237,299)	(184,887)
Other Income (Expense)	-	(177,872)	(1,100,888)	297,165	422	21,484
Income (Loss) before Taxes	3,623,427	5,534,280	215,941	(2,080,621)	(2,459,591)	(2,464,909)
Income Tax (Provision) Benefit	-	-	-	(208,898)	-	-
Net Income (Loss)	3,623,427	5,534,280	215,941	(2,289,519)	(2,459,591)	(2,464,909)

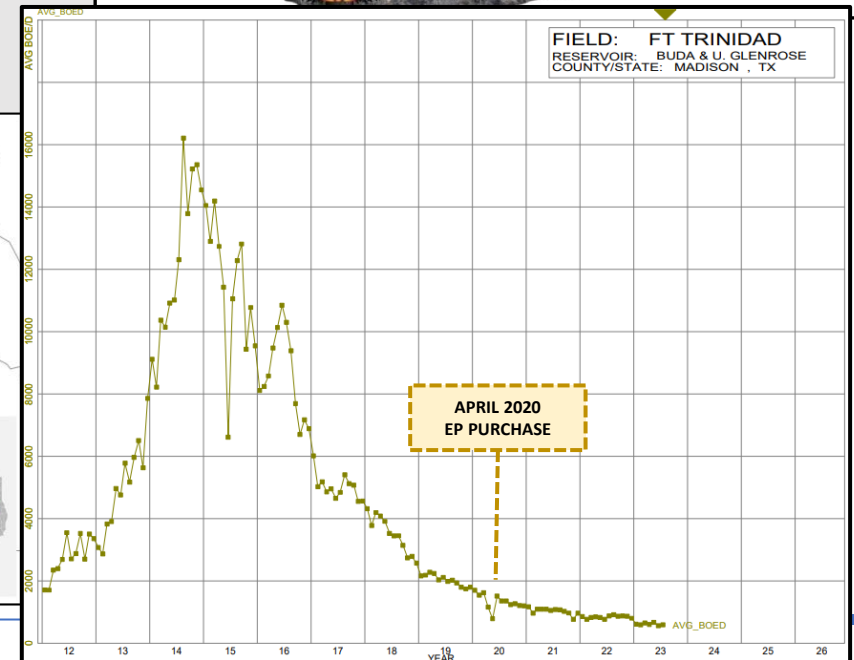
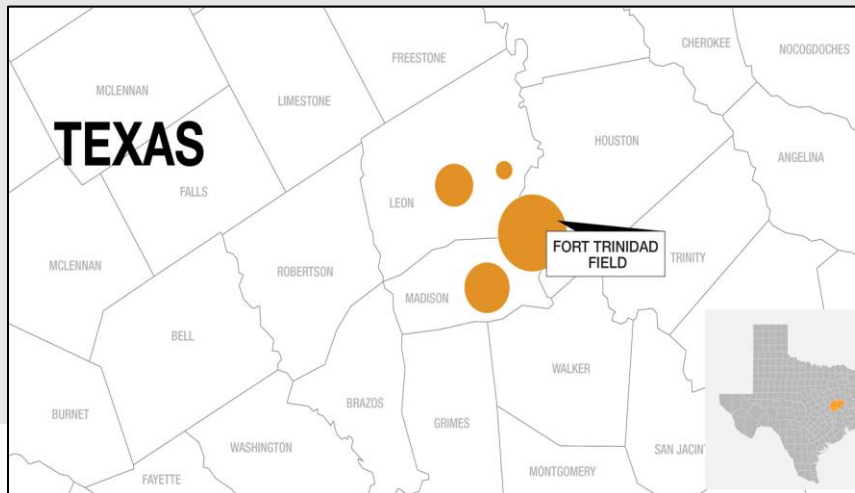
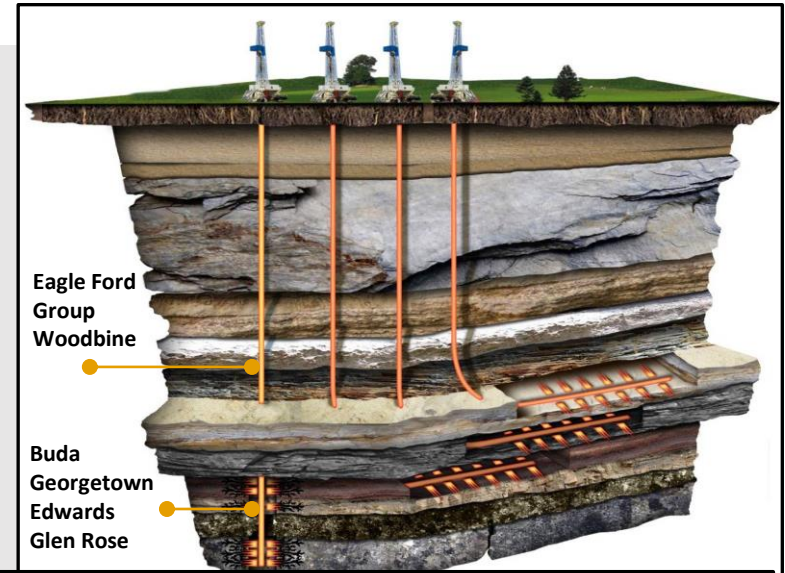
(1) Presentation for 1Q 2022, 2Q 2022, 3Q 2022 and 4Q 2022 reflects reclassification of gathering and processing costs from lease operating expense, which is consistent with the presentation of results for Q1 2023

