
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K/A
Amendment No. 1

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 14, 2018

NORTHERN OIL AND GAS, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33999
(Commission File Number)

95-3848122
(IRS Employer
Identification No.)

601 Carlson Parkway, Suite 990
Minnetonka, Minnesota
(Address of principal executive offices)

55305
(Zip Code)

Registrant's telephone number, including area code (952) 476-9800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

EXPLANATORY NOTE

On September 17, 2018, Northern Oil and Gas, Inc. (the “Company”) completed the acquisition of certain oil and gas properties and interests from Pivotal Williston Basin, LP and Pivotal Williston Basin II, LP (together, the “Pivotal Entities”), effective as of June 1, 2018 (together, the “Pivotal Acquisitions”).

This Amendment No. 1 on Form 8-K/A is being filed by the Company to amend its current report on Form 8-K filed with the Securities and Exchange Commission (“SEC”) on September 18, 2018 (the “Original Report”), solely to provide the disclosures required by Item 9.01 of Form 8-K that were omitted from the Original Report, including the required financial statements of the Pivotal Entities and the required pro forma financial information. Except as otherwise provided herein, the disclosures made in the Original Report remain unchanged.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The statements of revenues and direct operating expenses of the Pivotal Entities for the year ended December 31, 2017 and six months ended June 30, 2018 and 2017 are filed as Exhibit 99.5 hereto and incorporated herein by reference.

(b) Pro Forma Financial Information.

The unaudited pro forma financial statements of the Company for the year ended December 31, 2017, and as of and for the six months ended June 30, 2018, are furnished as Exhibit 99.6 hereto and incorporated herein by reference. The unaudited pro forma financial statements furnished herewith give effect to both (i) the Pivotal Acquisitions and (ii) the W Energy Acquisition (as defined below).

The “W Energy Acquisition” closed on October 1, 2018, and is described in the Company’s current report on Form 8-K filed with the SEC on October 1, 2018 (the “Original W Energy Report”), as amended by Amendment No. 1 on Form 8-K/A filed with the SEC on the same date that this report is being filed.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
23.1	<u>Consent of Weaver and Tidwell, L.L.P., Independent Public Accounting Firm.</u>
99.5	<u>Statements of Revenue and Direct Operating Expenses of the Pivotal Entities for the year ended December 31, 2017 and six months ended June 30, 2018 and 2017.</u>
99.6	<u>Unaudited Pro Forma Financial Statements for the Year Ended December 31, 2017 and as of and for the Six Months Ended June 30, 2018.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 23, 2018

NORTHERN OIL AND GAS, INC.

By /s/ Erik J. Romslo

Erik J. Romslo

Executive Vice President, General Counsel and Secretary

CONSENT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

We consent to the inclusion of our report dated September 12, 2018 with respect to the statement of revenues and direct operating expenses of certain properties from Pivotal Williston Basin, LP and Pivotal Williston Basin II, LP, acquired by Northern Oil and Gas, Inc. for the year ended December 31, 2017, incorporated in the Current Report on Form 8-K.

/s/ WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
October 23, 2018

Independent Auditors' Report

To the Board of Managers of
Northern Oil and Gas, Inc.

We have audited the accompanying statement of revenues and direct operating expenses (the financial statement), which comprise the revenues and direct operating expenses of certain oil and gas properties from Pivotal Williston Basin, LP and Pivotal Williston Basin II, LP (collectively, the Partnership), for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the revenues and direct operating expenses of the Partnership for the year ended December 31, 2017 in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

The accompanying financial statement referred to above was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. Accordingly, the financial statement is not intended to be a complete presentation of the operations of the Partnership.

/s/ WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
September 12, 2018

Pivotal Williston Basin, LP & Pivotal Williston Basin II, LP
Statement of Revenues and Direct Operating Expenses

	Year Ended December 31, 2017
Revenues	
Oil and natural gas revenues	\$ 50,047,098
Total Revenues	<u>50,047,098</u>
Direct Operating Expenses	
Lease operating expense	8,352,270
Transportation	3,853,464
Ad Valorem	1,634
Production taxes	<u>4,307,119</u>
Total Direct Operating Expenses	<u>16,514,487</u>
Revenues in excess of direct operating expenses	<u>\$ 33,532,611</u>

See accompanying notes to the Statement of Revenues and Direct Operating Expenses

Pivotal Williston Basin, LP & Pivotal Williston Basin II, LP
Statements of Revenues and Direct Operating Expenses

