*Operator*

Good morning ladies and gentlemen and welcome to the Battalion Oil Corporation Q4 Fiscal Year 2019 Earnings Call. Today's conference is being recorded. At this time, I would like to turn it over to John-Davis Rutkauskas.

*John-Davis Rutkauskas – Director, Corporate Finance & IR*

Good morning. I'm joined by a few of my colleagues today, who I'd like to introduce: Battalion's Chief Executive Officer, Richard Little, our Chief Financial Officer, Ragan Altizer, and our Chief Operating Officer, Daniel Rohling.

This conference call contains forward-looking statements. For a detailed description of our disclaimer, see our earnings release issued yesterday and posted on our website. This conference call also includes references to certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable measure under GAAP are contained in our earnings announcement released yesterday.

We have also published an investor presentation, which may be found on our website and will be referenced during this webcast. As a reminder, Battalion adopted fresh-start accounting as of October 1, 2019 to coincide with the timing of the Company's normal fourth quarter reporting period. Please refer to Battalion's Annual Report on Form 10-K for the year ended December 31, 2019 for further details regarding fresh-start accounting and the information discussed during this webcast.

Now, I will turn it over to our team to present a few scripted remarks, followed by Q&A.

*Richard Little – Chief Executive Officer*

Thank you, John-Davis. I am pleased to welcome listeners to Battalion Oil's Fourth Quarter 2019 earnings call and our first investor update as Battalion Oil Corporation. Admittedly, it has been a long time since we've communicated to the market, and I assure you that a truly transformational change has occurred here. I'm proud of what we've done over the last few months and I hope that after reviewing these milestones, you will understand why. I have to start by first acknowledging that the industry as a whole is currently facing two significant headwinds – first, COVID-19 and second, an all-out oil price war aimed at the US Shale industry.

Battalion's business continuity plan allows us to administer the business 100% remotely, including processing payments and invoices to all stakeholders. That includes vendors, mineral owners, and our workforce. We recognize that we work in an industry critical to the national interest, and we don't take this responsibility lightly. We adhere to all CDC guidelines and are focused on keeping our workforce safe and healthy. While the workflow for our Houston-based employees may lend itself to new technologies and working remotely, our field operations are nuanced: we have made arrangements to create adequate physical space among our field staff and are fortunate that the population density out in the field is relatively low anyway. You'll hear me elaborate more on EH&S later on, and for now I'll emphasize that safety is one of our core values. Therefore, we're ensuring the continuity of our in-person safety meetings -- which we require multiple times per day -- by breaking teams into groups of fewer than 10 people and increasing reliance on ratio communication as necessary.

We really do value the health and safety of our workforce.

In dealing with the price war facing our industry, we are prepared to, (and have in many cases), reacted swiftly. Most of the people on this team have managed through some type of downturn throughout the course of their careers. These experiences have taught us to be more nimble and aware of the signs of slowing market. Due to all of the work we have done over the last few months, we are not only in a position to endure this downturn, we are prepared to be opportunistic with balance sheet friendly M&A. Ragan will walk through fourth quarter highlights in more detail, some of which include ending 2019 with a Net Debt to EBITDA ratio of 1.54x. That's a zip code we plan to live in for a while — even in this environment.

We find ourselves in this position due to substantial realized cost savings operational efficiencies and the solid hedge position that we've built up over the last few months. Our year-end PDP volume is hedged 94% in the first year of our three-year hedge book, with a floor of over $56.00/bbl in 2020 using plain vanilla swaps and 2-way collars. I'm proud that everything we've done together over the last several months affords us security and confidence as we face uncertainty.

In today's presentation, we want you to walk away with the same impression that we had on this asset and on why this investment made sense when we were looking for our next opportunity and why it makes as much sense today as it ever has. We will try to answer the question of "Why?" Why this company – Why Battalion Oil Corporation? Why these assets in the Delaware Basin? And, why now? In a nutshell, this team has a breadth of experience dealing with challenging acreage positions and in challenging markets. We have the expertise to drive down costs and improve performance.

