Evolution Petroleum Corporation
Corporate Presentation – August 2019

EPM
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NYSE AMERICAN

EVOLUTION
Petroleum Corporation

Forward Looking Statements

This presentation contains "forward-looking statements." Such statements may relate to capital expenditures, drilling and exploitation activities, production efforts and sales volumes, Proved, Probable, and Possible reserves, operating and administrative costs, future operating or financial results, cash flow and anticipated liquidity, business strategy and potential property acquisitions. These forward-looking statements are generally accompanied by words such as "estimated", "projected", "potential", "anticipated", "forecasted" or other words that convey the uncertainty of future events or outcomes. Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. These statements are based on our current plans and assumptions and are subject to a number of risks and uncertainties as further outlined in our Forms 10-K and 10-Q. Therefore, the actual results may differ materially from the expectations, estimates or assumptions expressed in or implied by any forward-looking statement and we undertake no obligation to update these estimates for events after this presentation.

<u>Cautionary Note regarding Oil and Gas Reserves</u> – SEC rules allow oil and gas companies to disclose not only Proved reserves, but also Probable and Possible reserves that meet the SEC's definitions of such terms. We disclose Proved, Probable and Possible reserves in our filings with the SEC and this presentation. Estimates of Probable and Possible reserves are by their nature more speculative than estimates of Proved reserves and are subject to greater uncertainties, and accordingly the likelihood of recovering those reserves is subject to substantially greater risk. Our reserves as of June 30, 2019 were estimated by DeGolyer and MacNaughton ("D&M"), an independent petroleum engineering firm.

KEY TAKEAWAYS

- Free Cash Flow
- 23 Consecutive Quarterly Cash Dividends
- 7 Consecutive Years of Net Income
- Under-levered Balance Sheet
- Buy Back Program

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Texas / Gulf Coast Focus

- Evolution Petroleum co-founded in 2003 by Robert Herlin, now Chairman
- Delhi Field acquired in 2003
- Delhi Field CO_2 project initiated in 2006, first production in 2010 with expansion scheduled for 2020 and beyond

Overview

New York Stock Exchange	EPM
Shares Outstanding	33.2 MM
Share Price (8/8/2019)	$6.10
Total Equity Value (8/8/2019)	$203 MM
Common Dividend (Annualized Rate)	$0.40 per share
Dividend Yield (8/8/2019)	6.5%
(Fiscal year ended 6/30/19)	
Gross Liquids Production (85% Oil)	~7,723 BOEPD
EPM Net Liquids Production	~2,025 BOEPD
Proved Reserves (6/30/2019)	9.0 MMBOE *(82% dev)*
Probable Reserves (6/30/2019)	4.8 MMBOE *(87% dev)*
Possible Reserves (6/30/2019)	4.3 MMBOE *(88% dev)*
Cash on hand (7/31/19)	$33 MM *($1/Shr)*
Debt ($40 MM+ Avail Capacity)	$0.0

INVESTMENT CONSIDERATIONS

- **High Quality, Long-lived Asset Base**

  Steady cash flow from large, Delhi field resource; 20+ years remaining life

  Potential production additions from continuing development
  - ✓ Phase V scheduled for late fiscal 2020 into fiscal 2021
  - ✓ Upside unquantified potential by extending CO_2 flood to other reservoirs utilizing existing recycle and NGL plants

- **Solid Financial Position**
  - ✓ $33 million cash as of 7/31/19, $0 debt and untapped $40 million revolver
  - ✓ Current free cash flow well in excess of dividend plus balance sheet cash can fuel acquisitions with conservative leverage
  - ✓ Demonstrated conservative management philosophy provides stability to weather future industry downturns and maintain a cash dividend to shareholders
  - ✓ Positioned to capitalize on new opportunities to grow

- **Attractive Dividend Yield of 6.5% as of 8/8/2019**

CORE OBJECTIVES

- Directly benefit our shareholders by distributing a large portion of cash flows through cash dividends

  Tax Reform makes C-Corps like EPM more tax-efficient

- Conservatively invest balance of cash flow into similar, long-life assets that fit our model and capabilities

