



Oasis Petroleum Inc.

Non-GAAP Financial Measures

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Adjusted EBITDA as earnings before interest expense, income taxes, depreciation, depletion, amortization, exploration expenses and other similar non-cash charges. Adjusted EBITDA is not a measure of net income or cash flows as determined by United States generally accepted accounting principles, or GAAP.

The following tables present a reconciliation of the non-GAAP financial measure of Adjusted EBITDA to the GAAP financial measures of net income and net cash provided by operating activities, respectively.

Adjusted EBITDA Reconciliations

	Quarter Ended:		
	3/31/2013	12/31/2012	3/31/2012
Adjusted EBITDA reconciliation to Net Income (\$ in thousands):			
Net income	\$ 51,851	\$ 42,590	\$ 16,441
Change in unrealized loss on derivative instruments	16,298	3,165	17,295
Interest expense	21,183	21,191	13,899
Depreciation, depletion and amortization	66,261	65,951	38,886
Impairment of oil and gas properties	498	974	368
Exploration expenses	1,857	79	2,835
Stock-based compensation expenses	2,289	3,706	1,591
Income tax expense	31,087	25,774	9,822
Other non-cash adjustments	49	54	-
Adjusted EBITDA	\$ 191,373	\$ 163,484	\$ 101,137
Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities (\$ in thousands):			
Net cash provided by operating activities	\$ 170,547	\$ 110,258	\$ 62,765
Realized gain (loss) on derivative instruments	1,686	3,761	(1,291)
Interest expense	21,183	21,191	13,899
Exploration expenses	1,857	79	2,835
Debt discount amortization and other	(746)	(772)	(648)
Income taxes	100	(57)	-
Changes in working capital	(3,303)	28,970	23,577
Other non-cash adjustments	49	54	-
Adjusted EBITDA	\$ 191,373	\$ 163,484	\$ 101,137

Adjusted Net Income is a supplemental non-GAAP financial measure that is used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Adjusted Net Income as Net Income after adjusting first for (1) the impact of certain non-cash items, including changes in unrealized gains and losses on derivative instruments, impairment of oil and gas properties, and other similar non-cash charges, and then (2) the non-cash items' impact on taxes based on the Company's effective tax rates in the same period. Adjusted Net Income is not a measure of net income as determined by GAAP.



The following table provides a reconciliation of net income (GAAP) to Adjusted Net Income (non-GAAP):

Adjusted Net Income Reconciliation

	Quarter Ended:		
	3/31/2013	12/31/2012	3/31/2012
	<i>(In thousands, except per share amounts)</i>		
Net income	\$ 51,851	\$ 42,590	\$ 16,441
Change in unrealized loss on derivative instruments	16,298	3,165	17,295
Impairment of oil and gas properties	498	974	368
Other non-cash adjustments	49	54	-
Tax impact ⁽¹⁾	(6,314)	(1,581)	(6,606)
Adjusted Net Income	\$ 62,382	\$ 45,202	\$ 27,498
Adjusted earnings per share:			
Basic	\$ 0.68	\$ 0.49	\$ 0.30
Diluted	\$ 0.67	\$ 0.49	\$ 0.30
Weighted average shares outstanding:			
Basic	92,375	92,226	92,130
Diluted	92,651	92,509	92,231
Effective Tax Rate	37.5%	37.7%	37.4%

(1) The tax impact is computed utilizing the Company's effective tax rate on the adjustments for certain non-cash items.