



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attachment.](#)

Blank lined area for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ [See attachment.](#)


Blank lined area for providing information on resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment.](#)

Blank lined area for providing other information necessary to implement the adjustment.

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶  Date ▶ 12/28/2022

Print your name ▶ Erik Romslo Title ▶ Chief Legal Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

**Attachment to Form 8937**

**Northern Oil and Gas, Inc. (“Company”)**

**Mandatory Conversion of 6.500% Series A Perpetual Cumulative Convertible Preferred Stock to Common Stock**

**Conversion Date: 11/15/2022**

This summary describes certain material U.S. federal income tax consequences of the conversion of the Company’s 6.500% Series A Perpetual Cumulative Convertible Preferred Stock (“Preferred Stock”) into the Company’s common stock (“Common Stock”) to a shareholder who:

- Is a U.S. taxpayer, and
- Holds its shares of Preferred Stock as a “capital asset” within the meaning of the Internal Revenue Code of 1968, as amended (“Code”).

The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons.

**Form 8937, Part II, Box 14:** On November 15, 2022 (the “Mandatory Conversion Date”), all of the 1,643,732 outstanding shares of Preferred Stock were converted into 7,376,739 shares of Common Stock and cash in accordance with Section 8 of the Company’s Certificate of Designations with respect to such Preferred Stock (such action, the “Conversion”).

On the Mandatory Conversion Date, shareholders of the Preferred Stock received 4.4878 shares of Common Stock and a cash payment of \$6.3337 for each share of Preferred Stock converted. In lieu of fractional shares, shareholders received cash of \$35.52 per equivalent Common Share.

On the Mandatory Conversion Date, shareholders of the Preferred Stock who were shareholders of record at the close of business on November 1, 2022 also separately received a final semi-annual cash dividend of \$3.25 per share on the Preferred Stock (“Preferred Stock Dividend Payment”). The Preferred Stock Dividend Payment is expected to be treated as a dividend to the extent it is attributable to the Company’s current or accumulated earnings and profits. The tax consequences of such dividend are beyond the scope of this summary.

**Form 8937, Part II, Box 15:** The Conversion is expected to be treated as an exchange of existing Preferred Stock for Common Stock and cash in a transaction intended to qualify as a tax-deferred reorganization under the Code.

Each shareholder of Preferred Stock is expected to recognize gain, if any, to the extent of the lesser of (i) the amount of gain realized in connection with the Conversion (generally equal to the fair market value of all of the consideration received minus the shareholder’s adjusted basis, if any, in the Preferred Stock) and (ii) the amount of cash received in connection with the Conversion (including any cash received in lieu of fractional shares).

A shareholder's aggregate tax basis in the Common Stock received in the Conversion is expected to be equal to the shareholder's aggregate tax basis in the Preferred Stock exchanged, increased by the amount of gain recognized, if any, by the shareholder in connection with the Conversion and decreased by the amount of any cash received by the shareholder.

If a shareholder owned different blocks of Preferred Stock (generally, Preferred Stock acquired on different dates or at different prices), such shareholder should consult its own tax advisor with respect to the determination of the tax bases of the particular shares of Common Stock received in the Conversion.

**Form 8937, Part II, Box 16:** For purposes of calculating the basis adjustments in Box 15, each affected U.S. taxpayer should consult with its own tax advisor to determine the fair market value of the Common Stock received in the Conversion.

**Form 8937, Part II, Box 17:** The Code sections that apply to the Conversion include: Sections 354, 356, 358 & 368.

**Form 8937, Part II, Box 18:** Assuming the Conversion qualifies as a tax-deferred reorganization under Sec. 368(a)(1)(E) of the Code, no loss will be permitted to be recognized in connection with the Conversion.

**Form 8937, Part II, Box 19:** The Company completed the Conversion on November 15, 2022. Consequently, the reportable tax year is 2022 for taxpayers reporting taxable income on a calendar year basis.