

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 1, 2022

**Evolution Petroleum Corporation**

(Exact name of registrant as specified in its charter)

001-32942

(Commission File Number)

Nevada

(State or Other Jurisdiction of Incorporation)

41-1781991

(I.R.S. Employer Identification No.)

1155 Dairy Ashford Road, Suite 425, Houston, Texas  
(Address of Principal Executive Offices)

77079

(Zip Code)

(713) 935-0122

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, \$0.001 par value	EPM	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On April 1, 2022, Evolution Petroleum Corporation (the “Company”) completed the acquisition of non-operated oil and gas assets in the Jonah Field in Sublette County, Wyoming (the “Transaction”) from Exaro Energy III, LLC (“Exaro”), for \$26.2 million, net of preliminary purchase price adjustments and a \$1.5 million deposit made upon signing of the Purchase and Sale Agreement. The final purchase price before adjustments of the Transaction was \$27.5 million, which included preferential rights exercised by Jonah Energy, the operator of the assets, of \$1.9 million. The Transaction had an effective date of February 1, 2022.

The acquired assets includes an average net working interest of 19.6% and an average net revenue interest of 14.9% in 595 producing wells and 956 net acres. Current estimated net daily production from the asset is approximately 10.8 million cubic feet of natural gas, 120 barrels of natural gas liquids, and 112 barrels of oil. The commodity mix of the assets is 88% natural gas, 6% natural gas liquids, and 6% oil. The assets had an average net production of 2,141 barrels of oil equivalent per day, for the six months ended December 31, 2021.

The Transaction was funded from cash on hand and \$17 million borrowings under the Company’s existing senior credit facility.

**Cautionary Statement**

This Current Report on Form 8-K contains certain statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical facts, included in this Current Report on Form 8-K that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of its business. These forward-looking statements are subject to a number of risks and uncertainties, most of which are difficult to predict and many of which are beyond its control, including the completion of the proposed transaction on the terms or timeline currently contemplated or at all. Please read the Company’s filings with the Securities and Exchange Commission, including “Risk Factors” in its Annual Report on Form 10-K for the year ended June 30, 2021, for a discussion of risks and uncertainties that could cause actual results to differ from those in such forward-looking statements. The words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “plan,” “expect,” “indicate” and similar expressions are intended to identify forward-looking statements. All statements other than statements of current or historical fact contained in this Current Report on Form 8-K are forward-looking statements. Although the Company believes that the forward-looking statements contained in this Current Report on Form 8-K are based upon reasonable assumptions, the forward-looking events and circumstances discussed in this press release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

**Item 7.01 Regulation FD Disclosure.**

On April 4, 2022, the Company issued a press release disclosing the closing of the Transaction. A copy of the press release is furnished herewith as Exhibit 99.1.

On April 6, 2022, the Company is hosting an investor update call and will be reviewing an updated investor presentation posted to the Company’s website. A copy of this presentation is furnished herewith as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	<a href="#">Evolution Petroleum Corporation Press Release dated April 4, 2022</a>
Exhibit 99.2	<a href="#">Evolution Petroleum Corporation Investor Presentation dated April 2022</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Evolution Petroleum Corporation  
(Registrant)

Date: April 6, 2022

By:  
Name:  
Title:

/s/ RYAN STASH  
Ryan Stash  
Senior Vice President, Chief Financial Officer and Treasurer

## Evolution Petroleum Announces Closing of Acquisition of Natural Gas Assets in Wyoming's Jonah Field and Upcoming Investor Call

HOUSTON, TX / ACCESSWIRE / April 4, 2022 / Evolution Petroleum (NYSE American: EPM) ("Evolution" or the "Company") announced today that its transaction to acquire non-operated natural gas assets in the Jonah Field in Sublette County, Wyoming (the "Transaction") from privately-owned Exaro Energy III, LLC ("Exaro") closed on April 1, 2022. The net purchase price for the Transaction was \$26.2 million, including customary preliminary purchase price and closing adjustments, as well as exercised preferential rights, based on an effective date of February 1, 2022. The Company's management team plans to discuss its recent acquisitions on an investor call on Wednesday April 6, 2022.

### Transaction Highlights

- Provides immediate accretive cash flow, product diversity, increased scale, and extended dividend support with minimal incremental overhead;
- Increases pro forma net daily production by 37% to approximately 8,000 barrels of oil equivalent per day<sup>(1)</sup>;
- Evaluated solely on proved developed producing ("PDP") reserves based on forward prices substantially below current levels;
- Adds approximately 38 billion cubic feet of natural gas equivalent of long-life PDP reserves<sup>(2)</sup>;
- Field has access to multiple attractive markets, including west to the Opal market hub and optionality to flow to eastern markets;
- Operated since 2014 by Jonah Energy LLC ("Jonah Energy"), a top-tier, responsible, and established operator in the region; and
- Transaction funded from cash on hand and \$17 million of borrowings under the Company's existing senior credit facility.

The acquisition includes an average net working interest of 19.6% and an average net revenue interest of 14.9% in 595 producing wells and 956 net acres. Current estimated net daily production from the asset is approximately 10.8 million cubic feet of natural gas, 120 barrels of natural gas liquids, and 112 barrels of oil. With the incremental debt, the Company's ratio of debt to pro forma annualized Adjusted EBITDA<sup>(3)</sup> remains well below the targeted level of one times.

### Management Comments

"We are pleased to successfully close on another accretive transaction - the acquisition of non-operated natural gas assets in the prolific and long-life Jonah Field in Wyoming," said Jason Brown, President and Chief Executive Officer. "The Company has a clear strategy based on evaluating and executing accretive transactions that meet stringent criteria while keeping debt levels at a conservative level. We remain focused on securing incremental long-life and low-decline reserves that generate strong cash flow, further supporting the long-term strategy of providing a meaningful return of capital to shareholders through a quarterly cash dividend program that has been in place for more than eight years. We are especially pleased to partner with Jonah Energy, a proven operator that is highly regarded."