- Diversify asset base

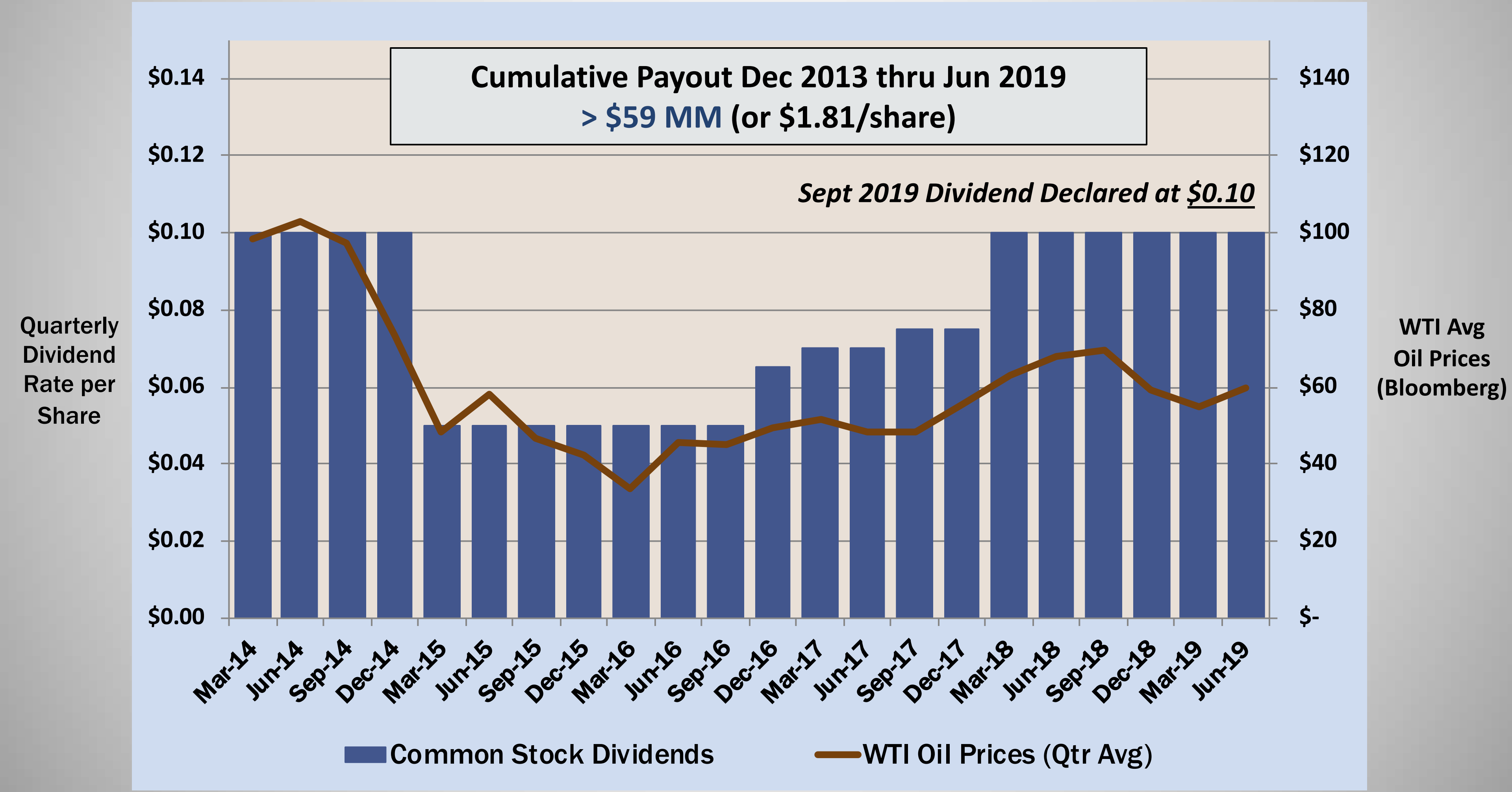
  Geologic, product and market diversity

- Maintain solid financial position

  Extend our consistent record of earnings and dividend distributions without high leverage

