

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2024

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-32942

EVOLUTION PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)



Nevada
(State or other jurisdiction of
incorporation or organization)

41-1781991
(IRS Employer
Identification No.)

1155 Dairy Ashford Road, Suite 425, Houston, Texas 77079
(Address of principal executive offices and zip code)
(713) 935-0122
(Registrant's telephone number, including area code)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: No:

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.). Yes: No:

At February 7, 2025, 34,253,898 shares of the Registrant's Common Stock, \$0.001 par value per share, were outstanding.

EVOLUTION PETROLEUM CORPORATION

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We use the terms, "EPM," "Company," "we," "us," and "our" to refer to Evolution Petroleum Corporation, and unless the context otherwise requires, its wholly-owned subsidiaries.

FORWARD-LOOKING STATEMENTS

This Form 10-Q and the information referenced herein contains forward-looking statements within the meaning of the Private Securities Litigations Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, except for statements of historical fact, are forward-looking statements. The words “plan,” “expect,” “project,” “estimate,” “may,” “assume,” “believe,” “anticipate,” “intend,” “budget,” “forecast,” “predict” and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words or phrases. These statements appear in a number of places and include statements regarding our plans, beliefs or current expectations, including the plans, beliefs and expectations of our officers and directors, which may include, but are not limited to, the following:

- our expectations of plans, strategies and objectives, including anticipated development activity and capital spending;
- our capital allocation strategy, capital structure, anticipated sources of funding, growth in long-term shareholder value and ability to preserve balance sheet strength;
- our ability to complete future acquisitions and the need for additional capital to complete future acquisitions;
- the benefits of our multi-basin portfolio, including operational and commodity flexibility;
- our ability to maximize cash flow and the application of excess cash flows to pay dividends;
- estimates of our oil, natural gas and NGLs production and commodity mix;
- anticipated oil, natural gas and NGL prices;
- anticipated drilling and completions activity;
- drilling and operational risks, including accidents, equipment failures, fires, and leaks of toxic or hazardous materials;
- estimates of our oil, natural gas and NGL reserves and recoverable quantities;
- our ability to access credit facilities and other sources of liquidity to meet financial obligations throughout commodity price cycles;
- limitations on our ability to obtain funding based on environmental, social, and corporate governance (“ESG”) performance;
- future interest expense;
- our ability to manage debt and financial ratios, finance growth and comply with financial covenants;
- the implementation and outcomes of risk management programs, including exposure to commodity price and interest rate fluctuations, the volume of oil and natural gas production hedged, and the markets or physical sales locations hedged;
- the impact of changes in federal, state, provincial and local, rules and regulations;
- anticipated compliance with current or proposed environmental requirements, including the costs thereof;
- the possible impact of greenhouse gas (“GHG”) emissions limitations and renewable energy incentives;
- adequacy of provisions for abandonment and site reclamation costs;
- our operational and financial flexibility, discipline and ability to respond to evolving market conditions;
- the declaration and payment of future dividends and any anticipated repurchase of our outstanding common shares;
- the adequacy of our provision for taxes and legal claims;
- our ability to manage cost inflation and expected cost structures, including expected operating, transportation, processing and labor expenses;
- our competitiveness relative to our peers, including with respect to capital, materials, people, assets and production;
- oil, natural gas and NGL inventories and global demand for oil, natural gas and NGLs;
- the outlook of the oil and natural gas industry generally, including impacts from changes to the geopolitical environment;
- adverse weather events;
- anticipated staffing levels;

- anticipated payments related to our commitments, obligations and contingencies, and the ability to satisfy the same; and
- the possible impact of accounting and tax pronouncements, rule changes and standards.

Readers are cautioned against unduly relying on forward-looking statements which, by their nature, involve numerous assumptions and are subject to both known and unknown risks and uncertainties (many of which are beyond our control) that may cause actual events or results to differ materially and/or adversely from those expressed or implied, which include, but are not limited to, the following assumptions:

- future commodity prices and basis differentials;
- our ability to access credit facilities and shelf prospectuses;
- assumptions contained in our corporate guidance;
- the availability of attractive commodity or financial hedges and the enforceability of risk management programs;
- expectations that counterparties will fulfill their obligations pursuant to gathering, processing, transportation and marketing agreements;
- access to adequate gathering, transportation, processing and storage facilities;
- assumed tax, royalty and regulatory regimes;
- expectations and projections made in light of, and generally consistent with, our historical experience and our perception of historical industry trends; and
- the other assumptions contained herein.

Readers are cautioned that the assumptions, risks and uncertainties referenced above, and in the other documents incorporated herein by reference (if any), are not exhaustive. Although we believe the expectations represented by our forward-looking statements are reasonable based on the information available to us as of the date such statements are made, forward-looking statements are only predictions and statements of our current beliefs and there can be no assurance that such expectations will prove to be correct.

When considering any forward-looking statement, the reader should keep in mind the risk factors that could cause our actual results to differ materially from those contained in any forward-looking statement. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include the timing and extent of changes in commodity prices for oil, natural gas and NGLs, operating risks and other risk factors as described under the *Risk Factors* section of our previously filed Annual Report on Form 10-K for the fiscal year ended June 30, 2024, as well as the other disclosures contained herein, therein, and as also may be described from time to time in future reports we file with the Securities and Exchange Commission. There also may be other factors that we cannot anticipate or that are not described in this report, generally because we do not currently perceive them to be material. Such factors could cause results to differ materially from our expectations.

Forward-looking statements speak only as of the date they are made, and we do not undertake to update these statements other than as required by law. Readers are advised, however, to review any further disclosures we make on related subjects in our filings with the Securities and Exchange Commission.

Part I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

EVOLUTION PETROLEUM CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(In thousands, except share and per share amounts)

	December 31, 2024	June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 11,667	\$ 6,446
Receivables from crude oil, natural gas, and natural gas liquids revenues	10,675	10,826
Derivative contract assets	1,073	596
Prepaid expenses and other current assets	3,572	3,855
Total current assets	26,987	21,723
Property and equipment, net of depletion, depreciation, and impairment		
Oil and natural gas properties, net—full-cost method of accounting, of which none were excluded from amortization	131,722	139,685
Other noncurrent assets		
Derivative contract assets	250	171
Other assets	1,258	1,298
Total assets	\$ 160,217	\$ 162,877
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 10,771	\$ 8,308
Accrued liabilities and other	5,249	6,239
Derivative contract liabilities	439	1,192
State and federal taxes payable	—	74
Total current liabilities	16,459	15,813
Long term liabilities		
Senior secured credit facility	39,500	39,500
Deferred income taxes	6,673	6,702
Asset retirement obligations	19,993	19,209
Derivative contract liabilities	1,277	468
Operating lease liability	13	58
Total liabilities	83,915	81,750
Commitments and contingencies (Note 10)		
Stockholders' equity		
Common stock; par value \$0.001; 100,000,000 shares authorized: issued and outstanding 34,076,846 and 33,339,535 shares as of December 31, 2024 and June 30, 2024, respectively	34	33
Additional paid-in capital	44,140	41,091
Retained earnings	32,128	40,003
Total stockholders' equity	76,302	81,127
Total liabilities and stockholders' equity	\$ 160,217	\$ 162,877

See accompanying notes to unaudited condensed consolidated financial statements.

EVOLUTION PETROLEUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(In thousands, except per share amounts)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Revenues				
Crude oil	\$ 11,763	\$ 11,759	\$ 26,500	\$ 24,375
Natural gas	5,793	6,531	10,078	12,083
Natural gas liquids	2,719	2,734	5,593	5,167
Total revenues	<u>20,275</u>	<u>21,024</u>	<u>42,171</u>	<u>41,625</u>
Operating costs				
Lease operating costs	12,793	12,358	24,583	24,241
Depletion, depreciation, and accretion	5,433	4,598	11,158	8,860
General and administrative expenses	2,654	2,502	5,181	5,105
Total operating costs	<u>20,880</u>	<u>19,458</u>	<u>40,922</u>	<u>38,206</u>
Income (loss) from operations	(605)	1,566	1,249	3,419
Other income (expense)				
Net gain (loss) on derivative contracts	(1,219)	—	579	—
Interest and other income	52	104	109	220
Interest expense	(764)	(34)	(1,587)	(66)
Income (loss) before income taxes	(2,536)	1,636	350	3,573
Income tax (expense) benefit	711	(554)	(110)	(1,017)
Net income (loss)	<u>\$ (1,825)</u>	<u>\$ 1,082</u>	<u>\$ 240</u>	<u>\$ 2,556</u>
Net income (loss) per common share:				
Basic	\$ (0.06)	\$ 0.03	\$ —	\$ 0.08
Diluted	\$ (0.06)	\$ 0.03	\$ —	\$ 0.08
Weighted average number of common shares outstanding:				
Basic	32,934	32,693	32,828	32,676
Diluted	32,934	32,900	32,994	32,940

See accompanying notes to unaudited condensed consolidated financial statements.

EVOLUTION PETROLEUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Six Months Ended	
	December 31,	
	2024	2023
Cash flows from operating activities:		
Net income (loss)	\$ 240	\$ 2,556
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation, and accretion	11,158	8,860
Stock-based compensation	1,218	1,036
Settlement of asset retirement obligations	(280)	—
Deferred income taxes	(29)	(642)
Unrealized (gain) loss on derivative contracts	(500)	—
Accrued settlements on derivative contracts	(57)	—
Other	(3)	3
Changes in operating assets and liabilities:		
Receivables from crude oil, natural gas, and natural gas liquids revenues	(8)	(2,239)
Prepaid expenses and other current assets	435	(274)
Accounts payable, accrued liabilities and other	3,233	2,443
State and federal taxes payable	(74)	(365)
Net cash provided by operating activities	<u>15,333</u>	<u>11,378</u>
Cash flows from investing activities:		
Acquisition of oil and natural gas properties	(331)	—
Capital expenditures for oil and natural gas properties	(3,498)	(5,705)
Net cash used in investing activities	<u>(3,829)</u>	<u>(5,705)</u>
Cash flows from financing activities:		
Common stock dividends paid	(8,115)	(8,034)
Common stock repurchases, including stock surrendered for tax withholding	(191)	(213)
Issuance of common stock	2,259	—
Offering costs	(236)	—
Net cash used in financing activities	<u>(6,283)</u>	<u>(8,247)</u>
Net increase (decrease) in cash and cash equivalents	5,221	(2,574)
Cash and cash equivalents, beginning of period	6,446	11,034
Cash and cash equivalents, end of period	<u>\$11,667</u>	<u>\$ 8,460</u>
Supplemental disclosures of cash flow information:		
Non-cash investing and financing transactions:		
Increase (decrease) in accrued capital expenditures for oil and natural gas properties	\$ 1,709	\$ (142)
Oil and natural gas property costs attributable to the recognition (derecognition) of asset retirement obligations	(47)	—

See accompanying notes to unaudited condensed consolidated financial statements.

EVOLUTION PETROLEUM CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)

(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Stockholders' Equity
	Shares	Par Value				
For the Three Months Ended December 31, 2024						
Balances at September 30, 2024	33,607	\$ 34	\$ 41,561	\$ 38,035	\$ —	\$ 79,630
Issuance of restricted common stock	92	—	—	—	—	—
Forfeitures of restricted stock	(8)	—	—	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(103)	(103)
Retirements of treasury stock	(19)	—	(103)	—	103	—
Issuance of common stock	405	—	2,259	—	—	2,259
Offering costs	—	—	(236)	—	—	(236)
Stock-based compensation	—	—	659	—	—	659
Net income (loss)	—	—	—	(1,825)	—	(1,825)
Common stock dividends paid	—	—	—	(4,082)	—	(4,082)
Balances at December 31, 2024	<u>34,077</u>	<u>\$ 34</u>	<u>\$ 44,140</u>	<u>\$ 32,128</u>	<u>\$ —</u>	<u>\$ 76,302</u>
For the Six Months Ended December 31, 2024						
Balances at June 30, 2024	33,340	\$ 33	\$ 41,091	\$ 40,003	\$ —	\$ 81,127
Issuance of restricted common stock	376	1	(1)	—	—	—
Forfeitures of restricted stock	(8)	—	—	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(191)	(191)
Retirements of treasury stock	(36)	—	(191)	—	191	—
Issuance of common stock	405	—	2,259	—	—	2,259
Offering costs	—	—	(236)	—	—	(236)
Stock-based compensation	—	—	1,218	—	—	1,218
Net income (loss)	—	—	—	240	—	240
Common stock dividends paid	—	—	—	(8,115)	—	(8,115)
Balances at December 31, 2024	<u>34,077</u>	<u>\$ 34</u>	<u>\$ 44,140</u>	<u>\$ 32,128</u>	<u>\$ —</u>	<u>\$ 76,302</u>
For the Three Months Ended December 31, 2023						
Balances at September 30, 2022	33,440	\$ 33	\$ 40,465	\$ 49,424	\$ —	\$ 89,922
Issuance of restricted common stock	84	1	(1)	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(108)	(108)
Retirements of treasury stock	(17)	—	(108)	—	108	—
Stock-based compensation	—	—	564	—	—	564
Net income (loss)	—	—	—	1,082	—	1,082
Common stock dividends paid	—	—	—	(4,021)	—	(4,021)
Balances at December 31, 2023	<u>33,507</u>	<u>\$ 34</u>	<u>\$ 40,920</u>	<u>\$ 46,485</u>	<u>\$ —</u>	<u>\$ 87,439</u>
For the Six Months Ended December 31, 2023						
Balances at June 30, 2023	33,248	\$ 33	\$ 40,098	\$ 51,963	\$ —	\$ 92,094
Issuance of restricted common stock	288	1	(1)	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(213)	(213)
Retirements of treasury stock	(29)	—	(213)	—	213	—
Stock-based compensation	—	—	1,036	—	—	1,036
Net income (loss)	—	—	—	2,556	—	2,556
Common stock dividends paid	—	—	—	(8,034)	—	(8,034)
Balances at December 31, 2023	<u>33,507</u>	<u>\$ 34</u>	<u>\$ 40,920</u>	<u>\$ 46,485</u>	<u>\$ —</u>	<u>\$ 87,439</u>

See accompanying notes to unaudited condensed consolidated financial statements.

EVOLUTION PETROLEUM CORPORATION

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Financial Statement Presentation

Nature of Operations. Evolution Petroleum Corporation (“Evolution,” and together with its consolidated subsidiaries, the “Company”) is an independent energy company focused on maximizing returns to shareholders through the ownership of and investment in onshore oil and natural gas properties in the United States. The Company’s long-term goal is to maximize total shareholder return from a diversified portfolio of long-life oil and natural gas properties built through acquisitions and through selective development opportunities, production enhancement, and other exploitation efforts on its oil and natural gas properties.

The Company’s oil and natural gas properties consist of non-operated interests in the following areas: the SCOOP and STACK plays of the Anadarko Basin located in central Oklahoma; the Chaveroo oilfield in Chaves and Roosevelt Counties of New Mexico; the Jonah Field in Sublette County, Wyoming; the Williston Basin in North Dakota; the Barnett Shale located in North Texas; the Hamilton Dome Field located in Hot Springs County, Wyoming, a secondary recovery field utilizing water injection wells to pressurize the reservoir; the Delhi Holt-Bryant Unit in the Delhi Field in Northeast Louisiana, a CO₂ enhanced oil recovery project; as well as small overriding royalty interests in four onshore Texas wells.

Interim Financial Statements. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information and the appropriate rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. All adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary for a fair presentation of the financial position and results of operations for the interim periods presented have been included. The interim financial information and notes hereto should be read in conjunction with the Company’s 2024 Annual Report on Form 10-K for the fiscal year ended June 30, 2024, as filed with the SEC on September 11, 2024. The results of operations for interim periods are not necessarily indicative of results to be expected for a full fiscal year. The Company has evaluated events and transactions through the date of issuance of these unaudited condensed consolidated financial statements.

Principles of Consolidation and Reporting. The unaudited condensed consolidated financial statements include the accounts of Evolution Petroleum Corporation and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation. The unaudited condensed consolidated financial statements for the previous year may be condensed or include certain reclassifications to conform to the current presentation.

Risk and Uncertainties. The Company’s oil and natural gas interests are operated by third-party operators and involve other third-party working interest owners. As a result, the Company has limited ability to influence the operation or future development of such properties. However, the Company is proactive with its third-party operators to review the management of capital expenditures.

Oil and Natural Gas Properties. The Company uses the full-cost method of accounting for its investments in oil and natural gas properties. Under this method of accounting, all costs incurred in the acquisition, exploration and development of oil and natural gas properties, including unproductive wells, are capitalized. This includes any internal costs that are directly related to property acquisition, exploration, and development activities but does not include any costs related to production, general corporate overhead, or similar activities. Oil and natural gas properties include costs that are excluded from depletion and amortization, which represent investments in unproved and unevaluated properties and include non-producing leasehold, geologic and geophysical costs associated with leasehold or drilling interests, and exploration drilling costs. These costs are excluded until the project is evaluated and proved reserves are established or impairment is determined.

Use of Estimates. The preparation of the Company’s unaudited condensed consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Significant

EVOLUTION PETROLEUM CORPORATION

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

estimates include (a) reserve quantities and estimated future cash flows associated with proved reserves, which may significantly impact depletion expense and potential impairments of oil and natural gas properties, (b) asset retirement obligations, (c) stock-based compensation, (d) fair values of derivative contract assets and liabilities, (e) income taxes and the valuation of deferred income tax assets, (f) commitments and contingencies, and (g) accruals of crude oil, natural gas, and NGL revenues and expenses. The Company analyzes estimates and judgments based on historical experience and various other assumptions and information that are believed to be reasonable. Estimates and assumptions about future events and their effects cannot be predicted with certainty and, accordingly, these estimates may change as additional information is obtained, as new events occur, and as the Company's environment changes. Actual results may differ from the estimates and assumptions used in the preparation of the Company's unaudited condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 increases the transparency of expense information presented in the statement of operations through disclosures of expanded disaggregation of relevant expense captions including purchases of inventory, employee compensation, depletion, depreciation, and amortization. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating ASU 2024-03 and the impact it may have to the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 enhances the transparency of income tax disclosures by expanding the income tax rate reconciliation disclosure and income taxes paid information. ASU 2023-09 also includes certain other amendments to improve the effectiveness of income tax disclosures. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating ASU 2023-09 and the impact it may have to the Company's financial position, results of operations, cash flow or disclosures.

