

**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 March 31, 2025

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 May 9, 2025, 34,307,640 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, extend and increase our credit facility and the availability of 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)

	March 31, 2025	June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 5,601	\$ 6,446
Receivables from crude oil, natural gas, and natural gas liquids revenues	10,707	10,826
Derivative contract assets	828	596
Prepaid expenses and other current assets	2,658	3,855
Total current assets	19,794	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	133,514	139,685
Other noncurrent assets		
Derivative contract assets	48	171
Other assets	3,038	1,298
Total assets	\$ 156,394	\$ 162,877
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 11,977	\$ 8,308
Accrued liabilities and other	7,092	6,239
Derivative contract liabilities	3,453	1,192
State and federal taxes payable	—	74
Total current liabilities	22,522	15,813
Long term liabilities		
Senior secured credit facility	35,500	39,500
Deferred income taxes	4,572	6,702
Asset retirement obligations	20,398	19,209
Derivative contract liabilities	1,742	468
Operating lease liability	—	58
Total liabilities	84,734	81,750
Commitments and contingencies (Note 10)		
Stockholders' equity		
Common stock; par value \$0.001; 100,000,000 shares authorized: issued and outstanding 34,284,369 and 33,339,535 shares as of March 31, 2025 and June 30, 2024, respectively	34	33
Additional paid-in capital	45,786	41,091
Retained earnings	25,840	40,003
Total stockholders' equity	71,660	81,127
Total liabilities and stockholders' equity	\$ 156,394	\$ 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 March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Revenues				
Crude oil	\$ 11,769	\$ 14,538	\$ 38,269	\$ 38,913
Natural gas	7,790	5,860	17,868	17,943
Natural gas liquids	3,002	2,627	8,595	7,794
Total revenues	<u>22,561</u>	<u>23,025</u>	<u>64,732</u>	<u>64,650</u>
Operating costs				
Lease operating costs	13,388	12,624	37,971	36,865
Depletion, depreciation, and accretion	5,014	5,900	16,172	14,760
General and administrative expenses	2,573	2,417	7,754	7,522
Total operating costs	<u>20,975</u>	<u>20,941</u>	<u>61,897</u>	<u>59,147</u>
Income (loss) from operations	1,586	2,084	2,835	5,503
Other income (expense)				
Net gain (loss) on derivative contracts	(3,802)	(1,183)	(3,223)	(1,183)
Interest and other income	55	63	164	283
Interest expense	(705)	(518)	(2,292)	(584)
Income (loss) before income taxes	(2,866)	446	(2,516)	4,019
Income tax (expense) benefit	687	(157)	577	(1,174)
Net income (loss)	<u>\$ (2,179)</u>	<u>\$ 289</u>	<u>\$ (1,939)</u>	<u>\$ 2,845</u>
Net income (loss) per common share:				
Basic	\$ (0.07)	\$ 0.01	\$ (0.07)	\$ 0.09
Diluted	\$ (0.07)	\$ 0.01	\$ (0.07)	\$ 0.08
Weighted average number of common shares outstanding:				
Basic	33,433	32,702	33,027	32,692
Diluted	33,433	32,854	33,027	32,920

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Nine Months Ended	
	March 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ (1,939)	\$ 2,845
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation, and accretion	16,172	14,760
Stock-based compensation	1,860	1,585
Settlement of asset retirement obligations	(346)	(19)
Deferred income taxes	(2,130)	124
Unrealized (gain) loss on derivative contracts	3,426	1,063
Accrued settlements on derivative contracts	(114)	94
Other	(7)	—
Changes in operating assets and liabilities:		
Receivables from crude oil, natural gas, and natural gas liquids revenues	(34)	(4,734)
Prepaid expenses and other current assets	1,400	(1,425)
Accounts payable, accrued liabilities and other	4,382	814
State and federal taxes payable	(74)	(365)
Net cash provided by operating activities	<u>22,596</u>	<u>14,742</u>
Cash flows from investing activities:		
Acquisition deposits	(1,800)	—
Acquisition of oil and natural gas properties	(351)	(43,788)
Capital expenditures for oil and natural gas properties	(7,902)	(8,353)
Net cash used in investing activities	<u>(10,053)</u>	<u>(52,141)</u>
Cash flows from financing activities:		
Common stock dividends paid	(12,224)	(12,037)
Common stock repurchases, including stock surrendered for tax withholding	(262)	(1,031)
Borrowings under senior secured credit facility	—	42,500
Repayments of senior secured credit facility	(4,000)	—
Issuance of common stock	3,404	—
Offering costs	(306)	—
Net cash provided by (used in) financing activities	<u>(13,388)</u>	<u>29,432</u>
Net increase (decrease) in cash and cash equivalents	(845)	(7,967)
Cash and cash equivalents, beginning of period	6,446	11,034
Cash and cash equivalents, end of period	<u>\$ 5,601</u>	<u>\$ 3,067</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	\$ (384)	\$ 2,193
Oil and natural gas property costs attributable to the recognition (derecognition) of asset retirement obligations	(229)	90

