

U.S. ENERGY CORP.

Corporate Overview

May 2022



Forward Looking Statements

The information in this presentation includes “forward-looking statements” that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “continue,” “predict,” “potential,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on U.S. Energy Corp. (“USEG” or the “Company”) current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production, gathering and sale of oil and natural gas. These risks include, but are not limited to, variations in the market demand for, and prices of, crude oil, NGLs and natural gas, lack of proved reserves, estimates of crude oil, NGLs and natural gas data, the adequacy of our capital resources and liquidity including, but not limited to, access to additional borrowing, borrowing capacity under our credit facilities, general economic and business conditions, failure to realize expected value creation from property acquisitions, uncertainties about our ability to replace reserves and economically develop our reserves, risks related to the concentration of our operations, drilling results, potential financial losses or earnings reductions from our commodity price risk management programs, potential adoption of new governmental regulations, our ability to satisfy future cash obligations and environmental costs and the risk factors discussed in or referenced in our filings with the United States Securities and Exchange Commission (“SEC”), including our 2021 Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q for the periods ended March 31, 2021, June 30, 2021 and September 30, 2021, respectively and our Current Reports on Form 8-K in each case as amended.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

Our production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or cost increases.

Industry and Market Data

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

This document and any related presentation do not constitute an offer or invitation to subscribe for or purchase any securities, and it should not be construed as an offering document. Any decision to purchase securities in the context of a proposed offering, if any, should be made on the basis of information contained in the offering document related to such an offering. This presentation does not constitute a recommendation regarding any securities of U.S. Energy Corp.

U.S. Energy is a growth-focused energy company engaged in operating a portfolio of high-quality producing assets that will allow the Company to execute on an attractive capital returns program to shareholders.

USEG Overview

Energy Company with Track Record of M&A and Capital Markets Execution

- Nasdaq listed E&P Company with oil-weighted PDP reserves with a strong balance sheet and low corporate overhead.
- In January 2022, completed three separate asset acquisitions adding a total of ~\$95 mm PDP PV-10 for total purchase aggregate consideration of ~\$88.7 mm.
- Existing management has closed five M&A transactions since taking over in December 2019.

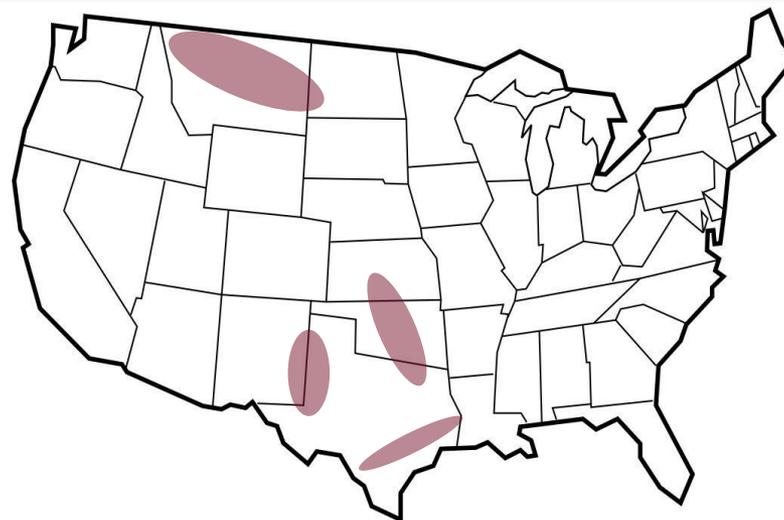
Stable Oil Weighted Production Profile with Geographic Diversification

- Producing assets across multiple basins lend to production diversity.
- Mature, oil weighted production profile.
- Company operates ~90% of reserve base.
- PDP + PDNP Reserves of 6,880 Mboe (76% oil).
- PDP + PDNP PV-10 of \$131.0 mm.

Strong and Simplified Balance Sheet with Sustainable Corporate Overhead Levels

- Recent \$100.0 mm credit facility with \$15.0 mm borrowing base.
- Successfully track record of equity capital markets transactions that raised a net total of \$10.9 mm.
- Eliminated legacy outstanding preferred stock.
- Minimal existing debt and positive working capital.