In November 2023 the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 expands the segment disclosures, even for entities with only one reportable segment, to include additional information about significant segment expenses and other segment items on an annual and interim basis as well as the title and position of the chief operating decision maker. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and entities must adopt the amendment retrospectively for all prior periods presented in the financial statements. The Company is currently evaluating ASU 2023-07 and the impact it may have to the Company's financial position, results of operations, cash flow or disclosures.

Other accounting pronouncements that have recently been issued by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations, cash flows or disclosures.

Note 2. Revenue Recognition

The Company's revenues are primarily generated from its crude oil, natural gas and NGL production from the SCOOP and STACK plays in central Oklahoma, the Chaveroo oilfield in Chaves and Roosevelt Counties of New Mexico, the Jonah Field in Sublette County, Wyoming, the Williston Basin in North Dakota, the Barnett Shale located in North Texas, the Hamilton Dome Field in Wyoming, and the Delhi Field in Northeast Louisiana. Additionally, an overriding royalty interest retained in a past divestiture of Texas properties provides de minimis revenue. The following table

EVOLUTION PETROLEUM CORPORATION

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

disaggregates the Company's revenues by major product for the three and six months ended December 31, 2024 and 2023 (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Revenues				
Crude oil	\$ 11,763	\$ 11,759	\$ 26,500	\$ 24,375
Natural gas	5,793	6,531	10,078	12,083
Natural gas liquids	2,719	2,734	5,593	5,167
Total revenues	\$ 20,275	\$ 21,024	\$ 42,171	\$ 41,625

In the Jonah Field, the Company has elected to take its natural gas and NGL working interest production in-kind and markets its NGL production to Enterprise Products Partners L.P. ("Enterprise") and its natural gas production to different purchasers.

The Company does not take production in-kind at any of its other properties and does not negotiate contracts with customers for such production. The Company recognizes crude oil, natural gas, and NGL production revenue at the point in time when custody and title ("control") of the product transfers to the customer. The sales of oil and natural gas are made under contracts which the Company's third-party operators of its wells have negotiated with customers, which typically include variable consideration that is based on pricing tied to local indices and volumes delivered in the current month. The Company typically receives payment from the sale of oil and natural gas production one to two months after delivery.

Judgments made in applying the guidance in ASC 606, *Revenue from Contracts with Customers*, relate primarily to determining the point in time when control of product transfers to the customer. The Company does not believe that significant judgments are required with respect to the determination of the transaction price, including amounts that represent variable consideration, as volume and price carry a low level of estimation uncertainty given the precision of volumetric measurements and the use of index pricing with predictable differentials. Accordingly, the Company does not consider estimates of variable consideration to be constrained.

The Company's contractual performance obligations arise upon the production of hydrocarbons from wells in which the Company has an ownership interest. The performance obligations are considered satisfied upon control of produced hydrocarbons transferring to a customer at a specified delivery point. Consideration is allocated to completed performance obligations at the end of an accounting period.

Revenue is recorded in the month when contractual performance obligations are satisfied. However, settlement statements from the purchasers of hydrocarbons and the related cash consideration are received by field operators one to two months before the Company receives payment and documentation from the operator, which is typical in the oil and natural gas industry. As a result, the Company must estimate the amount of production delivered to the customer and the consideration that will ultimately be received for the sale of the product. To estimate accounts receivable from operators' contracts with customers, the Company uses knowledge of its properties, information from field operators, historical performance, contractual arrangements, index pricing, quality and transportation differentials, and other factors. Because the contractual performance obligations have been satisfied and an unconditional right to consideration exists as of the balance sheet date, the Company recognized amounts due from contracts with field operators as "*Receivables from crude oil, natural gas, and natural gas liquids revenues*" on the unaudited condensed consolidated balance sheets. Differences between estimates and actual amounts received for product sales are recorded in the month that payments received from purchasers are remitted to the Company by field operators.

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Note 3. Acquisitions***SCOOP/STACK Acquisitions***

On February 12, 2024, the Company closed the acquisitions of certain non-operated oil and natural gas assets in the SCOOP and STACK plays in central Oklahoma (the "SCOOP/STACK Acquisitions") from Red Sky Resources III, LLC, Red Sky Resources IV, LLC, and Coriolis Energy Partners I, LLC. After taking into account customary closing adjustments and an effective date of November 1, 2023, total combined cash consideration for the SCOOP/STACK Acquisitions was approximately \$39.1 million, which includes \$43.9 million paid at closing less purchase price adjustments totaling approximately \$4.8 million related to net cash flows received on the properties subsequent to closing. The Company accounted for these transactions as asset acquisitions and allocated all of the combined purchase price (including \$0.3 million of transaction costs) to proved oil and natural gas properties. In addition, the Company recognized \$0.1 million in non-cash asset retirement obligations, the estimated net present value of future net retirement costs. The transactions were funded with cash on hand and \$42.5 million in borrowings under the Company's Senior Secured Credit Facility.

The acquired assets consist of an average net working interest of approximately 2.6%, in 263 producing wells in the SCOOP and STACK plays of the Anadarko Basin in Oklahoma.

Chaveroo Oilfield Participation Agreement

On September 12, 2023, the Company entered into a Participation Agreement with PEDEVCO for the joint development of a portion of PEDEVCO's Permian Basin property in the Chaveroo oilfield, located in Chaves and Roosevelt Counties, New Mexico. In accordance with the Participation Agreement, the Company has the right, but not the obligation, to elect to participate and acquire a 50% working interest share in certain development blocks at a fixed price of \$450 per net acre for up to a total of approximately 16,000 gross acres. The Participation Agreement does not include any of PEDEVCO's existing vertical or horizontal wells.

As of December 31, 2024, the Company has incurred approximately \$0.8 million in exchange for a 50% working interest share in the existing leases associated with five development blocks. As of December 31, 2024, the Company has participated in the drilling and completion of the first development block, consisting of three gross wells (1.5 net wells). Drilling operations on development block two commenced in January 2025, consisting of four drilling locations.

Note 4. Property and Equipment

Property and equipment as of December 31, 2024 and June 30, 2024 consisted of the following (in thousands):

	December 31, 2024	June 30, 2024
Oil and natural gas properties		
Property costs subject to amortization	\$ 251,945	\$ 249,559
Less: Accumulated depletion, depreciation, and impairment	(120,223)	(109,874)
Oil and natural gas properties, net	<u>\$ 131,722</u>	<u>\$ 139,685</u>

The Company uses the full cost method of accounting for its investments in oil and natural gas properties. All costs of acquisition, exploration, and development of oil and natural gas reserves are capitalized as the cost of oil and natural gas properties when incurred. To the extent capitalized costs of evaluated oil and natural gas properties, net of accumulated depletion, exceed the discounted future net revenues of proved oil and natural gas reserves, net of deferred taxes, such excess capitalized costs would be charged to expense as a write-down of oil and natural gas properties.

Additionally, the Company assesses all properties classified as unevaluated property on a quarterly basis for possible impairment. The Company assesses properties on an individual basis or as a group, if properties are individually insignificant. The assessment includes consideration of the following factors, among others: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; the assignment of proved reserves; and

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the economic viability of development if proved reserves are assigned. During any period in which these factors indicate impairment, the cumulative drilling costs incurred to date for such property and all or a portion of the associated leasehold costs are transferred to the full cost pool and are then subject to depletion and the full cost ceiling test limitation.

Depletion on oil and natural gas properties was \$10.3 million and \$8.1 million for the six months ended December 31, 2024 and 2023, respectively. During the six months ended December 31, 2024 and 2023, the Company incurred development capital expenditures of \$2.2 million and \$2.4 million, respectively.

At December 31, 2024, the ceiling test value of the Company's reserves was calculated based on the first-day-of-the-month average for the 12-months ended December 31, 2024 of the West Texas Intermediate ("WTI") crude oil spot price of \$76.32 per barrel and Henry Hub natural gas spot price of \$2.13 per MMBtu, adjusted by market differentials by field. The net price per barrel of NGLs was \$22.60, which was based on historical differentials to WTI as NGLs do not have any single comparable reference index price. Using these prices, at December 31, 2024 the cost center ceiling was higher than the capitalized costs of oil and natural gas properties and, as a result, no write-down was applicable.

At December 31, 2023, the ceiling test value of the Company's reserves was calculated based on the first-day-of-the-month average for the 12-months ended December 31, 2023 of the WTI crude oil spot price of \$78.21 per barrel and Henry Hub natural gas spot price of \$2.63 per MMBtu, adjusted by market differentials by field. The net price per barrel of NGLs was \$31.57, which was based on historical prices received as NGLs do not have any single comparable reference index price. Using these prices, at December 31, 2023 the cost center ceiling was higher than the capitalized costs of oil and natural gas properties and, as a result, no write-down was applicable.

Note 5. Senior Secured Credit Facility

On April 11, 2016, the Company entered into a senior secured reserve-based credit facility, as amended, (the "Senior Secured Credit Facility") with MidFirst Bank in an amount up to \$50.0 million with a current borrowing base of \$50.0 million. On May 5, 2023, the Company entered into the Tenth Amendment to the Senior Secured Credit Facility extending the maturity to April 9, 2026. The Tenth Amendment also replaced the London Interbank Offered Rate ("LIBOR") with the Secured Overnight Financing Rate ("SOFR") plus a credit spread adjustment of 0.05% to effectively convert SOFR to a LIBOR equivalent. The borrowing base will be redetermined semiannually, with the lenders and the Company each having the right to one interim unscheduled redetermination between any two consecutive semi-annual redeterminations. The borrowing base takes into account the estimated value of the Company's oil and natural gas properties, proved reserves, total indebtedness, and other relevant factors consistent with customary oil and natural gas lending criteria. The Senior Secured Credit Facility carries a commitment fee of 0.25% per annum on the undrawn portion of the borrowing base. Any borrowings under the Senior Secured Credit Facility will bear interest, at the Company's option, at either SOFR plus 2.80%, subject to a minimum SOFR of 0.50%, or the Prime Rate, as defined under the Senior Secured Credit Facility, plus 1.00%.

The Company may elect, at its option, to prepay any borrowings outstanding under the Senior Secured Credit Facility without premium or penalty. Amounts outstanding under the Senior Secured Credit Facility are guaranteed by the Company's direct and indirect subsidiaries and secured by a security interest in substantially all of the properties of the Company and its subsidiaries. Borrowings under the Senior Secured Credit Facility may be used for the acquisition and development of oil and natural gas properties, investments in cash flow generating properties complimentary to the production of oil and natural gas, and for letters of credit or other general corporate purposes.

The Senior Secured Credit Facility contains certain events of default, including non-payment; breaches or representation and warranties; non-compliance with covenants; cross-defaults to material indebtedness; voluntary or involuntary bankruptcy; judgments and change in control. The Senior Secured Credit Facility also contains financial covenants including a requirement that the Company maintain, as of the last day of each fiscal quarter, (i) a maximum total leverage ratio of not more than 3.00 to 1.00, (ii) a current ratio of not less than 1.00 to 1.00, and (iii) a consolidated tangible net worth of not less than \$40.0 million, each as defined in the Senior Secured Credit Facility. As of December 31, 2024, the Company had \$39.5 million borrowings outstanding under its Senior Secured Credit Facility,

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resulting in \$10.5 million of available borrowing capacity. For the six months ended December 31, 2024, the weighted average interest on borrowings under the Senior Secured Credit Facility was 7.80%. As of December 31, 2024, the Company is in compliance with all covenants under the Senior Secured Credit Facility.

The Senior Secured Credit Facility also contains hedging requirements that apply when there is 25% or more utilization of the Margined Collateral Value, as defined under the Senior Secured Credit Facility, to the extent it exceeds the borrowing base then in effect. The Required Hedging Percentage, as defined in the Eighth Amendment to the Senior Secured Credit Facility dated November 9, 2021, provides for a tiered approach for adding hedges based on the utilization of the facility. On February 12, 2024, the Company entered into an amendment to the Senior Secured Credit Facility, which required that the Company enter into hedges for the next 12-month period, and on a rolling 12-month basis thereafter, covering expected crude oil and natural gas production from proved developed reserves, calculated separately, equal to a minimum of 40% of expected crude oil production each month, or 25% of expected crude oil and natural gas production each month over that period. Thus, the Company had the option to choose whether to hedge 40% of expected crude oil production or 25% each of expected crude oil and natural gas production.

As a result of the fall borrowing base redetermination, the utilization percentage of the Senior Secured Credit Facility increased whereby the Company will be required to hedge 50% of its expected crude oil and natural gas production. During the third quarter of fiscal year 2025, the Company will either make principal repayments of approximately \$7.0 million to MidFirst, reducing the borrowings outstanding to such a level that the utilization percentage of the facility drops below 50%, or enter into additional derivative contracts to hedge at least 50% of expected crude oil and natural gas production. See Note 7, “*Derivatives*,” for information regarding the Company’s current derivative positions.

Note 6. Income Taxes

The Company files a consolidated federal income tax return in the United States and various combined and separate filings in several state and local jurisdictions.

There were no unrecognized tax benefits, nor any accrued interest or penalties associated with unrecognized tax benefits during the periods presented in the unaudited condensed consolidated financial statements. The Company believes that it has appropriate support for the income tax positions taken and to be taken on the Company’s tax returns and that the accruals for tax liabilities are adequate for all open years based on its assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. The Company’s federal and state income tax returns are open to audit under the statute of limitations for the fiscal years ended June 30, 2020 through June 30, 2023 for federal tax purposes and for the fiscal years ended June 30, 2019 through June 30, 2023 for state tax purposes. To the extent the Company utilizes net operating losses (“NOLs”) generated in earlier years, such earlier years may also be subject to audit.

For six months ended December 31, 2024, the Company recognized income tax expense of \$0.1 million and had an effective tax rate of 31.4% compared to income tax expense of \$1.0 million and an effective tax rate of 28.5% for the six months ended December 31, 2023.

The Company’s effective tax rate will typically differ from the statutory federal rate as a result of state income taxes, primarily in the states of Louisiana, Oklahoma, North Dakota and Texas, percentage depletion in excess of basis, and other permanent differences. For both periods, the respective statutory federal tax rate was 21%.

Deferred income taxes primarily represent the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Note 7. Derivatives

The Company is exposed to certain risks relating to its ongoing business operations, including commodity price risk and interest rate risk. In accordance with the Company’s strategy and the requirements under the Senior Secured Credit

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Facility (as discussed in Note 5, “Senior Secured Credit Facility”), it may hedge or may be required to hedge a varying portion of anticipated oil and natural gas production for future periods. Derivatives are carried at fair value on the unaudited condensed consolidated balance sheets as assets or liabilities, with the changes in the fair value included in the unaudited condensed consolidated statements of operations for the period in which the change occurs. The Company’s hedge strategies and objectives may change significantly as its operational profile changes or as required under the Senior Secured Credit Facility. The Company does not enter into derivative contracts for speculative trading purposes.

It is the Company’s policy to enter into derivative contracts only with counterparties that are creditworthy financial or commodity hedging institutions deemed by management as competent and competitive market makers. As of December 31, 2024, the Company did not post collateral under any of its derivative contracts during the periods in which contracts were open as they were secured under the Company’s Senior Secured Credit Facility.

When the Company utilizes commodity derivative contracts, it expects to enter into deferred premium puts, costless put/call collars, fixed-price swaps, and/or basis swaps to hedge a portion of its anticipated future production. A costless collar consists of a sold call, which establishes a maximum price the Company will receive for the volumes under contract, and a purchased put that establishes a minimum price. Fixed-price swaps are designed so that the Company receives or makes payments based on a differential between fixed and variable prices for the volumes under contract. Basis swaps effectively lock in a price differential between regional prices (i.e., Inside FERC’s Northwest Pipeline Corp Rocky Mountains) where the product is sold and the relevant pricing index under which the natural gas production is hedged (i.e., NYMEX Henry Hub). The Company has elected not to designate its open derivative contracts for hedge accounting. Accordingly, the Company records the net change in the mark-to-market valuation of the derivative contracts and all payments and receipts on settled derivative contracts in “Net gain (loss) on derivative contracts” on the unaudited condensed consolidated statements of operations.

All derivative contracts are recorded at fair market value in accordance with ASC 815, *Derivatives and Hedging* (“ASC 815”) and ASC 820, *Fair Value Measurement* (“ASC 820”) and included in the unaudited condensed consolidated balance sheets as assets or liabilities. The “Derivative contract assets” and “Derivative contract liabilities” represent the difference between the market commodity prices and the hedged prices for the remaining volumes of production hedges as of December 31, 2024 and June 30, 2024 (the “mark-to-market valuation”).

The following table summarizes the location and fair value amounts of all derivative contracts in the unaudited condensed consolidated balance sheets as of December 31, 2024 and June 30, 2024 (in thousands):

Derivatives not designated as hedging contracts under ASC 815	Balance sheet location	Derivative Contract Assets		Balance sheet location	Derivative Contract Liabilities	
		December 31, 2024	June 30, 2024		December 31, 2024	June 30, 2024
Commodity contracts	Current assets – derivative contract assets	\$ 1,073	\$ 596	Current liabilities – derivative contract liabilities	\$ 439	\$ 1,192
Commodity contracts	Other assets – derivative contract assets	250	171	Long term liabilities – derivative contract liabilities	1,277	468
Total derivatives not designated as hedging contracts under ASC 815		<u>\$ 1,323</u>	<u>\$ 767</u>		<u>\$ 1,716</u>	<u>\$ 1,660</u>

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The following table summarizes the location and amounts of the Company’s realized and unrealized gains and losses on derivative contracts in the Company’s unaudited condensed consolidated statements of operations for the three and six months ended December 31, 2024 and 2023 (in thousands). “Realized gain (loss) on derivative contracts” represents all receipts (payments) on derivative contracts settled during the period. “Unrealized gain (loss) on derivative contracts” represents the net change in the mark-to-market valuation of the derivative contracts.