These assets are strong. We are developing an over-pressured oily reservoir that has the potential to compete with Tier 1 acreage across the Permian. And that may come as a surprise from a company that just went through bankruptcy. But it's true. And, we aim to explain "Why?"

The majority of the acreage is already held and requires minimal activity going forward providing a more flexible foundation to adapt to market conditions. And we feel like the time to take advantage of the investment opportunity is now. We've been successful realizing value from companies in the past by getting into positions when the market is distressed. We look for opportunities to get into the business when others are trying to get out. This contrarian view, in my opinion, avails itself to opportunity. The time to get into this business is not when oil is trading at $100/bbl and acreage multiples are excessive. We can create value by focusing on the assets we already have, without betting on oil prices, or type curve improvement, and without relying on leverage to generate growth. .

There are a number of things we've done to further strengthen our financial position. We consolidated our Denver and Houston offices into one office located in Houston, we've reduced our G&A by ~45% and we've integrated a strong technical team that continues to deliver repeatable results, reducing well costs by 32% in less than 6 months without compromising well performance. We've inaugurated an ESG task force to elevate awareness in our organization. We've secured flow assurance for sour gas production at Monument Draw and plan to double treating capacity yet again by the end of Q1 2020. We expect this to service our production over the next couple of years under a 1-rig development program.

We've reduced LOE by almost 30% across all of our operations, and last but not definitely not least, we received our Acid Gas Injection well permit that will allow us to treat our gas much more economically and will be a strong platform for significant, responsible growth in the future.

We are now operating under a new strategy, with a new Board, and newly integrated team. It only seems fitting that when we relisted on the NYSE-American on February 20th, we did so under a new name – Battalion Oil Corporation. This truly is a new company.

In 2019, despite everything that this company went through, we were still able to generate annual oil production growth of 6% to 10,356 bopd or 11,489 bopd in the fourth quarter. We reduced our fourth quarter operating costs to $18.28/boe versus $36.98/boe for the 4th quarter of 2018. That's a 46% improvement. We decreased our adjusted G&A unit cost by 37% to $3.22/boe from $5.08/boe in the same quarter of the previous year.

On slide 4, I just want to make a few points. First, all of the assets Halcon owned before becoming pure play Permian were shed by the end of 2016 so the asset base was totally different long before we arrived. Second, this entity was accustomed to a different business strategy historically than today. The successes of the first phase of the shale revolution, the "land grab" "buy and flip" mentality, does not lend itself to the evolving dynamics of asset development.

Good assets require a calculated plan and tremendous coordination to fully realize NAV. Halcon managed to acquire great acreage but overcapitalized the asset early on and ran out of liquidity to address increasing H2S issues from Monument Draw. We have the benefit of hindsight from which to study the asset's development history to identify clear drivers of value going forward.

The Battalion team takes more of a "walk before you run" approach. After drilling over 400 wells in basin and a history of operating prolific unconventional basins across Texas and LA, we understand the importance of fully understanding the reservoir before sanctioning a full scale development. Integrity is another core value of ours and we want to deliver on what we say we are going to do. That means we need to prove to ourselves that we can create the necessary changes to drive value before we move into a full development mode.

I'm pleased to be joined at Battalion by my colleagues and friends, Ragan and Danny, both of whom I worked with at Ajax Resources which was a private equity backed E&P company that we sold to Diamondback Energy in October 2018. In searching for our next venture, we began evaluating Halcon assets and identified drivers of value that we felt had merit. The operating expenses, including G&A, were too high, the well costs were too high, there wasn't enough treating capacity for the H2S, there are multiple, productive intervals that are not being tested or delineated, the acreage has significant running room with multiple, productive intervals that are not being tested or delineated, and a significant portion of the acreage is in an over-pressured oily area of the basin. We believe we excel at solving these problems and therefore have a good shot at generating value even if we aren't ultimately successful at all of the above.