- Increase scale to enhance public market liquidity and leverage overhead

EPM Dividend History vs WTI Oil Prices



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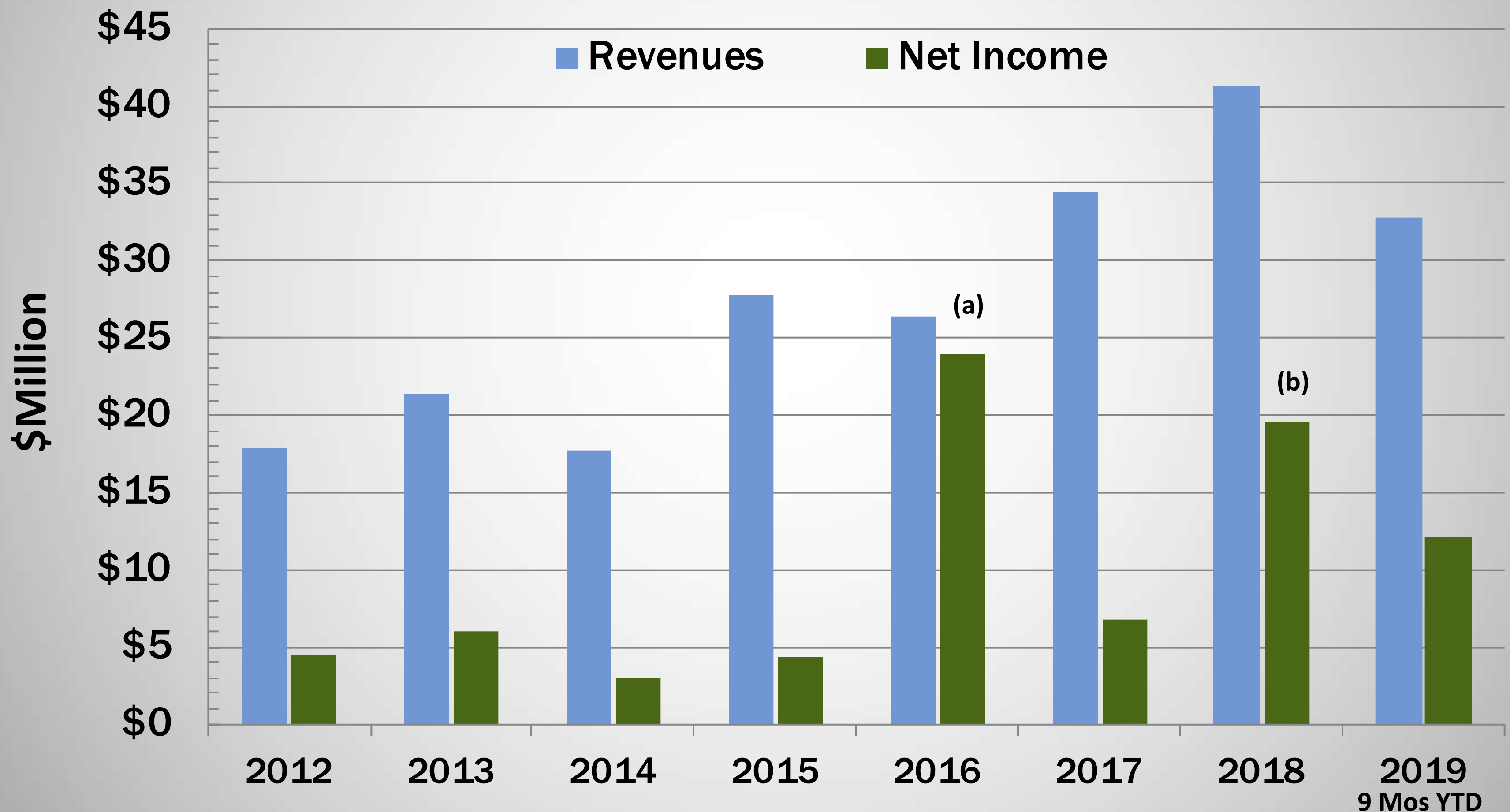
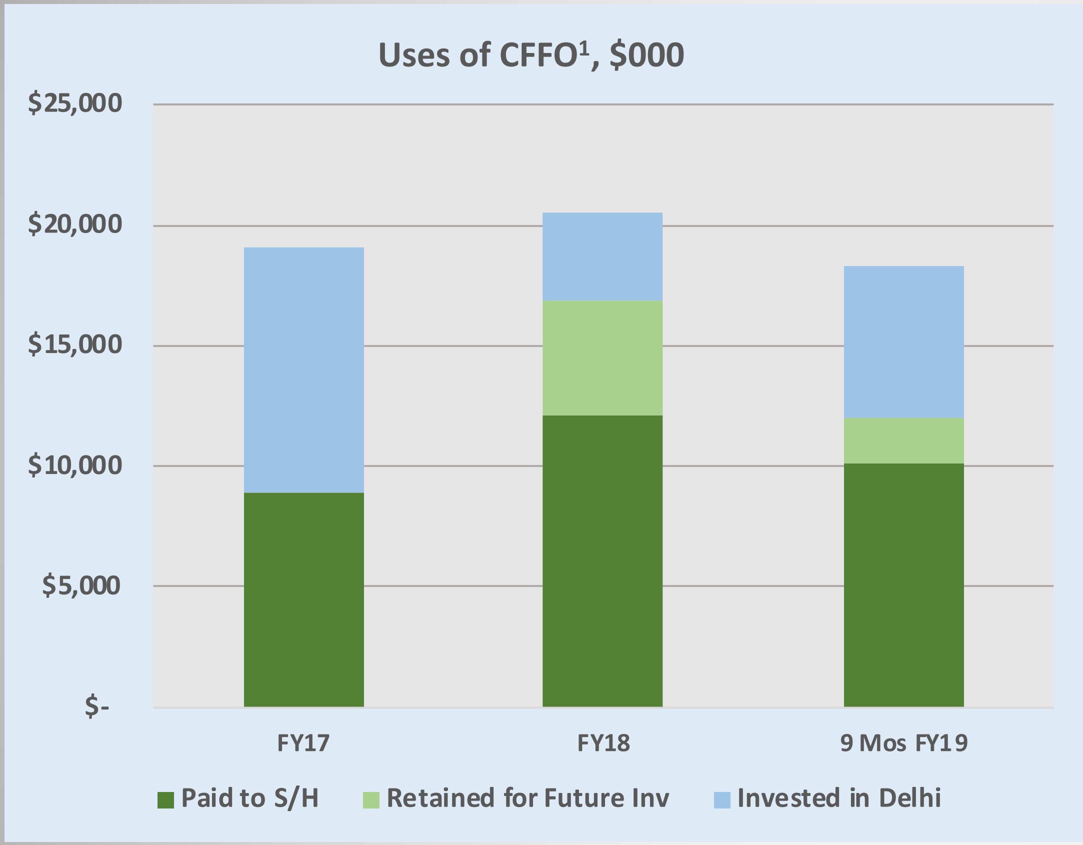
Seven Consecutive Years of Net Income (& Counting)



(a) Includes Litigation Settlement
(b) Includes Tax Reform

Where is our operational cash flow going?