Derivatives not designated as hedging contracts under ASC 815	Location of gain (loss) recognized in income on derivative contracts	Three Months Ended December 31,		Six Months Ended December 31,	
		2024	2023	2024	2023
Commodity contracts:					
Realized gain (loss) on derivative contracts	Other income and expenses – net gain (loss) on derivative contracts	\$ 149	\$ —	\$ 79	\$ —
Unrealized gain (loss) on derivative contracts	Other income and expenses – net gain (loss) on derivative contracts	(1,368)	—	500	—
Total net gain (loss) on derivative contracts		\$ (1,219)	\$ —	\$ 579	\$ —

As of December 31, 2024, the Company had the following open crude oil and natural gas derivative contracts:

Period	Commodity	Instrument	Volumes in	Swap Price per	Floor Price per	Ceiling Price per
			MMBTU/BBL	MMBTU/BBL	MMBTU/BBL	MMBTU/BBL
January 2025 - March 2025	Crude Oil	Collar	42,566		\$ 68.00	\$ 73.77
January 2025 - June 2025	Crude Oil	Fixed-Price Swap	51,992	\$ 73.49		
April 2025 - June 2025	Crude Oil	Collar	41,601		65.00	84.00
July 2025 - December 2025	Crude Oil	Fixed-Price Swap	81,335	71.40		
January 2025 - February 2025	Natural Gas	Fixed-Price Swap	312,286	3.56		
January 2025 - March 2025	Natural Gas	Basis Swap	305,607	0.66		
March 2025 - December 2026	Natural Gas	Fixed-Price Swap	3,170,705	3.60		
January 2026 - March 2026	Natural Gas	Collar	375,481		3.60	5.00
April 2025 - December 2027	Natural Gas	Fixed-Price Swap	3,729,540	3.57		

Subsequent to December 31, 2024, the Company entered into the following new crude oil derivative contracts:

Period	Commodity	Instrument	Volumes in	Swap Price per	Floor Price per	Ceiling Price per
			MMBTU/BBL	MMBTU/BBL	MMBTU/BBL	MMBTU/BBL
February 2025 - March 2025	Crude Oil	Put	3,277		\$ 75.00	
February 2025 - March 2025	Crude Oil	Fixed-Price Swap	3,278	\$ 71.02		
April 2025 - December 2025	Crude Oil	Fixed-Price Swap	32,229	72.00		
January 2026 - March 2026	Crude Oil	Collar	43,493		60.00	75.80

The Company presents the fair value of its derivative contracts at the gross amounts in the unaudited condensed consolidated balance sheets. The following table shows the potential effects of master netting arrangements on the fair value of the Company’s derivative contracts as of December 31, 2024 and June 30, 2024 (in thousands):

Offsetting of Derivative Assets and Liabilities	Derivative Contracts Assets		Derivative Contracts Liabilities	
	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024
Gross amounts presented in the Consolidated Balance Sheet	\$ 1,323	\$ 767	\$ 1,716	\$ 1,660
Amounts not offset in the Consolidated Balance Sheet	(688)	(497)	(688)	(497)
Net amount	\$ 635	\$ 270	\$ 1,028	\$ 1,163

The Company enters into an International Swap Dealers Association Master Agreements (“ISDA”) with each counterparty prior to a derivative contract with such counterparty. The ISDA is a standard contract that governs all derivative contracts entered into between the Company and the respective counterparty. The ISDA allows for offsetting

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of amounts payable or receivable between the Company and the counterparty, at the election of both parties, for transactions that occur on the same date and in the same currency.

Note 8. Fair Value Measurement

Accounting guidelines for measuring fair value establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement.

The three levels are defined as follows:

Level 1—Observable inputs such as quoted prices in active markets at the measurement date for identical, unrestricted assets or liabilities.

Level 2—Other inputs that are observable directly or indirectly, such as quoted prices in markets that are not active or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3—Unobservable inputs for which there are little or no market data and which the Company makes its own assumptions about how market participants would price the assets and liabilities.

Fair Value of Derivative Instruments. The Company's determination of fair value incorporates not only the credit standing of the counterparties involved in transactions with the Company resulting in receivables on the Company's unaudited condensed consolidated balance sheets, but also the impact of the Company's nonperformance risk on its own liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable (Level 1) market corroborated (Level 2), or generally unobservable (Level 3). The Company classifies fair value balances based on observability of those inputs.

As required by ASC 820, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgement, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There were no transfers between fair value hierarchy levels for any period presented in this report. The following table, set forth by level within the fair value hierarchy, shows the Company's financial assets and liabilities that were accounted for at fair value as of December 31, 2024 and June 30, 2024 (in thousands).

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Derivative contract assets	\$ —	\$ 1,323	\$ —	\$ 1,323
Liabilities				
Derivative contract liabilities	\$ —	\$ 1,716	\$ —	\$ 1,716
	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Derivative contract assets	\$ —	\$ 767	\$ —	\$ 767
Liabilities				
Derivative contract liabilities	\$ —	\$ 1,660	\$ —	\$ 1,660

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Derivative contracts listed above as Level 2 include fixed-price swaps and costless put/call collars that are carried at fair value. The Company records the net change in fair value of these positions in “*Net gain (loss) on derivative contracts*” in the Company’s unaudited condensed consolidated statements of operations. The Company is able to value the assets and liabilities based on observable market data for similar instruments, which resulted in the Company reporting its derivatives as Level 2. This observable data includes the forward curves for commodity prices based on quoted market prices and implied volatility factors related to changes in the forward curves. See Note 7, “*Derivatives*,” for additional discussion of derivatives.

The Company’s derivative contracts are with large utilities with investment grade credit ratings which are believed to have minimal credit risk. As such, the Company is exposed to credit risk to the extent of nonperformance by the counterparties in the derivative contracts; however, the Company does not expect such nonperformance.

Other Fair Value Measurements. The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of ASC 825, *Financial Instruments*. The estimated fair value amounts have been determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair value of cash and cash equivalents, accounts receivable, and accounts payable approximates their carrying value due to their short-term nature. The estimated fair value of the Company’s Senior Secured Credit Facility approximates carrying value because the interest rates approximate current market rates.

The Company follows the provisions of ASC 820, for nonfinancial assets and liabilities measured at fair value on a non-recurring basis. These provisions apply to the Company’s initial measurement and any subsequent revision of asset retirement obligations (“ARO”) for which fair value is calculated using discounted future cash flows derived from historical costs and management’s expectations of future cost environments. Significant Level 3 inputs used in the calculation of ARO include the costs of plugging and abandoning wells, surface restoration, and reserve lives. Subsequent to initial recognition, revisions to estimated asset retirement obligations are made when changes occur for input values. See Note 9, “*Asset Retirement Obligations*,” for a reconciliation of the beginning and ending balances of the liability for the Company’s ARO.

Note 9. Asset Retirement Obligations

The Company’s ARO represents the estimated present value of the amount expected to be incurred to plug, abandon, and remediate its oil and natural gas properties at the end of their productive lives in accordance with applicable laws and regulations. The Company records the ARO liability on the unaudited condensed consolidated balance sheets and capitalizes the cost in “*Oil and natural gas properties, net*” during the period in which the obligation is incurred. The Company records the accretion of its ARO liabilities in “*Depletion, depreciation and accretion*” expense in the unaudited condensed consolidated statements of operations.

The following is a reconciliation of the activity related to the Company’s ARO liability (inclusive of the current portion) for the period ended December 31, 2024 (in thousands):

	December 31, 2024
Asset retirement obligations — beginning of period	\$ 19,411
Liabilities incurred	1
Liabilities settled and divested	(48)
Accretion of discount	809
Asset retirement obligations — end of period	20,173
Less: current asset retirement obligations	(180)
Long-term portion of asset retirement obligations	\$ 19,993

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Note 10. Commitments and Contingencies

The Company is subject to various claims and contingencies in the normal course of business. In addition, from time to time, the Company receives communications from government or regulatory agencies concerning investigations or allegations of noncompliance with laws or regulations in jurisdictions in which the Company operates. The Company discloses such matters if it believes there is a reasonable possibility that a future event or events will confirm a material loss through impairment of an asset or the incurrence of a material liability. The Company accrues a material loss if it believes it probable that a future event or events will confirm a loss and the loss is reasonably subject to estimation. Furthermore, the Company will disclose any matter that is unasserted if it considers it probable that a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable and material in amount. The Company expenses legal defense costs as they are incurred.

Note 11. Stockholders' Equity**Common Stock**

As of December 31, 2024, the Company had 34,076,846 shares of common stock outstanding.

The Company began paying quarterly cash dividends on common stock in December 2013. As of December 31, 2024, the Company has cumulatively paid over \$126.6 million in cash dividends. The Company paid dividends of \$8.1 million and \$8.0 million to its common stockholders during the six months ended December 31, 2024 and 2023, respectively.

The following table reflects the dividends paid per share within the respective three-month periods:

	Fiscal Year	
	2025	2024
Second fiscal quarter	\$ 0.120	\$ 0.120
First fiscal quarter	0.120	0.120

On October 21, 2024, the Company entered into an At-the-Market ("ATM") equity Sales Agreement (the "ATM Sales Agreement") with Roth Capital Partners, LLC (the "Lead Agent"), Northland Securities Inc., and A.G.P./Alliance Global Partners pursuant to which the Company may issue and sell, from time to time, up to \$30.0 million of shares of common stock through or to the Lead Agent, acting as agent or principal. During the period ended December 31, 2024, the Company sold a total of approximately 0.4 million shares of its common stock under the ATM Sales Agreement for net proceeds of approximately \$2.0 million, after deducting an initial \$0.2 million in fees for due diligence incurred with the offering. The Company intends to use the net proceeds from any sales of common stock for general corporate purposes, including to redeem or repay outstanding indebtedness. The Company is not obligated to sell any shares of common stock in the future.

On September 8, 2022, the Board of Directors approved a share repurchase program, under which the Company was authorized to repurchase up to \$25.0 million of its common stock in the open market through December 31, 2024. The Company funded repurchases from working capital and cash provided by operating activities. The share repurchase program was complimentary to the existing dividend policy and was a tax efficient means to further improve shareholder return. The shares were repurchased from time to time in open market transactions, through privately negotiated transactions or by other means in accordance with federal securities laws. The Company repurchased a total of 0.8 million shares of its common stock under the program at a total cost of approximately \$4.6 million, including incremental direct transaction costs.

During the six months ended December 31, 2024 and 2023, the Company acquired treasury stock upon the ordinary course of scheduled vestings of employee stock-based awards to fund payroll tax withholding obligations. These treasury shares were subsequently cancelled. Such shares were valued at fair market value on the date of vesting.

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The following table summarizes all treasury stock purchases during the six months ended December 31, 2024 and 2023 (in thousands, except per share amounts):

	Six Months Ended	
	December 31,	
	2024	2023
Number of treasury shares acquired	36	29
Average cost per share	\$ 5.32	\$ 7.29
Total cost of treasury shares acquired	\$ 191	\$ 213

Expected Tax Treatment of Dividends

For the fiscal year ended June 30, 2024, all common stock dividends for that fiscal year were treated for tax purposes as qualified dividend income to the recipients. Based on its current projections for the fiscal year ended June 30, 2025, the Company expects all common stock dividends for such period to be treated as qualified dividend income to the recipients. Such projections are based on the Company's reasonable expectations as of December 31, 2024 and are subject to change based on the Company's final tax calculations at the end of the fiscal year.

Stock-Based Incentive Plan

The Evolution Petroleum Corporation 2016 Equity Incentive Plan (the "2016 Plan") authorized the issuance of 3.6 million shares of common stock prior to its expiration on December 8, 2026. On December 5, 2024 shareholders approved and adopted the amendment and restatement of the 2016 Plan (hereinafter the "Amended and Restated Plan"), which increased the shares authorized for issuance under the 2016 Plan by 2.1 million shares to a maximum of 5.7 million shares. The duration of the Amended and Restated Plan is indefinite, provided that no new awards shall be made under the Amended and Restated Plan on or after the tenth anniversary of the date the stockholders approved the Amended and Restated Plan. Incentives under the Amended and Restated Plan may be granted to employees, directors, and consultants of the Company in any one or a combination of the following forms: incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, and performance share awards. As of December 31, 2024 and June 30, 2024, approximately 2.5 million shares and 0.9 million shares, respectively, remained available for grant under the Amended and Restated Plan.

The Company estimates the fair value of stock-based compensation awards on the grant date to provide the basis for future compensation expense. During the three and six months ended December 31, 2024, the Company recognized \$0.7 million and \$1.2 million, respectively, related to stock-based compensation. During the three and six months ended December 31, 2023, the Company recognized \$0.6 million and \$1.0 million, respectively, related to stock-based compensation. Stock-based compensation expense is recorded as a component of "General and administrative expenses" on the unaudited condensed consolidated statements of operations.

Time-Vested Restricted Stock Awards

Time-vested restricted stock awards contain service-based vesting conditions and expire after a maximum of four years from the date of grant if unvested. The common shares underlying these awards are issued on the date of grant and participate in dividends paid by the Company. These service-based awards vest with continuous employment by the Company, generally in annual installments over terms of three to four years. Awards to the Company's directors generally have one-year cliff vesting. For such awards, grant date fair value is based on market value of the Company's common stock at the time of grant. This value is then amortized ratably over the service period. Previously recognized amortization expense subsequent to the last vesting date of an award is reversed in the event that the holder has no longer rendered service to the Company resulting in forfeiture of the award.

Performance-Based Restricted Stock Awards and Performance-Based Contingent Stock Units

Performance-based restricted stock awards and performance-based contingent stock units contain market-based vesting conditions based on the price of the Company's common stock, the intrinsic value indexed solely to its common stock or the intrinsic value indexed to its common stock compared to the performance of the common stock of its peers. The common shares underlying the Company's performance-based restricted stock awards are issued on the date of grant and

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

participate in dividends paid by the Company and expire after a maximum of four years from the date of grant if unvested. Performance-based contingent share units do not participate in dividends and shares are only issued in part or in full upon the attainment of vesting conditions, generally have a lower probability of achievement and expire after a maximum of four years from the date of grant if unvested. Shares underlying performance-based contingent share units are reserved from the 2016 Plan. Performance-based restricted stock awards and contingent restricted stock units are valued using a Monte Carlo simulation and geometric Brownian motion techniques applied to the historical volatility of the Company's total stock return compared to the historical volatilities of other companies or indices to which the Company compares its performance and/or the Company's absolute total stock return. For certain awards, this Monte Carlo simulation also provides an expected vesting term. Stock-based compensation is recognized ratably over the expected vesting period, so long as the award holder remains an employee of the Company. Previously recognized compensation expense is only reversed for the awards with market-based vesting conditions if the requisite service period is not rendered by the holder resulting in forfeiture of the award or as a result of regulatory required clawback.

Vesting of grants with performance-based vesting conditions is dependent on the future price of the Company's common stock. Such awards vest in part or in full if the trailing total returns on the Company's common stock for a specified three-year period exceed the corresponding total returns of various quartiles of indices consisting of peer companies.

During the six months ended December 31, 2024, the Company granted a total of 0.5 million equity awards that included 0.2 million time-vested restricted stock awards, 0.2 million performance-based restricted stock awards, and 0.1 million performance-based contingent stock units.

During the six months ended December 31, 2023, the Company granted a total of 0.4 million equity awards that included 0.2 million time-vested restricted stock awards, 0.1 million performance-based restricted stock awards, and 0.1 million of performance-based contingent stock units.

For performance-based awards granted during the six months ended December 31, 2024 and 2023, the assumptions used in the Monte Carlo simulation valuations were as follows:

	Six Months Ended December 31,	
	2024	2023
Weighted average fair value of performance-based awards granted	\$ 3.90	\$ 3.58
Risk-free interest rate	3.45%	4.87%
Expected term in years	2.78	2.77
Expected volatility	50.2%	55.0%
Dividend yield	8.4%	7.4%

Unvested restricted stock awards as of December 31, 2024 consisted of the following:

Award Type	Number of Restricted Shares	Weighted Average Grant-Date Fair Value
Time-vested awards	396,477	\$ 6.35
Performance-based awards	417,923	5.40
Unvested at December 31, 2024	814,400	\$ 5.86

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The following table sets forth the restricted stock award transactions for the six months ended December 31, 2024:

	Number of Restricted Shares	Weighted Average Grant-Date Fair Value	Unamortized Compensation Expense (In thousands)	Weighted Average Remaining Amortization Period (Years)
Unvested at June 30, 2024	628,511	6.31	\$ 2,492	1.8
Time-vested shares granted	187,155	5.70		
Performance-based shares granted	189,477	4.82		
Vested	(182,316)	6.14		
Forfeited	(8,427)	6.05		
Unvested at December 31, 2024	<u>814,400</u>	<u>\$ 5.86</u>	\$ 3,317	1.9

The following table sets forth contingent restricted stock unit transactions for the six months ended December 31, 2024:

	Number of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Unamortized Compensation Expense (In thousands)	Weighted Average Remaining Amortization Period (Years)
Unvested at June 30, 2024	150,788	\$ 2.86	\$ 230	1.6
Performance-based awards granted	142,112	2.67		
Forfeited	(3,394)	2.91		
Unvested at December 31, 2024	<u>289,506</u>	<u>\$ 2.77</u>	\$ 484	2.1

Note 12. Earnings (Loss) per Common Share

The following table sets forth the computation of basic and diluted earnings (loss) per common share, reflecting the application of the two-class method (in thousands, except per share amounts):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
<i>Numerator</i>				
Net income (loss)	\$ (1,825)	\$ 1,082	\$ 240	\$ 2,556
Undistributed earnings allocated to unvested restricted stock	(100)	(24)	(178)	(51)
Net income (loss) for earnings per share calculation	<u>\$ (1,925)</u>	<u>\$ 1,058</u>	<u>\$ 62</u>	<u>\$ 2,505</u>
<i>Denominator</i>				
Weighted average number of common shares outstanding — Basic	32,934	32,693	32,828	32,676
Effect of dilutive securities:				
Unvested restricted stock awards	—	171	166	225
Unvested contingent restricted stock units	—	36	—	39
Weighted average number of common shares and dilutive potential common shares used in diluted earnings per share	<u>32,934</u>	<u>32,900</u>	<u>32,994</u>	<u>32,940</u>
Net income (loss) per common share — Basic	<u>\$ (0.06)</u>	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.08</u>
Net income (loss) per common share — Diluted	<u>\$ (0.06)</u>	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.08</u>

Unvested restricted stock awards (both time-vested and performance-based), totaling approximately 0.8 million for the three months ended December 31, 2024 were not included in the computation of diluted earnings per common share because the effect would have been anti-dilutive due to the net loss. Unvested restricted stock awards (both time-vested and performance-based), totaling approximately 0.1 million for the six months ended December 31, 2024, were not included in the computation of diluted earnings per common share because the effect would have been anti-dilutive.

