

## Non-GAAP Financial Measures

### *E&P Cash G&A*

E&P Cash G&A is defined as the total general and administrative expenses included in the Company's exploration and production segment less non-cash equity-based compensation expenses included in its exploration and production segment. E&P Cash G&A is not a measure of general and administrative expenses as determined by United States generally accepted accounting principles, or GAAP. Management believes that the presentation of E&P Cash G&A provides useful additional information to investors and analysts to assess the Company's operating costs in comparison to peers without regard to equity-based compensation programs, which can vary substantially from company to company.

The following table presents a reconciliation of the GAAP financial measure of general and administrative expenses included in its exploration and production segment to the non-GAAP financial measure of E&P Cash G&A for the periods presented:

	<b>Exploration and Production</b>			
	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	(In thousands)			
<b>E&amp;P general and administrative expenses</b>	\$ 25,761	\$ 23,492	\$ 53,288	\$ 46,971
Equity-based compensation expenses	(8,522)	(7,012)	(17,102)	(13,463)
<b>E&amp;P Cash G&amp;A</b>	<b>\$ 17,239</b>	<b>\$ 16,480</b>	<b>\$ 36,186</b>	<b>\$ 33,508</b>

### *Cash Interest*

Cash Interest is a supplemental non-GAAP financial measure that is used by management and external users of the Company's financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Cash Interest as interest expense plus capitalized interest less amortization and write-offs of deferred financing costs and debt discounts included in interest expense. Cash Interest is not a measure of interest expense as determined by GAAP.

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

	<b>Exploration and Production</b>			
	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	(In thousands)			
<b>Interest expense</b>	\$ 43,186	\$ 40,910	\$ 87,654	\$ 78,056
Capitalized interest	3,645	4,227	6,463	8,678
Amortization of deferred financing costs	(1,823)	(1,937)	(3,593)	(3,698)
Amortization of debt discount	(3,006)	(2,731)	(5,890)	(5,349)
<b>Cash Interest</b>	<b>\$ 42,002</b>	<b>\$ 40,469</b>	<b>\$ 84,634</b>	<b>\$ 77,687</b>

### *Adjusted EBITDA and Free Cash Flow*

Adjusted EBITDA and Free Cash Flow are supplemental non-GAAP financial measures that are used by management and external users of the Company's 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 or non-recurring charges. The Company defines Free Cash Flow as Adjusted EBITDA attributable to Oasis less Cash Interest and CapEx, excluding capitalized interest. Adjusted EBITDA and Free Cash Flow are not measures of net income (loss) or cash flows as determined by GAAP.

The following table presents reconciliations of the GAAP financial measures of net income (loss) including non-controlling interests and net cash provided by (used in) operating activities to the non-GAAP financial measures of Adjusted EBITDA and Free Cash Flow for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
<b>Net income (loss) including non-controlling interests</b>	\$ 51,174	\$ (316,301)	\$ (56,804)	\$ (312,589)
(Gain) loss on sale of properties	276	(1,954)	3,198	(1,954)
Loss on extinguishment of debt	—	13,651	—	13,651
Net (gain) loss on derivative instruments	(34,749)	120,285	82,862	191,401
Derivative settlements <sup>(1)</sup>	(9,817)	(59,849)	3,629	(96,823)
Interest expense, net of capitalized interest	43,186	40,910	87,654	78,056
Depreciation, depletion and amortization	177,358	153,570	367,191	302,835
Impairment	24	384,135	653	384,228
Exploration expenses	887	617	1,717	1,386
Equity-based compensation expenses	8,911	7,376	17,924	14,130
Income tax (benefit) expense	12,240	(101,001)	8,537	(100,173)
Other non-cash adjustments	120	(226)	2,395	(17)
<b>Adjusted EBITDA</b>	<b>249,610</b>	<b>241,213</b>	<b>518,956</b>	<b>474,131</b>
Adjusted EBITDA attributable to non-controlling interests	11,693	5,148	21,896	9,452
Adjusted EBITDA attributable to Oasis	237,917	236,065	497,060	464,679
Cash Interest	(42,002)	(40,469)	(84,634)	(77,687)
Capital expenditures <sup>(2)</sup>	(294,875)	(358,534)	(521,668)	(1,525,762)
Capitalized interest	3,645	4,227	6,463	8,678
<b>Free Cash Flow</b>	<b>\$ (95,315)</b>	<b>\$ (158,711)</b>	<b>\$ (102,779)</b>	<b>\$ (1,130,092)</b>
<b>Net cash provided by operating activities</b>	\$ 214,006	\$ 303,657	\$ 388,932	\$ 532,016
Derivative settlements <sup>(1)</sup>	(9,817)	(59,849)	3,629	(96,823)
Interest expense, net of capitalized interest	43,186	40,910	87,654	78,056
Exploration expenses	887	617	1,717	1,386
Deferred financing costs amortization and other	(5,315)	(5,043)	(12,245)	(10,518)
Current tax (benefit) expense	76	120	(80)	120
Changes in working capital	6,467	(38,973)	46,954	(30,089)
Other non-cash adjustments	120	(226)	2,395	(17)
<b>Adjusted EBITDA</b>	<b>249,610</b>	<b>241,213</b>	<b>518,956</b>	<b>474,131</b>
Adjusted EBITDA attributable to non-controlling interests	11,693	5,148	21,896	9,452
Adjusted EBITDA attributable to Oasis	237,917	236,065	497,060	464,679
Cash Interest	(42,002)	(40,469)	(84,634)	(77,687)
Capital expenditures <sup>(2)</sup>	(294,875)	(358,534)	(521,668)	(1,525,762)
Capitalized interest	3,645	4,227	6,463	8,678
<b>Free Cash Flow</b>	<b>\$ (95,315)</b>	<b>\$ (158,711)</b>	<b>\$ (102,779)</b>	<b>\$ (1,130,092)</b>

