12/15/2011

# Northern Oil and Gas, Inc. Provides Operations Update and 2012 Capital Expenditure Budget

WAYZATA, Minn., Dec. 15, 2011 /PRNewswire/ -- Northern Oil and Gas, Inc. (NYSE/AMEX: NOG) ("Northern Oil") today provided an operations update and established its expected 2012 capital budget.

## ACREAGE AND DRILLING UPDATE

During the fourth quarter of 2011 through December 12, 2011, Northern Oil has acquired leasehold interests covering approximately 7,600 net mineral acres for an aggregate cost of $19 million, or approximately $2,500 per net acre. As a result, Northern Oil controls over 160,000 net acres in the Williston Basin Bakken and Three Forks play as of December 12, 2011.

Northern Oil has spud approximately 11 net wells during the fourth quarter of 2011 through December 12, 2011, bringing the cumulative net wells spud in 2011 to approximately 37 through December 12, 2011. Northern Oil reaffirms that it expects to spud approximately 40 total net wells in 2011.

During the fourth quarter of 2011 through December 12, 2011, Northern Oil has added production from 98 gross (9.9 net) wells. Northern Oil is currently participating in an additional 203 gross (21.4 net) Bakken or Three Forks wells drilling, awaiting completion or completing as of December 12, 2011. Northern Oil reaffirms that it expects to exit the fourth quarter of 2011 with production volumes of approximately 10,000 barrels of oil equivalent per day.

## 2012 DRILLING AND CAPITAL EXPENDITURES

Based on recent rig activity and pace of drilling in the Williston Basin, Northern Oil currently expects to spud approximately 44 net wells and spend approximately $325 million in drilling capital expenditures during 2012. Northern Oil anticipates average completed costs per net well will approximate $7.4 million during 2012, primarily due to its exposure to more long lateral wells, which are increasingly drilled on 1,280 acre spacing units using synthetic proppants.

Northern Oil also expects to continue deploying additional capital toward strategic acreage acquisitions throughout 2012, generally consistent with past practices. Northern Oil currently expects to fund all 2012 capital expenditures with cash flows and borrowings.

## 2012 DERIVATIVES ACTIVITY

Northern Oil currently has approximately 1.4 million total barrels of oil subject to derivative contracts for 2012, including one million barrels swapped with a weighted average price of $90.87, and 400 thousand barrels collared with a weighted average floor price of $88.28.

## RECENT COMPLETION HIGHLIGHTS

The following table illustrates certain highlighted well completions in which Northern Oil has recently participated with a working interest ("WI").

| WELL NAME | OPERATOR | COUNTY, STATE | WI* | IP** |
|---|---|---|---|---|
| ROSE 147-99-28-2H | CONOCO | MCKENZIE, ND | 50.00% | 628 |
| MUSTANG 2-22H | SLAWSON | MOUNTRAIL, ND | 39.56% | 1,135 |
| OLSON RANCH 1-21-16H | G3 OPERATING | ROOSEVELT, MT | 33.00% | 607 |
| STAMPEDE 2-36-25H | SLAWSON | WILLIAMS, ND | 25.00% | 666 |
| LYNN 5502 11-10H | OASIS | WILLIAMS, ND | 15.68% | 669 |
| EN- JORSTAD 157-94-0904-1 | HESS | MOUNTRAIL, ND | 11.89% | 1,558 |
| GABRIEL 3-36-25H | SLAWSON | MCKENZIE, ND | 10.94% | 3,525 |

* The WI noted above are based on Northern Oil's internal records and are subject to verification by operators' third-party legal counsel in connection with the preparation of final division order title opinions.

** The "IP" means the initial production ("IP") rate expressed in barrels of oil equivalent per day. The IP rate is the 24-hour "Peak Production Rate." Peak Production Rates may be established following the initial day of production, depending on operator design or well flowback profiles. The IP rate may be estimated based on other third party estimates or limited data available at this time. The IP is computed using barrels of oil equivalent.

