



# **Novo Joint Acquisition**

June 2023

# Novo Assets – Acquisition Overview<sup>(1)</sup>

Undivided interest in high quality Delaware Basin properties to be jointly developed with Earthstone. With its significant, long-lived and low-breakeven inventory, Novo sets milestones as NOG's largest and most substantial acquisition to date.

**\$500mm**

PURCHASE PRICE

**1 / 3**

UNDIVIDED STAKE

**>\$180mm**

NTM CASH FLOW FROM  
OPERATIONS<sup>(2)</sup>

**<2.8x**

TRANSACTION  
MULTIPLE

**29.2/7.2/59.9**

NET WELLS / WIPs /  
UNDEV. LOCATIONS

**~5.6k**

NET ACRES

**~13,000**

2023 RECENT  
PRODUCTION BOE/DAY

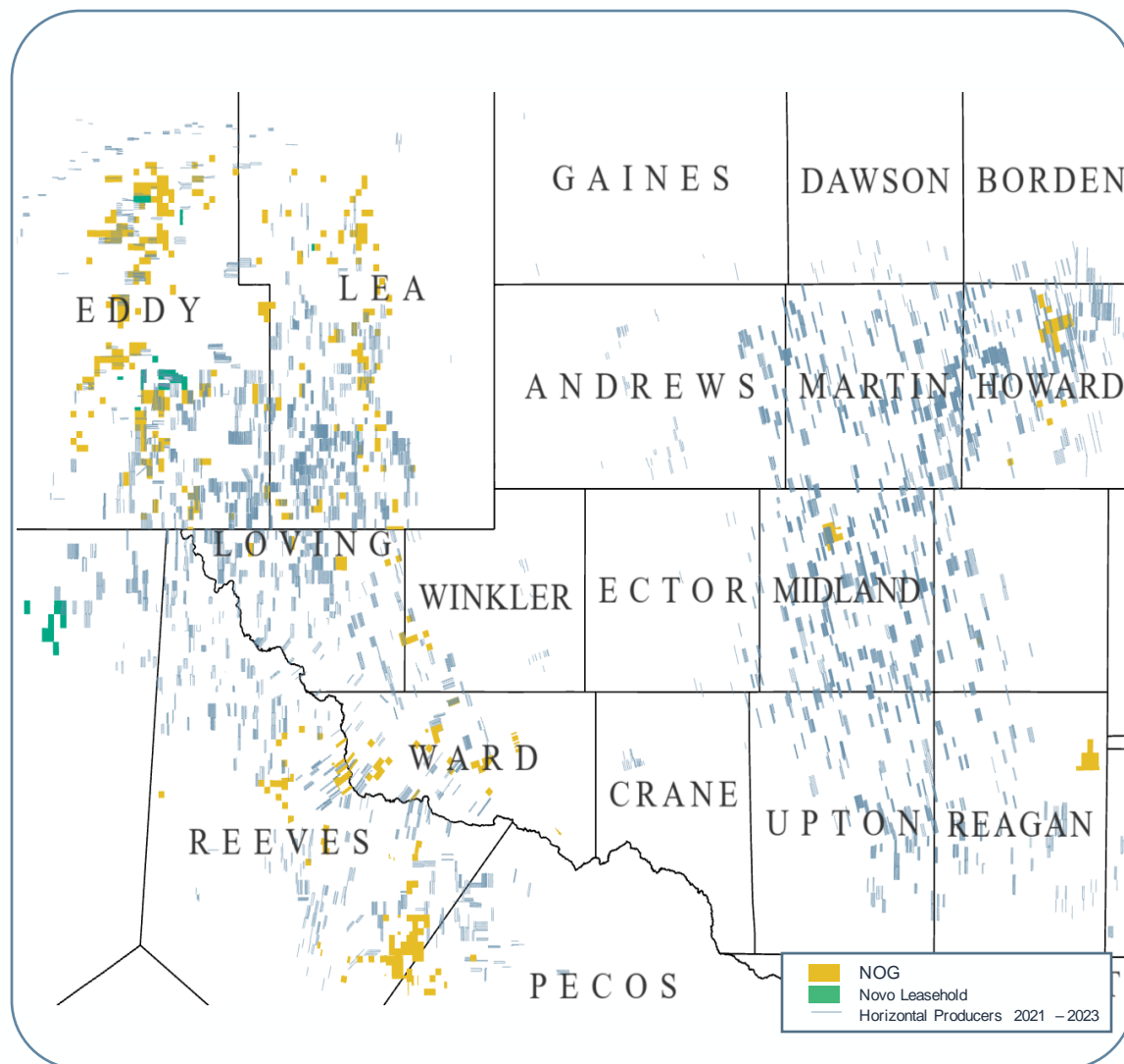


OPERATING  
PARTNER

1) All data reflects NOG's net interest in the Novo assets to be acquired. Definitive agreement signed June [14], 2023. Transaction effective date May 1, 2023. Company anticipates closing transaction in August 2023, subject to satisfaction or waiver of customary closing conditions.

