

Non-GAAP Financial Measures

Adjusted Gas Revenues

The Company defines Adjusted Gas Revenues as natural gas revenues less benefits from intercompany midstream services related to natural gas gathering and processing services. Adjusted Gas Revenues is not a measure of natural gas revenues as determined by GAAP. Management believes that the presentation of Adjusted Gas Revenues provides useful additional information to investors and analysts to evaluate the natural gas revenues derived from the Company's E&P business. This non-GAAP measure is intended to provide investors and analysts an indication of the natural gas revenues the Company would receive if fees charged from midstream service providers were recorded as a reduction to natural gas revenues rather than as GPT expenses.

The following table presents a reconciliation of the GAAP financial measure of natural gas revenues to the non-GAAP financial measure of Adjusted Gas Revenues for the periods presented (in thousands):

| | Successor | | | | Predecessor |
|---|--------------------------------------|---------------------------------------|------------------------------|---|---|
| | Three Months Ended December 31, 2021 | Three Months Ended September 30, 2021 | Year Ended December 31, 2021 | November 20, 2020 through December 31, 2020 | January 1, 2020 through November 19, 2020 |
| Natural gas revenues | \$ 106,696 | \$ 75,742 | \$ 289,875 | \$ 17,070 | \$ 78,698 |
| Intercompany impacts from midstream segment | (10,200) | (11,773) | (43,069) | (3,440) | (30,824) |
| Adjusted Gas Revenues | \$ 96,496 | \$ 63,969 | \$ 246,806 | \$ 13,630 | \$ 47,874 |

Cash GPT and E&P GPT

The Company defines Cash GPT as total GPT expenses less non-cash valuation charges on pipeline imbalances. The Company defines E&P GPT as Cash GPT less benefits from intercompany midstream services related to natural gas gathering and processing services. Cash GPT and E&P GPT are not measures of GPT expenses as determined by GAAP. Management believes that the presentation of Cash GPT and E&P GPT provide useful additional information to investors and analysts to assess the cash costs incurred to market and transport the Company's commodities from the wellhead to delivery points for sale without regard to the change in value of its pipeline imbalances, which vary monthly based on commodity prices, and with the fees charged from midstream service providers presented as if they were recorded as a reduction to natural gas revenues rather than as GPT expenses.

The following table presents a reconciliation of the GAAP financial measure of GPT expenses to the non-GAAP financial measures of Cash GPT and E&P GPT for the periods presented (in thousands):

| | Successor | | | | Predecessor |
|---|--------------------------------------|---------------------------------------|------------------------------|---|---|
| | Three Months Ended December 31, 2021 | Three Months Ended September 30, 2021 | Year Ended December 31, 2021 | Period from November 20, 2020 through December 31, 2020 | Period from January 1, 2020 through November 19, 2020 |
| GPT | \$ 31,694 | \$ 30,028 | \$ 122,614 | \$ 13,198 | \$ 117,884 |
| Pipeline imbalances | 15 | 547 | 1,670 | 189 | (1,346) |
| Cash GPT | \$ 31,709 | \$ 30,575 | \$ 124,284 | \$ 13,387 | \$ 116,538 |
| Intercompany impacts from midstream segment | (10,200) | (11,773) | (43,069) | (3,440) | (30,824) |
| E&P GPT | \$ 21,509 | \$ 18,802 | \$ 81,215 | \$ 9,947 | \$ 85,714 |

Cash G&A

The Company defines Cash G&A as total G&A expenses less G&A expenses from discontinued operations, non-cash equity-based compensation expenses, G&A expenses attributable to shared service allocations and other non-cash charges. Cash G&A is not a measure of G&A expenses as determined by GAAP. Management believes that the presentation of 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 the aforementioned charges, 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 Cash G&A for the periods presented (in thousands):

| | Successor | | | | Predecessor |
|---|--------------------------------------|---------------------------------------|------------------------------|---|---|
| | Three Months Ended December 31, 2021 | Three Months Ended September 30, 2021 | Year Ended December 31, 2021 | Period from November 20, 2020 through December 31, 2020 | Period from January 1, 2020 through November 19, 2020 |
| General and administrative expenses | \$ 24,420 | \$ 19,514 | \$ 84,881 | \$ 14,224 | \$ 145,294 |
| Less: general and administrative expenses from discontinued operations ⁽¹⁾ | 5,232 | (574) | 4,193 | (579) | 594 |
| General and administrative expenses from continuing operations | 19,188 | 20,088 | 80,688 | 14,803 | 144,700 |
| Equity-based compensation expenses | (4,145) | (4,144) | (14,663) | — | (29,794) |
| G&A expenses attributable to shared services | (5,026) | (4,387) | (19,443) | (2,569) | (18,881) |
| Other non-cash adjustments | 305 | (1,025) | (371) | — | — |
| Cash G&A | \$ 10,322 | \$ 10,532 | \$ 46,211 | \$ 12,234 | \$ 96,025 |

(1) Includes discontinued intercompany eliminations.