Brown continued, "In 2022 Evolution has executed two strategic acquisitions that have substantially evolved its commodity product mix, expanded its asset footprint, strengthened future cash flow generation, and added inventory of low-risk development drilling. As a result, we have been able to restore our cash dividend back to the pre-pandemic level while substantially increasing free cash flow to rapidly pay down our modest amount of outstanding debt and fund development drilling of our proved

undeveloped location inventory in the Williston Basin. We appreciate the continued support of shareholders as we integrate these properties into the Company and extend dividend support for the next decade. Going forward, our priorities will be the evaluation and execution on additional targeted transactions that complement our portfolio, as well as conservative development of existing assets that further support meaningful ongoing cash return of capital to shareholders."

#### **Presentation and Discussion**

Evolution will host an investor call on Wednesday April 6, 2022 at 2 p.m. Eastern to discuss its recent acquisitions in both the Jonah Field and the Williston Basin and answer any questions. A presentation will be posted on the Company's website under the Investors section on Wednesday morning ahead of the call: [www.evolutionpetroleum.com](http://www.evolutionpetroleum.com).

Details for the conference call are as follows:

Date: Wednesday April 6, 2022

Time: 2:00 p.m. Eastern (1:00 p.m. Central)

Participant Numbers: Provide participant access code of 957641 after dialing:

888-506-0062 (Toll free United States & Canada)

973-528-0011 (International)

To listen live via webcast, click the link <https://www.webcaster4.com/Webcast/Page/2188/45157> or go to the Company's website at [www.evolutionpetroleum.com](http://www.evolutionpetroleum.com). An audio replay will be available on Evolution's website following the call. An audio replay will also be available two hours after the end of the conference call through May 6, 2022 and will be accessible by dialing 877-481-4010 (Toll free United States & Canada); 919-882-2331 (International) with the replay pin number of 45157.

#### **About Evolution Petroleum**

Evolution Petroleum Corporation is an oil and natural gas company focused on delivering a sustainable dividend yield to its shareholders through the ownership, management, and development of producing oil and natural gas properties onshore in the United States. The Company's long-term goal is to build a diversified portfolio of oil and natural gas assets primarily through acquisition, while seeking opportunities to maintain and increase production through selective development, production enhancement, and other exploitation efforts on its properties. Our assets include our non-operated interests in the Barnett Shale in North Texas, a CO2 enhanced oil recovery project in Louisiana's Delhi Field, a secondary recovery project in Wyoming's Hamilton Dome Field, and the recently acquired properties in the Williston Basin in North Dakota and Jonah Field in Wyoming. Additional information, including the Company's annual report on Form 10-K and its quarterly reports on Form 10-Q, is available on its website at <http://www.evolutionpetroleum.com>.

#### **Cautionary Statement**

All forward-looking statements contained in this press release regarding current expectations, potential results and future plans and objectives of the Company involve a wide range of risks and uncertainties. Statements herein using words such as "believe," "expect," "plans," "outlook," "should," "will," and words of similar meaning are forward-looking statements. Although our expectations are based on business, engineering, geological, financial, and operating assumptions that we believe to be reasonable, many factors could cause actual results to differ materially from our expectations and we can give no assurance that our goals will be achieved. These factors and others are detailed under the heading "Risk Factors" and

elsewhere in our periodic documents filed with the Securities and Exchange Commission. The Company undertakes no obligation to update any forward-looking statement.

#### **Company Contacts**

Jason Brown, President & CEO  
Ryan Stash, SVP & CFO  
(713) 935-0122  
JBrown@evolutionpetroleum.com  
RStash@evolutionpetroleum.com

#### **Notes:**

- (1) Pro forma production estimate based on average six months ended 12/31/2021.
- (2) Reserves calculations are based on Company-engineered reserves estimates as of 2/1/2022 at fixed 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/barrel.
- (3) Adjusted EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization and is a non-GAAP financial measure. The Company defines Adjusted EBITDA as net income (loss) plus interest expense, income tax expense (benefit), depreciation, depletion and amortization (DD&A), stock-based compensation, other amortization and accretion, ceiling test impairment and other impairments, unrealized loss (gain) on change in fair value of derivatives, and other non-cash expense (income) items.



April 2022 Investor Call

## Disclaimer

### Forward Looking Statements

This presentation contains "forward-looking statements." Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. Such statements include those relating to pending acquisitions and associated costs, acreage, production, reserves, and other matters; drilling locations and potential drilling activities; production and sales volumes; proved, probable and possible reserves; operating and administrative costs; future operating or financial results; cash flow and anticipated liquidity; business strategy; future dividend policies and other matters. These forward-looking statements may generally, but not always, be identified by words such as "estimated", "projected", "potential", "anticipated", "forecasted" or other words that convey the uncertainty of future events or outcomes. Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. These statements are based on current plans and assumptions and are subject to a number of risks and uncertainties as further outlined in our Forms 10-K and 10-Q. Therefore, the actual results may differ materially from the expectations, estimates or assumptions expressed in or implied by any forward-looking statement, and we caution readers not to place undue reliance on these forward looking statements, which speak only as of the date of this presentation. In particular, the pending acquisition disclosed in this presentation may not be consummated or, if it is, may be consummated upon materially different terms than currently anticipated and set forth in this presentation, including, for instance, as a consequence of the exercise of preferential purchase rights held by third parties which may dramatically reduce the acreage, reserves and production acquired. We undertake no obligation to update these forward looking statements to reflect events or circumstances occurring after the date of this presentation.