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 March 31, 2025						
Balances at December 31, 2024	34,077	\$ 34	\$ 44,140	\$ 32,128	\$ —	\$ 76,302
Issuance of restricted common stock	—	—	—	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(71)	(71)
Retirements of treasury stock	(14)	—	(71)	—	71	—
Issuance of common stock	221	—	1,145	—	—	1,145
Offering costs	—	—	(70)	—	—	(70)
Stock-based compensation	—	—	642	—	—	642
Net income (loss)	—	—	—	(2,179)	—	(2,179)
Common stock dividends paid	—	—	—	(4,109)	—	(4,109)
Balances at March 31, 2025	<u>34,284</u>	<u>\$ 34</u>	<u>\$ 45,786</u>	<u>\$ 25,840</u>	<u>\$ —</u>	<u>\$ 71,660</u>
For the Nine Months Ended March 31, 2025						
Balances at June 30, 2024	33,340	\$ 33	\$ 41,091	\$ 40,003	\$ —	\$ 81,127
Issuance of restricted common stock	376	—	—	—	—	—
Forfeitures of restricted stock	(8)	—	—	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(262)	(262)
Retirements of treasury stock	(50)	—	(262)	—	262	—
Issuance of common stock	626	1	3,403	—	—	3,404
Offering costs	—	—	(306)	—	—	(306)
Stock-based compensation	—	—	1,860	—	—	1,860
Net income (loss)	—	—	—	(1,939)	—	(1,939)
Common stock dividends paid	—	—	—	(12,224)	—	(12,224)
Balances at March 31, 2025	<u>34,284</u>	<u>\$ 34</u>	<u>\$ 45,786</u>	<u>\$ 25,840</u>	<u>\$ —</u>	<u>\$ 71,660</u>
For the Three Months Ended March 31, 2024						
Balances at December 31, 2023	33,507	\$ 34	\$ 40,920	\$ 46,485	\$ —	\$ 87,439
Issuance of restricted common stock	5	—	—	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(818)	(818)
Retirements of treasury stock	(152)	(1)	(817)	—	818	—
Stock-based compensation	—	—	549	—	—	549
Net income (loss)	—	—	—	289	—	289
Common stock dividends paid	—	—	—	(4,003)	—	(4,003)
Balances at March 31, 2024	<u>33,360</u>	<u>\$ 33</u>	<u>\$ 40,652</u>	<u>\$ 42,771</u>	<u>\$ —</u>	<u>\$ 83,456</u>
For the Nine Months Ended March 31, 2024						
Balances at June 30, 2023	33,248	\$ 33	\$ 40,098	\$ 51,963	\$ —	\$ 92,094
Issuance of restricted common stock	293	1	(1)	—	—	—
Common stock repurchases, including stock surrendered for tax withholding	—	—	—	—	(1,031)	(1,031)
Retirements of treasury stock	(181)	(1)	(1,030)	—	1,031	—
Stock-based compensation	—	—	1,585	—	—	1,585
Net income (loss)	—	—	—	2,845	—	2,845
Common stock dividends paid	—	—	—	(12,037)	—	(12,037)
Balances at March 31, 2024	<u>33,360</u>	<u>\$ 33</u>	<u>\$ 40,652</u>	<u>\$ 42,771</u>	<u>\$ —</u>	<u>\$ 83,456</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 Field 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 oil 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 Field 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 nine months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Revenues				
Crude oil	\$ 11,769	\$ 14,538	\$ 38,269	\$ 38,913
Natural gas	7,790	5,860	17,868	17,943
Natural gas liquids	3,002	2,627	8,595	7,794
Total revenues	\$ 22,561	\$ 23,025	\$ 64,732	\$ 64,650

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 including 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 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 266 producing wells in the SCOOP and STACK plays of the Anadarko Basin in Oklahoma.

Chaveroo Field 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 Field, 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 March 31, 2025, 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 March 31, 2025, 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 and completion activities began at the end of March 2025. Development block two consists of four drilling locations which came online at the end of April 2025.

Note 4. Property and Equipment

Property and equipment as of March 31, 2025 and June 30, 2024 consisted of the following (in thousands):

	March 31, 2025	June 30, 2024
Oil and natural gas properties		
Property costs subject to amortization	\$ 258,344	\$ 249,559
Less: Accumulated depletion, depreciation, and impairment	(124,830)	(109,874)
Oil and natural gas properties, net	<u>\$ 133,514</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 \$15.0 million and \$13.7 million for the nine months ended March 31, 2025 and 2024, respectively. During the nine months ended March 31, 2025 and 2024, the Company incurred development capital expenditures of \$8.8 million and \$9.4 million, respectively.

At March 31, 2025, 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 March 31, 2025 of the West Texas Intermediate ("WTI") crude oil spot price of \$75.33 per barrel and Henry Hub natural gas spot price of \$2.45 per MMBtu, adjusted by market differentials by field. The net price per barrel of NGLs was \$22.38, which was based on historical differentials to WTI as NGLs do not have any single comparable reference index price. Using these prices, at March 31, 2025 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 March 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 March 31, 2024 of the WTI crude oil spot price of \$77.64 per barrel and Henry Hub natural gas spot price of \$2.44 per MMBtu, adjusted by market differentials by field. The net price per barrel of NGLs was \$29.88, which was based on historical prices received as NGLs do not have any single comparable reference index price. Using these prices, at March 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.

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 outstanding borrowings 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.

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 March 31, 2025, the Company had \$35.5 million borrowings outstanding under its Senior Secured Credit Facility, resulting in \$14.5 million of available borrowing capacity. For the nine months ended March 31, 2025 and 2024, the weighted average interest on borrowings under the Senior Secured Credit Facility was 7.59% and 8.13%,

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respectively. As of March 31, 2025, 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 March 7, 2025, in conjunction with the spring redetermination, the Company entered into a letter agreement with MidFirst Bank, which allows for the option to hedge 72% of expected natural gas production rather than hedging 25% of expected crude oil production in each month of the calendar year ending December, 31, 2026, as long as the Company remains in the 25% required hedging tier. See Note 7, “*Derivatives*,” for a listing of all crude oil and natural gas derivative contracts the Company has entered into.

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, 2021 through June 30, 2024 for federal tax purposes and for the fiscal years ended June 30, 2019 through June 30, 2024 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 nine months ended March 31, 2025, the Company recognized an income tax benefit of \$0.6 million and had an effective tax rate of 22.9% compared to income tax expense of \$1.2 million and an effective tax rate of 29.2% for the nine months ended March 31, 2024.

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%. During the current fiscal year, the Company saw a decrease in its effective tax rate due to expected tax credits from marginal natural gas wells in calendar year 2024.

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 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

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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 March 31, 2025, 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 March 31, 2025 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 March 31, 2025 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	
		March 31, 2025	June 30, 2024		March 31, 2025	June 30, 2024
Commodity contracts	Current assets - derivative contract assets	\$ 828	\$ 596	Current liabilities - derivative contract liabilities	\$ 3,453	\$ 1,192
Commodity contracts	Other assets - derivative contract assets	48	171	Long term liabilities - derivative contract liabilities	1,742	468
Total derivatives not designated as hedging contracts under ASC 815		<u>\$ 876</u>	<u>\$ 767</u>		<u>\$ 5,195</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 nine months ended March 31, 2025 and 2024 (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 March 31,		Nine Months Ended March 31,	
		2025	2024	2025	2024
Commodity contracts:					
Realized gain (loss) on derivative contracts	Other income and expenses - net gain (loss) on derivative contracts	\$ 124	\$ (120)	\$ 203	\$ (120)
Unrealized gain (loss) on derivative contracts	Other income and expenses - net gain (loss) on derivative contracts	(3,926)	(1,063)	(3,426)	(1,063)
Total net gain (loss) on derivative contracts		<u>\$ (3,802)</u>	<u>\$ (1,183)</u>	<u>\$ (3,223)</u>	<u>\$ (1,183)</u>

