


Empire Petroleum Corporation

RESULTS for 4th QUARTER and
FULL YEAR 2024

 [empirepetroleumcorp.com](https://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 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 Loss 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 loss plus net interest expense, depreciation, depletion and amortization (“DD&A”), accretion, amortization right of use assets, 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 (loss), 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.



Enhanced Oil Recovery (“EOR”) efforts North Dakota Starbuck Drilling Program

- Remains committed to leveraging advanced recovery technologies to optimize production and convert additional wells into injectors
- Q4-2024: Empire secured approval from the North Dakota Industrial Commission (“NDIC”) to convert two more oil wells into injectors, further advancing its EOR Strategy



Provisional Patent Application in connection with a technology developed in relation to hydrocarbon vaporization

- Empire filed in Q4-2024 and continues to work with manufacturing and fabrication companies to have the final design of the patent ready for field operations
- Final fabrication was 30% complete to the target design and Empire expects the IP to be developed over the next 90-120 days



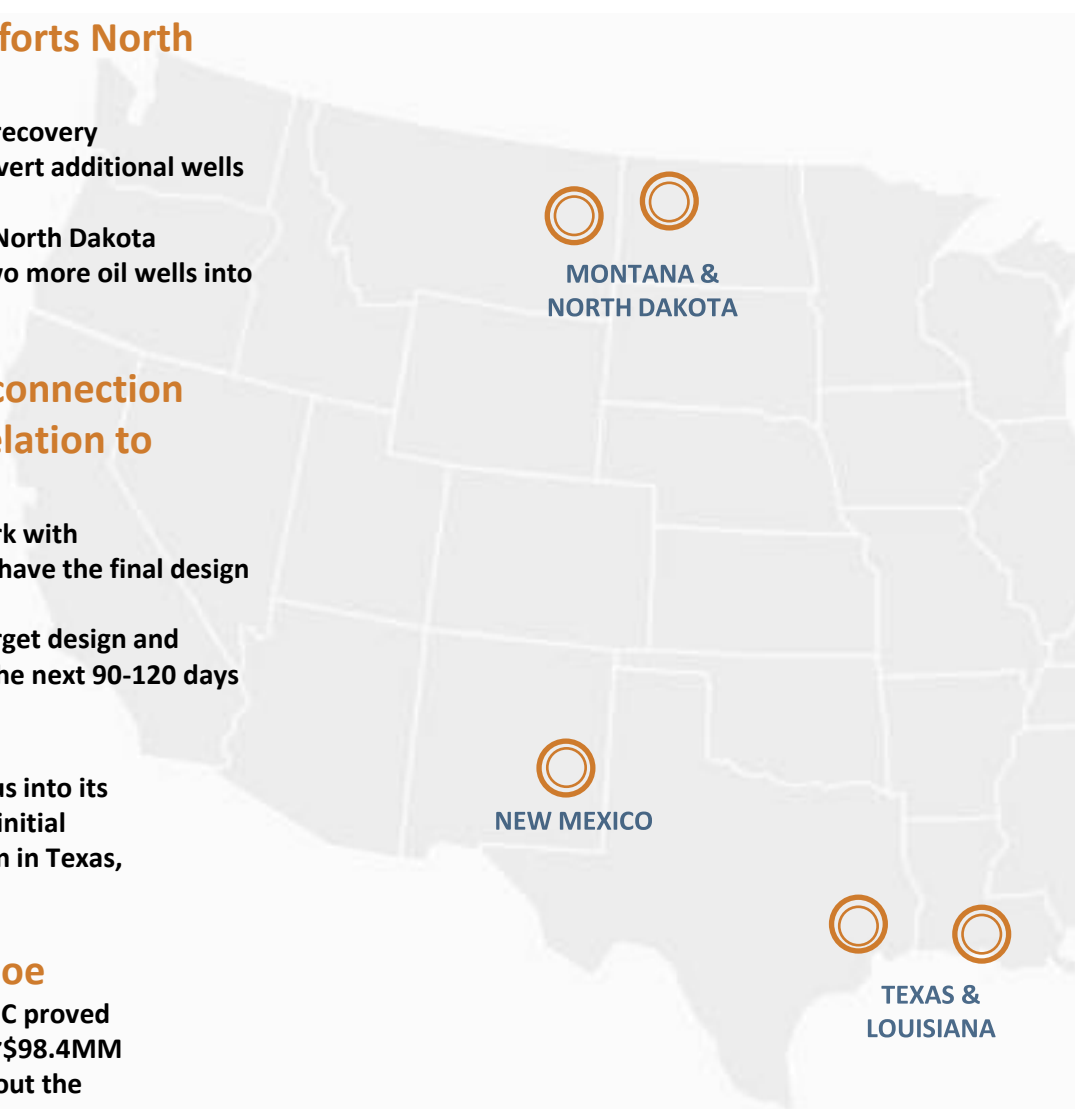
Expansion into Texas

- Empire continues to expand its technical focus into its East Texas Basin and successfully completed initial infrastructure to begin a new drilling program in Texas, which is expected to begin in 2025



