



## First Quarter 2020 Earnings Release

*April 29, 2020*

*NYSE: MTDR*

# Disclosure Statements

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**Safe Harbor Statement** – This presentation and statements made by representatives of Matador Resources Company (“Matador” or the “Company”) during the course of this presentation include “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. “Forward-looking statements” are statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “could,” “believe,” “would,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “should,” “continue,” “plan,” “predict,” “potential,” “project,” “hypothetical,” “forecasted,” and similar expressions that are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Such forward-looking statements include, but are not limited to, statements about guidance, projected or forecasted financial and operating results, future liquidity, results in certain basins, objectives, project timing, expectations and intentions, regulatory and governmental actions and other statements that are not historical facts. Actual results and future events could differ materially from those anticipated in such statements, and such forward-looking statements may not prove to be accurate. These forward-looking statements involve certain risks and uncertainties, including, but not limited to, the following risks related to financial and operational performance: general economic conditions; the Company’s ability to execute its business plan, including whether Matador’s drilling program is successful; changes in oil, natural gas and natural gas liquids prices and the demand for oil, natural gas and natural gas liquids; Matador’s ability to replace reserves and efficiently develop current reserves; costs of operations; delays and other difficulties related to producing oil, natural gas and natural gas liquids; delays and other difficulties related to regulatory and governmental approvals and restrictions; Matador’s ability to make acquisitions on economically acceptable terms; Matador’s ability to integrate acquisitions; availability of sufficient capital to execute Matador’s business plan, including from future cash flows, increases in Matador’s borrowing base and otherwise; weather and environmental conditions; the impact of the novel coronavirus, or COVID-19, pandemic on oil and natural gas demand, oil and natural gas prices and our business; the operating results of the Company’s midstream joint venture’s expansion of the Black River cryogenic processing plant, including the timing of the further expansion of such plant; the timing and operating results of the buildout by the Company’s midstream joint venture of oil, natural gas and water gathering and transportation systems and the drilling of any additional salt water disposal wells, including in conjunction with the expansion of the midstream joint venture’s services and assets into new areas in Eddy County, New Mexico; and other important factors which could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. For further discussions of risks and uncertainties, you should refer to Matador’s filings with the Securities and Exchange Commission (“SEC”), including the “Risk Factors” section of Matador’s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. Matador undertakes no obligation to update these forward-looking statements to reflect events or circumstances occurring after the date of this presentation, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement.

**Cautionary Note** – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. Potential resources are not proved, probable or possible reserves. The SEC’s guidelines prohibit Matador from including such information in filings with the SEC.

**Definitions** – Proved oil and natural gas reserves are the estimated quantities of oil and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Matador’s production and proved reserves are reported in two streams: oil and natural gas, including both dry and liquids-rich natural gas. Where Matador produces liquids-rich natural gas, the economic value of the natural gas liquids associated with the natural gas is included in the estimated wellhead natural gas price on those properties where the natural gas liquids are extracted and sold. Estimated ultimate recovery (EUR) is a measure that by its nature is more speculative than estimates of proved reserves prepared in accordance with SEC definitions and guidelines and is accordingly less certain. Type curves, if any, shown in this presentation are used to compare actual well performance to a range of potential production results calculated without regard to economic conditions; actual recoveries may vary from these type curves based on individual well performance and economic conditions.



## Chairman's Remarks

*April 29, 2020*

*NYSE: MTDR*

# SLIDE A

## Key Results vs. Consensus Estimates – 1st Quarter 2020

Metric	Consensus	MTDR Results	Beat / Miss
Oil Production, Bbl/d	39,900	40,600	BEAT by 2%
Natural Gas Production, MMcf/d	179.6	183.2	BEAT by 2%
Total Production, BOE/d	69,800	71,200	BEAT by 2%
Adjusted EBITDA <sup>(1)</sup> (millions)	\$127.4	\$140.6	BEAT by 10%
Adjusted Earnings Per Share <sup>(2)</sup> (EPS)	\$0.01	\$0.20	BEAT by \$0.19

***MTDR exceeded consensus estimates for all key financial and operational metrics in Q1 2020***

Note: Consensus via Bloomberg L.P. as of April 29, 2020.

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

(2) Adjusted earnings per diluted common share is a non-GAAP financial measure. For a definition of adjusted earnings per diluted common share and a reconciliation of adjusted earnings per diluted common share (non-GAAP) to earnings per diluted common share (GAAP), see Appendix.



# SLIDE B

## Key Results vs. Matador Guidance<sup>(1)</sup> – 1st Quarter 2020

<b>Total Oil Production (MBbl)</b>	<b>Total Oil Equivalent Production (MBOE)</b>	<b>Lease Operating Expenses (\$/BOE)</b>
Actual: 3,697  +3%	Actual: 6,476  +2%	Actual: \$4.77  -5%
Guidance: 3,600	Guidance: 6,337	Guidance: \$5.00
<b>G&amp;A Expenses (\$/BOE)</b>	<b>D/C/E CapEx<sup>(2)</sup> Operated and Non-Operated</b>	<b>San Mateo Midstream CapEx<sup>(3)</sup> Matador Share</b>
Actual: \$2.51  -23%	Actual: \$169 million  -13%	Actual: \$20 million  -51%
Guidance: \$3.25	Guidance: \$194 million <i>(Savings and timing-related)</i>	Guidance: \$41 million <i>(Primarily timing-related)</i>

***MTDR exceeded its guidance estimates for key financial and operational metrics in Q1 2020***

(1) At midpoint of original 2020 guidance as of and as provided on February 25, 2020.

(2) Capital expenditures associated with drilling, completing and equipping wells.

(3) Capital expenditures associated with San Mateo Midstream, LLC ("San Mateo I") and San Mateo Midstream II, LLC ("San Mateo II") and, together with San Mateo I, "San Mateo".