As of March 31, 2025, 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
April 2025 - June 2025	Crude Oil	Fixed-Price Swap	25,571	\$ 73.49		
April 2025 - June 2025	Crude Oil	Collar	41,601		65.00	84.00
April 2025 - December 2025	Crude Oil	Fixed-Price Swap	32,229	72.00		
July 2025 - December 2025	Crude Oil	Fixed-Price Swap	81,335	71.40		
January 2026 - March 2026	Crude Oil	Collar	43,493		60.00	75.80
April 2025 - December 2025	Natural Gas	Collar	681,271		4.00	4.95
April 2025 - December 2026	Natural Gas	Fixed-Price Swap	3,010,069	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 March 31, 2025, the Company entered into the following new 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
April 2026 - June 2026	Crude Oil	Fixed-Price Swap	17,106	\$ 60.40		
January 2026 - March 2026	Natural Gas	Collar	213,251		\$ 4.00	\$ 5.39
April 2026 - October 2026	Natural Gas	Collar	433,428		3.50	4.55

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 March 31, 2025 and June 30, 2024 (in thousands):

Offsetting of Derivative Assets and Liabilities	Derivative Contracts Assets		Derivative Contracts Liabilities	
	March 31, 2025	June 30, 2024	March 31, 2025	June 30, 2024
Gross amounts presented in the Consolidated Balance Sheet	\$ 876	\$ 767	\$ 5,195	\$ 1,660
Amounts not offset in the Consolidated Balance Sheet	(876)	(497)	(876)	(497)
Net amount	<u>\$ —</u>	<u>\$ 270</u>	<u>\$ 4,319</u>	<u>\$ 1,163</u>

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 March 31, 2025 and June 30, 2024 (in thousands).

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Derivative contract assets	\$ —	\$ 876	\$ —	\$ 876
Liabilities				
Derivative contract liabilities	\$ —	\$ 5,195	\$ —	\$ 5,195
	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 March 31, 2025 (in thousands):

	March 31, 2025
Asset retirement obligations — beginning of period	\$ 19,411
Liabilities incurred	1
Liabilities settled and divested	(230)
Accretion of discount	1,216
Asset retirement obligations — end of period	20,398
Less: current asset retirement obligations	—
Long-term portion of asset retirement obligations	\$ 20,398

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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 March 31, 2025, the Company had 34,284,369 shares of common stock outstanding.

The Company began paying quarterly cash dividends on common stock in December 2013. As of March 31, 2025, the Company has cumulatively paid over \$130.7 million in cash dividends. The Company paid dividends of \$12.2 million and \$12.0 million to its common stockholders during the nine months ended March 31, 2025 and 2024, respectively.

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

	Fiscal Year	
	2025	2024
Third fiscal quarter	\$ 0.120	\$ 0.120
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 nine months ended March 31, 2025, the Company sold a total of approximately 0.6 million shares of its common stock under the ATM Sales Agreement for net proceeds of approximately \$3.1 million, after deducting \$0.3 million in offering costs. 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.

In November 2023, the Company entered into a Rule 10b5-1 plan that authorizes a broker to repurchase shares in the open market subject to pre-defined limitations on trading volume and price. The plan was effective until June 30, 2024, and had a maximum authorized amount of \$0.8 million over that period. During the three and nine months ended March 31, 2024, 0.1 million shares of the Company's common stock were repurchased under the plan at a total cost of approximately \$0.8 million, including incremental direct transaction costs. These treasury shares were subsequently

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cancelled.

During the nine months ended March 31, 2025 and 2024, 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.

The following table summarizes all treasury stock purchases during the nine months ended March 31, 2025 and 2024 (in thousands, except per share amounts):

	Nine Months Ended	
	March 31,	
	2025	2024
Number of treasury shares acquired ⁽¹⁾	50	181
Average cost per share ⁽¹⁾	\$ 5.26	\$ 5.70
Total cost of treasury shares acquired	\$ 262	\$ 1,031

(1) For the nine months ended March 31, 2024, includes 140,672 shares repurchased under the Company's share repurchase program for a weighted average price of \$5.33 per share.

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 March 31, 2025 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 March 31, 2025 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 nine months ended March 31, 2025, the Company recognized \$0.6 million and \$1.9 million, respectively, related to stock-based compensation. During the three and nine months ended March 31, 2024, the Company recognized \$0.5 million and \$1.6 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

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 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 nine months ended March 31, 2025, 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 nine months ended March 31, 2024, 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 nine months ended March 31, 2025 and 2024, the assumptions used in the Monte Carlo simulation valuations were as follows:

	Nine Months Ended	
	March 31,	
	2025	2024
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%

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unvested restricted stock awards as of March 31, 2025 consisted of the following:

Award Type	Number of Restricted Shares	Weighted Average Grant-Date Fair Value
Time-vested awards	358,977	\$ 6.33
Performance-based awards	417,923	5.40
Unvested at March 31, 2025	<u>776,900</u>	<u>\$ 5.83</u>

The following table sets forth the restricted stock award transactions for the nine months ended March 31, 2025:

	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	(219,816)	6.22		
Forfeited	(8,427)	6.05		
Unvested at March 31, 2025	<u>776,900</u>	<u>\$ 5.83</u>	\$ 2,747	1.7

The following table sets forth contingent restricted stock unit transactions for the nine months ended March 31, 2025:

	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 March 31, 2025	<u>289,506</u>	<u>\$ 2.77</u>	\$ 412	1.9

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
<i>Numerator</i>				
Net income (loss)	\$ (2,179)	\$ 289	\$ (1,939)	\$ 2,845
Undistributed earnings allocated to unvested restricted stock	(96)	(6)	(274)	(58)
Net income (loss) for earnings per share calculation	<u>\$ (2,275)</u>	<u>\$ 283</u>	<u>\$ (2,213)</u>	<u>\$ 2,787</u>
<i>Denominator</i>				
Weighted average number of common shares outstanding — Basic	33,433	32,702	33,027	32,692
Effect of dilutive securities:				
Unvested restricted stock awards	—	124	—	192
Unvested contingent restricted stock units	—	28	—	36
Weighted average number of common shares and dilutive potential common shares used in diluted earnings per share	<u>33,433</u>	<u>32,854</u>	<u>33,027</u>	<u>32,920</u>
Net income (loss) per common share — Basic	<u>\$ (0.07)</u>	<u>\$ 0.01</u>	<u>\$ (0.07)</u>	<u>\$ 0.09</u>
Net income (loss) per common share — Diluted	<u>\$ (0.07)</u>	<u>\$ 0.01</u>	<u>\$ (0.07)</u>	<u>\$ 0.08</u>

Unvested restricted stock awards (both time-vested and performance-based), totaling approximately 0.8 million for the each of the three and nine months ended March 31, 2025 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 each of the three and nine months ended March 31, 2024, 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.

