

Evolution Petroleum Quarterly Review

Quarter Ended March 31, 2018

Forward Looking Statements

This presentation contains “forward-looking statements.” Such statements may relate to capital expenditures, drilling and exploitation activities, production efforts and sales volumes, Proved, Probable, and Possible reserves, operating and administrative costs, future operating or financial results, cash flow and anticipated liquidity, business strategy and potential property acquisitions. These forward-looking statements are generally accompanied by words such as “estimated”, “projected”, “potential”, “anticipated”, “forecasted” or other words that convey the uncertainty of future events or outcomes. Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. These statements are based on our current plans and assumptions and are subject to a number of risks and uncertainties as further outlined in our most recent Forms 10-K and 10-Q. Therefore, the actual results may differ materially from the expectations, estimates or assumptions expressed in or implied by any forward-looking statement and we undertake no obligation to update these estimates for events after this presentation.

Cautionary Note regarding Oil and Gas Reserves – SEC rules allow oil and gas companies to disclose not only Proved reserves, but also Probable and Possible reserves that meet the SEC’s definitions of such terms. We disclose Proved, Probable and Possible reserves in our filings with the SEC. These estimates are by their nature more speculative than estimates of Proved reserves and are subject to greater uncertainties, and accordingly the likelihood of recovering those reserves is subject to substantially greater risk. Our reserves as of June 30, 2017 and for the prior two years were estimated by DeGolyer & MacNaughton, an independent petroleum engineering firm.

Highlights for the Quarter:

- ✓ **Net Income of \$3.1 MM vs \$9.9 MM in Prior Quarter**
 - Prior Quarter included \$6.0MM Tax Benefit
- ✓ **Revenues of \$10.2 MM vs \$11.1 MM in Prior Quarter**
 - Weather-related Production Drop in January 2018
- ✓ **Highest Quarterly Oil Price (\$63.56) since Dec 2014**
 - Significantly Improved Oil and NGL Price Outlook
- ✓ **12-Well Infill Drilling Program Kicked Off at Delhi**
- ✓ **Increased Working Capital to \$28.4 MM**

Condensed Income Statement Data (\$000's)

Quarter Ended	<u>Dec-16</u>	<u>Mar-17</u>	<u>Jun-17</u>	<u>Sep-17</u>	<u>Dec-17</u>	<u>Mar-18</u>
Revenues	\$ 8,530	\$ 9,525	\$ 8,836	\$ 8,538	\$ 11,067	\$ 10,250
<u>Operating Costs:</u>						
Production Costs	\$ 2,292	\$ 2,811	\$ 3,387	\$ 2,892	\$ 2,915	\$ 3,360
G&A Expenses	1,241	1,284	1,225	1,570	1,666	1,843
DD&A Expense	1,308	1,523	1,615	1,519	1,634	1,361
Other Expenses	<u>13</u>	<u>14</u>	<u>25</u>	<u>21</u>	<u>23</u>	<u>23</u>
Total Operating Costs	\$ 4,854	\$ 5,632	\$ 6,252	\$ 6,002	\$ 6,238	\$ 6,587
Income from Operations	\$ 3,676	\$ 3,893	\$ 2,584	\$ 2,536	\$ 4,829	\$ 3,663
Other Income / (Expense)	\$ (7)	\$ 44	\$ (11)	\$ (5)	\$ (4)	\$ (9)
Income Before Taxes	\$ 3,669	\$ 3,937	\$ 2,573	\$ 2,531	\$ 4,825	\$ 3,654
Income Taxes	\$ <u>1,361</u>	\$ <u>1,518</u>	\$ <u>1,072</u>	\$ <u>390</u>	\$ (5,052)	\$ <u>586</u>
Net Income (Loss)	\$ 2,308	\$ 2,419	\$ 1,501	\$ 2,141	\$ 9,877	\$ 3,068
EPS - Basic and Diluted	\$ 0.07	\$ 0.07	\$ 0.05	\$ 0.06	\$ 0.30	\$ 0.09

