

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

FORM 8-K/A

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

Date of Report (Date of earliest event reported): **April 24, 2024 (February 12, 2024)**

Evolution Petroleum Corporation
(Exact name of registrant as specified in its charter)

001-32942
(Commission File Number)

Nevada
(State or Other Jurisdiction of Incorporation)
1155 Dairy Ashford Road, Suite 425, Houston, Texas
(Address of Principal Executive Offices)

41-1781991
(I.R.S. Employer Identification No.)
77079
(Zip Code)

(713) 935-0122
(Registrant's Telephone Number, Including Area Code)

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

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

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

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

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

Emerging growth company

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

Item 2.01 Completion of Acquisition or Disposition of Assets.

This Amendment No. 1 to the Current Report on Form 8-K of Evolution Petroleum Corporation (the "Company") originally filed on February 13, 2024 (the "Initial Report") is being filed for the purpose of providing the historical and pro forma combined financial information provided under Items 9.01(a) and (b) below for the Company's acquisitions of certain non-operated oil and natural gas assets in the SCOOP and STACK plays in central Oklahoma (the "Transactions"). The Transactions included acquisitions of oil and natural gas assets from three different entities: Red Sky Resources III, LLC, Red Sky Resources IV, LLC, and Coriolis Energy Partners I, LLC.

The Company concluded the acquisition of oil and natural gas assets from Coriolis Energy Partners I, LLC (the "Coriolis Properties") did not meet any thresholds in the significance tests within the significant subsidiary definition in Rule 1-02(w), Rule 405, and Rule 12b-2, thus the Company has concluded the acquisition of the Coriolis Properties was not significant to the Company.

The entities, Red Sky Resources III, LLC and Red Sky Resources IV, LLC, were under common control of management and did meet the thresholds in the significance tests within the significant subsidiary definition in Rule 1-02(w), Rule 405, and Rule 12b-2, thus this Current Report on Form 8-K/A (the "Amendment") provides the financial statements for the properties acquired from Red Sky Resources III, LLC and Red Sky Resources IV, LLC (the "Red Sky Properties") and the pro forma financial information required by Item 9.01 of Form 8-K, additionally, we have elected to provide pro forma information for the Coriolis Properties as we believe some readers may find such information useful. No other modifications to the Initial Report are being made by this Amendment. This Amendment should be read in connection with the Initial Report, which provides a more complete description of the Transactions.

Item 9.01 Entry into a Material Definitive Agreement.

(a) **Financial Statements of Business Acquired.** Combined Statement of Revenues and Direct Operating Expenses (modified to include depreciation, depletion and amortization) of the Red Sky Properties for the twelve months ended December 31, 2023 (audited), together with the accompanying Report of Independent Auditors, are set forth in Exhibit 99.1.

(b) **Pro Forma Financial Information.** The Unaudited Pro Forma Condensed Combined Financial Information of the Company as of December 31, 2023 and for the six months ended December 31, 2023 and the year ended June 30, 2023, are set forth in Exhibit 99.2.

(d) **Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
23.1	Consent of Moss Adams LLP
99.1	Combined Statement of Revenues and Direct Operating Expenses (modified to include depreciation, depletion and amortization) of the Red Sky Properties for the twelve months ended December 31, 2023 (audited)
99.2	Unaudited Pro Forma Condensed Combined Financial Information of the Company as of December 31, 2023 and for the six months ended December 31, 2023 and the year ended June 30, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL)

SIGNATURES

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

Evolution Petroleum Corporation (Registrant)

Date: April 24, 2024

By: /s/ RYAN STASH

Name: Ryan Stash

Title: Senior Vice President and Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-3 of Evolution Petroleum Corporation (the "Company") (No. 333-265430 and No. 333-193899), as amended and Forms S-8 (333-251233, 333-152136, 333-140182, 333-183746 and 333-216098), of our report dated April 24, 2024, relating to the Combined Statement of Direct Revenues and Operating Expenses (modified to include depreciation, depletion and amortization) of certain oil and gas properties of Red Sky Resources III, LLC and Red Sky Resources IV, LLC acquired by Evolution Petroleum Corporation for the twelve months ended December 31, 2023, appearing in this Current Report on Form 8-K/A of Evolution Petroleum Corporation filed on April 24, 2024.

/s/ Moss Adams LLP

Houston, Texas
April 24, 2024

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Report of Independent Auditors

The Board of Directors and Stockholders
Evolution Petroleum Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined statement of revenues and direct operating expenses (modified to include depreciation, depletion and amortization) of certain oil and natural gas properties of Red Sky Resources III, LLC and Red Sky Resources IV, LLC acquired by Evolution Petroleum Corporation (the Red Sky Properties) for the twelve months ended December 31, 2023 and the related notes (the "financial statement").

In our opinion, the combined financial statement referred to above presents fairly, in all material respects, the combined revenues and direct operating expenses (modified to include depreciation, depletion and amortization) of the Red Sky Properties for the twelve months ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America using the basis of presentation described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are required to be independent of Red Sky Resources III, LLC and Red Sky Resources IV, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the accompanying combined financial statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the financial position, results of operations, or cash flows of the properties described above. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Red Sky Resources III, LLC and Red Sky Resources IV, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statement.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Moss Adams LLP

Houston, Texas
April 24, 2024

Red Sky Acquisition

Combined Statement of Direct Revenues and Operating Expenses (modified to include depreciation, depletion and amortization)

(in thousands)

	Twelve Months Ended December 31,	
	2023	
Oil, natural gas and natural gas liquids revenues	\$	20,031
Direct operating expenses		(4,642)
Depreciation, depletion, amortization ("DD&A")		(5,852)
Oil, natural gas and natural gas liquids revenues less direct operating expenses & DD&A	\$	9,537