The strategy and focus of Battalion Oil is to create value organically. We believe we have a strong asset base and an experienced leadership team that understands execution, capital discipline and accountability. This is not the first time we've had to find opportunity on the basin edges where creating efficiencies was imperative to driving value for the investor. In our minds, it's not just about cutting costs, but also about tying our subsurface knowledge to our operations to not only improve well performance, but also improve execution. Of course, we know it makes sense right now to grow through consolidation, but only if it makes sense from a balance sheet standpoint. The benefit that we have over others in our space is if we can't find that M&A value, we have our existing assets to create value.

Our assets are focused in the Delaware Basin, with a 52,000 acre position from three co-located contiguous operating areas that allow for efficient, long lateral development. The acreage is well held and requires very little continuous activity or future capital. Hackberry, for instance, is 95% held by production while Monument and West Quito require only 3 wells every year to hold both areas.

Our capital program continues to be concentrated in Monument where it's not uncommon for IP30s to be in the 1,500 – 2,000 BOEPD range with high oil content. We've had recent results over 3,000 boepd. With the reduction in capex that Danny will review in more detail, we're excited about the prospect of break-evens landing somewhere in the high twenties.

West Quito has the potential to compete for capital with Monument Draw in the very near future. In the southern portion of West Quito where most of the previous development took place, we recently brought on 2 new wells that, after 4 months of production, are outperforming type curve by over 70%. If we continue to drive costs out of the system, these wells will look very attractive. In the northern portion of West Quito, where oil percentages tend to be much higher, we are working to try to block up this acreage to allow for more efficient operations of 10,000' laterals. Today, we can only drill 5,000' laterals. We recently completed a standalone well in this area and are excited to see the results.

Hackberry has the most producing wells and, fortunately, the lowest decline. At an annual decline rate of 15%, this is a great cash flow asset for us.

If you turn to slide 7, We wanted to show you actual data from our relevant experiences together in the Permian and how significantly we affected change in such short period of time. This serves as the basis for our enthusiasm for Permian development. One thing I'll say about these results, and then I'll turn it over to Danny, is that not only did the results get better, but in every instance they became repeatable.

*Daniel Rohling, Chief Operating Officer*

That's exactly right Rich, thanks and good morning everyone. I'm proud to showcase our operating history and to be part of a team that's been together under a few different umbrellas and taken what we've learned after each "at bat" on to the next asset. What we've seen after roughly 400 wells in the Permian gives me confidence in what we can keep doing here – I'm actually excited as ever about our future because it's in circumstances like these that I believe we have and will continue to be separated from other operators for our performance. Our emphasis has been, and still is, understanding how to tie the subsurface, to key operational and economic decisions that impact our bottom line. This has consistently lead to lower capex per foot, lower LOE per Boe and higher returns driving us to achieve the absolute lowest possible breakeven price. At the same time, well performance in the previous two full-scale development programs we led had to improve in order to continue supporting organic growth where we don't need that here. These are undeniably the highest producing horizontal wells per foot that I have operated in the Permian.

Focusing on what we've accomplished at Battalion over the last 7 months, you can see the results of the team's diligent efforts have been substantial: 32% reduction in well cost and almost a 30% reduction in LOE. That's all *while* the organization was constrained by financial restructuring. We're continuing to make improvements and I look forward to sharing more of those results in the near future.

As I said, the marriage of subsurface and operations is a big part of how we execute. I'm pleased with the vast repository of data the asset team has accumulated and that we have at our disposal to dissect. Translating those insights into results actually happened to occur much quicker than we expected. On slide 8, you can see all the wells drilled on the asset historically, with Battalion wells depicted in Red. In both areas we've been actively drilling, we're pushing the limits and have decreased spud to rig release, by ~26% and our overall drilling capital which I'll comment on the next slide. In West Quito, I'd like to point out that we've only had one at-bat, and we drilled a record well coming out of the gates, and that's one of the fastest wells drilled in the area when compared to offset operators, too. This doesn't just happen – I'm extremely proud of our drilling and subsurface team and the continuous improvements they are making.