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Unvested restricted stock awards (both time-vested and performance-based), totaling approximately 0.2 million and 0.1 million for the three and six months ended December 31, 2023, respectively, were not included in the computation of diluted earning per common share because the effect would have been anti-dilutive.

In addition, unvested performance-based restricted stock awards and unvested contingent restricted stock units that would not meet the performance criteria as of the period end are excluded from the computation of diluted earnings per common share.

Note 13. Additional Financial Statement Information

Certain amounts on the unaudited condensed consolidated balance sheets are comprised of the following (in thousands):

	December 31, 2024	June 30, 2024
Prepaid expenses and other current assets:		
Other receivables	\$ 170	\$ 19
Prepaid insurance	438	734
Prepaid federal and state income taxes	1,954	1,798
Carryback of EOR tax credit	—	347
Advances to operators	756	608
Prepaid other	254	349
Total prepaid expenses and other current assets	<u>\$ 3,572</u>	<u>\$ 3,855</u>
Other assets:		
Deposit ⁽¹⁾	\$ 1,158	\$ 1,158
Right of use asset under operating lease	100	140
Total other assets	<u>\$ 1,258</u>	<u>\$ 1,298</u>
Accrued liabilities and other:		
Accrued payables	\$ 2,636	\$ 2,570
Accrued capital expenditures	—	860
Accrued incentive and other compensation	681	945
Accrued royalties payable ⁽²⁾	618	307
Accrued taxes other than federal and state income tax	918	1,062
Accrued settlements on derivative contracts	—	67
Operating lease liability	100	98
Asset retirement obligations due within one year	180	202
Accrued interest and other	116	128
Total accrued liabilities and other	<u>\$ 5,249</u>	<u>\$ 6,239</u>

⁽¹⁾ The deposit of \$1.2 million is related to a long-term gas gathering deposit with Enterprise entered into at closing of the Company's Jonah Field properties.

⁽²⁾ Accrued royalties payable relate to royalty and owner payments in the Jonah Field as the Company takes its natural gas and NGL working interest production in-kind. See Note 2, "Revenue Recognition" for a further discussion.

Note 14. Subsequent Events**Dividend Declaration**

On February 10, 2025, the Company declared a quarterly cash dividend of \$0.120 per share of common stock to shareholders of record on March 14, 2025 and payable on March 31, 2025.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

[Executive Overview](#)

[Liquidity and Capital Resources](#)

[Results of Operations](#)

[Critical Accounting Policies](#)

Commonly Used Terms

“Current quarter” refers to the three months ended December 31, 2024, our second quarter of fiscal year 2025.

“Year-ago quarter” refers to the three months ended December 31, 2023, our second quarter of fiscal year 2024.

Executive Overview

General

Evolution Petroleum Corporation is an independent energy company focused on maximizing total returns to its shareholders through the ownership of and investment in onshore oil and natural gas properties in the United States. In support of that objective, our long-term goal is to maximize total shareholder return from a diversified portfolio of long-life oil and natural gas properties built through acquisitions and through selective development opportunities, production enhancements, and other exploitation efforts on our oil and natural gas properties.

Our oil and natural gas properties consist of non-operated interests in the SCOOP and STACK plays of the Anadarko Basin located in central Oklahoma; the Chaveroo oilfield in Chaves and Roosevelt Counties of New Mexico; Jonah Field in Sublette County, Wyoming; the Williston Basin in North Dakota; the Barnett Shale located in North Texas; the Hamilton Dome Field located in Hot Springs County, Wyoming; the Delhi Holt-Bryant Unit in the Delhi Field in Northeast Louisiana; and small overriding royalty interests in four onshore central Texas wells.

Our non-operated interests in the SCOOP and STACK plays consist of oil and natural gas producing properties in the Anadarko basin, where we hold approximately 2.6% average net working interest and approximately 2.0% average net revenue interests located on approximately 103,700 gross or 4,200 net acres (approximately 96% held by production), across Blaine, Canadian, Carter, Custer, Dewey, Garvin, Grady, Kingfisher, McClain, Murray, and Stephens counties in Oklahoma. The oil and natural gas properties are operated by Continental Resources, Inc., Ovintiv USA Inc. and EOG Resources, Inc. with approximately 40% of wells operated by other operators.

Our non-operated interests in the Chaveroo oilfield consist of a 50% net working interest, with an average associated 41% revenue interest, in approximately 3,200 gross or 1,600 net acres all held by production, associated with five development blocks with the right to acquire the same working interest in additional development locations and associated acreage at a fixed price. The field is operated by PEDEVCO Corp. (“PEDEVCO”).

Our non-operated interests in the Jonah Field, a natural gas and NGL property in Sublette County, Wyoming, consist of approximately 20% average net working interest and approximately 15% average net revenue interest located on approximately 5,300 gross or 950 net acres all held by production. The properties are operated by Jonah Energy.

Our non-operated interests in the Williston Basin, an oil and natural gas producing property, consist of approximately 39% average net working interest and approximately 33% average net revenue interest located on approximately

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141,400 gross or 42,200 net acres (approximately 95% held by production) across Billings, Golden Valley, and McKenzie Counties in North Dakota. The properties are operated by Foundation Energy Management.

Our non-operated interests in the Barnett Shale, a natural gas and NGL producing shale reservoir, consist of approximately 17% average net working interest and approximately 14% average net revenue interest (inclusive of small overriding royalty interests). The approximately 123,800 gross or 21,000 net acres are held by production across nine North Texas counties. The oil and natural gas properties are primarily operated by Diversified Energy Company with approximately 10% of wells operated by six other operators.

Our non-operated interests in the Hamilton Dome Field, a secondary recovery field utilizing water injection wells to pressurize the reservoir, consist of approximately 24% average net working interest, with an associated 20% average net revenue interest (inclusive of a small overriding royalty interest). The approximately 5,900 gross acre unitized field, of which we hold approximately 1,400 net acres, is operated by Merit Energy Company, who owns the majority of the remaining working interest in the Hamilton Dome Field. The Hamilton Dome Field is located in the southwest region of the Big Horn Basin in northwest Wyoming.

Our non-operated interests in the Delhi Field, a CO₂-EOR project, consist of approximately 24% average net working interest, with an associated 19% revenue interest and separate overriding royalty and mineral interests of approximately 7% yielding a total average net revenue interest of approximately 26%. The field is operated by Denbury Onshore LLC, a subsidiary of Exxon Mobil Corporation. The approximately 13,600 gross acre unitized Delhi Field, of which we hold approximately 3,200 net acres, is located in northeast Louisiana in Franklin, Madison, and Richland Parishes.

During the six months ended December 31, 2024, crude oil, natural gas and NGL production increased 13% compared to the year-ago period due to our recent acquisitions and development drilling activities since the year-ago period. Our crude oil, natural gas and NGL revenues had a modest increase of 1% over the same period despite our increase in production volumes due to declines in commodity prices. Our lease operating costs for the six months ended December 31, 2024 have decreased 10%, or \$2.13 per BOE, compared to the year-ago period. See below for a further discussion around our results of operations and cash flow activities.

Recent Developments

Dividend Declaration

On February 10, 2025, Evolution's Board of Directors approved and declared a quarterly dividend of \$0.12 per common share payable March 31, 2025.

At-the-Market ("ATM") Equity Sales Program

On October 21, 2024, we entered into an ATM equity Sales Agreement (the "ATM Sales Agreement") with Roth Capital Partners, LLC (the "Lead Agent"), Northland Securities Inc., and A.G.P./Alliance Global Partners pursuant to which we may issue and sell, from time to time, up to \$30.0 million of shares of common stock through or to the Lead Agent, acting as agent or principal. During the period ended December 31, 2024, we sold a total of approximately 0.4 million shares of our common stock under the ATM Sales Agreement for net proceeds of approximately \$2.0 million, after deducting an initial \$0.2 million in fees for due diligence incurred with the offering. We intend to use the net proceeds from any sales of common stock for general corporate purposes, including to redeem or repay outstanding indebtedness. We are not obligated to sell any shares of common stock in the future.

Risks and uncertainties

The oil and natural gas industry is a global market impacted by many factors, such as government regulations, particularly in the areas of trade sanctions, taxation, energy, climate change and the environment, geopolitical instability and armed conflicts (including between Russia and Ukraine and in the Middle East between Israel and Gaza), demand in Asian and European markets, and the extent to which members of OPEC and other oil exporting nations manage oil supply through export quotas. Natural gas prices are generally determined by North American supply and demand and

are also affected by imports and exports of liquefied natural gas. Weather also has a significant impact on demand for natural gas since it is a primary heating source.

Oil and natural gas prices have been, and we expect may continue to be, volatile. Lower oil and natural gas prices not only decrease our revenues, but an extended decline in oil or natural gas prices may affect planned capital expenditures and the oil and natural gas reserves that we can economically produce. Lower oil and natural gas prices may also reduce the amount of our borrowing base under our Senior Secured Credit Facility, which is determined at the discretion of the lenders based on various factors including the collateral value of our proved reserves, as well as the dividend rate determined by the Board of Directors each quarter.

At times, we maintain cash balances in excess of the U.S. Federal Deposit Insurance Corporation (“FDIC”). We utilize insured cash sweep deposits to maximize the amount of our cash that is protected by FDIC insurance.

Currently, our oil and natural gas properties are operated by third-party operators and involve other third-party working interest owners. As a result, we have limited ability to influence the operation or future development of such properties. Despite these uncertainties, we remain focused on our long-term objectives and continue to be proactive with our third-party operators to review the management of capital expenditures.

Given the dynamic nature of these factors and events, we cannot reasonably estimate the period of time that certain market conditions will persist. Nor can we predict the broader impact of liquidity concerns around financial institutions; the impact to long-term cost of capital or economic growth as a result of the Federal Reserve’s policies; or the impact on the commodity prices that we realize.

Liquidity and Capital Resources

As of December 31, 2024, we had \$11.7 million in cash and cash equivalents and \$39.5 million outstanding borrowings on our Senior Secured Credit Facility compared to \$6.4 million in cash and cash equivalents and \$39.5 million borrowings outstanding on our Senior Secured Credit Facility at June 30, 2024. Our primary sources of liquidity and capital resources during the six months ended December 31, 2024 were cash provided by operations. Our primary uses of liquidity and capital resources for the three months ended December 31, 2024 were our cash dividend payments to our common stockholders and development capital expenditures. As of December 31, 2024, working capital was \$10.5 million, an increase of \$4.6 million from working capital of \$5.9 million as of June 30, 2024.

The Senior Secured Credit Facility has a maximum capacity of \$50.0 million subject to a borrowing base determined by the lender based on the value of our oil and natural gas properties. The Senior Secured Credit Facility has a current borrowing base of \$50.0 million, with \$39.5 million drawn as of December 31, 2024. The Senior Secured Credit Facility is secured by substantially all of our oil and natural gas properties and matures on April 9, 2026.

Borrowings bear interest, at our option, at either the SOFR plus 2.80% or the Prime Rate, as defined under the Senior Secured Credit Facility, plus 1.0%. For the six months ended December 31, 2024, the weighted average interest on our borrowings was 7.80%. The Senior Secured Credit Facility contains covenants requiring the maintenance of (i) a total leverage ratio of not more than 3.00 to 1.00, (ii) a current ratio of not less than 1.00 to 1.00, and (iii) a consolidated tangible net worth of not less than \$40.0 million, each as defined in the Senior Secured Credit Facility. It also contains other customary affirmative and negative covenants, including a hedging covenant discussed below, and events of default. As of December 31, 2024, we were in compliance with all covenants under the Senior Secured Credit Facility.

The Senior Secured Credit Facility contains hedging requirements that apply when there is 25% or more utilization of the Margined Collateral Value, as defined under the Senior Secured Credit Facility, to the extent it exceeds the borrowing base then in effect. The Required Hedging Percentage, as defined in the Eighth Amendment to the Senior Secured Credit Facility dated November 9, 2021, provides for a tiered approach for adding hedges based on the utilization of the facility. On February 12, 2024, in conjunction with the Scoop/Stack Acquisitions, we entered into an amendment to the Senior Secured Credit Facility, which required us to enter into hedges for the next 12-month period, and on a rolling 12-month basis thereafter, covering expected crude oil and natural gas production from proved developed reserves, calculated separately, equal to a minimum of 40% of expected crude oil production each month, or

25% each of expected crude oil and natural gas production each month over that period. Thus, we had the option to choose whether to hedge 40% of expected crude oil production or 25% each of expected crude oil and natural gas production. As of December 31, 2024, we were in compliance with the hedging requirements under the Senior Secured Credit Facility.

The Senior Secured Credit Facility requires for redeterminations of the borrowing base to occur semi-annually. At each redetermination, the Margined Collateral Value is updated based on the estimated value of our oil and natural gas properties, which includes our proved developed reserves, proved undeveloped reserves, and other relevant factors consistent with customary oil and natural gas lending criteria. As a result of our fall borrowing base redetermination, the utilization percentage of our Senior Secured Credit Facility increased whereby we will be required to hedge 50% of our expected crude oil and natural gas production. During the third quarter of fiscal year 2025, we will either make principal repayments of approximately \$7.0 million to MidFirst, reducing our borrowings outstanding to such a level that the utilization percentage of the facility drops below 50% or enter into additional derivative contracts to hedge at least 50% of expected crude oil and natural gas production.

We have historically funded operations through cash from operations and working capital. Our primary source of cash is the sale of produced crude oil, natural gas, and NGLs. A portion of these cash flows is used to fund capital expenditures and pay cash dividends to shareholders. We expect to fund near-future capital development activities for our properties with cash flows from operating activities, existing working capital and, as needed, borrowings under our Senior Secured Credit Facility and proceeds from the ATM Sales Agreement (as described in “*Recent Developments*” above).

We are pursuing new growth opportunities through acquisitions and other transactions. In addition to cash on hand, we have access to the undrawn portion of the borrowing base available under our Senior Secured Credit Facility, totaling \$10.5 million as of December 31, 2024. We also have an effective shelf registration statement with the SEC under which we may issue up to \$500.0 million of new debt or equity securities.

On October 21, 2024, we entered into an ATM Sales Agreement with Roth Capital Partners, LLC as our Lead Agent, Northland Securities Inc., and A.G.P./Alliance Global Partners pursuant to which we may issue and sell, from time to time, up to \$30.0 million of shares of common stock through or to the Lead Agent, acting as agent or principal. During the period ended December 31, 2024, we sold a total of approximately 0.4 million shares of our common stock under the ATM Sales Agreement for net proceeds of approximately \$2.0 million, after deducting an initial \$0.2 million in fees for due diligence incurred with the offering; however, we are not obligated to sell any shares of common stock in the future.

Our Board of Directors instituted a cash dividend on common stock in December 2013. We have since paid 45 consecutive quarterly dividends. Distribution of a substantial portion of free cash flow in excess of operating and capital requirements through cash dividends remains a priority of our financial strategy, and it is our long-term goal to increase dividends over time, as appropriate. On February 10, 2025, the Board of Directors declared a quarterly cash dividend of \$0.12 per share of common stock to shareholders of record on March 14, 2025 and payable on March 31, 2025.

Capital Expenditures

During the six months ending December 31, 2024, we incurred \$2.2 million on development capital expenditures. During the first half of fiscal 2025, capital spending occurred at our fields, including at SCOOP/STACK where our operators are actively drilling and have brought 10 gross wells online during the fiscal year. Based on discussions with our operators, we expect capital workover projects to continue in most of our fields throughout the year.

Overall, for fiscal year 2025, we expect budgeted capital expenditures to be in the range of \$12.5 million to \$14.5 million, which excludes any potential acquisitions. Our expected capital expenditures for fiscal year 2025 include the 10 gross wells brought online at SCOOP/STACK during the first six months of the fiscal year, discussed above, and bringing an additional eight gross wells online during the remainder of the year. It also includes the drilling and completion of four new gross wells at Chaveroo Field for development block two, which commenced drilling operations in January 2025, and the drilling and completion of one new well at Delhi Field Test Site V.

Full Cost Pool Ceiling Test

Under the full cost method of accounting, capitalized costs of oil and natural gas properties, net of accumulated depletion, depreciation, and amortization and related deferred taxes, are limited to the estimated future net cash flows from proved oil and natural gas reserves, discounted at 10%, plus the lower of cost or fair value of unproved properties, as adjusted for related income tax effects (the valuation “ceiling”). If capitalized costs exceed the full cost ceiling, the excess would be charged to expense as a write-down of oil and natural gas properties in the quarter in which the excess occurred. The quarterly ceiling test calculation requires that we use the average first day of the month price for our petroleum products during the 12-month period ending with the balance sheet date. The prices used in calculating our ceiling test as of December 31, 2024 were \$76.32 per barrel of oil, \$2.13 per MMBtu of natural gas and \$22.60 per barrel of NGLs. As of December 31, 2024, our capitalized costs of oil and natural gas properties were below the full cost valuation ceiling. If commodity price levels were to substantially decline from the 12-month average first day of the month pricing levels as of December 31, 2024 and remain down for a prolonged period of time, our valuation ceiling over our capitalized costs may be reduced and adversely impact our ceiling test results in future quarters. While using the crude oil and natural gas price for January 1, 2025 of \$72.44 per barrel and \$3.40 per MMBtu, and holding it constant for two months to create a trailing 12-month period of average prices (which is more reflective of recent price trends) would not generate an impairment under our ceiling test limitation, we cannot give assurance that a write-down of capitalized oil and natural gas properties will not be required in the future.

