

Non-GAAP Financial Measures

Cash MT&G Reconciliation

Cash MT&G is defined as the total marketing, transportation and gathering expenses less non-cash valuation charges on pipeline imbalances. Cash MT&G is not a measure of marketing, transportation and gathering expenses as determined by GAAP. Management believes that the presentation of Cash MT&G provides useful additional information to investors and analysts to assess the cash costs incurred to get its commodities to market without regard for the change in value of its pipeline imbalances, which vary monthly based on commodity prices. The following table presents a reconciliation of the GAAP financial measure of marketing, transportation and gathering expenses to the non-GAAP financial measure of Cash MT&G for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands)			
Marketing, transportation and gathering	\$ 23,765	\$ 28,488	\$ 53,229	\$ 63,438
Pipeline imbalances	(1,222)	(120)	(1,467)	(2,395)
Cash MT&G	\$ 22,543	\$ 28,368	\$ 51,762	\$ 61,043

E&P Cash G&A Reconciliation

E&P Cash G&A is defined as the general and administrative expenses less non-cash equity-based compensation expenses, other non-cash charges and G&A expenses attributable to other services, including midstream and other services, such as equipment rentals and well services. E&P Cash G&A is not a measure of general and administrative expenses as determined by GAAP. Management believes that the presentation of E&P Cash G&A provides useful additional information to investors and analysts to assess the Company's operating costs in comparison to peers without regard to equity-based compensation programs, which can vary substantially from company to company.

The following table presents a reconciliation of the GAAP financial measure of general and administrative expenses to the non-GAAP financial measure of E&P Cash G&A for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands)			
General and administrative expenses	\$ 37,443	\$ 30,926	\$ 68,617	\$ 65,385
Equity-based compensation expenses	(4,738)	(8,522)	(11,359)	(17,102)
G&A expenses attributable to midstream and other services ⁽¹⁾	(3,923)	(5,165)	(11,811)	(12,097)
E&P Cash G&A	\$ 28,782	\$ 17,239	\$ 45,447	\$ 36,186

(1) For the six months ended June 30, 2020, G&A expenses attributable to other services include severance expenses of \$0.8 million as a result of the Company's exit from the well services business in the first quarter of 2020.

Cash Interest and E&P Cash Interest Reconciliations

Cash Interest is defined as interest expense plus capitalized interest less amortization and write-offs of deferred financing costs and debt discounts included in interest expense, and E&P Cash Interest is defined as total Cash Interest less Cash Interest attributable to OMP. Cash Interest and E&P Cash Interest are not measures of interest expense as determined by GAAP. Management believes that the presentation of E&P Cash Interest provides useful additional information to investors and analysts for assessing the interest charges incurred on its debt to finance its E&P activities, excluding non-cash amortization, and its ability to maintain compliance with its debt covenants.

The following table presents a reconciliation of the GAAP financial measure of interest expense to the non-GAAP financial measures of Cash Interest and E&P Cash Interest for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020 ⁽¹⁾⁽²⁾	2019	2020 ⁽¹⁾⁽²⁾	2019
	(In thousands)			
Interest expense	\$ 44,388	\$ 43,186	\$ 140,145	\$ 87,654
Capitalized interest	1,776	3,645	4,063	6,463
Amortization of deferred financing costs	(4,448)	(1,823)	(6,147)	(3,593)
Amortization of debt discount	(2,696)	(3,006)	(5,535)	(5,890)
Cash Interest	39,020	42,002	132,526	84,634
Cash Interest attributable to OMP	(4,980)	(4,133)	(35,212)	(7,723)
E&P Cash Interest	\$ 34,040	\$ 37,869	\$ 97,314	\$ 76,911

- (1) For the three and six months ended June 30, 2020, interest expense, Cash Interest and E&P Cash Interest include additional interest charges of \$1.0 million and \$30.3 million, respectively, per the Fourth Amendment of the Oasis Credit Facility. The Fourth Amendment provides for forbearance of such additional interest until the earlier to occur of (i) October 24, 2020 and (ii) an event of default.
- (2) For the three and six months ended June 30, 2020, interest expense and Cash Interest include additional interest charges of \$2.1 million and \$28.0 million, respectively, for the OMP Credit Facility. The Limited Waiver provides for forbearance of such additional interest until the earlier to occur of (i) November 10, 2020 and (ii) an Event of Default.