Operating Data (Condensed)

QUARTERLY	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Net Production Volumes:						
Oil (Bbl)	114,255	123,167	123,804	121,592	120,257	128,413
Natural gas (Mcf)	213,945	208,363	231,522	221,818	231,218	211,293
Natural gas liquids (Bbl)	40,152	38,518	42,989	39,151	39,756	30,678
Total (Boe)	190,064	196,412	205,380	197,712	198,549	194,306
Average daily equivalent sales (Boe/d)	2,112	2,158	2,232	2,149	2,206	2,135
Average Price per Unit:						
Oil (\$/Bbl)	\$91.17	\$108.22	\$92.90	\$80.03	\$74.33	\$71.24
Natural gas (\$/Mcf)	\$4.13	\$6.34	\$6.59	\$3.62	\$2.84	\$1.18
Natural gas liquids (\$/Bbl)	\$30.27	\$27.03	\$21.99	\$11.69	\$12.70	\$11.81
Total (\$/Boe)	\$65.85	\$79.90	\$68.03	\$55.59	\$50.87	\$50.22
Operating Costs and Expenses per BOE:						
Lease operating expense	\$24.06	\$23.71	\$37.74	\$33.40	\$32.84	\$36.54
Production and ad valorem taxes	\$4.74	\$5.79	\$5.42	\$4.01	\$3.82	\$3.71
Depreciation, Depletion, Amortization	\$2.29	\$2.32	\$2.63	\$2.63	\$3.14	\$3.66
Accretion of Asset Retirement Obligation	\$1.73	\$1.71	\$1.67	\$1.76	\$2.02	\$2.09
General & administrative (including stock based compensation)	\$12.92	\$16.71	\$13.88	\$18.93	\$20.01	\$15.83
General & administrative (excluding stock based compensation)	\$10.94	\$14.23	\$9.93	\$13.65	\$15.23	\$9.75



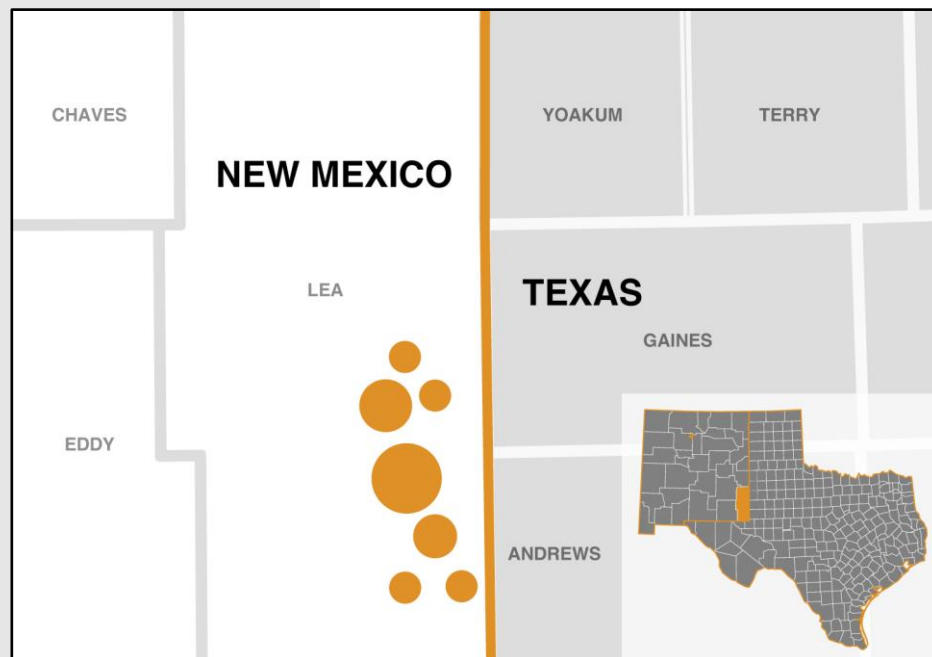
- Current BOE per day: 313 ⁽¹⁾
- Principal producing asset in the Fort Trinidad Field in Houston and Madison Counties, Texas
- Over 27,000 net acres held-by-production
- Stacked pays in multiple geologic horizons
- Well reactivation program underway with focus on bypassed pay
- Evaluating in-field locations



