



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 (loss) and net cash provided by operating activities, respectively.

	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011
	<i>(In thousands)</i>		
Adjusted EBITDA reconciliation to Net Income (Loss):			
Net income (loss)	\$ 16,441	\$ (13,401)	\$ (6,847)
Change in unrealized loss on derivative instruments	17,295	66,500	31,154
Interest expense	13,899	10,873	5,198
Depreciation, depletion and amortization	38,886	27,210	13,812
Impairment of oil and gas properties	368	297	1,381
Exploration expenses	2,835	1,340	32
Loss on sale of properties	-	207	-
Stock-based compensation expenses	1,591	1,064	527
Income tax expense (benefit)	9,822	(8,226)	(4,161)
Adjusted EBITDA	\$ 101,137	\$ 85,864	\$ 41,096
Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:			
Net cash provided by operating activities	\$ 63,094	\$ 36,342	\$ 22,845
Realized loss on derivative instruments	(1,291)	990	(512)
Interest expense	13,899	10,873	5,198
Exploration expenses	2,835	1,340	32
Debt discount amortization and other	(704)	(520)	(256)
Changes in working capital	23,304	36,839	13,789
Adjusted EBITDA	\$ 101,137	\$ 85,864	\$ 41,096