

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 30, 2020

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001	NOG	NYSE American

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.

Item 3.02. Unregistered Sales of Equity Securities.

On July 30, 2020, Northern Oil and Gas, Inc. (the “Company”) entered into an exchange agreement with holders of the Company’s 8.5% Senior Secured Notes due 2023 (the “Notes”). Pursuant to this agreement, the Company agreed to issue \$3.7 million in agreed upon value of the Company’s common stock, par value \$0.001 per share (“Common Stock”) in exchange for \$4.0 million aggregate principal amount of the Notes and accrued interest thereon. The number of shares of Common Stock to be issued in this exchange will be based on a forward volume-weighted average price (“VWAP”) mechanism. This transaction is expected to close and the shares of Common Stock are expected to be issued on or about September 8, 2020. Upon the closing of this transaction, the Company expects to have approximately \$293.3 million remaining principal amount of Notes outstanding.

On July 30, 2020, the Company entered into an exchange agreement with holders of the Company’s 6.5% Series A Perpetual Cumulative Convertible Preferred Stock (the “Preferred Stock”). Pursuant to this agreement, the Company agreed to issue \$4.0 million in agreed upon value of Common Stock in exchange for 75,970 shares (or \$7.6 million of liquidation value) of Preferred Stock. The number of shares of Common Stock to be issued in this exchange will be based on a forward volume-weighted average price (“VWAP”) mechanism. This transaction is expected to close and the shares of Common Stock are expected to be issued on or about September 8, 2020. Upon the closing of this transaction, the Company expects to have approximately \$221.9 million remaining liquidation value of Preferred Stock outstanding.

The issuance of the shares of Common Stock in exchange for the Notes and the Preferred Stock is being made in reliance on the exemption from registration provided in Section 3(a)(9) of the Securities Act of 1933, as amended.

Item 7.01. Regulation FD Disclosure.

On July 31, 2020, the Company issued a press release relating to agreements to acquire assets in the Williston Basin and the exchange agreements described in Item 3.02 above. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release of Northern Oil and Gas, Inc., dated July 31, 2020.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

SIGNATURES

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: July 31, 2020

NORTHERN OIL AND GAS, INC.

By /s/ Erik J. Romslo
Erik J. Romslo
Chief Legal Officer and Secretary

Northern Oil and Gas, Inc. Announces Multiple Acquisitions and Additional Balance Sheet Enhancement

HIGHLIGHTS

- Acquisitions in total consist of 400 net acres, 0.7 net producing wells, 1.9 net wells in process and 1.0 net undrilled locations in the core of the Williston Basin
- Production from acquisitions primarily expected to come online in mid-2021 and average approximately 820 Boe per day in total for 2021
- Initial acquisition costs of \$3.2 million in cash and 2.95 million shares of common stock
- Northern expects to pay back its acquisition costs and development capital expenses related to the properties within approximately 3 years, and still retaining additional future upside inventory
- Executed additional exchange agreements which will retire \$4.0 million of Senior Notes and \$7.6 million of Preferred Stock

MINNEAPOLIS – July 31, 2020 – Northern Oil and Gas, Inc. (NYSE American: NOG) (“Northern” or the “Company”) today announced that it has entered into definitive agreements to acquire producing properties, wells in process and acreage in the core of the Williston Basin from multiple counterparties (the “Sellers”). In addition, the Company has entered into exchange agreements with holders of its Senior Notes due 2023 and its Series A Preferred Stock.

ACQUISITIONS

Northern has acquired or entered into agreements to acquire non-operated interests for approximately 400 net acres, 0.7 net producing wells, 1.9 net wells in process and 1.0 net undrilled locations from undisclosed Sellers. These assets are primarily operated by Conoco, Continental Resources and WPX Energy and located in McKenzie, Mountrail and Dunn counties. The bulk of the wells in process are expected to come online in the summer of 2021.

All acquisition and development capital in 2020 remains within Northern’s previously stated capital budget.

Total consideration to be paid to the Sellers consists of \$3.2 million in cash and approximately 2.95 million shares of Northern’s common stock, subject to a 180-day lock-up. Additional consideration of up to 450,000 shares shall be paid to the Seller receiving equity consideration, assuming full operation of the Dakota Access Pipeline over a twelve-month period. These transactions are expected to close within 60 days.

Northern is providing a multi-year forecast for production (2-stream), operating cash flow, and development capital for the acquired properties on an unhedged basis, based on recent strip pricing as of July 27, 2020. Northern expects to payback its acquisition costs and expected 2020-2022 capital development expense related to the properties within approximately 3 years given the strong free cash flow profile of the assets.

Acquisition Forecast:	2020	2021	2022	2023
Net Wells Turned-in-Line	0.0	1.9	0.3	0.1
Forecasted Production (boe/d)	41	820	784	566
Cash Flow from Operations	\$0.1	\$8.7	\$8.2	\$5.9
Development Capital Expenditures	\$4.0	\$10.5	\$2.1	\$0.8

MANAGEMENT COMMENT

“We continue to add to our core inventory,” commented Adam Dirlam, Chief Operating Officer of Northern. “Record levels of wells-in-process should drive strong volumes, and improve upon our return on capital employed metrics in 2021 and beyond.”

BALANCE SHEET ENHANCEMENT

Northern entered into an exchange agreement with a holder of the Company’s 8.5% senior secured notes due 2023. Pursuant to this agreement, the Company agreed to issue \$3.7 million in common stock, in exchange for \$4.0 million aggregate principal amount of the Notes, based on a forward pricing mechanism. This includes all accrued interest for the period. This transaction is expected to close on or about September 8, 2020. Upon closing of this transaction, the Company expects to have approximately \$293.3 million remaining principal amount of Notes outstanding, a reduction of \$124.4 million since year end 2019.

Northern entered into an exchange agreement with a holder of the Company’s 6.5% Series A Perpetual Cumulative Convertible Preferred Stock. Pursuant to this agreement, the Company agreed to issue \$4.0 million in common stock, in exchange for \$7.6 million of liquidation value of the Preferred Stock, based on a forward pricing mechanism. This transaction is expected to close on or about September 8, 2020. Upon closing of this transaction, the Company expects to have approximately \$221.9 million remaining liquidation value of Preferred Stock outstanding.

These transactions will reduce Northern’s fixed charges by over \$800,000 on an annual basis, assuming full payment of the preferred dividend.

MANAGEMENT COMMENT

“Northern has continued to methodically reduce its liabilities” commented Chad Allen, Chief Financial Officer of Northern. “We continue a path of acquiring and growing our enterprise while simultaneously reducing risk for our stakeholders.”

ADVISORS

Kirkland & Ellis acted as exclusive legal advisor to Northern in connection with the transaction.

ABOUT NORTHERN OIL AND GAS

Northern Oil and Gas, Inc. is a company with a primary strategy of investing in non-operated minority working and mineral interests in oil & gas properties, 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 and industry conditions 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 and properties pending acquisition, the effects of the COVID-19 pandemic and related economic slowdown, infrastructure constraints and related factors affecting our properties, ongoing legal disputes over and potential shutdown of the Dakota Access Pipeline, 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 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), Northern's ability to raise or access capital, changes in accounting principles, policies or guidelines, financial or political instability, health-related epidemics, 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, except as may be required by the federal securities laws.

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Source: Northern Oil and Gas, Inc.