YE 2024 Reserves were ~9.2 MMBoe

- The standardized measure of the reported SEC proved reserves, discounted at 10% at YE 2024 was ~\$98.4MM
- At year-end 2024, future net cash flows without the 10% discount applied was approximately \$156.4MM





Q4 Net Production of 2,356 Boe⁽¹⁾/day including 1,581 Bbl/day

- ~22% Bbl/d increase comparing Q4-2024 vs. Q4-2023
- Boe/day is comprised ~67% oil, ~17% NGLs and ~16% Natural Gas



Successful completions of two Rights Offerings in 2024 that was met with strong shareholder participation, reflecting confidence in Empire's long-term growth strategy

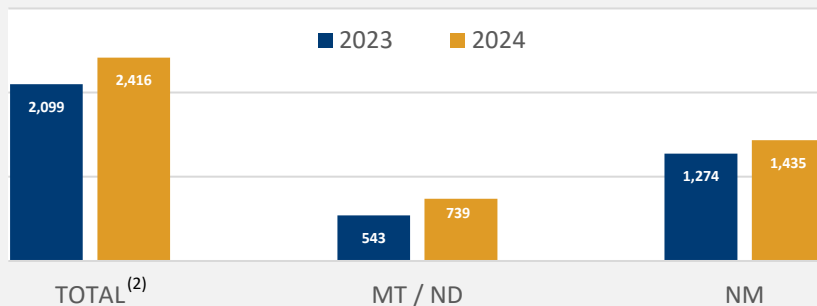
- \$20.7MM April Rights Offering at \$5.00 per share was fully subscribed and ultimately oversubscribed completed in Q2-2024
- November Rights Offering in Q4-2024 raised \$10.0MM at \$5.05 per share which was also oversubscribed
- Both the April Rights Offering and November Rights Offering were anchored by EP's largest shareholders: Phil E. Mulacek and Energy Evolution Master Fund, Ltd.



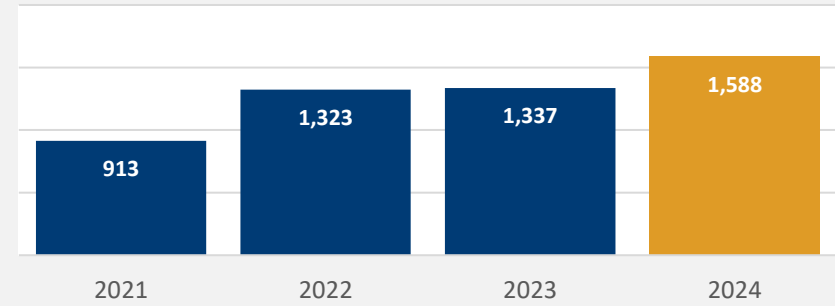
Financial Performance

- Full year 2024 total product revenue of \$44.0MM and net loss of ~\$16.2MM
- Increased Empire's revolving credit facility with Equity Bank from \$10.0MM to \$20.0MM
 - The expansion immediately providing over \$11.0MM in additional capacity, which highlights the strong relationship with Equity Bank and the financial institution's continued confidence in Empire's performance and growth trajectory

EQUIVALENT PRODUCTION (BOE⁽¹⁾/D)



OIL PRODUCTION (BBL/D)



