

INVESTOR UPDATE

NOVEMBER 2021



Disclaimer: Forward Looking Statements



This presentation contains forward-looking statements that are intended to be covered by the safe harbor within the meaning of the Private Securities Litigation Reform Act of 1995 as stated in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of such words such as "expects," "believes," "intends," "anticipates," "plans," "estimates," "guidance," "target," "potential," "possible," or "probable" or statements that certain actions, events or results "may," "will," "should," or "could" be taken, occur or be achieved. The forward-looking statements include statements about the expected future reserves, production, financial position, business strategy, revenues, earnings, costs, capital expenditures, liquidity and debt levels of the Company, and plans and objectives of management for future operations. Forward-looking statements are based on current expectations and assumptions and analyses made by Battalion and its management in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors appropriate under the circumstances. However, whether actual results and developments will conform to statements regarding oil, natural gas liquids or gas reserves is subject to a number of material risks and uncertainties, including but not limited to: further and substantial declines in oil, natural gas liquids or natural gas prices; risks relating to any unforeseen liabilities; the level of success in exploration, development and production activities; adverse weather conditions that may negatively impact development or production activities; the timing of exploration and development expenditures; inaccuracies of reserve estimates or assumptions underlying them; revisions to reserve estimates as a result of changes in commodity prices; impacts to financial statements as a result of impairment write-downs; risks related to levels of indebtedness and periodic redeterminations of the borrowing base under the Company's credit agreement; Battalion's ability to generate sufficient cash flows from operations to meet the internally funded portion of its capital expenditures budget; Battalion's ability to obtain external capital to finance exploration and development operations and acquisitions; the ability to successfully complete any potential acquisitions for value and the risks related thereto; the impacts of hedging on results of operations; uninsured or underinsured losses resulting from oil and natural gas operations; Battalion's ability to replace oil and natural gas reserves; and any loss of senior management or key technical personnel. Battalion's 2020 Annual Report on Form 10-K and subsequent, quarterly reports on Form 10-Q and current reports on Form 8-K, and other Securities and Exchange Commission ("SEC") filings discuss some of the important risk factors identified that may affect Battalion's business, results of operations, and financial condition. Battalion undertakes no obligation to revise or update publicly any forward-looking statements except as required by law.

This presentation includes references to certain non-GAAP financial information, such as adjusted G&A per BOE, gathering and other expense per BOE, and adjusted EBITDA. These measures are presented based on management's belief that they will enable a user of the financial information to understand the impact of these items on reported results. Additionally, this presentation provides a beneficial comparison to similarly adjusted measurements of prior periods. These financial measures are not measures of financial performance under GAAP and should not be considered as an alternative to GAAP. These financial measures may not be comparable to similarly named non-GAAP financial measures that other companies may use and may not be useful in comparing the performance of those companies to Battalion's performance. Refer to Battalion's third quarter earnings release dated November 8, 2021 for a reconciliation of the non-GAAP financial information to the most directly comparable GAAP measure. The earnings release may be found on Battalion's website at: <https://battalionoil.com/investors/>

This presentation has been prepared by Battalion and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Battalion believes these third-party sources are reliable as of their respective dates, Battalion has not independently verified the accuracy or completeness of this information. Some data are based on Battalion's good faith estimates, which are derived from its review of internal sources as well as the 3rd-party sources described above.

Management's use of the term estimated ultimate recovery ("EUR") in this presentation describes estimates of potentially recoverable hydrocarbons that the SEC rules prohibit from being included in filings with the SEC. These are more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized, particularly in areas or zones where there has been limited or no drilling history. We include EUR to demonstrate what we believe to be the potential for future drilling and production by Battalion.

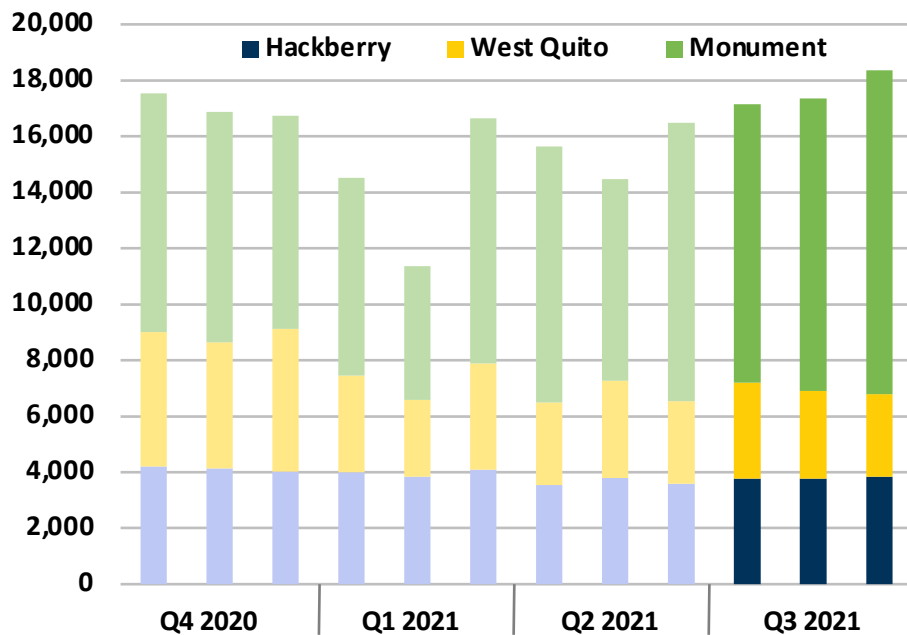
Actual quantities that may be ultimately recovered may differ substantially from estimates. Factors affecting ultimate recovery include the scope of the operators' ongoing drilling programs, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors, and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of potential resources may also change significantly as the development of the properties underlying Battalion's mineral interests provides additional data. This presentation also contains Battalion's internal estimates of its potential drilling locations, which may prove to be incorrect in a number of material ways and may. Actual results may be substantially different than estimates.

