



Empire Petroleum Corporation

4TH QUARTER 2022



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.

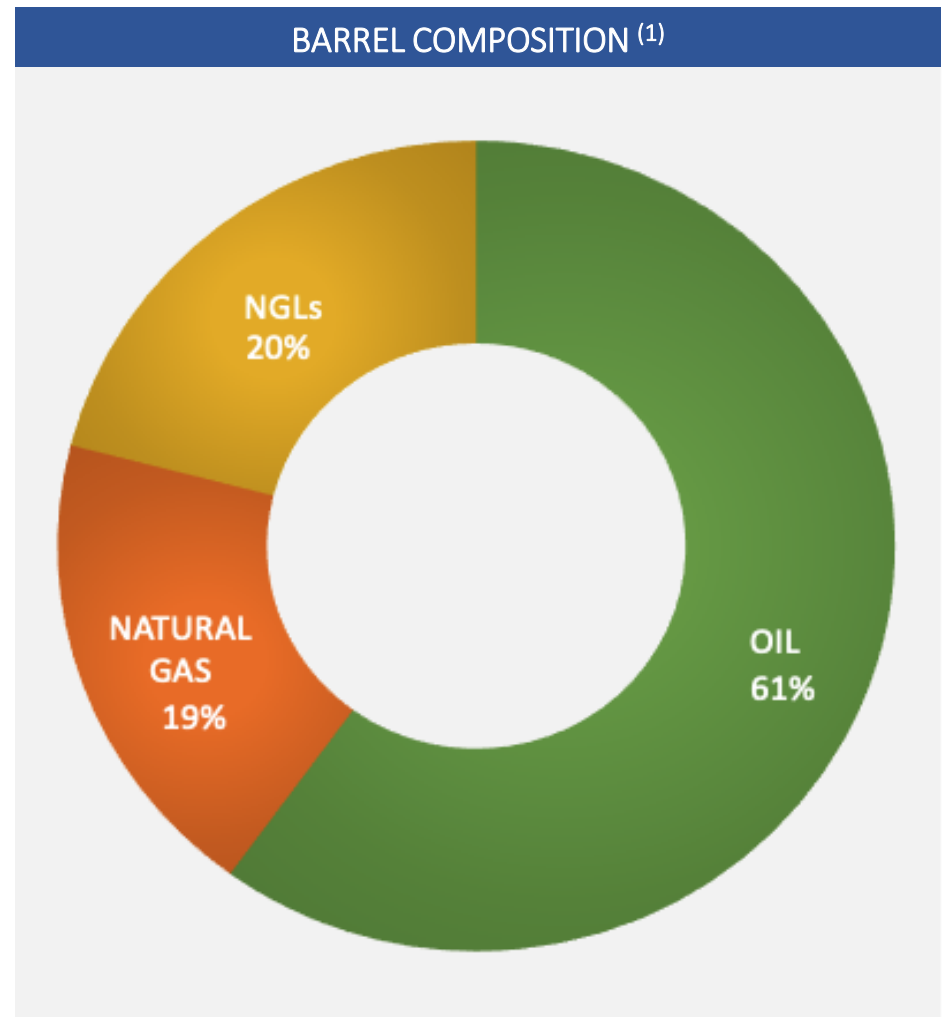
Key Takeaways

- Recorded full year revenue of \$52.9MM and net income of \$7.1MM
 - 4Q 2022 revenue of \$10.7MM
- Ended 2022 in a strong financial position with \$12.2MM of liquidity (including \$11.9MM of cash), working capital of \$5.1MM and debt of \$7.2MM
- Increase of sales volumes by 46%, sequential year over year
- Net Debt now 2% of market capitalization
- Increase of Adjusted EBITDA by 231% sequential year over year