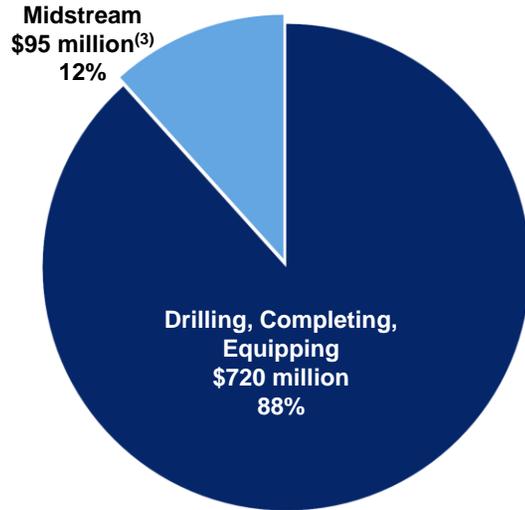


# SLIDE C

## Updated 2020 Capital Investment Plan Summary vs. Original Guidance

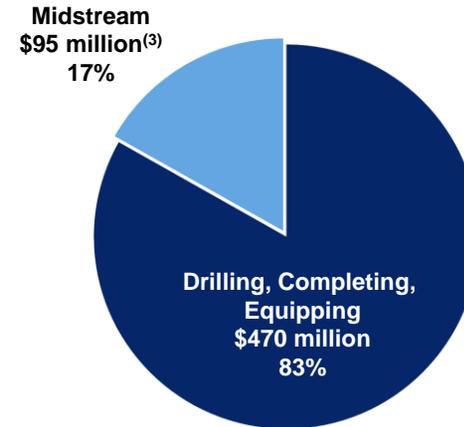
### Original 2020 CapEx Guidance<sup>(1)(2)(3)</sup> – \$815 million

(Delaware: 6 operated rigs)



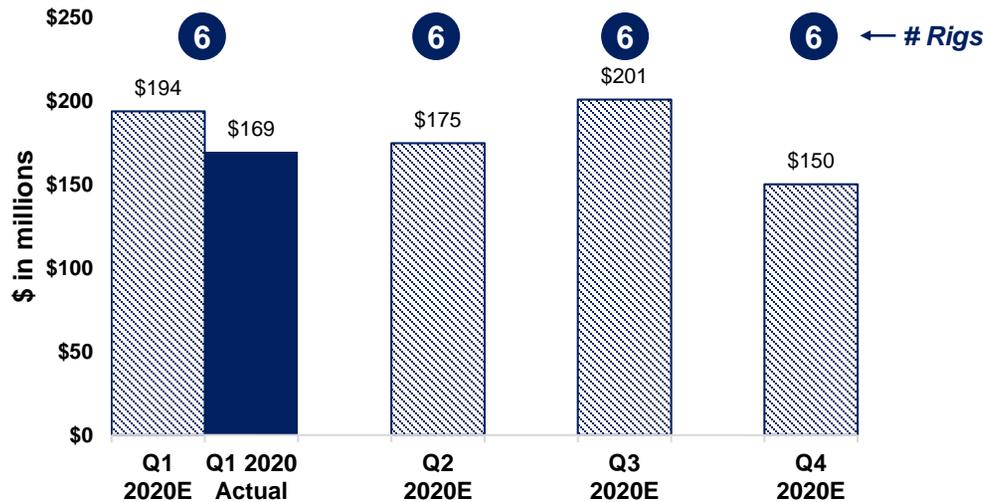
### Updated 2020 CapEx Guidance<sup>(2)(3)(4)</sup> – \$565 million

(Delaware: Moving from 6 to 3 operated rigs by end of Q2 2020)



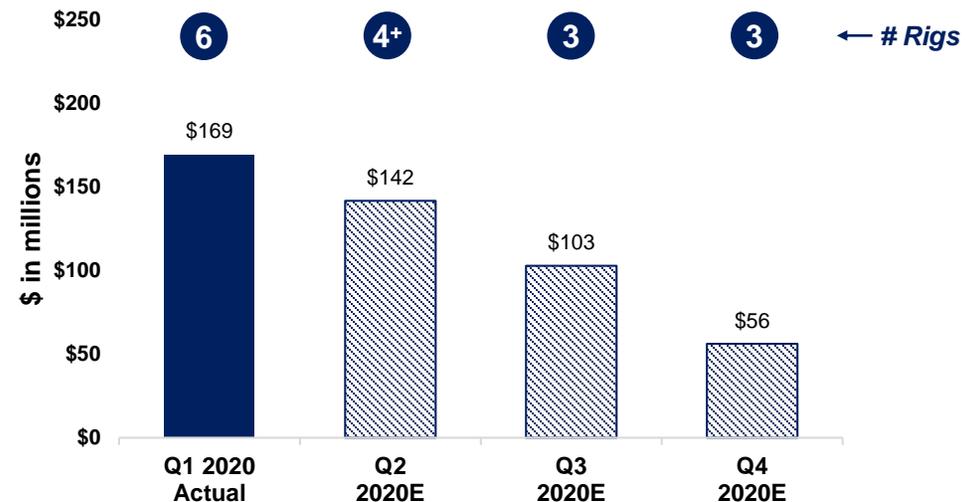
### Original 2020E D/C/E CapEx<sup>(1)(2)</sup> by Quarter

(Delaware: 6 operated rigs)



### Updated 2020E D/C/E CapEx<sup>(2)(4)</sup> by Quarter

(Delaware: Moving from 6 to 3 operated rigs by end of Q2 2020)



(1) At midpoint of guidance as of and as provided on February 25, 2020.

(2) Includes capital expenditures related to drilling, completing and equipping (D/C/E) wells and for various midstream projects; does not include any expenditures for land or seismic acquisitions.