### Cautionary Note Regarding Oil and Gas Reserves

Current SEC rules regarding oil and gas reserves information allow oil and gas companies to disclose in filings with the SEC not only proved reserves, but also probable and possible reserves that meet the SEC's definitions of such terms. We disclose only proved reserves in our filings with the SEC. Our proved reserves as of June 30, 2021, were estimated by our independent petroleum engineering firm. In this presentation, proved reserves associated with acquired properties and probable and possible reserves, have been estimated by the Company's internal staff of engineers. Estimates of probable and possible reserves are by their nature more speculative than estimates of proved reserves and are subject to greater uncertainties, and accordingly the likelihood of recovering those reserves is subject to substantially greater risk. We also disclose proved and unproved drilling locations in this presentation. Actual locations drilled and quantities that may be ultimately recovered from the Company's interest may differ substantially from these estimates. There is no commitment by the Company to drill all of the drilling locations that have been attributed these quantities. Factors affecting ultimate recovery include the scope of the Company's drilling program, which will be directly affected by the decisions of the operators of our properties, availability of capital, drilling and production costs, availability of drilling and completion services and equipment, drilling results, agreement terminations, regulatory approvals and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of reserves may change significantly as development of the Company's oil and gas assets provides additional data.

### Non-GAAP Reconciliation - Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that is used as a supplemental financial measure by our management and by external users of our financial statements, such as investors, commercial banks and others, to assess our operating performance as compared to that of other companies in our industry, without regard to financing methods, capital structure or historical costs basis. It is also used to assess our ability to incur and service debt and fund capital expenditures. Our Adjusted EBITDA should not be considered an alternative to net income (loss), operating income (loss), cash flows provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. The Company defines Adjusted EBITDA as net income (loss) plus interest expense, income tax expense (benefit), depreciation, depletion and amortization (DD&A), stock-based compensation, other amortization and accretion, ceiling test impairment and other impairments, unrealized loss (gain) on change in fair value of derivatives, and other non-cash expense (income) items.



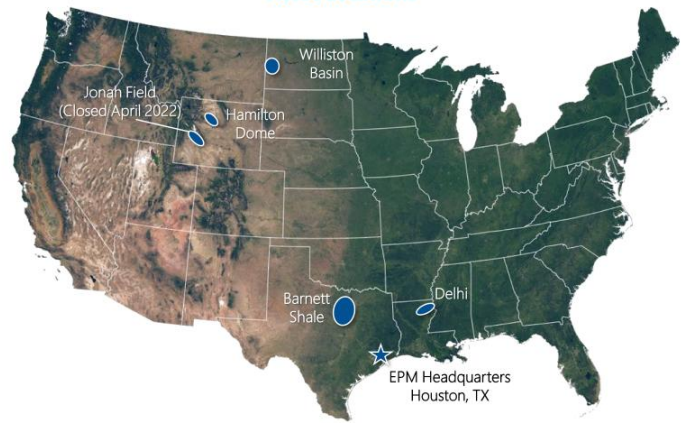
NYSE: EPM

## Company Overview

NYSE American	EPM
Shares Outstanding (2/7/2022)	33.69 MM
Share Price (4/1/2022)	\$7.19
52 Week Range (4/1/2022)	\$3.01-\$8.17
Market Cap (4/1/2022)	\$242.2 MM
Common Dividend (3Q 2022)	\$0.40 per share (annualized)
Dividend Yield (4/1/2022)	5.6% (annualized)
EPM Net Production (1H 2022)	5,400 BOEPD (55% Natural Gas, 29% Oil, 16% NGL)
EPM Pro Forma Net Production <sup>1</sup>	~8,000 BOEPD (62% Natural Gas, 25% Oil, 13% NGL)
Proved Reserves <sup>2</sup> (FYE 2021)	23.4 MMBOE (92% PDP)
Pro Forma Proved Reserves <sup>3</sup>	37.3 MMBOE
Total Debt(4/1/2022) <sup>4</sup>	\$37.0 MM
Net Income (2Q 2022)	\$6.8 MM
Adjusted EBITDA <sup>5</sup> (2Q 2022)	\$10.2 MM

See Slide 18 in Appendix for footnotes.

### Asset Locations



Evolution Petroleum is an oil and natural gas company focused on delivering a sustainable dividend yield to its shareholders through the ownership, management, and development of producing oil and natural gas properties. Our long-term goal is to build a diversified portfolio of oil and natural gas assets primarily through acquisition, while seeking opportunities to maintain and increase production through selective development, production enhancement, and other exploitation efforts.

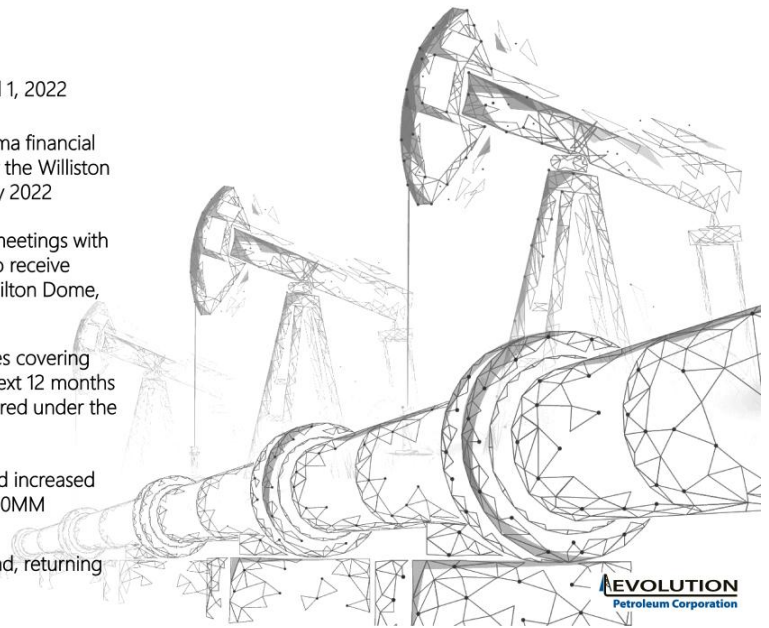
**EVOLUTION**  
Petroleum Corporation

April 2022

## Recent Updates

- ✓ Closed Jonah Field acquisition on April 1, 2022
- ✓ Completed financial audit and pro forma financial information as required by the SEC for the Williston Basin acquisition that closed in January 2022
- ✓ Held annual working interest owners meetings with new and existing operating partners to receive updates on activity at Delhi Field, Hamilton Dome, Barnett Shale, and Williston Basin
- ✓ Added additional costless collar hedges covering 25% of projected production for the next 12 months for the Jonah Field acquisition as required under the credit facility
- ✓ Completed Spring redetermination and increased the credit facility borrowing base to \$50MM
- ✓ Paid 34<sup>th</sup> consecutive quarterly dividend, returning to pre-pandemic levels of \$0.10/share