(1) Barrel composition based on 2Q 2023 per day sales volumes



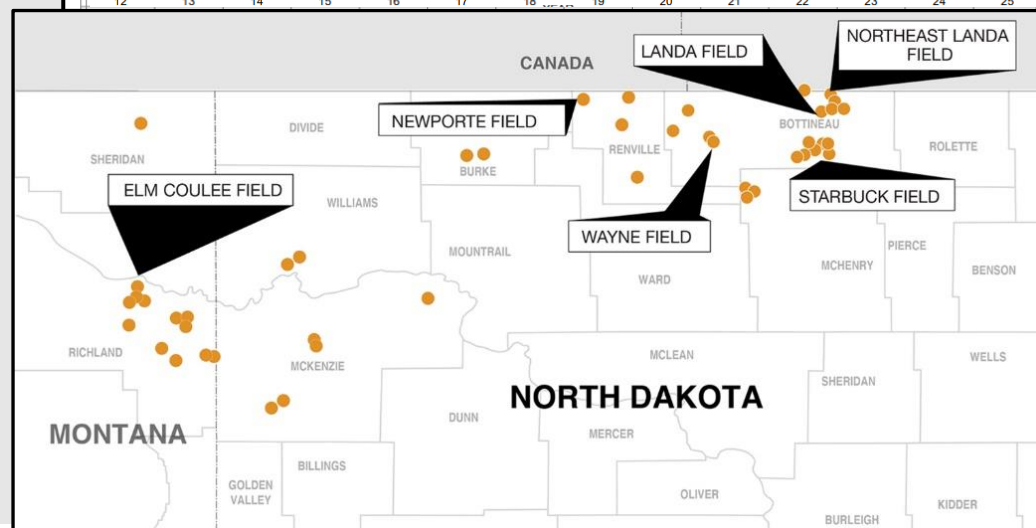
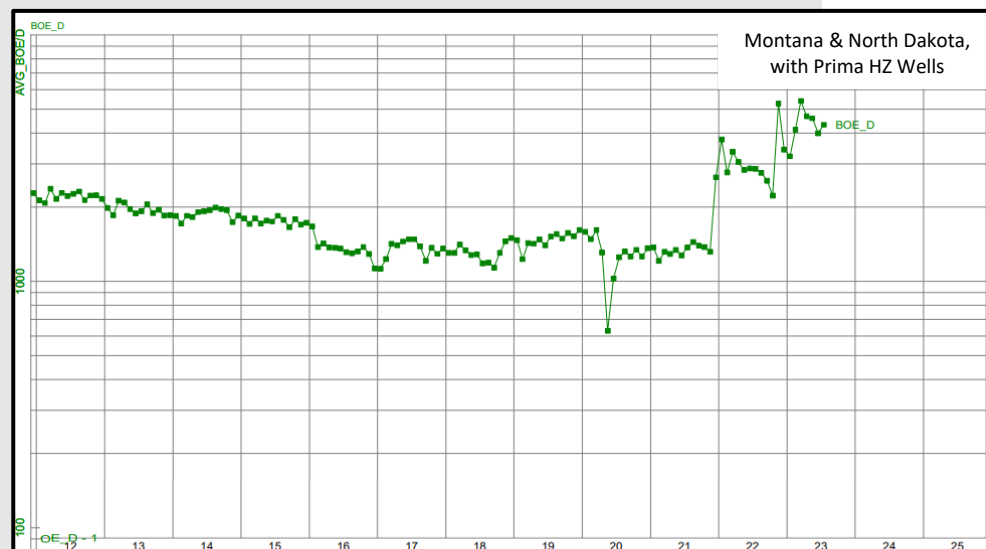
- Current BOE per day: 1,167 ⁽¹⁾
- Purchased from Exxon/XTO in May 2021
- Contiguous 48,000 gross acre position in prolific Central Basin Platform, Permian, of Lea County, NM
- Substantial oil in place with additional recovery potential from infills and waterflood optimization
- Upgrading field systems
- Primary, secondary units with CO₂ potential
- Pilot to begin in 2024