(3) Reflects Matador's proportionate share of capital expenditures for San Mateo, and accounts for the remaining portions of the \$50 million capital carry Five Point Energy LLC ("Five Point") is expected to provide as part of the San Mateo II expansion.

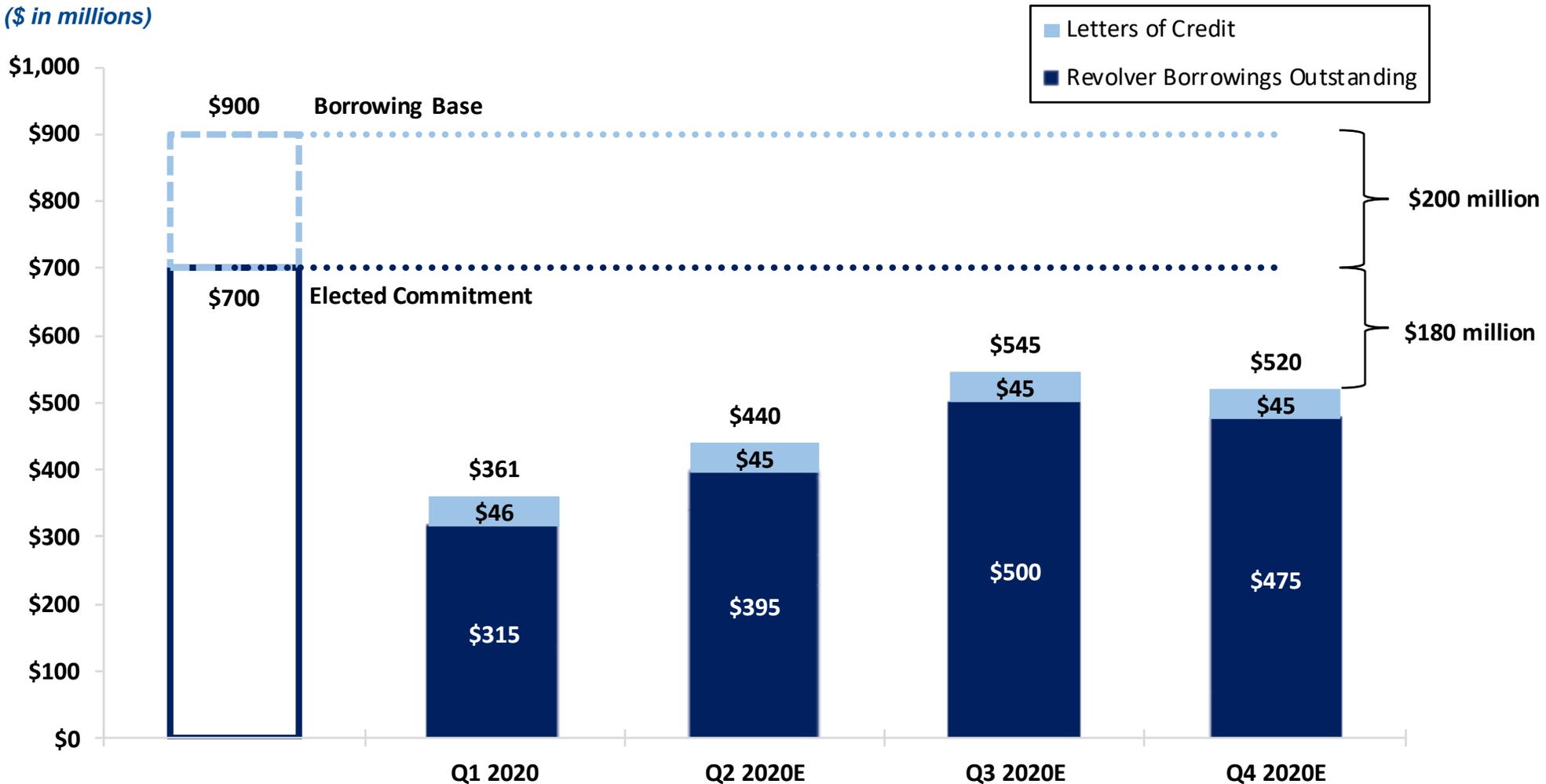
(4) At midpoint of guidance as of and as updated on April 29, 2020.



# SLIDE D

## Revolver Borrowings Outstanding – Quarterly Projections

(\$ in millions)



<b>RBL Net Debt/ Adjusted EBITDA<sup>(1)(2)</sup>:</b>	<b>2.2x</b>	<b>2.5x</b>	<b>3.0x</b>	<b>3.5x</b>
<b>Realized Oil Price<sup>(3)</sup> (\$/Bbl):</b>	<b>\$45.87</b>	<b>\$17.41</b>	<b>\$26.98</b>	<b>\$30.46</b>
<b>Realized Gas Price<sup>(3)</sup> (\$/Mcf):</b>	<b>\$1.70</b>	<b>\$1.36</b>	<b>\$2.03</b>	<b>\$2.38</b>

Assumes strip pricing as of April 17, 2020 and no significant transactions in 2020.

(1) Adjusted EBITDA is a non-GAAP financial measure. Reflects calculation under Matador's revolving credit agreement (the "Credit Agreement"). For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

(2) For purposes of the Credit Agreement, Net Debt at March 31, 2020 is calculated as (i) \$1.05 billion in senior notes outstanding, plus (ii) \$361 million in debt under the Credit Agreement, including letters of credit, less (iii) \$27.1 million in available cash.

