

# Empire Petroleum Corporation

RESULTS for 2<sup>nd</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, (ix) uncertainties associated with legal and regulatory matters, (x) successful completion of the Rights Offering, including future exercise of the warrants issued as part of the Rights Offering, and (xi) 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.



**As part of Empire's Enhanced Oil Recovery ("EOR") efforts in the Starbuck Drilling Program ("Starbuck") in North Dakota, modified wellhead installations are underway and expected to be completed in Q3-2025, with advanced fabrication work progressing toward completion by year-end**

- While certain rare alloys and specialized materials for the EOR process remain in fabrication, production has continued to improve and operations are showing increased consistency
- Installation of the modified rare alloys for the EOR units is expected to be completed and fully operational in Q4-2025
- Empire expects to finalize the patented design specifications for its hydrocarbon vaporization technology by the end of Q4-2025, with the system leveraging elevated temperatures and pressure changes to enhance recovery efficiency



**Empire made significant progress in preparing for its inaugural drilling campaign in Texas, completing its first drilling pad and preparing multiple locations for entry as part of its development plan**

- Advanced critical pre-drill activities during Q2-2025, including surface land work, rig evaluation, and the permitting process, laying the groundwork for horizontal development across multiple prospective pay zones identified in the region
- Empire expects drilling operations to commence in Q4-2025



MONTANA &  
NORTH DAKOTA

NEW MEXICO

TEXAS &  
LOUISIANA



# Q2-2025 Operational and Financial Performance



## Q2-2025 Net Production of 2,357 Boe<sup>(1)</sup> /d, an increase of 15% compared to Q1-2025

- Reported 1,493 barrels of oil per day (“Bbls/d”)
- Boe/d is comprised ~63% oil, ~19% natural gas liquids (“NGLs”) and ~18% natural gas



## Launched a subscription rights offering (“Rights Offering”) with the intention to raise ~\$5.0MM gross proceeds to be used for balance sheet optimization efforts and general corporate purposes

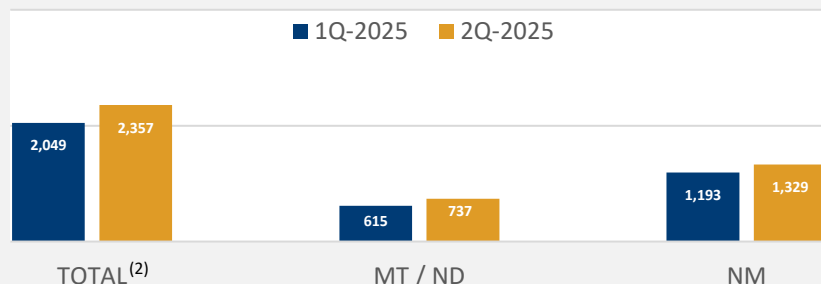
- Includes \$2.5MM from the anticipated future exercise of the warrants issued as part of the Rights Offering, to provide shareholders the opportunity to increase their equity position



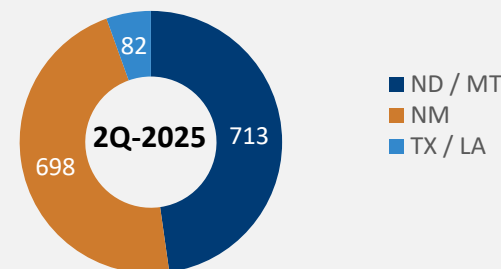
## Financial Performance

- Q2-2025 total product revenue of \$8.7MM and net loss of \$5.1MM
  - Primarily driven by lower realized commodity prices, including a 12% decrease in realized oil prices compared to Q1-2025 and a 23% decrease compared to Q2-2024. The increase in production compared to Q1-2025 was unable to overcome the significant decrease in realized commodity pricing for the quarter.
- Reported Q2-2025 Adjusted EBITDA of (\$1.2)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 confident in the trajectory of its EOR program in the Starbuck region and expects to reach steady state production levels by the end of Q4-2025, contingent on continued equipment reliability and seasonal operating stability
  - With key infrastructure milestones nearing completion and EOR operations delivering steadily improving performance, the program is expected to support sustained production growth and improved asset performance over the long term



