

# Empire Petroleum Corporation

RESULTS for 1<sup>st</sup> QUARTER 2025



[empirepetroleumcorp.com](http://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, including inflation, tariffs and interest rates, 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 of right of use assets, income tax provision (benefit), 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.



## Initiating Phase 1 of Enhanced Oil Recovery (“EOR”) efforts North Dakota Starbuck Drilling Program yielded encouraging early results

- Daily production increasing significantly from ~80 bbls/d to more than 1,200 bbls/d during initial operations
- Extreme winter conditions and technical setbacks, including a pipeline failure and manufacturing defects in the EOR units, temporarily disrupted operations and resulted in a short-term ~75% decrease in net production
- As of early Q2-2025, the failed pipeline has been fully replaced, and all three EOR units have been restored to service with interim solutions in place
- Empire expects to finalize patented design specifications for its hydrocarbon vaporization technology, which target sustained heat levels between 550-650 degrees Fahrenheit, by the end of Q2-2025



## Completion of technical evaluation in the Texas region and preparing to initiate drilling operations in the second half of 2025

- Historically, development in the area has focused on vertical wells, but recent analysis identified 6-7 prospective pay zones with potential for horizontal development
- Empire has completed its necessary infrastructure to support its planned drilling program and continues to position itself for long-term, capital-efficient growth in the area



MONTANA &  
NORTH DAKOTA

NEW MEXICO

TEXAS &  
LOUISIANA

# Q1-2025 Operational and Financial Performance



## Q1-2025 Net Production of 2,049 Boe<sup>(1)</sup> /d including 1,329 Bbls/d

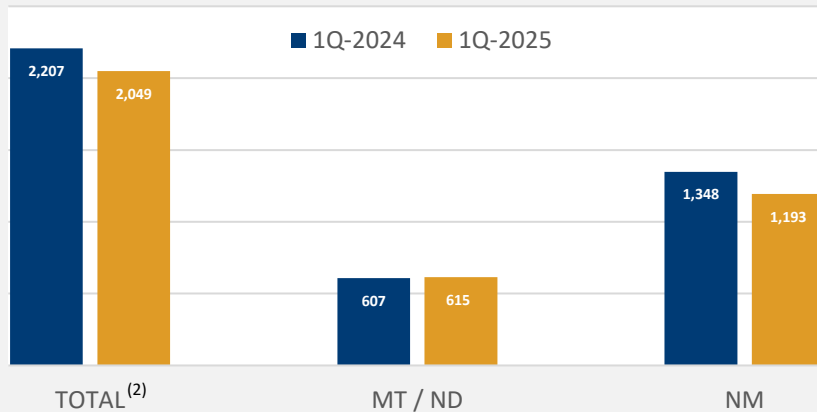
- Boe/d is comprised ~65% oil, ~17% NGLs and ~18% Natural Gas



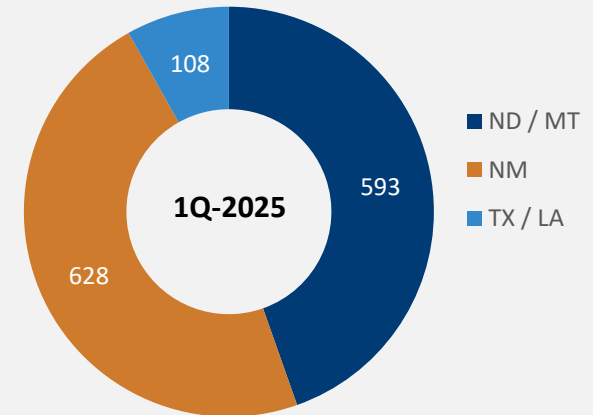
## Financial Performance

- Q1-2025 total product revenue of \$9.0MM and net loss of ~\$4.2MM
- Reported Q1-2025 Adjusted EBITDA of (\$0.6)MM

EQUIVALENT PRODUCTION (BOE<sup>(1)</sup> /D)



OIL PRODUCTION BY REGION (BBLS/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 remains focused on stabilizing and optimizing EOR operations in the Starbuck region following extreme weather conditions and technical setbacks
  - Since restoring partial operations, production has already increased ~70%
  - Expectations are to reach recovery and performance over the next 3-5 quarters of steady-state EOR operations
  - Continued progress is dependent on consistent technical performance and seasonal operating stability



