

Non-GAAP Financial Measures

E&P Adjusted Gas Revenue

E&P Adjusted Gas Revenue is defined as total natural gas revenues less benefits from the Company's 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 financial 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 Three Months Ended September 30, 2021	Predecessor Three Months Ended September 30, 2020	Successor Nine Months Ended September 30, 2021	Predecessor Nine Months Ended September 30, 2020
Natural gas and NGL revenues	\$ 75,905	\$ 24,525	\$ 184,046	\$ 63,631
Intercompany impacts from midstream segment	(11,773)	(9,710)	(32,869)	(26,579)
E&P Adjusted Gas Revenue	\$ 64,132	\$ 14,815	\$ 151,177	\$ 37,052

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 measures 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 measures of Cash GPT and E&P GPT for the periods presented (in thousands):

	Successor Three Months Ended September 30, 2021	Predecessor Three Months Ended September 30, 2020	Successor Nine Months Ended September 30, 2021	Predecessor Nine Months Ended September 30, 2020
GPT	\$ 16,400	\$ 20,328	\$ 52,596	\$ 73,557
Pipeline imbalances	547	90	1,656	(1,377)
Cash GPT	\$ 16,947	\$ 20,418	\$ 54,252	\$ 72,180
Intercompany impacts from midstream segment	1,856	1,965	5,455	5,761
E&P GPT	\$ 18,803	\$ 22,383	\$ 59,707	\$ 77,941

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. 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):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
General and administrative expenses	\$ 19,514	\$ 49,251	\$ 60,461	\$ 117,868
Equity-based compensation expenses	(4,287)	(4,502)	(11,187)	(15,861)
G&A expenses attributable to midstream segment	(3,670)	(5,317)	(12,709)	(17,128)
Other non-cash adjustments	(1,025)	983	(675)	560
E&P Cash G&A	\$ 10,532	\$ 40,415	\$ 35,890	\$ 85,439

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):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020 ⁽¹⁾	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020 ⁽¹⁾
Interest expense	\$ 18,153	\$ 37,389	\$ 49,421	\$ 177,534
Capitalized interest	578	1,572	1,539	5,635
Amortization of deferred financing costs ⁽²⁾	(1,216)	(1,443)	(14,677)	(7,590)
Amortization of debt discount	—	(2,782)	—	(8,317)
Cash Interest	17,515	34,736	36,283	167,262
Cash Interest attributable to OMP	(10,606)	(2,481)	(24,091)	(37,694)
E&P Cash Interest	\$ 6,909	\$ 32,255	\$ 12,192	\$ 129,568

