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Northern Oil and Gas, Inc. Announces Fiscal Year 2009 Earnings

WAYZATA, Minn., March 8 /PRNewswire-FirstCall/ -- Northern Oil and Gas, Inc. (NYSE/AMEX: NOG) ("Northern Oil") today announced 2009 net earnings of $2,798,952, representing approximately $0.08 per share, on oil and natural gas sales of $15,171,824, compared to 2008 net earnings of $2,424,340 on oil and natural gas sales of $3,542,994.

These results represent a 15% increase in earnings and a 328% increase in oil and natural gas sales compared to 2008. Of the $15,171,824 in oil and natural gas sales for 2009, $6,432,175 occurred in the fourth quarter. Fourth quarter oil and natural gas sales increased 32% compared to the third quarter of 2009, exceeding previous guidance of 20% to 30% sequential sales growth.

RESERVES

Using year-end SEC pricing parameters, Northern Oil's proved reserves were 6,109,066 barrels of oil equivalent ("BOE") as of December 31, 2009, representing a 700% increase over proved reserves as of December 31, 2008. This increase in proved reserves equates to a 2,065% replacement of 2009 production. Reserves using SEC pricing parameters were calculated using constant realized net prices of $53.00 per barrel of oil and $3.93 per 1,000 cubic feet (Mcf) of natural gas.

Estimates of Northern Oil's proved reserves increase substantially to 10,519,428 BOE using constant realized net prices of $71.82 per barrel of oil and $5.07 per Mcf of natural gas, which represent December 31, 2009 spot pricing, consistent with prior SEC pricing methodology. Northern Oil's reserves are comprised of approximately 95% oil and 5% natural gas. These reserves were achieved by drilling approximately 10% of Northern Oil's Bakken prospective acreage.

Finding and development costs for 2009 were $8.23 per BOE based on SEC pricing parameters and 2009 drilling and leasehold capital expenditures of approximately $46 million. All sources finding and development costs, including capitalized amounts, approximated $8.80 per BOE using the same parameters.

2009 PRODUCTION

Northern Oil produced 282,212 BOE during 2009 compared to 51,542 BOE during 2008. These results represent a 448% increase in production compared to 2008.

Northern Oil exited 2009 producing oil and natural gas from 9.19 net wells, with production of approximately 1,508 barrels of oil per day. As of March 1, 2010, Northern has completed or is completing an additional 3.45 net Bakken or Three Forks wells with current production of approximately 1,986 barrels of oil per day.

RECENT DEVELOPMENTS

Northern Oil continues to develop its core Bakken and Three Forks acreage position at an accelerating pace. According to the North Dakota Industrial Commission, 99 rigs are currently drilling in the North Dakota Bakken and Three Forks plays, up from approximately 30 rigs drilling in May of 2009. The significant rig increase in the play continues to accelerate the development of Northern's core acreage position.

Northern Oil and Slawson Exploration Company continue to develop the drilling inventory acquired from Windsor Bakken LLC in Mountrail County, North Dakota. Slawson is currently operating five rigs drilling the Windsor development program as well as other project areas with Northern Oil participation. The Windsor development program now consists of approximately 60 gross wells expected to be completed over the next 14 months, with Northern Oil's average working interest in such wells expected to approximate 20% per well. Seventeen of the 60 wells have been completed and four are currently awaiting completion.

Northern Oil is currently participating in the drilling and completion of the Mayhem #1-19H well located in Roosevelt County, Montana. This well is the westernmost well in which Northern Oil has participated to-date and the first in the Anvil project area operated by Slawson. The well was successfully drilled to total depth and is awaiting completion. Northern Oil owns a 30% working interest in the Anvil program which consists of approximately 12,500 net acres