## 2

### New Mexico – Permian Basin

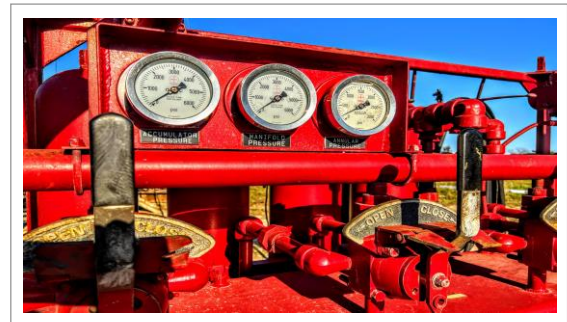
- **After four years of expenditures, Empire anticipates receiving a ruling from the New Mexico Oil Conservation Commission (“NMOCD”) in Q3-2025, regarding its applications to revoke four existing permits and deny five new applications for what the Company believes is the illegal disposal of wastewater into Eunice Monument South Unit’s (“EMSU”) Unitized Interval by the largest of the third-party Saltwater Disposal (“SWD”) operators**
  - Pending the NMOCD’s decision, Empire plans to proceed with Motions to Revoke the existing permits granted to the remaining three SWD Companies disposing wastewater into the EMSU and Arrowhead Grayburg Unit (“AGU”) Unitized Interval, while concurrently advancing litigation for trespass and damages
  - While litigation has limited the scope of development activity in the affected areas, production from the EMSU and AGU units has increased in recent months, reflecting ongoing optimization efforts
  - The Company expects final resolution of this matter to result in a meaningful reduction in operating expenses and contribute to improved financial performance going forward



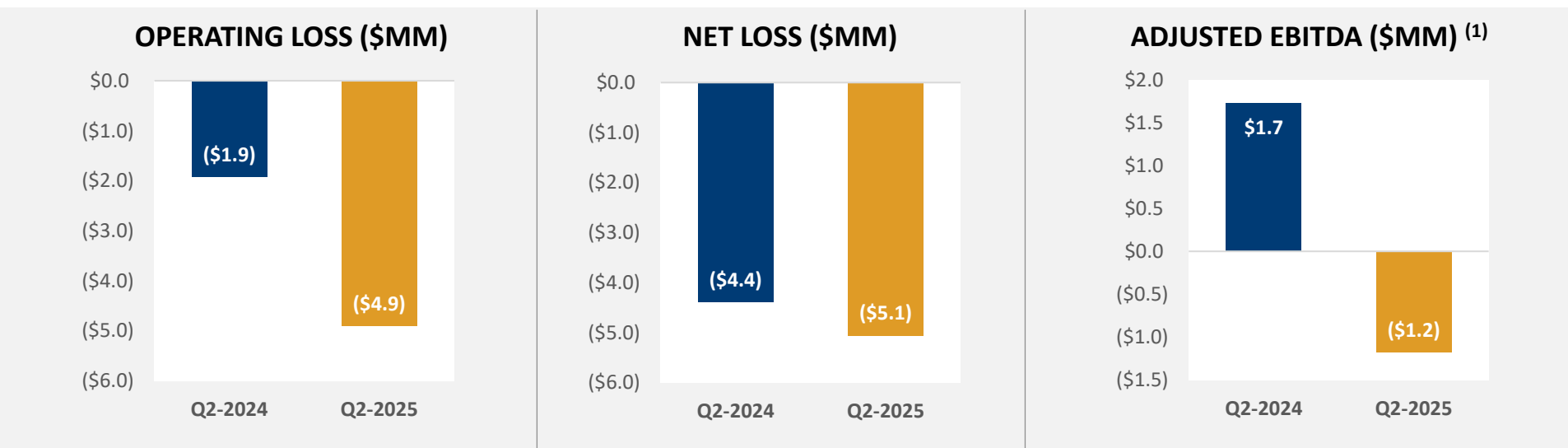
## 3

### Texas – East Texas Basin

- **Empire remains on track to initiate drilling operations in Q4-2025, as part of its broader development strategy in the region**
  - The upcoming program is designed to target multiple prospective pay zones identified during technical evaluation, with a focus on horizontal development opportunities that support long-term, capital-efficient production
  - The Company expects this initial activity to establish a foundation for scalable development throughout 2026 and beyond
  - As of the first week of August 2025, the first drilling pad has been completed, and the Company is actively securing materials, equipment, rigs, and other necessary resources to begin and complete drilling operations on the initial wells in Q4-2025
  - Production targets associated with these wells are expected to deliver the most significant impact to Empire's portfolio to date



- **Total Capital expenditures of ~\$3.3MM through 6/30/2025**
  - Primarily from finalizing drilling and completions activity related to the Starbuck Drilling Program in North Dakota and continued return-to-production efforts in Texas
- **As of 6/30/2025, Empire has ~\$2.3MM cash on hand and ~\$4.0MM available on its credit facility**
- **Launched a Rights Offering scheduled to expire 8/18/2025, which is expected to raise ~\$5.0MM of gross proceeds, including \$2.5MM from the anticipated future exercise of the warrants issued as part of the Rights Offering, to provide shareholders the opportunity to increase their equity position**
  - Each shareholder of record as of July 10, 2025, is entitled to purchase one unit at a subscription price equal to \$0.07367 per unit, each unit consisting of 0.0139 shares of the Company's common stock and one rights warrant to purchase 0.0136 shares of the Company's common stock equal to \$5.46 per whole share
  - Proceeds expected to be used for balance sheet optimization efforts and general corporate purposes




