

Non-GAAP Financial Measures

E&P Adjusted Gas Revenue

E&P Adjusted Gas Revenue is defined as total natural gas revenues less benefits from our midstream business segment related to natural gas gathering and processing services recorded to consolidated gathering, processing and transportation (“GPT”) expenses. E&P Adjusted Gas Revenue is not a measure of natural gas revenues as determined by GAAP. The Company believes that the presentation of E&P Adjusted Gas Revenue provides useful additional information to investors and analysts to evaluate the natural gas revenues derived from our 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 our natural gas volumes were serviced by a third party midstream operator.

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

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Natural gas and NGL revenues	\$ 48,498	\$ 12,771	\$ 108,141	\$ 39,106
Intercompany impacts from midstream segment	(10,511)	(5,630)	(21,096)	(16,869)
E&P Adjusted Gas Revenue	\$ 37,987	\$ 7,141	\$ 87,045	\$ 22,237

Cash GPT and E&P GPT Reconciliation

Cash GPT is defined as total GPT less non-cash valuation charges on pipeline imbalances. E&P GPT is defined as Cash GPT less the benefits from the Company’s midstream business segment related to crude oil gathering and transportation services. Cash GPT and E&P GPT are not a measure of GPT 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 get the Company’s commodities to market without regard for certain benefits of its midstream business segment, as well as 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 GPT expenses to the non-GAAP financial measure of Cash GPT and E&P GPT for the periods presented (in thousands):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
GPT	\$ 20,485	\$ 23,765	\$ 36,196	\$ 53,229
Pipeline imbalances	(738)	(1,222)	1,109	(1,467)
Cash GPT	\$ 19,747	\$ 22,543	\$ 37,305	\$ 51,762
Intercompany impacts from midstream segment	1,790	1,784	3,600	3,796
E&P GPT	\$ 21,537	\$ 24,327	\$ 40,905	\$ 55,558

E&P Cash G&A Reconciliation

E&P Cash G&A is defined as general and administrative (“G&A”) expenses less non-cash equity-based compensation expenses, other non-cash charges and G&A expenses attributable to the Company’s midstream business segment and other services. E&P Cash G&A is not a measure of G&A 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, and the G&A costs associated with the Company’s midstream business segment.

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 (in thousands):

	<u>Successor</u>	<u>Predecessor</u>	<u>Successor</u>	<u>Predecessor</u>
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
General and administrative expenses	\$ 20,210	\$ 37,443	\$ 40,947	\$ 68,617
Equity-based compensation expenses	(4,702)	(4,738)	(6,900)	(11,359)
G&A expenses attributable to midstream and other services	(4,487)	(3,923)	(9,039)	(11,811)
E&P Cash G&A	\$ 11,021	\$ 28,782	\$ 25,008	\$ 45,447

Cash Interest and E&P Cash Interest Reconciliation

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 OMP. Cash Interest and E&P Cash Interest are not measures of interest expense as determined by GAAP. Management believes that the presentation of Cash Interest and E&P 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 measures of Cash Interest and E&P Cash Interest for the periods presented (in thousands):

	<u>Successor</u>	<u>Predecessor</u>	<u>Successor</u>	<u>Predecessor</u>
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020 ⁽¹⁾	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020 ⁽¹⁾
Interest expense	\$ 22,571	\$ 44,388	\$ 31,268	\$ 140,145
Capitalized interest	543	1,776	961	4,063
Amortization of deferred financing costs ⁽²⁾	(9,990)	(4,448)	(13,461)	(6,147)
Amortization of debt discount	—	(2,696)	—	(5,535)
Cash Interest	13,124	39,020	18,768	132,526
Cash Interest attributable to OMP	(10,758)	(4,980)	(13,486)	(35,212)
E&P Cash Interest	\$ 2,366	\$ 34,040	\$ 5,282	\$ 97,314

- (1) For the three and six months ended June 30, 2020, interest expense, Cash Interest and E&P Cash Interest include specified default interest charges of \$1.0 million and \$30.3 million, respectively, related to the Predecessor credit facility. For the three and six months ended June 30, 2020, interest expense, Cash Interest and Cash Interest attributable to OMP include specified default interest charges of \$2.1 million and \$28.0 million, respectively, related to the OMP credit facility. These specified default interest charges were waived upon our emergence from bankruptcy.
- (2) The three and six months ended June 30, 2021 includes bridge facility fees of \$7.8 million which were expensed as incurred.

Adjusted EBITDA and Adjusted EBITDA attributable to Oasis Reconciliation

Adjusted EBITDA is defined as earnings (loss) before interest expense, income taxes, depreciation, depletion, amortization, exploration expenses and other similar non-cash or non-recurring charges. Adjusted EBITDA attributable to Oasis is defined as Adjusted EBITDA less Adjusted EBITDA attributable to OMP, plus distributions from OMP for Oasis's ownership of OMP limited partner units and, prior to the Midstream Simplification, Adjusted EBITDA attributable to Oasis's retained interests in Bobcat DevCo and Beartooth DevCo (the "DevCo Interests") and distributions from OMP GP related to OMP's incentive distribution rights.