Overview of Cash Flow Activities

	Six Months Ended December 31,		
	2024	2023	Change
Cash flows provided by operating activities	\$ 15,333	\$ 11,378	\$ 3,955
Cash flows used in investing activities	(3,829)	(5,705)	1,876
Cash flows used in financing activities	(6,283)	(8,247)	1,964
Net increase (decrease) in cash and cash equivalents	<u>\$ 5,221</u>	<u>\$ (2,574)</u>	<u>\$ 7,795</u>

Cash provided by operating activities for the six months ended December 31, 2024 increased \$4.0 million compared to the six months ended December 31, 2023 primarily due to an increase in revenues and changes in the timing of our working capital. Total revenues increased \$0.5 million as compared to the prior year period primarily due increased production volumes partially offset by lower commodity prices. Our average daily production increased 832 BOEPD or 13.0% from the prior year period; however our average realized price per barrel of oil equivalent (“BOE”) decreased \$3.68, or 10.4% from the prior year period. Refer to “*Results of Operations*” below for further information.

Cash used in investing activities for the six months ended December 31, 2024 decreased \$1.9 million compared to the six months ended December 31, 2023 primarily due to the participation of our drilling and completion of three gross wells in the Chaveroo Field in the prior year partially offset by the addition of our SCOOP/STACK properties and associated development capital expenditures since the prior year period.

Net cash flows used in financing activities for the six months ended December 31, 2024 decreased \$2.0 million compared to the six months ended December 31, 2023 primarily due to proceeds received from the sale of our common stock under our ATM Sales Agreement. For the six months ended, December 31, 2024, we paid \$8.1 million in cash dividends to our common stockholders and received net proceeds from the sale of common stock under the ATM Sales Agreement of approximately \$2.0 million, after deducting and initial \$0.2 million of fees for due diligence incurred with the offering. For the six months ended December 31, 2023, we paid \$8.0 million in cash dividends to our common stockholders.

Results of Operations

Three Months Ended December 31, 2024 and 2023

We reported a net loss of \$1.8 million and net income of \$1.1 million for the three months ended December 31, 2024 and 2023, respectively. The following table summarizes the comparison of financial information for the periods presented:

(in thousands, except per unit and per BOE amounts)	Three Months Ended December 31,			
	2024	2023	Variance	Variance %
Net income (loss)	\$ (1,825)	\$ 1,082	\$ (2,907)	(268.7) %
Revenues:				
Crude oil	11,763	11,759	4	— %
Natural gas	5,793	6,531	(738)	(11.3) %
Natural gas liquids	2,719	2,734	(15)	(0.5) %
Total revenues	20,275	21,024	(749)	(3.6) %
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	1,441	1,272	169	13.3 %
Gathering, transportation, and other costs	2,889	2,496	393	15.7 %
Other lease operating costs	8,463	8,590	(127)	(1.5) %
Depletion, depreciation, and accretion:				
Depletion of full cost proved oil and natural gas properties	5,024	4,238	786	18.5 %
Accretion of asset retirement obligations	409	360	49	13.6 %
General and administrative expenses:				
General and administrative	1,995	1,938	57	2.9 %
Stock-based compensation	659	564	95	16.8 %
Other income (expense):				
Net gain (loss) on derivative contracts	(1,219)	—	(1,219)	— %
Interest and other income	52	104	(52)	(50.0) %
Interest expense	(764)	(34)	(730)	2,147.1 %
Income tax (expense) benefit	711	(554)	1,265	(228.3) %
Production:				
Crude oil (MBBL)	179	159	20	12.6 %
Natural gas (MMCF)	2,125	1,951	174	8.9 %
Natural gas liquids (MBBL)	105	96	9	9.4 %
Equivalent (MBOE) ⁽¹⁾	638	580	58	10.0 %
Average daily production (BOEPD) ⁽¹⁾	6,935	6,304	631	10.0 %
Average price per unit⁽²⁾:				
Crude oil (BBL)	\$ 65.72	\$ 73.96	\$ (8.24)	(11.1) %
Natural gas (MCF)	2.73	3.35	(0.62)	(18.5) %
Natural Gas Liquids (BBL)	25.90	28.48	(2.58)	(9.1) %
Equivalent (BOE) ⁽¹⁾	31.78	36.25	(4.47)	(12.3) %
Average cost per unit:				
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	2.26	2.19	0.07	3.2 %
Gathering, transportation, and other costs	4.53	4.30	0.23	5.3 %
Other lease operating costs	13.26	14.81	(1.55)	(10.5) %
Depletion of full cost proved oil and natural gas properties	7.87	7.31	0.56	7.7 %
General and administrative expenses:				
General and administrative	3.13	3.34	(0.21)	(6.3) %
Stock-based compensation	1.03	0.97	0.06	6.2 %

(1) Equivalent oil reserves are defined as six MCF of natural gas and 42 gallons of NGLs to one barrel of oil conversion ratio which reflects energy equivalence and not price equivalence. Natural gas prices per MCF and NGL prices per barrel often differ significantly from the equivalent amount of oil.

(2) Amounts exclude the impact of cash paid or received on the settlement of derivative contracts since we did not elect to apply hedge accounting.

Revenues

Crude oil, natural gas and NGL revenues were \$20.3 million and \$21.0 million for the three months ended December 31, 2024 and 2023, respectively. The decrease in revenues is due to a decrease in our average realized price per BOE partially offset by an increase in production volumes. Our average realized commodity price (excluding the impact of derivative contracts) for the three months ended December 31, 2024 decreased approximately \$4.47 per BOE, or 12.3%, over the prior year quarter. The amount we realize for our production depends predominantly upon commodity prices, which are affected by changes in market demand and supply, as impacted by overall economic activity, weather, inventory storage levels, basis differentials and other factors. Realized natural gas prices decreased 18.5% from the year-ago quarter, which was the primary driver of the decrease in revenues. Average daily equivalent production increased 10.0% from 6,304 BOEPD in the prior year quarter to 6,935 BOEPD in the current quarter as a result of the acquisitions of non-operated working interests in the SCOOP/STACK plays in February 2024 and first production of our wells at Chaveroo Field in early February 2024, which collectively increased production for the three months ended December 31, 2024 by approximately 1,200 BOEPD. The overall increase in production is partially offset by natural production declines in our other fields, as well as temporary reductions in oil sales at Williston Basin, where crude oil was left in tanks at quarter-end, combined with reduced oil recovery at Delhi Field as the field experienced a reduction in CO₂ injection volumes since the prior year period due to downtime from compressors and the CO₂ purchase pipeline taken offline.

Lease Operating Costs

Ad valorem and production taxes were \$1.4 million and \$1.3 million for the three months ended December 31, 2024 and 2023, respectively. The increase in ad valorem and production taxes is primarily due to increases in ad valorem tax rates at Barnett Shale. On a per unit basis, ad valorem and production taxes were \$2.26 per BOE and \$2.19 per BOE for the three months ended December 31, 2024 and 2023, respectively.

Gathering, transportation and other costs were \$2.9 million for the three months ended December 31, 2024 compared to \$2.5 million for the three months ended December 31, 2023. Costs include gathering, transportation and processing fees we incur primarily for our natural gas producing properties. The increase is primarily due to the acquisitions of non-operated working interests in the SCOOP/STACK plays in February 2024 which added \$0.5 million in gathering transportation and other costs for the three months ended December 31, 2024. On a per unit basis, gathering transportation and other costs were \$4.53 per BOE and \$4.30 per BOE for the three months ended December 31, 2024 and 2023, respectively.

Other lease operating costs were \$8.5 million for the three months ended December 31, 2024 compared to \$8.6 million for the three months ended December 31, 2023. Other lease operating costs decreased primarily due to reduced CO₂ purchases at Delhi. CO₂ purchases resumed in late October of 2024 and we had net purchases of \$1.1 million in CO₂ for the three months ended December 31, 2024 compared to net purchases of \$1.6 million in the year-ago quarter. Partially offsetting the reduction in CO₂ purchases were cost increases due to the acquisitions of non-operated working interests in the SCOOP/STACK plays in February 2024 and the addition of wells drilled since our acquisitions which collectively added \$0.4 million in other lease operating costs. On a per unit basis, other lease operating costs were \$13.26 per BOE and \$14.81 per BOE for the three months ended December 31, 2024 and 2023, respectively.

Depletion of Full Cost Proved Oil and Natural Gas Properties

Depletion expense increased \$0.8 million or 18.5% from \$4.2 million to \$5.0 million for the three months ended December 31, 2024 primarily due to an increase in the depletion rate and the addition of depletable assets. On a per unit basis, depletion expense was \$7.87 per BOE and \$7.31 per BOE for the three months ended December 31, 2024 and 2023, respectively. The depletion rate of our unit of production calculation increased due to an increase in our depletable base due to our SCOOP/STACK Acquisitions and capital expenditures since the year-ago quarter.

General and Administrative Expenses

General and administrative expenses for the three months ended December 31, 2024 and 2023 were \$2.0 million and \$1.9 million, respectively. On a per unit basis, general and administrative expenses were \$3.13 per BOE and \$3.34 per

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BOE for the three months ended December 31, 2024 and 2023, respectively. The decrease on a per unit basis is the primarily result of the increase in production for the current year quarter.

Stock-based Compensation Expense

Stock-based compensation expense for the three months ended December 31, 2024 increased \$0.1 million to \$0.7 million compared to \$0.6 million for the year-ago quarter. The increase is associated with new awards granted since the year-ago quarter.

Net Gain (Loss) on Derivative Contracts

We utilize commodity derivative financial instruments to reduce our exposure to fluctuations in oil and natural gas prices. We have elected not to designate our open derivative contracts for hedge accounting, and accordingly, we recorded the net change in the mark-to-market valuation of the derivative contracts in the unaudited condensed consolidated statements of operations. The amounts recorded on the unaudited condensed consolidated statements of operations related to derivative contracts represent the (i) gains (losses) related to fair value adjustments on our open, or unrealized, derivative contracts, and (ii) gains (losses) on settlements of derivative contracts for positions that have settled or been realized. The table below summarizes our net realized and unrealized gains (losses) on derivative contracts as well as the impact of net realized gains (losses) on our average realized prices for the periods presented. As a result of our SCOOP/STACK Acquisitions in February 2024 and the corresponding borrowings on our Senior Secured Credit Facility, we were required by terms in our Senior Secured Credit Facility to hedge a portion of our production. The increase in forward commodity prices as of December 31, 2024 from the prior quarter, resulted in an unrealized loss on the mark-to-market of our hedges for the three months ended December 31, 2024. As of December 31, 2024, we had \$1.3 million derivative assets, \$1.1 million of which was classified as current, and \$1.7 million derivative liabilities, \$0.4 million of which was classified as current.

(in thousands, except per unit and per BOE amounts)	Three Months Ended		Variance	Variance %
	December 31,			
	2024	2023		
Realized gain (loss) on derivative contracts	\$ 149	\$ —	\$ 149	— %
Unrealized gain (loss) on derivative contracts	(1,368)	—	(1,368)	— %
Total net gain (loss) on derivative contracts	\$ (1,219)	\$ —	\$ (1,219)	— %
Average realized crude oil price per BBL	\$ 65.72	\$ 73.96	\$ (8.24)	(11.1) %
Cash effect of oil derivative contracts per BBL	0.83	—	0.83	— %
Crude oil price per BBL (including impact of realized derivatives)	\$ 66.55	\$ 73.96	\$ (7.41)	(10.0) %
Average realized natural gas price per MCF	\$ 2.73	\$ 3.35	\$ (0.62)	(18.5) %
Cash effect of natural gas derivative contracts per MCF	—	—	—	— %
Natural gas price per MCF (including impact of realized derivatives)	\$ 2.73	\$ 3.35	\$ (0.62)	(18.5) %

Interest Expense

Interest expense increased \$0.7 million for the three months ended December 31, 2024 compared to the prior year period primarily due to borrowings drawn on our Senior Secured Credit Facility to finance our SCOOP/STACK Acquisitions in February 2024.

Income Tax (Expense) Benefit

For the three months ended December 31, 2024, we recognized income tax benefit of \$0.7 million on net loss before income taxes of \$2.5 million compared to income tax expense of \$0.6 million on net income before income taxes of \$1.6 million for the three months ended December 31, 2023. The effective tax rates were 28.0% and 33.9% for three months ended December 31, 2024 and 2023, respectively.

Six Months Ended December 31, 2024 and 2023

We reported net income of \$0.2 million and \$2.6 million for the six months ended December 31, 2024 and 2023, respectively. The following table summarizes the comparison of financial information for the periods presented:

(in thousands, except per unit and per BOE amounts)	Six Months Ended December 31,		Variance	Variance %
	2024	2023		
Net income (loss)	\$ 240	\$ 2,556	\$ (2,316)	(90.6) %
Revenues:				
Crude oil	26,500	24,375	2,125	8.7 %
Natural gas	10,078	12,083	(2,005)	(16.6) %
Natural gas liquids	5,593	5,167	426	8.2 %
Total revenues	42,171	41,625	546	1.3 %
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	2,855	2,550	305	12.0 %
Gathering, transportation, and other costs	5,679	4,399	1,280	29.1 %
Other lease operating costs	16,049	17,292	(1,243)	(7.2) %
Depletion, depreciation, and accretion:				
Depletion of full cost proved oil and natural gas properties	10,349	8,148	2,201	27.0 %
Accretion of asset retirement obligations	809	712	97	13.6 %
General and administrative expenses:				
General and administrative	3,963	4,069	(106)	(2.6) %
Stock-based compensation	1,218	1,036	182	17.6 %
Other income (expense):				
Net gain (loss) on derivative contracts	579	—	579	— %
Interest and other income	109	220	(111)	(50.5) %
Interest expense	(1,587)	(66)	(1,521)	2,304.5 %
Income tax (expense) benefit	(110)	(1,017)	907	(89.2) %
Production:				
Crude oil (MBBL)	383	320	63	19.7 %
Natural gas (MMCF)	4,353	3,976	377	9.5 %
Natural gas liquids (MBBL)	218	191	27	14.1 %
Equivalent (MBOE) ⁽¹⁾	1,327	1,174	153	13.0 %
Average daily production (BOEPD) ⁽¹⁾	7,212	6,380	832	13.0 %
Average price per unit⁽²⁾:				
Crude oil (BBL)	\$ 69.19	\$ 76.17	\$ (6.98)	(9.2) %
Natural gas (MCF)	2.32	3.04	(0.72)	(23.7) %
Natural Gas Liquids (BBL)	25.66	27.05	(1.39)	(5.1) %
Equivalent (BOE) ⁽¹⁾	31.78	35.46	(3.68)	(10.4) %
Average cost per unit:				
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	\$ 2.15	\$ 2.17	\$ (0.02)	(0.9) %
Gathering, transportation, and other costs	4.28	3.75	0.53	14.1 %
Other lease operating costs	12.09	14.73	(2.64)	(17.9) %
Depletion of full cost proved oil and natural gas properties	7.80	6.94	0.86	12.4 %
General and administrative expenses:				
General and administrative	2.99	3.47	(0.48)	(13.8) %
Stock-based compensation	0.92	0.88	0.04	4.5 %

(1) Equivalent oil reserves are defined as six MCF of natural gas and 42 gallons of NGLs to one barrel of oil conversion ratio which reflects energy equivalence and not price equivalence. Natural gas prices per MCF and NGL prices per barrel often differ significantly from the equivalent amount of oil.

(2) Amounts exclude the impact of cash paid or received on the settlement of derivative contracts since we did not elect to apply hedge accounting.

Revenues

Crude oil, natural gas and NGL revenues were \$42.2 million and \$41.6 million for the six months ended December 31, 2024 and 2023, respectively. The increase in revenues is primarily due to an increase in production volumes partially offset by the decrease in our average realized price per BOE. Average daily equivalent production increased 13.0% from 6,380 BOEPD in the prior year period to 7,212 BOEPD in the current period as a result of the SCOOP/STACK Acquisitions in February 2024 and first production of our wells at Chaveroo Field in early February 2024, which collectively increased production for the six months ended December 31, 2024 by approximately 1,400 BOEPD. The overall increase in production is partially offset by natural production declines in our other fields combined with reduced oil recovery at Delhi Field as the field experienced reduced CO₂ injected volumes during the current period as compared to the prior year period. The CO₂ purchase pipeline was taken offline for preventative maintenance at the end of February 2024 and CO₂ purchases were not resumed until late October 2024. Our average realized commodity price (excluding the impact of derivative contracts) for the six months ended December 31, 2024 decreased approximately \$3.68 per BOE, or 10.4%, over the prior year period. The amount we realize for our production depends predominantly upon commodity prices, which are affected by changes in market demand and supply, as impacted by overall economic activity, weather, inventory storage levels, basis differentials and other factors. Realized natural gas prices decreased 23.7% from the six months ended December 31, 2023, which was the primary driver of the decreased revenues.

Lease Operating Costs

Ad valorem and production taxes were \$2.9 million and \$2.6 million for the six months ended December 31, 2024 and 2023, respectively. The increase in ad valorem and production taxes is primarily due to our SCOOP/STACK Acquisitions since the prior year period. On a per unit basis, ad valorem and production taxes were \$2.15 per BOE and \$2.17 per BOE for the six months ended December 31, 2024 and 2023, respectively. The slight decrease on a per BOE basis is a result of the increase in production for the current year period.

Gathering, transportation and other costs were \$5.7 million for the six months ended December 31, 2024 compared to \$4.4 million for the six months ended December 31, 2023. Costs include gathering, transportation and processing fees we incur primarily for our natural gas producing properties. The increase is primarily due to the acquisitions of non-operated working interests in the SCOOP/STACK plays in February 2024 which added \$1.0 million in gathering, transportation and other costs for the six months ended December 31, 2024. On a per unit basis, gathering, transportation and other costs were \$4.28 per BOE and \$3.75 per BOE for the six months ended December 31, 2024 and 2023, respectively.

Other lease operating costs were \$16.0 million for the six months ended December 31, 2024 compared to \$17.3 million for the six months ended December 31, 2023. Other lease operating costs decreased primarily due to reduced CO₂ purchases at Delhi. CO₂ purchases resumed in late October of 2024 and we had net purchases \$1.1 million of CO₂ for the six months ended December 31, 2024 compared to net purchases of \$3.2 million in the year-ago period. Partially offsetting the reduction in CO₂ purchases were cost increases due to the acquisitions of non-operated working interests in the SCOOP/STACK plays in February 2024 and the addition of wells drilled since acquisitions which collectively added \$0.8 million in other lease operating costs. On a per unit basis, other lease operating costs decreased to \$12.09 per BOE for the six months ended December 31, 2024 from \$14.73 per BOE in the six months ended December 31, 2023.