## 2

### New Mexico – Permian Basin

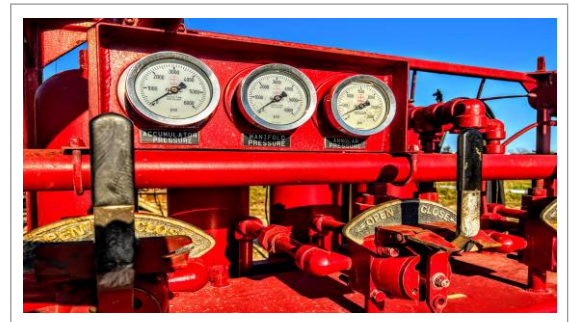
- **After four years of expenditures, Empire is nearing a resolution with the New Mexico Oil Conservation Commission (“NMOCD”) related to Empire’s applications to revoke the existing four permits granted and deny the five new applications for what the Company believes to be the illegal dumping of wastewater into Eunice Monument South Unit’s (“EMSU”) Unitized Interval by third-party Saltwater Disposal (“SWD”) Companies**
  - Following resolution with the NMOCD, Empire will proceed with litigation for trespass and damages against all third-party SWD Operators, who the Company believes to be illegally disposing wastewater into the EMSU Unitized Interval
  - The long-standing litigation has negatively impacted Empire’s results by over \$30.0 million in additional costs from May 2021 to present
  - These legal expenses have contributed to elevated operating costs in recent periods
  - Upon final resolution, Empire expects a meaningful reduction in operating expenses, which is projected to positively impact the bottom line and further strengthen its financial position



## 3

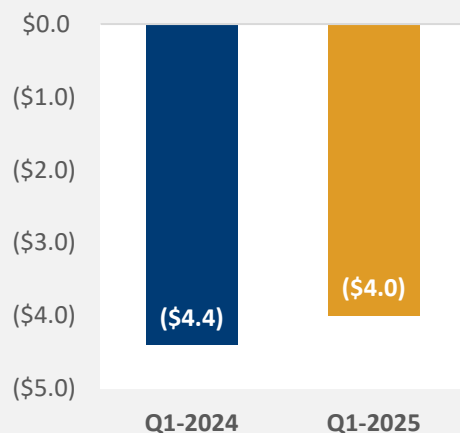
### Texas – East Texas Basin

- **Advancements in technology, reservoir modeling, and improved hydraulic fracturing techniques have significantly enhanced the development potential of the region**
  - These improvements allow for more precise targeting of productive zones, increased recovery rates, and more efficient use of capital
- **Empire is currently evaluating horizontal well designs to maximize production from the prospective pay zones identified in the area**
  - By targeting these stacked formations with horizontal drilling, Empire aims to unlock greater long-term value and improve overall project economics

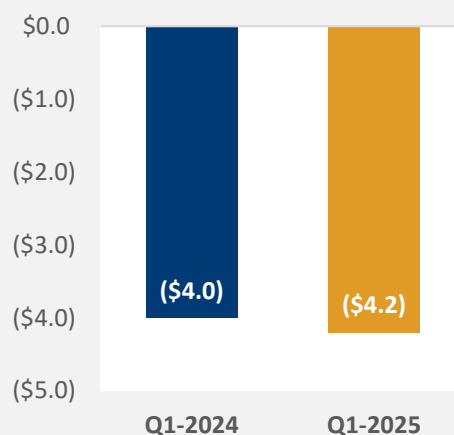


- **Capital spend of ~\$2.7MM for Q1-2025**
  - Primarily related to the continued drilling and completions activity related to Empire's Starbuck Drilling Program in North Dakota
- **As of 3/31/2025, Empire has ~\$1.1MM cash on hand and ~\$7.8MM available on its credit facility**

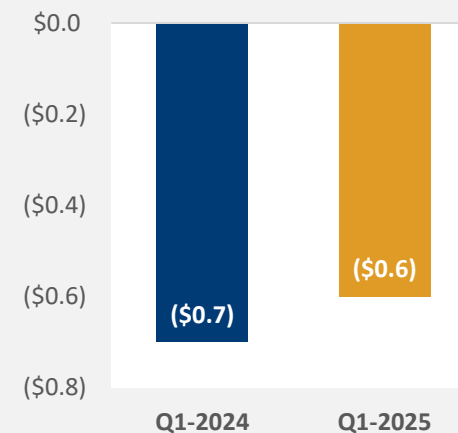
**OPERATING LOSS (\$MM)**



**NET LOSS (\$MM)**



**ADJUSTED EBITDA (\$MM) <sup>(1)</sup>**




(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)