EVOLUTION PETROLEUM CORPORATION

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 13. Additional Financial Statement Information

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

	March 31, 2025	June 30, 2024
Prepaid expenses and other current assets:		
Other receivables	\$ 222	\$ 19
Prepaid insurance	269	734
Prepaid federal and state income taxes	1,003	1,798
Carryback of EOR tax credit	—	347
Advances to operators	676	608
Prepaid other	488	349
Total prepaid expenses and other current assets	<u>\$ 2,658</u>	<u>\$ 3,855</u>
Other assets:		
Deposit ⁽¹⁾	\$ 1,158	\$ 1,158
Acquisition deposits	1,800	—
Right of use asset under operating lease	80	140
Total other assets	<u>\$ 3,038</u>	<u>\$ 1,298</u>
Accrued liabilities and other:		
Accrued payables	\$ 2,183	\$ 2,570
Accrued capital expenditures	1,863	860
Accrued incentive and other compensation	1,014	945
Accrued royalties payable ⁽²⁾	604	307
Accrued taxes other than federal and state income tax	1,231	1,062
Accrued settlements on derivative contracts	—	67
Operating lease liability	89	98
Asset retirement obligations due within one year	—	202
Accrued interest and other	108	128
Total accrued liabilities and other	<u>\$ 7,092</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***Purchase of Non-operated Oil and Natural Gas Assets***

On April 14, 2025, the Company closed the acquisition of non-operating working interests in certain oil and natural gas wells located primarily in Lea, Eddy and Chaves Counties, New Mexico and Stephens County, Texas (the "TexMex Acquisition") from a private seller. In March 2025, the Company made a deposit of \$1.8 million with the seller to acquire the assets. The total purchase price for the TexMex Acquisition was approximately \$9.0 million before customary post-closing adjustments, with an effective date of February 1, 2025. The Company funded the balance of the purchase price for the TexMex Acquisition in April 2025 through a combination of cash on hand and borrowings under its Senior Secured Credit Facility.

The TexMex Acquisition includes an average working interest of 42.2% and an average revenue interest of 35.2% in approximately 600 wells.

Dividend Declaration

On May 12, 2025, the Company declared a quarterly cash dividend of \$0.120 per share of common stock to shareholders of record on June 13, 2025 and payable on June 30, 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 March 31, 2025, our third quarter of fiscal year 2025.

“Year-ago quarter” refers to the three months ended March 31, 2024, our third 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 Field 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. Production from our SCOOP/STACK properties for the nine months ended March 31, 2025 is comprised of 50% natural gas, 34% crude oil, and 16% NGLs.

Our non-operated interests in the Chaveroo Field 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”). Production from our Chaveroo Field properties for the nine months ended March 31, 2025 is comprised of 100% crude oil.

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. Production from our Jonah Field properties for the nine months ended March 31, 2025 is comprised of 90% natural gas, 5% crude oil, and 5% NGLs.

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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 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. Production from our Williston Basin properties for the nine months ended March 31, 2025 is comprised of 77% crude oil, 13% NGL, and 10% natural gas.

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. Production from our Barnett Shale properties for the nine months ended March 31, 2025 is comprised of 74% natural gas, 25% NGLs, and 1% crude oil.

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. Production from our Hamilton Dome Field properties for the nine months ended March 31, 2025 is comprised of 100% crude oil.

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. Production from our Delhi Field properties for the nine months ended March 31, 2025 is comprised of 77% crude oil and 23% NGL.

During the nine months ended March 31, 2025, crude oil, natural gas and NGL production increased 5% 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 remained flat over the same period despite our increase in production volumes due to declines in commodity prices. Our lease operating costs for the nine months ended March 31, 2025 have increased 3% in total, but decreased \$0.45 per BOE due to increased production, compared to the year-ago period.

Of particular note, the Company's financial results were adversely impacted by net unrealized losses on derivative contracts of \$3.9 million and \$3.4 million for the three and nine months ended March 31, 2025. The unrealized losses on derivative contracts are non-cash charges incurred at a point in time, due to the mark-to-market valuation of our hedges for future periods based on current forward price curves. The mark-to-market is also reflected as derivative contract assets and liabilities on the Company's unaudited condensed consolidated balance sheets. Continued volatility in commodity markets will also cause volatility in the valuation of our derivative contracts. Financial hedges are a requirement under our Senior Secured Credit Facility and help establish commodity price floors, contributing to stable cash flows when the derivative contracts are settled, thereby supporting our dividend strategy. See below for a further discussion around our results of operations and cash flow activities.

Recent Developments

Dividend Declaration

On May 12, 2025, Evolution's Board of Directors approved and declared a quarterly dividend of \$0.12 per common share payable June 30, 2025.

Purchase of Non-operated Oil and Natural Gas Assets

On April 14, 2025, we closed the acquisition of non-operating working interests in certain long life oil and natural gas wells located primarily in Lea, Eddy and Chaves Counties, New Mexico and Stephens County, Texas (the “TexMex Acquisition”) from a private seller. In March 2025, we made a deposit of \$1.8 million with the seller to acquire the assets. The total purchase price for the TexMex Acquisition was approximately \$9.0 million before customary post-closing adjustments, with an effective date of February 1, 2025. We funded the balance of the purchase price for the TexMex Acquisition in April 2025 with a combination of cash on hand and borrowings under our Senior Secured Credit Facility.

The TexMex Acquisition includes an average working interest of 42.2% and an average revenue interest of 35.2% in approximately 600 wells. The current net daily production of the acquired assets is approximately 440 BOEPD, based on the average for the three months ended March 31, 2025, with a commodity split of 60% oil and 40% natural gas.

