5/11/2009

Northern Oil and Gas, Inc. Announces First Quarter Earnings and Provides Operational Update

WAYZATA, Minn., May 11 /PRNewswire-FirstCall/ -- Northern Oil and Gas, Inc. (Amex: NOG) ("Northern Oil") today reported a net loss of $307,325, or $0.01 per share, for the quarter ended March 31, 2009, compared to a net loss of $187,277, or $0.01 per share, during the first quarter of 2008. First quarter revenues were adversely impacted by lower commodity prices and increased differentials. In addition, production volumes were impacted by several wells being shut-in, choked back or delayed in completion due to the difficult pricing environment and extreme weather conditions. Subsequent to March 31, 2009, Northern Oil has observed a significant recovery in oil prices coupled with a tightening of differentials due to seasonal factors as well as the increase in take away capacity. As of the current date, most wells have been opened up to normalized choke/flow levels and realized oil prices have improved substantially. In addition, several of Northern Oil's high working interest wells that were delayed in the first quarter have been scheduled for completion in late May and early June.

Reported sales of oil and natural gas totaled $640,734 for the first quarter of 2009, compared to $285,729 for the first quarter of 2008. Actual sales in the first quarter were $1,046,199 after subtracting a one-time true up of accrued production from 2008. Despite the production disruptions and completion delays in the first quarter, Northern Oil increased its actual production volume by approximately 37% quarter-over-quarter, the fifth consecutive quarterly increase in production. General and administrative expense was $568,635, a decrease of 30% from the fourth quarter of 2008.

Northern Oil produced 27,560 barrels of oil and 2,043 Mcf of associated natural gas during the first quarter of 2009, compared to 3,143 barrels and 4 Mcf during the first quarter of 2008. The realized price per barrel of oil, including hedges, was $38.16, ($37.52 excluding hedges) versus first quarter average pricing of $42.91 for WTI Cushing Spot Oil. Realized prices, including the effect of hedges, were over 49% lower in the first quarter 2009 compared to the fourth quarter of 2008 as a result of lower commodity prices and a decreased amount of production subject to cash flow hedges. Northern Oil's lease operating expense in the first quarter of 2009 was $5.26 per barrel of oil, inclusive of severance taxes, $3.42 per barrel of oil excluding severance taxes. To-date, Northern Oil has developed approximately 4% of its total acreage inventory and has maintained its 100% drilling success rate during 2008 and 2009.

As previously announced, during the first quarter Northern Oil secured a $25 million revolving credit facility with CIT Capital USA Inc. ("CIT"), to provide working capital for exploration and production. Northern Oil plans to use this facility throughout 2009 to fund continued developmental drilling of its core Bakken position. As of March 31, 2009, Northern Oil had borrowed $6 million under the facility at a weighted average interest rate of 6.2%.

Northern Oil's Chief Executive Officer, Michal Reger commented, "We have a substantial position of core Bakken acreage and continue to develop our inventory. Given the significant decline in drilling and completion costs, coupled with rising oil prices, we have seen a vast improvement in the economics of our wells. We have completed recent wells for under $4 million and expect this trend to continue. Our strategy consists of continuing to develop our core Bakken acreage at a very low cost and seek strategic opportunities to grow our presence in the play. As we recently announced, we successfully drilled and completed a third Red River well in Sheridan County, Montana and 15 additional completions in the North Dakota Bakken and Three Forks trend. Since that announcement, we have completed three additional Bakken wells, bringing our current number of producing wells to 56."

Northern Oil is currently participating in the drilling or completion of 22 Bakken or Three Forks wells in North Dakota listed below.