Operations Update

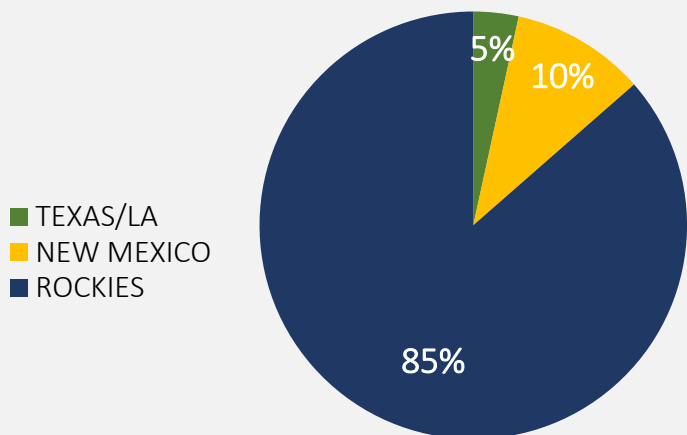


- Ensure production growth with a cost-effective capital program in 2023 and 2024
 - Apply lessons learned from multiple testing methods during the pilot programs in 2022 to the development phase
- We see solid organic production increase on our core oil assets
- Focus on waterflood performance and efficient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



(1) Barrel composition based on 4Q 2022 sales volumes

PRIORITY CAPITAL PROJECTS 2023



ROCKIES

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

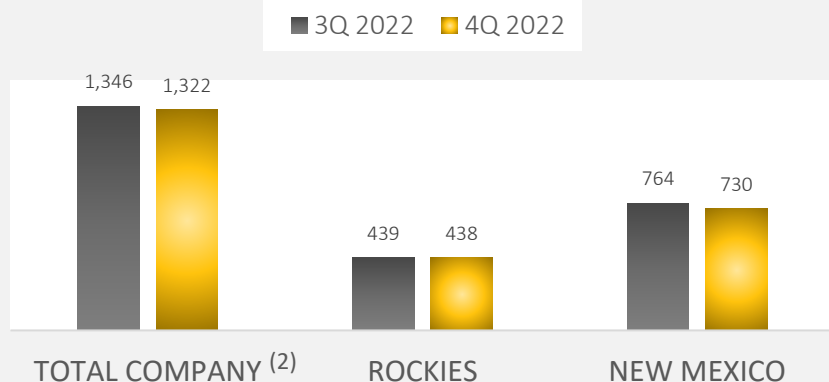
NEW MEXICO

- RTP – Maintenance
- Facility upgrades

