Empire Petroleum Corporation Announces Debt Retirement

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Empire Petroleum Corporation ("Empire") (OTCQB:EMPR), an operator of conventional oil and gas properties, announced today that certain debt holders have now converted 100% of their remaining debt along with accrued interest into Empire common shares.

The purchase of XTO Energy's Eunice-Monument and Arrowhead Grayburg Fields by Empire made on May 14, 2021, was financed with a combination of cash and a Senior Secured Convertible Note issued to Energy Evolution Master Fund, Ltd. ("EEF") in the amount of $16.25 million. Since that time, Empire has paid down debt from available cash, and EEF partially converted additional principal and accrued interest in Q3 2021. On December 30, 2021, EEF converted the remaining $5.77 million of principal and accrued interest into 4,616,343 shares. The elimination of EEF's debt removes a substantial debt liability from Empire's balance sheet while also eliminating over $200K in annual interest payments. Empire's only remaining long-term institutional debt is a $7.1 million loan from CrossFirst Bank.

"We have made significant progress transforming the total balance sheet by repositioning approximately $24 million of short term debt to long term debt in 2021, and now have reduced long term debt to $7 million with the added benefits of saving interest payments, increasing positive cash flow and building a core group of assets that we believe are significantly scalable," said Mike Morrisett, President of Empire.

"Energy Evolution Fund is an absolute supporter of Empire Petroleum Corporation and the Empire shareholders. We believe that this step of debt reduction will position Empire to have the strongest balance sheet in its history," stated Sterling Mulacek, Manager of Energy Evolution Fund. "Energy Evolution Fund's transaction will underpin the largest shift of freed up capital to improve Empire's organic growth and income for quarters to come."

Empire CEO Tommy Pritchard added, "Energy Evolution Fund's commitment to Empire, through the conversion of its debt into equity, allows us to cycle capital to our most rewarding areas faster, creating a strong financial position to deliver substantial growth in 2022."

About Empire Petroleum Corporation

Empire Petroleum Corporation is a publicly traded, Tulsa-based oil and gas company with current producing assets in Texas, Louisiana, North Dakota, Montana and New Mexico. Management is focused on targeted acquisitions of proved developed assets with synergies with its existing portfolio of wells. Empire looks for assets where its operational team can deploy rigorous field/well management techniques to reduce unit operating costs and improve margins while optimizing production.

FORWARD LOOKING STATEMENTS

This press release includes certain statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws. All statements, other than statements of historical facts that address activities, events or developments that Empire expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties. Actual results may vary materially from the forward-looking statements. For a list of certain material risks relating to Empire, see Empire's Form 10-K for the fiscal year ended December 31, 2020.

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