OPERATOR WELL NAME NOG WI COUNTY LOCATION STATUS OBJECTIVE

EOG
RESOURCES SIDONIA 1-06H 11.00% MOUNTRAIL 6-158N/90W COMPLETING BAKKEN

EOG
RESOURCES ROBERTA 1-16H 12.50% MOUNTRAIL 16-151N/90W DRILLING BAKKEN

EOG
RESOURCES AUSTIN 3-4H 1.00% MOUNTRAIL 4-154N/90W COMPLETING BAKKEN

EOG PARSHALL
RESOURCES 12-27H 0.50% MOUNTRAIL 27-152N/90W COMPLETING BAKKEN

EOG
RESOURCES BURKE 17-23H 3.50% MOUNTRAIL 23-155N/90W COMPLETING BAKKEN

EOG
RESOURCES FERTILE 2-1H 0.50% MOUNTRAIL 1-151N/90W COMPLETING BAKKEN

EOG
RESOURCES AUSTIN 23-32H 0.50% MOUNTRAIL 32-154N/90W COMPLETING BAKKEN

EOG COTTONWOOD
RESOURCES 1-22H 0.50% MOUNTRAIL 22-157N/92W COMPLETING BAKKEN

SLAWSON
EXPLOR-
ATION BANDIT 1-29H 27.00% MOUNTRAIL 29-152N/91W COMPLETING BAKKEN

SLAWSON
EXPLOR- NIGHTCRAWLER
ATION 1-17H 5.00% MOUNTRAIL 17-152N/91W COMPLETING BAKKEN

SLAWSON
EXPLOR-
ATION COLT 1-16H 1.50% MOUNTRAIL 16-157N/90W COMPLETING BAKKEN

SLAWSON
EXPLOR-
ATION POLARIS 1-21H 14.50% MOUNTRAIL 21-157N/90W COMPLETING BAKKEN

SLAWSON
EXPLOR-
ATION MAMBA 1-20H 5.00% MOUNTRAIL 20-152N/91W DRILLING BAKKEN

CONOCO- LINCOLN HILL
PHILLIPS 41-18H 2.50% DUNN 18-145N/94W COMPLETING BAKKEN

WINDSOR
ENERGY WOLF 1-4H 16.00% MOUNTRAIL 4-151N/92W COMPLETING BAKKEN

HESS
CORP- RS-BEAN
ORATION 156-91-3229H-1 12.50% MOUNTRAIL 32-156N/91W DRILLING BAKKEN

XTO JORGENSON THREE
ENERGY 43X-5 6.25% MCKENZIE 5-148N/96W DRILLING FORKS

XTO THREE
ENERGY SMOUSE 41-28 25.00% WILLIAMS 28-155N/96W DRILLING FORKS

MARATHON
OIL STROMMEN 14-36H 2.50% DUNN 8-145N/94W COMPLETING BAKKEN

MARATHON RICHARD
OIL BANGEN 21-26H 5.00% MOUNTRAIL 26-151N/93W DRILLING BAKKEN

WHITING
OIL
AND GAS ROHDE 41-1H 10.50% MOUNTRAIL 1-153N/92W DRILLING BAKKEN

WHITING
OIL
AND GAS LACEY 11-12H 1.00% MOUNTRAIL 12-152N/92W DRILLING BAKKEN

ABOUT NORTHERN OIL AND GAS

Northern Oil and Gas, Inc. is an exploration and production company based in Wayzata, Minnesota. Northern Oil's core area of focus is the Williston Basin, specifically the Mountrail County, North Dakota area Bakken and Three Forks/Spanish trend. Northern Oil's secondary objective is conventional, 3D driven, oil and gas exploration and development throughout the Rocky Mountain region.

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 our 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 report regarding our financial position, business strategy, plans and objectives of management for future operations, industry conditions, and indebtedness covenant compliance are forward-looking statements. When used in this report, forward-looking statements are generally accompanied by terms or phrases such as "estimate," "project," "predict," "believe," "expect," "anticipate," "target," "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 our Company's control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following, general economic or industry conditions, nationally and/or in the communities in which our Company conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, our ability to raise capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, other economic, competitive, governmental, regulatory and technical factors affecting our Company's operations, products, services and prices.

We have based these forward-looking statements on our current expectations and assumptions about future events. While our 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 our control.

This press release references working interest percentages that are the best estimates of the Company. Final working interest is not determined until a division order title opinion is completed by the operator and signed off by all participants.

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SOURCE Northern Oil and Gas, Inc.

Released May 11, 2009