The initial wells drilled by Slawson in Mountrail County were completed with 9 fracture stimulation ("frac") stages on 640 acre spacing units. Slawson is presently completing 640 acre spacing unit wells with 18 to 22 frac stages, resulting in approximately 60% higher daily production in the first 60 days following completion compared to wells drilled with only 9 frac stages. Slawson recently completed the first 1,280 acre spacing unit well in the program, the Stallion 1-1-12H well, in which Northern Oil owns a 23% working interest, with 36 frac stages, which yielded an initial production rate of 2,735 BOE per day and a 20-day average of 1,525 BOE per day. Northern Oil expects that these recent production rates could result in well payout to be achieved, on average, with approximately three months of production. Importantly, the biggest improvement we have seen is in the significant increase in 20 day production rate. Rather than open the choke for the highest possible 24-hour rate, Northern Oil and Slawson place a higher value on the extended productivity of the wells and the speed with which payout occurs. As such, we believe that the majority of our Slawson operated wells, by producing on a tighter initial choke, may have slightly lower 24 hour rates but significantly higher 20 day rates when compared to historical data and other operators' results.

The following table outlines the most recent Slawson completions and 20-day average production rates:

Well Name	Spacing Unit Size (acres)	Frac Stages	Initial BOE Per Day Production	20-Day Average BOE Per Day Production
Stallion 1-1-12H	1,280	36	2,735	1,525
Zephyr 1-36H	640	18	1,637	1,245
Ripper 1-22H	640	18	2,369	975
Minx 1-29H	640	18	1,475	923
Fox 1-28H	640	18	1,819	1,139
Bazooka 1-20H	640	18	1,290	1,042
			Average: 1,888	Average: 1,142

THREE FORKS DEVELOPMENTS

Northern Oil believes recent discoveries in the Three Forks formation have delineated a large portion of Northern Oil's North Dakota acreage position as being productive in both the Three Forks and Bakken formations. Northern Oil believes the addition of the Three Forks as a separate producing reservoir will yield a significant increase in future reserves.

Northern Oil recently participated with a 6.25% working interest in the Liffrig 29-20 #1H, a Three Forks well in northern Mountrail County operated by Brigham Exploration. According to Brigham, the well achieved an initial production rate of 2,477 barrels of oil equivalent per day during an early 24 hour period. The Liffrig 29-20 #1H was completed in a 1,280 acre spacing unit with 30 frac stages. Northern Oil believes this well delineates a significant portion of Northern Oil's acreage in northern Mountrail County as productive from the Three Forks formation as well as the Bakken.

Northern Oil also participated with a 10% working interest in the recently completed Van Hook 100-15H Three Forks well operated by EOG Resources in southern Mountrail County directly adjacent to the Slawson/Northern Oil Windsor development program. The Van Hook 100-15H came on line with an initial production rate of 1,585 BOE per day and maintained an average rate of approximately 1,000 BOE per day during the initial 30 days of production. The Van Hook 100-15H was completed in a 640-acre spacing unit with 20 frac stages. Northern Oil believes this well delineates a large portion of Northern Oil's southern Mountrail acreage included in the Windsor development program as also productive from the Three Forks as well as Bakken formation.

Northern Oil expects Slawson to spud the first Three Forks test in the Windsor development program on March 20, 2010. The Jericho 2-5H TF will be drilled on a 640 acre spacing unit with Northern Oil participating for an approximate 41% working interest. This Three Forks test well has been designed to be drilled directly below the Jericho 1-5H Bakken well and will test potential communication between the Bakken and Three Forks in a centrally

located unit of the Windsor development program.

RECENT ACREAGE ACQUISITIONS

Northern Oil continues to add to its growing acreage position with several recent acquisitions.

On November 3, 2009, Northern Oil acquired 24 high working interest sections comprised of approximately 11,274 net acres located in western McKenzie and Williams Counties of North Dakota. Northern Oil participated with Slawson as a 50% working interest partner in this acquisition. Drilling operations on these high working interest locations are expected to commence in early 2011.

On November 13, 2009, Northern Oil entered into an agreement with Slawson pursuant to which it acquired a 20% participation interest in Slawson's Big Sky Project in Richland County, Montana. The project area encompasses 11,586 net acres of leases. The first well in this program, the Vandal 1-16H, was successfully drilled to total depth on a 640 acre spacing unit and is awaiting completion.