2) Estimate based on recent strip commodity prices; NTM starting on an assumed August 1, 2023 closing date.

# Novo Acquisition Grows High Quality, Low Breakeven Acreage



## KEY FINANCIAL STATISTICS

- Agreement to purchase 33.33% undivided stake in Novo Assets for \$500MM
- Gross NRI: ~77% (~78% Eddy, ~75% Culberson), net WI: ~29%
- >\$180MM of cash flow from operations in the next 12 months post-closing<sup>(1)</sup>
- ~\$65MM expected capital spend in next 12 months
- Effective date May 1, 2023, expected to close in August 2023 subject to satisfaction of closing conditions
- Executed hedges for a significant portion of the production through 2026; plan to continue to add hedges over time
- Eddy County assets represent ~80% of allocated value
- ~98% of Culberson County asset value tied to PDP and WIPs, inventory provides significant long-term upside to natural gas

## GOVERNANCE & OPERATOR

- Partnership governed by cooperation and joint operating agreement, with AMI in place
- NOG and Earthstone have jointly agreed to a long-term development plan
- Earthstone to operate substantially all of the assets

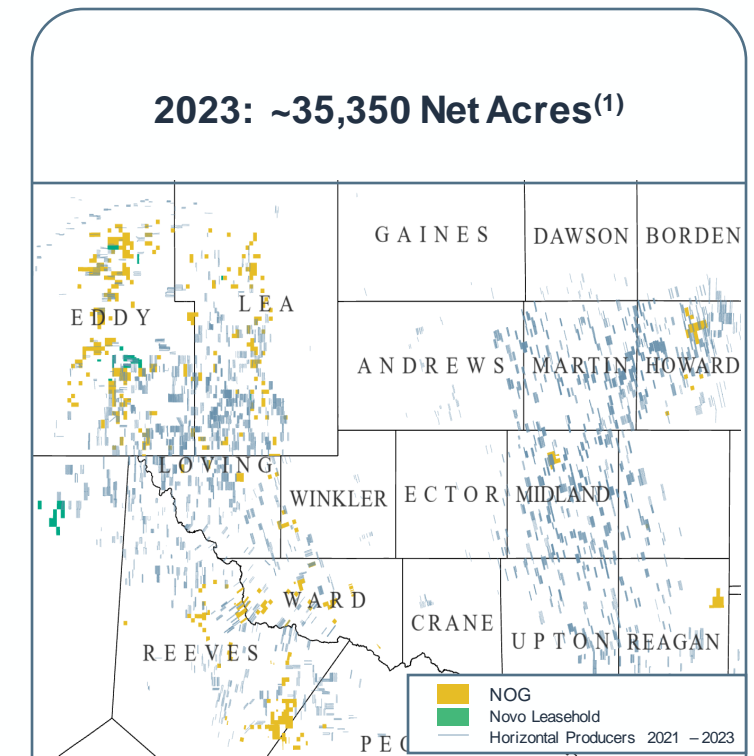
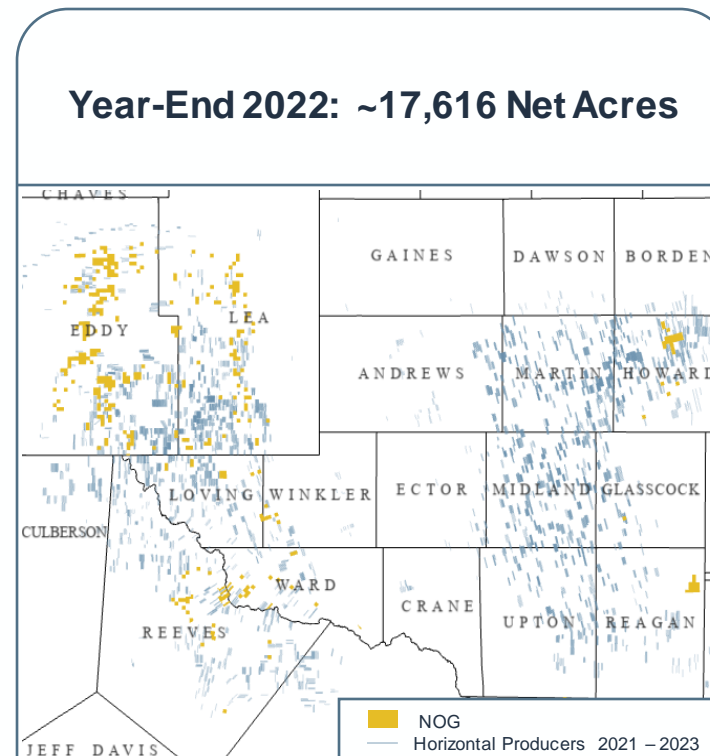
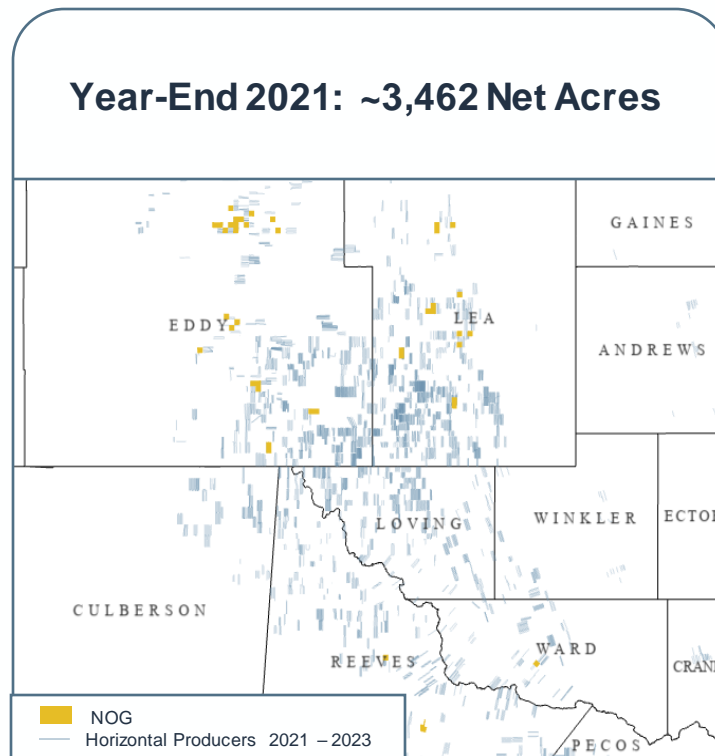
## INVESTMENT RATIONALE