See Notes to Combined Statement of Direct Revenues and Operating Expenses (modified to include depreciation, depletion and amortization)

Red Sky Acquisition

Notes to Combined Statement of Revenues and Direct Operating Expenses (modified to include depreciation, depletion and amortization)

1. Basis of Presentation

The accompanying Combined Statement of Revenues and Direct Operating Expenses (modified to include depreciation, depletion and amortization) represent the non-operated interests in the revenue and direct operating expenses (modified to include depreciation, depletion and amortization) of oil and natural gas properties in the SCOOP/STACK plays in central Oklahoma (the "Red Sky Properties") acquired by Evolution Petroleum Corporation (the "Company"), on February 12, 2024 from Red Sky Resources III, LLC and Red Sky Resources IV, LLC (the "Sellers") for a combined purchase price of approximately \$36.5 million, net of preliminary purchase price adjustments, and subject to final purchase price adjustments (the "Red Sky Acquisition"). The accompanying Combined Statement of Revenues and Direct Operating Expenses (modified to include depreciation, depletion, and amortization) ("Combined Statement of Revenues and Direct Operating Expenses") was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the financial position, results of operations, or cash flows of the Red Sky Properties, as further discussed below.

The Combined Statement of Revenues and Direct Operating Expenses has been derived from the Sellers historical financial records and prepared on the accrual basis of accounting. For purposes of these statements, all properties identified in the purchase and sale agreements are included herein. The accompanying Combined Statement of Revenues and Direct Operating Expenses varies from a complete income statement prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") in that it does not reflect certain expenses incurred in connection with the ownership and operation of the Red Sky Properties, including but not limited to general and administrative expenses, hedging gains and losses, interest expense and federal and state income taxes. This Combined Statement of Revenues and Direct Operating Expenses is not indicative of the results of operations for the Red Sky Properties on a go forward basis for the reasons discussed herein. In addition, using historical general and administrative structures and tax burdens, would not necessarily be indicative of the historical performance of the Red Sky Properties had they been the Company's properties, due to the differing size, structure, operations, and accounting policies of the Sellers as compared to the Company. Accordingly, the historical Combined Statement of Revenues and Direct Operating Expenses of the Red Sky Properties is presented in lieu of the full financial statements required under Item 3-05 of the Securities and Exchange Commission's Regulation S-X.

2. Summary of Significant Accounting Policies

Use of Estimates

The Combined Statement of Revenues and Direct Operating Expenses is derived from the historical operating statements of the Sellers. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Combined Statement of Revenues and Direct Operating Expenses. Actual results could be different from those estimates.

Significant 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, and (c) accruals of crude oil, natural gas, and natural gas liquids (“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 Combined Statement of Revenues and Direct Operating Expenses.

Revenue Recognition

Oil, natural gas liquids and natural gas sales - Historically, revenue is paid by the operators of the properties. Currently, the acquired assets consist of an average working interest of approximately 3% net to the Company, in 237 producing wells in the SCOOP and STACK plays of the Anadarko Basin in Blaine, Canadian, Carter, Custer, Dewey, Garvin, Grady, Kingfisher, McClain, and Stephens counties, Oklahoma with over 20 different operators of the properties for which the Company has purchased a non-operated working interest. As the Company is a non-operator, it presently does not take production in-kind and does not negotiate contracts with customers. The Company recognizes oil, natural gas, and NGL production revenue at the point in time when custody and title (control) of the product transfers to the customer. Transfer of control related to oil production occurs prior to the fees and other deductions, and as such, these fees are recorded as a reduction to the oil production revenue. Under most of the natural gas processing contracts related to the Red Sky Properties, natural gas is delivered to a midstream processing entity at the inlet of the midstream processing entity’s system. The midstream processing entity gathers and processes the natural gas and delivers residue gas and plant products to the operator at specified delivery points. In these scenarios, an evaluation is made as to whether the seller is a principal or an agent in the transaction. For those contracts, revenue is recognized on a gross basis, with transportation, gathering, processing and compression fees presented as an expense in the Combined Statement of Revenues and Direct Operating Expenses.

Through the marketing process, production is delivered to the ultimate third-party purchaser at a contractually agreed-upon delivery point and a specified index price is received from the purchaser. In this scenario, revenue is recognized when control transfers to the purchaser at the delivery point based on the index price received from the purchaser. For the twelve months ended December 31, 2023, oil, natural gas and NGL revenues derived from the Red Sky Properties were approximately \$13.7 million, \$4.6 million and \$1.8 million, respectively.

Transaction price allocated to remaining performance obligations - For product sales that have a contract term greater than one year, the practical expedient in ASC 606-10-50-14(a) is utilized which eliminates the requirement to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under these sales contracts, each unit of product generally represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required.

Oil, natural gas and NGL revenues are recognized when production is sold to a purchaser at a fixed or determinable price, when control has transferred, and if collectability of the revenue is probable.

Concentration of Credit Risk - Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is a non-operator and the operator of the asset

is the key counterparty. Any asset related credit risks are managed through various provisions of joint operating agreements dealing with counterparty default and delays in payments.