(1) Barrel composition based on 2Q 2023 per day sales volumes



- **Current BOE per day: 638 ⁽¹⁾**
- 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.**
- **We have identified strong upside in other fields for 2023 and 2024 for Pilot and drilling increases of up to 60+ wells**
- 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**
- Capital expenditure program in Starbuck Field consisting of 10-14 wells focused on increasing production and reserves



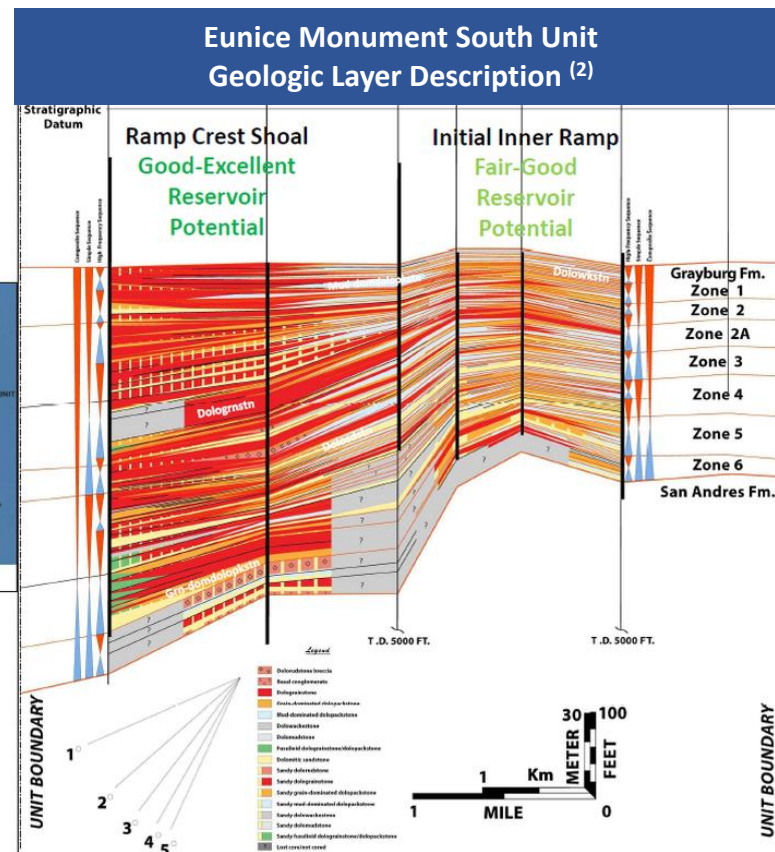
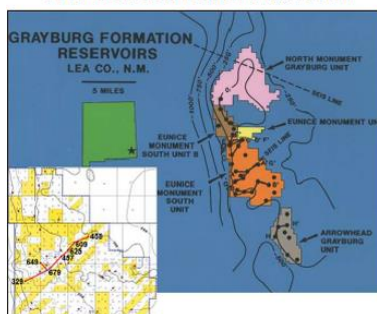
(1) Barrel composition based on 2Q 2023 per day sales volumes

Applying Good Reservoir Management Practice

Empire proactively targets low risk conventional reservoirs which have large upside potential. The Empire operated Eunice Monument and Arrowhead fields contained 2 billion barrels OOIP (including 0.9 billion barrels ROZ ⁽¹⁾) and has recovered only 10.3%.