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 nine months ended March 31, 2025, we sold a total of approximately 0.6 million shares of our common stock under the ATM Sales Agreement for net proceeds of approximately \$3.1 million, after deducting \$0.3 million in offering costs. 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 tariffs, 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.

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. Continuing volatility in political, trade, regulatory and economic conditions could impact supply and demand fundamentals, and any related declines in crude oil, natural gas, and NGL prices could lead to proved property impairments in the future. Future impairments of proved properties are difficult to predict, especially in a volatile price environment.

Liquidity and Capital Resources

As of March 31, 2025, we had \$5.6 million in cash and cash equivalents and \$35.5 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 nine months ended March 31, 2025 were cash provided by operations and net proceeds from the ATM Sales Agreement. Our primary uses of liquidity and capital resources for the nine months ended March 31, 2025 were cash dividend payments to our common stockholders, repayments of borrowings under our Senior Secured Credit Facility, deposit made for the TexMex Acquisition, and development capital expenditures. As of March 31, 2025, working capital was a deficit of \$2.7 million primarily due to our current derivative contracts, which vary quarter-to-quarter based on forecasted commodity prices at the end of each quarter, as well as current payables associated with our active drilling in the Chaveroo Field. As of June 30, 2024, working capital was \$5.9 million.

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 \$35.5 million drawn as of March 31, 2025. The Senior Secured Credit Facility is secured by substantially all of our oil and natural gas properties and matures on April 9, 2026. We have received approval from our lender, MidFirst Bank, to extend the maturity of our existing Senior Secured Credit Facility to April 2028 and increase their total commitments from \$50.0 million to \$55.0 million. Also, we expect to receive \$10.0 million in additional commitments from a new lender, Prism Bank, bringing our total commitments to \$65.0 million. We expect all other terms to remain substantially the same and anticipate closing on the facility during our fiscal fourth quarter.

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 nine months ended March 31, 2025 and 2024, the weighted average interest on our borrowings was 7.59% and 8.13%, respectively. 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 March 31, 2025, 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. 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. On March 7, 2025, in conjunction with the spring redetermination, we entered into a letter agreement with MidFirst Bank, which allows us the option to hedge 72% of expected natural gas production rather than hedging 25% of expected crude oil production in each month for the calendar year ending December 31, 2026, as long as we remain in the 25% required hedging tier. As of March 31, 2025, we were in compliance with the hedging requirements under the Senior Secured Credit Facility.

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 \$14.5 million as of March 31, 2025. 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 nine months ended March 31, 2025, we sold a total of approximately 0.6 million shares of our common stock under the ATM Sales Agreement for net proceeds of approximately \$3.1 million, after deducting \$0.3 million in offering costs; 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 46 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. Periodically, the Board of Directors reviews the dividend level, taking into account dividend stability, historical cash flow performance, financial strength of the Company, and future outlook. On May 12, 2025, the Board of Directors declared a quarterly cash dividend of \$0.12 per share of common stock to shareholders of record on June 13, 2025 and payable on June 30, 2025.

Capital Expenditures

During the nine months ending March 31, 2025, we incurred \$8.8 million on development capital expenditures. A majority of our spending occurred at Chaveroo Field, where we are actively participating in four gross drilling locations and at SCOOP/STACK, where our operators have brought 13 gross (0.14 net) 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 remainder of the year as well as further drilling at SCOOP/STACK.

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 13 gross (0.14 net) wells brought online at SCOOP/STACK during the first nine months of the fiscal year, discussed above, with an additional five gross (0.02 net) wells in progress. It also includes the drilling and completion of four gross (1.64 net) wells at Chaveroo Field for development block two, which began production at the end of April 2025.

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 March 31, 2025 were \$75.33 per barrel of oil, \$2.45 per MMBtu of natural gas and \$22.38 per barrel of NGLs. As of March 31, 2025, 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 March 31, 2025 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 April 1, 2025 of \$71.61 per barrel and \$4.11 per MMBtu and May 1, 2025 of \$59.24 per barrel and \$3.33 per MMBtu, and holding the May prices constant for one month 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

	Nine Months Ended March 31,		Change
	2025	2024	
Cash flows provided by operating activities	\$ 22,596	\$ 14,742	\$ 7,854
Cash flows used in investing activities	(10,053)	(52,141)	42,088
Cash flows provided by (used in) financing activities	(13,388)	29,432	(42,820)
Net increase (decrease) in cash and cash equivalents	<u>\$ (845)</u>	<u>\$ (7,967)</u>	<u>\$ 7,122</u>

Cash provided by operating activities for the nine months ended March 31, 2025 increased \$7.9 million compared to the nine months ended March 31, 2024 primarily due to changes in the timing of our working capital. Cash flows provided by operating activities before changes in working capital for the nine months ended March 31, 2025 decreased \$3.5 million compared to the nine months ended March 31, 2024 primarily due to increases in our lease operating costs and interest expense for the comparable periods. Refer to “*Results of Operations*” below for further information.

Cash used in investing activities for the nine months ended March 31, 2025 decreased \$42.1 million compared to the nine months ended March 31, 2024 primarily due to the SCOOP/STACK Acquisitions in February 2024 together with the timing of drilling and completing our Chaveroo development block one in the prior year as compared to this year, partially offset by the deposit we made for the TexMex Acquisition in the current year.

Net cash flows used in financing activities for the nine months ended March 31, 2025 were \$13.4 million compared to net cash flows provided by financing activities of \$29.4 million for the nine months ended March 31, 2024. For the nine months ended, March 31, 2025, we paid \$12.2 million in cash dividends to our common stockholders, repaid \$4.0 million of borrowings under our Senior Secured Credit Facility, and received net proceeds from the sale of common stock under the ATM Sales Agreement of approximately \$3.1 million, after deducting \$0.3 million in offering costs. For the nine months ended March 31, 2024, we borrowed \$42.5 million under our Senior Secured Credit Facility to finance our SCOOP/STACK Acquisitions which was partially offset by \$12.0 million in cash dividends to our common stockholders together with \$0.8 million paid to repurchase shares of our common stock under our share repurchase plan.