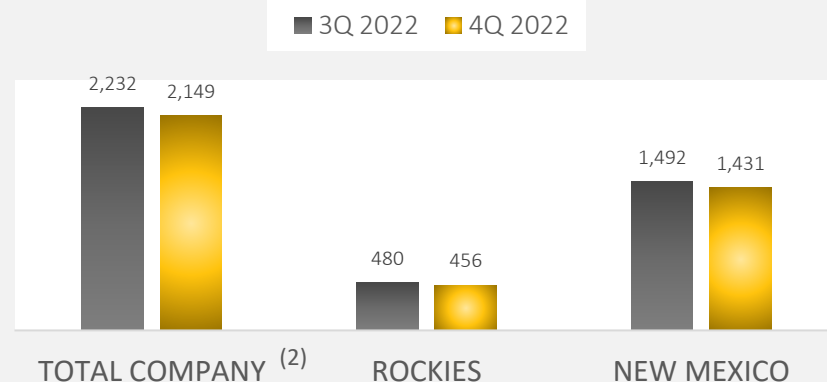
TEXAS/LA

- Workover/Cleanout/Re-frac

DAILY OIL PRODUCTION: BBL/D



DAILY PRODUCTION: BOE/D ⁽¹⁾

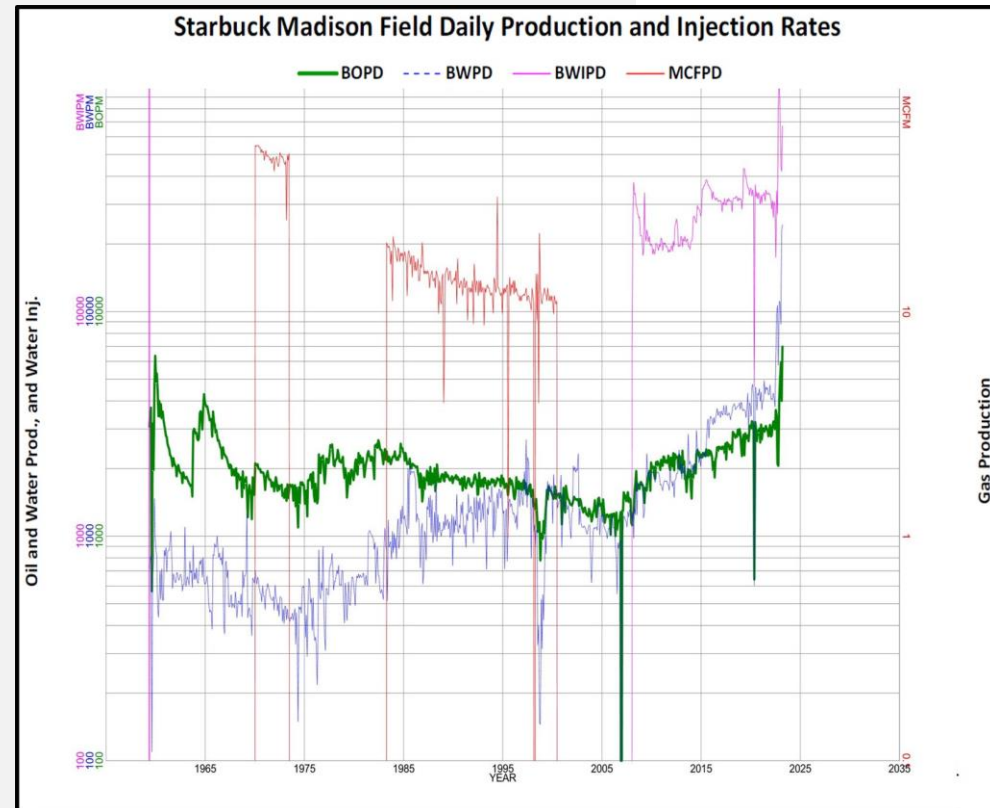


(1) BOE - Barrel of oil equivalent, determined using a ratio of 6 Mcf of natural gas equal to one barrel of oil equivalent.

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

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
- OOIP estimated at 25mm barrels with cumulative primary production 1,350,000 barrels
- Facility infrastructure is expanding
- 13 Producing wells and 5 injectors
- WI ~96%, NRI ~82.6%



Financial Update

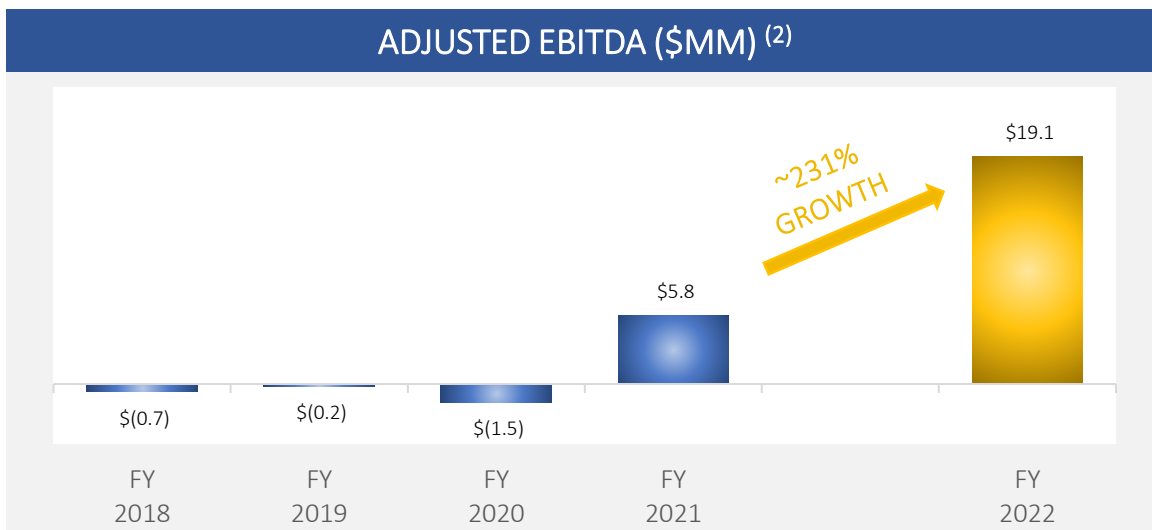
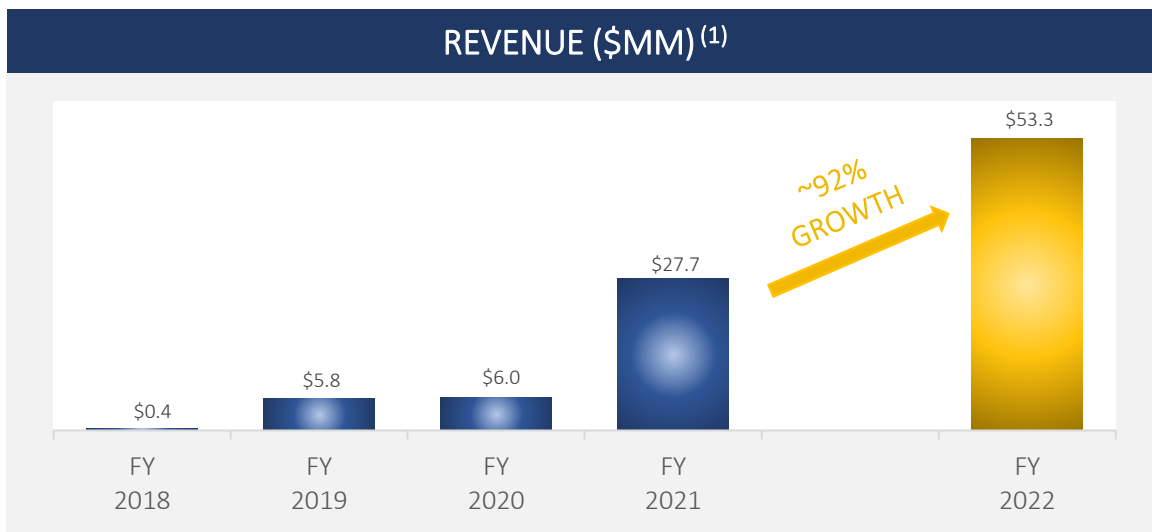