- (1) Cash settlements represent the cumulative gains and losses on the Company's derivative instruments for the periods presented and do not include a recovery of costs that were paid to acquire or modify the derivative instruments that were settled.
- (2) Capital expenditures (including acquisitions) reflected in the table above differ from the amounts shown in the statements of cash flows in the Company's condensed consolidated financial statements because amounts reflected in the table include changes in accrued liabilities from the previous reporting period for capital expenditures, while the amounts presented in the statements of cash flows are presented on a cash basis. Acquisitions totaled \$5.8 million for the three and six months ended June 30, 2019, and \$3.5 million and \$894.5 million for the three and six months ended June 30, 2018, respectively.

### Segment Adjusted EBITDA

The following tables present reconciliations of the GAAP financial measure of income (loss) before income taxes including non-controlling interests to the non-GAAP financial measure of Adjusted EBITDA for the Company's three reportable business segments on a gross basis for the periods presented:

#### Exploration and Production

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
<b>Income (loss) before income taxes including non-controlling interests</b>	\$ 14,925	\$ (454,662)	\$ (141,533)	\$ (482,847)
(Gain) loss on sale of properties	276	(1,954)	3,198	(1,954)
Loss on extinguishment of debt	—	13,651	—	13,651
Net (gain) loss on derivative instruments	(34,749)	120,285	82,862	191,401
Derivative settlements <sup>(1)</sup>	(9,817)	(59,849)	3,629	(96,823)
Interest expense, net of capitalized interest	38,977	40,727	79,697	77,611
Depreciation, depletion and amortization	172,687	149,250	357,506	294,454
Impairment	24	384,135	653	384,228
Exploration expenses	887	617	1,717	1,386
Equity-based compensation expenses	8,522	7,012	17,102	13,463
Other non-cash adjustments	120	(226)	2,395	(17)
<b>Adjusted EBITDA</b>	<b>\$ 191,852</b>	<b>\$ 198,986</b>	<b>\$ 407,226</b>	<b>\$ 394,553</b>

- (1) Cash settlements represent the cumulative gains and losses on the Company's derivative instruments for the periods presented and do not include a recovery of costs that were paid to acquire or modify the derivative instruments that were settled.

#### Midstream Services

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
<b>Income before income taxes including non-controlling interests</b>	\$ 51,016	\$ 37,815	\$ 97,074	\$ 69,796
Interest expense, net of capitalized interest	4,209	183	7,957	445
Depreciation, depletion and amortization	8,893	6,900	18,080	13,529
Equity-based compensation expenses	515	409	980	780
<b>Adjusted EBITDA</b>	<b>\$ 64,633</b>	<b>\$ 45,307</b>	<b>\$ 124,091</b>	<b>\$ 84,550</b>

**Well Services**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
<b>Income before income taxes including non-controlling interests</b>	\$ 1,499	\$ 8,051	\$ 2,319	\$ 16,158
Depreciation, depletion and amortization	3,358	3,930	7,287	7,619
Equity-based compensation expenses	527	409	1,088	795
<b>Adjusted EBITDA</b>	<b>\$ 5,384</b>	<b>\$ 12,390</b>	<b>\$ 10,694</b>	<b>\$ 24,572</b>