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

(2) Total Includes: Montana, North Dakota, New Mexico, Texas and Louisiana

1 North Dakota – Williston Basin

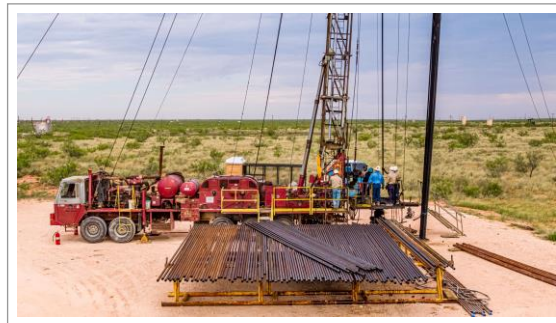
- Empire anticipates completing the final portion of the first EOR phase in 2025
- Remains committed to responsible asset management and environmental stewardship, with a total of nine locations successfully plugged and abandoned (“P&A”) in 2024
 - Reclamation work scheduled to begin in Q2-2025
- Secured NDIC approval for five new drilling permits for horizontal wells in February 2025, as Empire continues to advance its growth strategy



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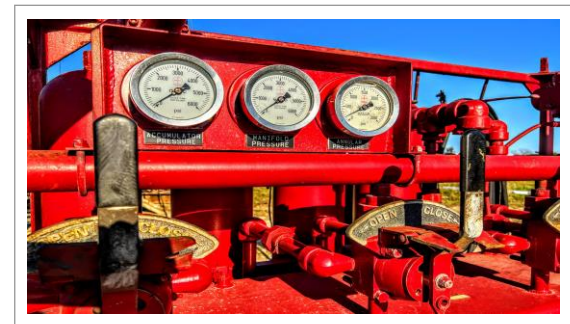
New Mexico – Permian Basin

- **Completed 19 workovers from Q4-2024 to Q1-2025, underscoring Empire’s commitment to maximizing well productivity, extending asset life, and optimizing operational output**
 - Work completed during this period ensures continued production and mitigates a potential decline
- **Empire continues the legal and regulatory actions against a third-party trespassing on the New Mexico water floods**



3 Texas – East Texas Basin

- Empire continues its technical focus into its Texas region, and successfully completed initial infrastructure to begin a new drilling program in Texas
 - Expected to begin in 2025
- Continue to use new technology, including the technical development and intellectual property (“IP”), in other areas which can be expanded for material use in other areas
 - Allows Empire to use the IP to expand capacity in potential new joint ventures benefiting Empire and the companies it partners with

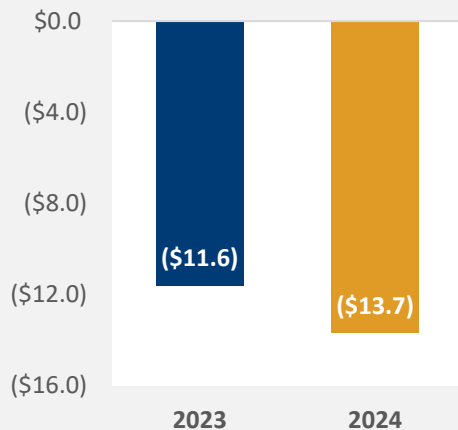


- **Completion of two successful and oversubscribed rights offerings in 2024**
 - \$20.7MM April Rights Offering at \$5.00 per share
 - \$10.0MM November Rights Offering at \$5.05 per share

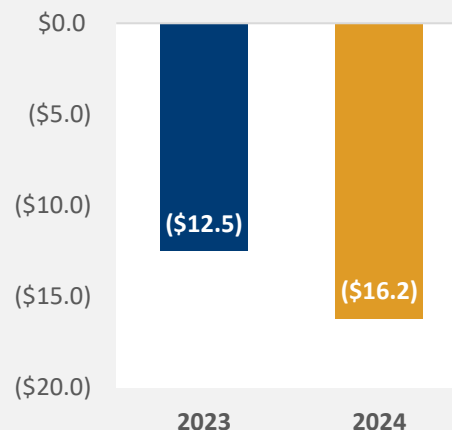
- **Empire increased its revolving credit facility with Equity Bank from \$10.0MM to \$20.0MM**
 - ~\$2.3MM cash and ~\$8.7MM available on its credit facility as of 12/31/2024

- **Capital spend of ~\$42.2MM for 2024**
 - Primarily related to the continued drilling and completions activity in North Dakota

