

September 10, 2020



Northern Oil and Gas, Inc. Announces First Acquisition in the Delaware Basin, Operations Update

HIGHLIGHTS

- Delaware Basin acquisition includes acreage and proposed wells in Lea County, NM operated by EOG Resources
- Northern expects monthly peak production from the acquisition of approximately 1,400 barrels of oil equivalent (“Boe”) per day in mid-2021
- Northern expects the transaction to be accretive to EV / EBITDA, corporate return on capital employed, earnings per share, and free cash flow metrics in 2021 and beyond
- Northern is providing an operations update, adjusting Q3 2020 production guidance upward to 25,000 – 30,000 Boe per day

MINNEAPOLIS--(BUSINESS WIRE)-- Northern Oil and Gas, Inc. (NYSE American: NOG) (“Northern” or the “Company”) today announced an acquisition in the Delaware Basin and other business updates.

DELAWARE BASIN ACQUISITION

Northern has acquired non-operated interests in the Delaware Basin from an undisclosed seller consisting of approximately 66 net acres, on which 1.1 initial net wells have been proposed. The proposed wells are expected to be spud in late 2020 and/or early 2021 and turned in line beginning in the second quarter of 2021. The underlying acreage carries additional future development upside. The assets are operated by EOG Resources and located in Lea County, NM.

Total acquisition costs plus the initial development costs on the 1.1 net wells are expected to be approximately \$11.9 million. Northern expects approximately 54% of this capital to be incurred in 2020, all of which would be within Northern’s previously stated 2020 capital budget.

Northern expects monthly peak production of approximately 1,400 Boe per day on the initial wells late in the second quarter of 2021. Upon turning in line, Northern expects these assets to be accretive to EV / EBITDA, corporate return on capital employed, earnings per share, and free cash flow metrics in 2021 and beyond.

OPERATIONS UPDATE

Northern has seen steady and marked improvement in operations throughout the third quarter of 2020. Realized oil pricing differentials have narrowed from wide levels experienced in the second quarter. Northern also expects a significant reduction in per unit

lease operating expenses in the third quarter compared to the second quarter. Operators have continued to return shut-in and curtailed production to sales at a steady rate, at or above Northern's internal forecasts. Northern is adjusting its third quarter of 2020 production guidance upward from 22,500 – 30,000 Boe per day to 25,000 – 30,000 Boe per day, an increase of 1,250 Boe per day at the midpoint. Inclusive of today's announced acquisition, Northern continues to be well within its stated capital budget of \$175 – 200 million for 2020 and does not currently anticipate accessing its \$50 million reserve budget for accelerated completions.

BALANCE SHEET UPDATE

Northern has reduced its Senior Secured Notes (the "Notes") by \$130.0 million year-to-date, through previously announced open market purchases and exchanges for common and preferred equity. Of this \$130.0 million, the vast majority are complete, with less than \$2.1 million of exchange value remaining to be completed by the end of September. These transactions have been designed to reduce fixed charges, capture pricing discounts on the Notes, and earn a strong return on capital employed for shareholders. On an annualized basis, these transactions have reduced annual interest expense by over \$11 million. The transactions involving Notes purchased for cash or exchanged for common equity have captured discounts to par value of approximately \$9.3 million. However, given recent volatility in the price of Northern's common stock and the current value of the Notes, Northern does not currently anticipate any further exchanges for the Notes in 2020.

MANAGEMENT COMMENTS

"We have been actively building data in the Permian Basin for two years," commented Nick O'Grady, Chief Executive Officer of Northern. "The 2020 downturn in the energy sector has made the Permian Basin competitive for the first time, inclusive of acreage costs, on a full cycle return basis with our Williston Basin program. Coupled with Northern's Ground Game acquisitions in the Williston, this increased opportunity set should add additional breadth to our strategy as the natural consolidator of non-operated working interests. Returns matter: the capital markets continue to ignore our stellar capital allocation process that has led to the highest return on capital employed of any public oil-centric E&P. With this deal, we continue to carefully invest countercyclically in high return future cash flows and inventory to capture upside, while ongoing operations continue to improve."

"Northern continues to execute on its active management strategy adhering to our strict return on capital requirements," commented Adam Dirlam, Chief Operating Officer of Northern. "Northern's unique business model can add significant high quality, high return inventory and development, regardless of current activity levels. Additionally, after patiently building data over the past several years, our technical ability has allowed us to expand this strategy further, as demonstrated by our first deal in the Permian Basin."

ABOUT NORTHERN OIL AND GAS

Northern Oil and Gas, Inc. is a company with a primary strategy of investing in non-operated minority working and mineral interests in oil & gas properties, with a core area of focus in the Williston Basin Bakken and Three Forks play in North Dakota and Montana.

More information about Northern Oil and Gas, Inc. can be found at www.NorthernOil.com.

SAFE HARBOR

This press release contains forward-looking statements regarding future events and future results that are subject to the safe harbors created under the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”). All statements other than statements of historical facts included in this release regarding Northern’s financial position, business strategy, plans and objectives of management for future operations and industry conditions are forward-looking statements. When used in this release, 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 sales, market size, collaborations, 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 Northern’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 Northern’s properties and properties pending acquisition, the effects of the COVID-19 pandemic and related economic slowdown, Northern’s ability to acquire additional development opportunities, changes in Northern’s reserves estimates or the value thereof, general economic or industry conditions, nationally and/or in the communities in which Northern conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, Northern’s ability to consummate any pending acquisition transactions, other risks and uncertainties related to the closing of pending acquisition transactions, Northern’s ability to raise or access capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, and other economic, competitive, governmental, regulatory and technical factors affecting Northern’s operations, products, services and prices.

Northern has based these 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 Northern’s control. Northern does not undertake any duty to update or revise any forward-looking statements, except as may be required by the federal securities laws.

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Mike Kelly
EVP, Finance
(952) 476-9800
ir@northernoil.com

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