## CURRENT DRILLING ACTIVITY

The following table illustrates the Bakken or Three Forks wells drilling, awaiting completion or completing in which Northern Oil is participating with a working interest of at least one percent (1%) as of December 12, 2011.

| | WELL NAME | OPERATOR | COUNTY, STATE | WI* |
|---|---|---|---|---|
| 1 | MENACE 1-17-20H | SLAWSON | MOUNTRAIL, ND | 59.56% |
| 2 | KNUDSVIG 12-1-160-100H 1PB | BAYTEX | DIVIDE, ND | 57.11% |
| 3 | HIGHLAND 2-9H | SINCLAIR | MOUNTRAIL, ND | 54.57% |
| 4 | PROBE 1-19-30H | SLAWSON | MOUNTRAIL, ND | 50.06% |
| 5 | JOHNSON 30-31-161-99H | BAYTEX | DIVIDE, ND | 47.93% |
| 6 | COLETTE 21X-18 | XTO | WILLIAMS, ND | 46.46% |
| 7 | JOHNSON 25-36-160-100H 1BP | BAYTEX | DIVIDE, ND | 45.10% |
| 8 | TITAN 36-25-164-99H | SAMSON | DIVIDE, ND | 42.67% |
| 9 | SORCERER 1-14-15H | SLAWSON | MOUNTRAIL, ND | 42.16% |
| 10 | SCOUT 1-18H | SLAWSON | MOUNTRAIL, ND | 41.29% |
| 11 | TURBO 2-21-16H | SLAWSON | DUNN, ND | 36.43% |
| 12 | CONDOR 1-36-25H | SLAWSON | MCKENZIE, ND | 35.94% |
| 13 | CHARLIE SORENSON 17-8 2-H | BRIGHAM | MOUNTRAIL, ND | 33.58% |
| 14 | DENALI 13-24-163-98H | SAMSON | DIVIDE, ND | 32.45% |
| 15 | HOLLAND 9-19H | NORTH PLAINS | WILLIAMS, ND | 32.40% |
| 16 | LIDO 11-2-162-98H | SAMSON | DIVIDE, ND | 29.83% |
| 17 | CROSBY CREEK 1-5H | SINCLAIR | DUNN, ND | 29.63% |