- Conventional Grayburg / San Andres reservoirs are heterogeneous and require good reservoir management practices to maximize oil recovery.
- Most of the field is developed on 40 acre spacing and significant potential infill drilling.
- The Grayburg / San Andres reservoir requires conformance activities used in the late 1990's to maintain high oil production rates.
- By isolating high water production intervals and injecting the water where it is needed, oil production and reserve recovery can be increased.
- Expenditures are low to perform this work and operating costs can be reduced by reducing water injection where it is not needed.
- There is significant potential for improved ultimate oil recovery and net earnings.
- Enhanced waterflooding (infill wells, conformance) and CO₂ flooding will be used to double the oil recovery.

Eunice Monument South Unit Grayburg Reservoir NW Central Basin Platform



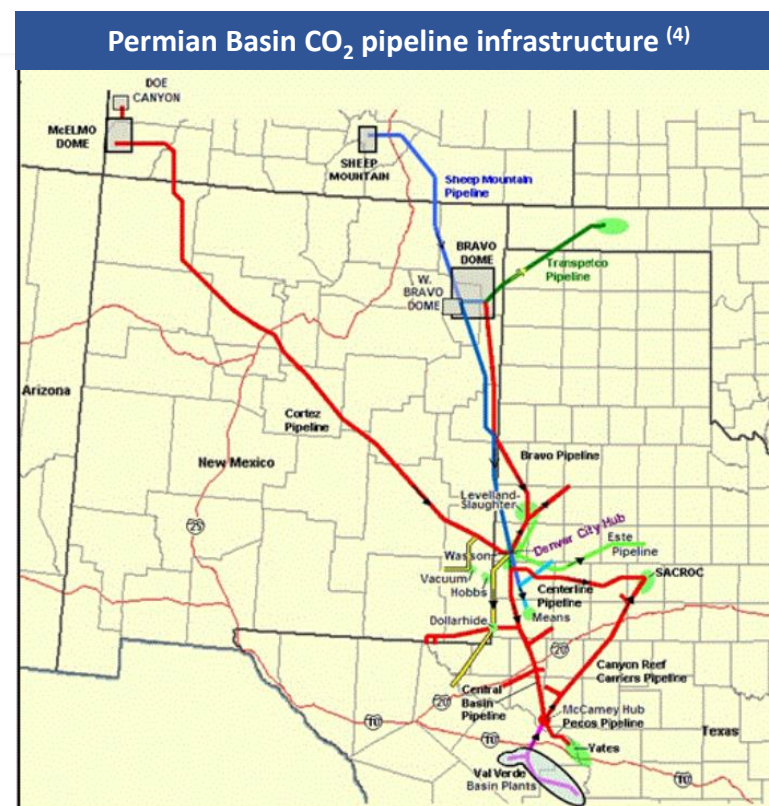
Potential Upside through EOR and CCUS Initiatives

EOR – ENHANCED OIL RECOVERY

- CO₂ flooding is a proven EOR technology with over 20 successful projects in the Grayburg / San Andres formation of the Permian Basin ⁽¹⁾.
- Southeast New Mexico infrastructure was extended to support CO₂ floods in the area, with CO₂ pipelines within 5-10 miles of the field.
- The Empire assets are part of the 2nd largest carbonate system in SE New Mexico, with Empire's Original Oil in place estimated at 2 billion barrels of 4.5 billion barrels total ⁽²⁾ ⁽³⁾.
- The Grayburg / San Andres unitized interval has recovered ~ 206 million bbls of oil (10.3% recovery factor) therefore the Company anticipates it can more than double cumulative oil production by applying enhanced waterflood (infill drilling, conformance work, etc.) and CO₂ flooding ⁽³⁾.
- 3rd party and in-house Petroleum Engineers estimate 250 to 300 million barrels of additional oil can be recovered, with technical limit of 570 million barrels ⁽³⁾.
- This material uplift in recoverable reserves clearly benefits all stakeholders.
- Empire's goal is to start a CO₂ pilot project at the Eunice Monument field in 2024.

CCUS – CARBON CAPTURE UTILIZATION AND SEQUESTRATION

- CCUS volumes within Empire's New Mexico assets have an estimated storage capacity of 22 trillion cubic feet CO₂;
- Empire's Permian assets possess similar reservoir rock properties to nearby CO₂ floods (Hobbs, Vacuum);
- Favorable U.S. tax credits (45-Q) support CCUS initiatives;
- International agencies focused on climate change endorse CCUS as one of the most important technologies to help achieve societal climate goals;
- Geographic and geologic rational for CCUS support Empire's Permian Basin EOR business plan, making our assets an attractive injection site for CO₂ volumes;
- Empire's Permian Basin core Grayburg/San Andres geology provides a natural " low-cost sink" for CO₂ storage.