Asset Overview Map – U.S. Energy Corp.



Company Highlights	Current ⁽¹⁾⁽²⁾
Enterprise Value (\$mm) (Share Price \$3.94)	\$101.2
Debt (\$mm)	\$3.5
Cash (\$mm)	\$1.7
PDP + PDNP Reserves (Mmboe) ⁽¹⁾	6.9
PDP + PDNP PV-10 (\$MM) ⁽²⁾	\$131.0
% Oil / Gas Mix	78% Oil / 22% Gas

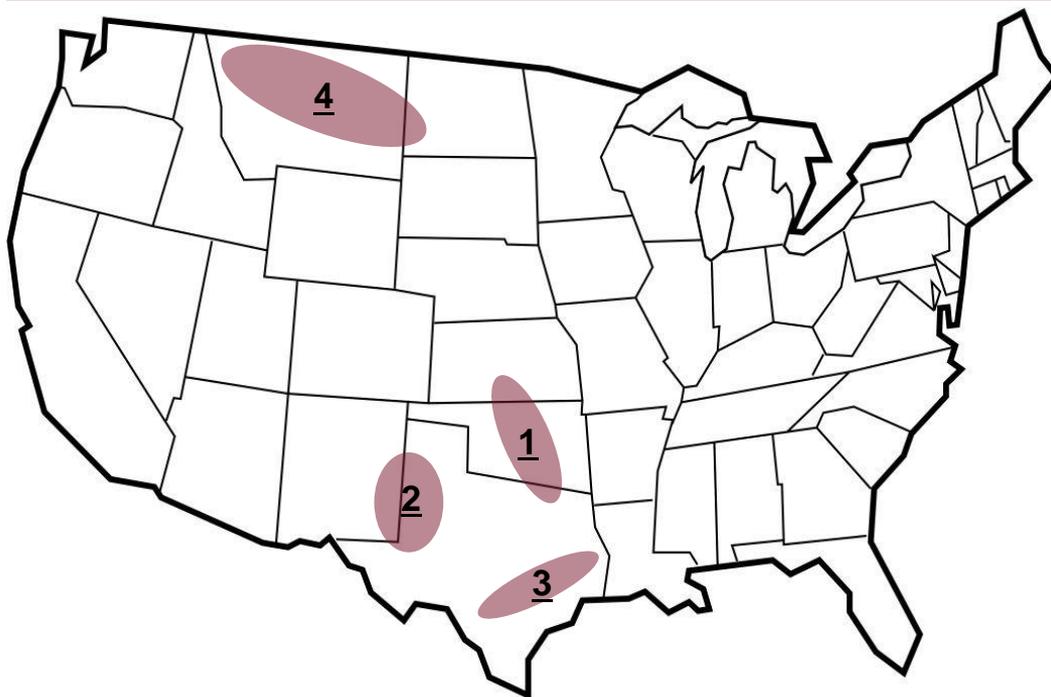
(1) Reserves based on 3rd party engineering report as of April 1, 2022.

(2) 1Q2022 SEC pricing of \$75.24 oil and \$4.09 natural gas.

US Energy Corp. Reserves Summary (April 1, 2022)⁽¹⁾

	Oil (Mbbl)	Natural Gas (MMCF)	Total Reserves (MBOE)	% of Total Reserves	PV-10 ⁽²⁾ (\$MM)	% Oil
Proved Producing Reserves (“PDP”)	4,750	9,122	6,270	91%	\$110.6	76%
Proved Not-Producing Reserves (“PDNP”)	601	50	609	9%	21.4	99%
Total Proved Reserves	5,350	9,173	6,879	100%	\$131.0	78%

U.S. Energy Asset Map



Overview

- Asset diversification in areas with existing Company operations and experience:
 1. Mid-Con
 2. West Texas
 3. East Texas
 4. Rockies
- U.S. Energy operates over 90% of its asset base.
- PDP reserves of 6,270 Mboe (76% oil).
- PDP PV-10 of \$110.6 mm.
- PDNP reserves of 609 Mboe (99% oil)
- PDNP PV-10 of \$21.4 mm.