1. Cash Flow From Operations, as of 3/31/19
2. Cash balance as of 7/31/19 is $33 million with no debt

- **Qualified Ordinary Dividends to Shareholders**
- **Invested back into Delhi Field to support production level into next decade**
- **Retained cash to redeploy into acquisition of similar long life, mostly developed and producing assets or future dividends [2]**
- **100% for the benefit of shareholders**

Summary Financial Statements
March 31, 2019

Amounts in $000's, except EPS

Balance Sheet	
Cash	**$ 29,550**
Other current assets	4,368
Property and equipment, net	61,354
Other assets	220
Total assets	$ 95,492
Current liabilities	$ 2,795
Long-term debt	0
Deferred taxes and ARO	12,722
Stockholders' equity	**79,975**
Total liabilities and equity	$ 95,492

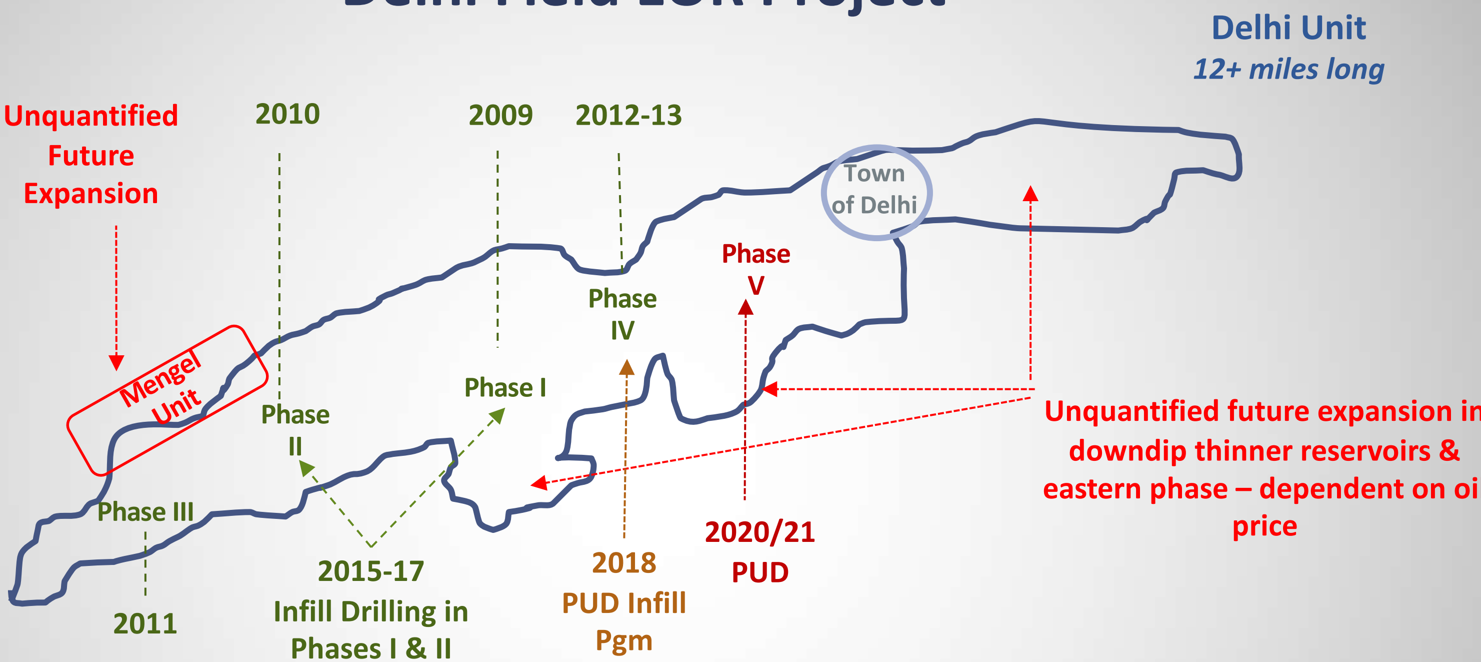
Income Statement (Nine months fiscal YTD)	
Delhi field revenues	**$ 32,856**
Lease operating expenses	10,704
DD&A and accretion	4,710
G&A expenses	3,761
Income before income taxes	$ 13,681
Other (income)	(1,185)
Income tax provision	2,767
Net income	**$ 12,099**
Earnings per share (fully diluted)	**$ 0.36**

Delhi Recycle Facility & NGL Plant

Delhi Field EOR CO_2 Flood

- ~7,700 BOE per day
- ~85% premium Louisiana Light Sweet (LLS) oil, connected by pipeline to market
- 3 trains of processing of recycle gas
- Rich mix of heavier NGLs, or 60% C5 + C4