<i>(in thousands)</i>	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
<b>Revenue:</b>					
Oil Sales	\$9,442	\$12,287	\$10,341	\$9,445	\$8,049
Gas Sales	377	(116)	9	74	548
NGL Sales	416	617	542	558	395
<b>Total Product Revenues</b>	<b>10,235</b>	<b>12,788</b>	<b>10,892</b>	<b>10,077</b>	<b>8,992</b>
Other	10	11	15	11	10
Gain (Loss) on Derivatives	(858)	(1)	471	-	-
<b>Total Revenue</b>	<b>9,387</b>	<b>12,798</b>	<b>11,378</b>	<b>10,088</b>	<b>9,002</b>
<b>Costs and Expenses:</b>					
Lease Operating Expense	7,387	7,543	6,734	5,881	5,766
Production and Ad Valorem Taxes	833	1,066	984	887	712
Depletion, Depreciation & Amortization	1,490	2,677	2,596	2,493	2,226
Accretion of Asset Retirement Obligation	485	493	509	520	526
<i>General and Administrative</i>	<i>2,879</i>	<i>2,354</i>	<i>3,636</i>	<i>3,713</i>	<i>3,197</i>
<i>Stock based compensation</i>	<i>710</i>	<i>592</i>	<i>335</i>	<i>519</i>	<i>531</i>
Total General and Administrative	3,589	2,946	3,971	4,232	3,728
<b>Total Cost and Expenses</b>	<b>13,784</b>	<b>14,725</b>	<b>14,794</b>	<b>14,013</b>	<b>12,958</b>
<b>Operating Loss</b>	<b>(4,397)</b>	<b>(1,927)</b>	<b>(3,416)</b>	<b>(3,925)</b>	<b>(3,956)</b>
<b>Other Income and (Expense):</b>					
Interest Expense	(315)	(735)	(196)	(269)	(296)
Other Income (Expense)	738	(1,729)	(27)	1	31
<b>Loss before Taxes</b>	<b>(3,974)</b>	<b>(4,391)</b>	<b>(3,639)</b>	<b>(4,193)</b>	<b>(4,221)</b>
Income Tax (Provision) Benefit	-	-	-	-	-
<b>Net Loss</b>	<b>(\$3,974)</b>	<b>(\$4,391)</b>	<b>(\$3,639)</b>	<b>(\$4,193)</b>	<b>(\$4,221)</b>

# Operating Data (Condensed)

	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
<b>Net Production Volumes:</b>					
Oil (Bbl)	130,760	160,283	144,674	145,442	119,635
Natural Gas (Mcf)	211,820	241,242	255,195	208,698	199,868
Natural Gas Liquids (Bbl)	34,785	39,612	39,137	36,556	31,453
<b>Total Equivalent (Boe)</b>	<b>200,848</b>	<b>240,103</b>	<b>226,344</b>	<b>216,781</b>	<b>184,400</b>
Average daily equivalent sales (Boe/d)	2,207	2,638	2,460	2,356	2,049
<b>Average Price per Unit</b>					
Oil (\$/bbl)	\$72.21	\$76.66	\$71.48	\$64.94	\$67.28
Natural Gas (\$/Mcf)	\$1.78	(\$0.48)	\$0.03	\$0.35	\$2.74
Natural Gas Liquids (\$/Bbl)	\$11.97	\$15.58	\$13.84	\$15.26	\$12.56
<b>Total Equivalent (\$/Boe)</b>	<b>\$50.96</b>	<b>\$53.26</b>	<b>\$48.12</b>	<b>\$46.48</b>	<b>\$48.76</b>
<b>Operating Costs and Expenses per Boe</b>					
Lease operating expense	\$36.78	\$31.41	\$29.75	\$27.13	\$31.27
Production and ad valorem taxes	\$4.15	\$4.44	\$4.35	\$4.09	\$3.86
Depreciation, Depletion, Amortization	\$7.42	\$11.15	\$11.47	\$11.50	\$12.07
Accretion of Asset Retirement Obligation	\$2.42	\$2.05	\$2.25	\$2.40	\$2.85
General & administrative (including stock-based compensation)	\$17.87	\$12.27	\$17.54	\$19.52	\$20.22
General & administrative (excluding stock-based compensation)	\$14.33	\$9.80	\$16.06	\$17.13	\$17.34



# Adjusted EBITDA Reconciliation <sup>(1)</sup>

<i>(in thousands)</i>	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
<b>Net Loss</b>	<b>(\$3,974)</b>	<b>(\$4,390)</b>	<b>(\$3,640)</b>	<b>(\$4,193)</b>	<b>(\$4,221)</b>
Add Back:					
Interest Expense	315	735	196	269	296
DD&A	1,490	2,677	2,596	2,493	2,226
Accretion	485	492	509	520	526
Amortization of right of use assets	136	136	136	132	121
<b>EBITDA</b>	<b>(1,548)</b>	<b>(350)</b>	<b>(203)</b>	<b>(779)</b>	<b>(1,052)</b>
Adjustments:					
Stock based compensation	710	592	335	519	531
(Gain) loss on derivatives	858	1	(471)	-	-
Settlement on or Purchase of Derivative Instruments	(11)	(253)	282	-	-
(Gain) Loss on financial derivatives	(738)	1,736	-	-	-
Gain on Sale of Other Fixed Assets	-	-	-	-	(32)
<b>Adjusted EBITDA</b>	<b>(\$729)</b>	<b>\$1,726</b>	<b>(\$57)</b>	<b>(\$260)</b>	<b>(\$553)</b>

(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.