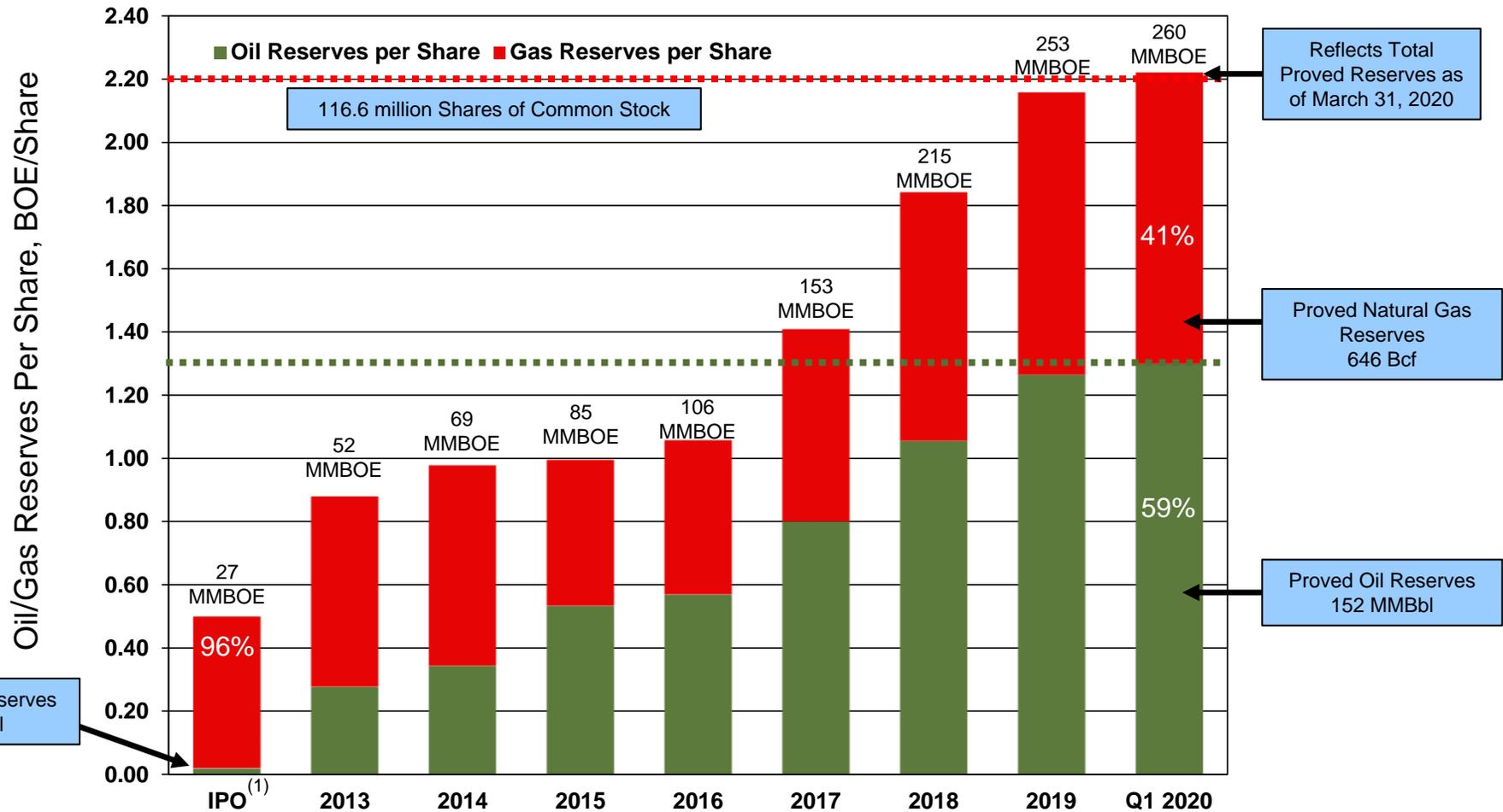
(3) Without realized derivatives.



# SLIDE E

## Consistent Growth in Proved Reserves per Share

- Matador's total proved reserves per share at all-time high of 2.2 BOE/share (1.3 Bbl of oil + 5.5 Mcf of natural gas)
- Since Matador's IPO, reserves have increased ~10x and oil reserves have increased 152x
- Does not include value of 128,000 net acres in Delaware Basin or value of water, oil and natural gas processing assets that comprise Matador's interest in its San Mateo midstream business



Note: MMBOE = millions of BOE.

Note: Proved reserves and shares outstanding are as presented in our annual reports on Form 10-K for all annual periods. First quarter 2020 reserves numbers are based on Company's internal estimates and are unaudited.

(1) As of September 30, 2011.





# Operational and Financial Results

*April 29, 2020*

*NYSE: MTDR*

# Highlights for First Quarter 2020

## Strong Production

- Oil production of ~40,600 Bbl/d, **up 18%** from ~34,500 Bbl/d in Q1 2019 – **Above Guidance**
- Natural gas production of ~183.2 MMcf/d, **up 20%** from ~152.5 MMcf/d in Q1 2019 – **Above Guidance**
- Total production of ~71,200 BOE/d, **up 19%** from ~59,900 BOE/d in Q1 2019 – **Above Guidance**

## Solid Financial Results

- Net income<sup>(1)</sup> of \$125.7 million, or \$1.08 per diluted common share, **up** from (\$16.9) million in Q1 2019
- Adjusted net income<sup>(1)(2)</sup> of \$23.1 million, or \$0.20 per diluted common share, **up 5%** from \$21.9 million in Q1 2019
- Adjusted EBITDA<sup>(1)(3)</sup> of \$140.6 million, **up 13%** from \$124.8 million in Q1 2019

## Improving Capital Efficiency, LOE & G&A

- D&C costs for operated horizontal wells turned to sales of just over \$1,000 per completed lateral foot, **down 13%** from full year 2019
- LOE of \$4.77 per BOE, **down 17%** from \$5.78 per BOE in Q1 2019 – **Record First Quarter!**
- G&A expenses of \$2.51 per BOE, **down 26%** from \$3.39 per BOE in Q1 2019 – **Record Quarter!**