Battalion Oil Corporation Overview

Market Snapshot

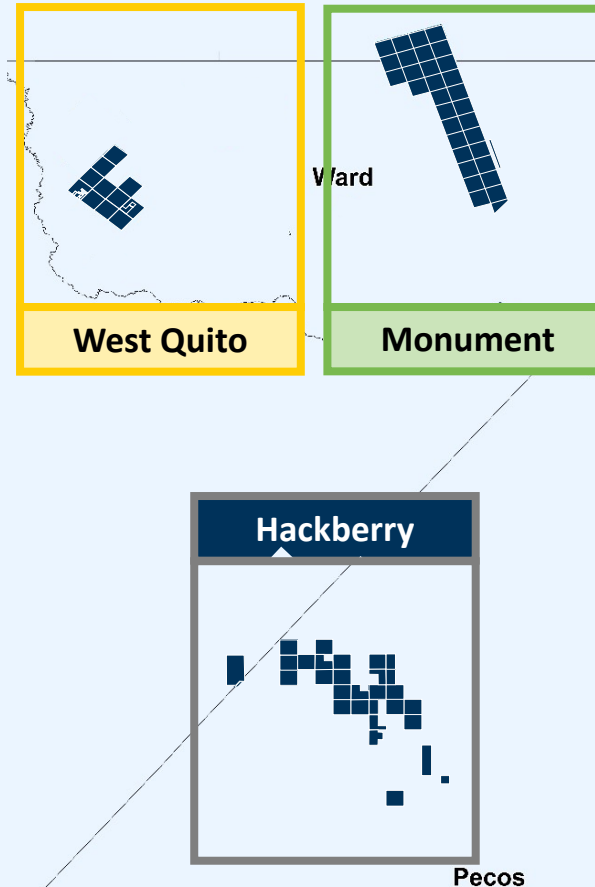
- NYSE American Symbol: BATL
- Market Cap: \$182 million¹
- Net Debt: \$153 million²
- Enterprise Value: \$335 million
- Share Count: 16.3 million

Net Operated Production Summary (Boepd)



Asset Overview

Q3 Production: 17.7 Mboepd
Oil %: 53%
1P Reserves - YE2020: 63.4 MMBoe
Acreage Position: 41,000 net



Monument

Top-tier well performance with low D&C breakevens

- Q3 production ~10,640 Net Boepd (60% oil)
- 49 Gross PDP Wells with ~91% WI (60% oil)
- Net Acreage: ~19,800

West Quito

Low lifting costs provide economic inventory at current pricing

- Q2 production ~3,170 Net Boepd (34% oil)
- 25 Gross PDP Wells with ~64% WI (32% oil)
- Net Acreage: ~6,200

Hackberry

Low decline asset with consistent cash flow

- Q2 production ~3,790 Net Boepd (51% oil)
- 36 Gross PDP Wells with ~97% WI (55% oil)
- Net Acreage: ~15,000

(1) Based on 11.5.2021 closing share price

(2) Long-term debt less cash

Q3 2021 Key Financial Highlights



Strong Organic Deleveraging

- \$10.4 million reduction in total net indebtedness in Q3
- Reduced net leverage from 3.1x to 2.5x



PPP Loan Forgiveness

- Principal amount of PPP loan reduced to ~\$0.2 million by the SBA



Robust Commodity Pricing

- Continued high gas and NGL price realizations driving increased free cash flow



Increasing Hedge Activity

- Actively layering on significant 2023-2025 oil and natural gas hedges in Q4



Increasing 2021 Capital Expenditures Guidance

- Increasing guidance range to \$45.0 million to \$55.0 million
- Anticipate spudding first well of 2022 capital program in December 2021