(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

 539.444.8002

 [info@empirepetrocorp.com](mailto:info@empirepetrocorp.com)

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	2Q 2025
<b>Revenue:</b>						
Oil Sales	\$9,442	\$12,287	\$10,341	\$9,445	\$8,049	\$8,005
Gas Sales	377	(116)	9	74	548	221
NGL Sales	416	617	542	558	395	521
<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>	<b>8,747</b>
Other	10	11	15	11	10	7
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>8,754</b>
<b>Costs and Expenses:</b>						
Lease Operating Expense	7,387	7,543	6,734	5,881	5,766	6,387
Production and Ad Valorem Taxes	833	1,066	984	887	712	768
Depletion, Depreciation & Amortization	1,490	2,677	2,596	2,493	2,226	2,576
Accretion of Asset Retirement Obligation	485	492	509	520	526	534
<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>2,906</i>
<i>Stock based compensation</i>	<i>710</i>	<i>592</i>	<i>335</i>	<i>519</i>	<i>531</i>	<i>486</i>
Total General and Administrative	3,589	2,946	3,971	4,232	3,728	3,392
<b>Total Cost and Expenses</b>	<b>13,784</b>	<b>14,724</b>	<b>14,794</b>	<b>14,013</b>	<b>12,958</b>	<b>13,657</b>
<b>Operating Loss</b>	<b>(4,397)</b>	<b>(1,926)</b>	<b>(3,416)</b>	<b>(3,925)</b>	<b>(3,956)</b>	<b>(4,903)</b>
<b>Other Income and (Expense):</b>						
Interest Expense	(315)	(735)	(196)	(269)	(296)	(334)
Other Income (Expense)	738	(1,729)	(27)	1	31	181
<b>Loss before Taxes</b>	<b>(3,974)</b>	<b>(4,390)</b>	<b>(3,639)</b>	<b>(4,193)</b>	<b>(4,221)</b>	<b>(5,056)</b>
Income Tax (Provision) Benefit	-	-	-	-	-	-
<b>Net Loss</b>	<b>(\$3,974)</b>	<b>(\$4,390)</b>	<b>(\$3,639)</b>	<b>(\$4,193)</b>	<b>(\$4,221)</b>	<b>(\$5,056)</b>

# Operating Data (Condensed)

	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025
<b>Net Production Volumes:</b>						
Oil (Bbl)	130,760	160,283	144,674	145,442	119,635	135,854
Natural Gas (Mcf)	211,820	241,242	255,195	208,698	199,868	237,133
Natural Gas Liquids (Bbl)	34,785	39,612	39,137	36,556	31,453	39,091
<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>	<b>214,467</b>
Average daily equivalent sales (Boe/d)	2,207	2,638	2,460	2,356	2,049	2,357
<b>Average Price per Unit</b>						
Oil (\$/bbl)	\$72.21	\$76.66	\$71.48	\$64.94	\$67.28	\$58.92
Natural Gas (\$/Mcf)	\$1.78	(\$0.48)	\$0.03	\$0.35	\$2.74	\$0.93
Natural Gas Liquids (\$/Bbl)	\$11.97	\$15.58	\$13.84	\$15.26	\$12.56	\$13.33
<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>\$40.78</b>
<b>Operating Costs and Expenses per Boe</b>						
Lease operating expense	\$36.78	\$31.41	\$29.75	\$27.13	\$31.27	\$29.78
Production and ad valorem taxes	\$4.15	\$4.44	\$4.35	\$4.09	\$3.86	\$3.58
Depreciation, Depletion, Amortization	\$7.42	\$11.15	\$11.47	\$11.50	\$12.07	\$12.01
Accretion of Asset Retirement Obligation	\$2.42	\$2.05	\$2.25	\$2.40	\$2.85	\$2.49
General & administrative (including stock-based compensation)	\$17.87	\$12.27	\$17.54	\$19.52	\$20.22	\$15.82
General & administrative (excluding stock-based compensation)	\$14.33	\$9.80	\$16.06	\$17.13	\$17.34	\$13.55



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

<i>(in thousands)</i>	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 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>	<b>(\$5,056)</b>
Add Back:						
Interest Expense	315	735	196	269	296	334
DD&A	1,490	2,677	2,596	2,493	2,226	2,576
Accretion	485	492	509	520	526	534
Amortization of right-of-use assets	136	136	136	132	121	120
<b>EBITDA</b>	<b>(1,548)</b>	<b>(350)</b>	<b>(203)</b>	<b>(779)</b>	<b>(1,052)</b>	<b>(1,492)</b>
Adjustments:						
Stock based compensation	710	592	335	519	531	486
(Gain) loss on commodity 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 oil and natural gas properties	-	-	-	-	-	(175)
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>	<b>(\$1,181)</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.