(1) Producing CO₂, Other Gas, and Chemical EOR in US – Oil & Gas Journal – May 5, 2014

(2) Empire Petroleum Acquires Operated NM Oil and Gas Assets – Oil & Gas Journal – May 18, 2021

(3) Based on internal estimates

(4) A Review of the CO₂ Pipeline Infrastructure in the U.S. – DOE/NETL – 2014/168

Board of Directors



PHIL MULACEK

(OCTOBER 2021)

*Independent Chair
Operations Committee
Compensation Committee*



MICHAEL MORRISETT

(JANUARY 2015)

President & CEO



ANDREW LEWIS

(APRIL 2022)

*Audit Committee
Vice Admiral, US Navy (Retired)*



BEN MARCHIVE II

(OCTOBER 2021)

*Operations Committee
Senior Vice President of Cox Operating, LLC*



J. KEVIN VANN

(APRIL 2023)

*Audit Committee
Former CFO of WPX Energy Inc.*



MASON MATSCHKE

(APRIL 2021)

*Audit Committee
Compensation Committee
Partner and Chief Compliance Officer of Energy Evolution*

Management Team

MICHAEL MORRISETT (January 2015)

■ **President & Chief Executive Officer**

- 25+ years experience in investment banking and considerable experience in management of non-operated oil and gas operations
- Held several roles, including partner, at Total Energy Partner Funds, an investment fund engaged in the ownership of non-operated oil and gas working interests

LARRY FAULKNER (April 2023)

■ **Chief Financial Officer**

- 25+ years in the energy industry and served as Controller and CAO for WPX Energy, a publicly traded oil and gas exploration and production company with ~\$10B in assets prior to its merger with Devon Energy in 2021
- Holds a bachelors degree in accounting from Oklahoma State University, member of the American Institute of Certified Public Accountants and the Oklahoma Society of Certified Public Accountants

WILLIAM WEST (May 2023)

■ **Senior Vice President of Operations**

- Prior experience as Production Manager for Treadstone I, II, III; led the development of the Fort Trinidad field from 300 BOPD to 10,000 BOPD
- Holds a bachelors degree in petroleum engineering from Marietta College, Professional Engineer issued by the Wyoming State Board



ENVIRONMENTAL

- Good corporate citizenship is a key part of our cultural identity, which includes being positive stewards to the environment and the communities in which we operate.
- Our focus on minimizing our operational impact is multi-faceted, including seeking to reduce air emissions, prevent spills, and safeguard local water supplies, as well as utilizing advanced drilling, completion and operations technologies that minimize our environmental impact.
- Our ongoing programs are designed to not only reduce our operational impacts but also improve efficiency, lower costs and reduce risk. This further promotes the long-term sustainability of our business as we continue to enhance our relationships with the communities in which we operate.

SOCIAL

- Our success starts with our people who consistently operate with the principles of honesty, integrity, and accountability, and unceasingly align our interests with our partners.
- Our employees are committed to the prudent growth of our organization and adhere to the values expected by our stakeholders. In accordance, we place strong emphasis on attracting, hiring, and developing a talented and diverse workforce, and endeavor to support our employees through market-competitive compensation and benefit programs.
- We treat our employees with respect and recognize that a diverse workforce provides the best opportunity to obtain unique perspectives, experiences and ideas to help our business succeed. As such, we strive to maintain a work culture that treats employees fairly and with respect, promotes inclusivity, and provides equal opportunities for professional growth and advancement based on merit.

GOVERNANCE

- Supported by the oversight and guidance of our executive management team, our Board of Directors is responsible for our strategy and governance.
- We leverage corporate governance practices that promote transparency and accountability as key tenants to our long-term success. We are committed to operating with sound corporate governance practices and hold ourselves accountable, including ensuring that all our business interactions are performed with honesty and integrity.
- We interact with all partners and parties with the highest legal and ethical standards. In support of our efforts, we have adopted fundamental governance policies applicable to our team members and others with whom we do business.