Adjusted EBITDA and Adjusted EBITDA attributable to Oasis are not measures of net income (loss) or cash flows as determined by GAAP. Management believes that the presentation of Adjusted EBITDA and Adjusted EBITDA attributable to Oasis provides useful additional information to investors and analysts for assessing the Company's results of operations, financial performance, ability to generate cash from its business operations without regard to its financing methods or capital structure and, with respect to Adjusted EBITDA attributable to Oasis, the Company's ability to maintain compliance with its debt covenants under the Oasis credit facility.

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 Adjusted EBITDA attributable to Oasis for the periods presented (in thousands):

	<u>Successor</u>	<u>Predecessor</u>	<u>Successor</u>	<u>Predecessor</u>
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net income (loss) including non-controlling interests	\$ 81,309	\$ (89,349)	\$ 46,044	\$(4,423,624)
(Gain) loss on sale of properties	(222,980)	1,047	(223,068)	(10,179)
Gain on extinguishment of debt	—	—	—	(83,887)
Net (gain) loss on derivative instruments	267,037	37,187	448,552	(248,135)
Derivative settlements	(55,979)	139,049	(78,575)	144,069
Interest expense, net of capitalized interest ⁽¹⁾	22,571	44,388	31,268	140,145
Depreciation, depletion and amortization	38,968	33,130	78,958	236,885
Impairment	2	2,319	5	4,825,997
Exploration expenses	1,250	1,430	1,673	2,598
Equity-based compensation expenses	4,702	4,890	6,900	11,697
Income tax (benefit) expense	3,654	(2,613)	—	(257,351)
Other non-cash adjustments	1,720	2,765	(303)	3,010
Adjusted EBITDA	142,254	174,243	311,454	341,225
Adjusted EBITDA attributable to OMP	(55,818)	(40,020)	(112,277)	(112,948)
Adjusted EBITDA attributable to DevCo Interests	—	14,208	—	40,746
Cash distributions from OMP to Oasis	20,608	13,272	33,874	26,509
Adjusted EBITDA attributable to Oasis	\$ 107,044	\$ 161,703	\$ 233,051	\$ 295,532
Net cash provided by (used in) operating activities	\$ 159,950	\$ (47,880)	\$ 350,363	\$ 59,895
Derivative settlements	(55,979)	139,049	(78,575)	144,069
Interest expense, net of capitalized interest ⁽¹⁾	22,571	44,388	31,268	140,145
Exploration expenses	1,250	1,430	1,673	2,598
Deferred financing costs amortization and other	(13,969)	(10,567)	(16,289)	(16,755)
Current tax (benefit) expense	—	25	—	(36)
Changes in working capital	26,711	45,033	23,317	8,299
Other non-cash adjustments	1,720	2,765	(303)	3,010
Adjusted EBITDA	142,254	174,243	311,454	341,225
Adjusted EBITDA attributable to OMP	(55,818)	(40,020)	(112,277)	(112,948)
Adjusted EBITDA attributable to DevCo Interests	—	14,208	—	40,746
Cash distributions from OMP to Oasis	20,608	13,272	33,874	26,509
Adjusted EBITDA attributable to Oasis	\$ 107,044	\$ 161,703	\$ 233,051	\$ 295,532

- (1) The three and six months ended June 30, 2020 included specified default interest charges of \$1.0MM and \$30.3MM, respectively, related to the Predecessor credit facility and \$2.1MM and \$28.0MM, respectively, related to the OMP credit facility. These specified default interest charges were waived upon Oasis's emergence from bankruptcy.

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

The Company defines E&P Free Cash Flow as Adjusted EBITDA from its E&P segment plus distributions to Oasis for its ownership of OMP, less E&P Cash Interest, capital expenditures for E&P and other, excluding capitalized interest. 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 table presents a reconciliation of the GAAP financial measure of income (loss) before income taxes including non-controlling interests from the Company's E&P segment to the non-GAAP financial measure of E&P Adjusted EBITDA from the Company's E&P segment and E&P Free Cash Flow for the periods presented (in thousands):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Income (loss) before income taxes including non-controlling interests	\$ 57,586	\$ (116,366)	\$ (25,130)	\$ (4,629,623)
(Gain) loss on sale of properties	(228,015)	1,047	(228,103)	(10,179)
Gain on extinguishment of debt	—	—	—	(83,887)
Net (gain) loss on derivative instruments	267,037	37,187	448,552	(248,135)
Derivative settlements	(55,979)	139,049	(78,575)	144,069
Interest expense, net of capitalized interest ⁽¹⁾	11,424	39,202	16,289	104,702
Depreciation, depletion and amortization	29,232	25,676	60,002	224,330
Impairment	—	920	3	4,716,314
Exploration expenses	1,250	1,430	1,673	2,598
Equity-based compensation	4,686	4,811	6,374	11,407
Other non-cash adjustments	1,792	2,765	(282)	3,010
E&P Adjusted EBITDA	89,013	135,721	200,803	234,606
Distributions to Oasis from OMP and DevCo Interests ⁽²⁾	20,608	28,177	33,874	67,949
E&P Cash Interest ⁽¹⁾	(2,366)	(34,040)	(5,282)	(97,314)
E&P and other capital expenditures	(53,015)	(38,655)	(82,024)	(192,284)
Midstream capital expenditures attributable to DevCo Interests ⁽²⁾	—	(272)	—	(7,713)
Capitalized interest	543	1,776	961	4,063
E&P Free Cash Flow	\$ 54,783	\$ 92,707	\$ 148,332	\$ 9,307

