



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 and amortization, property impairments, exploration expenses, unrealized derivative gains and losses and non-cash stock-based compensation expense. 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 loss and net cash provided by operating activities, respectively.

Adjusted EBITDA reconciliations

(\$ in thousands)	Three Months Ended		
	September 30, 2010	June 30, 2010	September 30, 2009
Adjusted EBITDA reconciliation to Net Income / (Loss):			
Net Income / (Loss)	\$(1,701)	\$(26,350)	\$(171)
Change in unrealized (gain) loss on derivative instruments	3,124	(3,399)	(234)
Interest expense	236	509	209
Depreciation, depletion, and amortization	9,753	8,783	4,928
Impairment to oil and gas properties	825	7,907	1,613
Exploration expenses	(6)	24	181
Stock-based compensation expense	561	49	-
Income Tax Expense	9,239	29,867	-
Adjusted EBITDA	\$22,031	\$17,390	\$6,526
Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:			
Net cash provided by (used in) operating activities	\$10,255	\$12,928	\$2,952
Realized (gain) loss on derivative instruments	-	(33)	130
Interest expense	236	509	209
Exploration expenses	(6)	24	181
Debt discount amortization and other	(90)	(147)	(24)
Changes in working capital	11,636	4,109	3,078
Adjusted EBITDA	\$22,031	\$17,390	\$6,526