The Red Sky Properties have exposure to credit risk in the event of nonpayment of oil and natural gas receivables by the joint interest operators of its properties and purchasers of produced quantities of oil, natural gas liquids and natural gas. The following table presents purchasers of the Red Sky Properties historical production which accounted for 10% or more of the Red Sky Properties total revenue:

	Twelve Months Ended December 31, 2023
Continental Resources, Inc.	26 %
Ovintiv USA Inc.	17 %
Canvas Energy Inc.	15 %

Direct Operating Expenses

Direct operating expenses are recognized when incurred and consist of the direct expenses associated with the non-operated interests in the Red Sky Properties. Direct operating expenses include lease operating expenses and production taxes. Lease operating expenses include lifting costs, well repair expenses, facility maintenance expenses, well workover costs and other field-related expenses, compression expenses, and gathering and transportation expenses. Lease operating expenses also include expenses directly associated with support personnel, support services, equipment and facilities directly related to oil and natural gas production activities. Direct operating expenses do not include corporate overhead, interest expense and income taxes.

Depreciation, Depletion and Amortization

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. Gain or loss on the sale or other disposition of oil and natural gas properties is not recognized unless the gain or loss would significantly alter the relationship between capitalized costs and proved reserves.

The depreciable base for oil and natural gas properties includes the sum of all capitalized costs net of depletion, estimated future development costs, and asset retirement costs (net of salvage values) not included in oil and natural gas properties, less costs excluded from amortization. The depreciable base of oil and natural gas properties is amortized using the unit-of-production method over total proved reserves.

Depletion expense for the twelve months ended December 31, 2023 was \$5.9 million and on a per unit basis, depletion expense was \$11.35 per BOE.

3. Contingencies

The activities of the Red Sky Properties may become subject to potential claims and litigation in the normal course of operations. The Company does not believe that any liability resulting from any pending or threatened litigation will have a material adverse effect on the operations or financial results of the Red Sky Properties.

4. Subsequent Events

The Company has evaluated subsequent events through April 24, 2024, the date the Combined Statement of Revenues and Direct Operating Expenses was available to be issued, and has concluded that no events need to be reported in relation to this period.

Supplemental Oil and Gas Reserve Information — Unaudited

The following tables summarize the net ownership interest in the proved oil and natural gas reserves and the standardized measure of discounted future net cash flows (“Standardized Measure”) of the Red Sky Properties at December 31, 2023. The proved oil and natural gas reserve estimates and other components of the Standardized Measure were prepared by the Company’s internal reserve engineering team, in accordance with the authoritative guidance of the Financial Accounting Standards Board and the Securities and Exchange Commission. Our internal reserve engineering team has a combined experience of over 80 years in Petroleum Engineering. Our Chief Operating Officer, the person responsible for overseeing the preparation of our reserves estimates, has a Bachelor of Science Degree in Petroleum Engineering from Texas A&M University, is a registered Professional Engineer in the State of Texas (No. 86704), has over 40 years of oil and natural gas experience including large independents and financial firm services for projects and acquisitions. All of the oil and natural gas producing activities related to the Red Sky Properties were conducted within the continental United States.

The estimated net proved reserves and related future net revenues and Standardized Measure for the properties acquired in the Red Sky Acquisition were determined using index prices for oil and natural gas and were held constant throughout the life of the Red Sky Properties. The unweighted arithmetic average first-day-of-the-month prices for the prior twelve months were \$78.21/Bbl for oil and \$2.63/MMBtu for natural gas for the twelve months ended December 31, 2023. These prices were adjusted by lease for quality, transportation fees, geographical differentials, marketing bonuses or deductions and other factors affecting the price received at the wellhead.

Estimated Quantities of Proved Oil and Natural Gas Reserves

Proved oil and natural gas reserves are the estimated quantities of oil and natural gas which geological and engineering data demonstrate, with reasonable certainty, to be recoverable in future years from known reservoirs under economic and operating conditions (i.e., prices and costs) existing at the time the estimate is made. Proved developed oil and natural gas reserves are proved reserves that can be expected to be recovered through existing wells and equipment in place and under operating methods being utilized at the time the estimates were made.

Proved undeveloped oil and natural gas reserves are proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

The following table sets forth the estimated net proved developed and undeveloped oil and natural gas reserves related to the Red Sky Properties at December 31, 2023.

	Crude Oil (MBbbls)	Natural Gas (MMcf)	Natural Gas Liquids (MBbbls)	Equivalent (MBOE)
Proved developed and undeveloped reserves:				
December 31, 2022	1,129	12,012	732	3,863
Revisions of previous estimates	(40)	(687)	7	(148)
Production (sales volumes)	(184)	(1,454)	(74)	(500)
December 31, 2023	<u>905</u>	<u>9,871</u>	<u>665</u>	<u>3,215</u>
Proved developed reserves:				
December 31, 2023	745	7,102	434	2,362
Proved undeveloped reserves:				
December 31, 2023	160	2,769	231	853

During the periods presented, revisions of previous estimates were primarily attributable to changes in commodity prices. There are numerous uncertainties in estimating quantities of proved reserves, which incorporate estimates of the future rates of production, the timing of development expenditures and other assumptions. The

above reserve data represents estimates only, which are inherently imprecise, and estimates of new discoveries and undeveloped locations are more imprecise than estimates of established proved producing oil and natural gas properties. Accordingly, these estimates are subject to substantial revisions as additional information becomes available, such as reservoir performance, additional drilling, technological advancements and other factors. Decreases in the prices of oil or natural gas could have an adverse effect on reserve volumes and discounted future net cash flows related to the proved reserves.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The Standardized Measure represents the present value of estimated future net cash flows from estimated net proved oil and natural gas reserves, less future development, production, plugging and abandonment costs, and income tax expenses, discounted at 10% per annum to reflect timing of future cash flows. Production costs do not include depreciation, depletion and amortization of capitalized acquisition, exploration and development costs.