Cash Interest

The Company defines Cash Interest as interest expense less interest expense from discontinued operations plus capitalized interest less amortization and write-offs of deferred financing costs and debt discounts. Cash Interest is not a measure of interest expense as determined by GAAP. Management believes that the presentation of Cash Interest provides useful additional information to investors and analysts for assessing the interest charges incurred on the Company's 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 measure of Cash Interest for the periods presented (in thousands):

| | Successor | | | | Predecessor |
|---|--------------------------------------|---------------------------------------|---|---|--|
| | Three Months Ended December 31, 2021 | Three Months Ended September 30, 2021 | Year Ended December 31, 2021 ⁽¹⁾ | Period from November 20, 2020 through December 31, 2020 | Period from January 1, 2020 through November 19, 2020 ⁽²⁾ |
| Interest expense | \$ 18,331 | \$ 18,153 | \$ 67,751 | \$ 3,168 | \$ 181,484 |
| Less: Interest expense from discontinued operations | 10,970 | 10,997 | 36,945 | 1,148 | 39,648 |
| Interest expense from continuing operations | 7,361 | 7,156 | 30,806 | 2,020 | 141,836 |
| Capitalized interest | 537 | 578 | 2,077 | 128 | 6,106 |
| Amortization of deferred financing costs | (934) | (825) | (13,727) | (152) | (6,865) |
| Amortization of debt discount | — | — | — | — | (8,317) |
| Cash Interest | \$ 6,964 | \$ 6,909 | \$ 19,156 | \$ 1,996 | \$ 132,760 |

(1) Interest expense and interest expense from continuing operations include fees incurred for a bridge loan facility of \$7.8MM.

(2) Interest expense, interest expense from continuing operations and Cash Interest include a specified default interest charge of \$30.3MM related to the Company's revolving credit facility. In addition, interest expense and interest expense from discontinued operations include a specified default interest charge related to OMP's revolving credit facility of \$28.0MM. These specified default interest charges were waived upon the Company's emergence from bankruptcy on November 19, 2020.

Adjusted EBITDA and Adjusted Free Cash Flow

The Company defines Adjusted EBITDA as earnings (loss) before interest expense, income taxes, DD&A, exploration expenses and other similar non-cash or non-recurring charges. The Company defines Adjusted EBITDA from continuing operations as Adjusted EBITDA less Adjusted EBITDA from discontinued operations, plus distributions from OMP. The Company defines Adjusted Free Cash Flow as Adjusted EBITDA from continuing operations less Cash Interest and E&P and other capital expenditures (excluding capitalized interest and acquisition capital).

Adjusted EBITDA and Adjusted Free Cash Flow are not measures of net income (loss) or cash flows as determined by GAAP. Management believes that the presentation of Adjusted EBITDA and Adjusted Free Cash Flow provides useful additional information to investors and analysts for assessing the Company's results of operations, financial performance, its ability to generate cash from business operations without regard to its financing methods or capital structure and the Company's 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 measures of Adjusted EBITDA and Adjusted Free Cash Flow for the periods presented (in thousands):

| | Successor | | | | Predecessor |
|--|----------------------|-----------------------|------------------------------------|---|---|
| | Three Months Ended | | Year Ended December 31, 2021 | Period from November 20, 2020 through December 31, 2020 | Period from January 1, 2020 through November 19, 2020 |
| | December 31, 2021 | September 30, 2021 | | | |
| Net income (loss) including non-controlling interests | \$ 225,923 | \$ 83,332 | \$ 355,298 | \$ (45,962) | \$ (3,724,611) |
| (Gain) loss on sale of properties | 5,667 | (5,405) | (222,806) | (11) | (10,396) |
| Gain on extinguishment of debt | — | — | — | — | (83,867) |
| Net (gain) loss on derivative instruments | 39,298 | 101,790 | 589,641 | 84,615 | (233,565) |
| Derivative settlements | (110,100) | (81,443) | (270,118) | (76) | 224,416 |
| Interest expense, net of capitalized interest | 18,331 | 18,153 | 67,751 | 3,168 | 181,484 |
| Depreciation, depletion and amortization | 45,723 | 33,623 | 158,304 | 16,094 | 291,115 |
| Impairment | — | — | 5 | — | 4,937,143 |
| Rig termination | — | — | — | — | 1,279 |
| Exploration expenses | 823 | 263 | 2,760 | — | 2,748 |
| Equity-based compensation expenses | 4,288 | 4,287 | 15,476 | 270 | 31,315 |
| Litigation settlement | — | — | — | — | 22,750 |
| Reorganization items, net | — | — | — | — | (786,831) |
| Income tax benefit | (956) | — | (956) | (3,447) | (262,962) |
| Other non-cash adjustments | (42) | 816 | 123 | 468 | 2,324 |
| Adjusted EBITDA | 228,955 | 155,416 | 695,478 | 55,119 | 592,342 |
| Adjusted EBITDA from discontinued operations | (47,092) | (57,980) | (216,540) | (22,309) | (173,457) |
| Cash distributions from OMP and DevCo Interests | 18,954 | 18,954 | 71,781 | 7,734 | 123,057 |
| Adjusted EBITDA from continuing operations | 200,817 | 116,390 | 550,719 | 40,544 | 541,942 |
| Cash Interest | (6,964) | (6,909) | (19,156) | (1,996) | (132,760) |
| E&P and other capital expenditures | (45,891) | (42,551) | (170,466) | (15,018) | (201,075) |
| Midstream capital expenditures attributable to DevCo Interests | — | — | — | (1,173) | (6,147) |
| Capitalized interest | 537 | 578 | 2,077 | 128 | 6,106 |
| Adjusted Free Cash Flow | \$ 148,499 | \$ 67,508 | \$ 363,174 | \$ 22,485 | \$ 208,066 |

