SandRidge Energy, Inc. Announces Mid-Continent Acquisition and Exit from the West Texas Central Basin Platform

OKLAHOMA CITY, OKLAHOMA, November 5, 2018 **–** SandRidge Energy (NYSE: SD) ("SandRidge" or the "Company") announced today it has closed two transactions that will collectively generate meaningful incremental asset value, margin improvements and operational efficiencies for the Company.

On November 1, the Company sold substantially all of its oil and gas properties, rights and related assets in the Central Basin Platform ("CBP") region of the Permian Basin, together with 13,125,000 Common Units of the SandRidge Permian Trust (the "Trust"), to an unaffiliated party for net proceeds of $14.5 million, subject to certain post-closing adjustments. The subject oil and gas properties largely consist of shallow, low net revenue interest wells burdened by a substantial overriding royalty interest conveyed to the Trust. Lease restrictions and Trust limitations on these properties significantly constrain any additional development beyond existing wellbores. The transaction simplifies the Company's operations with the removal of a large population of low-rate and shut-in wells, collectively averaging 1 Boepd per well and with direct lifting costs of $30.50 per bbl. The divestiture of almost 1,500 wells also eliminates approximately 32% of the Company's total asset retirement obligations.

On November 2, the Company acquired certain oil and gas properties, rights and related assets in the Mississippi Lime and NW STACK areas of Oklahoma and Kansas (the "Mid-Continent") for $25.1 million, subject to certain post-closing adjustments. The acquired interests in these assets are additive to existing SandRidge ownership positions. The Company operates approximately 80% of the subject wells and holds an existing working interest in most of the remaining wells operated by others. In addition to well and lease rights, the Company is acquiring an additional 13.2% interest in its produced water gathering and disposal system. As of September, these oil and gas properties had monthly net production of 3,775 Boepd and monthly net operating income of $1.5 million. The transaction is accretive to cash flow and net asset value per share, and the Company estimates an associated payback period of less than three years.

"Both transactions will have a positive impact on the Company's operating efficiency," said Bill Griffin, President and CEO. "The CBP properties accounted for more than 12% of our total operating expenses, while contributing only 4% of the production during the first half of 2018. The sales price of these properties represents an attractive valuation, particularly considering their minimal growth potential and royalty interest burden, which requires SandRidge to cover 100% of operating costs but only receive 34% of revenues. Exiting the Central Basin Platform simplifies the Company's portfolio and operations, allowing SandRidge to increase our focus on executing our long-term development and growth strategy."

“The Mid-Continent transaction consolidates working interest in acreage and properties currently held by the Company, requiring no additional staffing to operate. These assets are well known by the Company and add low risk incremental income. Pro forma for the two transactions, the Company expects a net increase in current production of 2,615 Boepd, reduced direct lease operating expenses of $0.67 per Boe and incremental proved PV-10[1] of approximately $38 million.”

Mr. Griffin continued, “Considered together, these transactions allow the Company to redeploy the declining residual cash flow of legacy, non-core CBP assets, together with proceeds from the previously disclosed Parkside building sale for $10.3 million, into an attractively priced, complimentary acquisition. These are small but important next steps that help demonstrate our ability to improve profitability and create shareholder value.”

<u>Cautionary Statement Concerning the Present Value of Proved Reserves</u>

This communication contains information regarding the present value of Company estimates of future cash flows as of November 1, 2018 from proved oil, natural gas and natural gas liquids reserves, less future development and production costs, discounted at 10% to reflect timing of future cash flows using October 26, 2018 NYMEX futures prices and pricing assumptions that may differ from that used in the calculation of standardized measure of oil and gas reserves as required by generally accepted accounting principles. The present value of the Company’s proved reserves does not represent an estimate of the fair market value of the Company’s oil and natural gas properties. The actual value that may be ultimately recovered may differ substantially from these estimates. Factors affecting ultimate recovery include geological and mechanical factors affecting recovery rates, production costs, and availability of services and equipment. Estimates of reserves and resource potential may change significantly. These uncertainties should be taken into account through appropriate risking in valuing the Company’s resource assets.

<u>Cautionary Statement Concerning Forward Looking Statements</u>

This communication contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements express a belief, expectation or intention and are generally accompanied by words that convey projected future events or outcomes. Such statements are often identified by use of the words “expects,” “believes,” “will,” “would,” “could,” “forecasts,” “projections,” “estimates,” “targets,” “opportunities,” “potential,” and other similar terminology. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that SandRidge expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, including, but not limited to: the volatility of oil, gas and natural gas liquids (“NGL”) prices; uncertainties inherent in estimating oil, gas and NGL reserves and resource potential; the uncertainties, costs and risks involved in exploration and development activities; regulatory restrictions, compliance costs and other risks relating to governmental regulation; risk related to third party control over non-operated properties; midstream capacity constraints and potential interruptions in production, and other

[1] The PV-10 of these proved reserves is based on a November 1, 2018 effective date and calculated using NYMEX forward closing prices for oil and natural gas as of October 26, 2018.

factors, many of which are beyond our control. SandRidge cautions that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in SandRidge's public filings with the SEC, which are available at the SEC's website,http://www.sec.gov. Each forward-looking statement speaks only as of the date of the particular statement, and SandRidge undertakes no obligation to publicly update any of these forward looking statements to reflect events or circumstances that may arise after the date hereof.

About SandRidge Energy, Inc.

SandRidge Energy, Inc. (NYSE: SD) is an oil and natural gas exploration and production company headquartered in Oklahoma City, Oklahoma with its principal focus on developing high-return, growth oriented projects in Oklahoma and Colorado. The majority of the Company's production is generated from the Mississippi Lime formation in Oklahoma and Kansas. Current development activity is generally focused on various reservoirs in the Anadarko Basin and multiple oil rich Niobrara benches in the North Park Basin in Colorado

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