- <2.8x transaction multiple (purchase price / unhedged cash flow from ops)
- Significant long-dated Tier 1 inventory at a sub-\$45 per barrel break-even
- Strong free cash flow with >\$115MM of unlevered, unhedged asset level free cash flow over the next 12 months post-closing<sup>(1)</sup>
- NOG expects nearly a decade of self-funding continuous development of the primary target formations

1) Estimate based on recent strip commodity prices; NTM starting on an assumed August 1, 2023 closing date.

# Permian Presence Doubles in the First Half of 2023

Since 2021, NOG has methodically expanded its presence in the Permian. With the addition of Forge and Novo, NOG will have doubled its Permian acreage since year-end 2022 through two unique joint operating structures.

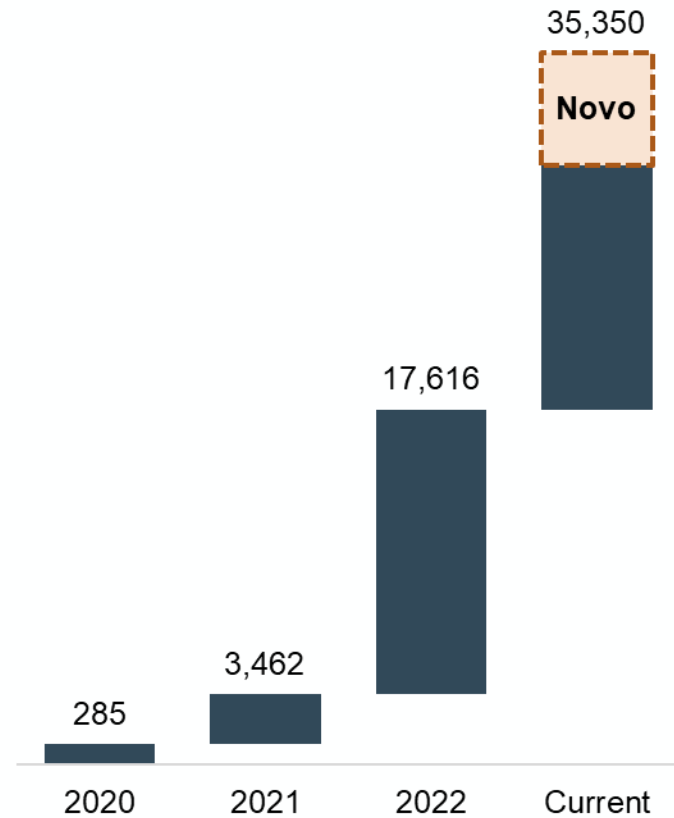


1) Pro forma for Novo acquisition and previously -announced pending Forge acquisition.