4



**EVOLUTION**  
Petroleum Corporation

Prolific Natural Gas Field

# Jonah Field

## Overview

- Jonah Field is located within Wyoming's Green River Basin in Sublette County
- Produces from the Lance Pool consisting of 3,000' to 5,000' of gross thickness (~45% net pay) of over-pressured reservoir
- Jonah Energy, a top-tier, responsible, and established operator, has operated the asset since 2014
- The purchase price, including preferential rights exercised by Jonah Energy, was \$27.5MM<sup>(1)</sup> with a 2/1/2022 effective date and closed on 4/1/2022
  - Preferential right exercised was valued at \$1.9MM and included 53 wells in 29N 108W, section 25

## Asset Highlights

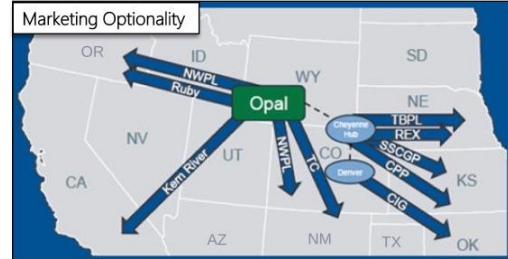
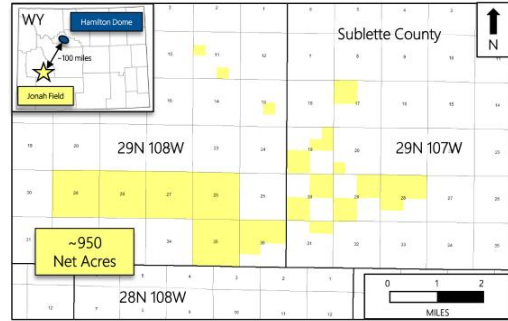
- Long life reserves with sub-10% decline<sup>(2)</sup>
- Multiple takeaway options for gas sales – Kern (West Coast), NWPL (Northwest), Overthrust / REX (Midcontinent)

## Statistics

Operator	Jonah Energy
Avg. Net Daily Prod (1H FY2022)	12,847 MCFEPD / 2,141 BOEPD
Acreage	~950 net acres, 100% HBP
Average WI% / RI% / LNRI% <sup>(3)</sup>	19.6% WI / 14.9% RI / 75.9% LNRI
Gross PDP Wells	595
Pricing	Opal - Northwest Pipeline
Commodity Split (Reserves) <sup>(4)</sup>	88% Gas / 6% Oil / 6% NGL
Net PDP Reserves <sup>(4)</sup>	38.0 BCFE / 6.3 MMBOE
Net PDP Reserves / Net Production (R/P) <sup>(4)</sup>	8.1 years

**Notes:**

- Purchase price of \$27.5MM reflects preferential rights exercised and is subject to customary closing adjustments including a deposit of \$1.5MM paid at PSA signing.
- Estimated annual decline rate for first two years.
- Mathematical average of 595 PDP wells.
- Company engineered reserves as of 2/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl.



Growing Daily Production Through Acquisitions Over the Last 2 Years

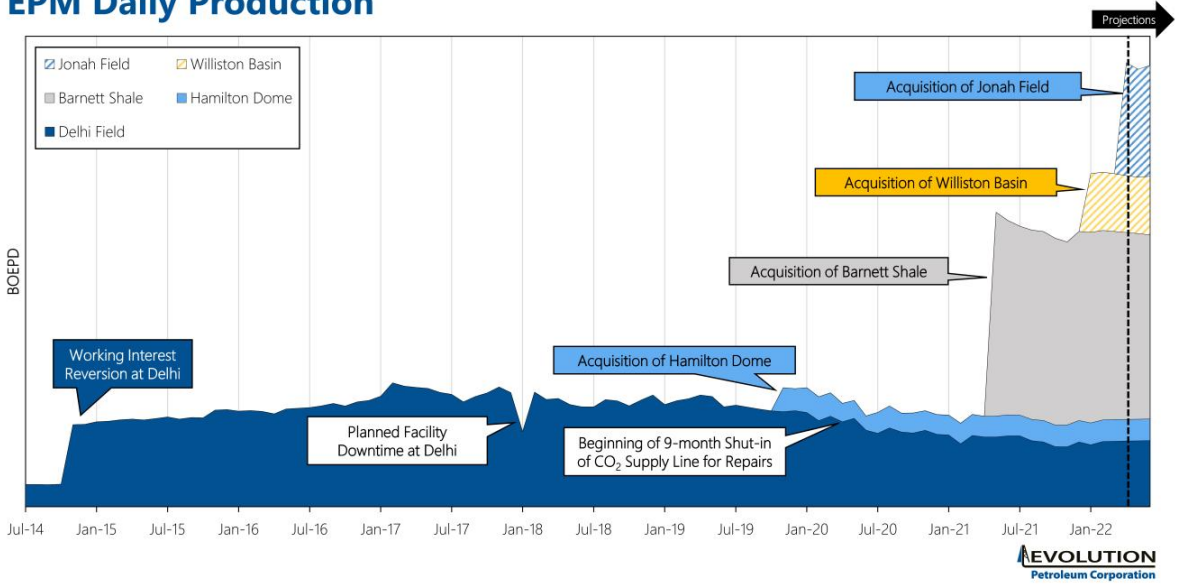
## Scaling Evolution Through Acquisitions