| | | | | |
|---|---|---|---|---|
| 18 | STARLING 11-2-163-96H | SAMSON | DIVIDE, ND | 29.27% |
| 19 | AV-SCHWARTZ-163-93-1102H-1 | HESS | BURKE, ND | 29.08% |
| 20 | RAVEN 1-13H | SLAWSON | MOUNTRAIL, ND | 28.47% |
| 21 | OAKLAND 151-103-29B-32-1H | PETRO HUNT | MCKENZIE, ND | 28.47% |
| 22 | OPPEGAARD 9-9H | NORTH PLAINS | WILLIAMS, ND | 28.12% |
| 23 | VANVILLE 21-2635H | EOG | BURKE, ND | 28.08% |
| 24 | VANVILLE 22-2623H | EOG | BURKE, ND | 28.08% |
| 25 | DORADO 14-23-162-98H | SAMSON | DIVIDE, ND | 27.83% |
| 26 | PELICAN 26-35-162-96H | SAMSON | DIVIDE, ND | 27.30% |
| 27 | ZI CLIFFSIDE 12-11H | ZENERGY | MCKENZIE, ND | 26.80% |
| 28 | REGAL 12-1-162-98H | SAMSON | DIVIDE, ND | 25.89% |
| 29 | PIGEON 30-31-162-96H | SAMSON | DIVIDE, ND | 24.63% |
| 30 | PHEASANT 14-23-163-96H | SAMSON | DIVIDE, ND | 24.03% |
| 31 | PERSON 24-35H | MARATHON | DUNN, ND | 23.03% |
| 32 | STALLION 2-1-12H | SLAWSON | MOUNTRAIL, ND | 22.41% |
| 33 | KANDIYOHI 19-2932H | EOG | BURKE, ND | 21.88% |
| 34 | HORSE CREEK 5004 42-35H | OASIS | MCKENZIE, ND | 21.87% |
| 35 | GORHMAN 14-31TFH | CONOCO | DUNN, ND | 21.36% |
| 36 | GORHMAN 24-31MBH | CONOCO | DUNN, ND | 21.36% |
| 37 | MARAUDER 13-24-162-98H | SAMSON | DIVIDE, ND | 21.30% |
| 38 | THOMTE 8-5-163-99H | SAMSON | DIVIDE, ND | 21.30% |
| 39 | CUTTHROAT 1-22H | SLAWSON | RICHLAND, MT | 20.00% |
| 40 | ROVER 1-20H | SLAWSON | RICHLAND, MT | 20.00% |
| 41 | CPEC JURASIN 32-29-163N-100W | SAMSON | DIVIDE, ND | 19.95% |
| 42 | OBENOUR 150-99-21-16-1H | NEWFIELD | MCKENZIE, ND | 18.75% |
| 43 | REGETH 22-1H | HESS | DUNN, ND | 18.75% |
| 44 | EN-LONETREE FARMS 156-94-0805H-2 | HESS | MOUNTRAIL, ND | 18.71% |
| 45 | CRESCENT FARMS 7-6 1H | ZAVANNA | MCKENZIE, ND | 17.88% |
| 46 | SEVRE 1-22H | CONTINENTAL | WILLIAMS, ND | 17.19% |
| 47 | STATE JAEGER 1-16-21H-142-94 | OXY | DUNN, ND | 15.63% |
| 48 | EN-KIESEL 155-94-1918H-2 | HESS | MOUNTRAIL, ND | 15.03% |
| 49 | ANDROID #1-6H | SLAWSON | RICHLAND, MT | 14.78% |
| 50 | GO-SOLBERG 15-31H | HESS | WILLIAMS, ND | 14.76% |
| 51 | NOMAD 6-7-163-99H | SAMSON | DIVIDE, ND | 14.71% |
| 52 | BW-R PETERSON 149-99-0211H-1 | HESS | MCKENZIE, ND | 13.95% |
| 53 | MONTCLAIR #1-12-163-99H | SAMSON | DIVIDE, ND | 13.29% |
| 54 | RHODA 24-31H | MARATHON | MOUNTRAIL, ND | 12.82% |
| 55 | HILLY 22-15 1H | BRIGHAM | MCKENZIE, ND | 12.66% |
| 56 | MIRAMAR 1-32AH | CONTINENTAL | MCKENZIE, ND | 12.63% |
| 57 | EN-PERSON 156-94-1102H-2 | HESS | MOUNTRAIL, ND | 12.55% |
| 58 | EN-PERSON 156-94-1102H-3 | HESS | MOUNTRAIL, ND | 12.55% |
| 59 | LOSTWOOD 1-1201H | EOG | MOUNTRAIL, ND | 12.52% |
| 60 | LOSTWOOD 18-1224H | EOG | MOUNTRAIL, ND | 12.52% |
| 61 | STANLEY 28-21-156-91H | SAMSON | MOUNTRAIL, ND | 12.50% |
| 62 | CHITWOOD 34-36H | WHITING | MCKENZIE, ND | 12.50% |
| 63 | MATTER STATE 3-17H | CORNERSTONE | BURKE, ND | 12.50% |
