

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.

18 Can any resulting loss be recognized? ▶ See attached.

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

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

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

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

Line 8. The requested information is as follows:

See below under the Line 14 responses

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

Northern Oil and Gas, Inc. 8.5% Senior Secured Second Lien Notes due 2023, CUSIP: 665531AE9 (the "Notes")

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:

1. The "May 11, 2020 Exchange" – On May 11, 2020, certain Note holders exchanged Notes with an aggregate principal amount of \$3,134,295 for 2,573,331 shares of Northern Oil and Gas, Inc.'s (the "Issuer's") common stock, par value \$0.001 per share (the "Common Stock").
2. The "May 20, 2020 Exchange" – On May 20, 2020, certain Note holders exchanged Notes with an aggregate principal amount of \$3,000,000 for 2,569,467 shares of the Issuer's Common Stock.
3. The "May 18, 2020 Exchange" – On May 18, 2020, certain Note holders exchanged Notes with an aggregate principal amount of \$15,567,493 for 15,490,949 shares of the Issuer's Common Stock.
4. The "June 18, 2020 Exchange" – On June 18, 2020, certain Note holders exchanged Notes with an aggregate principal amount of \$4,500,000 for 4,118,696 shares of the Issuer's Common Stock.

5. The “June 16, 2020 Exchange” – On June 16, 2020, certain Note holders exchanged Notes with an aggregate principal amount of \$ \$4,000,000 for 3,700,815 shares of the Issuer’s Common Stock.
6. The “September 9, 2020 Exchange” – On September 9, 2020, certain Note holders exchanged Notes with an aggregate principal amount of \$ \$4,000,000 for 4,933,043 shares of the Issuer’s Common Stock.
7. The “September 30, 2020 Exchange” – On September 30, 2020, certain Note holders exchanged Notes with an aggregate principal amount of \$5,531,470 for 826,311 shares of the Issuer’s Common Stock.

The May 11, 2020 Exchange, May 20, 2020 Exchange, May 18, 2020 Exchange, June 18, 2020 Exchange, June 16, 2020 Exchange, September 9, 2020 Exchange, and September 30, 2020 Exchange are collectively referred to herein as the “Q2 and Q3 2020 Exchange Transactions.”

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 Notes as “securities” for U.S. federal income tax purposes. Assuming that the Notes are “securities” for U.S. federal income tax purposes, each of the Q2 and Q3 2020 Exchange Transactions would be treated as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the “Code”).

The term “security” is not defined in the Code or the Treasury regulations and has not been clearly defined by judicial decisions. Whether a debt instrument constitutes a security is determined based on all the facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that a debt instrument is not a security, whereas a term of ten years or more is evidence that a debt instrument is a security. The Notes have a term to maturity of five years, and each exchanging Note holder should consult its tax advisor as to whether the Notes would be treated as securities for these purposes.

Cash (or stock) received in one of the Q2 and Q3 2020 Exchange Transactions by a participating Note holder in payment of accrued interest is generally treated as an interest payment for Federal income tax purposes. Each Note holder should account for its interest income (including any accrued interest receivable satisfied in a Q2 and Q3 2020 Exchange Transactions via payment of cash or stock) based on its tax accounting method applicable to interest.

Each Note holder participating in the Q2 and Q3 2020 Exchange Transactions exchanged its Notes for shares of the Issuer’s Common Stock. Assuming that the Q2 and Q3 2020 Exchange Transactions constituted a recapitalization, each Note holder’s initial tax basis in its shares of the Common Stock generally should be equal to such Note holder’s tax basis in its exchanged Notes immediately prior to the exchange.

Once each Note holder determines its initial basis in its shares of the Common Stock received in a Q2 and Q3 2020 Exchange Transaction, such Note holder should allocate its aggregate basis amount in the Notes 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 Notes exchanged.

Treatment of the Q2 and Q3 2020 Exchange Transactions as recapitalizations, however, would not affect a Note holder's accounting for interest income; each Note holder should account for its interest income (including any accrued interest receivable satisfied via payment of cash or stock) based on its tax accounting method applicable to interest.

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 seven respective Q2 and Q3 2020 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 each of the Q2 and Q3 2020 Exchange Transactions constitutes a recapitalization under Section 368(a)(1)(E) of the Code, the Note holders that participated in a Q2 and Q3 2020 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 May 11, 2020 Exchange should be reported by each Note holder participating in such exchange in such Note holder's tax year that includes the date of May 11, 2020.

The tax consequences of the May 20, 2020 Exchange should be reported by each Note holder participating in such exchange in such Note holder's tax year that includes the date of May 20, 2020.

The tax consequences of the May 18, 2020 Exchange should be reported by each Note holder participating in such exchange in such Note holder's tax year that includes the date of May 18, 2020.

The tax consequences of the June 18, 2020 Exchange should be reported by each Note holder participating in such exchange in such Note holder's tax year that includes the date of June 18, 2020.

The tax consequences of the June 16, 2020 Exchange should be reported by each Note holder participating in such exchange in such Note holder's tax year that includes the date of June 16, 2020.

The tax consequences of the September 9, 2020 Exchange should be reported by each Note holder participating in such exchange in such Note holder's tax year that includes the date of September 9, 2020.

The tax consequences of the September 30, 2020 Exchange should be reported by each Note holder participating in such exchange in such Note holder's tax year that includes the date of September 30, 2020.

The holding period for the shares of Common Stock received in the Q2 and Q3 2020 Exchange Transactions generally would include the holding period for the Notes held prior to each such Transaction, respectively.

Note holders should consult their tax advisors to determine the tax consequences to them of the Q2 and Q3 2020 Exchange Transactions.