Quarterly Review – March 31, 2018

Delhi Oil Production and Revenues

Quarter Ended	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Net Oil Production–MBO	166.5	167.6	177.8	182.8	183.8	179.9	166.7	177.8	151.7
Net Price Realized / Bbl Oil	\$ 30.00	\$ 42.95	\$ 42.66	\$ 46.66	\$ 49.29	\$ 46.51	\$ 46.96	\$ 57.30	\$ 63.56
Delhi Oil Revenues (\$000's)	\$ 4,994	\$ 7,200	\$ 7,586	\$ 8,530	\$ 9,061	\$ 8,366	\$ 7,829	\$ 10,186	\$ 9,639

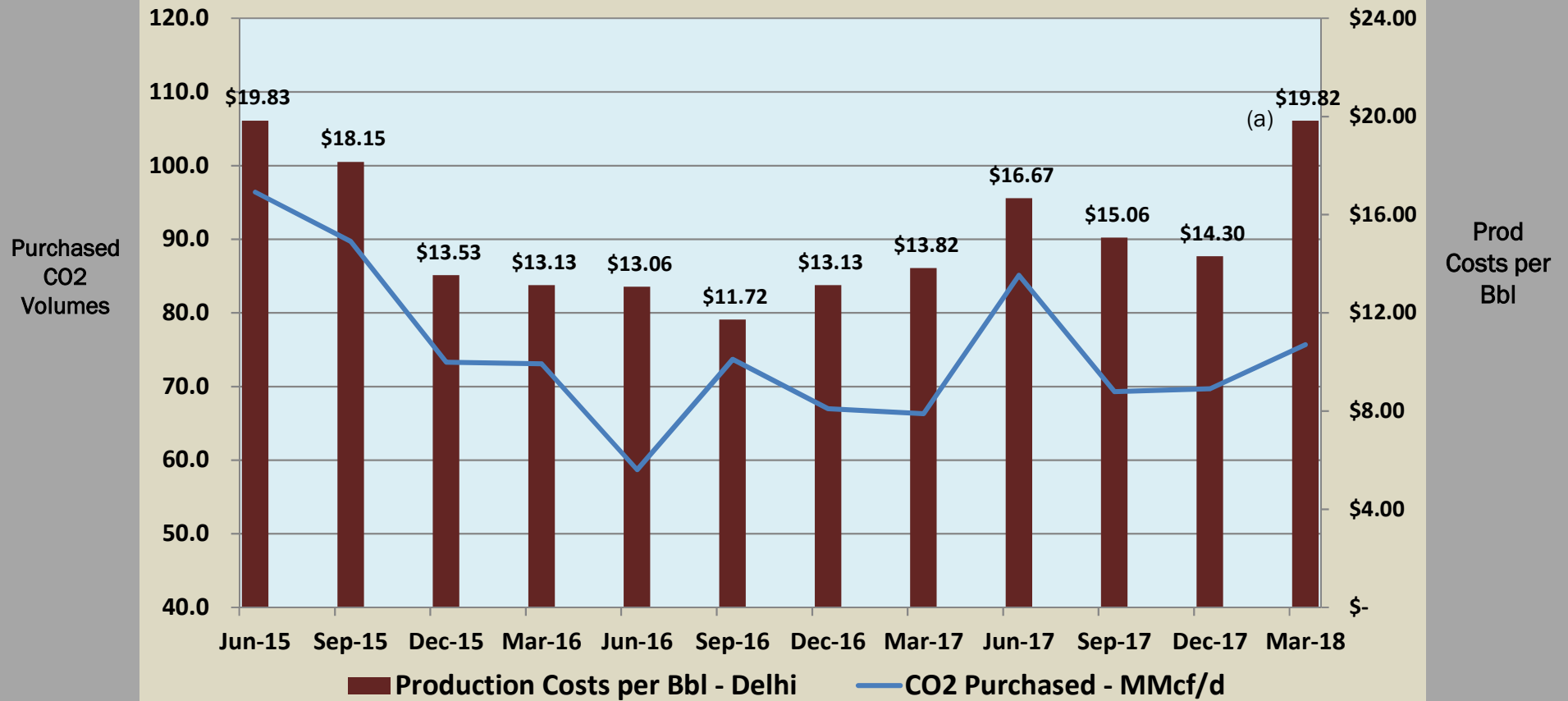
Delhi Oil Price per Barrel and WTI Differential