| 64 | MOE 19-18-162-100H 1PB | BAYTEX | DIVIDE, ND | 12.24% |
| 65 | FERTILE 28-26H | EOG | MOUNTRAIL, ND | 11.88% |
| 66 | LOSTWOOD 16-3526H | EOG | MOUNTRAIL, ND | 11.52% |
| 67 | LOSTWOOD 21-1402H | EOG | MOUNTRAIL, ND | 11.51% |
| 68 | LOSTWOOD 22-1423H | EOG | MOUNTRAIL, ND | 11.51% |
| 69 | EN-POSTOVIT 157-93-0706H-1 | HESS | MOUNTRAIL, ND | 11.35% |
| 70 | BURESH 34-10TFH | WHITING | STARK, ND | 11.32% |
| 71 | LOSTWOOD 25-1510H | EOG | MOUNTRAIL, ND | 11.20% |
| 72 | LOSTWOOD 10-2227H | EOG | MOUNTRAIL, ND | 11.19% |
| 73 | EN-SELBY 157-93-0805H-1 | HESS | MOUNTRAIL, ND | 11.18% |
| 74 | SIDONIA 9-35H | EOG | MOUNTRAIL, ND | 10.78% |
| 75 | CLEARWATER 25-3202H | EOG | MOUNTRAIL, ND | 10.29% |
| 76 | EN-SABLE 157-93-3534H-1 | HESS | MOUNTRAIL, ND | 10.23% |
| 77 | LESLIE 42X-13 | XTO | MCKENZIE, ND | 10.16% |
| 78 | SHORT PRAIRIE 2-1011H | EOG | WILLIAMS, ND | 9.94% |
| 79 | ELSIE DVORAK 1-8-17H-141-96 | OXY | DUNN, ND | 9.74% |
| 80 | JOHNSON 1-3H | SINCLAIR | MCKENZIE, ND | 9.42% |
| 81 | GJOA LYNN 10012H | ARSENAL | MOUNTRAIL, ND | 9.38% |
| 82 | SQUADRON 1-15-14H | SLAWSON | ROOSEVELT, MT | 8.78% |
| 83 | ANDERSON 12-18H | TRUE OIL | MCKENZIE, ND | 8.66% |
| 84 | CHRISTIANA 21X-06 | XTO | WILLIAMS, ND | 8.12% |
| 85 | STATE JABLONSKY 1-12H-141-95 | OXY | DUNN, ND | 7.97% |
| 86 | CITADEL 2-11-2H | SLAWSON | ROOSEVELT, MT | 7.79% |
| 87 | SCHILKE 16-21-1H | NORTH PLAINS | WILLIAMS, ND | 7.69% |
| 88 | QUALE 1-1H | CONTINENTAL | MCKENZIE, ND | 7.69% |
| 89 | 1-H OSMOND 3-10 | NEWFIELD | WILLIAMS, ND | 7.51% |
| 90 | BURIAN 1-27H | CONTINENTAL | BILLINGS, ND | 7.36% |
| 91 | INGEBRET 1-8H | CONTINENTAL | DIVIDE, ND | 7.33% |
| 92 | BLACK HAWK USA 31-16H | MARATHON | MOUNTRAIL, ND | 7.05% |
| 93 | THORVALD 2-6H | CONTINENTAL | DUNN, ND | 6.70% |
| 94 | HALLIDAY 2-25-36H | HUNT OIL | DUNN, ND | 6.38% |
| 95 | GO-BIWER 15-35H | HESS | WILLIAMS, ND | 6.25% |
| 96 | EN-JOHNSON -A 155-94-2932H-2 | HESS | MOUNTRAIL, ND | 6.25% |
| 97 | KANDIYOHI 21-3427H | EOG | BURKE, ND | 6.25% |
| 98 | DULETSKI 21-30TFH | WHITING | BILLINGS, ND | 6.25% |
| 99 | LONETREE 2758 43-9H | OASIS | ROOSEVELT, MT | 6.25% |
| 100 | DAVID SADOWSKY 1-11-14H-142-96 | OXY | DUNN, ND | 6.25% |
| 101 | KOSTENKO 30-138-97 A 1H | CHESAPEAKE | STARK, ND | 6.22% |
| 102 | KATE 2-19H | CONTINENTAL | DUNN, ND | 6.15% |
| 103 | HAUGE 13-21H | SM ENERGY | DIVIDE, ND | 6.08% |
| 104 | CLEARWATER 16-3301H | EOG | MOUNTRAIL, ND | 6.07% |
| 105 | FOREST 26-35 #1H | BRIGHAM | MCKENZIE, ND | 6.00% |
| 106 | 1-H HUNTER 17-20 | NEWFIELD | WILLIAMS, ND | 5.55% |
| 107 | SETTERLUND 159-94-28B-33-1H | PETRO HUNT | BURKE, ND | 5.31% |
| 108 | KELTER 7-6H | ZENERGY | MCKENZIE, ND | 5.02% |
| 109 | BRUCE  5-8 1H | ZAVANNA | WILLIAMS, ND | 4.69% |
| 110 | SONOMA 19-30-161-92HOR | SAMSON | BURKE, ND | 4.23% |
| 111 | OXY OLSON 160-90-10-P-1H | OXY | BURKE, ND | 4.17% |