Capitalization & Liquidity Summary

\$0,000	9/30/21
RBL Indebtedness	\$ 155,000
Less: Cash & Cash Equivalents	(1,868)
RBL Indebtedness, Net	\$ 153,132
Total Indebtedness, Net	\$ 153,281
RBL Borrowing Base	\$ 175,000
Less: RBL Indebtedness	(155,000)
Less: Letters of Credit Issued	(1,986)
Plus: Cash & Cash Equivalents	1,868
Total Liquidity, Net	\$ 19,882

Adjusted EBITDA, LTM	\$ 61,192
Net Leverage, LTM	2.50x

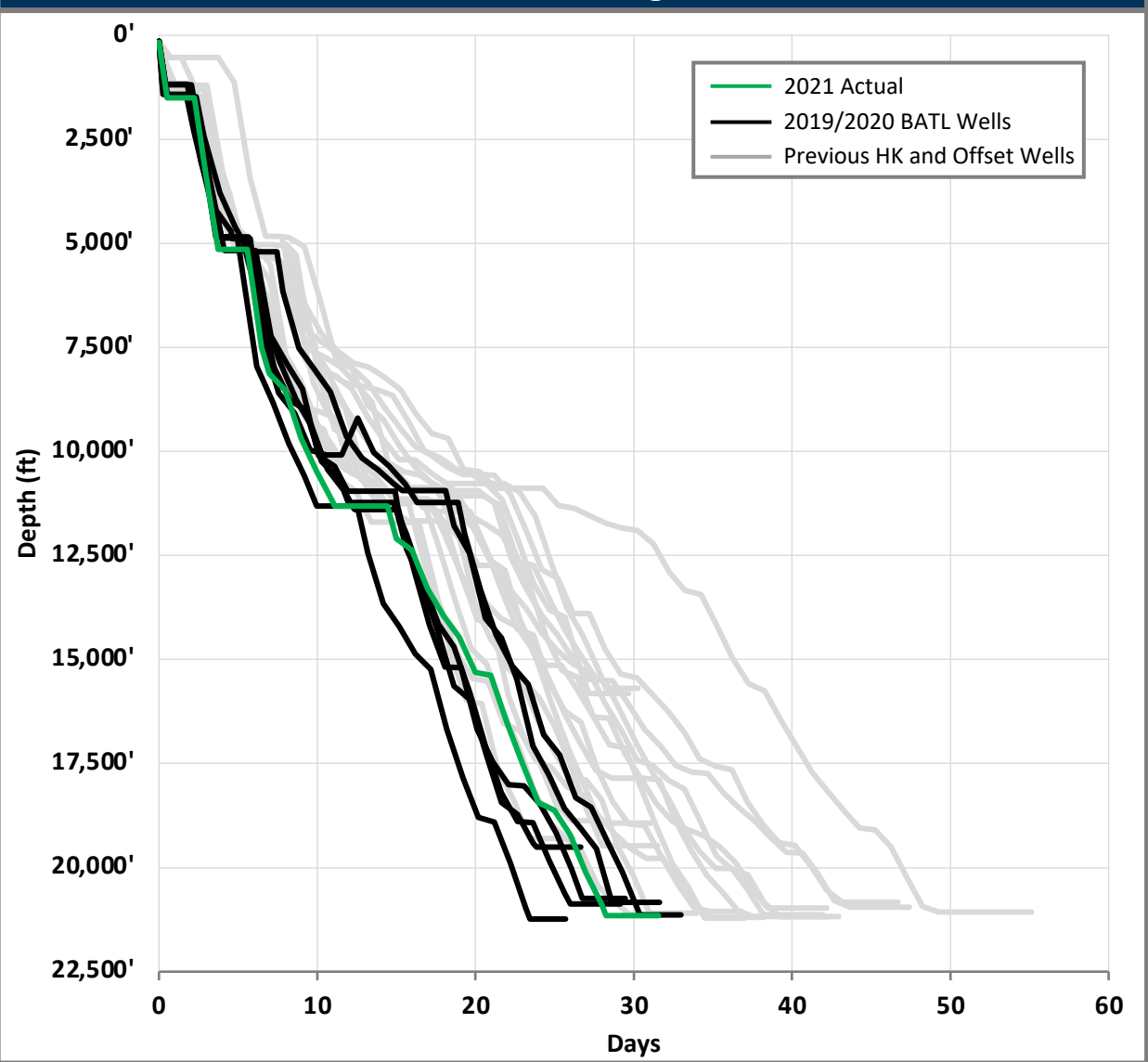
Current Hedge Positions

Consolidated Crude Oil (Bbl/d) & Natural Gas Hedges (MMBtu/d)		Q4 2021	2022	2023	2024	2025
Crude Oil						
Swaps – WTI	Avg. Volume	7,837	6,489	3,811	2,499	1,120
	Wavg. Price	\$43.96	\$48.81	\$66.55	\$61.35	\$60.24
Swaps – Roll	Avg. Volume	7,837	6,574	3,748	2,499	372