Quarter Ended	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
WTI Average Price	\$ 33.63	\$ 45.64	\$ 44.94	\$ 49.29	\$ 51.78	\$ 48.15	\$ 48.20	\$ 55.31	\$ 62.89
Posted WTI Price	\$ 31.89	\$ 44.21	\$ 44.18	\$ 48.49	\$ 50.96	\$ 47.81	\$ 47.85	\$ 55.09	\$ 63.01
LLS Price Premium	1.60	2.03	1.73	1.42	1.58	1.95	2.36	5.48	3.99
Less All Pipeline Costs	(3.49)	(3.29)	(3.25)	(3.25)	(3.25)	(3.25)	(3.25)	(3.27)	(3.44)
Net Delhi Price Realized	\$ 30.00	\$ 42.95	\$ 42.66	\$ 46.66	\$ 49.29	\$ 46.51	\$ 46.96	\$ 57.30	\$ 63.56
Premium / (Discount)	\$ (3.63)	\$ (2.69)	\$ (2.28)	\$ (2.63)	\$ (2.49)	\$ (1.64)	\$ (1.24)	\$ 1.99	\$ 0.67

Delhi NGL Price per Barrel vs WTI Oil Price

Quarter Ended	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Net NGL Revenues (\$000's)					\$ 464	\$ 470	\$ 709	\$ 881	\$ 611
Net Realized NGL Price					\$ 23.71	\$ 19.31	\$ 28.07	\$ 33.85	\$ 34.05
Percent of WTI Oil Price					45.8%	40.1%	58.2%	61.2%	54.1%

Delhi Production Costs per BOE vs Purchased CO2 Volumes



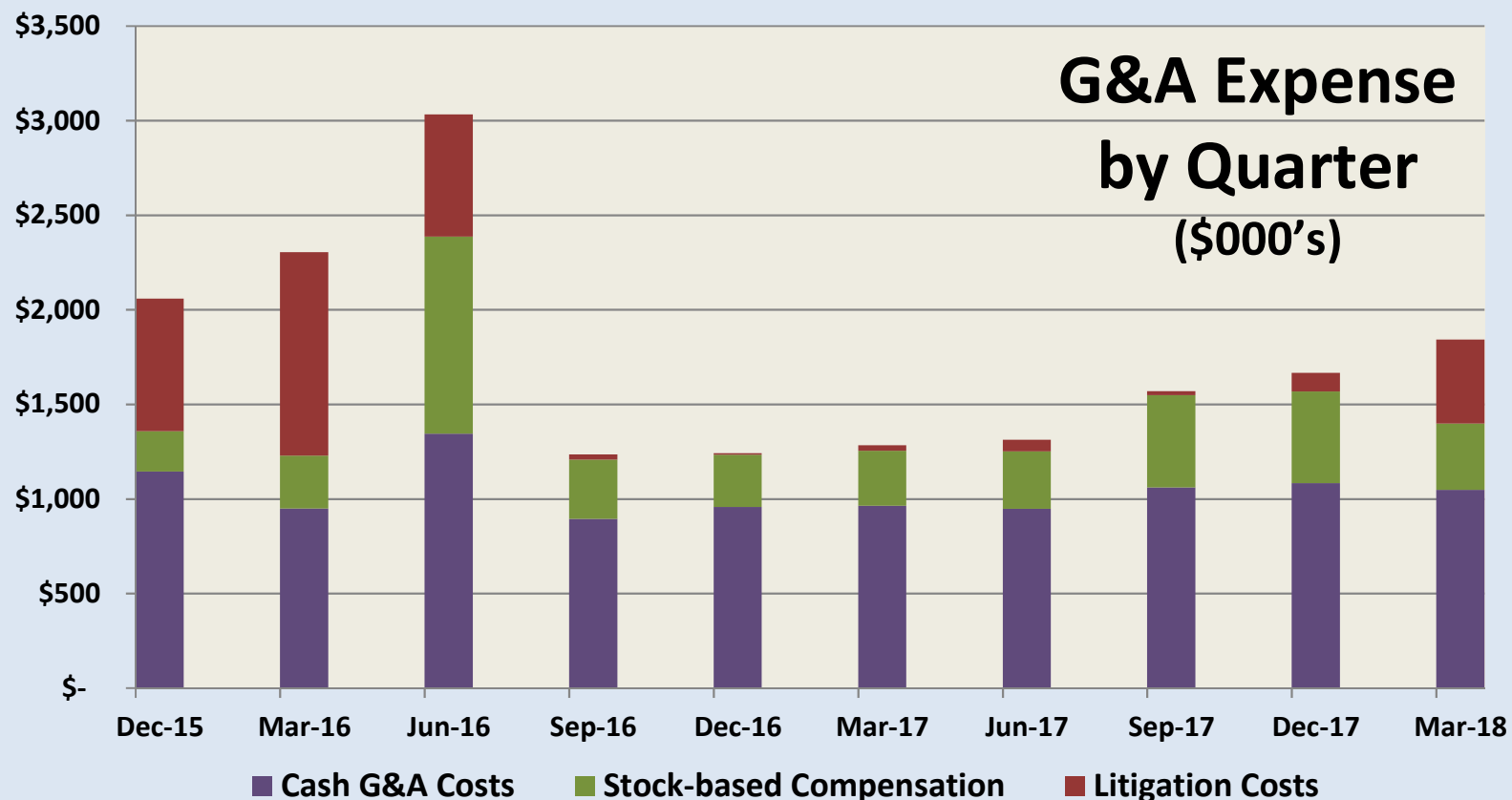
(a) March 2018 production costs per BOE were higher based on increase in purchased CO2 costs from higher oil prices and lower BOE production volumes from abnormal sub-freezing weather in January 2018