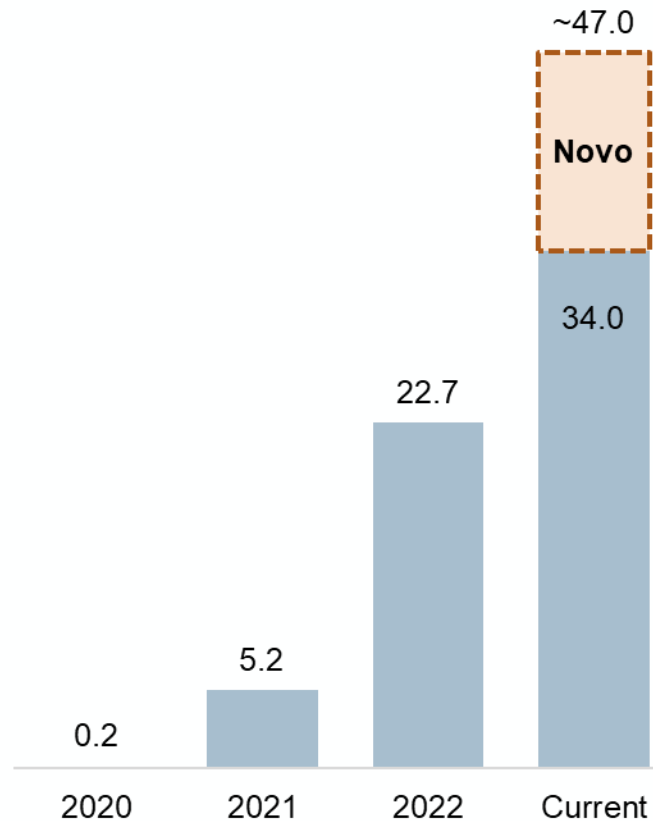
# Modern Portfolio Theory at Work

NOG's portfolio by region, commodity mix, and operator continues to grow more and more diversified, with the Permian expected to surpass the Williston to become the Company's largest asset by production in the coming quarters.

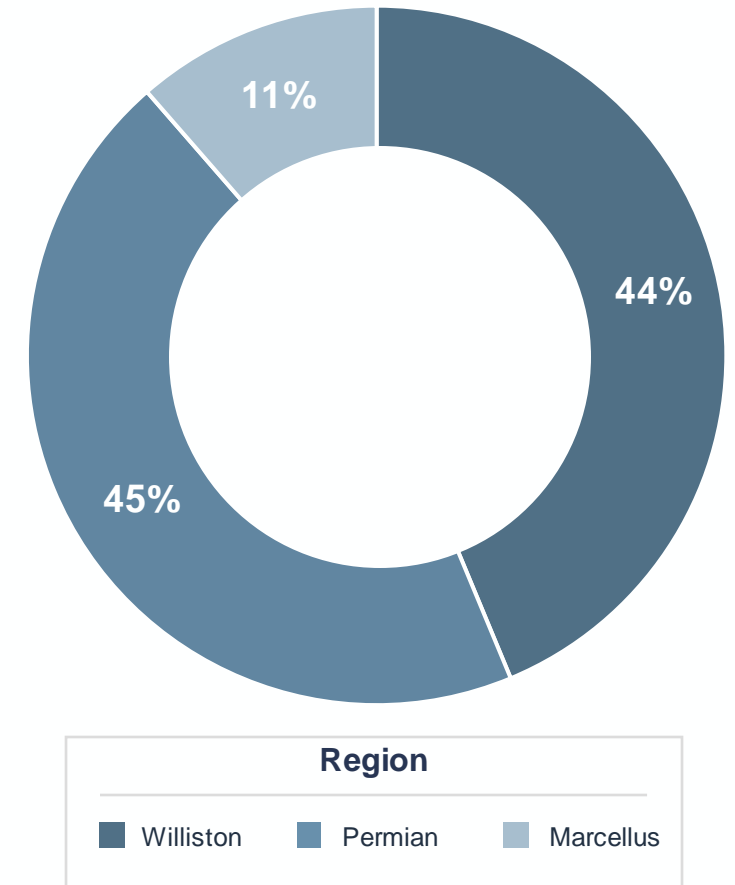
Permian Net Acres<sup>(1)</sup>



Permian Net Production MBoe/d<sup>(1)(2)</sup>



Q1-23 Pro Forma Portfolio Mix <sup>(1)</sup>



1) Pro Forma for actual Q1-23 production + current production estimates for pending Forge and Novo acquisitions. Forge expected to close in Q2-23. Novo expected to close in Q3-23.  
2) Annualized production metrics represent fourth quarter for respective year; current represents Q1-23 volumes.