Delhi Field EOR Project



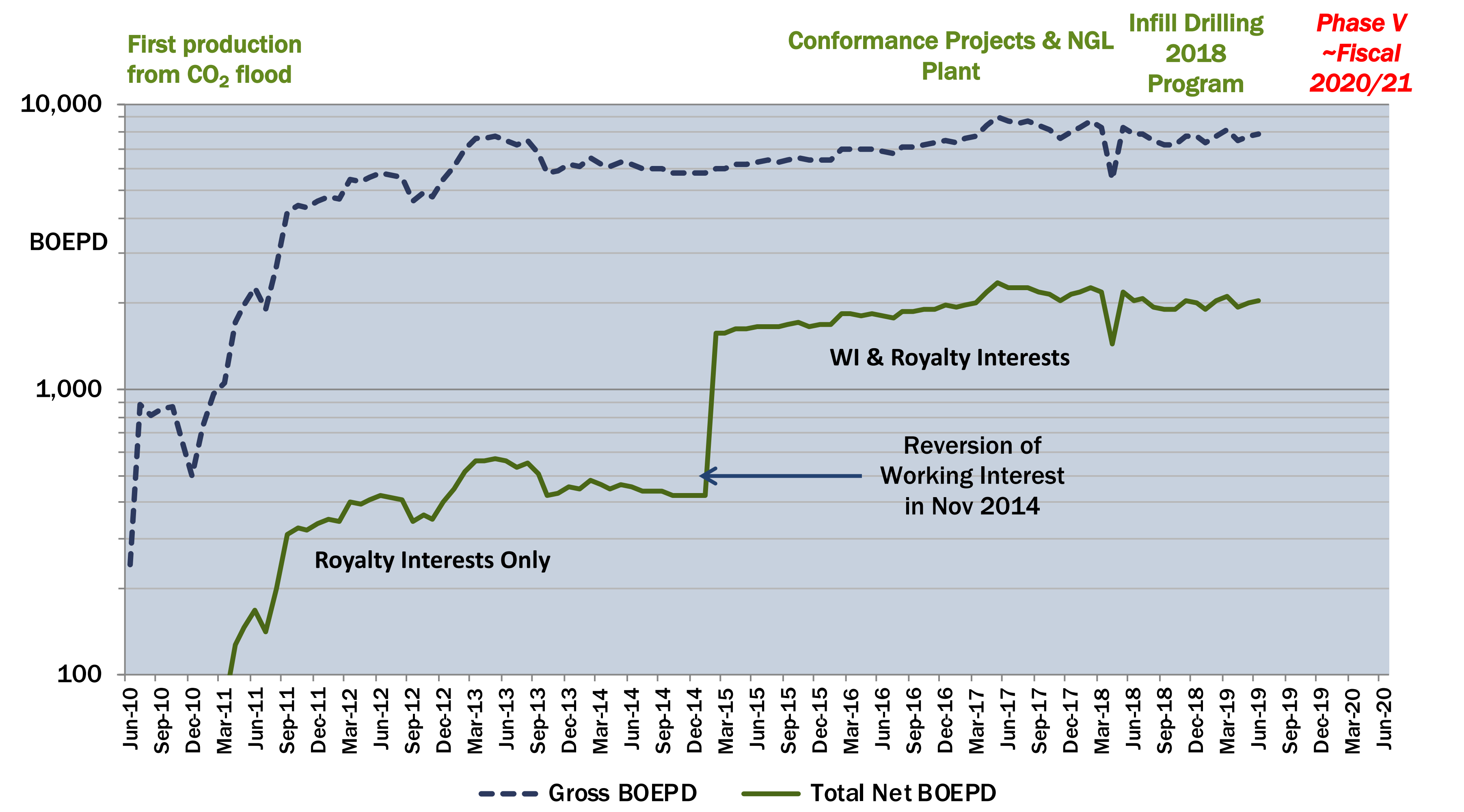
Exceptional resource:

- 418 MMBO of gross original oil in place ("OOIP")
- 325 MMBO gross OOIP in current proved flood area
- 195 MMBO gross production prior to EOR
- ~20 MMBO gross produced from CO_2 flood since inception
- Over 9 MMBOE of net unproven reserves that are 80+% developed & based on increased oil recovery
- Unquantified upside through expansion as noted above
- At fixed $58 oil price, proved reserves extend field life over 20 years, and unproved reserves extend life by additional 20 years.
- Over 13,600 gross acres in units held by production

Other advantages:

- No LA oil severance taxes (at 12.5%) until payout
- Oil transported by pipeline from field – no current capacity constraints
- Delhi crude price based on LLS pricing (current high premium to WTI)
- Investigating options for uplift in NGL pricing through onsite processing
- Due to long life, small change in discount rate results in large impact on present value of reserves while reducing impact of short term price swings