Asset	EVOLUTION Petroleum Corporation	Hamilton Dome (Wyoming)	Barnett Shale (Texas)	Williston Basin (North Dakota)	Jonah Field <sup>(1)</sup> (Wyoming)	EVOLUTION Petroleum Corporation
Date Announced	-	11/6/2019	3/30/2021	1/14/2022	2/9/2022	FY2022E
Acquisition Price	-	\$9.5 MM	\$18.2 MM	\$25.9 MM	\$27.5 MM <sup>(2)</sup>	-
Operator	Denbury	M	DIVERSIFIED ENERGY	FOUNDATION ENERGY MANAGEMENT	JONAH ENERGY LLC	-
1H FY2022 Avg. Daily Production <sup>(3,4)</sup>	1,231 BOEPD	409 BOEPD	3,630 BOEPD	571 BOEPD	2,141 BOEPD	7,982 BOEPD
Commodity Mix <sup>(3,5,6,7,8)</sup> (Reserves)	80% Oil 20% NGL	100% Oil	73% Gas 26% NGL 1% Oil	76% Oil 14% NGL 10% Gas	88% Gas 6% NGL 6% Oil	43% Oil 40% Gas 17% NGL
Pro Forma Proved Reserves <sup>(3)</sup>	8.2 MMBOE <sup>(5)</sup>	1.8 MMBOE <sup>(5)</sup>	11.3 MMBOE <sup>(6)</sup>	9.7 MMBOE <sup>(7)</sup>	6.3 MMBOE <sup>(8)</sup>	37.3 MMBOE
Net Acreage	~3,600	~620	~21,000	~47,500	~950	~73,670
Working Interest / Revenue Interest	23.9% / 26.2%	23.5% / 19.7%	17.0% / 14.0%	38.7% / 32.5%	19.6% / 14.9%	-
Avg. 5-yr. Forward Strip at Acquisition	-	Oil \$51.97 Gas \$2.55	Oil \$52.21 Gas \$2.62	Oil \$68.11 Gas \$3.38	Oil \$73.46 Gas \$3.46	Oil \$82.12 <sup>(9)</sup> Gas \$4.33 <sup>(9)</sup>

See Slide 18 in Appendix for footnotes.

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Petroleum Corporation

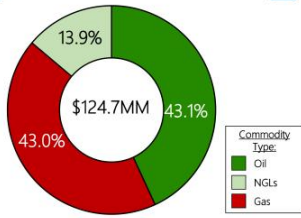
# EPM Daily Production



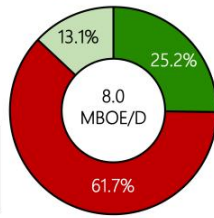
Acquisitions Diversify & Strengthen Proved Reserves Base

# EPM Pro Forma: Diversified Portfolio

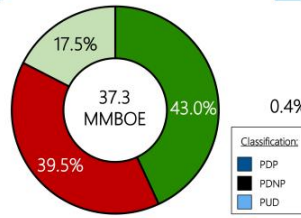
Pro Forma Annualized Revenue<sup>(1)</sup>



Pro Forma Daily Production<sup>(2,3)</sup>



Pro Forma Proved Reserves (MMBOE)<sup>(4)</sup>

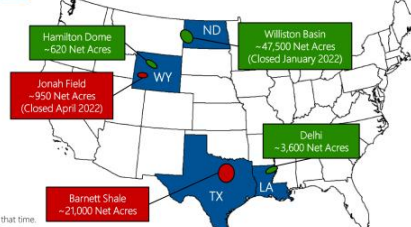


Pro Forma Proved Reserves by Classification<sup>(4)</sup>

Pro Forma Daily Production<sup>(1,2)</sup>

Commodity	Pro Forma Daily Production <sup>(2)</sup>
Oil	~2,000 BOPD
NGL	~1,000 BPD
Gas	~30,000 MCFD
<b>Total</b>	<b>~8,000 BOEPD</b>

Asset Locations



Notes:

- Pro Forma Revenue is October 2021 through December 2021 including the Williston Basin and Jonah Field acquisitions as if they had been owned during that time.
- Gas conversion ratio of 6:1; NGL ratio of 1:1.
- Estimated average net production 6 months ended 12/31/2021. Excluding 130 BOEPD associated with Giddings Field accumulated royalties received in Q2 FY2022. Pro forma daily production includes the Williston Basin and Jonah Field acquisitions.
- EPM Reserves as of 7/1/2020 at 6/30/2021 SEC prices less 1H FY 2022 Production. Barnett reserves are Company adjusted for ethane rejection; see slide 20 in Appendix. Williston Basin Company engineered reserves as of 1/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl. Jonah Field Company engineered reserves as of 2/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl.

# Williston Basin

## Overview

- Assets located in the Williston Basin in western North Dakota in McKenzie, Golden Valley, and Billings Counties
- Production primarily from the Three Forks, Pronghorn, and Bakken formations
- Assets operated by Evolution's partner, Foundation Energy Management
- Acquisition closed on 1/14/2022 with an effective date of 6/1/2021 and net purchase price of \$25.9 MM

## Asset Highlights

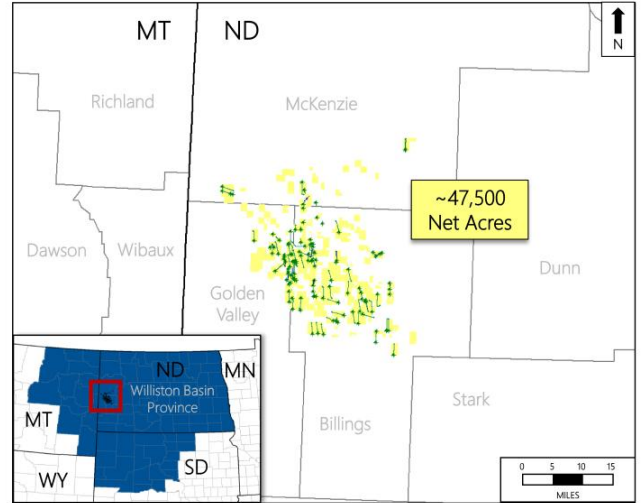
- Evolution is able to propose, fund, and drill wells via a joint development agreement with Foundation
- Acquisition and a moderate capex drilling program will allow for reinvestment of free cash flow to maximize shareholder value
- Large inventory of documented upside drilling locations