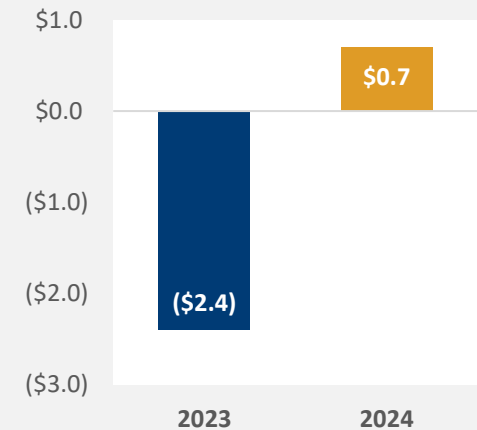
OPERATING LOSS (\$MM)



NET LOSS (\$MM)



ADJUSTED EBITDA (\$MM) ⁽¹⁾




(1) Non-GAAP Adjusted EBITDA defined on the Disclaimer slide with further reconciliation details in appendix

Thank you

Phil Mulacek, Chairman of the Board

Mike Morrisett, President, CEO & Director

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Disclaimer: This presentation is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, acquire or subscribe for any shares in the Company in any jurisdiction.

Note: See website and corporate presentation for additional details, disclosures, and reconciliations.



APPENDIX

Statement of Operations (Condensed)

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024
Revenue:								
Oil Sales	\$8,938,715	\$9,147,611	\$9,492,127	\$9,106,041	\$9,441,964	\$12,287,272	\$10,341,280	\$9,445,145
Gas Sales	656,035	248,686	411,217	410,816	377,130	(115,833)	8,547	73,659
NGL Sales	504,954	362,181	411,624	381,497	416,211	617,029	541,755	557,671
Total Product Revenues	10,099,704	9,758,478	10,314,968	9,898,354	10,235,305	12,788,468	10,891,582	10,076,475
Other	19,364	18,361	17,050	15,705	10,086	11,227	15,269	10,766
Gain (Loss) on Derivatives	(66,823)	(66,657)	(1,185,921)	1,253,708	(858,150)	(1,453)	470,717	-
Total Revenue	10,052,245	9,710,182	9,146,097	11,167,767	9,387,241	12,798,242	11,377,568	10,087,241
Costs and Expenses:								
Lease Operating Expense	6,520,163	7,099,000	7,050,054	7,956,264	7,387,423	7,542,685	6,733,611	5,881,309
Production and Ad Valorem Taxes	758,114	721,275	792,241	772,781	833,447	1,065,718	984,075	886,838
Depletion, Depreciation & Amortization	622,489	711,042	727,943	1,035,059	1,490,130	2,676,981	2,596,360	2,492,783
Accretion of Asset Retirement Obligation	401,275	405,361	470,505	478,881	485,349	492,449	509,131	519,827
<i>General and Administrative</i>	<i>3,023,279</i>	<i>1,894,204</i>	<i>2,580,464</i>	<i>4,536,237</i>	<i>2,879,037</i>	<i>2,354,080</i>	<i>3,635,917</i>	<i>3,712,825</i>
<i>Stock based compensation</i>	<i>949,639</i>	<i>1,180,806</i>	<i>158,792</i>	<i>855,514</i>	<i>710,002</i>	<i>591,635</i>	<i>335,077</i>	<i>519,060</i>
Total General and Administrative	3,972,918	3,075,010	2,739,256	5,391,751	3,589,039	2,945,715	3,970,994	4,231,885
Total Cost and Expenses	12,274,959	12,011,688	11,779,999	15,634,736	13,785,388	14,723,548	14,794,171	14,012,642
Operating Loss	(2,222,714)	(2,301,506)	(2,633,902)	(4,466,969)	(4,398,147)	(1,925,306)	(3,416,603)	(3,925,041)
Other Income and (Expense):								
Interest Expense	(237,299)	(184,887)	(249,796)	(328,445)	(315,049)	(735,220)	(196,306)	(286,684)
Other Income (Expense)	422	21,484	1,350	465	738,000	(1,729,245)	(26,705)	687
Loss before Taxes	(2,459,951)	(2,464,909)	(2,882,348)	(4,794,949)	(3,975,196)	(4,389,771)	(3,639,614)	(4,193,408)
Income Tax (Provision) Benefit	-	-	134,720	(2,528)	-	-	-	-
Net Loss	(\$2,459,951)	(\$2,464,909)	(\$2,747,628)	(\$4,797,477)	(\$3,975,196)	(\$4,389,771)	(\$3,639,614)	(\$4,193,408)