(1) Reserves based on 3rd party report of U.S. Energy as of April 1, 2022 and the assets acquired in January 2022 transaction
 (2) 1Q2022 SEC pricing of \$75.24 oil and \$4.09 natural gas.

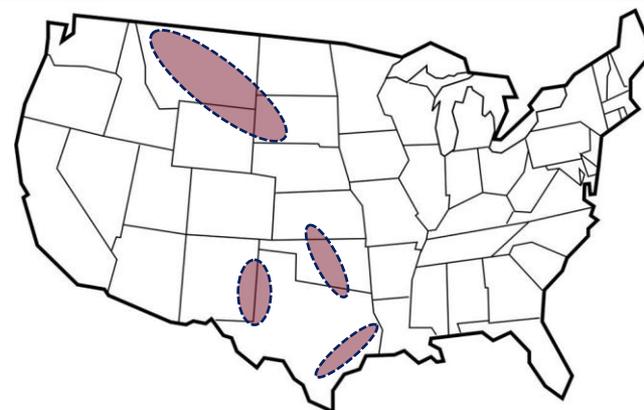
Transaction Strategic Rationale & Overview

- In January 2022, closed transactions that have created a diversified, low leverage, free cash flow generating oil and gas company focused on continued consolidation.
- The assets were acquired from three private entities and not publicly marketed.
- The acquired assets consist of mature, low decline properties generating stable free cash flows with low capital intensity.
- With increased size and scale, U.S. Energy will optimize the cost structure of the combined asset base and provide enhanced access to lower cost capital.
- The total consideration for the acquired assets was ~\$88.7 million comprised of:
 - 19.9 million shares of USEG common stock valued at \$67.6 million using the closing price of USEG stock on 1/6/22.
 - \$1.25 million of cash.
 - Assumption of \$3.50 million of indebtedness.
 - Remainder represents assumption of outstanding liabilities including commodity derivatives.
- The Board of Directors is comprised of four existing U.S. Energy directors and three directors from the Acquired Assets.
 - Seasoned and experienced energy professional John Weinzierl now serves as U.S. Energy's Chairman.
 - Ryan Smith continues to serve as CEO and a Board member.

U.S. Energy Transformation

Company Highlights	Year End 2021	2022 YTD acquired assets	Pro Forma USEG
Market Cap. (\$mm)	\$15.9	N/A	\$101.2
Debt (\$mm)	\$0.0	\$3.5	\$3.5
Cash (\$mm) Q1 2022	N/A	N/A	\$1.7
PDP + PDNP Reserves (MMboe) ⁽¹⁾⁽²⁾	1.6	5.3	6.9
PDP + PDNP PV-10 (\$MM) ⁽¹⁾⁽²⁾	\$21.5	\$109.5	\$131.0
% Oil / Gas Mix	75% / 25%	81% / 19%	78% / 22%

Geographic Footprint of Acquired Assets



(1) 1Q2022 SEC pricing of \$75.24 oil and \$4.09 natural gas.

(2) Reserves based on 3rd party engineering report as of April 1, 2022.

Transaction Highlights

Increases Size & Scale

- Increases average daily production from 380 Boe/d to 1,341 Boe/d.
- Increases PDP reserves from 1.5 Mmboe to 6.9 Mmboe, a 320% increase.⁽¹⁾⁽²⁾
- Increases internal PDP PV-10 from \$21.5 million to \$110.6 million, a 414% increase.⁽¹⁾⁽²⁾

Accretive to Shareholders

- Immediately improve Cash Flow per share.
- Immediately improves operating margins on a cash flow per BOE metric.
- Significant cost savings through operational synergies and corporate efficiencies expected throughout 2022.