## Statistics

Operator	Foundation Energy Management
Avg. Net Daily Prod (1H FY2022)	571 BOE/D
Acreage	~47,500 net acres, 84.4% HBP
Average WI% / RI% / LNRI% <sup>(1)</sup>	38.7% WI / 32.5% RI / 84.0% LNRI
Gross PDP Wells	73
Pricing	Williston Basin Sweet (WBS)
Commodity Split (Reserves) <sup>(2)</sup>	76% Oil / 14% NGL / 10% Gas
Net PDP Reserves / Net PUD Reserves <sup>(2)</sup>	2.2 MMBOE / 7.4 MMBOE
Net PDP Reserves / Net Production (R/P) <sup>(2)</sup>	10.3 years

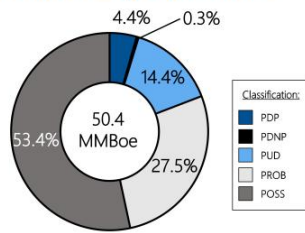
**Notes:**

1. Mathematical average of 73 PDP wells
2. Company engineered reserves as of 1/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl.



## Significant Upside Nestled in Williston Acquisition

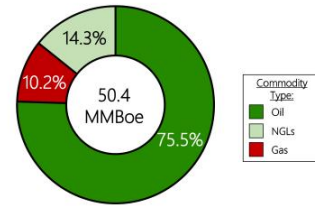
Williston 3P Reserves by Classification<sup>(1,2)</sup>



### Proved Undeveloped<sup>(1,2)</sup>

- 50 Pronghorn/Three Forks 2-mile lateral locations classified as SEC Proved Undeveloped<sup>(3)</sup>
- Infrastructure in place and drilling pads already built on majority of locations
- Years of high-quality drilling inventory
- Expected drilling and completion costs ~\$6.5-\$7.0MM/well
- **50+% IRR at current strip<sup>(4)</sup>**

Williston 3P Reserves by Commodity<sup>(1,2)</sup>



### Probable & Possible<sup>(1,2)</sup>

- 390 remaining Pronghorn/Three Forks 2-mile lateral locations classified as Probable or Possible
- 106 of these locations are expected to meet all Proved requirements except for SEC 5-year rule<sup>(3)</sup>
- With further development in the field, many of these Probable and Possible locations could be reclassified as Proved Undeveloped

**Notes:**

1. Gas conversion ratio of 6:1; NGL ratio of 1:1
2. Williston Basin Company engineered reserves as of 1/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl
3. SEC Proved Undeveloped locations are planned with ability to be drilled within 5 years.
4. 4/4/2022 strip pricing.



## Operating Partners Update

### Williston Basin, Foundation Energy

- Permitting top three identified low risk Bakken behind pipe recompletions to be executed early FY2023
- Identified a group of potential low risk development projects to be permitted as early as Q4 of FY2022 and execution to begin shortly thereafter
- Evolution and Foundation working together to identify top tier locations for new drill wells in the Three Forks/Pronghorn with goal of spudding first well mid-year FY2023
- Expected capex through 1H FY23 ~\$2.1MM

### Hamilton Dome, Merit Energy

- Restored production to pre-pandemic rates, continue to evaluate shut-in wells
- Plan to consolidate tank batteries so vapor recovery system can be installed to further reduce emissions below State & Federal standards
- Evaluating the potential of production from shallower formations
- Expected capex through 1H FY23 ~\$1.2MM

### Barnett Shale, Diversified Energy

- Performed 25 workovers with average payout of ~1.5 months, ~2,900 Mcfpd gross total uplift, and ~38% under budget
- Identifying return to sales wells through strategic management of water disposal
  - 20 wells returned to sales for ~2,650 Mcfpd gross total uplift
  - Working on upgrading saltwater disposal system
- Optimizing field operations to increase production and cost savings
- Expected capex through 1H FY23 ~\$0.5MM

### Delhi Field, Denbury

- Proposed a heat exchanger project that would improve field operations and provide cost savings
- Three conformance projects identified and undergoing approval process
- Expected capex through 1H FY23 ~\$1.5MM

# FY 2023 Denbury Capital Project

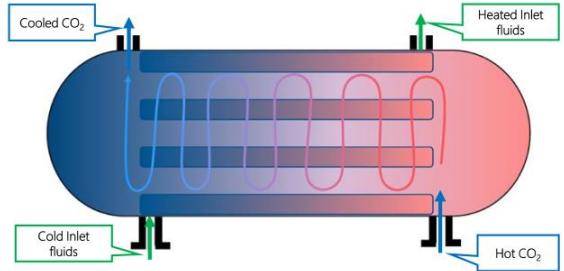
Evolution participating in installation of 3 heat exchangers at Delhi Central Facility

**Project Objectives:**

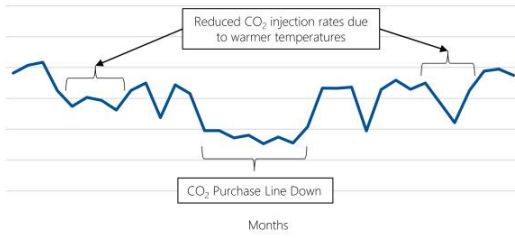
- Heat from compressed CO<sub>2</sub> recycled stream will warm cold production fluids before entering the EOR facility, reducing winter downtime
- Cooled recycled CO<sub>2</sub> stream increases injection rates in the warm summer months
- Provide stable NGL processing during the cold winter months
- Reduce LOE by removing current heating/cooling equipment

**Estimated Project Costs:**

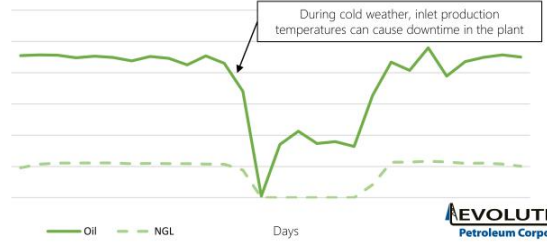
- Estimated net spend for this project is \$1.2MM
  - ~\$0.1MM is anticipated to be spent in FY2022
  - Remaining \$1.1MM to be spent throughout the first half of FY2023
- The project is expected to be operational in Q3 FY2023