Adjusted EBITDA Reconciliation

The Company defines Adjusted EBITDA as earnings (loss) before interest expense, income taxes, depreciation, depletion, amortization, exploration expenses and other similar non-cash or non-recurring charges. Adjusted EBITDA is not a measure of net income (loss) or cash flows as determined by GAAP. Management believes that the presentation of Adjusted EBITDA provides useful additional information to investors and analysts for assessing the Company's results of operations, financial performance and ability to generate cash from its business operations without regard to its financing methods or capital structure coupled with its ability to maintain compliance with its debt covenants.

The following table presents reconciliations of the GAAP financial measures of net income (loss) including non-controlling interests and net cash provided by operating activities to the non-GAAP financial measure of Adjusted EBITDA for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands)			
Net income (loss) including non-controlling	\$ (89,349)	\$ 51,174	\$ (4,423,624)	\$ (56,804)
(Gain) loss on sale of properties	1,047	276	(10,179)	3,198
Gain on extinguishment of debt	—	—	(83,887)	—
Net (gain) loss on derivative instruments	37,187	(34,749)	(248,135)	82,862
Derivative settlements ⁽¹⁾	139,049	(9,817)	144,069	3,629
Interest expense, net of capitalized interest	44,388	43,186	140,145	87,654
Depreciation, depletion and amortization	33,130	177,358	236,885	367,191
Impairment	2,319	24	4,825,997	653
Exploration expenses	1,430	887	2,598	1,717
Equity-based compensation expenses	4,890	8,911	11,697	17,924
Income tax (benefit) expense	(2,613)	12,240	(257,351)	8,537
Other non-cash adjustments	2,765	120	3,010	2,395
Adjusted EBITDA	174,243	249,610	341,225	518,956
Adjusted EBITDA attributable to non-controlling interests	8,379	11,693	23,438	21,896
Adjusted EBITDA attributable to Oasis	\$ 165,864	\$ 237,917	\$ 317,787	\$ 497,060
Net cash provided by (used in) operating activities	\$ (47,880)	\$ 214,006	\$ 59,895	\$ 388,932
Derivative settlements ⁽¹⁾	139,049	(9,817)	144,069	3,629
Interest expense, net of capitalized interest	44,388	43,186	140,145	87,654
Exploration expenses	1,430	887	2,598	1,717
Deferred financing costs amortization and other	(10,567)	(5,315)	(16,755)	(12,245)
Current tax (benefit) expense	25	76	(36)	(80)
Changes in working capital	45,033	6,467	8,299	46,954
Other non-cash adjustments	2,765	120	3,010	2,395
Adjusted EBITDA	174,243	249,610	341,225	518,956
Adjusted EBITDA attributable to non-controlling interests	8,379	11,693	23,438	21,896
Adjusted EBITDA attributable to Oasis	\$ 165,864	\$ 237,917	\$ 317,787	\$ 497,060

(1) Cash settlements represent the cumulative gains and losses on the Company's derivative instruments for the periods presented and do not include a recovery of costs that were paid to acquire or modify the derivative instruments that were settled.

Segment Adjusted EBITDA and E&P Free Cash Flow Reconciliations

The Company defines E&P Free Cash Flow as Adjusted EBITDA for its exploration and production segment plus distributions to Oasis for its ownership of (i) OMP limited partner units, (ii) a controlling interest in OMP's general partner, OMP GP LLC, and (iii) retained interests in Bobcat DevCo LLC and Beartooth DevCo LLC; less E&P Cash Interest, capital expenditures for E&P and other, excluding capitalized interest, and midstream capital expenditures attributable to its retained interests in Bobcat DevCo LLC and Beartooth DevCo LLC. E&P Free Cash Flow is not a measure of net income (loss) or cash flows as determined by GAAP. Management believes that the presentation of E&P Free Cash Flow provides useful additional information to investors and analysts for assessing the financial performance of its E&P business as compared to its peers and its ability to generate cash from its E&P operations and midstream ownership interests after interest and capital spending. In addition, E&P Free Cash Flow excludes changes in operating assets and liabilities that relate to the timing of cash receipts and disbursements, which the Company may not control, and changes in operating assets and liabilities may not relate to the period in which the operating activities occurred.