The Standardized Measure does not purport, nor should be interpreted, to present the fair market value of the Red Sky Properties' proved reserves. It is intended to present a standardized disclosure concerning possible future net cash flows from proved reserves that would result under the assumptions used and ignores future changes in prices and costs and the risks inherent in reserve estimates, among other things. The various assumptions used, including prices, costs, production rates and discount rates, are inherently imprecise. Further, since prices and costs do not remain static, the results are not necessarily indicative of the fair market value of estimated proved reserves. Accordingly, the estimates of future net cash flows from proved reserves and the present value thereof may be materially different than actual subsequent results, and the results may not be comparable to estimates disclosed by other oil and natural gas producers.

The following table sets forth the Standardized Measure of discounted future net cash flows related to the Red Sky Properties' estimated net oil and natural gas reserves at December 31, 2023 (in thousands).

	Twelve Months Ended December 31,	
	2023	
Future cash inflows	\$	97,985
Future production costs and severance taxes		(31,105)
Future development costs		(5,649)
Future income tax expenses		—
Future net cash flows		61,231
10% annual discount for estimated timing of cash flows		(23,138)
Standardized measure of discounted future net cash flows	\$	<u>38,093</u>

The following table sets forth the changes in Standardized Measure of discounted future net cash flows applicable to estimated net proved oil and natural gas reserves of the Red Sky Properties for the twelve months ended December 31, 2023 (in thousands):

	Twelve Months Ended December 31,	
	2023	
Balance, beginning of year	\$	76,860
Net changes in sales prices and production costs related to future production		(34,533)
Changes in estimated future development costs		1,066
Sales of oil, natural gas and NGLs produced, net of production costs		(15,873)
Net change due to revisions in quantity estimates		(3,385)
Development costs incurred during the period		5,222
Accretion of discount		7,686
Other		1,050
Balance, end of year	\$	<u>38,093</u>

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information and accompanying notes reflect the pro forma effects of:

- (1) *Red Sky Acquisition.* On February 12, 2024, Evolution Petroleum Corporation (the “Company” or “EPM”) completed the acquisitions of certain non-operated oil and natural gas assets in the SCOOP and STACK plays in central Oklahoma (the “Red Sky Properties”) from Red Sky Resources III, LLC and Red Sky Resources IV, LLC (the “Red Sky Sellers”), for a purchase price of approximately \$36.5 million, and before customary purchase price adjustments (the “Red Sky Acquisition”). The Red Sky Acquisition had an effective date of November 1, 2023.
- (2) *Coriolis Acquisition.* On February 12, 2024, the Company completed a separate acquisition of certain non-operated oil and natural gas assets in the SCOOP and STACK plays in central Oklahoma (the “Coriolis Properties”) from Coriolis Energy Partners I, LLC (“Coriolis”), for a purchase price of approximately \$7.4 million, and before customary purchase price adjustments (the “Coriolis Acquisition”). The Coriolis Acquisition had an effective date of November 1, 2023.
- (3) *Financing.* The Red Sky Acquisition and the Coriolis Acquisition were funded with cash on hand and a draw of approximately \$42.5 million on the Company’s existing bank facility.

(1) Basis of Pro Forma Presentation

The unaudited pro forma condensed combined balance sheet at December 31, 2023 presented below includes the Company’s historical condensed consolidated balance sheet at December 31, 2023, and was prepared as if the Red Sky Acquisition, the Coriolis Acquisition and the related financings had occurred on December 31, 2023. The unaudited pro forma condensed combined statements of operations for the six months ended December 31, 2023 and the twelve months ended June 30, 2023 presented below have been prepared based on the Company’s historical consolidated statements of operations for such periods, and were prepared as if the Red Sky Acquisition, the Coriolis Acquisition and related financings had occurred on July 1, 2022. The historical financial information is derived from the historical consolidated financial statements of the Company, and the historical combined statement of revenues and direct operating expenses for the Red Sky Properties (which are based on information provided by the Red Sky Sellers), and the historical statement of revenues and direct operating expenses for the Coriolis Properties (which are based on information provided by Coriolis).

Final working capital and other post-closing adjustments have not been reflected in these unaudited pro forma condensed combined financial statements. Further, the initial accounting for the Red Sky Acquisitions and the Coriolis Acquisition is not complete and adjustments to estimated amounts, or recognition of additional assets acquired, or liabilities assumed, may occur as more detailed reviews and valuations are completed and additional information is obtained about the facts and circumstances that existed as of the acquisition date. Additionally, the unaudited pro forma condensed combined financial statements do not reflect costs of integration activities or benefits that may result from other efficiencies.

The pro forma data is based on assumptions and include adjustments as explained in the notes herein. The historical financial statements may be adjusted in the unaudited pro forma financial statements to give pro forma effect to provide for certain transaction accounting adjustments reflecting only the application of required accounting for the transactions (“Transaction Accounting Adjustments”). The Company has not included any Management Adjustments as defined under Release No. 33-10786. The unaudited pro forma condensed combined financial information should be read together with (i) the Company’s Annual Report on Form 10-K for the year ended June 30, 2023; (ii) the Company’s Quarterly Report on Form 10-Q for period ended December 31, 2023; (iii) the audited Combined Statement of Revenues and Direct Operating Expenses (modified to include depreciation, depletion and amortization) for the Red Sky Properties, filed as Exhibit 99.1 to this Current Report on Form 8-K/A, of which this Exhibit 99.2 is a part.

Note that because depletion is recalculated under full cost rules to give cumulative effect to all acquisitions of oil and natural gas properties, the pro forma financial information presented herein may not be directly comparable to pro forma financial information giving effect only to earlier transactions.