Results of Operations

Three Months Ended December 31, 2024 and 2023

We reported a net loss of \$2.2 million and net income of \$0.3 million for the three months ended March 31, 2025 and 2024, 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 March 31,			
	2025	2024	Variance	Variance %
Net income (loss)	\$ (2,179)	\$ 289	\$ (2,468)	(854.0) %
Revenues:				
Crude oil	11,769	14,538	(2,769)	(19.0) %
Natural gas	7,790	5,860	1,930	32.9 %
Natural gas liquids	3,002	2,627	375	14.3 %
Total revenues	22,561	23,025	(464)	(2.0) %
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	1,473	1,459	14	1.0 %
Gathering, transportation, and other costs	2,913	2,527	386	15.3 %
Other lease operating costs	9,002	8,638	364	4.2 %
Depletion, depreciation, and accretion:				
Depletion of full cost proved oil and natural gas properties	4,607	5,532	(925)	(16.7) %
Accretion of asset retirement obligations	407	368	39	10.6 %
General and administrative expenses:				
General and administrative	1,931	1,868	63	3.4 %
Stock-based compensation	642	549	93	16.9 %
Other income (expense):				
Net gain (loss) on derivative contracts	(3,802)	(1,183)	(2,619)	221 %
Interest and other income	55	63	(8)	(12.7) %
Interest expense	(705)	(518)	(187)	36.1 %
Income tax (expense) benefit	687	(157)	844	(537.6) %
Production:				
Crude oil (MBBL)	172	199	(27)	(13.6) %
Natural gas (MMCF)	2,011	2,115	(104)	(4.9) %
Natural gas liquids (MBBL)	93	104	(11)	(10.6) %
Equivalent (MBOE) ⁽¹⁾	600	656	(56)	(8.5) %
Average daily production (BOEPD) ⁽¹⁾	6,667	7,209	(542)	(7.5) %
Average price per unit⁽²⁾:				
Crude oil (BBL)	\$ 68.42	\$ 73.06	\$ (4.64)	(6.4) %
Natural gas (MCF)	3.87	2.77	1.10	39.7 %
Natural Gas Liquids (BBL)	32.28	25.26	7.02	27.8 %
Equivalent (BOE) ⁽¹⁾	37.60	35.10	2.50	7.1 %
Average cost per unit:				
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	2.46	2.22	0.24	10.8 %
Gathering, transportation, and other costs	4.86	3.85	1.01	26.2 %
Other lease operating costs	15.00	13.17	1.83	13.9 %
Depletion of full cost proved oil and natural gas properties	7.68	8.43	(0.75)	(8.9) %
General and administrative expenses:				
General and administrative	3.22	2.85	0.37	13.0 %
Stock-based compensation	1.07	0.84	0.23	27.4 %

(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 \$22.6 million and \$23.0 million for the three months ended March 31, 2025 and 2024, respectively. The decrease in revenues is due to a decrease in production volumes partially offset by an increase in our average realized price per BOE. Average daily equivalent production decreased 7.5% from 7,209 BOEPD in the prior year quarter to 6,667 BOEPD in the current quarter primarily due to planned maintenance at the central facility and NGL plant downtime at Delhi Field, January winter weather impacts at Barnett Shale as well as natural production declines. These production decreases were offset by additional production from our SCOOP/STACK Acquisitions in February 2024 which contributed for a full quarter in fiscal 2025. Our average realized commodity price (excluding the impact of derivative contracts) for the three months ended March 31, 2025 increased approximately \$2.50 per BOE, or 7.1%, over the prior year quarter. This increase was primarily due to the 39.7% increase in realized natural gas prices and the 27.8% increase in realized NGL prices partially offset by the 6.4% decrease in crude oil prices from the year-ago quarter.

Lease Operating Costs

Gathering, transportation and other costs were \$2.9 million for the three months ended March 31, 2025 compared to \$2.5 million for the three months ended March 31, 2024. These costs are gathering, transportation and processing fees we incur primarily for our natural gas producing properties. The increase is primarily due to the SCOOP/STACK Acquisitions in February 2024 which increased gathering transportation and other costs by \$0.3 million over the prior year quarter. On a per unit basis, gathering transportation and other costs were \$4.86 per BOE and \$3.85 per BOE for the three months ended March 31, 2025 and 2024, respectively.

Other lease operating costs were \$9.0 million for the three months ended March 31, 2025 compared to \$8.6 million for the three months ended March 31, 2024. Other lease operating costs increased primarily due to increased CO₂ purchases at Delhi. CO₂ purchases resumed in late October of 2024 after having been suspended in February 2024. We had net purchases of \$1.5 million in CO₂ for the three months ended March 31, 2025 compared to net purchases of \$1.0 million in the year-ago quarter. In addition, the SCOOP/STACK Acquisitions in February 2024 increased other lease operating costs by \$0.1 million over the prior year quarter. On a per unit basis, other lease operating costs were \$15.00 per BOE and \$13.17 per BOE for the three months ended March 31, 2025 and 2024, respectively.

Depletion of Full Cost Proved Oil and Natural Gas Properties

Depletion expense decreased \$0.9 million or 16.7% from \$5.5 million to \$4.6 million for the three months ended March 31, 2025 primarily due to a decrease in the depletion rate. On a per unit basis, depletion expense was \$7.68 per BOE and \$8.43 per BOE for the three months ended March 31, 2025 and 2024, respectively. The depletion rate of our unit of production calculation decreased due to a decrease in our depletable base.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2025 and 2024 were each \$1.9 million. On a per unit basis, general and administrative expenses were \$3.22 per BOE and \$2.85 per BOE for the three months ended March 31, 2025 and 2024, respectively. The increase on a per unit basis is primarily the result of the decrease in production for the current year quarter.

Stock-based Compensation Expense

Stock-based compensation expense for the three months ended March 31, 2025 increased \$0.1 million to \$0.6 million compared to \$0.5 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. Financial hedges are a requirement under our Senior Secured Credit Facility and help establish commodity price floors, contributing to stable cash flows when derivative contracts are settled. 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 since the prior quarter, particularly for natural gas, resulted in a net unrealized loss for the mark-to-market of our hedges for the three months ended March 31, 2025. As of March 31, 2025, we had \$0.9 million derivative assets, \$0.8 million of which was classified as current, and \$5.2 million derivative liabilities, \$3.5 million of which was classified as current. Subsequent to the end of the quarter through May 2025, we have seen increased volatility in the crude oil and natural gas commodity markets and we expect to see continued volatility in the fair value of our derivative contracts.