	<u>Six Months Ended June 30,</u> <u>2018</u> <u>(unaudited)</u>	<u>Six Months Ended June 30,</u> <u>2017</u> <u>(unaudited)</u>
Revenues		
Oil and natural gas revenues	\$ 30,217,195	\$ 27,729,856
Total Revenues	<u>30,217,195</u>	<u>27,729,856</u>
Direct Operating Expenses		
Lease operating expense	3,465,597	5,134,965
Transportation	1,498,635	2,655,350
Ad Valorem	—	1,634
Production taxes	<u>2,757,243</u>	<u>2,518,046</u>
Total Direct Operating Expenses	<u>7,721,475</u>	<u>10,309,995</u>
Revenues in excess of direct operating expenses	<u>\$ 22,495,720</u>	<u>\$ 17,419,861</u>

See accompanying notes to the Statement of Revenues and Direct Operating Expenses

PIVOTAL BASIN LP & PIVOTAL BASIN II, LP
STATEMENT OF REVENUES AND DIRECT OPERATING EXPENSES

1. Basis of Presentation

On July 17, 2018, Pivotal Williston Basin, LP and Pivotal Williston Basin II, LP (“Pivotal”) entered into a purchase and sale agreement (the “PSA”) to sell to Northern Oil and Gas Inc. (“Northern”) its working interest in the Pivotal Williston Basin assets (the “Pivotal working interest”) for a total of \$68.4 million in cash and 25,753,578 shares of Northern Oil and Gas Inc. common stock, subject to customary purchase price adjustments. The PSA contains customary representations and warranties, covenants, indemnification provisions and conditions to closing. The parties expect that the transaction will close on September 15, 2018 and will be effective as of June 1, 2018.

The accompanying audited statement include revenues from oil (including condensate and gas liquids) and gas production and direct operating expenses associated with the Pivotal Williston Basin, LP and Pivotal Williston Basin II, LP working interest. The accompanying statements vary from a complete income statement in accordance with accounting principles generally accepted in the United States of America in that they do not reflect certain indirect expenses that were incurred in connection with the ownership and operation of the Pivotal working interest including, but not limited to, general and administrative expenses, interest expense and federal and state income tax expenses. These costs were not separately allocated to the Pivotal working interest in the accounting records. Furthermore, no balance sheet has been presented for the Pivotal working interest because the divested properties were not accounted for as a separate subsidiary or division of Pivotal and complete financial statements are not available, nor has information about the Pivotal working interest’s operating, investing and financing cash flows been provided for similar reasons. Accordingly, the historical Statements of Revenues and Direct Operating Expenses of the Pivotal working interest are presented in lieu of the full financial statements required under Item 305 of Securities and Exchange Commission (“SEC”) Regulation S-X.

These Statements of Revenues and Direct Operating Expenses are not indicative of the results of operations for the Pivotal working interest on a go forward basis.

2. Summary of Significant Accounting Policies

Use of Estimates. The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that the reported amounts of revenues and expenses during the reporting period and in disclosure of contingencies.

Revenue Recognition and Natural Gas Balancing. Sales of oil, natural gas and NGLs are recorded when title of oil, natural gas and NGL production passes to the customer, net of royalties, discounts and allowances, as applicable. Taxes assessed by governmental authorities on oil, natural gas and NGL sales are presented separately from such revenues and included in production tax expense in the consolidated statements of operations.

Direct Operating Expenses—Direct operating expenses are recognized when incurred and consist of direct expenses of operating the Pivotal working interest. The direct operating expenses include lease operating, processing and transportation expenses, and production taxes.

3. Commitments and Contingencies

Risks and Uncertainties. The Company’s revenue, profitability and future growth are substantially dependent upon the prevailing and future prices for oil and natural gas, each of which depends on numerous factors beyond the Company’s control such as overall oil and natural gas production and inventories in relevant

markets, economic conditions, the global political environment, regulatory developments and competition from other energy sources. Oil and natural gas prices historically have been volatile, and may be subject to significant fluctuations in the future.

Production targets contained in certain gathering and treating agreements require the Company to incur capital expenditures or make associated shortfall payments, as discussed above. The Company depends on cash flows from operating activities, member contributions and, as necessary, borrowings to fund its capital expenditures.

4. Subsequent Events

The Company has evaluated subsequent events through September 12, 2018, the date the statements of revenue and direct expenses were available to be issued.

Supplemental reserve information (Unaudited)

The following unaudited supplemental reserve information summarizes the net proved reserves of oil and gas and the standardized measure thereof for the year ended December 31, 2017 attributable to the Pivotal working interest. All of the reserves are located in the United States. The following table sets forth certain information with respect to the reserves attributable to the Pivotal working interest for 2017. The reserve disclosures are based on reserve studies prepared in accordance with the guidelines established by the SEC.