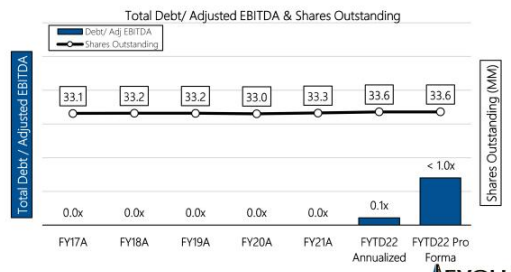
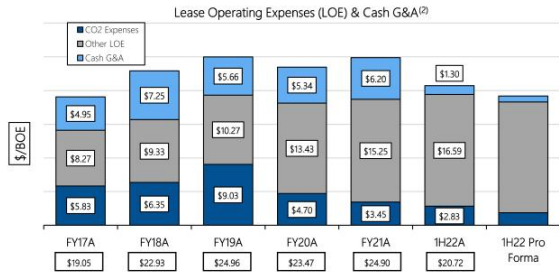
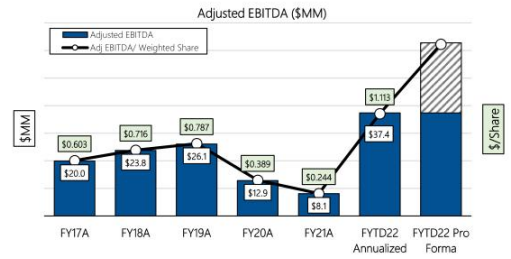
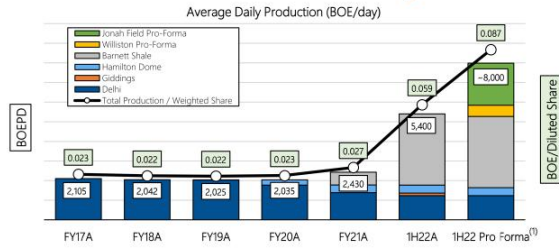
Cooler CO<sub>2</sub> Temperatures Increase Injection Rates



Warmer Inlet Fluid Temperatures Reduce Winter Downtime



## Evolution's Growth Story

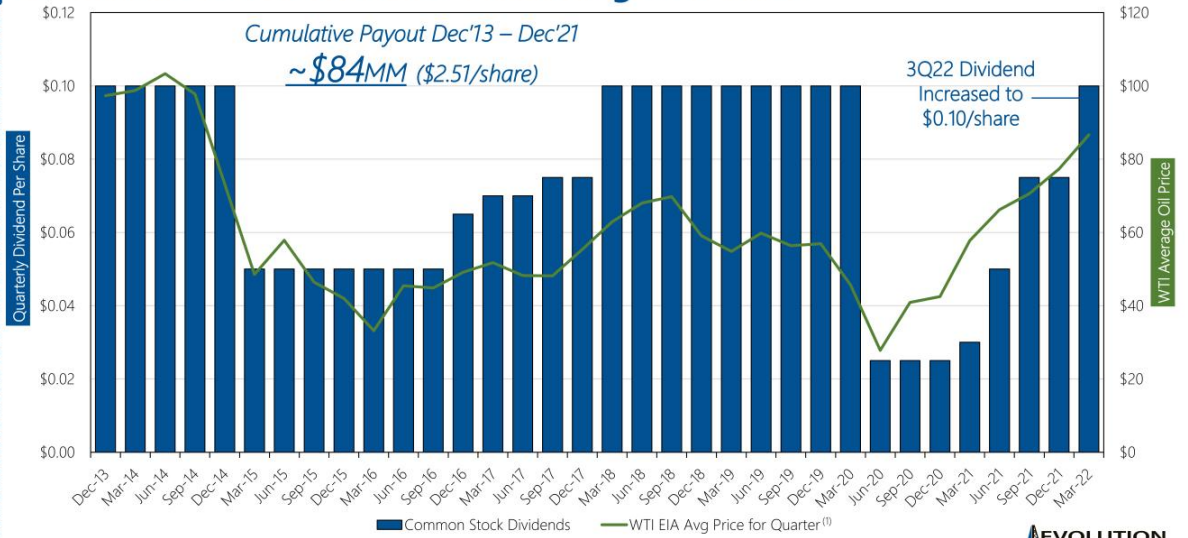


13

Notes:  
 1. 1H22 Pro Forma excludes Giddings volumes.  
 2. Cash G&A excludes stock-based compensation.

Consistently Paid Dividends Through Commodity Cycles

## Common Stock Dividends vs. Average Oil Price



14

Note:

1. WTI average oil price represents the average of daily close prices for WTI within the associated quarter as reported by EIA. For Quarter ended 3/31/2022, average price through 2/22/2022.

## Evolution's Value Proposition



### Attractive Dividend Supports Total Shareholder Return

- Consecutively paid dividends since 2013
- Currently ~5.6% yield at \$0.40/share annually



### Solid Financial Position

- Low leverage at less than 1x pro forma debt/Adjusted EBITDA



### High Quality, Low Risk, Long-lived Asset Base

- Low production decline and positive cash flow; 20+ years remaining life
- Potential upside drilling and workover opportunities in recently acquired Williston Basin and Barnett Shale assets



### Consistent Track Record of Generating Cash Flow

- 9 years of positive operating cash flow
- Substantial additional free cash flow from recent acquisitions



### Executing a Disciplined Growth Plan

- Closed Jonah Field acquisition on April 1, 2022
- Closed Williston Basin acquisition on January 14, 2022
- Closed Barnett Shale acquisition on May 7, 2021
- Closed Hamilton Dome field acquisition on November 1, 2019
- Positioned to execute future acquisitions and disciplined development with conservative leverage

