



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached.](#)

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18 Can any resulting loss be recognized? ▶ [See attached.](#)

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attached.](#)


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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶  Date ▶ 11/10/20

Print your name ▶ Chad Allen Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Thomas Allen		11/10/2020		P01265333
	Firm's name ▶ RSM US LLP	Firm's address ▶ 1330 Post Oak BLVD, Suite 2400, Houston, TX 77056		Firm's EIN ▶	42-0714325
				Phone no.	713.625.3500

**Northern Oil and Gas, Inc.**  
**EIN: 95-3848122**  
**Attachment to Form 8937**  
**Report of Organizational Actions Affecting Basis of Securities**

The information contained in Form 8937 and this attachment does not constitute tax advice and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the exchange transactions described herein. In addition, this information does not address tax consequences that may vary depending on the particular circumstances of holders of our stock that participated in an exchange transaction, or any non-income tax or any foreign, state or local tax consequences of an exchange transaction. Accordingly, holders of our stock or notes that participated in a transaction described herein are strongly urged to consult with their own tax advisors to determine the particular U.S. federal, state, local or foreign income or other tax consequences to them of the transaction.

**Part I**

**Lines 9 and 10. The requested information is as follows:**

Northern Oil and Gas, Inc. 6.5% Series A Perpetual Cumulative Convertible Preferred Stock (the "Preferred Stock"), CUSIP: 665531208 (the "Preferred Stock")

**Part II**

**Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:**

On September 8, 2020, certain Preferred Stock holders exchanged Preferred Stock with an aggregate principal amount of \$7,597,000 for 5,266,944 shares of Northern Oil and Gas, Inc.'s (the "Issuer's") common stock, par value \$0.001 per share (the "Common Stock") (the "Preferred for Common Exchange Transaction").

**Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:**

The Issuer intends to treat the Preferred for Common Exchange Transaction as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code").

Each Preferred Stock holder participating in the Preferred for Common Exchange Transaction exchanged its Preferred Stock for shares of the Issuer's Common Stock. Assuming that the Preferred for Common Exchange Transaction constituted a recapitalization, each Preferred Stock holder's initial tax basis in its shares of the Common Stock generally should be equal to such Preferred Stock holder's tax basis in its Preferred Stock immediately prior to the exchange.

Once each Preferred Stock holder determines its initial basis in its shares of the Common Stock received in the Preferred for Common Exchange Transaction, such Preferred Stock holder should allocate its basis amount in the Preferred Stock exchanged to its shares of the Common Stock received. To determine the per-share basis in each share of Common Stock, the aggregate basis amount is divided by the number of shares of Common Stock received in the exchange. The tax basis

generally would be required to be calculated separately for each block of the Preferred Stock exchanged.

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:**

Please see the Line 15 response above for a description of the tax basis calculations that apply to the Preferred for Common Exchange Transaction. The market values of the securities exchanged would not alter the basis results, which are as described in the Line 15 response above.

**Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:**

354, 356, 358, 368(a)(1)(E), 1001

**Line 18. Can any resulting loss be recognized?**

Assuming that the Preferred for Common Exchange Transaction constitutes a recapitalization under Section 368(a)(1)(E) of the Code, the Preferred Stock holders that participated in the Preferred for Common Exchange Transaction cannot recognize loss realized (if any) in the exchange.

**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year:**

The tax consequences of the Preferred for Common Exchange Transaction should be reported by each Preferred Stock holder participating in such exchange in such Preferred Stock holder's tax year that includes the date of September 8, 2020.

The holding period for the shares of Common Stock received in the Preferred for Common Exchange Transaction generally would include the holding period for the Preferred Stock held prior to such Transaction.

Preferred Stock holders should consult their tax advisors to determine the tax consequences to them of the Preferred for Common Exchange Transaction.