There are numerous uncertainties inherent in estimating quantities and values of proved reserves and in projecting future rates of production and the amount and timing of development expenditures, including many factors beyond the property owner's control. Reserve engineering is a subjective process of estimating the recovery from underground accumulations of oil and gas that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Because all reserve estimates are to some degree subjective, the quantities of oil and gas that are ultimately recovered, production and operating costs, the amount and timing of future development expenditures and future oil and gas sales prices may each differ from those assumed in these estimates. In addition, different reserve engineers may make different estimates of reserve quantities and cash flows based upon the same available data. The standardized measure shown below represents estimates only and should not be construed as the current market value of the estimated oil and gas reserves attributable to the Pivotal working interest. In this regard, the information set forth in the following tables includes revisions of reserve estimates attributable to prove properties included in the preceding year's estimates. Such revisions reflect additional information from subsequent development activities, production history of the Pivotal working interest and any adjustments in the projected economic life of such property resulting from changes in product prices.

Estimated quantities of oil, NGL and natural gas reserves

The following table sets forth certain data pertaining to the Pivotal working interest's proved, proved developed and proved undeveloped reserves for the year ended on December 31, 2017:

Year Ended December 31, 2017	Oil (Bbl)	Gas (Mcf)	Liquids (Bbl)	MCFE	BOE
Beginning of period proved reserves	5,701,888	4,926,571	156,622	40,077,631	6,679,605
Revisions	753,512	1,954,448	427,264	9,039,104	1,506,517
Acquisition of reserves	104,298	187,487	29,250	988,775	164,796
Production	(994,870)	(1,012,660)	(115,598)	(7,675,468)	(1,279,245)
Total proved reserves, end of period	<u>5,564,828</u>	<u>6,055,846</u>	<u>497,538</u>	<u>42,430,042</u>	<u>7,071,673</u>
Proved developed reserves	<u>5,564,828</u>	<u>6,055,846</u>	<u>497,538</u>	<u>42,430,042</u>	<u>7,071,673</u>
Proved undeveloped reserves	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Standardized Measure of Discounted Future Net Cash Flows

The Standard Measure of Discounted Future Net Cash Flows (excluding income tax expense) relating to proved crude oil and natural gas reserves is presented below:

<u>Year Ended December 31, 2017</u>	<u>Pretax Amount</u>	<u>Taxes</u>	<u>After Tax Amount</u>
Future cash inflows (total revenues)	\$ 297,878,878	—	\$ 297,878,878
Future production costs (severance and ad valorem taxes plus LOE)	(141,447,584)	—	(141,447,584)
Future development costs (capital costs)	(14,675,061)	—	(14,675,061)
Future net cash flows	141,756,233	—	141,756,233
10% annual discount for estimated timing of cash flows	(49,542,200)	—	(49,542,200)
Standardized measure of discounted future net cash flows (DFNCF)	<u>\$ 92,214,033</u>	<u>—</u>	<u>\$ 92,214,033</u>

Changes in Standardized Measures

The following table sets forth the changes in standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves for the periods indicated:

<u>Year Ended December 31, 2017</u>	<u>December 31, 2017</u>
Standardized Measure Balance, beginning of year	\$ 62,615,568
Net change in prices and production costs	27,236,549
Net change in future development costs	3,173,744
Oil and Gas net revenue	(33,532,610)
Acquisition of reserves	2,328,644
Revisions of previous quantity estimates	19,789,509
Previously estimated development costs incurred	2,589,981
Accretion of discount	6,261,557
Changes in timing and other	1,751,091
Standardized Measure Balance, end of year	<u>\$ 92,214,033</u>

UNAUDITED PRO FORMA FINANCIAL STATEMENTS AND OTHER DATA

On September 17, 2018, Northern Oil and Gas, Inc. (“Northern”, the “Company”, “we”, and “our”) completed the acquisition of certain oil and gas properties and interests from Pivotal Williston Basin, LP and Pivotal Williston Basin II, LP (together, the “Pivotal Entities”), effective as of June 1, 2018 (the “Pivotal Acquisition”). The acquired assets primarily consist of a package of producing wells, with the Company acquiring approximately 20.8 net producing wells and 2.2 net wells in process, as well as approximately 444 net acres in North Dakota. The purchase agreements provided for an aggregate purchase price consisting of (i) \$68.4 million in cash (subject to typical closing and post-closing adjustments that we estimate will reduce the cash consideration to \$48.2 million), (ii) 25,753,578 shares of our common stock, and (iii) potential additional contingent consideration if our common stock trades below certain price targets.

On October 1, 2018, we completed the acquisition of certain oil and gas properties and interests from WR Operating LLC (“W Energy”), effective as of July 1, 2018 (the “W Energy Acquisition”). The acquired assets consist of approximately 27.2 net producing wells and 5.9 net wells in progress, as well as approximately 10,633 net acres in North Dakota. The purchase agreement, as amended, provided for an aggregate purchase price consisting of (i) \$117.1 million in cash (subject to typical closing and post-closing adjustments that we estimate will reduce the cash consideration to \$97.8 million), (ii) 51,476,961 shares of our common stock, and (iii) potential additional contingent consideration if our common stock trades below certain price targets.