Delhi Production Costs

Quarter Ended	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Purchased CO2 Costs	\$ 831	\$ 853	\$ 1,078	\$ 1,042	\$ 1,049	\$ 1,309	\$ 1,088	\$ 1,265	\$ 1,460
Other Delhi Production Costs (a)	1,344	1,111	1,257	1,250	1,762	2,088	1,804	1,649	1,901
Non-Delhi Production Costs	17	68	10	-	-	(10)	-	-	-
Total Production Costs	\$ 2,192	\$ 2,032	\$ 2,345	\$ 2,292	\$ 2,811	\$ 3,387	\$ 2,892	\$ 2,914	\$ 3,361
CO ₂ Purchased - MMcf/d	73.1	58.7	73.7	67.0	66.3	85.1	69.3	69.7	75.7
CO ₂ Cost per Mcf (b)	\$ 0.52	\$ 0.67	\$ 0.67	\$ 0.71	\$ 0.74	\$ 0.71	\$ 0.71	\$ 0.82	\$ 0.90
<u>(a) Detail of Other Delhi Production Costs</u>									
Labor and Overhead	\$ 286	\$ 298	\$ 325	\$ 335	\$ 307	\$ 317	\$ 299	\$ 392	\$ 407
Electricity and Power	314	304	327	320	305	378	314	265	317
Chemicals	168	180	219	142	206	267	175	178	160
Incremental NGL Costs (Est)	-	-	-	-	492	472	484	381	408
Maintenance and Other	576	329	386	453	452	654	532	433	609
Other Delhi Production Costs	\$ 1,344	\$ 1,111	\$ 1,257	\$ 1,250	\$ 1,762	\$ 2,088	\$ 1,804	\$ 1,649	\$ 1,901

