

## Non-GAAP Financial Measures

### Cash MT&G Reconciliation

Cash MT&G is defined as the total marketing, transportation and gathering (“MT&G”) expenses less non-cash valuation charges on pipeline imbalances. Cash MT&G is not a measure of MT&G expenses as determined by accounting principles generally accepted in the United States of America (“GAAP”). Management believes that the presentation of Cash MT&G provides useful additional information to investors and analysts to assess the cash costs incurred to get its commodities to market without regard for the change in value of its pipeline imbalances, which vary monthly based on commodity prices. The following table presents a reconciliation of the GAAP financial measure of MT&G expenses to the non-GAAP financial measure of Cash MT&G for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(In thousands)			
<b>Marketing, transportation and gathering expenses</b>	\$ 20,328	\$ 32,659	\$ 73,557	\$ 96,097
Pipeline imbalances	90	79	(1,377)	(2,316)
<b>Cash MT&amp;G</b>	<b>\$ 20,418</b>	<b>\$ 32,738</b>	<b>\$ 72,180</b>	<b>\$ 93,781</b>

### E&P Cash G&A Reconciliation

E&P Cash G&A is defined as general and administrative (“G&A”) expenses, excluding non-cash charges, related to the Company’s exploration and production (“E&P”) business, calculated as the total G&A expenses less non-cash equity-based compensation expenses, other non-cash charges and G&A expenses attributable to midstream and other services, such as equipment rentals and well services. E&P Cash G&A is not a measure of G&A expenses as determined by 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 G&A expenses to the non-GAAP financial measure of E&P Cash G&A for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(In thousands)			
<b>General and administrative expenses</b>	\$ 49,251	\$ 32,860	\$ 117,868	\$ 98,245
Equity-based compensation expenses	(4,502)	(8,246)	(15,861)	(25,348)
G&A expenses attributable to midstream and other services	(5,317)	(6,481)	(17,128)	(18,578)
<b>E&amp;P Cash G&amp;A</b>	<b>\$ 39,432</b>	<b>\$ 18,133</b>	<b>\$ 84,879</b>	<b>\$ 54,319</b>

### Cash Interest and E&P Cash Interest Reconciliations

Cash Interest is defined as interest expense plus capitalized interest less amortization and write-offs of deferred financing costs and debt discounts included in interest expense, and E&P Cash Interest is defined as total Cash Interest less Cash Interest attributable to Oasis Midstream Partners LP (“OMP”). Cash Interest and E&P Cash Interest are not measures of interest expense as determined by GAAP. Management believes that the presentation of E&P Cash Interest provides useful additional information to investors and analysts for assessing the interest charges incurred on its debt to finance its E&P activities, excluding non-cash amortization, and its ability to maintain compliance with its debt covenants.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020 <sup>(1)</sup>	2019
	(In thousands)			
<b>Interest expense</b>	\$ 37,389	\$ 43,897	\$ 177,534	\$ 131,551
Capitalized interest	1,572	3,001	5,635	9,464
Amortization of deferred financing costs	(1,443)	(1,861)	(7,590)	(5,454)
Amortization of debt discount	(2,782)	(3,137)	(8,317)	(9,027)
<b>Cash Interest</b>	<b>34,736</b>	<b>41,900</b>	<b>167,262</b>	<b>126,534</b>
Cash Interest attributable to OMP	(2,481)	(4,501)	(37,694)	(12,224)
<b>E&amp;P Cash Interest</b>	<b>\$ 32,255</b>	<b>\$ 37,399</b>	<b>\$ 129,568</b>	<b>\$ 114,310</b>

- (1) For the nine months ended September 30, 2020, interest expense, Cash Interest and E&P Cash Interest include Specified Default Interest charges of \$30.3 million related to the Pre-Petition Credit Facility. For the nine months ended September 30, 2020, interest expense, Cash Interest and Cash Interest attributable to OMP include OMP Specified Default Interest charges of \$28.0 million related to the OMP Credit Facility. The Specified Default Interest and OMP Specified Default Interest will be waived, subject to certain conditions, upon the Company’s emergence from the Chapter 11 Cases.