The pro forma financial information does not purport to represent what the Company's actual consolidated results of operations or financial position would have been had the events and transactions occurred on the dates assumed, nor is it necessarily indicative of the Company's future financial condition or consolidated results of operations. The unaudited pro forma financial statements also should not be considered representative of our future results of operations.

EVOLUTION PETROLEUM CORPORATION
Unaudited Pro Forma Condensed Combined Balance Sheet
(in thousands, except share and per share amounts)

	As of December 31, 2023			
	EPM Historical	Red Sky Acquisition (a)	Coriolis Acquisition (b)	EPM Pro Forma
Assets				
Current assets				
Cash and cash equivalents	\$ 8,460	\$ (1,145)	\$ (234)	\$ 7,081
Receivables from crude oil, natural gas, and natural gas liquids revenues	10,119	—	—	10,119
Prepaid expenses and other current assets	2,569	—	—	2,569
Total current assets	21,148	(1,145)	(234)	19,769
Property and equipment, net of depletion, depreciation, and impairment				
Oil and natural gas properties - full cost method of accounting:				
Oil and natural gas properties, subject to amortization, net	100,111	36,529	7,440	144,080
Oil and natural gas properties, not subject to amortization	3,370	—	—	3,370
Total property and equipment, net	103,481	36,529	7,440	147,450
Other assets	1,337	—	—	1,337
Total assets	\$ 125,966	\$ 35,384	\$ 7,206	\$ 168,556
Liabilities and Stockholders' Equity				
Current liabilities				
Accounts payable	\$ 8,233	\$ —	\$ —	\$ 8,233
Accrued liabilities and other	6,294	—	—	6,294
State and federal taxes payable	—	—	—	—
Total current liabilities	14,527	—	—	14,527
Long term liabilities				
Senior secured credit facility	—	35,307	7,193	42,500
Deferred income taxes	6,161	—	—	6,161
Asset retirement obligations	17,738	77	13	17,828
Operating lease liability	101	—	—	101
Total liabilities	38,527	35,384	7,206	81,117
Commitments and contingencies				
Stockholders' equity				
Common stock; par value \$0.001; 100,000,000 shares authorized; 33,506,794 shares issued and outstanding as of December 31, 2023	34	—	—	34
Additional paid-in capital	40,920	—	—	40,920
Retained earnings	46,485	—	—	46,485
Total stockholders' equity	87,439	—	—	87,439
Total liabilities and stockholders' equity	\$ 125,966	\$ 35,384	\$ 7,206	\$ 168,556

See accompanying notes to unaudited pro forma condensed combined financial information.

EVOLUTION PETROLEUM CORPORATION
Unaudited Pro Forma Condensed Combined Statements of Operations
(in thousands, except per share amounts)

For the Six Months Ended December 31, 2023

	EPM Historical	Red Sky Acquisition Historical	Coriolis Acquisition Historical	Transaction Accounting Adjustments	EPM Pro Forma
Revenues					
Crude oil	\$ 24,375	\$ 6,868 (a)	\$ 1,853 (b)	\$ —	\$ 33,096
Natural gas	12,083	2,035 (a)	318 (b)	—	14,436
Natural gas liquids	5,167	783 (a)	259 (b)	—	6,209
Total revenues	41,625	9,686	2,430	—	53,741
Operating costs					
Lease operating costs	24,241	2,253 (a)	566 (b)	—	27,060
Depletion, depreciation, and accretion	8,860	—	—	2,723 (c)	11,583
General and administrative expenses	5,105	—	—	—	5,105
Total operating costs	38,206	2,253	566	2,723	43,748
Income (loss) from operations	3,419	7,433	1,864	(2,723)	9,993
Other income (expense)					
Net gain (loss) on derivative contracts	—	—	—	—	—
Interest and other income	220	—	—	—	220
Interest expense	(66)	—	—	(1,709)(d)	(1,775)
Income (loss) before income taxes	3,573	7,433	1,864	(4,432)	8,438
Income tax (expense) benefit	(1,017)	—	—	(1,385)(e)	(2,402)
Net income (loss)	\$ 2,556	\$ 7,433	\$ 1,864	\$ (5,817)	\$ 6,036
Net income (loss) per common share:					
Basic	\$ 0.08				\$ 0.18
Diluted	\$ 0.08				\$ 0.18
Weighted average number of common shares outstanding:					
Basic	32,676				32,676
Diluted	32,940				32,940

See accompanying notes to unaudited pro forma condensed combined financial information.

EVOLUTION PETROLEUM CORPORATION
Unaudited Pro Forma Condensed Combined Statements of Operations
(in thousands, except per share amounts)

For the Twelve Months Ended June 30, 2023

	EPM Historical	Red Sky Acquisition Historical	Coriolis Acquisition Historical	Transaction Accounting Adjustments	EPM Pro Forma
Revenues					
Crude oil	\$ 51,044	\$ 15,924 (a)	\$ 3,597 (b)	\$ —	\$ 70,565
Natural gas	63,800	7,584 (a)	1,336 (b)	—	72,720
Natural gas liquids	13,670	2,268 (a)	494 (b)	—	16,432
Total revenues	128,514	25,776	5,427	—	159,717
Operating costs					
Lease operating costs	59,545	5,135 (a)	1,142 (b)	—	65,822
Depletion, depreciation, and accretion	14,273	—	—	5,308 (c)	19,581
General and administrative expenses	9,583	—	—	—	9,583
Total operating costs	83,401	5,135	1,142	5,308	94,986
Income (loss) from operations	45,113	20,641	4,285	(5,308)	64,731
Other income (expense)					
Net gain (loss) on derivative contracts	513	—	—	—	513
Interest and other income	121	—	—	—	121
Interest expense	(458)	—	—	(2,760)(d)	(3,218)
Income (loss) before income taxes	45,289	20,641	4,285	(8,068)	62,147
Income tax (expense) benefit	(10,072)	—	—	(3,749)(e)	(13,821)
Net income (loss)	\$ 35,217	\$ 20,641	\$ 4,285	\$ (11,817)	\$ 48,326
Net income (loss) per common share:					
Basic	\$ 1.05				\$ 1.44
Diluted	\$ 1.04				\$ 1.43
Weighted average number of common shares outstanding:					
Basic	32,985				32,985
Diluted	33,190				33,190

See accompanying notes to unaudited pro forma condensed combined financial information.