Financial Performance

- Annual Revenue increase
 - Acquisitions
 - Field Enhancements
 - New wells

- Positioned for commodity price improvements in 2023 and 2024
 - Delaying gas production until gas price improvements
 - ~85% production not hedged

- Continued Debt Reduction

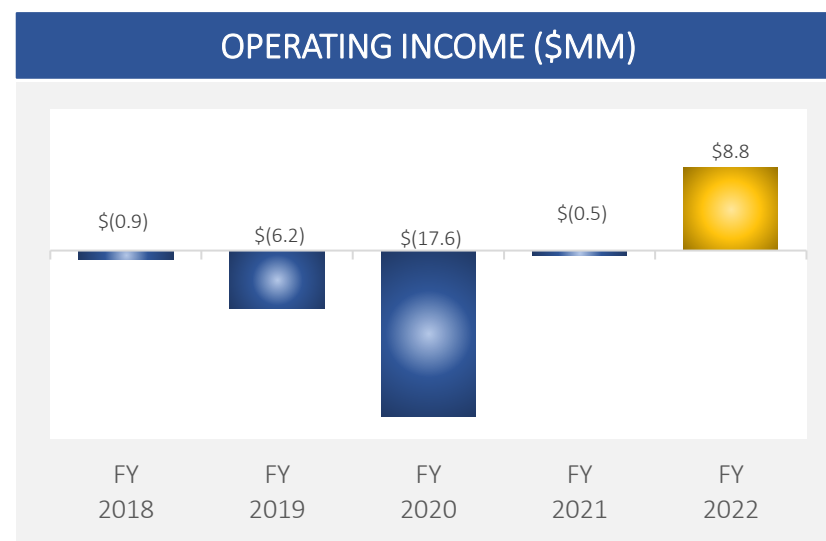
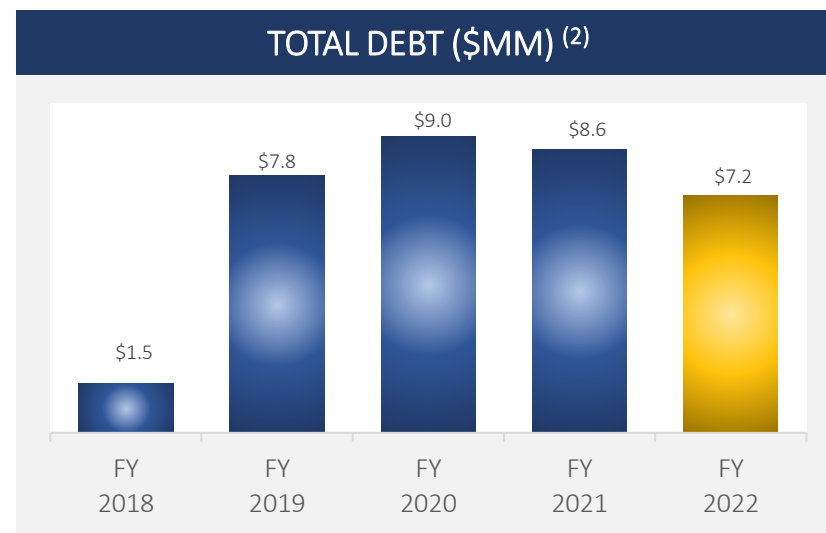