	Wavg. Price	(\$0.39)	(\$0.03)	\$0.60	\$0.36	\$0.22
Swaps – Basis	Avg. Volume	7,837	6,489	3,748	2,499	372
	Wavg. Price	(\$0.25)	\$0.47	\$0.25	\$0.25	\$0.25
Natural Gas						
Swaps - Henry Hub	Avg. Volume	11,391	5,020	6,479	4,802	2,082
	Wavg. Price	\$2.71	\$3.27	\$3.30	\$3.03	\$2.95
Collars - Henry Hub	Avg. Volume	-	6,962	3,103	2,281	616
	Wavg. Floor/Ceiling	-	\$2.58 - \$2.79	\$3.45 - \$5.10	\$3.00 - \$4.63	\$3.00 - \$3.85
Swaps - Basis	Avg. Volume	11,391	10,099	2,500	2,500	2,082
	Wavg. Price	(\$0.24)	(\$0.30)	(\$0.52)	(\$0.55)	(\$0.54)

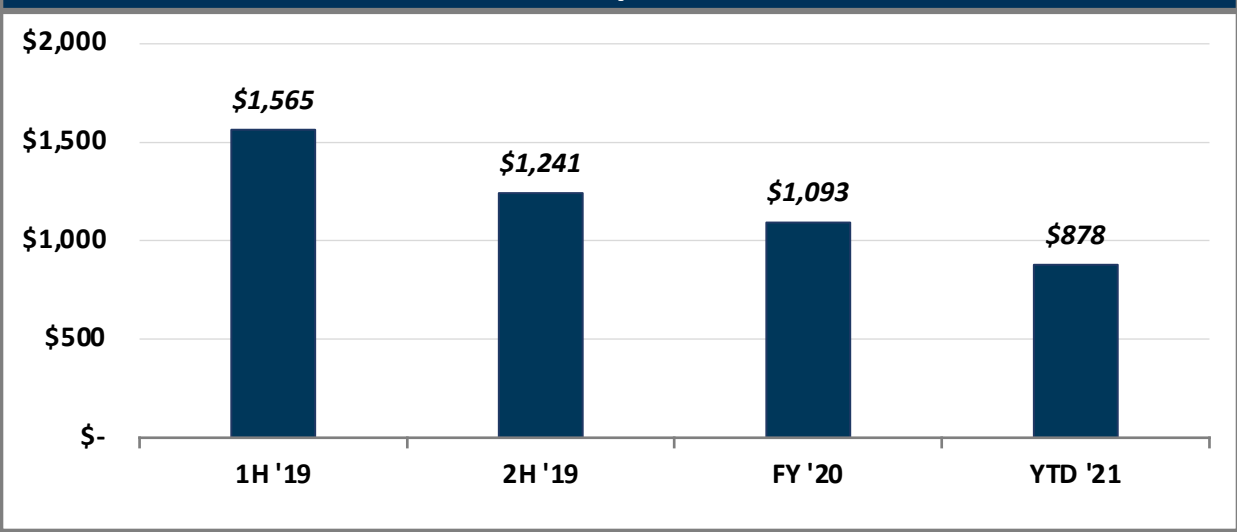
Commitment to Capital Discipline and Execution



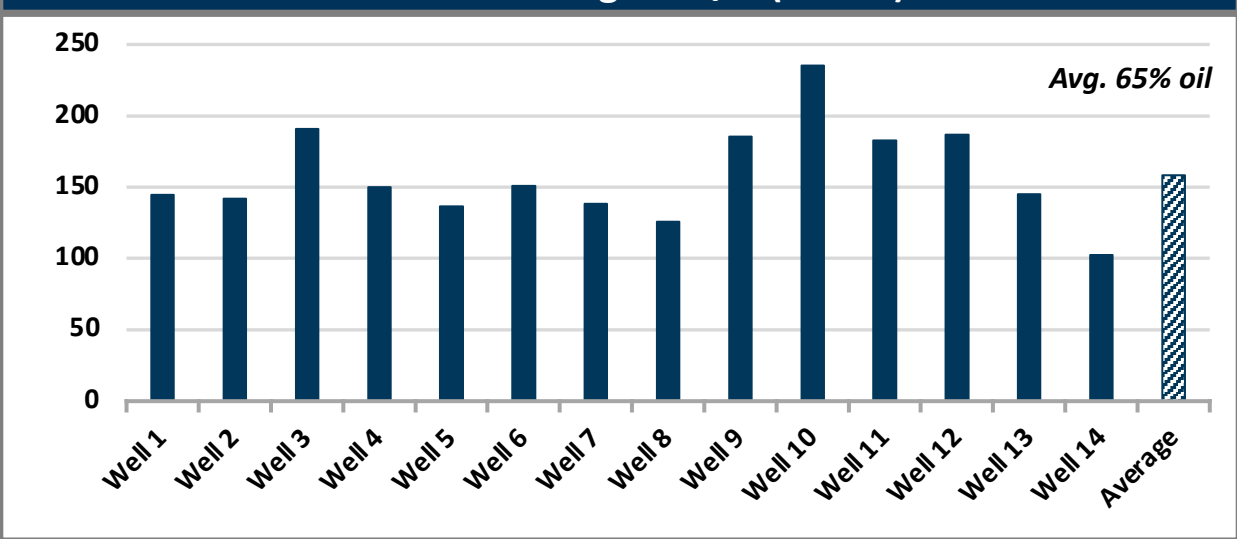
Monument Draw Drilling Performance



Total Well Cost per Lateral Foot



Last 14 Well Avg. EUR/ft (MBOE)