On slide 9, we wanted to elaborate in a bit of detail on one of the ways we've incorporated this approach in our drilling operations.

As a backdrop, I'll tell you that we came in and focused on 16 fundamental variables we wanted to manipulate in order to reduce drilling costs and cycle times – not all of them worked, but most have had a significant impact.

The wellbore diagram on-top shows two wells on the same pad. What you can see is in the 2602 well, we reached a decision to deviate from our original plan and actively geosteer away limestone's to increase ROP, decrease trips and bottom hole assemblies needed to get to TD which resulted in a savings of nearly half a million dollars.

Again, this is but one of many changes that lowered costs from $688/ft in the first half of 2019 to under $450/ft on average for the last 6 wells.

It doesn't stop with drilling, either. Our subsurface team is tying the rock to the completion designs as well. On slide 10, we're depicting an apparent correlation between frac gradient and stimulation costs.

Here, were using inversion to identify sections of lateral that may be predisposed to higher frac gradient and we're modifying completion design accordingly. This is also just one of many ways we've been able to report a reduction of completion costs from over $605/ft in the first half of the year to under $450/ft in the last 7 wells we completed as a team. That's a 25% reduction and not by simply reducing our job sizes either – on the contrary, we were able to achieve these savings while increasing proppant and fluid volumes across the board.

Before we get into slide 11 I'd also like to mention that diligent work by our production operations team that has resulted in a more stable base decline, with less downtime from a more optimized artificial lift. Our engineered flowbacks and production programs on new wells are also paying dividends. In the fourth quarter, we hit record production multiple times. The team hears me say it at least once a day: we all work for the field operations teams – they are an amazing group and our lifeline at all times, but especially during unprecedented times like we're living in right now.

On slide 11 you can see the result of all the work that went into overhauling H2S handling field-wide. One of the key tenants of our investment thesis here, as Rich discussed, was the opportunity to optimize H2S at Monument: both capacity and cost. slide 11 has a lot of information, but what I'd like to leave you with are three points: (1) We've doubled our capacity to process residual gas produced from our wells, (2) we've secured long-term, firm flow assurance and (3) we've reduced unit costs by 70% from the middle of 2019 to YE principally by re-calibrating the mix of chemicals used to treat the H2S and comprehensively reconstructing critical components of the facility. Again, that's *double* capacity and a *70%* reduction in unit cost.

To foreshadow a bit, we're excited to announce that we've finally obtained a permit for our Acid Gas Injection Well and tell you exactly what that's going to do for us. You can see the incredible capacity expansion the "AGI" brings us depicted in the graph in the lower left of slide 11, but what isn't captured is the fact that we'll also be reducing our treating costs yet again once we're all up and running unlocking yet another driver of value to the bottom line.

As a side note, and because Delaware Basin producers have become increasingly required to grapple with Acid gas handling, I'd like to make a quick distinction and am happy to discuss in more detail if requested: When we discuss handling H2S, it isn't simply a question of gas volume because the concentration of H2S changes from well to well. Therefore it's about volume of <u>sulfur</u>. So you'll see us try to give you a few different measures as we report our performance going forward.

I'm going to shift to slide 12 and hand it back to Rich – I recognize that this quarter is a bit different than how we'll frame the dialogue going forward. Rich already discussed this, but I'll reiterate it on every call that safety and environmental stewardship are pillars of our culture and strategy. If we can't operate safely or compromise on environmental stewardship in anyway, we just won't do it. You'll see us open every presentation with what we're doing in EHS and ESG, because we're aware of its significance and because we're proud of our record.