(1) Revenue excludes losses/gains tied to derivatives (FY 2018: \$113,081, FY 2019: \$33,643, FY 2020: \$1,738,871, FY 2021: (\$586,181), FY 2022: (\$387,930))

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

Financial Performance

MARKET DATA	MARCH 30, 2023
Symbol	NYSE American: EP
Share Price	\$12.37
52 Week Range	\$8.50-24.90
Market Cap	\$276.227 mm
Common Shares Outstanding ⁽¹⁾	23.4 mm
Insider Holdings	~49%



(1) This represents FY 2022 Diluted 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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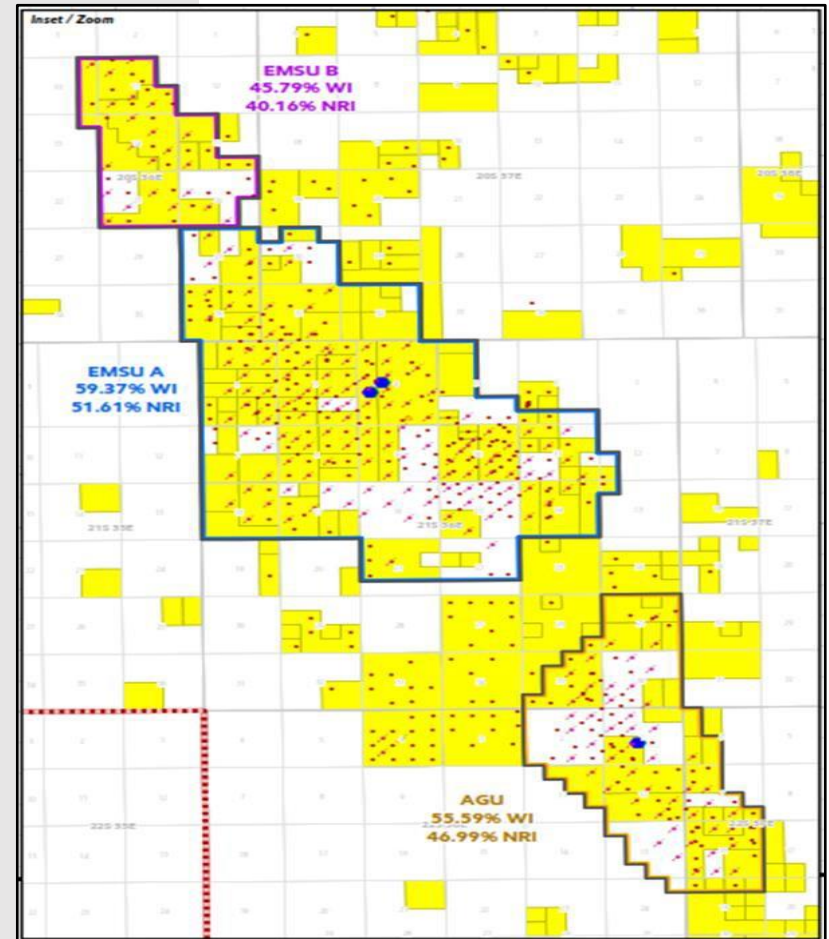
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Appendix