Monument Draw Inventory Highlights

- Monument Draw wells outperforming peers during first 365 days
- Geoscience, reservoir interpretation, and frac optimization driving D&C savings and well performance
- Refining future development strategy based on key criteria
 - Productivity
 - Inventory promotion
 - Existing infrastructure and field development

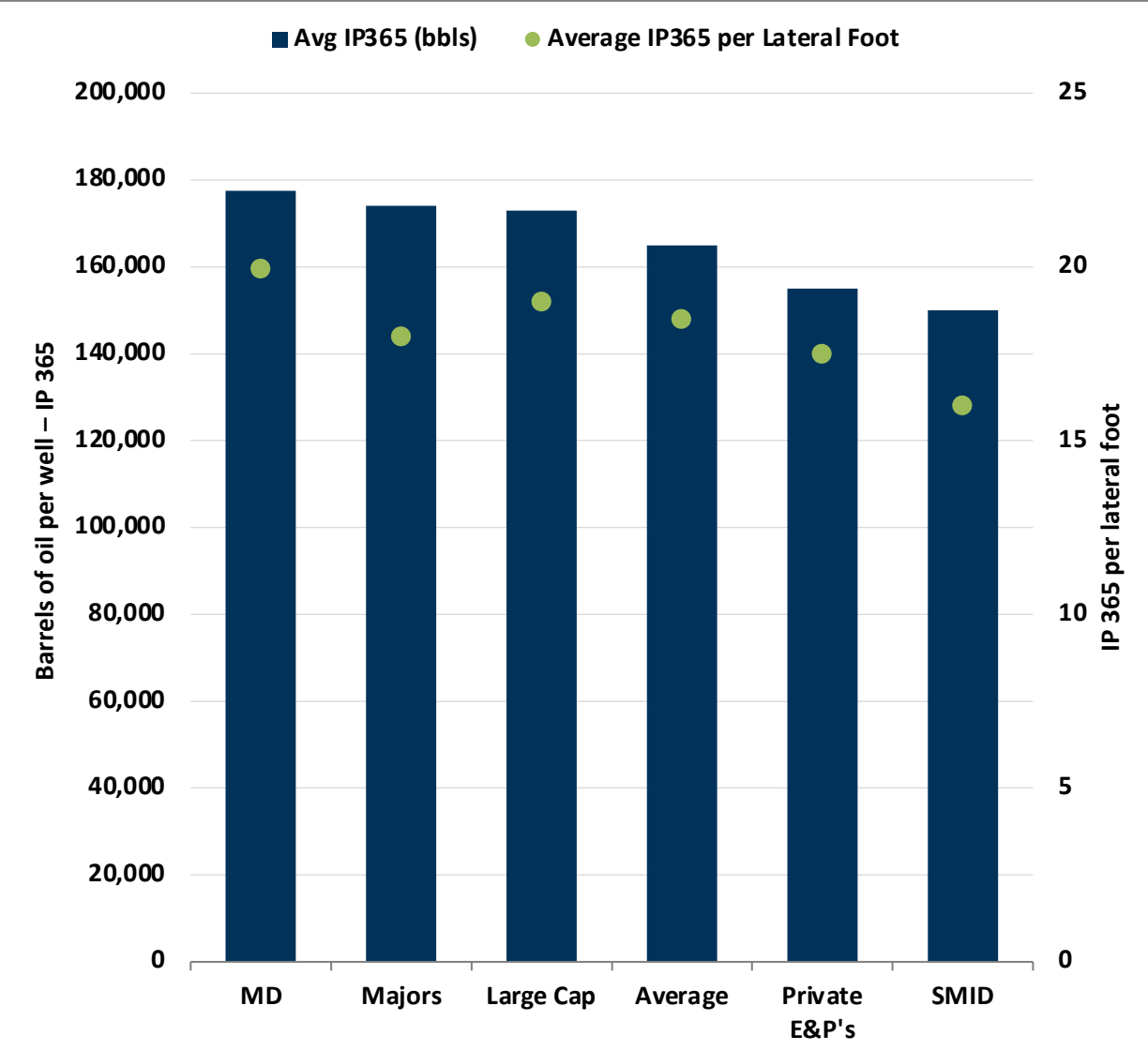
Drilling Locations and Well Economics

- Current Development Targets
- Upside Development Targets

Avalon		<div><div></div><div></div><div></div><div></div></div>
Bone Spring	1 st	<div><div></div><div></div><div></div><div></div></div>
	2 nd	<div><div></div><div></div><div></div><div></div></div>
	3 rd	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Wolfcamp	A	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	B	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Woodford		<div><div></div><div></div><div></div><div></div></div>