The following unaudited pro forma financial statements present our unaudited pro forma balance sheet as of June 30, 2018, unaudited pro forma statement of operations for the year ended December 31, 2017, and unaudited pro forma statement of operations for the six months ended June 30, 2018. The unaudited pro forma statements of operations have been developed by applying pro forma adjustments to our historical statements of operations to give effect to the Pivotal and W Energy Acquisitions, as if these transactions had occurred on January 1, 2017.

The unaudited pro forma balance sheet has been developed by applying pro forma adjustments to our historical balance sheet to give effect to the Pivotal and W Energy Acquisitions, as if these transactions had occurred on June 30, 2018.

The unaudited pro forma financial statements are for illustrative and informational purposes only and are not intended to represent or be indicative of what our results of operations would have been had the above transactions occurred as of or on the dates indicated. The unaudited pro forma financial statements also should not be considered representative of our future results of operations.

The pro forma adjustments related to the Pivotal and W Energy Acquisitions are based on preliminary estimates, accounting judgments and currently available information and assumptions that management believes are reasonable and are subject to change. Accordingly, these pro forma adjustments are preliminary and have been made solely for the purpose of providing these unaudited pro forma financial statements. Differences between these preliminary estimates and the final acquisition accounting may occur and these differences could be material. The differences, if any, could have a material impact on the accompanying unaudited pro forma financial statements and our future results of operations.

NORTHERN OIL AND GAS, INC.
PRO FORMA BALANCE SHEET
(in thousands)
(unaudited)

As of June 30, 2018

	Historical Northern	Historical W Energy	Pro Forma W Energy Acquisition Adjustments		Pro Forma Pivotal Acquisition Adjustments		Pro Forma Combined
Assets							
Current Assets:							
Cash and cash equivalents	\$ 200,924	\$ 1,590	\$ (99,428)	(a), (c)	\$ (48,189)	(b)	\$ 54,897
Accounts receivable, net	68,273	10,042	(10,042)	(c)	—		68,273
Advances to operators	416	—	—		—		416
Prepaid expenses and other current assets	5,585	391	(391)	(c)	—		5,585
Due from Affiliates	—	104	(104)	(c)	—		—
Income tax receivable	785	—	—		—		785
Total current assets	275,983	12,127	(109,965)		(48,189)		129,956
Oil and Natural Gas Properties, Full Cost Method of Accounting:							
Proved properties	2,754,033	155,970	185,663	(a), (d)	146,134	(b)	3,241,800
Unproved properties	1,830	—	—		—		1,830
Other property and equipment	963	4	(4)	(c)	—		963
Less accumulated depreciation, depletion, amortization and impairment	(2,155,813)	(20,946)	20,946	(d)	—		(2,155,813)
Oil and natural gas properties, net	601,013	135,028	206,605		146,134		1,088,780
Other Assets:							
Deferred income taxes	785	—	—		—		785
Other noncurrent assets, net	5,302	—	—		—		5,302
Total Assets	\$ 883,083	\$ 147,155	\$ 96,640		\$ 97,945		\$ 1,224,823
Liabilities and Stockholders' Equity (Deficit)/Members' Capital							
Current Liabilities:							
Accounts payable	\$ 92,176	\$ 10,260	\$ (10,260)	(c)	\$ —		\$ 92,176
Accrued expenses	5,917	—	—		—		5,917
Accrued interest	4,860	—	—		—		4,860
Derivative instruments	43,645	—	—		—		43,645
Debt exchange derivative	10,923	—	—		—		10,923
Contingent Consideration	—	—	12,444	(a)	5,357	(b)	17,801
Asset retirement obligations—current portion	483	—	—		—		483
Total current liabilities	158,004	10,260	2,184		5,357		175,805
Long-Term Liabilities:							
Long-term debt, net	834,768	9,000	(9,000)	(c)	—		834,768
Derivative instruments	28,611	—	—		—		28,611
Contingent Consideration	—	—	10,515	(a)	3,996	(b)	14,511
Asset retirement obligations, net of current portion	9,400	318	(318)	(c)	—		9,400
Other noncurrent liabilities	120	—	—		—		120
Total Liabilities	\$ 1,030,903	\$ 19,578	\$ 3,381		\$ 9,353		\$ 1,063,215
Stockholders' Equity (Deficit)/Members' Capital:							
Preferred stock, par value \$.001; 5,000,000 authorized, no shares outstanding	—	—	—		—		—
Common stock, par value \$.001; 450,000,000 authorized, 370,830,808 shares outstanding	294	—	51	(a)	25	(b)	370
Members' Capital	—	127,577	(127,577)	(c)	—		—
Additional paid-in capital	886,041	—	220,785	(a)	88,567	(b)	1,195,393
Accumulated deficit	(1,034,155)	—	—		—		(1,034,155)
Total stockholders' equity/members' capital	(147,820)	127,577	93,259		88,592		161,608
Total Liabilities and Stockholders' Equity (Deficit)/Members' Capital	\$ 883,083	\$ 147,155	\$ 96,640		\$ 97,945		\$ 1,224,823

The accompanying notes are an integral part of these financial statements.