## San Mateo Results

- Third-party midstream services revenues of \$15.8 million, **up 34%** from \$11.8 million in Q1 2019
- San Mateo net income<sup>(4)</sup> of \$19.1 million, **up 25%** from \$15.2 million in Q1 2019
- San Mateo Adjusted EBITDA<sup>(3)(4)</sup> of \$26.2 million, **up 26%** from \$20.8 million in Q1 2019

## Improved Liquidity & Hedge Positions

- Borrowing base affirmed as a conforming loan unanimously at \$900 million in February 2020
- Matador chose to increase “elected commitment” to \$700 million from \$500 million in February 2020
- Restructured oil hedge positions in April 2020 to provide additional revenue protection

## Exceeded Q1 2020 Guidance

- Average daily total production down 4% sequentially vs. guidance<sup>(5)</sup> of a sequential decline of 5% to 7%
- D/C/E CapEx of \$169 million vs. estimate of \$194 million
- Midstream CapEx of \$20 million vs. estimate of \$41 million

(1) Attributable to Matador Resources Company shareholders.

(2) Adjusted net income (loss) and adjusted earnings (loss) per diluted common share are non-GAAP financial measures. For definitions and a reconciliation of adjusted net income (loss) (non-GAAP) and adjusted earnings (loss) per diluted common share (non-GAAP) to net income (loss) (GAAP) and earnings (loss) per diluted common share (GAAP), see Appendix.

(3) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

(4) Based on net income and Adjusted EBITDA for San Mateo Midstream, LLC (“San Mateo I”) and San Mateo Midstream II, LLC (“San Mateo II,” and, together with San Mateo I, “San Mateo”).

(5) As provided on February 25, 2020.

# Q1 2020 Selected Operating and Financial Results

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
<b>Net Production Volumes:<sup>(1)</sup></b>			
Oil (MBbl)	3,697	3,872	3,107
Natural gas (Bcf)	16.7	17.5	13.7
Total oil equivalent (MBOE)	6,476	6,785	5,395
<b>Average Daily Production Volumes:<sup>(1)</sup></b>			
Oil (Bbl/d)	40,626	42,087	34,517
Natural gas (MMcf/d)	183.2	190.0	152.5
Total oil equivalent (BOE/d)	71,161	73,749	59,941
<b>Average Sales Prices:</b>			
Oil, without realized derivatives, \$/Bbl	\$ 45.87	\$ 56.36	\$ 49.64
Oil, with realized derivatives, \$/Bbl	\$ 48.81	\$ 56.78	\$ 50.72
Natural gas, without realized derivatives, \$/Mcf	\$ 1.70	\$ 2.31	\$ 2.85
Natural gas, with realized derivatives, \$/Mcf	\$ 1.70	\$ 2.31	\$ 2.84
<b>Revenues (millions):</b>			
Oil and natural gas revenues	\$ 197.9	\$ 258.6	\$ 193.3
Third-party midstream services revenues	\$ 15.8	\$ 17.7	\$ 11.8
Realized gain on derivatives	\$ 10.9	\$ 1.7	\$ 3.3
<b>Operating Expenses (per BOE):</b>			
Production taxes, transportation and processing	\$ 3.35	\$ 3.88	\$ 3.65
Lease operating	\$ 4.77	\$ 4.43	\$ 5.78
Plant and other midstream services operating	\$ 1.54	\$ 1.51	\$ 1.73
Depletion, depreciation and amortization	\$ 14.01	\$ 14.89	\$ 14.25
General and administrative <sup>(2)</sup>	\$ 2.51	\$ 3.17	\$ 3.39
Total <sup>(3)</sup>	\$ 26.18	\$ 27.88	\$ 28.80
<b>Other (millions):</b>			
Net sales of purchased natural gas <sup>(4)</sup>	\$ 2.5	\$ 0.7	\$ 0.6
<b>Net income (loss) (millions)<sup>(5)</sup></b>			
Net income (loss) (millions) <sup>(5)</sup>	\$ 125.7	\$ 24.0	\$ (16.9)
<b>Earnings (loss) per common share (diluted)<sup>(5)</sup></b>			
Earnings (loss) per common share (diluted) <sup>(5)</sup>	\$ 1.08	\$ 0.21	\$ (0.15)
<b>Adjusted net income (millions)<sup>(5)(6)</sup></b>			
Adjusted net income (millions) <sup>(5)(6)</sup>	\$ 23.1	\$ 46.1	\$ 21.9
<b>Adjusted earnings per common share (diluted)<sup>(5)(7)</sup></b>			
Adjusted earnings per common share (diluted) <sup>(5)(7)</sup>	\$ 0.20	\$ 0.39	\$ 0.19
<b>Adjusted EBITDA (millions)<sup>(5)(8)</sup></b>			
Adjusted EBITDA (millions) <sup>(5)(8)</sup>	\$ 140.6	\$ 181.0	\$ 124.8
<b>San Mateo net income (millions)</b>			
San Mateo net income (millions)	\$ 19.1	\$ 19.6	\$ 15.2
<b>San Mateo Adjusted EBITDA (millions)<sup>(8)</sup></b>			
San Mateo Adjusted EBITDA (millions) <sup>(8)</sup>	\$ 26.2	\$ 26.5	\$ 20.8

(1) Production volumes reported in two streams: oil and natural gas, including both dry and liquids-rich natural gas.

(2) Includes approximately \$0.59, \$0.70 and \$0.85 per BOE of non-cash, stock-based compensation expense in the Credit Agreement, the fourth quarter of 2019 and the first quarter of 2019, respectively.

(3) Total does not include the impact of purchased natural gas or immaterial accretion expenses.

(4) Net sales of purchased natural gas refers to residue natural gas and natural gas liquids that are purchased from customers and subsequently resold.

(5) Attributable to Matador Resources Company shareholders.

(6) Adjusted net income is a non-GAAP financial measure. For a definition of adjusted net income and a reconciliation of adjusted net income (non-GAAP) to net income (GAAP), see Appendix.

