



**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		
	June 30, 2010	March 31, 2010	June 30, 2009
<b>Adjusted EBITDA reconciliation to Net Income /(Loss):</b>			
Net Income / (Loss)	\$ (26,350)	\$ (3,231)	\$ (5,883)
Change in unrealized (gain) loss on derivative instruments	(3,399)	391	4,942
Interest expense	509	338	198
Depreciation, depletion, and amortization	8,783	5,849	2,683
Impairment to oil and gas properties	7,907	3,077	809
Exploration expenses	24	18	214
Stock-based compensation expense	49	5,200	-
Income Tax Expense	29,867	-	-
<b>Adjusted EBITDA</b>	<b>\$17,390</b>	<b>\$11,642</b>	<b>\$2,963</b>
<b>Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:</b>			
Net cash provided by (used in) operating activities	\$12,928	\$7,702	\$6,049
Realized (gain) loss on derivative instruments	(33)	(26)	791
Interest expense	509	338	198
Exploration expenses	24	18	214
Debt discount amortization and other	(147)	(185)	(33)
Changes in working capital	4,109	3,795	(4,256)
<b>Adjusted EBITDA</b>	<b>\$17,390</b>	<b>\$11,642</b>	<b>\$2,963</b>