(in thousands, except per unit and per BOE amounts)	Three Months Ended			
	March 31,		Variance	Variance %
	2025	2024		
Realized gain (loss) on derivative contracts	\$ 124	\$ (120)	\$ 244	(203.3) %
Unrealized gain (loss) on derivative contracts	(3,926)	(1,063)	(2,863)	269.3 %
Total net gain (loss) on derivative contracts	\$ (3,802)	\$ (1,183)	\$ (2,619)	221.4 %
Average realized crude oil price per BBL	\$ 68.42	\$ 73.06	\$ (4.64)	(6.4) %
Cash effect of oil derivative contracts per BBL	0.34	(0.60)	0.94	(156.7) %
Crude oil price per BBL (including impact of realized derivatives)	\$ 68.76	\$ 72.46	\$ (3.70)	(5.1) %
Average realized natural gas price per MCF	\$ 3.87	\$ 2.77	\$ 1.10	39.7 %
Cash effect of natural gas derivative contracts per MCF	0.03	—	0.03	— %
Natural gas price per MCF (including impact of realized derivatives)	\$ 3.90	\$ 2.77	\$ 1.13	40.8 %

Interest Expense

Interest expense increased \$0.2 million for the three months ended March 31, 2025 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 March 31, 2025, we recognized income tax benefit of \$0.7 million on net loss before income taxes of \$2.9 million compared to income tax expense of \$0.2 million on net income before income taxes of \$0.4 million for the three months ended March 31, 2024. The effective tax rates were 24.0% and 35.2% for three months ended March 31, 2025 and 2024, respectively. The decrease in the effective tax rate from the prior year period is due to federal tax credits expected from production on marginal natural gas wells for the calendar year 2024.

Nine Months Ended March 31, 2025 and 2024

We reported a net loss of \$1.9 million and net income of \$2.8 million for the nine months ended March 31, 2025 and 2024, respectively. The following table summarizes the comparison of financial information for the periods presented:

(in thousands, except per unit and per BOE amounts)	Nine Months Ended March 31,		Variance	Variance %
	2025	2024		
Net income (loss)	\$ (1,939)	\$ 2,845	\$ (4,784)	(168.2) %
Revenues:				
Crude oil	38,269	38,913	(644)	(1.7) %
Natural gas	17,868	17,943	(75)	(0.4) %
Natural gas liquids	8,595	7,794	801	10.3 %
Total revenues	64,732	64,650	82	0.1 %
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	4,328	4,009	319	8.0 %
Gathering, transportation, and other costs	8,592	6,926	1,666	24.1 %
Other lease operating costs	25,051	25,930	(879)	(3.4) %
Depletion, depreciation, and accretion:				
Depletion of full cost proved oil and natural gas properties	14,956	13,680	1,276	9.3 %
Accretion of asset retirement obligations	1,216	1,080	136	12.6 %
General and administrative expenses:				
General and administrative	5,894	5,937	(43)	(0.7) %
Stock-based compensation	1,860	1,585	275	17.4 %
Other income (expense):				
Net gain (loss) on derivative contracts	(3,223)	(1,183)	(2,040)	172.4 %
Interest and other income	164	283	(119)	(42.0) %
Interest expense	(2,292)	(584)	(1,708)	292.5 %
Income tax (expense) benefit	577	(1,174)	1,751	(149.1) %
Production:				
Crude oil (MBBL)	555	519	36	6.9 %
Natural gas (MMCF)	6,364	6,091	273	4.5 %
Natural gas liquids (MBBL)	311	295	16	5.4 %
Equivalent (MBOE) ⁽¹⁾	1,927	1,829	98	5.4 %
Average daily production (BOEPD) ⁽¹⁾	7,033	6,651	382	5.7 %
Average price per unit⁽²⁾:				
Crude oil (BBL)	\$ 68.95	\$ 74.98	\$ (6.03)	(8.0) %
Natural gas (MCF)	2.81	2.95	(0.14)	(4.7) %
Natural Gas Liquids (BBL)	27.64	26.42	1.22	4.6 %
Equivalent (BOE) ⁽¹⁾	33.59	35.35	(1.76)	(5.0) %
Average cost per unit:				
Operating costs:				
Lease operating costs:				
Ad valorem and production taxes	\$ 2.25	\$ 2.19	\$ 0.06	2.7 %
Gathering, transportation, and other costs	4.46	3.79	0.67	17.7 %
Other lease operating costs	13.00	14.18	(1.18)	(8.3) %
Depletion of full cost proved oil and natural gas properties	7.76	7.48	0.28	3.7 %
General and administrative expenses:				
General and administrative	3.06	3.25	(0.19)	(5.8) %
Stock-based compensation	0.97	0.87	0.10	11.5 %

(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 \$64.7 million for each of the nine months ended March 31, 2025 and 2024. An increase in production volumes were offset by the decrease in our average realized price per BOE. Average daily equivalent production increased 5.7% from 6,651 BOEPD in the prior year period to 7,033 BOEPD in the current period primarily 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 by approximately 1,000 BOEPD over the prior year period. The increase in production was partially offset by natural production declines in our other fields. Our average realized commodity price (excluding the impact of derivative contracts) for the nine months ended March 31, 2025 decreased approximately \$1.76 per BOE, or 5.0%, over the prior year period as our realized crude oil decreased 8.0% and realized natural gas prices decreased 4.7% from the nine months ended March 31, 2024.

Lease Operating Costs

Ad valorem and production taxes were \$4.3 million and \$4.0 million for the nine months ended March 31, 2025 and 2024, 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 \$2.25 per BOE and \$2.19 per BOE for the nine months ended March 31, 2025 and 2024, respectively.

Gathering, transportation and other costs were \$8.6 million for the nine months ended March 31, 2025 compared to \$6.9 million for the nine months ended March 31, 2024. These costs are gathering, transportation and processing fees we incur primarily for our natural gas producing properties. The increase is primarily due to the SCOOP/STACK Acquisitions in February 2024 which increased gathering, transportation and other costs by \$1.3 million over the prior year period. On a per unit basis, gathering, transportation and other costs were \$4.46 per BOE and \$3.79 per BOE for the nine months ended March 31, 2025 and 2024, respectively.