(7) Adjusted earnings per diluted common share is a non-GAAP financial measure. For a definition of adjusted earnings per diluted common share and a reconciliation of adjusted earnings per diluted common share (non-GAAP) to earnings per diluted common share (GAAP), see Appendix.

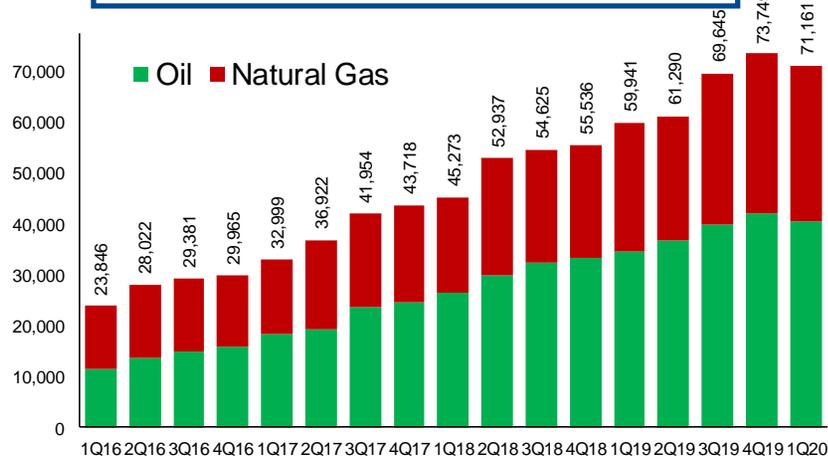
(8) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

# A Tightly Integrated Strategy: Growing E&P and Midstream Together

## Average Daily Total Production

(BOE/d)

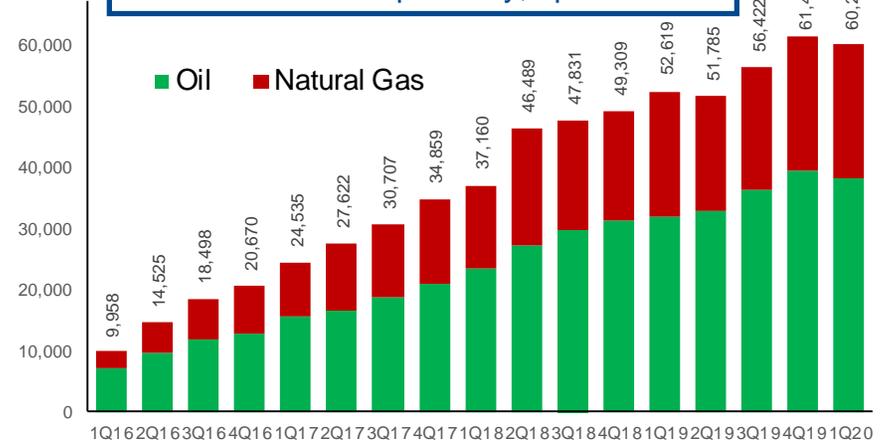
BOE down 4% sequentially; up 19% YoY



## Average Daily Total Delaware Production

Delaware Basin (BOE/d)

BOE down 2% sequentially; up 15% YoY



## Matador Adjusted EBITDA<sup>(1)(2)</sup>

(in millions)

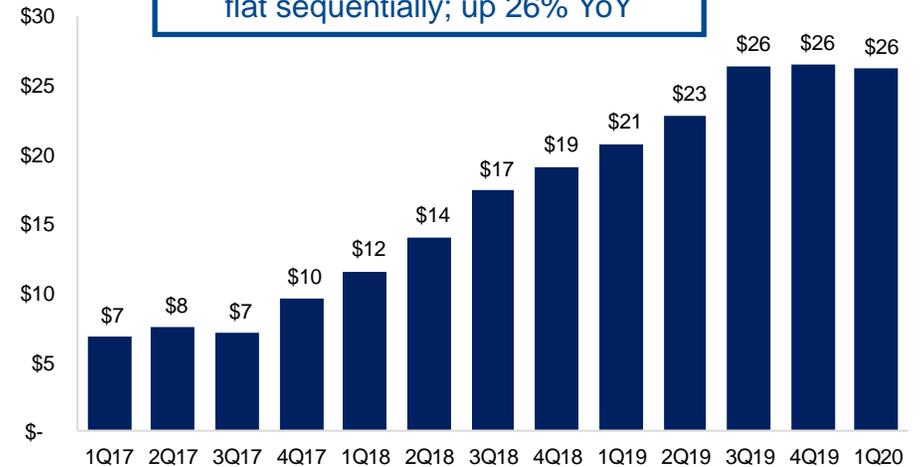
Adjusted EBITDA<sup>(1)(2)</sup> down 22% sequentially; up 13% YoY



## San Mateo Adjusted EBITDA<sup>(2)(4)</sup>

(in millions)

San Mateo Adjusted EBITDA<sup>(2)(4)</sup> flat sequentially; up 26% YoY



(1) Attributable to Matador Resources Company shareholders.