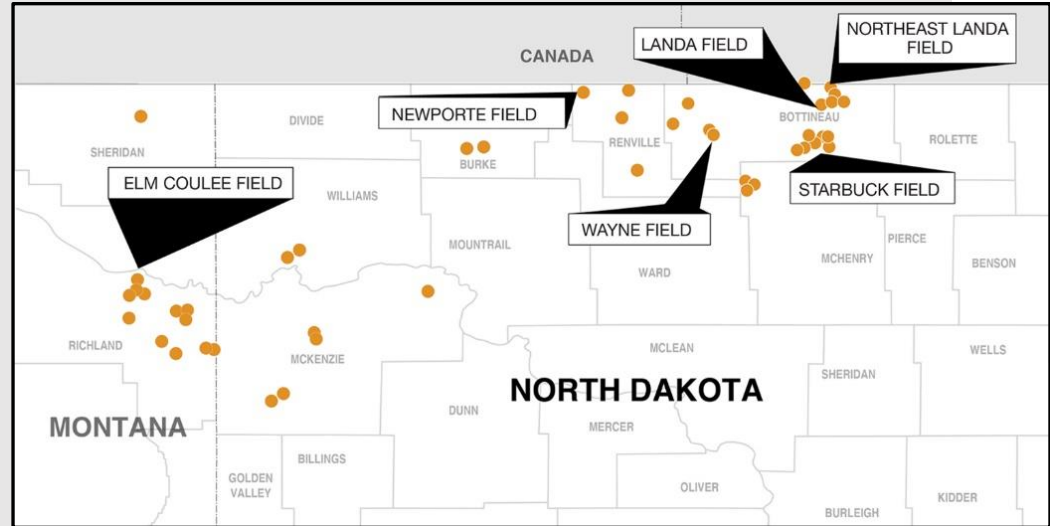


- Purchased from Exxon/XTO in May 2021
- Contiguous 48,000 gross acre position in prolific Central Basin Platform of Lea County, NM
- Substantial oil in place with additional recovery potential from infills and waterflood optimization
- Upgrading field systems
- Optimization of field marketing contracts ongoing with favorable results
- Pilot Drilling and testing program begins in 2023





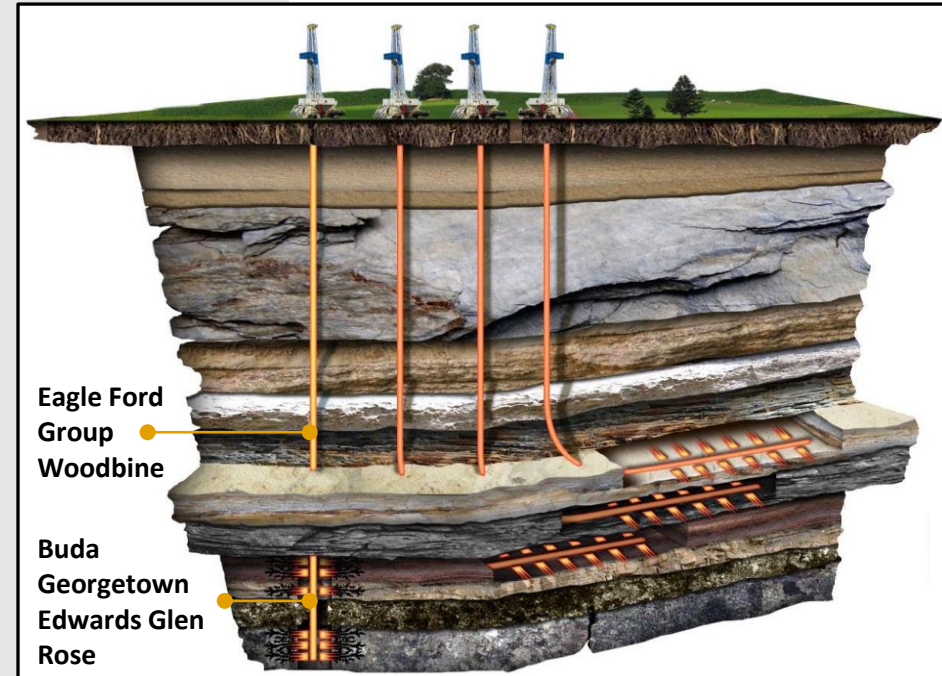
- Large working interest in several prolific fields centered around Bottineau County and Elm Coulee Field in Richland County, Montana
- Production gained from 3,000 bbls/mon. to 7,000 bbls/mon. on a small pilot program. Vast capacity to increase at Startbuck
- We have identified strong upside in other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