Other lease operating costs were \$25.1 million for the nine months ended March 31, 2025 compared to \$25.9 million for the nine months ended March 31, 2024. 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 \$2.6 million of CO₂ for the nine months ended March 31, 2025 compared to net purchases of \$4.2 million in the year-ago period. Partially offsetting the reduction in CO₂ purchases were cost increases due to the SCOOP/STACK Acquisitions in February 2024, which increased other lease operating costs by \$0.9 million over the prior year period. On a per unit basis, other lease operating costs decreased to \$13.00 per BOE for the nine months ended March 31, 2025 from \$14.18 per BOE in the nine months ended March 31, 2024.

Depletion of Full Cost Proved Oil and Natural Gas Properties

Depletion expense increased \$1.3 million or 9.3% from \$13.7 million to \$15.0 million for the nine months ended March 31, 2025 primarily due to an increase in the depletion rate and increase in depletable assets. On a per unit basis, depletion expense was \$7.76 per BOE and \$7.48 per BOE for the nine months ended March 31, 2025 and 2024, respectively. The depletion rate of our unit of production calculation increased due to an increase in our depletable base as a result of our SCOOP/STACK Acquisitions and capital expenditures since the year-ago period.

General and Administrative Expenses

General and administrative expenses for the nine months ended March 31, 2025 and 2023 were each \$5.9 million. On a per unit basis, general and administrative expenses were \$3.06 per BOE and \$3.25 per BOE for the nine months ended March 31, 2025 and 2024, respectively. The decrease on a per unit basis is primarily the result of the increase in production for the current year period.

Stock-based Compensation Expense

Stock-based compensation expense for the nine months ended March 31, 2025 increased \$0.3 million to \$1.9 million compared to \$1.6 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. Financial hedges are a requirement under our Senior Secured Credit Facility and help establish commodity price floors, contributing to stable cash flows when derivative contracts are settled. 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, particularly for natural gas, as of March 31, 2025 as compared to June 30, 2024, resulted in a net unrealized loss for the mark-to-market of our hedges for the nine months ended March 31, 2025. As of March 31, 2025, we had \$0.9 million derivative assets, \$0.8 million of which was classified as current, and \$5.2 million derivative liabilities, 3.5 million of which was classified as current. Subsequent to the end of the quarter through May 2025, we have seen increased volatility in the crude oil and natural gas commodity markets and we expect to see continued volatility in the fair value of our derivative contracts.

(in thousands, except per unit and per BOE amounts)	Nine Months Ended March 31,		Variance	Variance %
	2025	2024		
Realized gain (loss) on derivative contracts	\$ 203	\$ (120)	\$ 323	(269.2) %
Unrealized gain (loss) on derivative contracts	(3,426)	(1,063)	(2,363)	222.3 %
Total net gain (loss) on derivative contracts	\$ (3,223)	\$ (1,183)	\$ (2,040)	172.4 %
Average realized crude oil price per BBL	\$ 68.95	\$ 74.98	\$ (6.03)	(8.0) %
Cash effect of oil derivative contracts per BBL	0.25	(0.23)	0.48	(208.7) %
Crude oil price per BBL (including impact of realized derivatives)	\$ 69.20	\$ 74.75	\$ (5.55)	(7.4) %
Average realized natural gas price per MCF	\$ 2.81	\$ 2.95	\$ (0.14)	(4.7) %
Cash effect of natural gas derivative contracts per MCF	0.01	—	0.01	— %
Natural gas price per MCF (including impact of realized derivatives)	\$ 2.82	\$ 2.95	\$ (0.13)	(4.4) %

Interest Expense

Interest expense increased \$1.7 million for the nine months ended March 31, 2025 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 7.59% for the nine months ended March 31, 2025 compared to 8.13% for the nine months ended March 31, 2024.

Income Tax (Expense) Benefit

For the nine months ended March 31, 2025, we recognized income tax benefit of \$0.6 million on net loss before income taxes of \$2.5 million compared to income tax expense of \$1.2 million on net income before income taxes of \$4.0 million for the nine months ended March 31, 2024. The effective tax rates were 22.9% and 29.2% for nine months ended March 31, 2025 and 2024, respectively. The decrease in the effective tax rate from the prior year period is due to federal tax credits expected from production on marginal natural gas wells for the calendar year 2024.

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 March 31, 2025 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 March 31, 2025, 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 March 31, 2025.

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	(d) Maximum dollar value of shares that may yet be purchased under the plans or programs (in thousands)
January 2025	—	\$ —	—	\$ —
February 2025	13,288	5.12	—	—
March 2025	741	4.90	—	—

⁽¹⁾ During the three months ended March 31, 2025, all of the shares received were surrendered by employees in exchange for the payment of tax withholding upon the vesting of restricted stock awards.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

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).
10.2.13*	Letter Agreement to the Credit Agreement dated March 7, 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.



March 7, 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:

This letter is in reference to the Credit Agreement described above. Capitalized terms not otherwise defined herein shall be defined as set forth in the Credit Agreement. Your execution below memorializes your acknowledgement and agreement to the following:

In consideration of Borrowers’ reduction of the outstanding principal balance of the Loan to \$35,500,000, MidFirst hereby increases the MFB Margined Collateral Value to \$75,000,000 in connection with the company’s recently announced acquisition of assets in New Mexico, Texas, and Louisiana. In the event the closing of the acquisition does not occur, MidFirst Bank will promptly redetermine the MFB Margined Collateral Value to exclude the value of the acquisition assets.

The hedging requirements of Section 7.18 notwithstanding, as long as the Borrowers remain in the 25% required volume hedging tier, MidFirst Bank shall permit the Borrowers, in each month of the calendar year ending December 31, 2026 to hedge not less than 72% of natural gas volumes rather than the 25% oil volume hedges required by the Credit Agreement.

For the avoidance of doubt, the obligation of the Borrowers to comply with either of the “Compliance Alternatives” set forth in that certain letter amendment dated January 6, 2025, among the parties hereto with respect to the Credit Agreement, shall be superseded by this Amendment as of the date first written above.

The rest and remainder of the Credit Agreement and all other Loan Documents executed in connection therewith shall remain unchanged and in full force and effect, except as amended and changed by this Amendment.

Executed this 7th day of March, 2025.

Respectfully submitted,

MIDFIRST BANK, a federally chartered savings bank

By: /s/ CHAY
KRAMER

Name: Chay
Kramer

Title: 1st Vice
President

ACKNOWLEDGED, AGREED AND ACCEPTED, this 7th day of March, 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: May 14, 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: May 14, 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 March 31, 2025 (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 May 14, 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 March 31, 2025 (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 May 14, 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.