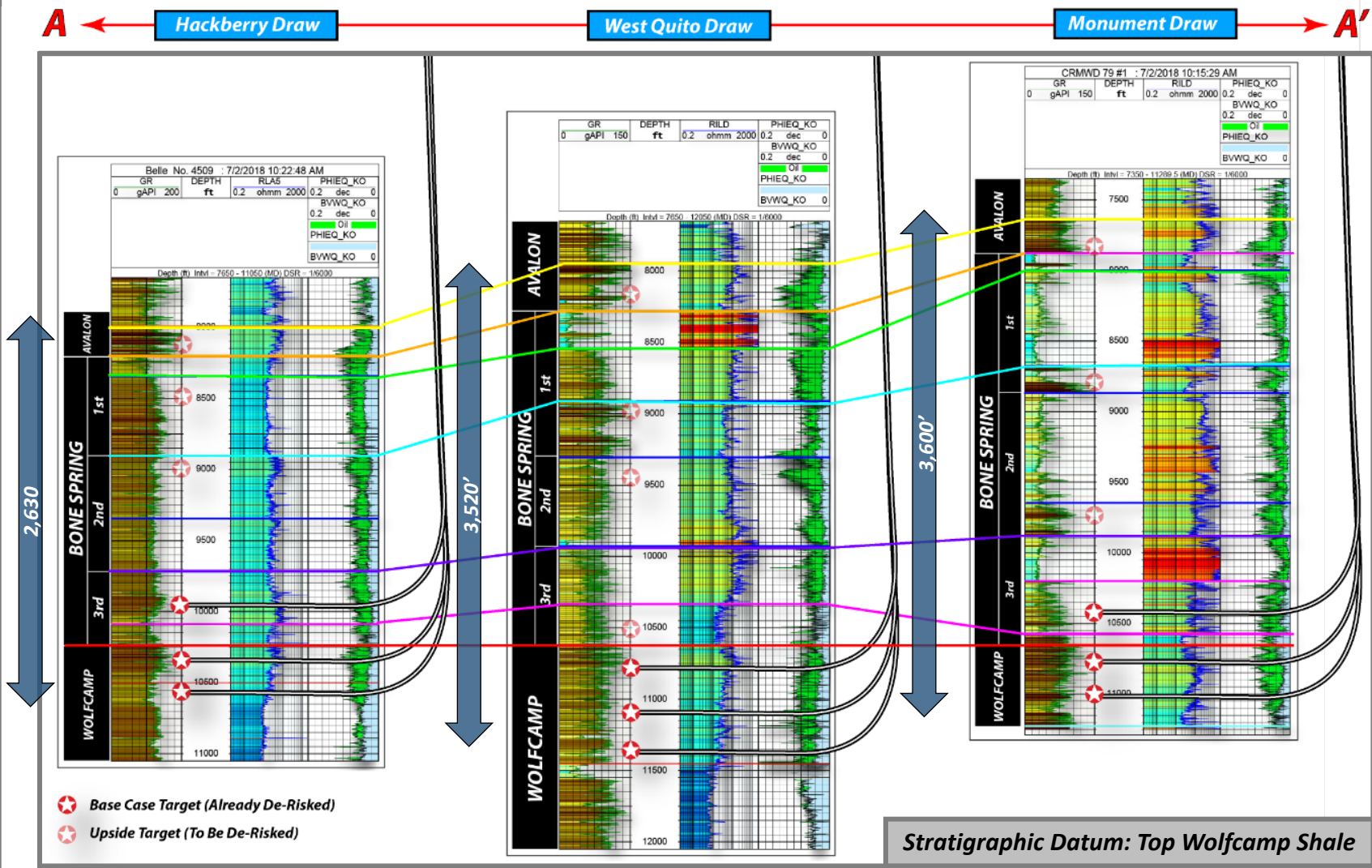
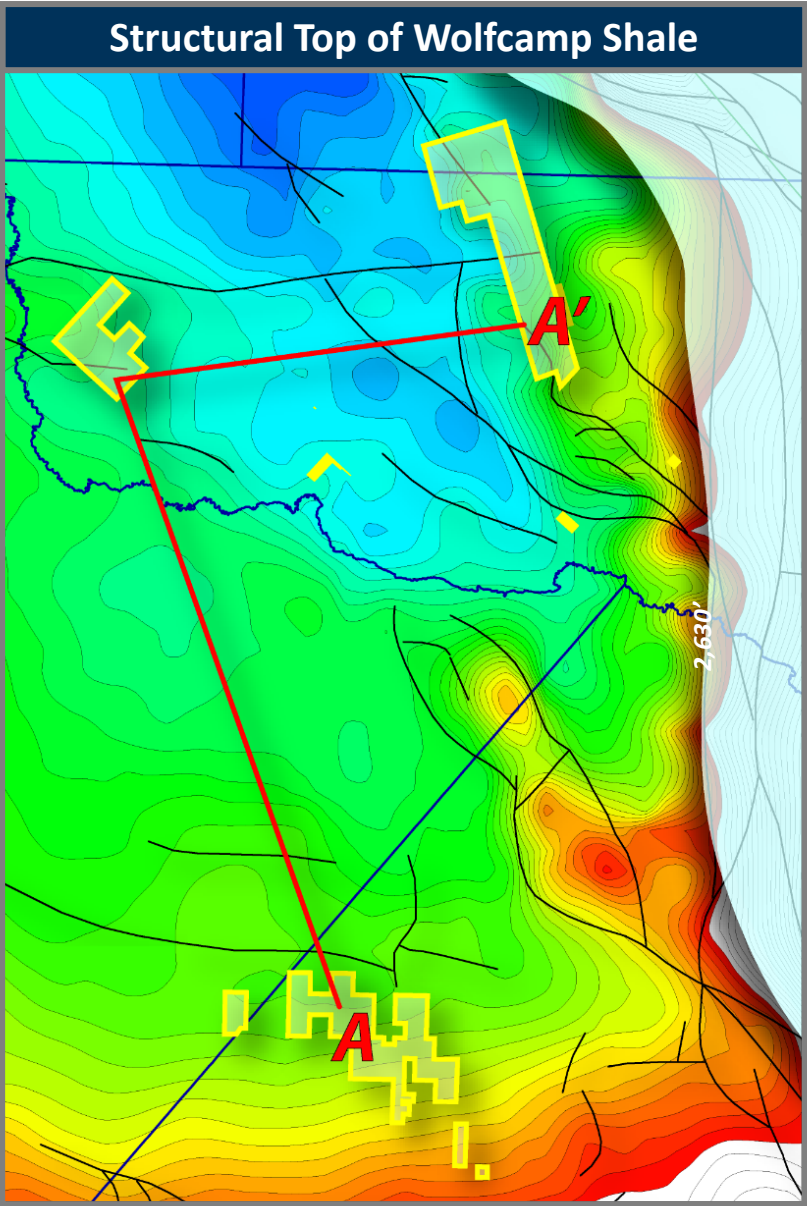
Remaining MD Inventory (Net)
Resource Potential
153 locations
151 locations
89 locations
113 locations
Offset Operator Tests