- (1) For the nine months ended September 30, 2020, interest expense, Cash Interest and E&P Cash Interest include a specified default interest charge of \$30.3MM related to the Predecessor credit facility. For the nine months ended September 30, 2020, interest expense, Cash Interest and Cash Interest attributable to OMP include a specified default interest charge of \$28.0MM related to the OMP credit facility. These specified default interest charges were waived upon the Company's emergence from bankruptcy in November 2020.
- (2) The nine months ended September 30, 2021 includes bridge facility fees of \$7.8MM 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 operating activities to the non-GAAP financial measures of Adjusted EBITDA and Adjusted EBITDA attributable to Oasis for the periods presented (in thousands):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net income (loss) including non-controlling interests	\$ 83,332	\$ (47,097)	\$ 129,376	\$ (4,470,721)
Gain on sale of properties	(5,405)	(1,473)	(228,473)	(11,652)
(Gain) loss on extinguishment of debt	—	20	—	(83,867)
Net (gain) loss on derivative instruments	101,790	5,071	550,342	(243,064)
Derivative settlements	(81,443)	80,154	(160,018)	224,223
Interest expense, net of capitalized interest ⁽¹⁾	18,153	37,389	49,421	177,534
Depreciation, depletion and amortization	33,623	36,000	112,581	272,885
Impairment	—	2,578	5	4,828,575
Rig termination	—	1,017	—	1,279
Exploration expenses	263	725	1,936	3,061
Equity-based compensation expenses	4,287	4,834	11,187	16,531
Litigation settlement	—	22,750	—	22,750
Reorganization items, net	—	49,758	—	49,758
Income tax benefit	—	(5,144)	—	(262,495)
Other non-cash adjustments	816	104	164	3,114
Adjusted EBITDA	155,416	186,686	466,521	527,911
Adjusted EBITDA attributable to OMP	(58,178)	(57,106)	(170,456)	(170,054)
Adjusted EBITDA attributable to DevCo Interests	—	19,808	—	60,553
Cash distributions from OMP to Oasis	18,954	13,266	52,828	39,774
Adjusted EBITDA attributable to Oasis	\$ 116,192	\$ 162,654	\$ 348,893	\$ 458,184
Net cash provided by operating activities	\$ 294,383	\$ 95,010	\$ 644,746	\$ 154,905
Derivative settlements	(81,443)	80,154	(160,018)	224,223
Interest expense, net of capitalized interest ⁽¹⁾	18,153	37,389	49,421	177,534
Rig termination	—	1,017	—	1,279
Exploration expenses	263	725	1,936	3,061
Deferred financing costs amortization and other	(2,523)	(2,286)	(18,811)	(19,041)
Current tax benefit	—	—	—	(36)
Changes in working capital	(74,233)	(48,177)	(50,917)	(39,878)
Litigation settlement	—	22,750	—	22,750
Other non-cash adjustments	816	104	164	3,114
Adjusted EBITDA	155,416	186,686	466,521	527,911
Adjusted EBITDA attributable to OMP	(58,178)	(57,106)	(170,456)	(170,054)
Adjusted EBITDA attributable to DevCo Interests	—	19,808	—	60,553
Cash distributions from OMP to Oasis	18,954	13,266	52,828	39,774
Adjusted EBITDA attributable to Oasis	\$ 116,192	\$ 162,654	\$ 348,893	\$ 458,184

- (1) For the nine months ended September 30, 2020, the Company incurred specified default interest charges of \$30.3MM related to the Predecessor credit facility and \$28.0MM related to the OMP credit facility. These specified default interest charges were waived upon the Company's emergence from bankruptcy in November 2020.

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 measures of E&P Adjusted EBITDA and E&P Free Cash Flow for the periods presented (in thousands):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Income (loss) before income taxes including non-controlling interests	\$ 44,040	\$ (96,556)	\$ 18,910	\$ (4,726,179)
Gain on sale of properties	(5,399)	(1,473)	(233,502)	(11,652)
(Gain) loss on extinguishment of debt	—	20	—	(83,867)
Net (gain) loss on derivative instruments	101,790	5,071	550,342	(243,064)
Derivative settlements	(81,443)	80,154	(160,018)	224,223
Interest expense, net of capitalized interest ⁽¹⁾	7,156	34,636	23,445	139,338
Depreciation, depletion and amortization	23,974	31,175	83,976	255,505
Impairment	—	992	3	4,717,306
Exploration expenses	263	463	1,936	3,061
Rig termination	—	1,279	—	1,279
Equity-based compensation	4,144	4,502	10,518	15,909
Litigation settlement	—	22,750	—	22,750
Reorganization items, net	—	49,758	—	49,758
Other non-cash adjustments	816	104	185	3,114
E&P Adjusted EBITDA	95,341	132,875	295,795	367,481
Distributions to Oasis from OMP and DevCo Interests ⁽²⁾	18,954	33,070	52,828	100,320
E&P Cash Interest ⁽¹⁾	(6,909)	(32,255)	(12,192)	(129,568)
E&P and other capital expenditures	(42,551)	(10,223)	(124,575)	(202,507)
Midstream capital expenditures attributable to DevCo Interests ⁽²⁾	—	1,246	—	(6,467)
Capitalized interest	578	1,572	1,539	5,635
E&P Free Cash Flow	\$ 65,413	\$ 126,285	\$ 213,395	\$ 134,894