NORTHERN OIL AND GAS, INC.
PRO FORMA STATEMENT OF OPERATIONS
(in thousands, except share and per share numbers)
(unaudited)

For the Year Ended December 31, 2017

	Historical Northern	Historical Pivotal Acquisition (g)	Pivotal Acquisition Adjustments	Historical W Energy Acquisition	W Energy Acquisition Adjustments	Pro Forma Combined
REVENUES						
Oil and Gas Sales	\$ 223,963	\$ 50,047	\$ —	\$ 35,496	\$ —	\$ 309,506
Gain (Loss) on Derivative Instruments, Net	(14,667)	—	—	—	—	(14,667)
Other Revenue	23	—	—	—	—	23
Total Revenues	209,319	50,047	—	35,496	—	294,862
OPERATING EXPENSES						
Production Expenses	49,733	12,206	—	9,252	—	71,191
Production Taxes	20,604	4,309	—	2,894	—	27,807
General and Administrative Expenses	18,988	—	—	2,577	—	21,565
Depletion, Depreciation, Amortization, and Accretion	59,500	—	20,941 (e)	8,237	15,696 (f)	104,374
Total Expenses	148,825	16,515	20,941	22,960	15,696	224,937
INCOME (LOSS) FROM OPERATIONS	60,494	33,532	(20,941)	12,536	(15,696)	69,925
OTHER INCOME AND EXPENSE						
Interest Expense, Net of Capitalization	(70,286)	—	—	—	—	(70,286)
Write-Off of Debt Issuance Costs	(95)	—	—	—	—	(95)
Loss on the Extinguishment of Debt	(993)	—	—	—	—	(993)
Other Income (Expense)	116	—	—	46	—	162
Total Other Income (Expense)	(71,258)	—	—	46	—	(71,212)
INCOME (LOSS) BEFORE TAXES	(10,764)	33,532	(20,941)	12,582	(15,696)	(1,287)
INCOME TAX BENEFIT	(1,570)	—	—	—	—	(1,570)
NET INCOME (LOSS)	\$ (9,194)	\$ 33,532	\$ (20,941)	\$ 12,582	\$ (15,696)	\$ 283
Net Income (Loss) Per Common Share - Basic	\$ (0.15)					\$ —
Net Income (Loss) Per Common Share - Diluted	\$ (0.15)					\$ —
Weighted Average Shares Outstanding - Basic	62,408,855		25,753,578 (b)		51,476,961 (a)	139,639,394
Weighted Average Shares Outstanding - Diluted	62,408,855		26,113,957		51,476,961	139,999,773

The accompanying notes are an integral part of these financial statements.

NORTHERN OIL AND GAS, INC.
PRO FORMA STATEMENT OF OPERATIONS
(in thousands, except share and per share numbers)
(unaudited)

	For the Six Months Ended June 30, 2018					
	Historical Northern	Historical Pivotal Acquisition (g)	Pivotal Acquisition Adjustments	Historical W Energy Acquisition	W Energy Acquisition Adjustments	Pro Forma Combined
REVENUES						
Oil and Gas Sales	\$ 195,928	\$ 30,217	\$ —	\$ 41,416	\$ —	\$ 267,561
Gain (Loss) on Derivative Instruments, Net	(62,474)	—	—	—	—	(62,474)
Other Revenue	5	—	—	—	—	5
Total Revenues	133,459	30,217	—	41,416	—	205,092
OPERATING EXPENSES						
Production Expenses	27,037	4,964	—	9,089	—	41,090
Production Taxes	18,054	2,757	—	2,430	—	23,241
General and Administrative Expenses	4,918	—	—	1,158	—	6,076
Depletion, Depreciation, Amortization, and Accretion	41,227	—	10,040 (e)	9,680	7,942 (f)	68,889
Total Expenses	91,236	7,721	10,040	22,357	7,942	139,296
INCOME (LOSS) FROM OPERATIONS	42,223	22,496	(10,040)	19,059	(7,942)	65,796
OTHER INCOME AND EXPENSE						
Interest Expense, Net of Capitalization	(45,510)	—	—	(76)	—	(45,586)
Write-Off of Debt Issuance Costs	—	—	—	—	—	—
Loss on the Extinguishment of Debt	(90,833)	—	—	—	—	(90,833)
Other Income (Expense)	538	—	—	—	—	538
Total Other Income (Expense)	(135,805)	—	—	(76)	—	(135,881)
INCOME (LOSS) BEFORE TAXES	(93,582)	22,496	(10,040)	18,983	(7,942)	(70,085)
INCOME TAX BENEFIT	—	—	—	—	—	—
NET INCOME (LOSS)	\$ (93,582)	\$ 22,496	\$ (10,040)	\$ 18,983	\$ (7,942)	\$ (70,085)
Net Income (Loss) Per Common Share - Basic	\$ (0.71)					\$ (0.34)
Net Income (Loss) Per Common Share - Diluted	\$ (0.71)					\$ (0.34)
Weighted Average Shares Outstanding - Basic	131,039,552		25,753,578 (b)		51,476,961 (a)	208,270,091
Weighted Average Shares Outstanding - Diluted	131,039,552		25,753,578		51,476,961	208,270,091

The accompanying notes are an integral part of these financial statements.