# NOG's Process for Novo Creates Clarity, Alignment and Upside

NOG has successfully signed its second co-purchase of operated assets, a powerful new opportunity that when combined with traditional non-operated assets and NOG's prolific Ground Game, gives NOG an advantaged growth profile.

## Co-Bidding Process

- NOG & partner independently analyze assets, and develop respective views on value
- Jointly agree on a multi-year development plan
- Upon agreement, partners jointly bid on assets and agree on undivided interest stake in the assets in order to maintain alignment on operations

## Governance

- Operating committee to review ongoing development
- Area-of-mutual-interest (AMI) to ensure alignment to potentially grow ownership within the Novo footprint
- Cooperation and joint operating agreement with clear and concise governance around all relevant matters and risk sharing
- Baseline long term development plan with flexibility to adapt to market changes

## Future Upside

- Ability to consolidate within the AMI and potentially partner on adjacent leasehold opportunities as they develop
- NOG continues to target its core development areas for additional expansion given its material data advantage
- Billions in opportunities: NOG continues to have substantive traction with multiple operating partners, large and small

# Hedge Profile—COLLARS

NOG continues to execute a strategy built around the safeguard of returns during a commodity down-cycle, while retaining flexibility to capture the opportunistic upside.

| CRUDE OIL DERIVATIVE COLLARS |                 |                                 |                               |   |                                       | NATURAL GAS DERIVATIVE COLLARS |   |   |   |   |
|------------------------------|-----------------|---------------------------------|-------------------------------|---|---------------------------------------|--------------------------------|---|---|---|---|
|                              | Contract Period | Barrels per Day Ceiling (Bbl/d) | Barrels per Day Floor (Bbl/d) | Weighted Average Price Ceiling (\$/Bbl) | Weighted Average Price Floor (\$/Bbl) | Contract Period                | Million British Thermal Units per Day Ceiling (mmbtu/d) | Million British Thermal Units per Day Floor (mmbtu/d) | Weighted Average Price Ceiling (\$/mmbtu) | Weighted Average Price Floor (\$/mmbtu) |
| 2023 <sup>(1)</sup>          | Q3              | 19,326                          | 15,170                        | \$86.54                                 | \$71.95                               | Q3                             | 55,000  | 55,000  | \$6.674                                   | \$4.182                                 |
|                              | Q4              | 19,905                          | 15,649                        | \$85.74                                 | \$71.90                               | Q4                             | 68,315  | 68,315  | \$6.902                                   | \$4.134                                 |
|                              | Avg./Total      | 19,616                          | 15,410                        | \$86.37                                 | \$72.05                               | Avg./Total                     | 61,658  | 61,658  | \$6.800                                   | \$4.155                                 |
| 2024 <sup>(1)</sup>          | Q1              | 21,378                          | 14,222                        | \$84.84                                 | \$69.82                               | Q1                             | 27,500  | 27,500  | \$6.496                                   | \$3.636                                 |
|                              | Q2              | 21,389                          | 14,333                        | \$84.61                                 | \$69.12                               | Q2                             | 12,500  | 12,500  | \$4.948                                   | \$3.200                                 |
|                              | Q3              | 8,501                           | 6,851                         | \$80.44                                 | \$68.16                               | Q3                             | 10,000  | 10,000  | \$4.010                                   | \$3.000                                 |
|                              | Q4              | 7,867                           | 5,976                         | \$81.80                                 | \$68.15                               | Q4                             | 10,000  | 10,000  | \$4.010                                   | \$3.000                                 |
|                              | Avg./Total      | 14,748                          | 10,324                        | \$83.71                                 | \$69.06                               | Avg./Total                     | 14,973  | 14,973  | \$4.861                                   | \$3.208                                 |
| 2025 <sup>(1)</sup>          | Q1              | 3,592                           | 2,498                         | \$78.69                                 | \$66.98                               | Q1                             | 41,341  | 41,341  | \$6.460                                   | \$3.177                                 |
|                              | Q2              | 3,002                           | 2,189                         | \$75.49                                 | \$67.63                               | Q2                             | 32,409  | 32,409  | \$5.503                                   | \$3.184                                 |
|                              | Q3              | 2,554                           | 1,761                         | \$75.76                                 | \$67.89                               | Q3                             | 26,269  | 26,269  | \$5.669                                   | \$3.202                                 |
|                              | Q4              | 2,266                           | 1,473                         | \$76.87                                 | \$67.63                               | Q4                             | 26,617  | 26,617  | \$5.996                                   | \$3.191                                 |
|                              | Avg./Total      | 2,849                           | 1,977                         | \$76.82                                 | \$67.48                               | Avg./Total                     | 31,604  | 31,604  | \$5.951                                   | \$3.187                                 |
| 2026 <sup>(1)</sup>          | Q1              | 480                             | 437                           | \$70.25                                 | \$62.50                               | Q1                             | 25,486  | 25,486  | \$5.983                                   | \$3.189                                 |
|                              | Q2              | 480                             | 437                           | \$70.25                                 | \$62.50                               | Q2                             | 25,486  | 25,486  | \$5.983                                   | \$3.189                                 |
|                              | Q3              | 480                             | 437                           | \$70.25                                 | \$62.50                               | Q3                             | 25,486  | 25,486  | \$5.983                                   | \$3.189                                 |
|                              | Q4              | 480                             | 437                           | \$70.25                                 | \$62.50                               | Q4                             | 25,486  | 25,486  | \$5.983                                   | \$3.189                                 |
|                              | Avg./Total      | 480                             | 437                           | \$70.25                                 | \$62.50                               | Avg./Total                     | 25,486  | 25,486  | \$5.983                                   | \$3.189                                 |

