



## Non-GAAP Financial Measures

### Reconciliation of Cash Provided by Operating (Used in) Activities to Adjusted Operating Cash Flow

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Net cash provided by (used in) operating activities	\$ 75,002	\$ 41,892	\$ (64,039)	\$ 360,886
Changes in operating assets and liabilities	(43,215)	2,673	3,805	(59,084)
Adjusted operating cash flow	<u>\$ 31,787</u>	<u>\$ 44,565</u>	<u>\$ (60,234)</u>	<u>\$ 301,802</u>

### Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Net loss	\$ (404,337)	\$ (640,412)	\$ (1,233,474)	\$ (3,043,847)
Adjusted for				
Income tax expense	4	25	11	90
Interest expense	3,589	77,501	127,517	214,198
Depreciation and amortization - other	7,514	11,379	21,323	37,234
Depreciation and depletion - oil and natural gas	26,335	66,501	86,613	266,906
Accretion of asset retirement obligations	1,390	1,132	4,365	3,323
EBITDA	<u>(365,505)</u>	<u>(483,874)</u>	<u>(993,645)</u>	<u>(2,522,096)</u>
Asset impairment	354,451	1,074,588	718,194	3,647,845
Interest income	(246)	(501)	(1,418)	(629)
Stock-based compensation	1,247	3,203	4,291	9,294
(Gain) loss on derivative contracts	(338)	(42,211)	4,823	(59,034)
Cash received upon settlement of derivative contracts <sup>(1)</sup>	20,393	67,258	66,851	278,581
Loss on settlement of contract	-	-	90,184	-
Loss (gain) on sale of assets	416	6,771	(2,794)	2,097
Legal settlement	-	5,122	-	4,994
Severance	55	1,290	17,541	11,819
Oil field services - exit costs	12	62	2,428	4,353
Gain on extinguishment of debt	-	(340,699)	(41,179)	(358,633)
Restructuring costs	421	-	18,865	-
Reorganization items, net	42,754	-	243,672	-
Employee incentive and retention	9,724	-	20,141	-
Other	1,351	935	19,032	3,676
Non-cash portion of noncontrolling interest <sup>(2)</sup>	-	(174,304)	-	(561,969)
Adjusted EBITDA	<u>\$ 64,735</u>	<u>\$ 117,640</u>	<u>\$ 166,986</u>	<u>\$ 460,298</u>
Less: EBITDA attributable to WTO properties (2016)	-	16,644	1,990	49,502
Pro forma adjusted EBITDA	<u>\$ 64,735</u>	<u>\$ 134,284</u>	<u>\$ 168,976</u>	<u>\$ 509,800</u>

<sup>(1)</sup> Excludes amounts received upon early settlement of contracts for 2016 period.

<sup>(2)</sup> Represents depreciation and depletion, impairment, gain on commodity derivative contracts net of cash received on settlement and income tax expense attributable to noncontrolling interests in the 2015 period.

## Reconciliation of Cash Provided by (Used in) Operating Activities to Adjusted EBITDA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Net cash provided by (used in) operating activities	\$ 75,002	\$ 41,892	\$ (64,039)	\$ 360,886
Changes in operating assets and liabilities	(43,215)	2,673	3,805	(59,084)
Interest expense	3,589	77,501	127,517	214,199
Cash received on early settlement of derivative contracts	-	-	(17,894)	-
Contractual maturity reached on previous early settlements	5,756	-	12,137	-
Cash paid on early conversion of convertible notes	-	2,709	33,452	2,709
Cash paid on settlement of contract	-	-	11,000	-
Legal settlements	-	5,122	-	4,994
Severance <sup>(1)</sup>	77	1,156	12,463	7,004
Oil field services - exit costs <sup>(1)</sup>	13	62	2,386	4,275
Restructuring costs	421	-	18,865	-
Cash paid for reorganization items	11,836	-	11,836	-
Employee incentive and retention	9,724	-	20,141	-
Noncontrolling interest - SDT <sup>(2)</sup>	-	(6,619)	-	(19,237)
Noncontrolling interest - SDR <sup>(2)</sup>	-	(4,918)	-	(16,277)
Noncontrolling interest - PER <sup>(2)</sup>	-	(6,694)	-	(33,212)
Other	1,532	4,756	(4,683)	(5,959)
Adjusted EBITDA	<u>\$ 64,735</u>	<u>\$ 117,640</u>	<u>\$ 166,986</u>	<u>\$ 460,298</u>

<sup>(1)</sup> Excludes associated stock-based compensation.

<sup>(2)</sup> Excludes depreciation and depletion, impairment, gain on commodity derivative contracts net of cash received on settlement and income tax expense attributable to noncontrolling interests for 2015 period.

## Reconciliation of Net Loss Applicable to Common Stockholders to Adjusted Net Income Available (Loss Applicable) to Common Stockholders

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Loss applicable to common stockholders	\$ (404,337)	\$ (649,526)	\$ (1,249,795)	\$ (3,070,916)
Asset impairment <sup>(1)</sup>	354,451	907,834	718,194	3,127,684
(Gain) loss on derivative contracts <sup>(1)</sup>	(338)	(38,438)	4,823	(53,926)
Cash received upon settlement of derivative contracts <sup>(1)(2)</sup>	20,393	60,342	66,851	249,665
Loss on settlement of contract	-	-	90,184	-
Loss (gain) on sale of assets	416	6,771	(2,794)	2,097
Legal settlements	-	5,122	-	4,994
Severance	55	1,290	17,541	11,819
Oil field services - exit costs	12	62	2,428	4,353
Gain on extinguishment of debt	-	(340,699)	(41,179)	(358,633)
Restructuring costs	421	-	18,865	-
Reorganization items, net	42,754	-	243,672	-
Employee incentive and retention	9,724	-	20,141	-
Other	1,780	(10,306)	18,194	(8,243)
Effect of income taxes	4	19	10	76
Adjusted net income available (loss applicable) to common stockholders	<u>25,335</u>	<u>(57,529)</u>	<u>(92,865)</u>	<u>(91,030)</u>
Preferred stock dividends <sup>(3)</sup>	-	9,114	-	27,069
Effect of convertible debt, net of income taxes <sup>(3)</sup>	-	2,918	-	2,918
Total adjusted net income (loss)	<u>\$ 25,335</u>	<u>\$ (45,497)</u>	<u>\$ (92,865)</u>	<u>\$ (61,043)</u>

<sup>(1)</sup> Excludes amounts attributable to noncontrolling interests for 2015 period.

<sup>(2)</sup> Excludes amounts received for early settlement of contracts for 2016 period.

<sup>(3)</sup> Not considered dilutive securities in 2016 periods.