Strong Pro and Zero Net Debt

- Pro Forma for the transaction USEG has \$1.7 million of cash and \$3.5 million of debt.
- New \$100 million Credit Facility with \$15 million borrowing base provides incremental liquidity.
- Company plans to operate with low total leverage.

Experienced and Highly Aligned Board

- John Weinzierl serves as Chairman of the Board.
- Former founder of Memorial Resource Partners and senior partner at NGP.
- Highly aligned Board of Directors with an ownership position of ~82%.

Transaction Valuation Summary

All amounts represented in millions except for USEG share price

Shares Issued to Sellers	19.91
USEG Price	\$ 3.40
Equity Consideration	\$ 67.7
Plus: Debt Assumed	\$ 3.5
Plus: Cash to Sellers	\$ 1.3
Plus: Assumption of Existing Liabilities	\$ 13.8
Total Consideration	\$ 86.2

USEG Shares Outstanding	4.7	19.2%
Shares Issued	19.9	80.8%
Total PF Shares Outstanding at 1/6/2022	24.6	100.0%

(1) 1Q2022 SEC pricing of \$75.24 oil and \$4.09 natural gas.

(2) Reserves based on 3rd party engineering report as of April 1, 2022.

Additional M&A Transactions

- In addition to the Company's transformation January 2022 acquisitions, USEG has completed four other M&A transactions since existing management took control in December 2019.
- Added a total of \$11.4 mm PDP PV-10 at then current strip for total purchase aggregate consideration of \$2.2 mm financed using a mix of cash (55%) and equity (45%).
- Assets acquired from both private entities and a Chapter 7 bankruptcy process.
- Executed without adding any incremental leverage – used public currency and existing cash.

Period:
3Q2020.

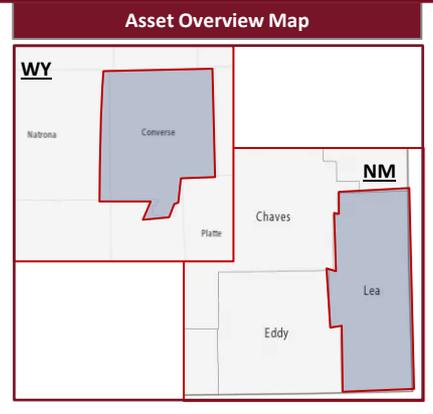
Asset Overview:
Purchase of Op. & Non-Op. Assets in Lea County, NM & Converse County, WY.

Seller:
Chapter 7 – Fieldpoint Petroleum.

Consideration:
\$500k Cash.

Status at close:
Operated Prod. Shut off, Little Overall Prod. and netted by Operators, PV-10 of \$2.5mm, ~800 HBP Net Acres.

Status Today:
Improved Status with Large Operators and Remedied Non-Op Cash Flows, Operated Prod. Online.



Period:
1Q2020.

Asset Overview:
Purchase of Assets in North Dakota.

Seller:
Private Company.

Consideration:
\$275k in USEG stock at \$4.60 per share and \$150k Cash Consideration.

Status at close:
20 Bbl/d, 1,300 HBP Net Acres in McKenzie and Divide Counties.

Status Today:
Production Levels Maintained, Development supported by Sustained Price Recovery.

Asset Overview Map

Map showing McKenzie and Divide counties highlighted in blue. Other counties shown include Burke, Renville, Bottineau, Williams, Mountrail, Ward, McHenry, Golden Valley, Billings, Stark, Mercer, Oliver, Burleigh, and Morton.

2020 Transaction

Period:
4Q2020.

Asset Overview:
Purchase of Operated Assets in Liberty County, TX.

Seller:
Private Equity Portfolio Company.

Consideration:
\$250k in USEG stock at \$3.72 per share.

Status at close:
\$1.1mm Reserve Value, 5bbl/d, 680 HBP Net Acres.

Status Today:
\$400k Capex spent, producing ~80-100 Bbl/d.

2022 Transaction

Period:
2Q2022.

Asset Overview:
Purchase of Operated Assets in Liberty County, TX.

Seller:
Private Company.

Consideration:
\$1.0mm cash.

