

Evolution Petroleum Closes Acquisition of Non-Operated Oil and Natural Gas Assets in New Mexico, Texas, and Louisiana

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HOUSTON, April 14, 2025 - [Evolution Petroleum Corp.](#) (NYSE American: EPM) ("Evolution" or the "Company") today announced the closing of its previously announced acquisition of non-operated oil and natural gas assets located in New Mexico, Texas, and Louisiana (the "Acquisition", or "TexMex"). The total purchase price for the Acquisition is \$9.0 million before customary post-closing adjustments, with an effective date of February 1, 2025. The Company funded the Acquisition through a combination of cash on hand and borrowings under its existing credit facility.

Strategic Benefits of the Acquisition:

- Attractive valuation at ~3.4x estimated next 12 months (NTM) Adjusted EBITDA¹ based on current strip pricing.
- Adds ~440 net BOEPD of stable, low-decline production (60% oil and 40% natural gas).
- Provides enhanced cash flow visibility and strengthens long-term dividend sustainability.
- Offers low-risk development upside with potential for incremental production growth.
- \$9.0 million purchase price vs. ~\$13 million of Proved Developed PV-10².

Kelly Loyd, President and Chief Executive Officer, commented: "Despite recent commodity price and market volatility, our TexMex transaction remains highly accretive to both near-term and long-term cash flows and directly supports our core objective - preserving and enhancing the long-term sustainability of our dividend. Our negotiated deal represents a significant discount to PV10 at the current strip and, due to its low-decline nature, should only get better if oil prices move back up to a more normalized price range. TexMex is yet another execution of our proven strategy and represents exactly the kind of transaction that underpins Evolution's long-standing commitment to deliver a stable and sustainable dividend."

About Evolution Petroleum

[Evolution Petroleum Corporation](#) is an independent energy company focused on maximizing total shareholder returns through the ownership of and investment in onshore oil and natural gas properties in the U.S. The Company aims to build and maintain a diversified portfolio of long-life oil and natural gas properties through acquisitions, selective development opportunities, production enhancements, and other exploitation efforts. Visit www.evolutionpetroleum.com for more information.

Non-GAAP Disclosure

Certain financial information utilized by the Company are not measures of financial performance recognized by accounting principles generally accepted in the United States ("GAAP").

Adjusted EBITDA is a non-GAAP financial measure used as a supplemental financial measure by management and external users of the Company's financial statements, such as investors, commercial banks, and others, to assess our operating performance as compared to that of other companies in our industry. We use these measures to assess our ability to incur and service debt and fund capital expenditures. Adjusted EBITDA should not be considered in isolation from or as a substitute for net income, as an indication of operating performance or cash flows from operating activities or as a measure of liquidity. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. The Company defines "Adjusted EBITDA" as net income (loss) plus interest expense, income tax expense (benefit), depreciation, depletion, and accretion (DD&A), stock-based compensation, ceiling test impairment, and other impairments, unrealized loss (gain) on change in fair value of derivatives, and other non-recurring

or non-cash expense (income) items. The Company cannot provide a reconciliation of 2025E Adjusted EBITDA without unreasonable efforts because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items required for reconciliation. These items are uncertain, depend on various factors and could have a material impact on GAAP reported results.

PV-10 is a non-GAAP financial measure that differs from a financial measure under GAAP known as "standardized measure of discounted future net cash flows" in that PV-10 is calculated without including future income taxes. The Company believes the presentation of PV-10 provides useful information because it is widely used by investors in evaluating oil and natural gas companies without regard to specific income tax characteristics of such entities. The Company also uses PV-10 when assessing the potential return on investment related to oil and natural gas properties and in evaluating acquisition opportunities. PV-10 is not intended to represent the current market value of the Company's estimated proved reserves. PV-10 should not be considered in isolation or as a substitute for the standardized measure as defined under GAAP. The Company also presents PV-10 at strip pricing, which is PV-10 adjusted for price sensitivities. Since GAAP does not prescribe a comparable GAAP measure for PV-10 of reserves adjusted for pricing sensitivities, it is not practicable for the Company to reconcile PV-10 at strip pricing to a standardized measure or any other GAAP measure.

Cautionary Statement

All forward-looking statements contained in this press release regarding the Company's current and future expectations, potential results, and plans and objectives involve a wide range of risks and uncertainties. Statements herein using words such as "believe," "expect," "may," "plans," "outlook," "should," "will," and words of similar meaning are forward-looking statements. Although the Company's expectations are based on business, engineering, geological, financial, and operating assumptions that it believes to be reasonable, many factors could cause actual results to differ materially from its expectations. The Company gives no assurance that its goals will be achieved. These factors and others are detailed under the heading "Risk Factors" and elsewhere in our periodic reports filed with the Securities and Exchange Commission ("SEC"). The Company undertakes no obligation to update any forward-looking statement.

Contact

Investor Relations
(713) 935-0122
ir@evolutionpetroleum.com

1) Adjusted EBITDA is Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization and is a non-GAAP financial measure; see disclosures at the end of this release for more information. NTM Adjusted EBITDA multiple based on Company estimates and NYMEX strip pricing as of 4/11/25.

2) PV-10 is based on current NYMEX strip prices as of 4/11/25 and is a non-GAAP financial measure; see disclosures at the end of this release for more information.

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