Well Performance vs. Delaware Basin Peers¹



(1) Source: BofA Global Research

Southern Delaware Basin Structure and BATL Targeting



Appendix

Selected Operating Data

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Production volumes:				
Crude oil (MBbls)	872	877	2,396	2,589
Natural gas (MMcf)	2,589	2,266	6,777	6,437
Natural gas liquids (MBbls)	327	316	812	917
Total (MBoe)	1,631	1,571	4,338	4,579
Average daily production (Boe/d)	17,728	17,076	15,890	16,712
Average prices:				
Crude oil (per Bbl)	\$ 68.83	\$ 38.36	\$ 63.95	\$ 35.27
Natural gas (per Mcf)	3.64	0.84	3.52	0.48
Natural gas liquids (per Bbl)	33.78	12.33	28.09	11.00
Total per Boe	49.36	25.11	46.07	22.82
Cash effect of derivative contracts:				
Crude oil (per Bbl)	\$ (24.19)	\$ 5.33	\$ (20.33)	\$ 15.96
Natural gas (per Mcf)	(0.50)	0.27	(0.24)	0.37
Natural gas liquids (per Bbl)	—	—	—	—
Total per Boe	(13.73)	3.36	(11.60)	9.54
Average prices computed after cash effect of settlement of derivative contracts:				
Crude oil (per Bbl)	\$ 44.64	\$ 43.69	\$ 43.62	\$ 51.23
Natural gas (per Mcf)	3.14	1.11	3.28	0.85
Natural gas liquids (per Bbl)	33.78	12.33	28.09	11.00
Total per Boe	35.63	28.47	34.47	32.36

Selected Operating Data (\$/Boe)