| | | | | | |
|--|-------------------|------------------|-------------------|------------------|-------------------|
| Net cash provided by operating activities | \$ 269,390 | \$ 294,383 | \$ 914,136 | \$ 95,255 | \$ 202,936 |
| Derivative settlements | (110,100) | (81,443) | (270,118) | (76) | 224,416 |
| Interest expense, net of capitalized interest | 18,331 | 18,153 | 67,751 | 3,168 | 181,484 |
| Rig termination | — | — | — | — | 1,279 |
| Exploration expenses | 823 | 263 | 2,760 | — | 2,748 |
| Deferred financing costs amortization and other | 5,818 | (2,523) | (12,991) | (6,824) | (41,811) |
| Current tax (benefit) expense | 21 | — | 21 | — | (36) |
| Changes in working capital | 44,714 | (74,233) | (6,204) | (36,872) | (25,953) |
| Litigation settlement | — | — | — | — | 22,750 |
| Cash paid for reorganization items | — | — | — | — | 22,205 |
| Other non-cash adjustments | (42) | 816 | 123 | 468 | 2,324 |
| Adjusted EBITDA | 228,955 | 155,416 | 695,478 | 55,119 | 592,342 |
| Adjusted EBITDA from discontinued operations | (47,092) | (57,980) | (216,540) | (22,309) | (173,457) |
| Cash distributions from OMP and DevCo Interests | 18,954 | 18,954 | 71,781 | 7,734 | 123,057 |
| Adjusted EBITDA from continuing operations | 200,817 | 116,390 | 550,719 | 40,544 | 541,942 |
| Cash Interest | (6,964) | (6,909) | (19,156) | (1,996) | (132,760) |
| E&P and other capital expenditures | (45,891) | (42,551) | (170,466) | (15,018) | (201,075) |
| Midstream capital expenditures attributable to DevCo Interests | — | — | — | (1,173) | (6,147) |
| Capitalized interest | 537 | 578 | 2,077 | 128 | 6,106 |
| Adjusted Free Cash Flow | \$ 148,499 | \$ 67,508 | \$ 363,174 | \$ 22,485 | \$ 208,066 |

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 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 Attributable to Oasis Per Share for the periods presented (in thousands, except per share data):