NOTE 1. BASIS OF PRO FORMA PRESENTATION

These financial statements present our unaudited pro forma balance sheet as of June 30, 2018, unaudited pro forma statement of operations for the year ended December 31, 2017 and unaudited pro forma statement of operations for the six months ended June 30, 2018. These unaudited statements have been developed by applying pro forma adjustments to our historical financial statements to give effect to the Pivotal and W Energy Acquisitions.

The unaudited pro forma financial statements were prepared in accordance with Regulation S-X Article 11 of the Securities and Exchange Commission.

The pro forma adjustments related to the purchase price allocation of the Pivotal and W Energy Acquisitions are preliminary and are subject to revisions as additional information becomes available. Revisions to the preliminary purchase price allocation may have a significant impact on the pro forma amounts of depreciation, depletion, amortization, and accretion expense. The pro forma adjustments related to the Pivotal Acquisition reflect the fair values of the assets as of September 17, 2018 (the closing date of the transaction). The pro forma adjustments related to the W Energy Acquisition reflect the fair values of the assets as of October 1, 2018 (the closing date of the transaction). The pro forma adjustments related to these acquisitions do not necessarily reflect the fair values that would have been recorded if the applicable acquisition had occurred on January 1, 2017 or June 30, 2018.

The unaudited pro forma financial statements should be read together with our historical financial statements and the related notes as of and for the year ended December 31, 2017 and the six months ended June 30, 2018, the historical statements of revenues and direct operating expenses for the Pivotal Acquisition for the year ended December 31, 2017, and the six months ended June 30, 2018, and the historical financial statements and related notes for the W Energy Acquisition as of and for the year ended December 31, 2017, and the six months ended June 30, 2018.

The pro forma financial information presented gives effect to pro forma events that are (1) directly attributable to the Pivotal and W Energy Acquisitions, (2) factually supportable and (3) with respect to the pro forma statements of operations, expected to have a continuing impact. The pro forma financial information is not necessarily indicative of financial results that would have been attained had the Pivotal and W Energy Acquisitions occurred on the date indicated or which could be achieved in the future. The pro forma adjustments are based on currently available information and certain estimates and assumptions. However, our management believes that the assumptions provide a reasonable basis for presenting the significant effects of the transactions as contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma financial statements.

NOTE 2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

The accompanying unaudited pro forma combined financial statements reflect the following pro forma adjustments:

- (a) Represents the preliminary purchase price allocation for the W Energy Acquisition of \$341.6 million, consisting of (i) \$97.8 million in cash (which reflects the \$117.1 million unadjusted cash consideration provided for in the purchase agreement, as amended, less \$2.2 million of working capital adjustments made at closing and \$17.0 million of additional estimated post-closing working capital adjustments), (ii) 51,476,961 shares of our common stock valued at \$220.8 million, based on the \$4.29 per share closing price of our common stock on the closing date of the W Energy Acquisition, and (iii) \$23.0 million in value attributable to the potential additional contingent consideration.
- (b) Represents the preliminary purchase price allocation for the Pivotal Acquisition of \$146.1 million, consisting of (i) \$48.2 million in cash (which reflects the \$68.4 million aggregate unadjusted cash consideration provided for in the purchase agreements, less \$7.8 million of working capital adjustments made at closing and \$12.4 million of additional estimated post-closing working capital adjustments), (ii) 25,753,578 shares of our common stock valued at \$88.6 million, based on the \$3.44 per share closing price of our common stock on the closing date of the Pivotal Acquisition, and (iii) \$9.4 million in value attributable to the potential additional contingent consideration.
- (c) Represents the elimination of historical assets, liabilities, and members' capital related to the W Energy Acquisition that we are not acquiring or assuming.
- (d) Represents the elimination of the historical W Energy Acquisition proved oil and natural gas properties of \$156.0 million and related accumulated depreciation, depletion, amortization, and accretion of \$20.9 million, which was offset by the preliminary purchase price allocation for the W Energy Acquisition of \$341.6 million, which was recorded as proved oil and natural gas properties.
- (e) Represents the increase in depreciation, depletion, amortization, and accretion expense computed on a unit of production basis following the preliminary purchase price allocation to proved oil and natural gas properties, as if the Pivotal Acquisition was consummated on January 1, 2017.