### Adjusted EBITDA Reconciliation

The Company defines Adjusted EBITDA as earnings (loss) before interest expense, income taxes, depreciation, depletion, amortization, exploration expenses and other similar non-cash or non-recurring charges. Adjusted EBITDA is not a measure of net income (loss) or cash flows as determined by GAAP. Management believes that the presentation of Adjusted EBITDA provides useful additional information to investors and analysts for assessing the Company's results of operations, financial performance and ability to generate cash from its business operations without regard to its financing methods or capital structure coupled with its ability to maintain compliance with its debt covenants.

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

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(In thousands)			
<b>Net income (loss) including non-controlling</b>	\$ (47,097)	\$ 30,311	\$ (4,470,721)	\$ (26,493)
(Gain) loss on sale of properties	(1,473)	752	(11,652)	3,950
(Gain) loss on extinguishment of debt	20	—	(83,867)	—
Net (gain) loss on derivative instruments	5,071	(47,922)	(243,064)	34,940
Derivative settlements	80,154	7,123	224,223	10,752
Interest expense, net of capitalized interest	37,389	43,897	177,534	131,551
Depreciation, depletion and amortization	36,000	210,832	272,885	578,023
Impairment	2,578	—	4,828,575	653
Rig termination	1,017	—	1,279	—
Exploration expenses	725	652	3,061	2,369
Equity-based compensation expenses	4,834	8,446	16,531	26,370
Litigation settlement	22,750	20,000	22,750	20,000
Reorganization items, net	49,758	—	49,758	—
Income tax benefit	(5,144)	(17,372)	(262,495)	(8,835)
Other non-cash adjustments	104	(79)	3,114	2,316
<b>Adjusted EBITDA</b>	<b>186,686</b>	<b>256,640</b>	<b>527,911</b>	<b>775,596</b>
Adjusted EBITDA attributable to non-controlling interests	12,107	13,606	8,379	35,501
<b>Adjusted EBITDA attributable to Oasis</b>	<b>\$ 174,579</b>	<b>\$ 243,034</b>	<b>\$ 519,532</b>	<b>\$ 740,095</b>
<b>Net cash provided by operating activities</b>	\$ 95,010	\$ 250,962	\$ 154,905	\$ 639,894
Derivative settlements	80,154	7,123	224,223	10,752
Interest expense, net of capitalized interest	37,389	43,897	177,534	131,551
Rig termination	1,017	—	1,279	—
Exploration expenses	725	652	3,061	2,369
Deferred financing costs amortization and other	(2,286)	(5,945)	(19,041)	(18,190)
Current tax (benefit) expense	—	84	(36)	5
Changes in working capital	(48,177)	(60,054)	(39,878)	(13,101)
Litigation settlement	22,750	20,000	22,750	20,000
Other non-cash adjustments	104	(79)	3,114	2,316
<b>Adjusted EBITDA</b>	<b>186,686</b>	<b>256,640</b>	<b>527,911</b>	<b>775,596</b>
Adjusted EBITDA attributable to non-controlling interests	12,107	13,606	8,379	35,501
<b>Adjusted EBITDA attributable to Oasis</b>	<b>\$ 174,579</b>	<b>\$ 243,034</b>	<b>\$ 519,532</b>	<b>\$ 740,095</b>

## Segment Adjusted EBITDA and E&P Free Cash Flow Reconciliations

The Company defines E&P Free Cash Flow as Adjusted EBITDA for its E&P segment plus distributions to Oasis for its ownership of (i) OMP limited partner units, (ii) a controlling interest in OMP's general partner, OMP GP LLC, and (iii) retained interests in Bobcat DevCo LLC and Beartooth DevCo LLC (together, the "DevCo Interests"); less E&P Cash Interest, capital expenditures for E&P and other, excluding capitalized interest, and midstream capital expenditures attributable to its DevCo Interests. E&P Free Cash Flow is not a measure of net income (loss) or cash flows as determined by GAAP. Management believes that the presentation of E&P Free Cash Flow provides useful additional information to investors and analysts for assessing the financial performance of its E&P business as compared to its peers and its ability to generate cash from its E&P operations and midstream ownership interests after interest and capital spending. In addition, E&P Free Cash Flow excludes changes in operating assets and liabilities that relate to the timing of cash receipts and disbursements, which the Company may not control, and changes in operating assets and liabilities may not relate to the period in which the operating activities occurred.