(1) Basis of Pro Forma Presentation

The historical financial information is derived from the historical consolidated financial statements of the Company, and the historical combined statements of revenues and direct operating expenses for the Red Sky Properties (which are based on information provided by the Red Sky Sellers), and the Coriolis Properties (which are based on information provided by Coriolis). The unaudited pro forma condensed combined balance sheet at December 31, 2023 was prepared based on the Company's historical consolidated balance sheet at December 31, 2023, and was prepared as if the Red Sky Acquisition, the Coriolis Acquisition and related financings had occurred on December 31, 2023. The unaudited pro forma condensed combined statements of operations were prepared assuming the Red Sky Acquisition, the Coriolis Acquisition and related financing transactions occurred on July 1, 2022.

The unaudited pro forma condensed combined financial statements and underlying pro forma adjustments are based upon currently available information and certain estimates and assumptions made by the Company's management; therefore, actual results could differ materially from the pro forma information. However, management believes the assumptions provide a reasonable basis for presenting the significant effects of the Red Sky Acquisition, the Coriolis Acquisition and related financing transactions. Note that because depletion and the full cost ceiling test impairment is recalculated under full cost rules to give cumulative effect to all acquisitions of evaluated oil and natural gas properties, the pro forma financial information presented herein may not be directly comparable to pro forma financial information giving effect only to earlier transactions. These unaudited pro forma condensed combined financial statements are provided for illustrative and informational purposes only and are not intended to represent or be indicative of what the Company's results of operations would have been had the Red Sky Acquisition and the Coriolis Acquisition occurred as of or on the dates indicated. The unaudited pro forma financial statements also should not be considered representative of our future results of operations.

(2) Pro Forma Adjustments

Balance Sheet. The unaudited pro forma condensed combined balance sheet at December 31, 2023 reflects the following adjustments:

- (a) Adjustments reflect the consideration paid and assumed asset retirement obligations. The Red Sky Acquisitions was funded with cash on hand and a draw of approximately \$35.3 million on the Company's existing bank facility.
- (b) Adjustments reflect the consideration paid and assumed asset retirement obligations. The Coriolis Acquisition was funded with cash on hand and a draw of approximately \$7.2 million on the Company's existing bank facility.

The Red Sky Acquisition and Coriolis Acquisition qualifies as an asset acquisition, and in accordance with the Financial Accounting Standards Board's ("FASB") authoritative guidance on asset acquisitions, the Company allocated the cost of the acquisition to the assets acquired and liabilities assumed based on a relative fair value basis of the assets acquired and liabilities assumed, with no recognition of goodwill or bargain purchase gain recorded. Incremental legal and professional fees related directly to the Red Sky Acquisition and Coriolis Acquisition were capitalized as part of the acquisition costs. The fair value is 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 (exit price). Fair value measurements also utilize market assumptions of market participants.

The Company used a discounted cash flow model to calculate the relative fair value of oil and natural gas properties and asset retirement obligations ("ARO"). The fair value measurements of assets acquired and liabilities assumed are based on inputs that are not observable in the market and therefore represent Level 3 inputs. Significant inputs to the valuation of oil and natural gas properties include estimates of i) quantities of oil and natural gas reserves, ii) future commodity prices, iii) future operating and development costs, iv) projections of future timing and rates of production, v) expected recovery rates and vi) a market-based weighted average cost of capital rate. These inputs require significant judgments and estimates.

Estimating the future ARO requires management to make estimates and judgments regarding timing and existence of a liability, as well as what constitutes adequate restoration. Inherent in the fair value calculation are numerous assumptions and judgments including the ultimate costs, inflation factors, credit adjusted discount rates, timing of settlement and changes in the legal, regulatory, environmental, and political environments.

The Company estimates the fair value of the Red Sky Acquisition to be approximately \$36.5 million, which the Company considers to be representative of the price paid by a typical market participant. The acquisition costs were approximately \$0.1 million and were capitalized to oil and natural gas properties as part of the acquisition cost. The Company estimates the fair value of the Coriolis Acquisition to be approximately \$7.4 million, which the Company considers to be representative of the price paid by a typical market participant. The acquisition costs were less than \$0.1 million and were capitalized to oil and natural gas properties as part of the acquisition cost. The acquisitions are not considered taxable transactions; therefore, no deferred tax amounts were recognized at the acquisition dates as the tax basis of the assets acquired and liabilities assumed were the same as book basis.

The following table summarizes the consideration paid for the Red Sky Acquisition and the Coriolis Acquisition and the relative fair value of the assets acquired and liabilities assumed as of February 12, 2024 (in thousands). The cost allocation is preliminary and subject to adjustments, as the final closing will be complete during the fourth fiscal quarter of 2024.