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- (f) Represents the increase in depreciation, depletion, amortization, and accretion expense computed on a unit of production basis following the preliminary purchase price allocation to proved oil and natural gas properties, as if the W Energy Acquisition was consummated on January 1, 2017.
 - (g) Represents the historical revenues and direct operating expenses of the Pivotal Acquisition.

**SUPPLEMENTAL PRO FORMA COMBINED OIL AND NATURAL GAS RESERVE AND
STANDARDIZED MEASURE INFORMATION (UNAUDITED)**

The following unaudited supplemental pro forma oil and natural gas reserve tables present how the combined oil and natural gas reserves and standardized measure information of the Company, the Pivotal Acquisition, and the W Energy Acquisition may have appeared had the Pivotal and W Energy Acquisitions occurred on January 1, 2017. The supplemental pro forma combined oil and natural gas reserves and standardized measure information are for illustrative purposes only.

All of the reserves are located in the United States. Reserve estimates are based on the following:

- (a) For the Company's Historical Results: as reported in our Annual Report on Form 10-K for the year ended December 31, 2017, based upon a reserve report prepared by the independent petroleum engineers as of December 31, 2017;
- (b) For the Pivotal Acquisition Historical Results: as reported in its audited statement of revenues and direct operating expenses and related footnotes for the year ended December 31, 2017, based upon a reserve report prepared by the independent petroleum engineers as of December 31, 2017;
- (c) For the W Energy Acquisition Historical Results: as reported in its audited financial statements and related footnotes for the years ended December 31, 2017 and 2016, based upon a reserve report prepared by their internal petroleum engineers as of December 31, 2017;

Numerous uncertainties are inherent in estimating quantities and values of proved reserves and in projecting future rates of production and the amount and timing of development expenditures, including many factors beyond the property owner's control. Reserve engineering is a subjective process of estimating the recovery from underground accumulations of oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Because all reserve estimates are to some degree subjective, the quantities of oil and gas that are ultimately recovered, production and operating costs, the amount and timing of future development expenditures and future oil and gas sales prices may each differ from those assumed in these estimates. In addition, different reserve engineers may make different estimates of reserve quantities and cash flows based upon the same available data. The standardized measure shown below represents an estimate only and should not be construed as the current market value of the estimated oil and natural gas reserves reported below.

The pro forma estimates of proved reserves presented below include only those quantities of oil and natural gas that geologic and engineering data demonstrate with reasonable certainty to be recoverable in future periods from known reservoirs under existing economic, operating and regulatory practices. Proved developed reserves represent only those reserves estimated to be recovered through existing wells. Proved undeveloped reserves include those reserves that may be recovered from new wells on undrilled acreage or from existing wells on which a relatively major expenditure for recompletion or secondary recovery operation is required.

The following tables provide a summary of the changes in estimated proved reserves for the year ended December 31, 2017, as well as pro forma proved developed and proved undeveloped reserves as of the beginning and end of the year, giving effect to the Pivotal and W Energy Acquisitions as if they had occurred on January 1, 2017. The pro forma standardized measure does not include future income taxes attributable to the Pivotal and W Energy Acquisitions as both entities are considered pass-through entities for tax purposes.