**\$84**  
**Million**  
 In Dividends Returned to Shareholders Since  
 December 2013

Current Dividend Yield  
 (Annualized 3Q22)  
**5.6%**

Per Share Returned to  
 Shareholders Since  
 December 2013  
**\$2.51**

REACH US

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Thank you for your interest in **Evolution Petroleum Corporation**  
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### Management Team

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### Board of Directors

**Robert Herlin** | Evolution Petroleum Chairman & Co-founder

**Edward DiPaolo** | Halliburton, Duff & Phelps

**William Dozier** | Vintage Petroleum, Santa Fe Minerals & Amoco

**Kelly Loyd** | JVL Advisors, LLC, RBC Capital

**Marjorie Hargrave** | President & CFO of Enservco

# Appendix

## Footnotes

### Slide 3:

1. Pro Forma 1H FY2022 net production includes recent acquisitions in the Williston Basin and Jonah Field but excludes 130 BOEPD associated with past royalties in the Giddings Field that accumulated over a period of approximately three years and were received in Q2 FY2022.
2. Reserves from June 30, 2021 Fiscal Year End Reserves Report. Reserves determined using gas conversion ratio of 6:1; NGL ratio of 1:1. Proved reserves as of June 30, 2021 do not include Williston Basin or Jonah Field assets.
3. EPM Reserves as of 7/1/2021 at 6/30/2021 SEC prices less 1H FY 2022 Production. Barnett reserves are Company adjusted for ethane rejection; see slide 20 in Appendix. Williston Basin Company engineered reserves as of 1/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl. Jonah Field Company engineered reserves as of 2/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl. Jonah Field acquisition.
4. Effective March 4, 2022, the borrowing base was increased from \$40MM to \$50MM. There was \$4MM borrowed at 12/31/2021 and a total of \$33MM borrowed for the Williston Basin and Jonah Field acquisitions.
5. See Non-GAAP Reconciliation disclosure on slide 2 and Non-GAAP Reconciliation table in the Appendix.

### Slide 6:

1. See "Forward Looking Statements" on slide 2.
2. Jonah Field acquisition price of \$27.5MM reflects preferential rights exercised and is subject to customary closing adjustments including a deposit of \$1.5MM paid at PSA signing. The effective date of the transaction is February 1, 2022 with a closing date of April 1, 2022.
3. Gas conversion ratio of 6:1; NGL ratio of 1:1.
4. Estimated average net production 1H FY 2022 (6 months ended 12/31/2021) excluding 130 BOEPD from past royalties in the Giddings Field that accumulated over a period of approximately three years and were received in Q2 FY2022.
5. EPM Reserves as of 7/1/2021 at 6/30/2021 SEC prices of \$2.47/MMBTU and \$49.72/bbl, less 2022 1H Production.
6. Barnett reserves as of 7/1/2021 at 6/30/2021 SEC prices of \$2.47/MMBTU and \$49.72/bbl, less 2022 1H Production. Barnett reserves are Company adjusted for ethane rejection, see slide 20 in Appendix.
7. Williston Basin Company engineered reserves as of 1/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl.
8. Jonah Company engineered reserves as of 2/1/2022 at 12/31/2021 SEC prices of \$3.64/MMBTU and \$66.55/bbl.
9. 4/4/2022 strip pricing.



## Non-GAAP Reconciliation

# Adjusted EBITDA Reconciliation

Adjusted EBITDA is a non-GAAP financial measure that is used as a supplemental financial measure by our management and by external users of our financial statements, such as investors, commercial banks and others, to assess our operating performance as compared to that of other companies in our industry, without regard to financing methods, capital structure or historical costs basis. It is also used to assess our ability to incur and service debt and fund capital expenditures. Our Adjusted EBITDA should not be considered an alternative to net income (loss), operating income (loss), cash flows provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner.

The Company defines Adjusted EBITDA as net income (loss) plus interest expense, income tax expense (benefit), depreciation, depletion and amortization (DD&A), stock-based compensation, other amortization and accretion, ceiling test impairment and other impairments, unrealized loss (gain) on change in fair value of derivatives, and other non-cash expense (income) items.

	Year Ended						
	FY17	FY18	FY19	FY20	FY21	Q2FY22	FYTD22
<b>EBITDA Calculation (\$ in 000s)</b>							
Net Income (Loss)	8,044	19,618	15,377	5,937	(16,438)	6,832	12,050
+ Interest Expense	82	111	117	111	91	51	102
+ Income Tax Expense (Benefit)	4,841	(3,432)	3,482	(2,181)	(4,984)	1,745	3,264
+ DD&A	5,719	6,012	6,253	5,761	5,167	1,224	2,752
+ Stock-Based Compensation	1,181	1,367	888	1,286	1,258	329	527
+ Other amortization and accretion	60	90	-	25	10	-	-
+ Impairments	-	-	-	-	24,938	-	-
- Unrealized (Gain) Loss on Derivatives	14	-	-	1,911	(1,911)	-	-
- Other Non-cash (Income)	17	-	-	-	(12)	-	-
<b>Adjusted EBITDA</b>	<b>19,956</b>	<b>23,766</b>	<b>26,117</b>	<b>12,850</b>	<b>8,119</b>	<b>10,181</b>	<b>18,695</b>

## Ethane Rejection Reconciliation

- FYE2021 Barnett reserves were modeled in ethane recovery
- In FY2022 the operator of the Barnett assets has been electing to reject ethane due to the price of natural gas compared to ethane in order to maximize revenue; the operator expects to remain in ethane rejection at current pricing forecasts
- Evolution adjusted FYE 2021 Barnett reserves to reflect ethane rejection, see summary table below
  - *Although revenue and asset value increased, the total number of MBOE decreased*

Barnett Reserves as of 7-1-21 @ 6/30/2021 SEC Price				
	Net Oil MBO	Net Gas MMcf	Net NGL BOE	MBOE <sup>(1)</sup>
Ethane Recovery (FYE 2021)	85	48,571	4,879	13,059
Ethane Rejection (Company Engineered)	87	52,516	3,135	11,975
Difference	3	3,946	-1,744	-1,084
Difference, %	2.96%	8.12%	-35.75%	-8.30%