1) Hedges are as of June 13, 2023. This table does not include volumes subject to swaptions and call options, which could increase the amounts of volumes hedged at the option of NOG's counterparties. For additional information, see Note 11 to our financial statements included in our Form 10-Q filed with the SEC for the year ended March 31, 2023.



# Hedge Profile— SWAPS

NOG continues to execute a strategy built around the safeguard of returns during a commodity down-cycle, while retaining flexibility to capture the opportunistic upside.

## CRUDE OIL DERIVATIVE SWAPS

|                     | Contract Period | Barrels per Day (Bbl/d) | Total Hedged Volumes (Bbl) | Weighted Average Price (\$/Bbl) |
|---------------------|-----------------|-------------------------|----------------------------|---------------------------------|
| 2023 <sup>(1)</sup> | Q3              | 20,370                  | 1,874,013                  | \$76.87                         |
|                     | Q4              | 19,724                  | 1,814,576                  | \$75.79                         |
|                     | Avg./Total      | 20,047                  | 4,412,301                  | \$76.21                         |
| 2024 <sup>(1)</sup> | Q1              | 7,997                   | 727,703                    | \$77.03                         |
|                     | Q2              | 8,083                   | 735,517                    | \$75.89                         |
|                     | Q3              | 7,951                   | 731,456                    | \$74.24                         |
|                     | Q4              | 3,799                   | 349,469                    | \$68.83                         |
|                     | Avg./Total      | 6,951                   | 2,544,145                  | \$74.77                         |
| 2025 <sup>(1)</sup> | Q1              | 808                     | 72,749                     | \$65.73                         |
|                     | Q2              | 589                     | 53,633                     | \$65.08                         |
|                     | Q3              | 504                     | 46,394                     | \$64.43                         |
|                     | Q4              | 466                     | 42,911                     | \$63.89                         |
|                     | Avg./Total      | 591                     | 215,687                    | \$64.92                         |
| 2026 <sup>(1)</sup> | Q1              | 430                     | 38,726                     | \$63.25                         |
|                     | Q2              | 430                     | 39,157                     | \$62.74                         |
|                     | Q3              | 430                     | 39,587                     | \$62.28                         |
|                     | Q4              | 430                     | 39,587                     | \$61.70                         |
|                     | Avg./Total      | 430                     | 157,057                    | \$62.49                         |

## NATURAL GAS DERIVATIVE SWAPS

|  | Contract Period | Million British Thermal Units per Day (mmbtu/d) | Total Hedged Volumes (mmbtu/d) | Weighted Average Price (\$/mmbtu) |
|--|-----------------|---|--------------------------------|-----------------------------------|
|  | Q3              | 104,095   | 9,576,749                      | \$3.833                           |
|  | Q4              | 106,472   | 9,795,414                      | \$3.896                           |
|  | Avg./Total      | 105,284   | 19,372,163                     | \$3.865                           |
|  | Q1              | 96,262  | 8,759,816                      | \$3.698                           |
|  | Q2              | 92,864  | 8,450,603                      | \$3.489                           |
|  | Q3              | 93,907  | 8,639,438                      | \$3.484                           |
|  | Q4              | 88,044  | 8,100,043                      | \$3.470                           |
|  | Avg./Total      | 92,759  | 33,949,900                     | \$3.537                           |
|  | Q1              | 15,000  | 1,350,000                      | \$3.756                           |
|  | Q2              | 5,000   | 455,000                        | \$4.000                           |
|  | Q3              | 5,000   | 460,000                        | \$4.000                           |
|  | Q4              | 5,000   | 460,000                        | \$4.000                           |
|  | Avg./Total      | 7,466   | 2,725,000                      | \$3.879                           |
|  | Q1              | -   | -                              | -                                 |
|  | Q2              | -   | -                              | -                                 |
|  | Q3              | -   | -                              | -                                 |
|  | Q4              | -   | -                              | -                                 |
|  | Avg./Total      | -   | -                              | -                                 |

1) Hedges as of June 13, 2023. This table does not include volumes subject to swaptions and call options, which could increase the amounts of volumes hedged at the option of NOG's counterparties. For additional information, see Note 11 to our financial statements included in our Form 10-Q filed with the SEC for the year ended March 31, 2023.