- (1) For the nine months ended September 30, 2020, the Company incurred a specified default interest charge of \$30.3MM related to the Predecessor credit facility. This specified default interest charge was waived upon the Company's emergence from bankruptcy in November 2020.
- (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 September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net income (loss) attributable to Oasis	\$ 71,950	\$ (55,699)	\$ 101,722	\$ (4,459,503)
Gain on sale of properties	(5,405)	(1,473)	(228,473)	(11,652)
(Gain) loss on extinguishment of debt	—	20	—	(83,867)
Net (gain) loss on derivative instruments	101,790	5,071	550,342	(243,064)
Derivative settlements	(81,443)	80,154	(160,018)	224,223
Impairment ⁽¹⁾	—	2,105	5	4,801,909
Additional interest charges ⁽²⁾	—	—	—	58,300
Amortization of deferred financing costs ⁽³⁾	1,072	1,354	14,100	7,325
Amortization of debt discount	—	2,782	—	8,317
Non-cash reorganization items, net	—	49,758	—	49,758
Litigation settlement	—	22,750	—	22,750
Other non-cash adjustments	816	104	164	3,114
Tax impact ⁽⁴⁾	(4,177)	(42,183)	(39,767)	(1,146,636)
Other tax adjustments ⁽⁵⁾	(18,857)	5,945	(29,585)	856,381
Adjusted Net Income Attributable to Oasis	<u>\$ 65,746</u>	<u>\$ 70,688</u>	<u>\$ 208,490</u>	<u>\$ 87,355</u>
Diluted earnings (loss) attributable to Oasis per share	\$ 3.46	\$ (0.17)	\$ 4.96	\$ (14.05)
Gain on sale of properties	(0.26)	—	(11.14)	(0.04)
Gain on extinguishment of debt	—	—	—	(0.26)
Net (gain) loss on derivative instruments	4.90	0.02	26.84	(0.76)
Derivative settlements	(3.92)	0.25	(7.80)	0.70
Impairment ⁽¹⁾	—	0.01	—	15.10
Additional interest charges ⁽²⁾	—	—	—	0.18
Amortization of deferred financing costs ⁽³⁾	0.05	—	0.69	0.02
Amortization of debt discount	—	0.01	—	0.03
Non-cash reorganization items, net	—	0.16	—	0.16
Litigation settlement	—	0.07	—	0.07
Other non-cash adjustments	0.04	—	—	0.01
Tax impact ⁽⁴⁾	(0.20)	(0.15)	(1.94)	(3.61)
Other tax adjustments ⁽⁵⁾	(0.91)	0.02	(1.44)	2.69
Impact of diluted shares ⁽⁶⁾	—	—	—	0.03
Adjusted Diluted Earnings Attributable to Oasis Per	<u>\$ 3.16</u>	<u>\$ 0.22</u>	<u>\$ 10.17</u>	<u>\$ 0.27</u>
Diluted weighted average shares outstanding ⁽⁶⁾	20,786	318,493	20,508	318,109
Effective tax rate applicable to adjustment items ⁽⁴⁾	24.8 %	25.9 %	22.6 %	23.7 %

- (1) For the three and nine months ended September 30, 2020, OMP recorded an impairment expense of \$1.5MM and \$103.4MM, respectively, which is included in the Company's unaudited condensed consolidated financial statements. OMP impairment expense attributable to non-controlling interests of \$0.5MM and \$26.7MM is excluded from impairment expense in the table above for the three and nine months ended September 30, 2020, respectively.

- (2) For the nine months ended September 30, 2020, the Company incurred specified default interest charges of \$30.3MM related to the Predecessor credit facility and \$28.0MM related to the OMP 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 \$0.1MM and \$0.6MM for the three and nine months ended September 30, 2021, respectively, and \$0.1MM and \$0.3MM 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) 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 three and nine months ended September 30, 2020 (Predecessor), we included the dilutive effect of unvested stock awards of 206,000 and 744,000, 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.