Operating Data (Condensed)

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024
Net Production Volumes:								
Oil (Bbl)	120,257	128,413	120,177	119,022	130,760	160,283	144,674	145,442
Natural Gas (Mcf)	231,218	211,293	195,908	215,855	211,820	241,242	255,195	208,698
Natural Gas Liquids (Bbl)	39,756	30,678	35,568	30,011	34,785	39,612	39,137	36,556
Total Equivalent (Boe)	198,549	194,306	188,396	185,009	200,848	240,102	226,344	216,781
Average daily equivalent sales (Boe/d)	2,206	2,135	2,048	2,011	2,207	2,638	2,460	2,356
Average Price per Unit								
Oil (\$/bbl)	\$74.33	\$71.24	\$78.98	\$76.51	\$72.21	\$76.66	\$71.48	\$64.94
Natural Gas (\$/Mcf)	\$2.84	\$1.18	\$2.10	\$1.90	\$1.78	(\$0.48)	\$0.03	\$0.35
Natural Gas Liquids (\$/Bbl)	\$12.70	\$11.81	\$11.57	\$12.71	\$11.97	\$15.58	\$13.84	\$15.26
Total Equivalent (\$/Boe)	\$50.87	\$50.22	\$54.75	\$53.50	\$50.96	\$53.26	\$48.12	\$46.48
Operating Costs and Expenses per Boe								
Lease operating expense	\$32.84	\$36.54	\$37.42	\$43.00	\$36.78	\$31.41	\$29.75	\$27.13
Production and ad valorem taxes	\$3.82	\$3.71	\$4.21	\$4.18	\$4.15	\$4.44	\$4.35	\$4.09
Depreciation, Depletion, Amortization	\$3.14	\$3.66	\$3.86	\$5.59	\$7.42	\$11.15	\$11.47	\$11.50
Accretion of Asset Retirement Obligation	\$2.02	\$2.09	\$2.50	\$2.59	\$2.42	\$2.05	\$2.25	\$2.40
General & administrative (including stock based compensation)	\$20.01	\$15.83	\$14.54	\$29.14	\$17.87	\$12.27	\$17.54	\$19.52
General & administrative (excluding stock based compensation)	\$15.23	\$9.75	\$13.70	\$24.52	\$14.33	\$9.80	\$16.06	\$17.13

Adjusted EBITDA Reconciliation ⁽¹⁾

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024
Net Loss	(\$2,459,591)	(\$2,464,909)	(\$2,747,628)	(\$4,797,477)	(\$3,975,196)	(\$4,389,771)	(\$3,639,614)	(\$4,193,408)
Add Back:								
Interest Expense	237,299	184,887	249,796	328,445	315,049	735,220	196,306	268,694
DD&A	622,489	711,042	727,943	1,035,059	1,490,130	2,676,981	2,596,360	2,492,783
Accretion	401,275	405,361	470,505	478,881	485,349	492,449	509,131	519,837
Amortization of right of use assets	76,225	87,560	124,171	135,733	135,733	135,734	135,735	133,199
Income Taxes	-	-	(134,720)	2,528	-	-	-	-
EBITDA	(1,122,303)	(1,076,059)	(1,309,933)	(2,816,831)	(1,548,935)	(349,387)	(202,082)	(778,904)
Adjustments:								
Stock based compensation	949,639	1,180,806	158,792	855,514	710,002	591,635	335,077	519,060
(Gain) loss on derivatives	66,823	66,657	1,185,921	(1,253,708)	858,150	1,453	(470,717)	-
Settlement on or Purchase of Derivative Instruments	(41,187)	-	(45,855)	(266,653)	(10,700)	(252,630)	281,530	-
(Gain) Loss on financial derivatives	-	-	-	-	(738,000)	1,736,000	-	-
CEO Severance (including employer taxes)	374,820	-	-	-	-	-	-	-
COO Severance (including employer taxes)	-	-	145,319	-	-	-	-	-
Professional fees for potential financing transactions	-	-	-	564,588	-	-	-	-
Adjusted EBITDA	\$227,792	\$171,404	\$134,244	(\$2,917,090)	(\$729,483)	\$1,727,071	(\$56,192)	(\$259,845)

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



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.