# Hedge Profile— BASIS SWAPS

NOG continues to execute a strategy built around the safeguard of returns during a commodity down-cycle, while retaining flexibility to capture the opportunistic upside.

| MIDLAND-CUSHING BASIS SWAPS |                 |                         |                            |                                 | WAHA BASIS SWAPS |   |                                |                                   |
|-----------------------------|-----------------|-------------------------|----------------------------|---------------------------------|------------------|---|--------------------------------|-----------------------------------|
|                             | Contract Period | Barrels per Day (Bbl/d) | Total Hedged Volumes (Bbl) | Weighted Average Price (\$/Bbl) | Contract Period  | Million British Thermal Units per Day (mmbtu/d) | Total Hedged Volumes (mmbtu/d) | Weighted Average Price (\$/mmbtu) |
| 2023 <sup>(1)</sup>         | Q3              | 10,914                  | 1,004,126                  | \$1.27                          | Q3               | 27,000  | 2,484,000                      | -\$0.999                          |
|                             | Q4              | 10,872                  | 1,000,252                  | \$1.27                          | Q4               | 27,000  | 2,484,000                      | -\$0.999                          |
|                             | Avg./Total      | 10,893                  | 2,641,378                  | \$1.30                          | Avg./Total       | 27,000  | 5,785,000                      | -\$1.070                          |
| 2024 <sup>(1)</sup>         | Q1              | 12,268                  | 1,116,431                  | \$1.21                          | Q1               | 27,000  | 2,457,000                      | -\$0.999                          |
|                             | Q2              | 12,490                  | 1,136,609                  | \$1.21                          | Q2               | 27,000  | 2,457,000                      | -\$0.999                          |
|                             | Q3              | 12,551                  | 1,154,712                  | \$1.20                          | Q3               | 27,000  | 2,484,000                      | -\$0.999                          |
|                             | Q4              | 12,325                  | 1,133,869                  | \$1.21                          | Q4               | 27,000  | 2,484,000                      | -\$0.999                          |
|                             | Avg./Total      | 12,409                  | 4,541,621                  | \$1.21                          | Avg./Total       | 27,000  | 9,882,000                      | -\$0.999                          |
| 2025 <sup>(1)</sup>         | Q1              | 6,112                   | 550,103                    | \$1.00                          | Q1               | 27,000  | 2,430,000                      | -\$0.999                          |
|                             | Q2              | 5,812                   | 528,916                    | \$1.00                          | Q2               | 27,000  | 2,457,000                      | -\$0.999                          |
|                             | Q3              | 5,612                   | 516,328                    | \$1.00                          | Q3               | 27,000  | 2,484,000                      | -\$0.999                          |
|                             | Q4              | 5,612                   | 516,328                    | \$1.00                          | Q4               | 22,359  | 2,057,000                      | -\$0.888                          |
|                             | Avg./Total      | 5,785                   | 2,111,675                  | \$1.00                          | Avg./Total       | 25,830  | 9,428,000                      | -\$0.975                          |
| 2026 <sup>(1)</sup>         | Q1              | 306                     | 27,563                     | \$1.00                          | Q1               | 20,000  | 1,800,000                      | -\$0.813                          |
|                             | Q2              | 306                     | 27,870                     | \$1.00                          | Q2               | 20,000  | 1,820,000                      | -\$0.813                          |
|                             | Q3              | 306                     | 28,176                     | \$1.00                          | Q3               | 20,000  | 1,840,000                      | -\$0.813                          |
|                             | Q4              | 306                     | 28,176                     | \$1.00                          | Q4               | 20,000  | 1,840,000                      | -\$0.813                          |
|                             | Avg./Total      | 306                     | 111,690                    | \$1.00                          | Avg./Total       | 20,000  | 7,300,000                      | -\$0.813                          |

1) Hedges as of June 13, 2023. This table does not include volumes subject to swaptions and call options, which could increase the amounts of volumes hedged at the option of NOG's counterparties. For additional information, see Note 11 to our financial statements included in our Form 10-Q filed with the SEC for the year ended March 31, 2023.