Delhi Field Daily Production (Tertiary)
Gross and Net BOE per Day

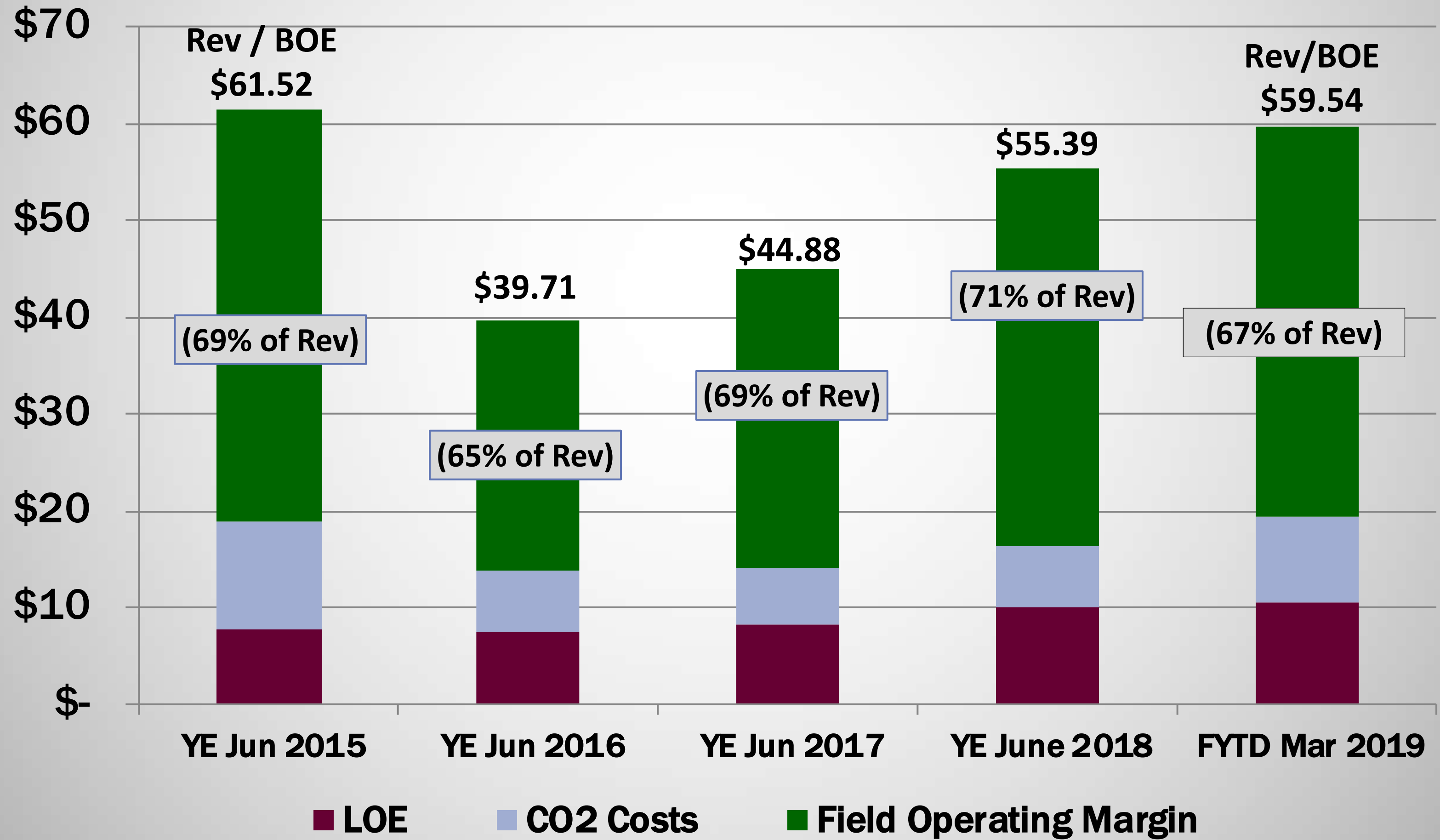


EPM Interests in the Delhi Field		
	Costs	Revenues
Working Interest (a)	23.9%	19.0%
Royalty Interests	None	7.2%
Combined Interests	23.9%	26.2%

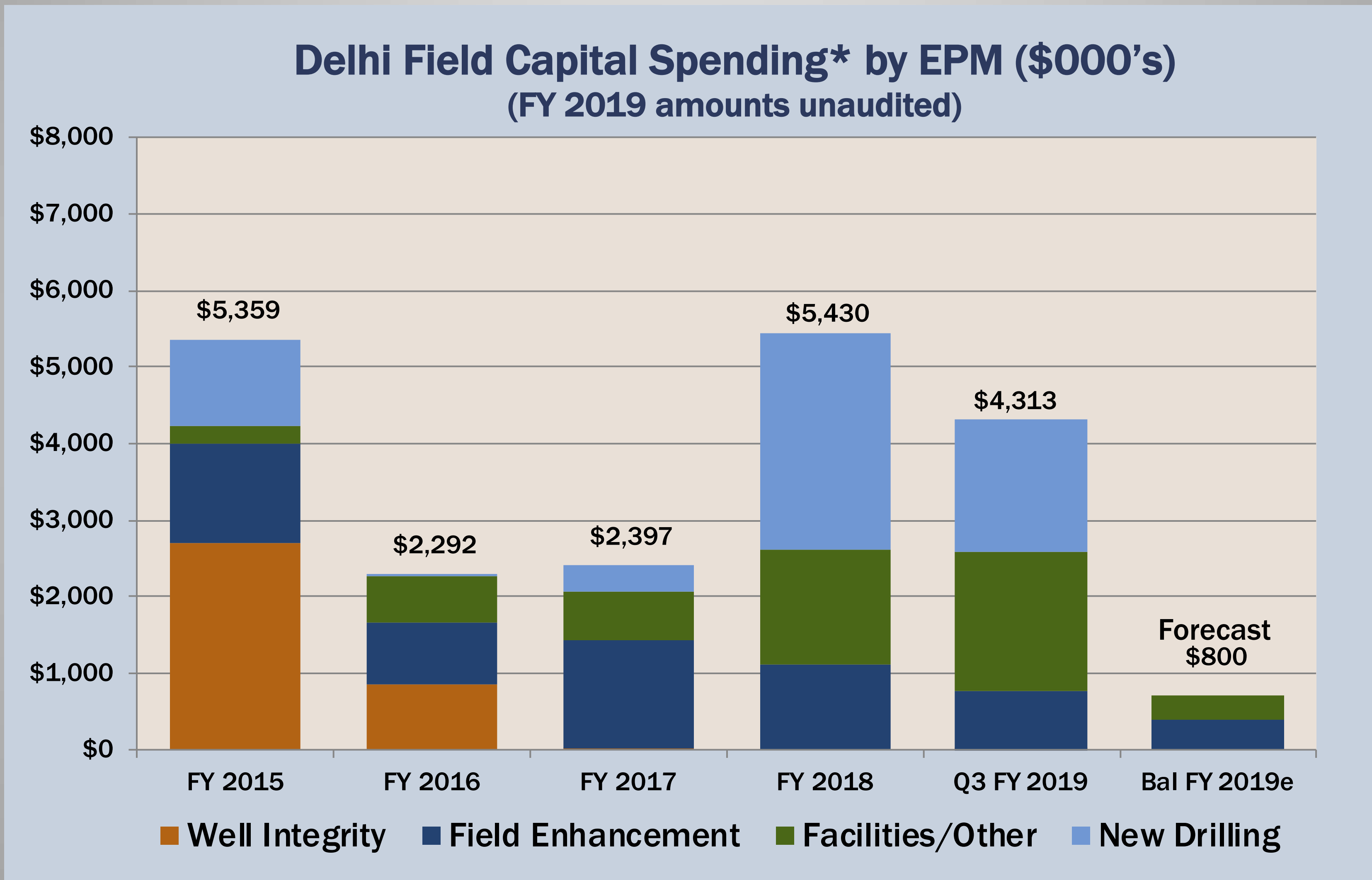
(a) Field Payout and Reversion of Working Interest to EPM Occurred Effective November 1, 2014