Rich, I'll let you build on that a bit more.

*Richard Little – Chief Executive Officer*

You've heard us say it a couple of times: Safety is a core value for us.

Together with safety, we have a responsibility and obligation to what is right for the environment. I'm very proud of our safety record: As you can see in the lower lefthand corner of slide 12, we are consistently outperforming the industry and AXPC average TRIR rates. On the spill side, we have drastically reduced our spill volumes both in total and relative to hydrocarbon production. For all of these metrics, we will not be satisfied until we have reduced them down to zero. But for now, I am pleased with the trends.

Something new that I mentioned earlier in the presentation is the formation of an ESG task force that will help elevate the importance and visibility of environmental stewardship and social awareness throughout our organization. Many of these things are things we do on a daily basis, but it's never a bad idea to stress the importance or significance of our actions. For instance, we have been tracking our flaring intensity for some time. If you look at the graph at the bottom, you see that we measure up favorably versus our peers. We recently installed an incinerator at our Valkyrie H2S treating plant to reduce sulfur emission. We also have over 20 VRU's at our major gathering locations. All of our oil and water production is transported across the field via pipeline to reduce truck traffic in the field and on our lease roads. And we've had an active leak detection program in place all along. We own our own FLIR camera and do self-inspections on a regular basis.

With that let me turn it over to Ragan to review the financials.

*Ragan Altizer – Chief Financial Officer*

I'll begin with a focus on our liquidity position and then touch on a few highlights from Q4 19.

Upon emergence from bankruptcy in October we entered into a revolving credit facility led by Bank of Montreal. As of year end 2019, we had a borrowing base of $240 million and $144 million drawn. After giving effect to cash on hand and undrawn letters of credit, we had $99 million of total liquidity at year end.

We recognize the impact the current market environment has on our access to liquidity, and while we believe it is too early to comment specifically on how redetermination season is going to pan out for the industry, we are aware of, and have confidence in a variety of plans to manage our near-term liquidity. We also have confidence in BMO. They have been a reliable partner for us with a strong relationship that pre-dates Battalion, a relationship that was built on a consistent track record of delivering on what we've said -- and therefore a foundation of trust. Battalion's net leverage of 1.54x at year end is among the lowest in the micro-cap space and all of the work that went into our restructuring last year positions us well as we navigate this market.

We're also glad we managed to build a strong hedge book before the price war. Our risk management philosophy is predicated on hedging a high percentage of PDP, 3 years forward, using plain vanilla swaps and two-way collars – There are no 3 way collars or floor eroding instruments in our derivative mix. Our hedge book has a mark-to-market value of $125 million as of last Friday March 20, 2020, which is based on a weighted average hedge price of $54 per barrel on 88% of our PDP volumes for 3 years forward, through 2022.

We have obviously been running a permutation of downside stress-test scenarios and believe that we will remain compliant with covenants and maintain the ability to execute on a cash-flow-neutral plan leaving the company in a position to resume an active capital program when conditions ultimately improve.

Now, I'll walk through a few financial highlights from our fourth quarter and year-end results.

Annual production for 2019 was 10,356 Bopd compared to 9,748 Bopd for 2018, a 6% increase. For Q4 oil production was 11,489 Bopd which exceeded our Q4 plan as our field teams rapidly and effectively deployed their optimization programs. Production for Q4 was made up of 57% oil, 19% NGLs and 24% gas.

Total revenue was $65.6 million for the fourth quarter of 2019, of which oil represented 89%. We realized 95% of the average NYMEX oil price during the quarter as well as a $2 million gain from our hedge program. We reported a GAAP net loss to common stockholders for the fourth quarter of $10.5 million or $0.65 per share. After adjusting for certain items including the effect of unrealized derivative losses, restructuring and reorganization costs, and I refer you to the press release for details of those adjustments, the Company reflected net income of $11.3 million or $0.70 a share. Adjusted EBITDA totaled $32.6 million for the fourth quarter of 2019 and $89.7 million for the full year.