# Important Disclosures

## Forward Looking Statements

This presentation contains forward-looking statements regarding future events and future results that are subject to the safe harbors created under the Securities Act of 1933, as amended (the “Securities Act”) and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts included in this presentation regarding Northern Oil and Gas, Inc.’s (“NOG,” “we,” “us” or “our”) dividend plans and practices, financial position, operating and financial performance, business strategy, plans and objectives of management for future operations, industry conditions, indebtedness covenant compliance, capital expenditures, production, and cash flow are forward-looking statements. When used in this presentation, forward-looking statements are generally accompanied by terms or phrases such as “estimate,” “project,” “predict,” “believe,” “expect,” “continue,” “anticipate,” “target,” “could,” “plan,” “intend,” “seek,” “goal,” “will,” “should,” “may” or other words and similar expressions that convey the uncertainty of future events or outcomes. Items contemplating or making assumptions about actual or potential future production, sales, market size, collaborations, cash flows, and trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our company’s control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following: changes in crude oil and natural gas prices, the pace of drilling and completions activity on NOG’s current properties and properties pending acquisition; infrastructure constraints and related factors affecting NOG’s properties; cost inflation or supply chain disruptions; ongoing legal disputes over, and potential shutdown of, the Dakota Access Pipeline; NOG’s ability to acquire additional development opportunities, potential or pending acquisition transactions, the projected capital efficiency savings and other operating efficiencies and synergies resulting from NOG’s acquisition transactions, integration and benefits of property acquisitions, or the effects of such acquisitions on NOG’s cash position and levels of indebtedness; changes in NOG’s reserves estimates or the value thereof; disruption to NOG’s business due to acquisitions and other significant transactions; general economic or industry conditions, nationally and/or in the communities in which NOG conducts business; changes in the interest rate environment, legislation or regulatory requirements; conditions of the securities markets; risks associated with NOG’s Convertible Notes, including the potential impact that the Convertible Notes may have NOG’s financial position and liquidity, potential dilution, and that provisions of the Convertible Notes could delay or prevent a beneficial takeover of NOG; the potential impact of the capped call transaction undertaken in tandem with the Convertible Notes issuance, including counterparty risk; increasing attention to environmental, social and governance matters; NOG’s ability to consummate any pending acquisition transactions; other risks and uncertainties related to the closing of pending acquisition transactions; NOG’s ability to raise or access capital; cyber-incidents could have a material adverse effect NOG’s business, financial condition or results of operations; changes in accounting principles, policies or guidelines; events beyond NOG’s control, including a global or domestic health crisis, acts of terrorism, political or economic instability or armed conflict in oil and gas producing regions; and other economic, competitive, governmental, regulatory and technical factors affecting NOG’s operations, products and prices.

NOG has based any forward-looking statements on its current expectations and assumptions about future events. While management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond NOG’s control. Accordingly, results actually achieved may differ materially from expected results described in these statements. Forward-looking statements speak only as of the date they are made. You should consider carefully the statements under the heading “Risk Factors” in NOG’s Annual Report on Form 10-K for the year ended December 31, 2022, as updated by NOG’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. NOG does not undertake, and specifically disclaims, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements, other than as may be required by applicable law or regulation.

# Important Disclosures

## Industry and Marketing Data

Although all information and opinions expressed in this presentation, including market data and other statistical information (including estimates and projections relating to addressable markets), were obtained from sources believed to be reliable and are included in good faith, NOG has not independently verified the information and makes no representation or warranty, express or implied, as to its accuracy or completeness. Some data is also based on the good faith estimates of NOG, which are derived from its review of internal sources as well as the independent sources described above. This presentation contains preliminary information only, is subject to change at any time and, is not, and should not be assumed to be, complete or to constitute all the information necessary to adequately make an informed decision regarding your engagement with NOG. While NOG is not aware of any misstatements regarding the industry and market data presented in this presentation, such data involve risks and uncertainties and are subject to change based on various factors, including those factors discussed under “Forward Looking Statements” above. NOG has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

## Non-GAAP Financial Measures

This presentation includes certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”), including Free Cash Flow. These non-GAAP financial measures are not measures of financial performance prepared or presented in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation, and users of any such information should not place undue reliance thereon. NOG believes the presentation of these metrics may be useful to investors because it supplements investors’ understanding of its operating performance by providing information regarding performance that excludes items it believes do not directly affect its core operations. NOG defines Free Cash Flow as cash flows from operations before changes in working capital and other items, less (i) capital expenditures, excluding non-budgeted acquisitions and changes in accrued capital expenditures and other items. From time-to-time NOG provides forward-looking Free Cash Flow estimates or targets; however, NOG is unable to provide a quantitative reconciliation of the forward-looking non-GAAP measure to its most directly comparable forward-looking GAAP measure because management cannot reliably quantify certain of the necessary components of such forward-looking GAAP measure. The reconciling items in future periods could be significant.