



NON-GAAP FINANCIAL MEASURES

	Three Months Ended	
	June 30, 2016	September 30, 2016
	(in thousands)	
Net loss	\$ (515,911)	\$ (404,337)
Adjusted for		
Income tax expense	3	4
Interest expense	42,201	3,589
Depreciation and amortization - other	6,974	7,514
Depreciation and depletion - oil and natural gas	27,952	26,335
Accretion of asset retirement obligations	1,387	1,390
EBITDA	(437,394)	(365,505)
Asset impairment	253,629	354,451
Interest income	(597)	(246)
Stock-based compensation	1,344	1,247
Loss (gain) on derivative contracts	7,969	(338)
Cash received upon settlement of derivative contracts ⁽¹⁾	20,922	20,393
Loss on settlement of contract	1,092	-
(Gain) loss on sale of assets	(1,330)	416
Loss on extinguishment of debt	152	-
Restructuring costs	10,097	421
Reorganization items, net	200,918	42,754
Employee incentive and retention	5,887	9,724
Other	(237)	1,418
Adjusted EBITDA	\$ 62,452	\$ 64,735

⁽¹⁾ Excludes amounts received upon early settlement of contracts.



SandRidge defines adjusted cash general and administrative expense, as presented below, as general and administrative expense less stock compensation and costs related to the Company's restructuring, including severance and employee incentive and retention. The Company believes that deducting these costs from general and administrative expense provides a more accurate measure of the Company's cash general and administrative expense absent a restructuring transaction.

	Three Months Ended September 30, 2016 (in thousands)
Total general and administrative expense (GAAP)	\$ 29,145
Less:	
Employee incentive and retention	(9,724)
Stock compensation	(1,247)
Restructuring costs	(421)
Other	(32)
Adjusted cash general and administrative expense (non-GAAP)	<u>\$ 17,721</u>
<i>Production</i>	4,565
<i>Adjusted cash general and administrative expense per unit (non-GAAP)</i>	\$ 3.88