Total operating costs per unit were $18.28 per Boe for the fourth quarter of 2019, compared to $36.98 per Boe in the same quarter last year and $30.40 per Boe for the third quarter. These significant decreases are attributable to optimization of H2S treating operations and substantial reductions in general and administrative costs.

Capital expenditures incurred in Q4 2019 were $36 million including $24 million in D&C and $11 million in infrastructure. Capital expenditures for the full year totaled $259 million compared to $585 million in 2018. D&C expenditures decreased from $438 million in 2018 to $162 million in 2019, and I'll remind you this asset still supported a 6% production growth with that 63% decline in expenditures. Looking ahead to 2020, we had already planned to incur the lion's share of our full year capital in Q1 2020, spudding 5 wells and completing 7. With the change in market conditions, and assuming that these conditions prevail, we expect to incur very little D&C or infrastructure capex in the last 3 quarters of this year.

*Richard Little – Chief Executive Officer*

As I've stated, we've been busy cleaning up the balance sheet and driving down costs. We think we are in a unique position to create value and grow in a down market. We have the right leverage and the right G&A structure to approach M&A from an advantaged position.

But if the right opportunity doesn't present itself, we still have significant growth opportunities within our own asset. As shown in slide 17 we have a significant reserve base with almost 60% of the volume coming from wells that require very little remaining capital. And that's not to mention all of the upside potential that we have yet to delineate when the market conditions are right.

Moving to slide 18, our initial plan for reporting guidance in 2020 was to keep a single rig running throughout the year and complete 12-14 wells. We expected to spend approximately $130MM in total capex and generate about 10% production growth while maintaining a cash flow neutral profile assuming a $55/bbl flat price deck. Given the current price environment, we need to pull back capital and reduce spending. As I said in the beginning of this presentation, we have the ability to react quickly without causing harm to the business. We have now released our frac crew and will evaluate the merits of releasing our drilling rig. The rig is on a pad right now, but we have time between now and the end of May to finish up these wells and make a more informed decision on a path forward. That decision could result in a capital plan reduction of approximately 45% and only completing 6–7 wells. All of those wells are expected to be online in Q1. This efficient use of capital should only result in about a 7% drop in production for the year versus our initial plan for 2020. Said differently, we are forecasting that with this slowdown, we have a plan in place that could hold oil production flat year over year with spending minimal capital.

I know that's a lot to digest and I want to thank you for your attention. These are challenging times and I would be tone deaf not to acknowledge that. But I'll try to do my best to reassure you that we've been here before and all of the work we've been doing over the last 6 months couldn't be a more appropriate preface to the first chapter of our story. You can tell that we're proud of what we've done so far and look forward to sharing more progress with you next quarter. Thank you for your interest in Battalion. That concludes our scripted remarks. I'll turn it back to the Operator to facilitate Q&A.

*Operator*

Thank you. Ladies and gentlemen if you'd like to ask a question you may do so by pressing star one on your telephone keypad. Using a speakerphone, please make sure that the mute function is turned off to allow your signal to reach our equipment. Star one for questions. We'll pause for a moment and to allow everyone an opportunity to signal for questions.

We'll take our first question from Noel Parks with Coker and Palmer. Please go ahead.

*Noel Parks – Coker And Palmer*

Good morning.

*Richard Little – Chief Executive Officer*

Good morning.

*Noel Parks – Coker And Palmer*

I just had a couple of questions. That third processing train that you commissioned this month. The capex for that – was that mostly in 2019 or will it hit mostly in this year.

*Richard Little – Chief Executive Officer*

Yeah I'd say the majority of that was spent in 2019. We'll see some of the capital being spent in 2020 but the majority of it was spent in 2019.