Status at close:
\$2.3mm Reserve Value, 20 bbl/d, 1,022 HBP Net Acres.

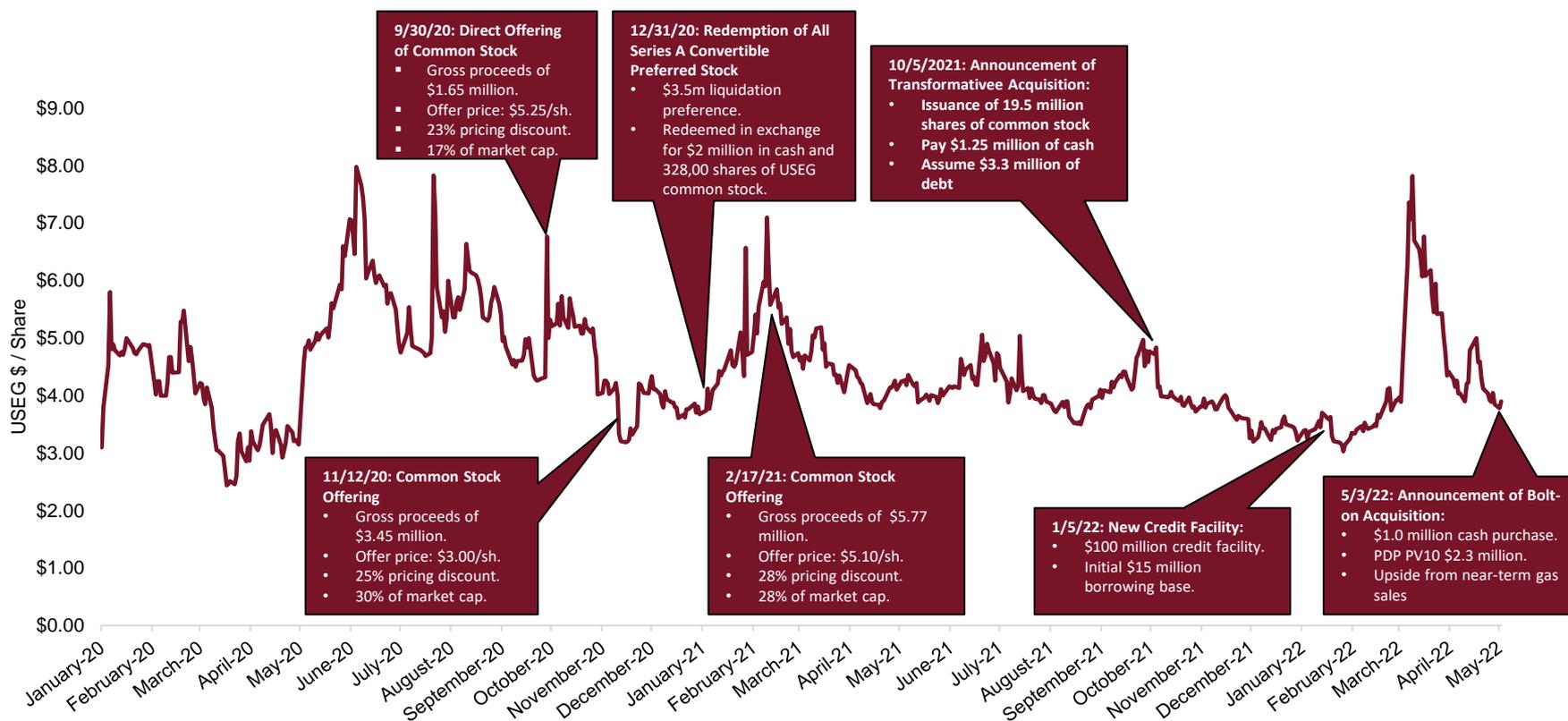
Status Today:
Began extension of gas gathering pipeline

Asset Overview Map

Map showing Liberty County, TX highlighted in blue. Other counties shown include Houston, Trinity, Polk, Tyler, Hardin, Montgomery, San Jacinto, Walker, Harris, Chambers, Jefferson, Orange, Jasper, Newton, San Augustine, Sabine, and Angelina.