- (1) The three and six months ended June 30, 2020 includes the impact of specified default interest charges of \$1.0MM and \$30.3MM, respectively, related to the Predecessor credit facility. The specified default interest charge was waived upon Oasis's emergence from bankruptcy.
- (2) The Company sold its remaining ownership interests in Bobcat DevCo and Beartooth DevCo to OMP in the first quarter of 2021. The effective date of the sale was January 1, 2021.

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

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net income (loss) attributable to Oasis	\$ 73,364	\$ (92,943)	\$ 29,772	\$ (4,403,804)
(Gain) loss on sale of properties	(222,980)	1,047	(223,068)	(10,179)
Gain on extinguishment of debt	—	—	—	(83,887)
Net (gain) loss on derivative instruments	267,037	37,187	448,552	(248,135)
Derivative settlements	(55,979)	139,049	(78,575)	144,069
Impairment ⁽¹⁾	2	2,275	5	4,799,805
Additional interest charges ⁽²⁾	—	3,037	—	58,300
Amortization of deferred financing costs ⁽³⁾	9,883	4,360	12,981	5,971
Amortization of debt discount	—	2,696	—	5,535
Other non-cash adjustments	1,720	2,765	(303)	3,010
Tax impact ⁽⁴⁾	85	(48,928)	(36,826)	(1,108,867)
Other tax adjustments ⁽⁵⁾	(15,567)	22,934	(10,728)	850,436
Adjusted Net Income Attributable to Oasis	<u>\$ 57,565</u>	<u>\$ 73,479</u>	<u>\$ 141,810</u>	<u>\$ 12,254</u>
Diluted earnings (loss) attributable to Oasis per share	\$ 3.52	\$ (0.29)	\$ 1.46	\$ (13.90)
(Gain) loss on sale of properties	(10.71)	—	(10.93)	(0.03)
Gain on extinguishment of debt	—	—	—	(0.26)
Net (gain) loss on derivative instruments	12.82	0.12	21.97	(0.78)
Derivative settlements	(2.69)	0.44	(3.85)	0.45
Impairment ⁽¹⁾	—	0.01	—	15.09
Additional interest charges ⁽²⁾	—	0.01	—	0.18
Amortization of deferred financing costs ⁽³⁾	0.47	0.01	0.64	0.02
Amortization of debt discount	—	0.01	—	0.02
Other non-cash adjustments	0.10	0.01	(0.01)	0.01
Tax impact ⁽⁴⁾	—	(0.16)	(1.80)	(3.49)
Other tax adjustments ⁽⁵⁾	(0.75)	0.07	(0.53)	2.67
Impact of diluted shares ⁽⁶⁾	—	—	—	0.06
Adjusted Diluted Earnings Attributable to Oasis Per Share	<u>\$ 2.76</u>	<u>\$ 0.23</u>	<u>\$ 6.95</u>	<u>\$ 0.04</u>
Diluted weighted average shares outstanding ⁽⁶⁾	20,822	318,112	20,419	318,092
Effective tax rate applicable to adjustment items ⁽⁴⁾	26.7 %	25.4 %	23.1 %	23.7 %

- (1) For the three and six months ended June 30, 2020, OMP recorded an impairment expense of \$0.2MM and \$102.0MM, respectively, which is included in the Company's unaudited condensed consolidated financial statements. OMP impairment expense attributable to non-controlling interests of \$0.1MM and \$26.2MM is excluded from impairment expense in the table above for the three and six months ended June 30, 2020, respectively.

- (2) For the three and six months ended June 30, 2020, the Company incurred specified default interest charges of \$1.0MM and \$30.3MM, respectively, related to the Predecessor credit facility and \$2.1MM and \$28.0MM, respectively, related to the OMP credit facility. These specified default interest charges were waived upon Oasis's emergence from bankruptcy.
- (3) Excludes amortization of deferred financing costs attributable to non-controlling interests of \$0.1MM and \$0.5MM for the three and six months ended June 30, 2021, respectively, and \$0.1MM and \$0.2MM for the three and six months ended June 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) 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) Includes the dilutive effect of unvested share-based awards of 918,000 and 467,000 for the three and six months ended June 30, 2021, respectively, and 483,000 and 1,193,000 for the three and six months ended June 30, 2020, respectively, in computing Adjusted Diluted Earnings Attributable to Oasis Per Share. For the three and six months ended June 30, 2020, these dilutive share-based awards were excluded from the GAAP calculation of diluted loss attributable to Oasis per share due to the anti-dilutive effect.