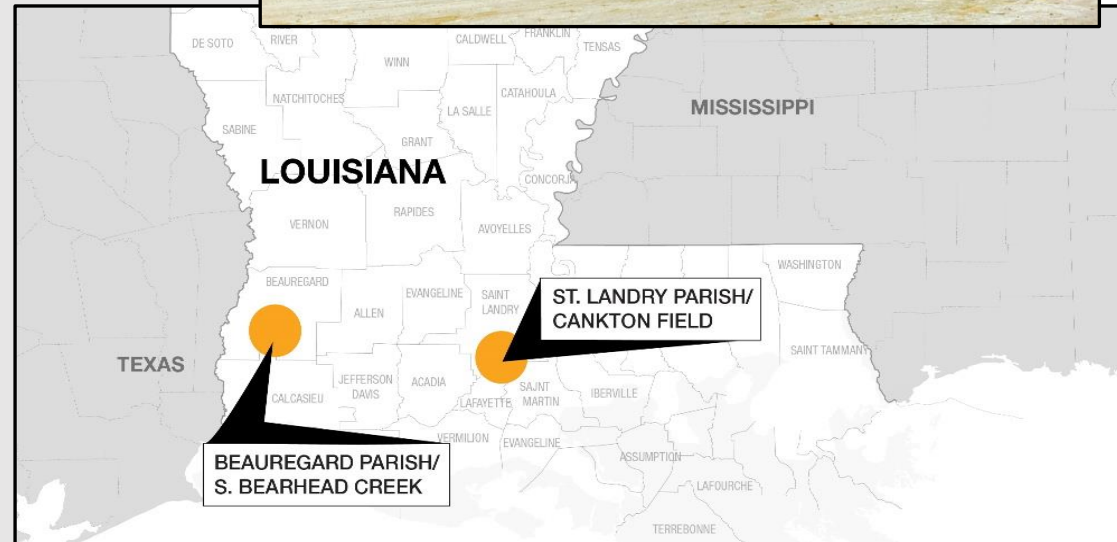


- Principal producing asset in the Fort Trinidad Field in Houston and Madison Counties, Texas
- **Over 30,000 net acres held-by-production**
- Stacked pays in multiple geologic horizons
- **Well reactivation program underway with focus on bypassed pay**
- Evaluating in-field locations





- Oil weighted production in St. Landry and Beauregard Parishes, Louisiana
- **Upside from infield production in 2023**
- Projects currently focused on increasing infrastructure to expand the behind-pipe reserves & production at a lower LOE



Adjusted EBITDA Reconciliation ⁽¹⁾

	QUARTERLY			ANNUAL	
	4Q 2022	3Q 2022	4Q 2021	FY 2022	FY 2021
Net Income (Loss)	\$ (2,289,519)	\$ 215,941	\$ (8,619,595)	\$ 7,084,130	\$ (18,614,962)
Add Back:					
Interest Expense	161,777	125,330	1,227,586	509,540	8,600,699
DD&A	519,403	539,543	476,868	1,949,191	2,502,275
Accretion	348,799	342,619	332,841	1,357,906	1,214,479
Impairment cost	936,620	-	-	936,620	-
Amortization of right of use assets	128,613	44,627	82,683	263,847	137,046
EBITDA	\$ (194,307)	\$ 1,268,060	\$ (6,499,617)	\$ 12,101,234	\$ (6,160,463)
Consideration of non-cash items:					
Stock compensation and issuances	1,043,929	809,641	1,095,970	2,716,752	1,502,220
Unrealized (gain) loss on derivatives	278,741	(126,400)	(141,066)	127,676	(255,009)
Write off of JDA note receivable	-	1,399,030	-	1,399,030	-
XTO final settlement	-	1,448,363	-	1,448,363	-
Settlement and fees related to Texas sales tax audit	180,040	-	-	1,269,358	-
Convertible debt modification inducement expense	-	-	-	-	2,276,813
Loss on convertible debt redemption option	-	-	3,169,201	-	3,169,201
Loss (gain) on conversion option	-	-	4,597,035	-	4,504,104
Right to buy issuance costs	-	-	-	-	989,115
Forgiveness of PPP loan	-	-	(106,850)	-	(267,550)
Adjusted EBITDA	\$ 1,308,403	\$ 4,798,694	\$ 2,114,673	\$ 19,062,413	\$ 5,758,431

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

Statement of Operations (Condensed)