Track Record of Successfully Simplifying Capital Structure

- Recently entered into a new \$100 million credit facility with \$15 million borrowing base.
- Successfully accessed public equity markets for strategic acquisitions in extremely difficult market.
- Further simplified the balance sheet eliminating its 12.25% Series A Convertible Preferred Stock for \$2 million in cash and 328,000 shares; equivalent to the \$3.5 million liquidation preference of the Preferred Stock.



U.S. Energy Corp. (“USEG”) is committed to ESG stewardship and being a leader in reducing our carbon footprint and maintaining environmental responsibility through our guiding principles:

Performance

U.S. Energy Corp. will continually improve operational performance of all owned assets throughout their lifespan by prioritizing ESG initiatives in our decision making. USEG is dedicated to the environmental, health and safety performance, water management, workplace diversity / inclusion, and community relations in our footprint of operations.

Transparency

U.S. Energy Corp. will always be transparent to our shareholders concerning our performance and greenhouse gas emissions / carbon footprint as we continue to operate and grow into the future. We will use performance indicators to track our success as well as collaborate with NGO’s, external advisors, and third-party experts to continuously improve ESG performance.

Strategy

U.S. Energy Corp.’s go forward strategy for our business will always implement these principles, be mindful of new and past ESG / Green initiatives and prioritize our corporate responsibility to the communities we touch. We plan to set internal targets concerning green house gas emissions, implement policies concerning flaring and methane management, and identify potential liabilities of future operations and plan to minimize any potential future environmental risks.