Cost allocation:	
Cash consideration given to the Red Sky Sellers	\$ 36,452
Cash consideration given to Coriolis	7,427
Cash paid for legal and professional fees	154
	<u>\$ 44,033</u>
Relative fair value of assets acquired and liabilities assumed:	
Proved developed properties	\$ 44,123
Asset retirement obligations	(90)
	<u>\$ 44,033</u>

Statements of Operations. The unaudited pro forma condensed combined statements of operations for the six months ended December 31, 2023 reflect the following adjustments:

- a) Historical revenues and direct operating expenses of the oil and natural gas properties of Red Sky Resources III LLC and Red Sky Resources IV, LLC for the six months ended December 31, 2023.
 - b) Historical revenues and direct operating expenses of the oil and natural gas properties of Coriolis Energy Partners I, LLC for the six months ended December 31, 2023.
 - c) Depreciation, depletion and amortization (“DD&A”) expense related to the Red Sky Properties and Coriolis Properties. DD&A was calculated using the unit-of-production method under the full cost method of accounting, and adjusts DD&A for (1) the increase in DD&A reflecting the relative fair values and production volumes attributable to the Red Sky properties and Coriolis Properties and (2) the revision to the Company’s DD&A rate reflecting the reserve volumes acquired in the acquisitions. The pro forma average DD&A rate is \$7.92 per BOE for the six months ended December 31, 2023.
 - d) Interest expense associated with the borrowings under the Company’s Senior secured credit facility related to the Red Sky Acquisition and Coriolis Acquisition was recorded for the twelve months ended June 30, 2023 using average monthly Secured Overnight Financing Rates (“SOFR”) plus 2.80%.
 - e) Income tax expense for the six months ended December 31, 2023 was recorded at 28.5% of pre-tax net income, respectively. The effective tax rate applied to the pro forma adjustments for the six months ended December 31, 2023 was consistent with the statutory tax rate applicable to the U.S. and the blended state rate for the states in which the Company conducts business.
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Statements of Operations. The unaudited pro forma condensed combined statements of operations for the twelve months ended June 30, 2023 reflect the following adjustments:

- a) Historical revenues and direct operating expenses of the oil and natural gas properties of Red Sky Resources III LLC and Red Sky Resources IV, LLC for the twelve months ended June 30, 2023.
- b) Historical revenues and direct operating expenses of the oil and natural gas properties of Coriolis Energy Partners I, LLC for the twelve months ended June 30, 2023.
- c) Depreciation, depletion and amortization expense related to the Red Sky Properties and Coriolis Properties. DD&A was calculated using the unit-of-production method under the full cost method of accounting, and adjusts DD&A for (1) the increase in DD&A reflecting the relative fair values and production volumes attributable to the Red Sky properties and Coriolis Properties and (2) the revision to the Company's DD&A rate reflecting the reserve volumes acquired in the acquisitions. The pro forma average DD&A rate is \$6.09 per BOE for the twelve months ended June 30, 2023.
- d) Interest expense associated with the borrowings under the Company's Senior secured credit facility related to the Red Sky Acquisition and Coriolis Acquisition was recorded for the six months ended December 31, 2023 using average monthly SOFR rates plus 2.80%.
- e) Income tax expense for the twelve months ended June 30, 2023 was recorded at 22.2% of pre-tax net income, respectively. The effective tax rate applied to the pro forma adjustments for the twelve months ended June 30, 2023 was consistent with the statutory tax rate applicable to the U.S. and the blended state rate for the states in which the Company conducts business.

(3) Supplemental Oil and Gas Reserve Information

Estimated Quantities of Proved Oil and Natural Gas Reserves

The tables below summarize the Company's historical estimated net proved reserves at June 30, 2023, which were estimated by our independent reservoir engineers, Netherland, Sewell & Associates, Inc. ("NSAI") and DeGolyer and MacNaughton ("D&M"), both worldwide petroleum consultants. The scope and results of their procedures are summarized in a letter from the firm, which is included as Exhibit 99.2 to the Annual Report on Form 10-K for the fiscal year ended June 30, 2023, as filed with the SEC on September 13, 2023.

In addition, the following tables below also summarize the estimated net proved reserves for the Red Sky Properties and the Coriolis Properties, which were prepared by our internal reserve engineering team, which includes our COO and the pro forma estimated net proved reserves as if these events had occurred on July 1, 2022. Our internal reserve engineering team has a combined experience of over 80 years in Petroleum Engineering. Our COO, the person responsible for overseeing the preparation of our reserves estimates, has a Bachelor of Science Degree in Petroleum Engineering from Texas A&M University, is a registered Professional Engineer in the State of Texas (No. 86704), has over 40 years of oil and natural gas experience including large independents and financial firm services for projects and acquisitions. Such reserve estimates comply with generally accepted petroleum engineering and evaluation principles, definitions, and guidelines as established by the SEC.

The acquired reserve estimates for the Red Sky Properties and Coriolis Properties presented in the table below were prepared as of December 31, 2023, respectively, by the Company's reserve engineers, in accordance with the authoritative guidance of the FASB and the SEC on oil and natural gas reserve estimation and disclosures. The actual reserve estimates were prepared using SEC pricing, calculated as the unweighted arithmetic average first-day-of-the-month prices for the prior twelve months, which was \$83.23/Bbl for oil and \$4.78/MMBtu for natural gas for the twelve months ended June 30, 2023. The prices were adjusted by lease for quality, transportation fees, geographical differentials, marketing bonuses or deductions and other factors affecting the price received at the wellhead.

Reserve estimates are inherently imprecise and are generally based upon extrapolation of historical production trends, analogy to similar properties and volumetric calculations. Accordingly, reserve estimates are

expected to change, and such changes could be material and occur in the near term as future information becomes available.