	QUARTERLY			ANNUAL	
	4Q 2022	3Q 2022	4Q 2021	FY 2022	FY 2021
Revenue:					
Oil Sales	9,731,245	11,501,521	8,444,212	44,978,554	22,326,289
Gas Sales	802,425	1,526,148	957,679	4,534,370	2,288,481
Natural Gas Liquids ("NGLs") Sales	457,504	945,317	1,312,985	3,659,451	2,888,747
Total Product Revenues	10,991,174	13,972,986	10,714,876	53,172,375	27,503,517
Other	30,552	22,921	20,591	102,429	174,609
Gain (Loss) on Derivatives	(294,190)	42,474	(13,961)	(387,930)	(586,181)
Total Revenue	10,727,536	14,038,381	10,721,506	52,886,874	27,091,945
Costs and Expenses:					
Lease Operating Expense	6,602,984	7,751,755	6,498,888	23,584,039	13,283,758
Production and Ad Valorem Taxes	792,141	1,112,246	835,964	3,943,466	2,102,772
Depletion, Depreciation & Amortization	519,403	539,543	476,868	1,949,191	2,502,275
Accretion of Asset Retirement Obligation	348,799	342,619	332,841	1,357,906	1,214,479
Impairment	936,620	-	-	936,620	-
General and Administrative	3,743,598	2,850,059	2,421,556	12,331,489	8,462,031
Total Cost and Expenses	12,943,545	12,596,222	10,566,117	44,102,711	27,565,315
Operating Income (Loss)	(2,216,009)	1,442,159	155,389	8,784,163	(473,370)
Other Income and (Expense):					
Other Income (Expense)	297,165	(1,100,888)	218,838	(981,595)	409,225
Interest Expense	(161,777)	(125,330)	(1,227,586)	(509,540)	(8,600,699)
Convertible Debt Modification Inducement Expense	-	-	-	-	(2,276,813)
Loss on Convertible Debt Redemption Option	-	-	(3,169,201)	-	(3,169,201)
Loss on Embedded Conversion Option	-	-	(4,597,035)	-	(4,504,104)
Income (Loss) before Taxes	(2,080,621)	215,941	(8,619,595)	7,293,028	(18,614,962)
Income Tax (Provision) Benefit	(208,898)	-	-	(208,898)	-
Net Income (Loss)	\$ (2,289,519)	\$ 215,941	\$ (8,619,595)	\$ 7,084,130	\$ (18,614,962)

Operating Data (Condensed)

	QUARTERLY			ANNUAL	
	4Q 2022	3Q 2022	4Q 2021	FY 2022	FY 2021
Net Production Volumes:					
Oil (Bbl)	121,592	123,804	112,378	482,818	333,158
Natural gas (Mcf)	221,818	231,522	242,874	875,647	622,474
Natural gas liquids (Bbl)	39,151	42,989	41,020	160,809	102,893
Total (Boe)	197,712	205,380	193,877	789,568	539,797
Average daily equivalent sales (Boe/d)	2,149	2,232	2,107	2,163	1,479
Average Price per Unit:					
Oil (\$/Bbl)	\$ 80.03	\$ 92.90	\$ 75.14	\$ 93.16	\$ 67.01
Natural gas (\$/Mcf)	\$ 3.62	\$ 6.59	\$ 3.94	\$ 5.18	\$ 3.68
Natural gas liquids (\$/Gal)	\$ 11.69	\$ 21.99	\$ 32.01	\$ 22.76	\$ 28.08
Total (\$/Boe)	\$ 55.59	\$ 68.03	\$ 55.27	\$ 67.34	\$ 50.95
Operating Costs and Expenses per BOE:					
Lease operating expense	\$ 33.40	\$ 37.74	\$ 33.52	\$ 29.87	\$ 24.61
Production and ad valorem taxes	\$ 4.01	\$ 5.42	\$ 4.31	\$ 4.99	\$ 3.90
Depreciation, depletion, amortization and accretion	\$ 4.39	\$ 4.30	\$ 4.18	\$ 4.19	\$ 6.89
General & administrative (including share-based compensation)	\$ 18.93	\$ 13.88	\$ 12.49	\$ 15.62	\$ 15.68
General & administrative (excluding share-based compensation)	\$ 13.65	\$ 9.93	\$ 6.84	\$ 12.18	\$ 12.89