Depletion of Full Cost Proved Oil and Natural Gas Properties

Depletion expense increased \$2.2 million or 27.0% from \$8.1 million to \$10.3 million for the six months ended December 31, 2024 primarily due to an increase in the depletion rate and increase in depletable assets. On a per unit basis, depletion expense was \$7.80 per BOE and \$6.94 per BOE for the six months ended December 31, 2024 and 2023, respectively. The depletion rate of our unit of production calculation increased due to an increase in our depletable base due to our SCOOP/STACK Acquisitions and capital expenditures since the year-ago period.

General and Administrative Expenses

General and administrative expenses for the six months ended December 31, 2024 and 2023 were \$4.0 million and \$4.1 million, respectively. The decrease primarily relates to lower transaction and consulting fees. On a per unit basis, general and administrative expenses were \$2.99 per BOE and \$3.47 per BOE for the six months ended December 31, 2024 and 2023, respectively. In addition to lower transaction and consulting fees, the increase in production for the current year period further reduced general and administrative expense on per BOE basis.

Stock-based Compensation Expense

Stock-based compensation expense for the six months ended December 31, 2024 increased \$0.2 million to \$1.2 million compared to \$1.0 million for the year-ago period. The increase is associated with new awards granted since the year-ago period.

Net Gain (Loss) on Derivative Contracts

We utilize commodity derivative financial instruments to reduce our exposure to fluctuations in oil and natural gas prices. We have elected not to designate our open derivative contracts for hedge accounting, and accordingly, we recorded the net change in the mark-to-market valuation of the derivative contracts in the unaudited condensed consolidated statements of operations. The amounts recorded on the unaudited condensed consolidated statements of operations related to derivative contracts represent the (i) gains (losses) related to fair value adjustments on our open, or unrealized, derivative contracts, and (ii) gains (losses) on settlements of derivative contracts for positions that have settled or been realized. The table below summarizes our net realized and unrealized gains (losses) on derivative contracts as well as the impact of net realized gains (losses) on our average realized prices for the periods presented. As a result of our SCOOP/STACK Acquisitions in February 2024 and the corresponding borrowings on our Senior Secured Credit Facility, we were required by terms in our Senior Secured Credit Facility to hedge a portion of our production. The decrease in forward commodity prices as of December 31, 2024 as compared to June 30, 2024, resulted in an unrealized gain on the mark-to-market of our hedges for the six months ended December 31, 2024. As of December 31, 2024, we had \$1.3 million derivative assets, \$1.1 million of which was classified as current, and \$1.7 million derivative liabilities, \$0.4 million of which was classified as current.

(in thousands, except per unit and per BOE amounts)	Six Months Ended December 31,		Variance	Variance %
	2024	2023		
Realized gain (loss) on derivative contracts	\$ 79	\$ —	\$ 79	— %
Unrealized gain (loss) on derivative contracts	500	—	500	— %
Total net gain (loss) on derivative contracts	\$ 579	\$ —	\$ 579	— %
Average realized crude oil price per BBL	\$ 69.19	\$ 76.17	\$ (6.98)	(9.2) %
Cash effect of oil derivative contracts per BBL	0.21	—	0.21	— %
Crude oil price per BBL (including impact of realized derivatives)	\$ 69.40	\$ 76.17	\$ (6.77)	(8.9) %
Average realized natural gas price per MCF	\$ 2.32	\$ 3.04	\$ (0.72)	(23.7) %
Cash effect of natural gas derivative contracts per MCF	—	—	—	— %
Natural gas price per MCF (including impact of realized derivatives)	\$ 2.32	\$ 3.04	\$ (0.72)	(23.7) %

Interest Expense

Interest expense increased \$1.5 million for the six months ended December 31, 2024 compared to the prior year period primarily due to borrowings drawn on our Senior Secured Credit Facility to finance our SCOOP/STACK Acquisitions in February 2024. The weighted average interest rate on our borrowings was 7.80% for the six months ended December 31, 2024.

Income Tax (Expense) Benefit

For the six months ended December 31, 2024, we recognized income tax expense of \$0.1 million on net income before income taxes of \$0.4 million compared to income tax expense of \$1.0 million on net income before income taxes of \$3.6 million for the six months ended December 31, 2023. The effective tax rates were 31.4% and 28.5% for six months ended December 31, 2024 and 2023, respectively. The effective tax rate increased compared to the year-ago period as projected state income taxes have become a larger component of our overall income tax expense during the current period.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon the unaudited condensed consolidated financial statements. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires that we select certain accounting policies and make estimates and assumptions that affect the reported amounts of the assets, liabilities, and disclosures of contingent assets and liabilities as of the date of the balance sheet as well as the reported amounts of revenues and expenses during the reporting period. These policies, together with our estimates, have a significant effect on our unaudited condensed consolidated financial statements. There have been no material changes to our critical accounting policies from those described in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

Derivative Instruments and Hedging Activity

We are exposed to various risks, including energy commodity price risk, such as price differentials between the NYMEX commodity price and the index price at the location where our production is sold. When oil, natural gas, and natural gas liquids prices decline significantly, our ability to finance our capital budget and operations may be adversely impacted. We expect energy prices to remain volatile and unpredictable, therefore we monitor commodity prices to identify the potential need for the use of derivative financial instruments to provide partial protection against declines in oil and natural gas prices. We do not enter into derivative contracts for speculative trading purposes. In accordance with our Senior Secured Credit Facility, we may be required to enter into hedges if we meet certain utilization levels of the borrowing base under the credit facility. We intend to remain in compliance with these covenants and will enter into derivative contracts from time to time to meet the requirements. Additionally, depending on market conditions, financial and other considerations we may enter into additional hedges to meet our objectives of increasing value to shareholders.

We are exposed to market risk on our open derivative contracts related to potential non-performance by our counterparties. It is our policy to enter into derivative contracts only with counterparties that are creditworthy institutions deemed by management as competitive market makers. For the derivative contracts settled during fiscal 2025 and 2024, we did not post collateral. We account for our derivative activities under the provisions of ASC 815, *Derivatives and Hedging*, (“ASC 815”). ASC 815 establishes accounting and reporting that every derivative instrument be recorded on the balance sheet as either an asset or liability measured at fair value. See Note 7, “*Derivatives*” to our unaudited condensed consolidated financial statements for more details.

Interest Rate Risk

We are exposed to changes in interest rates. Changes in interest rates affect the interest earned on our cash and cash equivalents. Additionally, any borrowings under the Senior Secured Credit Facility will bear interest, at our option, at either SOFR plus 2.80%, subject to a minimum SOFR of 0.50%, or the Prime Rate, as defined under the Senior Secured Credit Facility, plus 1.00%. SOFR rates are sensitive to the period of contract and market volatility, as well as changes in forward interest rate yields. Under our current practices, we do not use interest rate derivative instruments to manage exposure to interest rate changes.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms. This information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(c) and 15(d)-15(e)) as of the end of the quarter covered by this report. In designing and evaluating our disclosure controls and procedures, our management recognizes that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving desired control objectives. Based on the foregoing, our Principal Executive Officer and Principal Financial Officer concluded that as of December 31, 2024 our disclosure controls and procedures are effective in ensuring that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, during the quarter ended December 31, 2024, we have determined that there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10, "*Commitments and Contingencies*" to our unaudited condensed consolidated financial statements in Item 1. *Condensed Consolidated Financial Statements (Unaudited)* for a description of any legal proceedings, which is incorporated herein by reference.

Item 1A. Risk Factors

Our Annual Report on Form 10-K for the year ended June 30, 2024 includes a detailed description of our risk factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The table below summarizes information about the Company's purchases of its equity securities during the three months ended December 31, 2024.

Period	(a) Total number of shares purchased and received ⁽¹⁾	(b) Average price paid per share ⁽¹⁾	(c) Total number of shares purchased as part of public announced plans or programs ⁽²⁾	(d) Maximum dollar value of shares that may yet be purchased under the plans or programs (in thousands) ⁽²⁾
October 2024	1,298	\$ 5.26	—	\$ 20,403
November 2024	17,363	5.49	—	20,403
December 2024	—	—	—	—

- ⁽¹⁾ During the three months ended December 31, 2024, all of the shares received were surrendered by employees in exchange for the payment of tax withholding upon the vesting of restricted stock awards.
- ⁽²⁾ On September 8, 2022, the Company's Board of Directors approved a share repurchase program, under which the Company was authorized to repurchase up to \$25.0 million of its common stock in the open market through December 31, 2024.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

On December 5, 2024, shareholders approved and adopted the amendment and restatement of the Evolution Petroleum Corporation 2016 Equity Incentive Plan (hereinafter the "Amended and Restated Plan") which increased the shares authorized for issuance under the 2016 Plan by 2.1 million shares to a maximum of 5.7 million shares. The duration of the Amended and Restated Plan is indefinite, provided that no new awards shall be made under the Amended and Restated Plan on or after the tenth anniversary of the date the stockholders approved the Amended and Restated Plan. Incentives under the Amended and Restated Plan may be granted to employees, directors, and consultants of the Company in any one or a combination of the following forms: incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, and performance share awards. The foregoing description of the Amended and Restated Plan is subject to, and qualified in its entirety by, the full text of the Amended and Restated Plan filed as Exhibit 4.3 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

The following documents are included as exhibits to the Quarterly Report on Form 10-Q. Those exhibits incorporated by reference are so indicated by the information supplied with respect thereto. Those exhibits which are not incorporated by reference are attached hereto.

3.1	Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 of our Quarterly Report on Form 10-Q filed February 8, 2023).
3.3	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.3 of our Annual Report on Form 10- filed September 13, 2023).
4.3†*	Amended and Restated 2016 Equity Incentive Plan
10.2.12*	Letter Agreement to the Credit Agreement dated January 6, 2025 between Evolution Petroleum Corporation and MidFirst Bank
31.1**	Certification of Principal Executive Officer Pursuant to Rule 15D-14 of the Securities Exchange Act of 1934, as Amended as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification of Principal Financial Officer Pursuant to Rule 15D-14 of the Securities Exchange Act of 1934, as Amended as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Attached hereto.

** Furnished herewith.

† Indicates management contract or compensatory plan or arrangement

EVOLUTION PETROLEUM CORPORATION

AMENDED AND RESTATED 2016 EQUITY INCENTIVE PLAN

1. Purpose; Eligibility.

1.1 General Purpose. Evolution Petroleum Corporation, a Nevada corporation (the “**Company**”), established the Evolution Petroleum Corporation 2016 Equity Incentive Plan (the “**Plan**”) to enable the Company and its Affiliates to attract and retain the best available personnel for positions of responsibility with the Company, to provide additional incentives to Employees, Consultants, and Directors and align their interests with those of the Company’s shareholders, and to promote the long-term success and prosperity of the Company. The following provisions constitute an amendment, restatement, and continuation of the Plan effective as of the Effective Date in the form of “**Evolution Petroleum Corporation Amended and Restated 2016 Equity Incentive Plan**”.

1.2 Eligibility. The persons eligible to receive Awards are the Employees, Consultants, and Directors and such other individuals designated by the Committee who are reasonably expected to become Employees, Consultants, and Directors after the receipt of Awards; *provided, however*, that Incentive Stock Options may be granted only to Employees; and *provided further* that, no Award to an individual who is not an Employee, Consultant or Director shall be effective prior to the date on which such individual becomes an Employee, Consultant or Director.

1.3 Available Awards. Awards that may be granted under the Plan include (a) Incentive Stock Options, (b) Non-qualified Stock Options, (c) Stock Appreciation Rights, (d) Restricted Awards, and (e) Performance Share Awards.

2. Definitions.

“**Affiliate**” means a corporation or other entity that, directly or through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

“**Applicable Laws**” means the requirements related to or implicated by the administration of the Plan under applicable state corporate law, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the shares of Common Stock are listed or quoted, and the applicable laws of any foreign country or jurisdiction where Awards are granted under the Plan.

“**Award**” means any right granted under the Plan, including an Incentive Stock Option, a Non-qualified Stock Option, a Stock Appreciation Right, a Restricted Award, or a Performance Share Award.

“**Award Agreement**” means a written agreement, contract, certificate, or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan and including provisions not inconsistent with the Plan. An Award Agreement may be transmitted electronically to any Participant at the Company’s discretion. Any such document is an Award Agreement regardless of whether any Participant signature is required. An Award Agreement may contain provisions not inconsistent with the Plan as determined by the Board or the Committee.

“Board” means the Company's Board of Directors, as constituted at any time.

“Cause” means:

(a) With respect to any Employee or Consultant:

(i) If the Employee or Consultant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or

(ii) If no such agreement exists, or if such agreement does not define Cause: (A) a plea of guilty or no contest to a felony or the commission of any other act involving material willful malfeasance or material fiduciary breach with respect to the Company or an Affiliate; (B) conduct that results in material harm to the reputation or business of the Company or any of its Affiliates; (C) gross negligence or willful misconduct with respect to the Company or an Affiliate; or (D) material violation of state or federal securities laws.

(b) With respect to any Director, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

(i) malfeasance in office, including material undisclosed conflict of interest;

(ii) gross misconduct or neglect;

(iii) false or fraudulent misrepresentation inducing the Director's appointment;

(iv) willful conversion of corporate funds; or

(v) repeated failure to regularly participate in Board meetings despite receiving proper notice of the meetings in advance.

The Committee, in its sole discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

“Change in Control” shall be deemed to have occurred if:

(a) the shareholders of the Company approve, and the consummation of a reorganization, merger, or consolidation has occurred, in each case, with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own outstanding Voting Securities representing at least fifty-one percent (51%) of the Voting Securities of the reorganized, merged or consolidated company and at such time, or within twelve (12) months thereafter, members of the Incumbent Board cease to constitute a majority of the Board;

(b) the shareholders of the Company approve a liquidation or dissolution of the Company or a sale of all or substantially all of the stock or assets of the Company; or

(c) any “person,” as that term is defined in Section 3(a)(9) of the Exchange Act (other than the Company, any of its subsidiaries, any employee benefit plan of the Company or any of its subsidiaries, or any entity organized, appointed or established by the Company for or pursuant to the terms of such a plan), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person (as well as any “Person” or “group” as those terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become the “beneficial owner” or “beneficial owners” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of the Company representing in the aggregate forty percent (40%) or more of either the then outstanding shares Common Stock or the Voting Securities of the Company, in either such case other than solely as a result of acquisitions of such securities directly from the Company. Without limiting the preceding, a person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares the power to vote, or to direct the voting of, or to dispose, or to direct the disposition of, Common Stock or other Voting Securities of the Company shall be deemed the beneficial owner of such Common Stock or Voting Securities.

Notwithstanding the foregoing, a “Change in Control” shall not be deemed to have occurred for purposes of paragraph (c) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Common Stock or other Voting Securities of the Company outstanding, increases (I) the proportionate number of shares of Common Stock beneficially owned by any person to forty percent (40%) or more of the shares of Common Stock then outstanding or (II) the proportionate voting power represented by the Voting Securities of the Company beneficially owned by any person to forty percent (40%) or more of the combined voting power of all then outstanding Voting Securities; *provided, however*, that if any person referred to in clause (I) or (II) of this sentence shall thereafter become the beneficial owner of any additional shares of Common Stock or other Voting Securities of the Company (other than a result of a stock split, stock dividend or similar transaction), then a Change in Control of the Company shall be deemed to have occurred for purposes of paragraph (c).

“**Change in Control Policy**” means the Company’s Change in Control Severance Policy for Employees, as in effect on the Effective Date and as the same may be amended from time to time.

“**Code**” means the Internal Revenue Code of 1986, as it may be amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

“**Committee**” means a committee appointed by the Board to administer the Plan in accordance with **Section 3**.

“**Common Stock**” means the common stock, \$0.001 par value per share, of the Company or other securities of the Company as may be designated by the Committee from time to time in substitution thereof.

“Company” means Evolution Petroleum Corporation, a Nevada corporation, and any successor thereto.

“Consultant” means any individual engaged by the Company or an Affiliate to render consulting or advisory services and is not an Employee or Director.

“Continuous Service” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Consultant, or Director, is not interrupted or terminated. The Participant’s Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant, or Director or a change in the entity for which the Participant renders such service, *provided* that there is no interruption or termination of the Participant’s Continuous Service; *provided further* that if any Award is subject to Section 409A, this sentence shall only be given effect to the extent consistent with Section 409A. Without limiting the generality of the preceding, for purposes of the Plan, no cessation or interruption of Continuous Service by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the Employee’s right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing, in either case, except to the extent inconsistent with Section 409A if the applicable Award is subject thereto. In addition, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute a cessation or interruption of Continuous Service.

“Covered Termination” has the meaning ascribed to that term in the Change in Control Policy.

“Director” means a non-Employee member of the Board.

“Disability” means that the Participant is determined disabled by the Social Security Administration or under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates, *provided that* the long-term disability plan determines a Participant disabled if the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected result in death or can be expected to last for not less than twelve (12) months; *provided, however, that* for purposes of determining the expiration of an Incentive Stock Option under **Section 5.6** hereof, the term Disability shall have the meaning ascribed to it under Section 22(e)(3) of the Code. Whether an individual has a Disability shall be determined under procedures established by the Committee.

“Disqualifying Disposition” has the meaning outlined in [Section 5.9](#).

“Dividend Equivalents” has the meaning outlined in **Section 6.2(b)(ii)**.

“Effective Date” means the date this Plan is approved by the Company’s shareholders.

“Employee” means any person, including an Officer or member of the Board, employed by the Company or an Affiliate, *provided that*, for purposes of determining eligibility to receive an award of Incentive Stock Options, an Employee shall mean an employee of the Company or a parent or subsidiary corporation within the meaning of Section 424 of the Code. Mere service as a Director or payment of a director’s fee by the Company or an Affiliate shall not be sufficient to constitute “employment” by the Company or an Affiliate.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exercise Price” means, in the case of an Option, the price at which a share of Common Stock may be purchased upon the exercise of an Option and, in the case of a Stock Appreciation Right, the price set as the Exercise Price at the time of grant of the Stock Appreciation Right. In no event shall the Exercise Price of an Option or a Stock Appreciation Right be less than the Fair Market Value of a share of Common Stock on the Grant Date of the applicable Award (or, in the case of the grant of an Incentive Stock Option to a Ten Percent Shareholder, 110% of the Fair Market Value of a share of Common Stock at the Grant Date); *provided, however*, that the Exercise Price of an Option or Stock Appreciation Right may be granted with an Exercise Price lower than Fair Market Value (or 110% of the Fair Market Value, if applicable) on the Grant Date if such Option or Stock Appreciation Right is granted pursuant to an assumption or substitution for another corresponding award in a manner satisfying the provisions of Section 409A and Section 424 of the Code. A Related Right granted simultaneously with or subsequent to the grant of an Option and in conjunction therewith or in the alternative thereto shall have the same Exercise Price as the related Option (but in no event less than the Fair Market Value of a share of Common Stock as of the Grant Date of the Related Right).