	Crude Oil (MBbl)			
	EPM Historical	Red Sky Acquisition	Coriolis Acquisition	EPM Proforma Combined
Proved developed and undeveloped reserves:				
June 30, 2022	11,470	1,217	311	12,998
Revisions of previous estimates	(1,038)	(4)	—	(1,042)
Improved recovery, extensions and discoveries	98	—	—	98
Production (sales volumes)	(659)	(197)	(45)	(901)
June 30, 2023	9,871	1,016	266	11,153
Proved developed reserves:				
June 30, 2023	7,184	712	203	8,099
Proved undeveloped reserves:				
June 30, 2023	2,687	304	63	3,054

	Natural Gas (MMcf)			
	EPM Historical	Red Sky Acquisition	Coriolis Acquisition	EPM Proforma Combined
Proved developed and undeveloped reserves:				
June 30, 2022	106,991	12,535	1,955	121,481
Revisions of previous estimates	(5,352)	(56)	(9)	(5,417)
Improved recovery, extensions and discoveries	33	—	—	33
Production (sales volumes)	(9,109)	(1,459)	(241)	(10,809)
June 30, 2023	92,563	11,020	1,705	105,288
Proved developed reserves:				
June 30, 2023	90,132	7,590	1,415	99,137
Proved undeveloped reserves:				
June 30, 2023	2,431	3,430	290	6,151

	Natural Gas Liquids (MBbl)			
	EPM Historical	Red Sky Acquisition	Coriolis Acquisition	EPM Proforma Combined
Proved developed and undeveloped reserves:				
June 30, 2022	6,941	720	165	7,826
Revisions of previous estimates	(668)	65	16	(587)
Improved recovery, extensions and discoveries	20	—	—	20
Production (sales volumes)	(416)	(70)	(18)	(504)
June 30, 2023	5,877	715	163	6,755
Proved developed reserves:				
June 30, 2023	5,272	463	123	5,858
Proved undeveloped reserves:				
June 30, 2023	605	252	40	897

Changes in commodity prices may significantly impact the Company's estimates of oil and natural gas reserves. Sustained lower commodity prices can reduce the quantity of the Company's reserves by causing the economic limit of the proved developed and proved undeveloped wells (the point at which the costs to operate exceed the value of estimated future production, assuming constant prices and costs under SEC rules) to occur earlier in their productive lives than would be the case with higher prices. The undeveloped reserves may also be reduced by the elimination of wells because they would not meet the investment criteria to be economically producible at such prices and costs. The proved undeveloped reserves may also be eliminated by the deferral of drilling of otherwise economic

wells beyond the five-year proved reserve development horizon as a result of revisions to the Company's development plan adopted in response to lower prices or otherwise.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following table presents the Standardized Measure of Discounted Future Net Cash Flows relating to the proved oil and natural gas reserves of the Company and of the properties acquired in the Red Sky Acquisition and Coriolis Acquisition on a pro forma combined basis as of June 30, 2023 (in thousands). The Standardized Measure shown below represents estimates only and should not be construed as the current market value of the Company's estimated oil and natural gas reserves or those estimated oil and natural gas reserves attributable to the Red Sky Properties and the Coriolis Properties acquired.

	Twelve Months Ended June 30, 2023			
	EPM Historical	Red Sky Properties	Coriolis Properties	EPM Proforma Combined
Future cash inflows	\$ 1,521,363	\$ 139,180	\$ 30,640	\$ 1,691,183
Future production costs and severance taxes	(860,054)	(37,392)	(8,335)	(905,781)
Future development costs	(120,648)	(7,908)	(1,605)	(130,161)
Future income tax expenses	(109,189)	(13,080)	(2,952)	(125,221)
Future net cash flows	431,472	80,800	17,748	530,020
10% annual discount for estimated timing of cash flows	(193,295)	(32,956)	(7,458)	(233,709)
Standardized measure of discounted future net cash flows	\$ 238,177	\$ 47,844	\$ 10,290	\$ 296,311

Pro forma income tax expense reflects expense on the combined future net cash flows based on the Company's estimated effective tax rate, after giving effect to the pro forma transactions. The Company's effective tax rate differs from the 21% federal statutory rate primarily as a result of the effect of the statutory rates for the states in which the Company conducts business.

The following table sets forth the changes in Standardized Measure of discounted future net cash flows applicable to estimated net proved oil and natural gas reserves of the Company and of the Red Sky Properties and the Coriolis Properties acquired in their respective acquisitions on a pro forma combined basis as of June 30, 2023 (in thousands):

	Twelve Months Ended June 30, 2023			
	EPM Historical	Red Sky Properties	Coriolis Properties	EPM Proforma Combined
Balance, beginning of year	\$ 314,783	\$ 67,463	\$ 14,460	\$ 396,706
Net changes in sales prices and production costs related to future production	(31,923)	(5,328)	(1,036)	(38,287)
Changes in estimated future development costs	(8,286)	3,095	509	(4,682)
Sales of oil, natural gas and NGLs produced, net of production costs	(68,969)	(20,238)	(4,269)	(93,476)
Net change due to extensions, discoveries, and improved recovery	4,695	—	—	4,695
Net change due to revisions in quantity estimates	(34,056)	878	271	(32,907)
Development costs incurred during the period	—	4,983	1,066	6,049
Accretion of discount	40,382	6,746	1,446	48,574
Net change in discounted income taxes	26,006	(8,448)	(1,858)	15,700
Other	(4,455)	(1,307)	(299)	(6,061)
Balance, end of year	\$ 238,177	\$ 47,844	\$ 10,290	\$ 296,311