Estimated Pro Forma Combined Quantities of Proved Reserves

	Historical Northern Oil and Gas		
	Natural Gas (MMcf)	Oil (MBbl)	MBOE
Proved Developed and Undeveloped Reserves at December 31, 2016	46,832	46,275	54,081
Acquisitions of reserves	—	—	—
Revisions of Previous Estimates	8,839	890	2,363
Extensions, Discoveries and Other Additions	27,637	20,184	24,790
Production	(5,188)	(4,537)	(5,402)
Proved Developed and Undeveloped Reserves at December 31, 2017	<u>78,120</u>	<u>62,812</u>	<u>75,832</u>
Proved Developed Reserves:			
December 31, 2016	<u>32,808</u>	<u>32,245</u>	<u>37,713</u>
December 31, 2017	<u>46,518</u>	<u>38,592</u>	<u>46,345</u>
Proved Undeveloped Reserves:			
December 31, 2016	<u>14,024</u>	<u>14,030</u>	<u>16,368</u>
December 31, 2017	<u>31,602</u>	<u>24,220</u>	<u>29,487</u>
	Historical Pivotal Acquisition		
	Natural Gas (MMcf)	Oil (MBbl)	MBOE
Proved Developed and Undeveloped Reserves at December 31, 2016	5,866	5,702	6,680
Acquisitions of reserves	363	104	165
Revisions of Previous Estimates	4,518	754	1,507
Extensions, Discoveries and Other Additions	—	—	—
Production	(1,706)	(995)	(1,279)
Proved Developed and Undeveloped Reserves at December 31, 2017	<u>9,041</u>	<u>5,565</u>	<u>7,072</u>
Proved Developed Reserves:			
December 31, 2016	<u>5,866</u>	<u>5,702</u>	<u>6,680</u>
December 31, 2017	<u>9,041</u>	<u>5,565</u>	<u>7,072</u>
Proved Undeveloped Reserves:			
December 31, 2016	<u>—</u>	<u>—</u>	<u>—</u>
December 31, 2017	<u>—</u>	<u>—</u>	<u>—</u>
	Historical W Energy Acquisition		
	Natural Gas (MMcf)	Oil (MBbl)	MBOE
Proved Developed and Undeveloped Reserves at December 31, 2016	4,272	1,330	2,042
Acquisitions of reserves	16,632	10,023	12,795
Revisions of Previous Estimates	54	14	23
Extensions, Discoveries and Other Additions	3,228	2,153	2,691
Production	(1,650)	(582)	(857)
Proved Developed and Undeveloped Reserves at December 31, 2017	<u>22,536</u>	<u>12,938</u>	<u>16,694</u>
Proved Developed Reserves:			
December 31, 2016	<u>4,272</u>	<u>1,330</u>	<u>2,042</u>
December 31, 2017	<u>19,308</u>	<u>10,785</u>	<u>14,003</u>
Proved Undeveloped Reserves:			
December 31, 2016	<u>—</u>	<u>—</u>	<u>—</u>
December 31, 2017	<u>3,228</u>	<u>2,153</u>	<u>2,691</u>

	Combined Pro Forma		
	Natural Gas (MMcf)	Oil (MBbl)	MBOE
Proved Developed and Undeveloped Reserves at December 31, 2016	56,970	53,307	62,803
Acquisitions of reserves	16,995	10,127	12,960
Revisions of Previous Estimates	13,411	1,658	3,893
Extensions, Discoveries and Other Additions	30,865	22,337	27,481
Production	(8,544)	(6,114)	(7,538)
Proved Developed and Undeveloped Reserves at December 31, 2017	<u>109,697</u>	<u>81,315</u>	<u>99,598</u>
Proved Developed Reserves:			
December 31, 2016	42,946	39,277	46,435
December 31, 2017	<u>74,867</u>	<u>54,942</u>	<u>67,420</u>
Proved Undeveloped Reserves:			
December 31, 2016	14,024	14,030	16,368
December 31, 2017	<u>34,830</u>	<u>26,373</u>	<u>32,178</u>

**Pro Forma Combined Standardized Measure of Discounted Future Net Cash Flows
(in thousands)**

	As of December 31, 2017			
	Historical Northern Oil and Gas	Historical Pivotal Acquisition	Historical W Energy Acquisition	Combined Pro forma
Future Cash Inflows	\$ 3,143,604	\$ 297,879	\$ 648,643	\$ 4,090,126
Future Production Costs	(1,265,525)	(141,448)	(233,791)	(1,640,764)
Future Development Costs	(409,360)	(14,675)	(57,217)	(481,252)
Future Income Tax Expense	(27,476)	—	—	(27,476)
Future Net Cash Flows	<u>1,441,243</u>	<u>141,756</u>	<u>357,635</u>	<u>1,940,634</u>
10% Annual Discount for Estimated Timing of Cash Flows	(687,257)	(49,542)	(183,833)	(920,632)
Standardized Measure of Discounted Future Net Cash Flows	<u>\$ 753,986</u>	<u>\$ 92,214</u>	<u>\$ 173,802</u>	<u>\$ 1,020,002</u>

**Pro Forma Combined Changes in the Standardized Measure of Discounted Future Net Cash Flows
(in thousands)**

	Year ended December 31, 2017			
	Historical Northern Oil and Gas	Historical Pivotal Acquisition	Historical W Energy Acquisition	Combined Pro forma
Standardized measure, beginning of year	\$ 379,026	\$ 62,616	\$ 20,929	\$ 462,571
Sales of oil and natural gas produced, net of production costs	(153,626)	(33,533)	(23,350)	(210,509)
Extensions and discoveries	217,146	—	28,019	245,165
Previously estimated development costs incurred	46,834	2,590	—	49,424
Net change of prices and production costs	216,217	27,236	2,594	246,047
Change in future development costs	(34,754)	3,174	—	(31,580)
Revisions of previous quantity estimates	28,915	19,789	231	48,935
Accretion of discount	37,942	6,262	14,631	58,835
Change in income taxes	(3,617)	—	—	(3,617)
Acquisition of reserves	—	2,329	133,213	135,542
Changes in timing and other	19,903	1,751	(2,465)	19,189
Standardized measure, end of year	<u>\$ 753,986</u>	<u>\$ 92,214</u>	<u>\$ 173,802</u>	<u>\$ 1,020,002</u>