*Noel Parks – Coker And Palmer*

Great, thanks. And you know regarding releasing a rig after June, could you comment on what you have left as far as acreage commitments. I think you only had to do three wells per year to get ahead of the leases. At this time are you more inclined to actually plan for that drilling. Of course we don't know exactly what's going to happen with oil prices. Or are you looking more toward maybe negotiation extensions on those leases coming up next couple of years?

*Richard Little – Chief Executive Officer*

Yeah, Noel, thank you for your question. And I do think you ask an important one with where we're positioned and what separates us from others. Our acreage position, as you mentioned, only assumes that we need to drill three wells per year to hold both West Quito and Monument Draw. We don't have to come back to Monument Draw to hold those leases, but this is a good acreage position for us. The way to think about what we've done is that we've positioned ourselves for the flexibility. So if market recovers, which in our opinion, it will – everyone is going to have a different view on when that happens – I think we've positioned ourselves to weather the storm. And at that point we'll continue the activity. But we do have a good partnership with many of our mineral owners.

And so, we're continuing to work with them on what that future development looks like. But with a commitment, after the current pad, of only three years per year, I think we're in a very manageable position. Hopefully that answers your question. Danny?

*Daniel Rohling – Chief Operating Officer*

Yeah just a little add on there. As you think about the out-years, we need between one and three wells and, like Rich said, no significant activity in the back half of the year to be able to hold all of our leases. So, minimal capex in 2020 but able to react and to capitalize on any market as we go forward.

*Noel Parks – Coker And Palmer*

Great. And – last one – you know, its been a couple of weeks since we've seen oil prices take this last flight downward. Have you received any signals from service vendors, about – if you did decide to hang onto the rig – what sort of cost concessions they might be willing to make?

*Richard Little – Chief Executive Officer*

Yeah, thanks Noel. Good question again. I consider our relationships with our service providers also as partnerships. And so we continue to work with our service providers. You know, during this time our service providers are really going through some difficult times. So, they're trying to figure out how they manage their business. So, we'll keep those communications going. That's also why we said we'll consider the merits of dropping the rig because we are going to continue to have these conversations and we'll pivot with what the market is telling us to do. So, again – yes is the short answer to what you asked. We'll continue those conversations. And again, I think the right moves depend on what the market conditions are.

*Noel Parks – Coker And Palmer*

Great. Thanks a lot.

*Operator*

Star one for questions. We'll pause a moment to assemble the queue.

We have no further questions in the queue. At this point I'd like to the conference back to our speakers for any additional or closing remarks.

*Richard Little – Chief Executive Officer*

Thanks. Again, I want to thank you for your interest in Battalion Oil. I hope that we were able to convey to you why we are excited about the future and how the work we've done over the last few months has prepared us to this downturn.

I realize that is not the case for many of our peers and many of the service providers that we partner with to develop our acreage. So while we talk about our excitement about the future, we recognize that the "here and now" is going to be difficult for many of the workers in our industry. But like we've shown time and time again, this industry is resilient. We will get through this downturn together. And in fact, if you look back at many of the technological advances, and efficiencies that we've experienced in our industry, they were created out of necessity. We learn from these experiences and become even more resilient on the other side of these events. I have no doubt that this will be the case here as well.

In addition to the uncertainty in our industry, families are also having to protect themselves from the spread of the Corona virus. We will continue to put the health and safety our workforce and their families first and foremost as we do our part to stop the spread of the virus.

And finally, in closing, 2019 was a very tumultuous period for the company, but that's now in the rearview mirror. We've emerged a new company with a new culture of capital discipline and a new strategy for creating value going forward as represented in our strong fourth quarter performance. We look forward to reporting on our continued success in the future.

Thanks for your time today.

*Operator*

Ladies and gentlemen this does conclude today's conference. We appreciate your participation. You may now disconnect.

**Contact:**
John-Davis Rutkauskas
Director, Corporate Finance & IR
(832) 538-0551
IR@BattalionOil.com