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 two reportable business segments and to the non-GAAP financial measure of E&P Free Cash Flow for its E&P segment for the periods presented:

	<b>Exploration and Production<sup>(1)</sup></b>			
	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	(In thousands)			
<b>Loss before income taxes including non-controlling interests</b>	\$ (96,556)	\$ (43,519)	\$ (4,726,179)	\$ (184,059)
(Gain) loss on sale of properties	(1,473)	752	(11,652)	3,950
(Gain) loss on extinguishment of debt	20	—	(83,867)	—
Net (gain) loss on derivative instruments	5,071	(47,922)	(243,064)	34,940
Derivative settlements	80,154	7,123	224,223	10,752
Interest expense, net of capitalized interest	34,636	39,385	139,338	119,082
Depreciation, depletion and amortization	31,175	206,916	255,505	566,608
Impairment	992	—	4,717,306	653
Exploration expenses	463	652	3,061	2,369
Rig termination	1,279	—	1,279	—
Equity-based compensation expenses	4,502	8,247	15,909	25,683
Litigation settlement	22,750	20,000	22,750	20,000
Reorganization items, net	49,758	—	49,758	—
Other non-cash adjustments	104	(79)	3,114	2,316
<b>Adjusted EBITDA</b>	<b>132,875</b>	<b>191,555</b>	<b>367,481</b>	<b>602,294</b>
Distributions to Oasis from OMP and DevCo Interests <sup>(2)</sup>	33,070	38,658	100,320	110,330
E&P Cash Interest <sup>(3)</sup>	(32,255)	(37,399)	(129,568)	(114,310)
E&P and other capital expenditures	(10,223)	(150,332)	(202,507)	(532,258)
Midstream capital expenditures attributable to DevCo Interests	1,246	(1,695)	(6,467)	(48,251)
Capitalized interest	1,572	3,001	5,635	9,464
<b>E&amp;P Free Cash Flow<sup>(3)</sup></b>	<b>\$ 126,285</b>	<b>\$ 43,788</b>	<b>\$ 134,894</b>	<b>\$ 27,269</b>

- (1) In the first quarter of 2020, the Company exited the well services business. Because the well services business will not continue to be a separate reportable business segment going forward, it is included in the E&P business segment in the table above. Prior period amounts have been restated to reflect the change in reportable segments.
- (2) Represents distributions to Oasis for the Company's ownership of (i) OMP limited partner units, (ii) a controlling interest in OMP's general partner, OMP GP LLC, and (iii) DevCo Interests.
- (3) For the nine months ended September 30, 2020, E&P Cash Interest and E&P Free Cash Flow include the impact of Specified Default Interest charges of \$30.3 million related to the Pre-Petition Credit Facility, which will be waived pursuant to the Plan of Reorganization on the Plan effective date.

	<b>Midstream</b>			
	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	(In thousands)			
<b>Income (loss) before income taxes including non-controlling interests</b>	\$ 45,320	\$ 59,787	\$ (2,042)	\$ 156,861
Interest expense, net of capitalized interest	2,753	4,512	38,196	12,469
Depreciation, depletion and amortization	9,225	9,340	31,651	27,420
Impairment	1,586	—	111,269	—
Equity-based compensation expenses	400	383	1,031	1,363
<b>Adjusted EBITDA</b>	<b>\$ 59,284</b>	<b>\$ 74,022</b>	<b>\$ 180,105</b>	<b>\$ 198,113</b>