On November 17, 2009, Northern Oil entered into an Exploration and Development Agreement with Slawson Exploration pursuant to which it acquired a 30% participation interest in Slawson's Anvil Project in Williams County, North Dakota and Roosevelt County, Montana. The project area encompasses 12,500 net acres of leases. The first well in the program, the Mayhem 1-19H, was successfully drilled to total depth on a 640 acre spacing unit and is currently awaiting completion.

In addition to acquiring acreage through large block acquisitions, Northern Oil organically leased approximately 5,289 net mineral acres during 2009 in our core prospect areas.

HEDGING ACTIVITY

Northern Oil has currently hedged 293,000 barrels of oil production for delivery in 2010 at a weighted average swap price of $77.25 per barrel of oil and has hedged 163,000 barrels of oil production for delivery in 2011 at a weighted average swap price of $75.78 per barrel of oil.

2010 CAPITAL EXPENDITURES

Northern Oil expects to drill approximately 15 net wells in 2010 with drilling capital expenditures approximating $67.5 million. The 2010 wells are expected to target both the Bakken and Three Forks. Drilling capital expenditures are expected to increase in 2010 compared to previously published guidance due to the continued success of longer laterals and additional frac stages. Northern Oil currently expects to drill wells during 2010 at an average completed cost of $4.5 million per well. Based on evolving conditions in the field, Northern Oil currently expects to deploy approximately $10 million towards further strategic acreage acquisitions during 2010. Northern Oil currently expects to fund all 2010 drilling commitments using cash-on-hand, cash flow and its currently undrawn credit facility.

RECENT COMPLETION HIGHLIGHTS

The following table illustrates some of the most recent well completions in which Northern Oil participated.

OPERATOR	WELL NAME	NOG WI	COUNTY	LOCATION	FRAC STAGES	BOE Per Day
SINCLAIR OIL AND GAS	HIGHLAND 1-9H	62.50%	MOUNTRAIL	9-T153N/ R93W	12	564
SLAWSON EXPLORATION	STALLION 1-1-12H	23.00%	MOUNTRAIL	1-T151N/ R93W	36	2,735
SLAWSON EXPLORATION	MINX 1-29H	22.00%	MOUNTRAIL	29-T152N/ R92W	18	1,475
OASIS PETROLEUM	EDWARDS 5992 44-10	21.00%	BURKE	3-T159N/ R92W	28	478
EOG RESOURCES	VAN HOOK 100-15H TFS	10.00%	MOUNTRAIL	15-T152N/ R91W	20	1,585
BRIGHAM EXPLORATION	LIFFRIG 29-20 1-H TFS	6.25%	MOUNTRAIL	29-T156N/ R92W	30	2,477
CONTINENTAL RESOURCES	NORMAN 1-9H	5.50%	MCKENZIE	9-T150N/ R96W	18	1,366
CONTINENTAL RESOURCES	ARVID 2-34H	5.00%	DIVIDE	34-T161N/ R95W	18	407
SLAWSON EXPLORATION	FOX 1-28H	4.50%	MOUNTRAIL	28-T152N/ R92W	18	1,819
SLAWSON EXPLORATION	ZEPHYR 1-36H	4.00%	MOUNTRAIL	36-T152N/ R93W	18	1,637
SLAWSON EXPLORATION	HOWITZER 1-25H	4.00%	MOUNTRAIL	25-T152N/ R92W	18	1,156
SLAWSON EXPLORATION	BAZOOKA 1-20H	2.74%	MOUNTRAIL	20-T152N/ R92W	18	1,290

Michael Reger, Northern Oil's Chief Executive Officer, commented, "We are very excited to see the accelerated

development of our acreage targeting the Bakken and Three Forks formations. In addition, we believe the quality of wells continues to improve, primarily as a result of an increased number of fracture stages during well completion. We expect this improvement along with downspacing and additional Three Forks production to provide Northern Oil with high quality drilling inventory for years to come. We believe Northern Oil is well positioned to continue to develop its core Bakken and Three Forks position with significant drilling inventory, a strong cash position and no debt."

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 Bakken and Three Forks trend 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 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.

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