As part of 2016 litigation settlement, EPM also received 23.9% working interest in the Mengel Unit within the Delhi Field that represents unquantified nonproven upside from future expansion of project

Delhi Revenue and Field Operating Margin per BOE

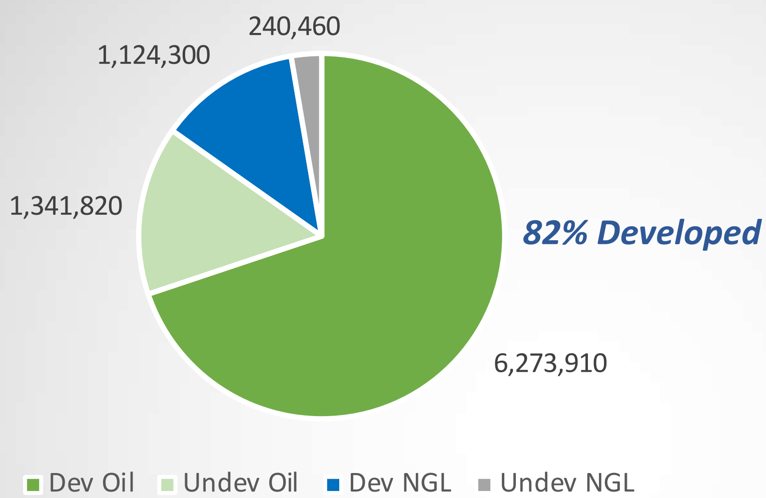


Field Operating Margins of $42.52 (2015), $25.95 (2016), $30.78 (2017), $39.03 (2018) and $40.14 (Q3-19 YTD), respectively