| | | | | |
|---|---|---|---|---|
| 112 | AMBUSH 1-31-30H | SLAWSON | WILLIAMS, ND | 3.96% |
| 113 | EN-JOHNSON 155-94-2017H-2 | HESS | MOUNTRAIL, ND | 3.91% |
| 114 | WILLY 31X-3 | XTO | WILLIAMS, ND | 3.90% |
| 115 | ZEPHYR 2-36H | SLAWSON | MOUNTRAIL, ND | 3.76% |
| 116 | EN-STENBAK 157-94-1324H-1 | HESS | MOUNTRAIL, ND | 3.65% |
| 117 | CHALMERS 5300 31-19H | OASIS | MCKENZIE, ND | 3.45% |
| 118 | GO-GOLDEN VALLEY 157-96-2833H-1 | HESS | WILLIAMS, ND | 3.13% |
| 119 | HARDSCRABBLE 10-2536H | EOG | WILLIAMS, ND | 3.13% |
| 120 | EAST GRIZZLY FEDERAL 3-25-13-3H | KODIAK | MCKENZIE, ND | 3.13% |
| 121 | HALLIDAY 1-30-31H | HUNT OIL | DUNN, ND | 3.09% |
| 122 | WOLTER 15-8H | SM ENERGY | DIVIDE, ND | 3.08% |
| 123 | GLENDON 1-17H | CONTINENTAL | WILLIAMS, ND | 3.05% |
| 124 | DAKOTA-3 BEAR DEN 24-13H2 | DAKOTA | MCKENZIE, ND | 2.92% |
| 125 | EN-THRONSON 154-94-2029H-1 | HESS | MOUNTRAIL, ND | 2.88% |
| 126 | MOE 29-32-162-100H 1BP | BAYTEX | DIVIDE, ND | 2.79% |
| 127 | ABELMANN STATE 21-16 2H | BRIGHAM | MCKENZIE, ND | 2.73% |
| 128 | JORGENSON 158-94-12C-1-1H | PETRO HUNT | BURKE, ND | 2.57% |
| 129 | EN MOORE 157-93-1819H-1 | HESS | MOUNTRAIL, ND | 2.51% |
| 130 | EN-NORSTEDT 157-93-1720H-1 | HESS | MOUNTRAIL, ND | 2.50% |
| 131 | EN-SORENSON B-155-94-3526H-1 | HESS | MOUNTRAIL, ND | 2.35% |
| 132 | LEISETH 1-24H | SM ENERGY | MCKENZIE, ND | 2.34% |
| 133 | SMOKEY 3-6-7-14H | KODIAK | MCKENZIE, ND | 2.20% |
| 134 | EN-HYNEK155-93-0112H-2 | HESS | MOUNTRAIL, ND | 1.82% |
| 135 | EN-HYNEK155-93-0112H-3 | HESS | MOUNTRAIL, ND | 1.82% |
| 136 | JOYCE REPP 21-17H | MARATHON | DUNN, ND | 1.70% |
| 137 | LIBERTY LR 12-11H | EOG | MOUNTRAIL, ND | 1.59% |
| 138 | OVERLAND #1-8H | CONTINENTAL | BURKE, ND | 1.57% |
| 139 | OBRIGEWITCH 11-17TFH | WHITING | STARK, ND | 1.56% |
| 140 | SKUNK CREEK 2-8-17-14H3 | KODIAK | DUNN, ND | 1.56% |
| 141 | SKUNK CREEK 2-8-17-15H | KODIAK | DUNN, ND | 1.56% |
| 142 | FRASER FEDERAL 5300 24-34H | OASIS | MCKENZIE, ND | 1.52% |
| 143 | SCHILKE 1-30H | CONTINENTAL | DIVIDE, ND | 1.51% |
| 144 | PALERMO 2-6-34H | HUNT OIL | MOUNTRAIL, ND | 1.47% |
| 145 | KLEFSTAD 24-25H | WHITING | MOUNTRAIL, ND | 1.46% |
| 146 | TIM ECKELBERG 44-22H | MARATHON | DUNN, ND | 1.39% |
| 147 | HARDSCABBLE 8-0409H | EOG | WILLIAMS, ND | 1.33% |
| 148 | HOVDEN 15-1H | HESS | DUNN, ND | 1.30% |
| 149 | OSTLUND 11-14H | MARATHON | MOUNTRAIL, ND | 1.30% |
| 150 | OSTLUND 11-14TFH | MARATHON | MOUNTRAIL, ND | 1.30% |
| 151 | JAMES HILL 10-0112H | EOG | MOUNTRAIL, ND | 1.25% |
| 152 | RAYMOND 21X-5 | XTO | WILLIAMS, ND | 1.16% |
| 153 | SIDONIA 15-1102H | EOG | MOUNTRAIL, ND | 1.13% |
| 154 | DAWSON 5494 13-1H | OASIS | MOUNTRAIL, ND | 1.13% |
| 155 | EN-RHODE 157-94-3625H-1 | HESS | MOUNTRAIL, ND | 1.07% |
| 156 | CLIFFORD BAKKE 26-35 4H | BRIGHAM | MOUNTRAIL, ND | 1.04% |
| 157 | CLIFFORD BAKKE 26-35 3H | BRIGHAM | MOUNTRAIL, ND | 1.04% |
| 158 | CLEARWATER 4-11H | EOG | MOUNTRAIL, ND | 1.04% |
| 159 | RON 28-33 1H | BRIGHAM | MCKENZIE, ND | 1.04% |
| 160 | BRUNDTLAND 1-15H | CONTINENTAL | DIVIDE, ND | 1.04% |

* The WI noted above are based on Northern Oil's internal records and are subject to verification by operators' third-party legal counsel in connection with the preparation of final division order title opinions.

## MANAGEMENT COMMENT

Michael Reger, Chief Executive Officer, commented, "We believe our growing asset base in the Williston Basin Bakken and Three Forks play will provide for another excellent year in 2012. Given the continued industry-wide investments being made in this play, we believe Northern Oil is well positioned to continue to drive its share value in 2012."

## 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 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 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 regions in which our Company conducts business, oil and gas prices, 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, and 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.

## CONTACT:

Investor Relations
Erik Nerhus
952-476-9800

SOURCE Northern Oil and Gas, Inc.

Released December 15, 2011