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Average cost per Boe:				
Production:				
Lease operating	\$ 7.34	\$ 6.42	\$ 7.29	\$ 7.18
Workover and other	0.61	0.58	0.53	0.60
Taxes other than income	1.89	1.73	2.12	1.56
Gathering and other, as adjusted ⁽¹⁾	9.77	8.59	10.01	7.83
Restructuring	—	—	—	0.56
General and administrative, as adjusted ⁽¹⁾	2.11	2.09	2.64	2.09
Depletion	6.57	9.76	7.39	10.25
<i>(1) Represents gathering and other and general and administrative costs per Boe, adjusted for items noted in the reconciliation below:</i>				
General and administrative:				
General and administrative, as reported	\$ 2.75	\$ 2.61	\$ 3.08	\$ 2.89
Stock-based compensation:				
Non-cash	(0.29)	(0.39)	(0.36)	(0.39)
Non-recurring professional fees and other:				
Cash	(0.35)	(0.13)	(0.08)	(0.41)
General and administrative, as adjusted ⁽²⁾	\$ 2.11	\$ 2.09	\$ 2.64	\$ 2.09
Gathering and other, as reported	\$ 9.77	\$ 8.59	\$ 10.01	\$ 8.58
Rig termination and stacking charges and other	—	—	—	(0.75)
Gathering and other, as adjusted ⁽³⁾	\$ 9.77	\$ 8.59	\$ 10.01	\$ 7.83
Total operating costs, as reported	\$ 22.36	\$ 19.93	\$ 23.03	\$ 20.81
Total adjusting items	(0.64)	(0.52)	(0.44)	(1.55)
Total operating costs, as adjusted ⁽⁴⁾	\$ 21.72	\$ 19.41	\$ 22.59	\$ 19.26

2) General and administrative, as adjusted, is a non-GAAP measure that excludes non-cash stock-based compensation charges relating to equity awards under our incentive stock plan, as well as other cash charges associated with non-recurring professional fees and other. The Company believes that it is useful to understand the effects that these charges have on general and administrative expenses and total operating costs and that exclusion of such charges is useful for comparison to prior periods.

3) Gathering and other, as adjusted, is a non-GAAP measure that excludes rig termination and stacking charges and other costs. The Company believes that it is useful to understand the effects that these charges have on gathering and other expense and total operating costs and that exclusion of such charges is useful for comparative purposes.

4) Represents lease operating expense, workover and other expense, taxes other than income, gathering and other expense and general and administrative costs per Boe, adjusted for items noted in the reconciliation above.

Adjusted EBITDA Reconciliation (in thousands)



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss), as reported	\$ 13,052	\$ (153,125)	\$ (54,252)	\$ (165,950)
<i>Impact of adjusting items:</i>				
Interest expense	1,904	1,964	5,238	5,520
Depletion, depreciation and accretion	10,885	15,755	32,729	48,167
Full cost ceiling impairment	—	128,336	—	188,443
Stock-based compensation	481	620	1,560	1,793
Interest income	(3)	(273)	(212)	(602)
Restructuring	—	—	—	2,580
Loss (gain) on extinguishment of debt	(2,068)	—	(2,068)	—
(Gain) loss on sale of other assets	(9)	—	(15)	52
Unrealized loss (gain) on derivatives contracts	(1,816)	21,128	69,053	(24,029)
Rig termination and stacking charges	—	—	—	3,383
Non-recurring professional fees and other	568	210	347	1,944
Adjusted EBITDA ⁽¹⁾⁽²⁾	<u>\$ 22,994</u>	<u>\$ 14,615</u>	<u>\$ 52,380</u>	<u>\$ 61,301</u>

- 1) Adjusted EBITDA is a non-GAAP measure, which is presented based on management's belief that it will enable a user of the financial information to understand the impact of these items on reported results. This financial measure is not a measure of financial performance under GAAP and should not be considered as an alternative to GAAP measures, including net income (loss). This financial measure may not be comparable to similarly named non-GAAP financial measures that other companies may use and may not be useful in comparing the performance of those companies to Battalion's performance.
- 2) Adjusted EBITDA for the three and nine months ended September 30, 2020 includes approximately \$6.6 million and \$22.9 million, respectively, of net proceeds from hedge monetizations that occurred during the period

Adjusted EBITDA Reconciliation (in thousands)



	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020
Net income (loss), as reported	\$ 13,052	\$ (33,929)	\$ (33,375)	\$ (63,757)
<i>Impact of adjusting items:</i>				
Interest expense	1,904	1,838	1,496	1,853
Depletion, depreciation and accretion	10,885	11,249	10,595	13,886
Full cost ceiling impairment	—	—	—	26,702
Stock-based compensation	481	485	594	785
Interest income	(3)	(84)	(125)	(171)
Loss (gain) on extinguishment of debt	(2,068)	—	—	—
(Gain) loss on sale of other assets	(9)	(2)	(4)	—
Unrealized loss (gain) on derivatives contracts	(1,816)	34,817	36,052	30,172
Non-recurring professional fees and other	568	(273)	52	(658)
Adjusted EBITDA ⁽¹⁾	<u>\$ 22,994</u>	<u>\$ 14,101</u>	<u>\$ 15,285</u>	<u>\$ 8,812</u>
Adjusted LTM EBITDA ⁽¹⁾	<u>\$ 61,192</u>			

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