“Fair Market Value” means, as of any date, the value of the Common Stock as determined below. If the Common Stock is listed on any established stock exchange or a national market system, including, without limitation, the New York Stock Exchange ("NYSE") or the NASDAQ Stock Market, the Fair Market Value shall be the closing price of a share of Common Stock (or if no sales were reported the closing price on the date immediately preceding such date) as quoted on such exchange or system on the day of determination, as reported by such exchange or in any reliable financial reporting service. In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Committee, and such determination shall be conclusive and binding on all persons.

“Good Reason” means:

(a) If an Employee or Consultant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Good Reason, the definition contained therein; or

(b) If no such agreement exists or if such agreement does not define Good Reason, the occurrence of one or more of the following without the Participant’s express written consent, which circumstances are not remedied by the Company within thirty (30) days of its receipt of a written notice from the Participant describing the applicable circumstances (which notice must be provided by the Participant within ninety (90) days of the Participant’s knowledge of the

applicable circumstances): (i) any material, adverse change in the Participant's duties, responsibilities, authority, title, status or reporting structure; (ii) a material reduction in the Participant's base salary or bonus opportunity; or (iii) a geographical relocation of the Participant's principal office location by more than fifty (50) miles from the Participant's residence.

"Grant Date" means the date on which the Committee adopts a resolution or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution or other action.

"Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

"Incumbent Board" means (a) the members of the Board on the Effective Date, to the extent that they continue to serve as members of the Board, and (b) any individual who becomes a member of the Board after the Effective Date, (i) upon the death or disability or retirement of, and as the successor to or replacement for, a member of the Board or (ii) if his or her election or nomination for election as a Director is approved by a vote of at least a majority of the then Incumbent Board, except that a Director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of Directors of the Company shall not be considered a member of the Incumbent Board for purposes of this paragraph (ii).

"Non-Employee Director" means a Director who is a "non-employee director" within the meaning of Rule 16b-3.

"Non-qualified Stock Option" means an Option that, by its terms, does not qualify or is not intended to qualify as an Incentive Stock Option.

"Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

"Option" means an Incentive Stock Option or a Non-qualified Stock Option granted pursuant to the Plan. Any Option granted under the Plan may be either an Incentive Stock Option or a Non-qualified Stock Option as determined at the discretion of the Committee. Notwithstanding the preceding, an Option will be deemed a Non-qualified Stock Option unless the Committee specifically designates it as an Incentive Stock Option to the extent that it does not otherwise satisfy the requirements for an Incentive Stock Option.

"Optionholder" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

“Participant” means an eligible person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

“Performance Share Award” means any Award granted pursuant to [Section 6.3](#).

“Plan” means this Evolution Petroleum Corporation Amended and Restated 2016 Equity Incentive Plan, as amended and restated from time to time.

“Related Rights” has the meaning outlined in [Section 6.1\(a\)](#).

“Restricted Award” means any Award granted under [Section 6.2\(a\)](#).

“Restriction Period” means the period that a Restricted Award or a Performance Share Award is subject to conditions on vesting, performance, and transfer, as applicable, as set forth in the applicable Award Agreement or [Section 6.2\(c\)](#) (with respect to Restricted Awards) and [Section 6.3\(a\)](#) (with respect to Performance Awards).

“Restricted Stock” has the meaning outlined in [Section 6.2\(a\)](#).

“Restricted Stock Unit” has the meaning outlined in [Section 6.2\(a\)](#).

“Rule 16b-3” means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

“Section 409A” means Section 409A of the Code (relating to nonqualified deferred compensation requirements).

“Securities Act” means the Securities Act of 1933, as amended.

“Separation from Service” has the meaning ascribed to such a term in the Change in Control Policy.

“Stock Appreciation Right” means the right pursuant to an Award granted under [Section 6.1](#) to receive, upon exercise, an amount payable in cash or shares equal to the number of shares subject to the Stock Appreciation Right that is being exercised multiplied by the excess of (a) the Fair Market Value of a share of Common Stock on the date the Award is exercised, over (b) the Exercise Price specified in the applicable Award Agreement.

“Ten Percent Stockholder” means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its Affiliates.

“**Vested Unit**” has the meaning outlined in **Section 6.2(d)**.

“**Voting Securities**” means combined voting power entitled to vote generally in the election of Directors of the Company.

3. Administration.

3.1 Committee Composition. Except as otherwise determined by the Board, the Committee shall consist solely of two or more Non-Employee Directors.

3.2 Authority of Committee. The Plan shall be administered by the Committee or, at the Board’s sole discretion, by the Board. Subject to the terms of the Plan, the Committee’s charter and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority and discretion:

(a) to select from among the eligible Employees, Consultants, and Directors those persons who will receive Awards, to determine the time or times of receipt of Awards, to determine the types of Awards and the number of shares of Common Stock or other amounts covered by the Awards, to establish the terms, conditions (including performance conditions) and other restrictions and other provisions of such Awards, to cancel or suspend Awards, modify the terms of, reissue or repurchase Awards, and accelerate the exercisability or vesting of any Award;

(b) to conclusively construe and interpret the Plan and apply its provisions; to establish, amend, and rescind any rules and regulations relating to the Plan; and to make all other determinations that may be necessary or advisable for the administration of the Plan;

(c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan; and

(d) to exercise discretion to make any other determinations deemed necessary or advisable for the administration of the Plan.

3.3 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on the Company and the Participants unless such decisions are determined by a court having jurisdiction to be arbitrary and capricious.

3.4 Delegation by Committee. Except to the extent prohibited by Applicable Laws, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

3.5 Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney’s fees, actually incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection

with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (*provided, however*, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; *provided, however*, that within sixty (60) days after institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

3.6 No Repricing. Except for either adjustments under **Section 8** (relating to the adjustment of shares) or reductions of the Exercise Price of an Option or Stock Appreciation Right approved by the Company's shareholders, the Exercise Price for any outstanding Option or Stock Appreciation Right may not be decreased after the Grant Date nor may an outstanding Option or Stock Appreciation Right granted under the Plan be surrendered to the Company as consideration for the grant of a replacement Option or Stock Appreciation Right with a lower Exercise Price or a Restricted Award or Performance Share Award under the Plan. Except as approved by the Company's shareholders, in no event will any Option or Stock Appreciation Right granted under the Plan be surrendered to the Company in consideration for a cash payment if, at the time of such surrender, the Exercise Price of the Option or Stock Appreciation Right is greater than the then current Fair Market Value of a share of Common Stock.

3.7 Minimum Vesting. Notwithstanding any other provision of the Plan to the contrary, Awards granted under the Plan shall vest or be paid out no earlier than the first anniversary of the date on which the Award is granted, and the performance period for any Performance Share Awards shall not be less than one-(1) year; *provided, however*, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (a) shares delivered in lieu of fully vested cash obligations, (b) additional Awards the Board or the Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to **Section 4.1**; and (c) Awards to Non-Employee Directors which may vest on the earlier of the one (1)-year anniversary of the date of grant or the next annual meeting of shareholders (*provided that* such vesting period may not be less than 50 weeks after the Grant Date); and, *provided further*, that the foregoing restrictions do not apply to the Board's or the Committee's discretion to provide for accelerated exercisability or vesting of any Award, including in cases of retirement, death, Disability, or termination of employment or upon a Change in Control pursuant to **Section 9**, under an Award Agreement or otherwise.

4. Shares Subject to the Plan.

4.1 Shares Authorized. Subject to adjustment in accordance with **Section 8**, a total of 2,555,323 (two million, five hundred and fifty-five thousand, and three hundred and twenty-three) shares of Common Stock shall be available for the grant of Awards under the Plan, *provided that* no more than 330,000 (three hundred thirty thousand) shares of Common Stock may be granted as Incentive Stock Options. During the terms of the Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Awards.

4.2 Shares Distributed. Shares of Common Stock available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares, or shares reacquired by the Company in any manner.

4.3 Shares Available for Subsequent Issuance. Any shares of Common Stock subject to an Award that is canceled, forfeited, or expires prior to exercise or realization, either in full or in part, shall become available for issuance under the Plan. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation, including shares covered by a Stock Appreciation Right, (c) shares covered by a cash or stock-settled Stock Appreciation Right or other Awards settled in cash or (d) any shares that were not issued upon the settlement of the Award.

4.4 Form of Settlement. To the extent provided by the Committee, any Award may be settled in cash rather than shares of Stock or vice versa.

5. Option Provisions.

5.1 Generally. Each Option granted under the Plan shall be subject to the conditions outlined in this **Section 5** and to other conditions consistent with the Plan as may be reflected in the applicable Award Agreement. All Options shall be separately designated Incentive Stock Options or Non-qualified Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. Notwithstanding the preceding, the Company shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time. The provisions of separate Options need not be identical.

5.2 Term. No Option shall be exercisable more than ten (10) years from the Grant Date (five (5) years in the case of an Incentive Stock Option granted to a Ten Percent Stockholder) or such shorter period required by Applicable Laws.

5.3 Consideration. The Exercise Price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (a) in cash or by certified or bank check at the time the Option is exercised or (b) in the discretion of the Committee, upon such terms as the Committee shall approve, the Exercise Price may be paid: (i) by delivery to the Company of other Common Stock with a Fair Market Value on the date of delivery equal to the Exercise Price (or portion thereof) due for the number of shares being acquired, or by means of attestation whereby the Participant identifies for delivery specific shares of Common Stock that have an aggregate Fair Market Value on the date of attestation equal to the Exercise Price (or portion thereof) and receives a number of shares of Common Stock equal to the difference between the number of shares thereby purchased and the number of identified attestation shares of Common Stock; (ii) a "cashless" exercise program established with a broker; (iii) by reduction in the number of shares of Common Stock otherwise deliverable upon exercise of such Option with a Fair Market Value equal to the aggregate Exercise Price at the time of exercise; (iv) any combination of the foregoing methods; or (v) in any other form of legal consideration that may be acceptable to the Committee. Unless otherwise specifically provided in the

Option, the Exercise Price of Common Stock acquired pursuant to an Option that is paid by delivery (or attestation) to the Company of other Common Stock acquired, directly or indirectly from the Company, shall be paid only by shares of the Common Stock of the Company that have been held for more than six (6) months (or such longer or shorter period required to avoid a charge to earnings for financial accounting purposes). Notwithstanding the previous, during any period for which the Common Stock is publicly traded (i.e., the Common Stock is listed on any established stock exchange or a national market system), an exercise by a Director or Officer that involves or may involve a direct or indirect extension of credit or arrangement of an extension of credit by the Company, directly or indirectly, in violation of Section 402(a) of the Sarbanes-Oxley Act of 2002 shall be prohibited with respect to any Award under this Plan.

5.4 Termination of Continuous Service. Unless otherwise provided in an Award Agreement or an employment agreement, in the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period ending on the earlier of (a) the date three (3) months following the termination of the Optionholder's Continuous Service (ninety (90) days in the case of an Incentive Stock Option) or (b) the expiration of the term of the Option as set forth in the Award Agreement; *provided that*, if the termination of Continuous Service is by the Company for Cause, all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable. If, after termination, the Optionholder does not exercise his or her Option within the time specified in the Award Agreement (but in no event later than the expiration of the term of the Option in accordance with **Section 5.2**), the Option shall terminate.

5.5 Extension of Termination Date. An Optionholder's Award Agreement may provide that if the exercise of the Option following the termination of the Optionholder's Continuous Service for any reason would be prohibited at any time because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act or any other state or federal securities law or the rules of any securities exchange or interdealer quotation system, then the Option shall terminate on the earlier of (a) the expiration of the term of the Option in accordance with **Section 5.2** or (b) the expiration of a period after termination of the Participant's Continuous Service that is three (3) months after the end of the period during which the exercise of the Option would violate such registration or other securities law requirements.

5.6 Disability of Optionholder. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period ending on the earlier of (a) the date twelve (12) months following such termination or (b) the expiration of the term of the Option as set forth in the Award Agreement (but in no event later than the expiration of the term of the Option in accordance with **Section 5.2**). If, after termination, the Optionholder does not exercise their Option within the time specified herein or in the Award Agreement, the Option shall terminate.

5.7 Death of Optionholder. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest

or inheritance or by a person designated to exercise the Option upon the Optionholder's death, but only within the period ending on the earlier of (a) the date twelve (12) months following the date of death or (b) the expiration of the term of such Option as set forth in the Award Agreement (but in no event later than the expiration of the term of the Option in accordance with **Section 5.2**). If, after the Optionholder's death, the Option is not exercised within the time specified herein or in the Award Agreement, the Option shall terminate.

5.8 Incentive Stock Option \$100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and its Affiliates) exceeds \$100,000, the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Non-qualified Stock Options.

5.9 Disqualifying Dispositions. Any Participant who shall make a "disposition" (as defined in Section 424 of the Code) of all or any portion of shares of Common Stock acquired upon exercise of an Incentive Stock Option within two (2) years from the Grant Date of such Incentive Stock Option or within one (1) year after the issuance of the shares of Common Stock acquired upon exercise of such Incentive Stock Option (a "Disqualifying Disposition") shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Common Stock.

6. Provisions of Awards Other Than Options.

6.1 Stock Appreciation Rights.

(a) *General*. Each Stock Appreciation Right granted under the Plan shall be subject to the conditions set forth in this **Section 6.1** and to such other conditions consistent with the Plan as may be reflected in the applicable Award Agreement. Stock Appreciation Rights may be granted in tandem with an Option granted under the Plan ("**Related Rights**") or alone.

(b) *Related Rights*. Any Related Right that relates to a Non-qualified Stock Option may be granted at the same time the Option is granted or at any time thereafter but before the exercise or expiration of the Option. Any Related Right that relates to an Incentive Stock Option must be granted at the same time the Incentive Stock Option is granted. The exercise of a Related Right shall cancel the corresponding Option, and the exercise of a corresponding Option shall cancel the Related Right, in any case, with respect to the shares of Common Stock so exercised. Any Related Rights shall be subject to the same terms and conditions relating to transferability and exercise as apply to the related Option (and shall be exercisable only to the same extent as the related Option).

(c) *Term of Stock Appreciation Rights*. The term of a Stock Appreciation Right granted under the Plan shall be determined by the Committee; provided, however, no Stock Appreciation Right shall be exercisable more than ten (10) years from the Grant Date

(d) *Exercise of Stock Appreciation Rights*. A Stock Appreciation Right, by its terms, shall be exercisable only when the Fair Market Value per share of Common Stock subject to the

Stock Appreciation Right (and related Option, if applicable) exceeds the Exercise Price per share thereof. No Stock Appreciation Rights may be granted in tandem with an Option unless the Committee determines that the requirements of the Plan relating to Related Rights are satisfied.

(e) *Exercise and Payment.* Upon exercise of a Stock Appreciation Right, the holder shall be entitled to receive from the Company an amount equal to the number of shares of Common Stock subject to the Stock Appreciation Right that is being exercised multiplied by the excess of (i) the Fair Market Value of a share of Common Stock on the date the Award is exercised, over (ii) the Exercise Price specified in the Stock Appreciation Right or related Option. Payment with respect to the exercise of a Stock Appreciation Right shall be made on the date of exercise. Payment shall be made in the form of shares of Common Stock (with or without restrictions as to the substantial risk of forfeiture and transferability, as determined by the Committee in its sole discretion), cash, or a combination thereof, as determined by the Committee.

6.2 Restricted Awards.

(a) *General.* A **“Restricted Award”** is an Award of actual shares of Common Stock (**“Restricted Stock”**) or hypothetical Common Stock units (**“Restricted Stock Units”**) having a value equal to the Fair Market Value of an identical number of shares of Common Stock. as the Committee shall determine.

(b) *Grants of Restricted Awards.*

(i) Each Award of Restricted Stock granted under the Plan shall be subject to the conditions set forth in this **Section 6.2(b)** and to such other conditions consistent with the Plan as may be reflected in the applicable Award Agreement. If the Committee determines that the Restricted Stock shall be held by the Company or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (A) an escrow agreement satisfactory to the Committee, if applicable and (B) the appropriate blank stock power with respect to the Restricted Stock covered by such agreement. If a Participant fails to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and stock power, the Award shall be null and void unless otherwise waived by the Committee. Subject to the restrictions set forth in the Award, the Participant generally shall have the rights and privileges of a shareholder as to such Restricted Stock, including the right to vote such Restricted Stock and the right to receive dividends.

(ii) Each Award of Restricted Stock Units granted under the Plan shall be subject to the conditions set forth in this **Section 6.2(b)** and to such other conditions consistent with the Plan as may be reflected in the applicable Award Agreement. No shares of Common Stock shall be issued at the time a Restricted Stock Unit is granted, and the Company will not be required to set aside a fund for the payment of any such Award. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder. At the discretion of the Committee, each Restricted Stock Unit (with each unit

representing one (1) share of Common Stock) may be credited with cash and stock dividends paid by the Company in respect of one share of Common Stock (“**Dividend Equivalents**”). Unless the Committee determines otherwise, Dividend Equivalents shall be paid currently (and in no case later than the end of the fiscal year in which the dividend is paid to the holders of the Common Stock or, if later, the short-term deferral deadline determined under Section 409A).

(c) *Restrictions*

(i) Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period and to such other terms and conditions as may be set forth in the applicable Award Agreement: (A) if an escrow arrangement is used, the Participant shall not be entitled to delivery of the stock certificate; (B) the shares shall be subject to the restrictions on transferability set forth in the Award Agreement; (C) the shares shall be subject to forfeiture to the extent and subject to such terms and conditions provided in the applicable Award Agreement; and (D) to the extent such shares are forfeited, the stock certificates shall be returned to the Company, and all rights of the Participant to such shares and as a shareholder with respect to such shares shall terminate without further obligation on the part of the Company. Each certificate representing Restricted Stock awarded under the Plan shall bear a legend in such form as the Company deems appropriate.