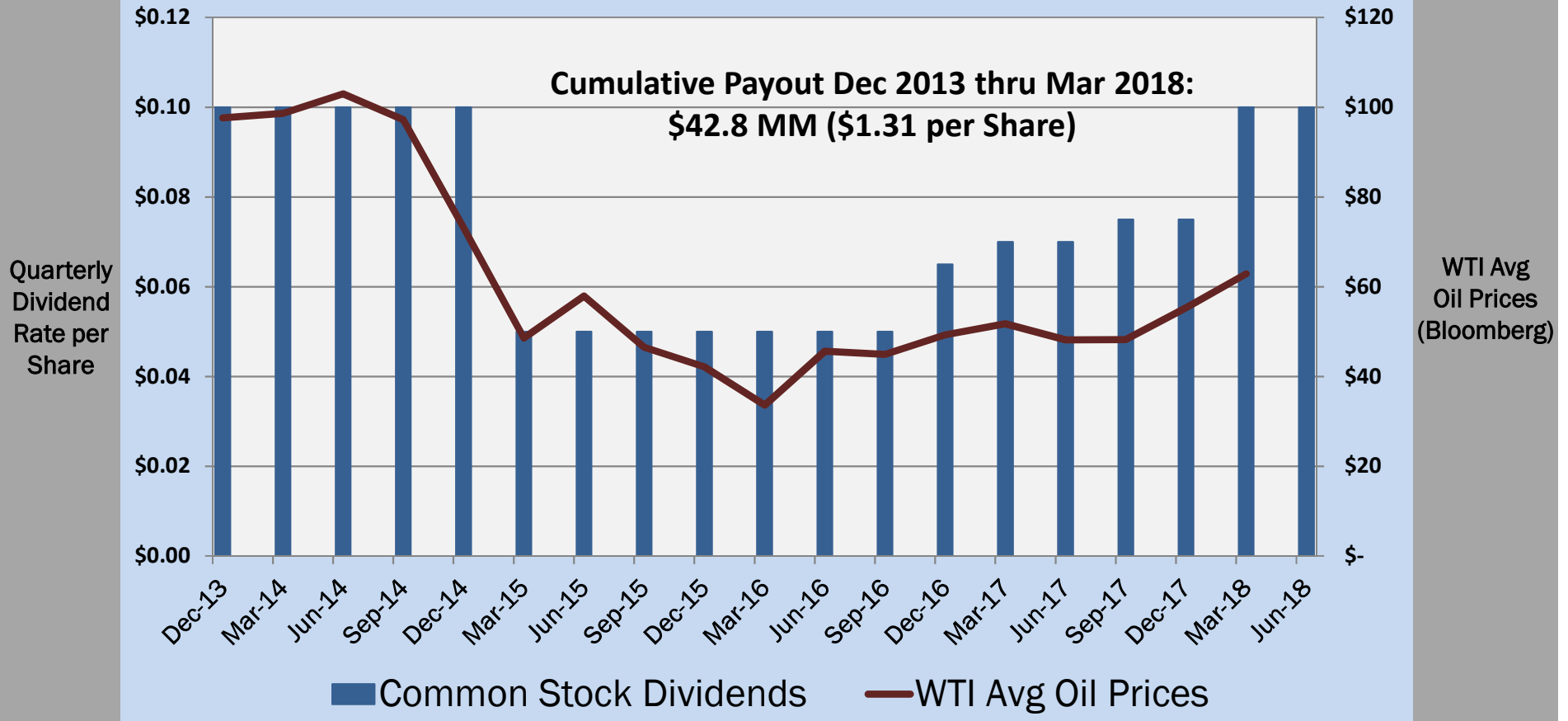
(b) Purchased CO₂ Cost per Mcf is 1% of Delhi Realized Oil Price plus Sales Tax and Pipeline Transportation Costs

Quarterly Review – March 31, 2018



Quarter Ended	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Cash G&A Costs	\$ 1,145	\$ 950	\$ 1,345	\$ 895	\$ 958	\$ 964	\$ 948	\$ 1,061	\$ 1,083	\$ 1,047
Stock-based Compensation	\$ 213	\$ 278	\$ 1,041	\$ 312	\$ 275	\$ 291	\$ 303	\$ 487	\$ 484	\$ 352
Litigation Costs	\$ 700	\$ 1,076	\$ 647	\$ 28	\$ 8	\$ 29	\$ 62	\$ 22	\$ 99	\$ 444

EPM Dividend History vs WTI Oil Prices





Delhi Central CO₂
Processing Facility
and NGL Plant

NGL Plant Operations:

- Avg Production Feb-Mar 2018 ~1,100 BPD; Very Rich Mix:

	12 Months Dec 2017		Quarter March 2018	
NGL Component	Yield	Net Price	Yield	Net Price
Ethane C2	2.9%	\$ 0.00	3.5%	\$ 0.00
Propane C3	26.0%	18.76	26.0%	24.38
Butanes (ISO + Normal) C4	33.1%	24.98	32.4%	29.27
Pentanes Plus (C5 plus)	38.0%	35.32	38.1%	47.79
Total / Average	100.0%	\$ 26.52	100.0%	\$ 34.05

- **NGL Pricing is Very Favorable**
 - Gains in Market Prices, NGL Yield and Quality Improvements
- **Plant Operating at Substantially 100% of Capacity**
 - Supplying Essentially all Electric Turbine Methane Needs

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On Behalf of
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Thank You

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