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

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 (loss) 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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(In thousands, except per share data)			
<b>Net income (loss) attributable to Oasis</b>	\$ (55,699)	\$ 20,288	\$ (4,459,503)	\$ (51,837)
(Gain) loss on sale of properties	(1,473)	752	(11,652)	3,950
(Gain) loss on extinguishment of debt	20	—	(83,867)	—
Net (gain) loss on derivative instruments	5,071	(47,922)	(243,064)	34,940
Derivative settlements	80,154	7,123	224,223	10,752
Impairment <sup>(1)</sup>	2,105	—	4,801,909	653
Additional interest charges <sup>(2)</sup>	—	—	58,300	—
Amortization of deferred financing costs <sup>(3)</sup>	1,354	1,861	7,325	5,454
Amortization of debt discount	2,782	3,137	8,317	9,027
Non-cash reorganization items, net	49,758	—	49,758	—
Litigation settlement	22,750	20,000	22,750	20,000
Other non-cash adjustments	104	(79)	3,114	2,316
Tax impact <sup>(4)</sup>	(42,183)	(21,173)	(1,146,636)	(28,026)
Deferred tax asset valuation allowance and non-deductible restructuring fees tax adjustment <sup>(5)</sup>	5,945	—	856,381	—
<b>Adjusted Net Income (Loss) Attributable to</b>	<b>\$ 70,688</b>	<b>\$ (16,013)</b>	<b>\$ 87,355</b>	<b>\$ 7,229</b>
<b>Diluted earnings (loss) attributable to Oasis per share</b>	<b>\$ (0.17)</b>	<b>\$ 0.06</b>	<b>\$ (14.05)</b>	<b>\$ (0.16)</b>
Adjustment to diluted weighted average shares outstanding <sup>(6)</sup>	—	—	0.03	—
(Gain) loss on sale of properties	—	—	(0.04)	0.01
(Gain) loss on extinguishment of debt	—	—	(0.26)	—
Net (gain) loss on derivative instruments	0.02	(0.15)	(0.76)	0.11
Derivative settlements	0.25	0.02	0.70	0.03
Impairment <sup>(1)</sup>	0.01	—	15.10	—
Additional interest charges <sup>(2)</sup>	—	—	0.18	—
Amortization of deferred financing costs <sup>(3)</sup>	—	0.01	0.02	0.02
Amortization of debt discount	0.01	0.01	0.03	0.03
Non-cash reorganization items, net	0.16	—	0.16	—
Litigation settlement	0.07	0.06	0.07	0.06
Other non-cash adjustments	—	—	0.01	0.01
Tax impact <sup>(4)</sup>	(0.15)	(0.06)	(3.61)	(0.09)
Deferred tax asset valuation allowance and non-deductible restructuring fees tax adjustment <sup>(5)</sup>	0.02	—	2.69	—
<b>Adjusted Diluted Earnings (Loss) Attributable to Oasis Per Share</b>	<b>\$ 0.22</b>	<b>\$ (0.05)</b>	<b>\$ 0.27</b>	<b>\$ 0.02</b>
Diluted weighted average shares outstanding <sup>(6)</sup>	318,493	315,135	318,109	315,944
Effective tax rate applicable to adjustment items <sup>(4)</sup>	25.9 %	(140.0)%	23.7 %	32.2 %

- (1) For the three and nine months ended September 30, 2020, OMP recorded an impairment expense of \$1.5 million and \$103.4 million, respectively, which is included in the Company's unaudited condensed consolidated financial statements. The portion of OMP impairment expense attributable to non-controlling interests of \$0.5 million and \$26.7 million is excluded from impairment expense in the table above for the three and nine months ended September 30, 2020, respectively.
- (2) For the three and nine months ended September 30, 2020, the Company recorded Specified Default Interest charges of \$30.3 million related to the Pre-Petition Credit Facility and OMP Specified Default Interest charges of \$28.0 million related to the OMP Credit Facility. The Specified Default Interest and OMP Specified Default Interest will be waived, subject to certain conditions, upon the Company's emergence from the Chapter 11 Cases.
- (3) The portion of amortization of deferred financing costs attributable to non-controlling interests of \$0.1 million and \$0.3 million is excluded from amortization of deferred financing costs in the table above for the three and nine months ended September 30, 2020, respectively.
- (4) The tax impact is computed utilizing the Company's effective tax rate applicable to the adjustments for certain non-cash and non-recurring items.
- (5) Deferred tax asset valuation allowance and tax impact of non-deductible restructuring fees are adjusted to reflect the tax impact of the other adjustments using an assumed effective tax rate that excludes the impact of the valuation allowance and non-deductible restructuring fees.
- (6) For the three and nine months ended September 30, 2020 and the nine months ended September 30, 2019, the Company included the dilutive effect of unvested stock awards of 206,000, 744,000 and 1,081,000, respectively, in computing Adjusted Diluted Earnings Attributable to Oasis Per Share, which were excluded from the GAAP calculation of diluted loss attributable to Oasis per share due to the anti-dilutive effect.