| | Successor | | | | Predecessor |
|--|----------------------|-----------------------|------------------------------------|---|--|
| | Three Months Ended | | | | Period from January 1, 2020 through November 19, 2020 ⁽¹⁾ |
| | December 31, 2021 | September 30, 2021 | Year Ended December 31, 2021 | Period from November 20, 2020 through December 31, 2020 | |
| Net income (loss) attributable to Oasis | \$ 217,882 | \$ 71,950 | \$ 319,602 | \$ (49,912) | \$(3,640,328) |
| (Gain) loss on sale of properties | 5,667 | (5,405) | (222,806) | (11) | (10,396) |
| Gain on extinguishment of debt | — | — | — | — | (83,867) |
| Net (gain) loss on derivative instruments | 39,298 | 101,790 | 589,641 | 84,615 | (233,565) |
| Derivative settlements | (110,100) | (81,443) | (270,118) | (76) | 224,416 |
| Impairment ⁽¹⁾ | — | — | 5 | — | 4,910,477 |
| Additional interest charges ⁽²⁾ | — | — | — | — | 49,206 |
| Amortization of deferred financing costs ⁽³⁾ | 1,240 | 1,072 | 15,339 | 277 | 7,476 |
| Amortization of debt discount | — | — | — | — | 8,317 |
| Non-cash reorganization items, net | — | — | — | — | (799,942) |
| Litigation settlement | — | — | — | — | 22,750 |
| Other non-cash adjustments | (42) | 816 | 122 | 468 | 2,324 |
| Tax impact ⁽⁴⁾ | 14,369 | (4,177) | (24,565) | (20,167) | (968,987) |
| Other tax adjustments ⁽⁵⁾ | (48,985) | (18,857) | (78,569) | 9,168 | 638,729 |
| Adjusted net income attributable to Oasis | 119,329 | 65,746 | 328,651 | 24,362 | 126,610 |
| Less: Adjusted net income attributable to Oasis from discontinued operations | 29,987 | 30,447 | 132,235 | 17,205 | 130,468 |
| Adjusted net income attributable to Oasis from continuing operations | \$ 89,342 | \$ 35,299 | \$ 196,416 | \$ 7,157 | \$ (3,858) |
| Diluted earnings (loss) attributable to Oasis per share | \$ 10.37 | \$ 3.46 | \$ 15.48 | \$ (2.50) | \$ (11.46) |
| (Gain) loss on sale of properties | 0.27 | (0.26) | (10.79) | — | (0.03) |
| Gain on extinguishment of debt | — | — | — | — | (0.26) |
| Net (gain) loss on derivative instruments | 1.87 | 4.90 | 28.56 | 4.23 | (0.73) |
| Derivative settlements | (5.24) | (3.92) | (13.08) | — | 0.71 |
| Impairment ⁽¹⁾ | — | — | — | — | 15.43 |

| | | | | | |
|--|----------------|----------------|----------------|----------------|------------------|
| Additional interest charges ⁽²⁾ | — | — | — | — | 0.15 |
| Amortization of deferred financing costs ⁽³⁾ | 0.06 | 0.05 | 0.74 | 0.01 | 0.02 |
| Amortization of debt discount | — | — | — | — | 0.03 |
| Non-cash reorganization items, net | — | — | — | — | (2.51) |
| Litigation settlement | — | — | — | — | 0.07 |
| Other non-cash adjustments | — | 0.04 | 0.01 | 0.02 | 0.01 |
| Tax impact ⁽⁴⁾ | 0.68 | (0.20) | (1.19) | (1.00) | (3.06) |
| Other tax adjustments ⁽⁵⁾ | (2.33) | (0.91) | (3.81) | 0.46 | 2.01 |
| Impact of diluted shares ⁽⁶⁾ | — | — | — | — | 0.02 |
| Adjusted Diluted Earnings Attributable to Oasis Per Share | 5.68 | 3.16 | 15.92 | 1.22 | 0.40 |
| Less: Adjusted Diluted Earnings From Discontinued Operations Attributable to Oasis Per Share | 1.43 | 1.46 | 6.40 | 0.86 | 0.41 |
| Adjusted Diluted Earnings From Continuing Operations Attributable to Oasis Per Share | \$ 4.25 | \$ 1.70 | \$ 9.52 | \$ 0.36 | \$ (0.01) |
| Diluted weighted average shares outstanding ⁽⁶⁾ | 21,007 | 20,786 | 20,648 | 19,991 | 318,253 |
| Effective tax rate applicable to adjustment items ⁽⁴⁾ | 22.5 % | 24.8 % | 21.9 % | 23.7 % | 23.7 % |

- (1) OMP impairment expense attributable to non-controlling interests of \$26.7MM is excluded from impairment expense in the table above for the period from January 1, 2020 through November 19, 2020 (Predecessor).
- (2) For the period from January 1, 2020 through November 19, 2020 (Predecessor), the Company incurred specified default interest charges of \$30.3MM related to the Company's revolving credit facility and \$28.0MM related to OMP's revolving credit facility. These specified default interest charges were waived upon the Company's emergence from bankruptcy in November 2020.
- (3) Excludes amortization of deferred financing costs attributable to non-controlling interests of \$0.2MM and \$0.7MM for the three months and year ended December 31, 2021 (Successor), respectively, \$0.1MM for the three months ended September 30, 2021 (Successor) and \$0.4MM for the period from January 1, 2020 through November 19, 2020 (Predecessor). The portion related to the period from November 20, 2020 through December 31, 2020 (Successor) was not material.
- (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) Other tax adjustments relate to the deferred tax asset valuation allowance, which is adjusted to reflect the tax impact of the other adjustments using an assumed effective tax rate that excludes its impact.
- (6) For the period from January 1, 2020 through November 19, 2020 (Predecessor), the Company included the dilutive effect of unvested stock awards of 609,000 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.