The following tables present reconciliations of the GAAP financial measure of income (loss) before income taxes including non-controlling interests to the non-GAAP financial measure of Adjusted EBITDA for the Company's two reportable business segments and to the non-GAAP financial measure of E&P Free Cash Flow for its exploration and production segment for the periods presented:

	Exploration and Production⁽¹⁾			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands)			
Income (loss) before income taxes including non-controlling interests	\$ (116,366)	\$ 15,499	\$ (4,629,623)	\$ (140,540)
(Gain) loss on sale of properties	1,047	276	(10,179)	3,198
Gain on extinguishment of debt	—	—	(83,887)	—
Net (gain) loss on derivative instruments	37,187	(34,749)	(248,135)	82,862
Derivative settlements ⁽²⁾	139,049	(9,817)	144,069	3,629
Interest expense, net of capitalized interest	39,202	38,977	104,702	79,697
Depreciation, depletion and amortization	25,676	173,680	224,330	359,692
Impairment	920	24	4,716,314	653
Exploration expenses	1,430	887	2,598	1,717
Equity-based compensation expenses	4,811	8,681	11,407	17,436
Other non-cash adjustments	2,765	120	3,010	2,395
Adjusted EBITDA	135,721	193,578	234,606	410,739
Distributions to Oasis from OMP and DevCo interests ⁽³⁾	28,177	36,644	67,949	71,673
E&P Cash Interest ⁽⁴⁾	(34,040)	(37,869)	(97,314)	(76,911)
E&P and other capital expenditures	(38,655)	(212,240)	(192,284)	(381,926)
Midstream capital expenditures attributable to DevCo interests	(272)	(5,881)	(7,713)	(11,136)
Capitalized interest	1,776	3,645	4,063	6,463
E&P Free Cash Flow⁽⁴⁾	\$ 92,707	\$ (22,123)	\$ 9,307	\$ 18,902

- (1) In the first quarter of 2020, the Company exited the well services business. Because the well services business will not continue to be a separate reportable business segment going forward, it is included in the E&P business segment in the table above. Prior period amounts have been restated to reflect the change in reportable segments.
- (2) Cash settlements represent the cumulative gains and losses on the Company's derivative instruments for the periods presented and do not include a recovery of costs that were paid to acquire or modify the derivative instruments that were settled.
- (3) Represents distributions to Oasis for the Company's ownership of (i) OMP limited partner units, (ii) a controlling interest in OMP's general partner, OMP GP LLC, and (iii) retained interests in Bobcat DevCo LLC and Beartooth DevCo LLC.

- (4) For the three and six months ended June 30, 2020, E&P Cash Interest and E&P Free Cash Flow include the impact of additional interest charges of \$1.0 million and \$30.3 million, respectively, per the Fourth Amendment of the Oasis Credit Facility. The Fourth Amendment provides for forbearance of such additional interest until the earlier to occur of (i) October 24, 2020 and (ii) an event of default.

	Midstream			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands)			
Income (loss) before income taxes including non-controlling interests	\$ 25,347	\$ 51,016	\$ (47,362)	\$ 97,074
Interest expense, net of capitalized interest	5,186	4,209	35,443	7,957
Depreciation, depletion and amortization	12,023	8,893	22,426	18,080
Impairment	1,399	—	109,683	—
Equity-based compensation expenses	203	515	631	980
Adjusted EBITDA	\$ 44,158	\$ 64,633	\$ 120,821	\$ 124,091

Adjusted Net Income (Loss) Attributable to Oasis and Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share Reconciliations

Adjusted Net Income (Loss) Attributable to Oasis and Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share are supplemental non-GAAP financial measures that are used by management and external users of the Company's financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Adjusted Net Income (Loss) Attributable to Oasis as net income (loss) after adjusting first for (1) the impact of certain non-cash items, including non-cash changes in the fair value of derivative instruments, impairment, and other similar non-cash charges, or non-recurring items, (2) the impact of net income (loss) attributable to non-controlling interests and (3) the non-cash and non-recurring items' impact on taxes based on the Company's effective tax rate applicable to those adjusting items in the same period. Adjusted Net Income (Loss) Attributable to Oasis is not a measure of net income (loss) as determined by GAAP. The Company defines Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share as Adjusted Net Income (Loss) Attributable to Oasis divided by diluted weighted average shares outstanding.



