

Non-GAAP Financial Measures

Cash Interest, Adjusted EBITDA and Distributable Cash Flow are supplemental non-GAAP financial measures that are used by management and external users of the Partnership's financial statements, such as industry analysts, investors, lenders and rating agencies. These non-GAAP financial measures should not be considered in isolation or as a substitute for interest expense, net income (loss), operating income (loss), net cash provided by (used in) operating activities or any other measures prepared under United States generally accepted accounting principles, or GAAP. Because Cash Interest, Adjusted EBITDA and Distributable Cash Flow exclude some but not all items that affect interest expense, net income and net cash provided by operating activities and may vary among companies, the amounts presented may not be comparable to similar metrics of other companies.

Cash Interest

Cash Interest is defined as interest expense plus capitalized interest less amortization of deferred financing costs included in interest expense. Cash Interest is not a measure of interest expense as determined by GAAP. Management believes that the presentation of Cash Interest provides useful additional information to investors and analysts for assessing the interest charges incurred on the Partnership's debt, excluding non-cash amortization, and the Partnership's ability to maintain compliance with its debt covenants.

The following table presents a reconciliation of the GAAP financial measure of interest expense, net of capitalized interest, to the non-GAAP financial measure of Cash Interest for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
Interest expense, net of capitalized interest	\$ 4,209	\$ 183	\$ 7,957	\$ 445
Capitalized interest	153	1,362	188	2,197
Amortization of deferred financing costs	(226)	(117)	(417)	(233)
Cash Interest	4,136	1,428	7,728	2,409
Less: Cash Interest attributable to non-controlling interests ⁽¹⁾	(3)	—	(5)	—
Cash Interest attributable to Oasis Midstream Partners LP	\$ 4,133	\$ 1,428	\$ 7,723	\$ 2,409

(1) Amounts represent Cash Interest attributable to non-controlling interests associated with finance leases.

Adjusted EBITDA

Adjusted EBITDA is defined as earnings before interest expense (net of capitalized interest), income taxes, depreciation, amortization, equity-based compensation expenses and other similar non-cash adjustments. Adjusted EBITDA attributable to Oasis Midstream Partners LP is defined as Adjusted EBITDA less Adjusted EBITDA attributable to Oasis Petroleum's retained interests in two of the Partnership's DevCos, Bobcat DevCo and Beartooth DevCo. Adjusted EBITDA should not be considered an alternative to net income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Management believes that the presentation of Adjusted EBITDA provides information useful to investors and analysts for assessing the Partnership's results of operations, financial performance and the Partnership's ability to generate cash from its business operations without regard to the Partnership's financing methods or capital structure, coupled with the Partnership's ability to maintain compliance with its debt covenants. The GAAP measures most directly comparable to Adjusted EBITDA are net income and net cash provided by operating activities.

Distributable Cash Flow ("DCF")

DCF is defined as Adjusted EBITDA attributable to Oasis Midstream Partners LP less Cash Interest attributable to Oasis Midstream Partners LP and maintenance capital expenditures attributable to Oasis Midstream Partners LP. DCF should not be considered an alternative to net income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Management believes that the presentation of DCF provides information useful to investors and analysts for assessing the Partnership's results of operations, financial performance and the Partnership's ability to generate cash from its business operations without regard to the Partnership's financing methods or capital structure,

coupled with the Partnership's ability to make distributions to its unitholders. The GAAP measures most directly comparable to DCF are net income and net cash provided by operating activities.

The following table presents reconciliations of the GAAP financial measures of net income and net cash provided by operating activities to the non-GAAP financial measures of Adjusted EBITDA and DCF for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
Net income	\$ 49,035	\$ 37,485	\$ 92,374	\$ 69,014
Depreciation and amortization	8,562	6,659	17,491	13,023
Equity-based compensation expense	100	103	219	166
Interest expense, net of capitalized interest	4,209	183	7,957	445
Adjusted EBITDA	61,906	44,430	118,041	82,648
Less: Adjusted EBITDA attributable to non-controlling	25,836	28,015	50,483	52,511
Adjusted EBITDA attributable to Oasis Midstream Partners	36,070	16,415	67,558	30,137
Less:				
Cash Interest attributable to Oasis Midstream Partners LP	4,133	1,428	7,723	2,409
Maintenance capital expenditures attributable to Oasis Midstream Partners LP	3,167	497	4,834	1,293
Distributable Cash Flow attributable to Oasis Midstream Partners LP	\$ 28,770	\$ 14,490	\$ 55,001	\$ 26,435
Net cash provided by operating activities	\$ 56,043	\$ 41,396	\$ 112,093	\$ 116,147
Interest expense, net of capitalized interest	4,209	183	7,957	445
Changes in working capital	1,880	2,841	(1,592)	(33,840)
Other non-cash adjustments	(226)	10	(417)	(104)
Adjusted EBITDA	61,906	44,430	118,041	82,648
Less: Adjusted EBITDA attributable to non-controlling interests	25,836	28,015	50,483	52,511
Adjusted EBITDA attributable to Oasis Midstream Partners	36,070	16,415	67,558	30,137
Less:				
Cash Interest attributable to Oasis Midstream Partners LP	4,133	1,428	7,723	2,409
Maintenance capital expenditures attributable to Oasis Midstream Partners LP	3,167	497	4,834	1,293
Distributable Cash Flow attributable to Oasis Midstream Partners LP	\$ 28,770	\$ 14,490	\$ 55,001	\$ 26,435
Distributions declared				
Limited partners	\$ 16,560	\$ 11,287	\$ 32,443	\$ 22,090
Incentive distribution rights	491	—	729	—
Total distributions	\$ 17,051	\$ 11,287	\$ 33,172	\$ 22,090
DCF coverage ratio	1.7 x	1.3 x	1.7 x	1.2 x