

NOG Announces Second Joint Acquisition with Vital Energy in the Delaware Basin

29.07.2024 | [Business Wire](#)

HIGHLIGHTS

- Joint acquisition with [Vital Energy Inc.](#) ("Vital") of certain assets (the "Point Assets") of Point Energy Partners, LLC ("Point"), a Vortus Investments company ("Vortus") for \$1.1 billion
- NOG purchasing a 20% undivided stake in the Point Assets (the "Acquired Assets") for \$220 million in cash (all numbers below are net to NOG)
- The Acquired Assets include >4,500 Boe per day (2-stream, excluding NGLs, >75% oil) of recent production and ~4,000 net leasehold and mineral acres, located primarily in Ward County, TX
- Cash flow from operations on the Acquired Assets expected to be >\$75 million in the next twelve months (starting 10/1/2024), based on recent strip prices, representing a transaction multiple on the unadjusted purchase price of <2.9x
- Strong free cash flow profile on the Acquired Assets with >\$40 million expected over the next twelve months (starting 10/1/2024). See "Non-GAAP Financial Measures" below
- Significant purchase price reduction expected at closing due to April 2024 effective date
- Transaction to be funded by cash flow from operations, cash on hand and borrowings under NOG's Senior Secured Revolving Credit Facility

[Northern Oil and Gas Inc.](#) (NYSE: NOG) (the "Company" or "NOG") today announced that it has entered into a definitive agreement to acquire a 20% undivided stake in the Point Assets in the Delaware Basin, in partnership with [Vital Energy Inc.](#), for a purchase price net to NOG of \$220.0 million in cash, subject to typical closing adjustments.

The Acquired Assets are primarily located in Ward County, Texas and include approximately 4,000 net leasehold and mineral acres, 26.4 net producing wells, 1.6 net wells-in-process and ~12.1 low-breakeven net undeveloped locations. Upon closing, the operator of the assets will be Vital, with NOG participating in development pursuant to cooperation and joint operating agreements entered into with Vital in connection with the acquisition.

Recent production on the Acquired Assets was >4,500 Boe per day (2-stream, >75% oil). For the fourth quarter of 2024, NOG expects average production of >3,250 Boe per day (2-stream, >75% oil) and approximately \$11.3 million of capital expenditures.

The effective date for the transaction is April 1, 2024, and NOG expects to close the transaction in the late third quarter of 2024. As part of the transaction, NOG has placed a \$22.0 million deposit in escrow prior to closing. The obligations of the parties to complete the transactions contemplated by the purchase agreement are subject to the satisfaction or waiver of customary closing conditions.

MANAGEMENT COMMENTS

"This transaction further emphasizes NOG's position as the most reliable and consistent partner for the purchase and development of high-quality properties," commented Nick O'Grady, NOG's Chief Executive Officer. "We are very excited to again work alongside our partners at Vital to develop the Point Assets with strong alignment and cooperation. These assets will be easily funded on-balance sheet and their strong cash flows should provide for immediate growth and significant accretion to per share metrics, shareholder returns and the potential for compounding of growth in the years to come."

"The Point Assets sit directly in our area of interest and close to our existing Delaware holdings," commented Adam Dirlam, NOG's President. "With our partners at Vital, we expect to responsibly develop these assets with an aligned plan that will deliver strong returns for our respective stakeholders over the coming years."

ADVISORS

Kirkland & Ellis LLP is serving as NOG's legal counsel.
Houlihan Lokey served as financial advisor to Vital.
Gibson Dunn & Crutcher LLP is serving as legal counsel to Vital.
Jefferies LLC served as financial advisor to Point and Vortus.
Akin Gump Straus Hauer & Feld LLP is serving as legal counsel to Point and Vortus.

ABOUT NOG

NOG is a real asset company with a primary strategy of acquiring and investing in non-operated minority working and mineral interests in the premier hydrocarbon producing basins within the contiguous United States. More information about NOG can be found at www.noginc.com.

NON-GAAP FINANCIAL MEASURES

This release includes certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"), including free cash flow. These non-GAAP financial measures are not measures of financial performance prepared or presented in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation, and users of any such information should not place undue reliance thereon. NOG believes the presentation of these metrics may be useful to investors because it supplements investors' understanding of its operating performance by providing information regarding performance that excludes items it believes do not directly affect its core operations. NOG defines free cash flow as (i) cash flows from operations before changes in working capital and other items, less (ii) capital expenditures, excluding non-budgeted acquisitions and changes in accrued capital expenditures and other items. From time-to-time NOG provides forward-looking free cash flow estimates or targets; however, NOG is unable to provide a quantitative reconciliation of the forward-looking non-GAAP measure to its most directly comparable forward-looking GAAP measure because management cannot reliably quantify certain of the necessary components of such forward looking GAAP measure. The reconciling items in future periods could be significant.

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 NOG's financial position, common stock dividends, business strategy, plans and objectives of management for future operations, industry conditions, capital expenditures, production, cash flow, hedging and other matters are forward-looking statements. When used in this release, forward-looking statements are generally accompanied by terms or phrases such as "estimate," "guidance," "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, production, drilling locations, capital expenditures, 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 NOG'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 NOG's properties and properties pending acquisition, infrastructure constraints and related factors affecting our properties, cost inflation or supply chain disruptions, NOG's ability to acquire additional development opportunities, integration and benefits of property acquisitions, or the effects of such acquisitions on NOG's cash position and levels of indebtedness, the projected capital efficiency savings and other operating efficiencies and synergies resulting from NOG's acquisition transactions, changes in NOG's reserves estimates or the value thereof, general economic or industry conditions, nationally and/or in the communities in which NOG conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, increasing

attention to environmental, social and governance matters, NOG's ability to consummate any pending acquisition transactions (including the transactions described herein), other risks and uncertainties related to the closing of pending acquisition transactions (including the transactions described herein), NOG's ability to raise or access capital, cyber incidents, changes in accounting principles, policies or guidelines, events beyond NOG's control, including a global or domestic health crisis, acts of terrorism, political or economic instability or armed conflict in oil and gas producing regions or elsewhere, and other economic, competitive, governmental, regulatory and technical factors affecting NOG's operations, products and prices.

NOG 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 NOG's control. Accordingly, results actually achieved may differ materially from expected results described in these statements. Forward-looking statements speak only as of the date they are made. NOG does not undertake, and specifically disclaims, any duty to update or revise any forward-looking statements to reflect events or circumstances after the date of such statements, except as may be required by applicable law or regulation.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/476794--NOG-Announces-Second-Joint-Acquisition-with-Vital-Energy-in-the-Delaware-Basin.html>

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