The following table presents reconciliations of the GAAP financial measure of net income (loss) attributable to Oasis to the non-GAAP financial measure of Adjusted Net Income (Loss) Attributable to Oasis and the GAAP financial measure of diluted earnings (loss) attributable to Oasis per share to the non-GAAP financial measure of Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands, except per share data)			
Net income (loss) attributable to Oasis	\$ (92,943)	\$ 42,757	\$ (4,403,804)	\$ (72,125)
(Gain) loss on sale of properties	1,047	276	(10,179)	3,198
Gain on extinguishment of debt	—	—	(83,887)	—
Net (gain) loss on derivative instruments	37,187	(34,749)	(248,135)	82,862
Derivative settlements ⁽¹⁾	139,049	(9,817)	144,069	3,629
Impairment ⁽²⁾	2,275	24	4,799,805	653
Additional interest charges ⁽³⁾⁽⁴⁾	3,037	—	58,300	—
Amortization of deferred financing costs ⁽⁵⁾	4,360	1,823	5,971	3,593
Amortization of debt discount	2,696	3,006	5,535	5,890
Other non-cash adjustments	2,765	120	3,010	2,395
Tax impact ⁽⁶⁾	(48,928)	7,565	(1,108,867)	14,273
Deferred tax asset valuation allowance adjustment ⁽⁷⁾	22,934	—	850,436	—
Adjusted Net Income Attributable to Oasis	\$ 73,479	\$ 11,005	\$ 12,254	\$ 44,368
Diluted earnings (loss) attributable to Oasis per share	\$ (0.29)	\$ 0.14	\$ (13.90)	\$ (0.23)
Adjustment to diluted weighted average shares outstanding ⁽⁸⁾	—	—	0.06	—
(Gain) loss on sale of properties	—	—	(0.03)	0.01
Gain on extinguishment of debt	—	—	(0.26)	—
Net (gain) loss on derivative instruments	0.12	(0.11)	(0.78)	0.26
Derivative settlements ⁽¹⁾	0.44	(0.03)	0.45	0.01
Impairment ⁽²⁾	0.01	—	15.09	—
Additional interest charges ⁽³⁾⁽⁴⁾	0.01	—	0.18	—
Amortization of deferred financing costs ⁽⁵⁾	0.01	0.01	0.02	0.01
Amortization of debt discount	0.01	0.01	0.02	0.02
Other non-cash adjustments	0.01	—	0.01	0.01
Tax impact ⁽⁶⁾	(0.16)	0.01	(3.49)	0.05
Deferred tax asset valuation allowance adjustment ⁽⁷⁾	0.07	—	2.67	—
Adjusted Diluted Earnings Attributable to Oasis Per Share	\$ 0.23	\$ 0.03	\$ 0.04	\$ 0.14
Diluted weighted average shares outstanding ⁽⁸⁾	318,112	314,982	318,092	316,081
Effective tax rate applicable to adjustment	25.4 %	19.2 %	23.7 %	(14.0)%

(1) Cash settlements represent the cumulative gains and losses on the Company's derivative instruments for the periods presented and do not include a recovery of costs that were paid to acquire or modify the derivative instruments that were settled.

(2) For the three and six months ended June 30, 2020, OMP recorded an impairment expense of \$0.2 million and \$102.0 million, respectively, which is included in the Company's unaudited condensed consolidated financial statements. The

portion of OMP impairment expense attributable to non-controlling interests of \$0.1 million and \$26.2 million is excluded from impairment expense in the table above for the three and six months ended June 30, 2020, respectively.

- (3) For the three and six months ended June 30, 2020, the Company accrued additional interest charges of \$1.0 million and \$30.3 million, respectively, per the Fourth Amendment of the Oasis Credit Facility. The Fourth Amendment provides for forbearance of such additional interest until the earlier to occur of (i) October 24, 2020 and (ii) an event of default.
- (4) For the three and six months ended June 30, 2020, the Company accrued additional interest charges of \$2.1 million and \$28.0 million, respectively, for the OMP Credit Facility. The Limited Waiver provides for forbearance of such additional interest until the earlier to occur of (i) November 10, 2020 and (ii) an Event of Default.
- (5) The portion of amortization of deferred financing costs attributable to non-controlling interests of \$0.1 million and \$0.2 million is excluded from amortization of deferred financing costs in the table above for the three and six months ended June 30, 2020, respectively.
- (6) The tax impact is computed utilizing the Company's effective tax rate applicable to the adjustments for certain non-cash and non-recurring items.
- (7) Deferred tax asset valuation allowance is adjusted to reflect the tax impact of the other adjustments using an assumed effective tax rate that excludes the impact of the valuation allowance.
- (8) The Company included the dilutive effect of unvested stock awards of 483,000, 1,193,000 and 1,357,000 for the three and six months ended June 30, 2020 and for the six months ended June 30, 2019, respectively, in computing Adjusted Diluted Earnings Attributable to Oasis Per Share, which were excluded from the GAAP calculation of diluted loss attributable to Oasis per share due to the anti-dilutive effect.