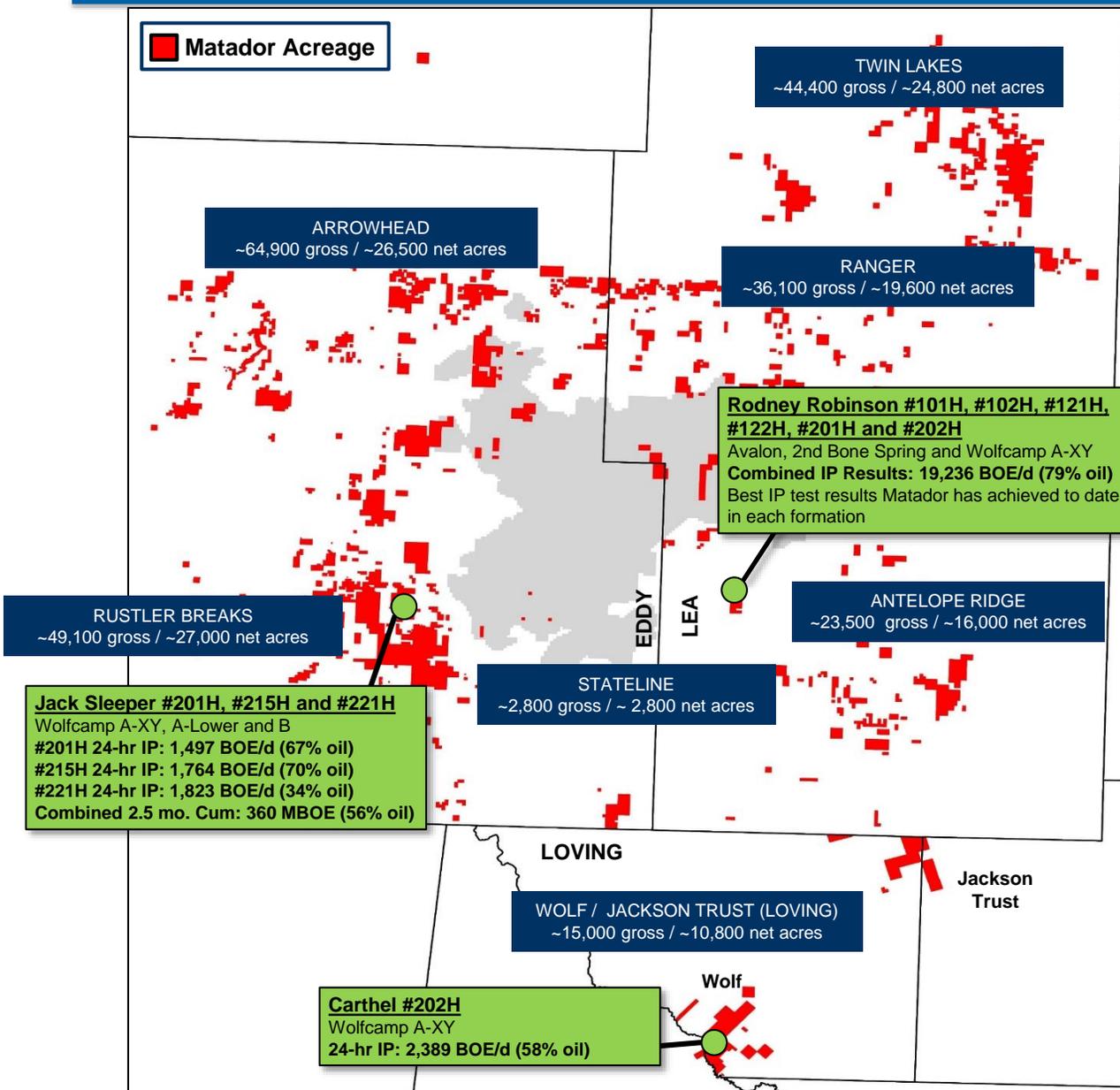
(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

(3) Average settlement price for West Texas Intermediate ("WTI") crude oil for the period.

(4) Based on the combined net income of San Mateo I and San Mateo II.



# Delaware Basin – Continuing to Deliver Strong Well Results!



Reducing operated rigs in Delaware Basin from six to three by the end of Q2 2020

- **Rustler Breaks:** One to two rigs (at times) drilling primarily Wolfcamp A-XY, Wolfcamp A-Lower and Wolfcamp B wells
- **Stateline:** Two to four rigs (at times) testing five different targets – first wells expected online near the end of Q3 2020
- **Antelope Ridge:** First six Rodney Robinson wells turned to sales near the end of Q1 2020
- **Wolf/Jackson Trust:** One rig running throughout Q1 2020, drilling primarily 2nd Bone Spring wells
- **Arrowhead/Ranger/Twin Lakes:** Up to one rig drilling primarily 2nd Bone Spring, 3rd Bone Spring and Wolfcamp A-XY wells in the Greater Stebbins Area

Moving to longer laterals greater than one mile throughout acreage position

- From 9% in 2018, to 29% in 2019 and up to 83% planned in 2020 – improved capital efficiency

Note: All acreage as of March 31, 2020. Some tracts not shown on map.