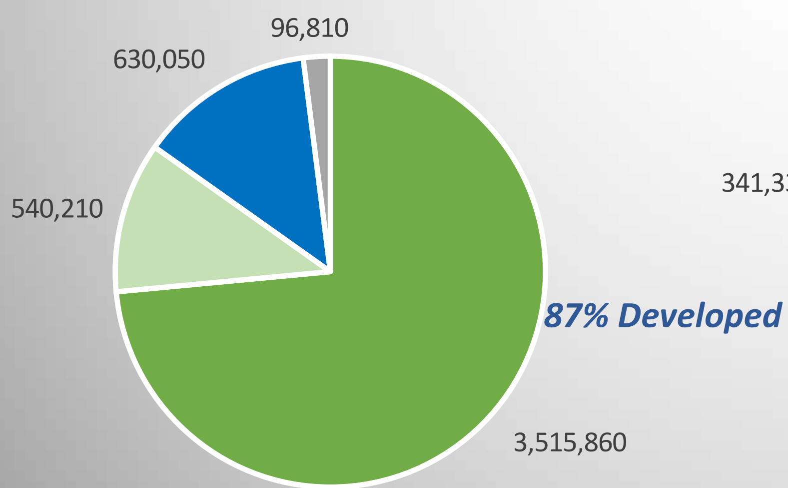


** Chart excludes historical NGL Plant net capex of ~$27 MM*

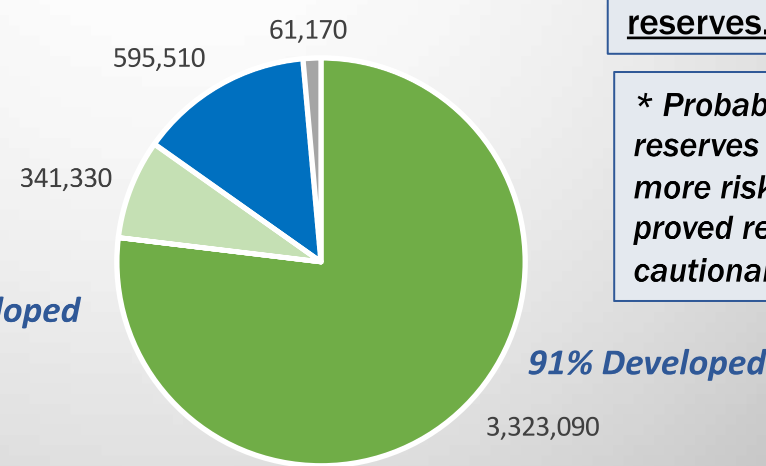
6/30/19 Proved Reserves, BOE



6/30/19 Probable Reserves*, BOE



6/30/19 Possible Reserves*, BOE



Reserve Report Prepared by DeGolyer & MacNaughton

Proved Reserves based on 14.4% incremental CO_2 recovery (up from 13.0% in 2015). Probable* and Possible* Reserves based on improved recovery rates

Remaining PUD costs for Phase V is ~$9 MM (net), or ~$6.00/Boe. <u>No capex required for undeveloped probable & possible reserves.</u>

** Probable and Possible reserves involve considerably more risk of recovery than proved reserves – see cautionary note on page 2*

Delhi NGL Plant

Producing 1,100 – 1,200 BOE of NGL's per day

- NGL Plant online Jan 2017
- Operating at effective capacity
- GE turbine also at capacity
  - Fueled by field natural gas
  - Replaces purchased electrical power
- *NGL avg price ~37% of WTI in FYTD -19, net of deduction of transportation and fractionation charges*

Very Rich NGL Mix (TTM):

NGL Component	% of Stream
Ethane	4%
Propane	24%
Butanes (ISO + Normal)	32%
Pentanes Plus (C5+)	40%
Total	100.0%

Multiple Projects To Build Long-Term Value

Maintain/improve Delhi production & improve EOR efficiency through conformance projects & possible separation of C5+ from NGLs

Delhi continued infill drilling program

Expansion of Delhi CO_2 flood to eastern part of field (Phase V)

Expand Delhi CO_2 flood to Mengel Unit, additional thinner reservoirs and further expansion to eastern edge (Phase VI, subject to oil price)

Management and Directors

(Average BOD Tenure 12 Years / Insiders Own ~8%*)

- Jason Brown – President & CEO, Founder of LongBow Energy; Co-founder of Halcon Resources
- David Joe – SVP & CFO (14 Years w/EPM), UNOCAL Corp
- Steve Hicks – SVP of Engineering & Business Development, 21 years in A&D
- <u>Independent Directors:</u>

  Robert Herlin – Chairman & co-founder

  Jed DiPaolo – Duff & Phelps, Halliburton

  Bill Dozier – Vintage Petroleum, Santa Fe Minerals & Amoco

  Kelly Loyd – JVL Advisors, LLC*, RBC Capital

  Marran Ogilvie – Lehman Brothers, Ferro Corp, LSB Industries

* Insider holdings cited do not include those of JVL Advisors' funds not managed by Mr. Loyd

Opportunity for EPM

- We plan to maintain and grow EPM as a market-friendly platform to generate cash returns for shareholders

- We focus on assets that do not require high capital investment, long lead time to net cash flow, large scale efficiencies to be economic, or high dependency on near term commodity prices. Targets are generally:
  - ✓ *Accretive to cash flow and value*
  - ✓ *Supportive of dividend*

- We have the financial capacity to execute, with substantial cash flow in excess of current dividend payout and no debt

Acquisition Criteria

- Large majority of value is generally attributable to proved developed producing cash flow
- Long-life
- Assets are in locations with reasonable access to markets and stable regulatory environments
- Transactions will provide a reasonable rate of return on a risk-adjusted basis
- Transactions are appropriate for the size and capabilities of Evolution, and
- Transactions are supportive of the Company's cash dividend

Value Proposition

- **High Quality, Long-lived Asset Base**

  Substantial, low decline cash flow from Delhi field; 20+ years remaining life

  Potential production additions from continuing development

  ✓ Phase V scheduled for fiscal 2020 and 2021

  ✓ Upside unquantified potential by extending CO_2 flood to other reservoirs utilizing existing recycle and NGL plants

- **Solid Financial Position**

  ✓ $33 million cash, no debt and untapped $40 million revolver

  ✓ Free cash flow well in excess of current cash dividend plus balance sheet cash can fuel acquisitions without undue leverage

  ✓ Demonstrated conservative management philosophy provides stability to weather future industry downturn and maintain a cash dividend to shareholders

  ✓ Positioned to capitalize on new opportunities to grow

- **Attractive Dividend Yield of 6.5% as of 8/8/2019**

Thank you for your interest in

Evolution Petroleum Corp (NYSE: EPM)

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