John A. Weinzierl <i>Chairman</i>	James W. Denny III <i>Independent Director</i>	Randall Keys <i>Independent Director</i>	Joshua Batchelor <i>Independent Director</i>	D. Stephen Slack <i>Independent Director</i>	Duane King <i>Independent Director</i>	Ryan Smith <i>CEO and Director</i>
<ul style="list-style-type: none"> John Weinzierl co-founded Memorial Resource Development LLC, an oil and gas production company, in 2011. Since the company's formation, John led the public listing and of two subsidiary companies, Memorial Resource Development Corp. and Memorial Production Partners LP, and was CEO of an organization that had over 500 employees, produced over 1 billion cubic feet equivalent of gas per day, and operated in six states. In 1999, Weinzierl moved to Dallas and joined Natural Gas Partners (NGP), a private equity firm focused on the energy industry, and rose to the position of managing director and operating partner. He moved back to Houston in 2007 to open and lead the firm's Houston office. He began his career as a petroleum engineer for Conoco, Inc. John is a licensed Professional Engineer (PE) in the State of Texas, and earned a B.S. in Petroleum Engineering and an MBA from the University of Texas at Austin, which recognized him as both a Distinguished Alumnus from the Department of Petroleum Engineering 	<ul style="list-style-type: none"> Mr. Denny possesses more than 45 years of industry related experience. Mr. Denny previously served as Executive Vice President of Operations for Lilis Energy during 2018 and 2019. Mr. Denny served as Vice President at Siltstone from 2016 to 2018 and as Magnum Hunter Resource Corporation's Executive Vice President of Operations and as President of the Appalachian Division from 2007 to 2016. Mr. Denny also served as President and Chief Executive Officer of Gulf Energy Management Company, a wholly-owned subsidiary of Harken Energy Corporation from 2002 to 2007. He is also a member of various industry associations, including the American Petroleum Institute, the National Society of Professional Engineers, the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers. He is a graduate of the University of Louisiana-Lafayette with a Bachelor of Science in Petroleum Engineering. 	<ul style="list-style-type: none"> Mr. Keys served as Chief Executive Officer of Evolution Petroleum Corporation, a NYSE-listed exploration and production company, prior to his retirement in 2018. He joined Evolution in 2014 as Chief Financial Officer. Mr. Keys has over 35 years of experience in the oil and gas industry, including positions as Chief Financial Officer of public energy companies. He earned a B.B.A. in Accounting from the University of Texas at Austin and began his career with the accounting firm of KPMG. The Board has concluded that Mr. Keys' broad experience in the energy industry qualifies him for service as an independent director. Further, his experience as a financial officer in public energy companies, experience with SEC reporting requirements and his education and prior certification as a CPA qualifies him to serve as an Audit Committee Financial Expert. 	<ul style="list-style-type: none"> Prior to co-founding Sage Road, Mr. Batchelor was a Principal at Quantum Energy Partners, a leading energy-focused private equity firm with over \$6 billion of capital under management. At Quantum, he was responsible for sourcing, evaluating, structuring and executing investment opportunities; portfolio company monitoring; and transaction exits and monetizations. Additionally, Mr. Batchelor worked closely with Quantum's portfolio companies on such activities as financings, hedging strategies and evaluating and executing merger, acquisition and divestiture opportunities. Prior to joining Quantum in 2007, Mr. Batchelor was at Behrman Capital, a middle market private equity firm focused on technology, healthcare and business services. Mr. Batchelor began his career as a financial analyst at Morgan Stanley Capital Partners. Mr. Batchelor holds a B.A. in Mathematical Methods in Social Sciences and Economics with honors from Northwestern University. 	<ul style="list-style-type: none"> Mr. Slack is the former President and Chief Executive Officer of South Bay Resources, L.L.C., a privately held oil and gas exploration and production company, and of its subsidiary South Bay Resources Canada, Inc. Prior to founding South Bay in 2001, Mr. Slack served as Senior Vice President and Chief Financial Officer of Pogo Producing Company, Inc. (formerly NYSE: PPP), an independent oil and gas producer, from 1988 to 1998, and as a director from 1990 to 1998. From March 2003 to August 2010, Mr. Slack served as a director of The Cornell Companies, Inc. (formerly NYSE: CRN). During his tenure, Mr. Slack served as chair of the Audit Committee, the Committee's designated financial expert and as a member of the Compensation Committee. Mr. Slack received his bachelor's degree from the University of Southern California and his Master of Business Administration from Columbia University. 	<ul style="list-style-type: none"> Mr. King has served as CEO of Synergy Offshore, LLC (which he co-founded) since October 2010. In 2002, Mr. King co-founded Synergy Oil & Gas, L.P. ("Synergy LP"). In 2010 and 2011, Synergy LP sold its assets, providing a successful exit to its private equity sponsor, Natural Gas Partners, while retaining interest in a midstream processing company and an exploration project. In 1991, Mr. King co-founded Synergy Oil & Gas, Inc and in 2001, successfully sold the company. From 1988 to May 1991, he served as an Associate with the Chase Manhattan Bank in the Energy Division in Houston and New York, specializing in energy corporate finance. From 1984 to 1986, Mr. King was a Production Engineer for Mitchell Energy & Development Corp. in Midland, Texas. Mr. King received his B.S. with honors in Petroleum Engineering from the University of Texas and obtained an MBA from the University of Texas where he was a Sord Scholar. 	<ul style="list-style-type: none"> Mr. Smith has served as the Company's Chief Executive Officer since December 2019 and as the Company's Chief Financial Officer since January 2017. Prior to this position, Mr. Smith served as Emerald Oil Inc.'s Chief Financial Officer from September 2014 to January 2017 and Vice President of Capital Markets and Strategy from July 2013 to September 2014. Prior to joining Emerald, Mr. Smith was a Vice President in Canaccord Genuity's Investment Banking Group focused solely on the energy sector. Mr. Smith joined Canaccord Genuity in 2008 and was responsible for the execution of public and private financing engagements along with mergers and acquisitions advisory services. Prior to joining Canaccord Genuity, Mr. Smith was an Analyst in the Wells Fargo Energy Group, working solely with upstream and midstream oil and gas companies. Mr. Smith holds a Bachelor of Business Administration degree in Finance from Texas A&M University.

U.S. Energy Directors own approximately 82% of outstanding shares