(ii) Restricted Stock Units awarded to any Participant shall be subject to forfeiture during the Restriction Period to the extent and subject to such terms and conditions provided in the applicable Award Agreement and to the extent such Restricted Stock Units are forfeited, all rights of the Participant to such Restricted Stock Units shall terminate without further obligation on the part of the Company.

(iii) The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock and Restricted Stock Units whenever it may determine that such action is appropriate or desirable, whether by reason of changes in Applicable Laws or other changes in circumstances arising after the date which the Restricted Stock or Restricted Stock Units are granted.

(d) *Delivery of Restricted Stock and Settlement of Restricted Stock Units.*

(i) Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in [Section 6.2\(c\)](#) and the applicable Award Agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award Agreement. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his or her beneficiary, without charge, the stock certificate (or such other evidence of transfer, including book entry) evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (to the nearest full share) and

any cash dividends or stock dividends credited to the Participant's account with respect to such Restricted Stock and the interest thereon, if any.

(ii) Upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or his or her beneficiary, without charge, one share of Common Stock for each such outstanding vested Restricted Stock Unit ("**Vested Unit**"); *provided, however*, that, if otherwise provided in the applicable Award Agreement or otherwise determined by the Committee, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock for Vested Units. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed in the case of Restricted Stock Units with respect to each Vested Unit.

6.3 Performance Share Awards.

(a) *Grant of Performance Share Awards.* The grant of a Restricted Award that is conditioned, whether in whole or in part, on satisfaction of performance conditions (other than solely based on continuing service) shall be a "**Performance Share Award**" for purposes of the Plan. Each Performance Share Award granted under the Plan shall be subject to the conditions set forth in this **Section 6.3** and to such other conditions consistent with the Plan as may be reflected in the applicable Award Agreement. The Committee shall have the discretion to determine: (i) the number of shares of Common Stock or Common Stock denominated units subject to a Performance Share Award granted to any Participant; (ii) the Restriction Period applicable to any Performance Share Award; (iii) the performance conditions and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions, and restrictions of the Award.

(b) *Earning Performance Share Awards.* The number of Performance Shares earned by a Participant will depend on the extent to which the performance conditions established by the Committee are satisfied, as determined by the Committee.

(c) *Granting of Shares of Common Stock.* To the extent that any Performance Share Award is granted in the form of shares of Common Stock, such award shall also be treated as an award of Restricted Stock, and the relevant provisions of **Section 6.2** shall apply to the issuance and holding of such shares during the Restriction Period.

7. Securities Law Compliance. No shares of Common Stock shall be purchased or sold pursuant to any Award Agreement unless and until (a) any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel and (b) if required to do so by the Company, the Participant has executed and delivered to the Company a letter of investment intent in such form and containing such provisions as the Committee may require. The Company shall use reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue

and sell shares of Common Stock upon exercise of the Awards; *provided, however*, that this undertaking shall not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Awards unless and until such authority is obtained.

8. Adjustments Upon Changes in Stock. In the event of changes in the outstanding Common Stock or the capital structure of the Company by reason of any stock or extraordinary cash dividend, stock split, reverse stock split, an extraordinary corporate transaction such as any recapitalization, reorganization, merger, consolidation, combination, exchange, or other relevant change in capitalization occurring after the Grant Date of any Award, Awards granted under the Plan and any Award Agreements, the Exercise Price of Options and Stock Appreciation Rights, the maximum number of shares of Common Stock subject to all Awards and available for issuance under the Plan will be equitably adjusted or substituted, as to the number, price or kind of a share of Common Stock or other consideration subject to such Awards to the extent necessary to preserve the economic intent of such Award. In the case of adjustments made pursuant to this **Section 8**, unless the Committee specifically determines that such adjustment is in the best interests of the Company or its Affiliates, the Committee shall, in the case of Incentive Stock Options, ensure that any adjustments under this **Section 8** will not constitute a modification, extension or renewal of the Incentive Stock Options within the meaning of Section 424(h)(3) of the Code and, in the case of any Option or Stock Appreciation Right, ensure that any adjustments under this **Section 8** will not constitute a modification of such Awards within the meaning of Section 409A. Any adjustments made under this **Section 8** shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. The Company shall give each Participant notice of an adjustment hereunder, and upon notice, such adjustment shall be conclusive and binding for all purposes.

9. Effect of Change in Control.

9.1 Awards Not Assumed. Upon a Change in Control event, if not assumed by the successor entity, all outstanding Awards will immediately vest and the holders will receive, in cash or stock, or any combination thereof, the value of such Awards based upon the price per share of Common Stock received or to be received by other shareholders of the Company in the event; *provided that* in the case of an Option or Stock Appreciation Right, the amount of such payment may be the excess of value of the shares of Common Stock subject to the Option or Stock Appreciation Right at the time of the event over the Exercise Price), and performance-based Awards (i.e., any Awards that become earned or vested based on satisfaction of performance conditions), shall be paid out on a pro rata basis determined as of the level of achievement of performance conditions determined as of the date of the Change in Control, irrespective of whether the applicable performance period has yet to be satisfied as of such date or Separation from Service occurs at such time or subsequently, which payments with respect to any Awards, if any, shall be made as of the payment date determined under the Change in Control Policy or, if later, the date required by Section 409A. In the case of any Option or Stock Appreciation Right with an Exercise Price that equals or exceeds the price paid for a share of Common Stock in connection with the Change in Control, the

Committee may cancel the Option or Stock Appreciation Right without the payment of consideration, therefore.

9.2 Vesting on Separation from Service. If a Change in Control event occurs and if a Participant's Separation from Service occurs as a result of a Covered Termination, all Awards that are held by the Participant and that are outstanding as of the date of the Participant's Covered Termination will become fully vested, including any restricted stock awards and restricted stock unit awards, and any Options and Stock Appreciation Rights held by the Participant will become fully exercisable; *provided that* any performance-based Awards (i.e., any Awards that become earned or vested based on satisfaction of performance conditions) shall be paid out on a pro rata basis determined as of the level of achievement of performance conditions determined as of the date of the Change in Control, irrespective of whether the applicable performance period has yet to be satisfied as of such date or Separation from Service occurs at such time or subsequently, which payments with respect to any Awards, if any, shall be made as of the payment date determined under the Change in Control Policy or, if later, the date required by Section 409A. The preceding provisions shall apply without regard to any contrary provisions in any Award Agreement.

10. Amendment and Termination. The Board may, at any time, amend or terminate the Plan. The Board or the Committee may amend any Award Agreement, *provided that* no amendment or termination may, in the absence of written consent to the change by the affected Participant, adversely affect the rights of any Participant or Beneficiary under any Award granted under the Plan prior to the date such effective date of such amendment or termination; and provided further that, adjustments pursuant to [Section 8](#) (relating to adjustments in connection with changes in Common Stock) shall not be subject to the preceding provisions. Notwithstanding the foregoing, no amendment of the Plan or any Award shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary to satisfy any Applicable Laws or the rules of any stock exchange on which the Common Stock is listed and, at the time of any such amendment, the Board or the Committee, as applicable, shall determine, upon advice from counsel, whether such amendment will be contingent on shareholder approval. It is the intention of the Company that, to the extent that any provisions of this Plan or any Awards granted hereunder are subject to Section 409A of the Code, the Plan and the Awards comply with the requirements of Section 409A of the Code and that the Board and the Committee, as applicable, shall have the authority (but not the obligation) to amend the Plan as it deems necessary to conform to Section 409A (without regard to the consent of any other person).

11. General Provisions.

11.1 Stockholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of or to have any of the rights of a holder with respect to any shares of Common Stock subject to such Award unless and until such Participant has satisfied all requirements for the exercise of the Award pursuant to its terms. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities, or other property) or distributions of other rights for which the record date is prior to the date such Common Stock certificate is issued, except as provided in [Section 8](#) hereof.

11.2 No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the By-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

11.3 Withholding Obligations. To the extent provided by the terms of an Award Agreement and subject to the discretion of the Committee, the Participant may satisfy any federal, state, or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (a) tendering a cash payment; (b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award, *provided, however*, that no shares of Common Stock are withheld with a value exceeding the maximum marginal income tax rates, including federal, state and local, as applicable; or (c) delivering to the Company previously owned and unencumbered shares of Common Stock of the Company.

11.4 Transferability of Awards Except as otherwise provided by the Committee, Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution and, in the case of an Option, shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Subject to the approval of the Committee or a duly authorized officer, an Optionholder may, by delivering written notice to the Company in a satisfactory form, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise a Non-qualified Stock Option. Notwithstanding the foregoing or anything in the Plan or an Award Agreement to the contrary, no Option may be transferred to any financial institution without prior shareholder approval.

11.5 Use of Proceeds from Stock. Proceeds from the sale of Common Stock pursuant to Awards, or upon exercise thereof, shall constitute general funds of the Company.

11.6 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, a breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company, its Affiliates, or both.

11.7 Clawback. Notwithstanding any other provisions in this Plan, any Award that is subject to recovery under any law, government regulation, or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

11.8 Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required, and such arrangements may be either generally applicable or applicable only in specific cases.

11.9 Sub-plans. The Committee may, from time to time, establish sub-plans under the Plan for purposes of satisfying blue sky, securities, tax, or other laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

11.10 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board, nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

11.11 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Stock or pay any amounts due within a reasonable period thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, thirty (30) days shall be considered a reasonable period.

11.12 No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards, or other securities or property shall be issued or paid in lieu of fractional shares of Common Stock or whether any fractional shares should be rounded, forfeited, or otherwise eliminated.

11.13 Binding on Successor. The obligations of the Company under the Plan and any Awards shall be binding upon any successor corporation or organization resulting from the merger, consolidation, or other reorganization of the Company or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

11.14 Section 409A. The Plan and all Awards made under the Plan are intended to comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan and each Award Agreement shall be interpreted and administered to comply therewith. Any payments described in the Plan or any Award Agreement that are due within the "short-term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless Applicable Laws require otherwise. Notwithstanding anything to the contrary in the Plan, to the extent required to avoid accelerated taxation and tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6) month period immediately following the Participant's termination of Continuous Service shall instead be paid on the first payroll date after the six (6)-month anniversary of the Participant's separation from service (or the Participant's death, if earlier). Notwithstanding the preceding, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant under Section 409A, and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty. Without limiting the generality of the preceding, none of the Company

nor any of its Affiliates, nor their respective directors, officers, employees, or advisers will be liable to any Participant (or any other individual claiming a benefit through Participant) for any tax, interest, or penalties Participant may owe as a result of participation in the Plan. The Company and its Affiliates will have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Section 409A.

11.15 Section 16. It is the intent of the Company that the Plan satisfies, and be interpreted in a manner that satisfies, the applicable requirements of Rule 16b-3 as promulgated under Section 16 of the Exchange Act so that Participants will be entitled to the benefit of Rule 16b-3, or any other rule promulgated under Section 16 of the Exchange Act, and will not be subject to short-swing liability under Section 16 of the Exchange Act. Accordingly, if the operation of any provision of the Plan would conflict with the intent expressed in this **Section 11.15**, such provision, to the extent possible, shall be interpreted and deemed amended so as to avoid such conflict.

11.16 Beneficiary Designation. Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee, and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

11.17 Expenses. The Company shall pay the costs of administering the Plan.

11.18 Severability. If any of the provisions of the Plan or any Award Agreement is held to be invalid, illegal, or unenforceable, whether in whole or in part, such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

11.19 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

11.20 Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made selectively among persons who are eligible to receive or actually receive Awards. Without limiting the generality of the previous, the Committee shall be entitled to make non-uniform and selective determinations, amendments, and adjustments and to enter into non-uniform and selective Award Agreements.

12. History; Effective Date of Plan. The Plan shall become effective as of the Effective Date. The Plan was first adopted by the Board on December 1, 2016, and approved by shareholders on December 8, 2016; first amended by the Board on October 22, 2020, and approved by shareholders on December 9, 2020. The Plan, as amended and restated as set forth herein, was adopted by the Board on October 18, 2024. The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards granted under it are outstanding and not fully vested or paid, as applicable; provided, however, that no new Awards shall be made under the Plan on or after the tenth anniversary of the Effective Date. Any Awards granted under the Plan prior to the Effective Date shall continue to be subject to the terms and conditions of the Plan as in effect immediately prior to the

Effective Date. If the Effective Date does not occur, Awards may continue to be made under the Plan as in effect prior to the Effective Date.

13. Choice of Law. The law of the State of Nevada shall govern all questions concerning the construction, validity, and interpretation of this Plan without regard to such state's conflict of law rules.



January 6, 2025

EVOLUTION PETROLEUM CORPORATION
 EVOLUTION PETROLEUM OK, INC.
 NGS TECHNOLOGIES, INC.
 EVOLUTION ROYALTIES, INC.
 EVOLUTION PETROLEUM WEST, INC.
 1155 Dairy Ashford Rd. Suite 425
 Houston, Texas 77079
 Attention: Kelly Loyd
 E-mail: kloyd@evolutionpetroleum.com

Re: Credit Agreement dated as of April 11, 2016, as amended, by and among EVOLUTION PETROLEUM CORPORATION, a Nevada corporation ("EPC"), EVOLUTION PETROLEUM OK, INC., a Texas corporation ("Evolution Texas"), NGS TECHNOLOGIES, INC., a Delaware corporation ("NGS"), EVOLUTION ROYALTIES, INC., a Delaware corporation ("Evolution Royalties"; EPC, Evolution Texas, NGS, and Evolution Royalties are collectively referred to herein as the "Original Borrowers"), EVOLUTION PETROLEUM WEST, INC., a Delaware corporation ("Evolution West"; Evolution West and the Original Borrowers are collectively referred to herein as the "Borrowers") and MIDFIRST BANK, a federally chartered savings association ("MidFirst"):

Dear Mr. Loyd:

MidFirst is reducing the MFB Margined Collateral Value to \$65,000,000 in connection with the fall of 2024 redetermination of the Borrowing Base referenced in the Credit Agreement. Accordingly, such a reduction in the MFB Margined Collateral Value necessitates an increase in the minimum required hedging from 25% to 50% pursuant to Section 7.18 of the Credit Agreement.

Notwithstanding the foregoing, the Borrower and MidFirst hereby agree that the Borrower may satisfy the requirements of Section 7.18 of the Credit Agreement by either (a) making one or more principal payments to MidFirst in aggregate amount such that the Utilization Percentage shall no longer exceed 50%, or (b) entering into (an thereafter maintaining in effect) one or more Swap Contracts to the extent necessary to cause the Borrower to be in compliance with Section 7.18, in either case, by no later than March 7, 2025 (the "Compliance Alternatives").

The Compliance Alternatives shall not extend to any other changes to the MFB Margined Collateral Value (or any other component of the Required Hedging Percentage) triggering an increase to the hedging required by Section 7.18 of the Credit Agreement, and such Compliance Alternatives is granted without prejudice to, and does not constitute a waiver or release of, the Borrowers' obligations pursuant to Section 7.18 of the Credit Agreement.

Executed this 6th day of January, 2025.

Respectfully submitted,

MIDFIRST BANK, a federally chartered savings bank

By: Chay Kramer
 Title: Vice President

ACKNOWLEDGED, AGREED AND ACCEPTED, this 6th day of January, 2025.

EVOLUTION PETROLEUM CORPORATION, a
Nevada corporation

By: /s/ KELLY
LOYD
Name: Kelly Loyd
Title: Chief
Executive
Officer and
President

EVOLUTION PETROLEUM OK, INC., a Texas
corporation

By: /s/ KELLY
LOYD
Name: Kelly Loyd
Title: Chief
Executive
Officer and
President

NGS TECHNOLOGIES, INC., a Delaware
corporation

By: /s/ KELLY
LOYD
Name: Kelly Loyd
Title: Chief
Executive
Officer and
President

EVOLUTION ROYALTIES, INC., a Delaware
corporation

By: /s/ KELLY
LOYD
Name: Kelly Loyd
Title: Chief
Executive
Officer and
President

EVOLUTION PETROLEUM WEST, INC., a
Delaware corporation

By: /s/ KELLY
LOYD
Name: Kelly Loyd
Title: Chief
Executive
Officer and
President

CERTIFICATION

I, Kelly W. Loyd, President and Chief Executive Officer (Principal Executive Officer) and Director, of Evolution Petroleum Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evolution Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 12, 2025

/s/ KELLY W. LOYD

Kelly W. Loyd

*President and Chief Executive Officer (Principal Executive Officer)
and Director*

CERTIFICATION

I, Ryan Stash, Senior Vice President, Chief Financial Officer (Principal Financial Officer) and Treasurer of Evolution Petroleum Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evolution Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 12, 2025

/s/ RYAN STASH

Ryan Stash

Senior Vice President, Chief Financial Officer (Principal Financial Officer) and Treasurer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Kelly W. Loyd, President and Chief Executive Officer (Principal Executive Officer) and Director of Evolution Petroleum Corporation (the "Company"), certifies in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2024 (the "Report") pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to his knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of February 12, 2025.

/s/ KELLY W. LOYD

Kelly W. Loyd
*President and Chief Executive Officer (Principal Executive Officer)
and Director*

A signed original of this written statement required by Section 906 has been provided to Evolution Petroleum Corporation and will be retained by Evolution Petroleum Corporation and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certificate is being furnished to the Securities and Exchange Commission as an exhibit to this Form 10-Q and shall not be considered filed as part of the Form 10-Q.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Ryan Stash, Senior Vice President, Chief Financial Officer (Principal Financial Officer) and Treasurer of Evolution Petroleum Corporation (the "Company"), certifies in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2024 (the "Report") pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to his knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of February 12, 2025.

/s/ RYAN STASH

Ryan Stash

Senior Vice President, Chief Financial Officer (Principal Financial Officer) and Treasurer

A signed original of this written statement required by Section 906 has been provided to Evolution Petroleum Corporation and will be retained by Evolution Petroleum Corporation and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certificate is being furnished to the Securities and Exchange Commission as an exhibit to this Form 10-Q and shall not be considered filed as part of the Form 10-Q.