***Adjusted Net Income (Loss) Attributable to Oasis and Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share***

Adjusted Net Income (Loss) Attributable to Oasis and Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share are supplemental non-GAAP financial measures that are used by management and external users of the Company's financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Adjusted Net Income (Loss) Attributable to Oasis as net income (loss) after adjusting first for (1) the impact of certain non-cash items, including non-cash changes in the fair value of derivative instruments, impairment, and other similar non-cash charges, or non-recurring items, (2) the impact of net income attributable to non-controlling interests and (3) the non-cash and non-recurring items' impact on taxes based on the Company's effective tax rate applicable to those adjusting items in the same period. Adjusted Net Income (Loss) Attributable to Oasis is not a measure of net income (loss) as determined by GAAP. The Company defines Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share as Adjusted Net Income (Loss) Attributable to Oasis divided by diluted weighted average shares outstanding.

The following table presents reconciliations of the GAAP financial measure of net income (loss) attributable to Oasis to the non-GAAP financial measure of Adjusted Net Income (Loss) Attributable to Oasis and the GAAP financial measure of diluted earnings (loss) attributable to Oasis per share to the non-GAAP financial measure of Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands, except per share data)			
<b>Net income (loss) attributable to Oasis</b>	\$ 42,757	\$ (320,204)	\$ (72,125)	\$ (319,614)
(Gain) loss on sale of properties	276	(1,954)	3,198	(1,954)
Loss on extinguishment of debt	—	13,651	—	13,651
Net (gain) loss on derivative instruments	(34,749)	120,285	82,862	191,401
Derivative settlements <sup>(1)</sup>	(9,817)	(59,849)	3,629	(96,823)
Impairment	24	384,135	653	384,228
Amortization of deferred financing costs	1,823	1,937	3,593	3,698
Amortization of debt discount	3,006	2,731	5,890	5,349
Other non-cash adjustments	120	(226)	2,395	(17)
Tax impact <sup>(2)</sup>	7,565	(111,592)	14,273	(121,102)
<b>Adjusted Net Income Attributable to Oasis</b>	<b>\$ 11,005</b>	<b>\$ 28,914</b>	<b>\$ 44,368</b>	<b>\$ 58,817</b>
<b>Diluted earnings (loss) attributable to Oasis per share</b>	\$ 0.14	\$ (1.02)	\$ (0.23)	\$ (1.06)
(Gain) loss on sale of properties	—	(0.01)	0.01	(0.01)
Loss on extinguishment of debt	—	0.04	—	0.04
Net (gain) loss on derivative instruments	(0.11)	0.38	0.26	0.63
Derivative settlements <sup>(1)</sup>	(0.03)	(0.19)	0.01	(0.32)
Impairment	—	1.23	—	1.26
Amortization of deferred financing costs	0.01	0.01	0.01	0.01
Amortization of debt discount	0.01	0.01	0.02	0.02
Other non-cash adjustments	—	—	0.01	—
Tax impact <sup>(2)</sup>	0.01	(0.36)	0.05	(0.38)
<b>Adjusted Diluted Earnings Attributable to Oasis Per Share</b>	<b>\$ 0.03</b>	<b>\$ 0.09</b>	<b>\$ 0.14</b>	<b>\$ 0.19</b>
Diluted weighted average shares outstanding <sup>(3)</sup>	314,982	315,664	316,081	304,859
Effective tax rate applicable to adjustment items	19.2 %	24.2 %	(14.0) %	24.2 %

(1) Cash settlements represent the cumulative gains and losses on the Company's derivative instruments for the periods presented and do not include a recovery of costs that were paid to acquire or modify the derivative instruments that were settled.

(2) The tax impact is computed utilizing the Company's effective tax rate applicable to the adjustments for certain non-cash and non-recurring items.

(3) No unvested stock awards were included in computing Adjusted Diluted Earnings Attributable to Oasis Per Share for the three months ended June 30, 2019 because the effect was anti-dilutive under the treasury stock method. For the six months ended June 30, 2019 and the three and six months ended June 30, 2018, the Company included 1,357,000, 2,592,000 and 3,207,000, respectively, of unvested stock awards in computing Adjusted Diluted Earnings Attributable to Oasis Per Share due to the dilutive effect under the treasury stock method.