

Northern Oil and Gas, Inc. Announces Completion of Senior Notes Exchange Transaction

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[Northern Oil and Gas Inc.](#) (NYSE American: NOG) today announced that it has completed its previously announced exchange transaction with certain holders of its 8% senior unsecured notes, including the requirement to raise an additional \$140 million of new equity capital.

HIGHLIGHTS OF THE TRANSACTION

- \$497 million of existing senior unsecured notes has been exchanged for approximately (i) \$344 million of senior secured notes due 2023 and (ii) \$155 million of Northern common stock
- Northern raised an additional \$145 million of gross proceeds from the sale of its common stock, including a \$52 million private placement that closed simultaneously with the closing of the exchange transaction
- As of March 31, 2018, pro forma for the exchange and related transactions, Northern has approximately \$265 million of cash on hand and has reduced net debt by approximately \$268 million, while also extending the maturity on \$344 million of the company's debt from 2020 to 2023

"Completing this exchange transaction, along with the associated equity raise, is a significant step that improves our balance sheet by reducing debt, increasing liquidity and extending debt maturity," commented Northern's Chairman, Bahram Akradi. "The improvements to our balance sheet will allow us to execute on our ground game acquisition strategy and further our position as the natural non-op consolidator in the Williston Basin."

The following table sets forth Northern's capitalization as of March 31, 2018, on an actual basis, and on a pro forma basis to give effect to the exchange and related transactions.

	As of March 31, 2018 (In thousands)	
	Actual	Pro forma for the exchange and related transactions
Cash and Cash Equivalents ⁽¹⁾	\$ 89,473	\$ 264,875
Long-Term Debt:		
First lien term loan due 2022 ⁽²⁾	\$ 300,000	\$ 360,000
Second lien notes due 2023	-	344,279
Senior unsecured notes due 2020	700,000	203,317
Total Long-Term Debt	\$ 1,000,000	\$ 907,596
Net Debt ⁽³⁾	\$ 910,527	\$ 642,721
Common Stock - Shares Outstanding	65,938	266,114

(1) Pro forma cash and cash equivalents reflect estimated fees incurred related to the exchange and related transactions, as well as interest payments of \$18.1 million to the exchanging noteholders (accrued interest through exchange closing).

(2) In conjunction with the exchange, Northern agreed to draw an additional \$60 million under the first lien facility.

(3) Calculated as total long-term debt, less cash and cash equivalents.

EXCHANGE TRANSACTION

Upon closing of the exchange transaction, Northern exchanged approximately \$497 million aggregate principal amount of its 8% senior unsecured notes due 2020 (the "Existing Notes") for a combination of approximately \$344 million aggregate principal amount of second lien senior secured notes due 2023 (the "New Notes") and 103,249,915 shares of Northern's common stock. The New Notes will mature in May 2023. The New Notes will bear cash interest at a rate of 8.5% per annum, and additional interest at a rate of 1% per annum that is payable in kind (PIK), provided that the PIK interest shall cease to accrue if Northern achieves specified total debt-to-EBITDAX metrics. The New Notes are secured by a second priority lien on substantially the same collateral that secures Northern's obligations under its first lien credit facility.

In connection with the closing of the exchange transaction, Northern also closed on a \$52 million private placement of its common stock. Northern's common stock was issued at \$1.50 per share in both the exchange and the private placement, which was the same price as the public offering price in Northern's \$93.4 million underwritten common stock offering that closed in April 2018. Together, the private placement and the public offering satisfied the closing condition under the exchange agreement that required Northern to raise at least an additional \$140 million of gross proceeds from the issuance of equity.

ABOUT NORTHERN OIL AND GAS

[Northern Oil and Gas Inc.](http://www.NorthernOil.com) is an exploration and production company with a core area of focus in the Williston Basin Bakken and Three Forks play in North Dakota and Montana. More information about Northern Oil and Gas, Inc. can be found at www.NorthernOil.com.

SAFE HARBOR

This press release contains forward-looking statements regarding future events and future results that are subject to the safe harbors created under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical facts included in this release regarding Northern's financial position, business strategy, plans and objectives of management for future operations, industry conditions, and indebtedness covenant compliance are forward-looking statements. When used in this release, forward-looking statements are generally accompanied by terms or phrases such as "estimate," "project," "predict," "believe," "expect," "continue," "anticipate," "target," "could," "plan," "intend," "seek," "goal," "will," "should," "may" or other words and similar expressions that convey the uncertainty of future events or outcomes. Items contemplating or making assumptions about actual or potential future sales, market size, collaborations, and trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond Northern's control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following: changes in crude oil and natural gas prices, the pace of drilling and completions activity on Northern's properties, Northern's ability to acquire additional development opportunities, changes in Northern's reserves estimates or the value thereof, general economic or industry conditions, nationally and/or in the communities in which Northern conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, Northern's ability to raise or access capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, and other economic, competitive, governmental, regulatory and technical factors affecting Northern's operations, products, services and prices.

Northern has based these forward-looking statements on its current expectations and assumptions about

future events. While management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond Northern's control. Northern does not undertake any duty to update or revise any forward-looking statements any forward-looking statements, except as may be required by the federal securities laws.

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