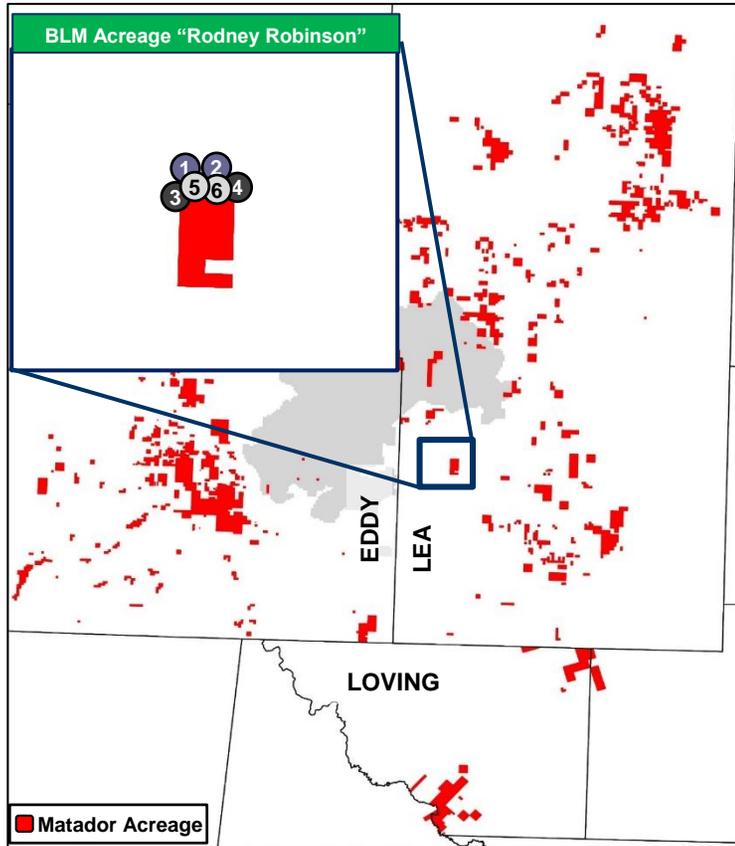
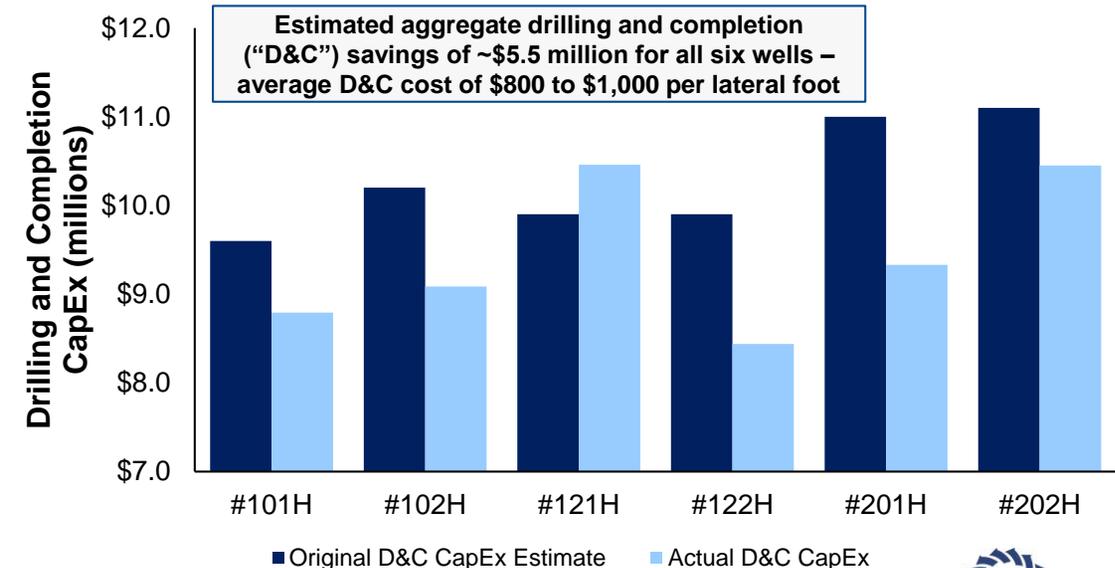


# First Six Rodney Robinson Wells Online – Results Above Expectations!

## Rodney Robinson Summary and Highlights

<b>Acreage Overview</b>	<ul style="list-style-type: none"> <li>• First six wells turned to sales on the Rodney Robinson tract in the western portion of Antelope Ridge</li> <li>• Matador acquired this 1,200 gross and net acre tract in the September BLM lease sale</li> </ul>
<b>Highlights</b>	<ul style="list-style-type: none"> <li>• IP test results from all six wells totaled 19,236 BOE/d (79% oil) – 15,100 Bbl/d and 24.8 MMcf/d</li> <li>• Best IP test results that Matador has achieved for wells in the Avalon, 2nd Bone Spring and Wolfcamp A-XY</li> </ul>
<b>Future Development</b>	<ul style="list-style-type: none"> <li>• Matador anticipates recommencing drilling operations at Rodney Robinson in Q4 2020</li> <li>• Expect to complete and turn to sales four additional wells by early Q2 2021</li> </ul>

## Drilling and Completion Costs Lower Than Expected



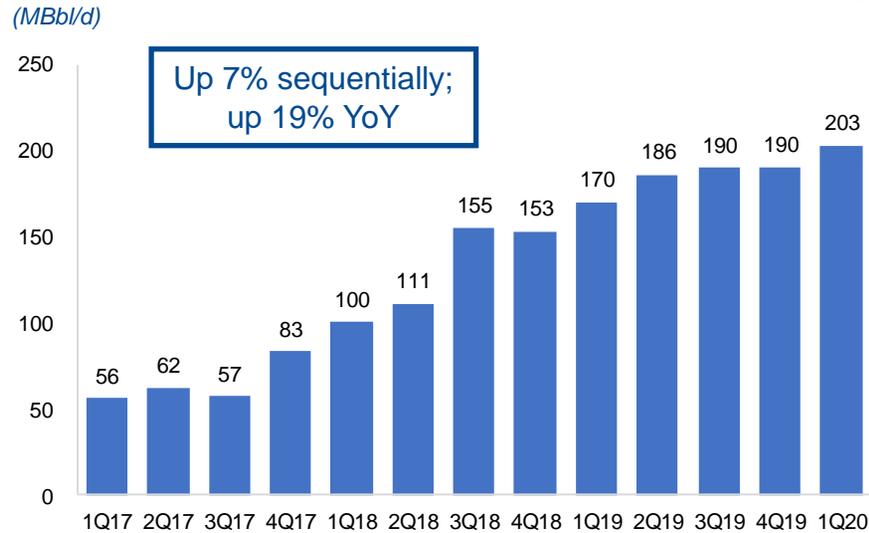
### Rodney Robinson 24-hr IPs

1	Rodney Robinson #101H – 1,525 BOE/d (81% oil)	Lower Avalon
2	Rodney Robinson #102H – 2,706 BOE/d (80% oil)	Upper Avalon
3	Rodney Robinson #121H – 2,751 BOE/d (82% oil)	2nd Bone Spring
4	Rodney Robinson #122H – 2,803 BOE/d (80% oil)	2nd Bone Spring
5	Rodney Robinson #201H – 4,800 BOE/d (77% oil)	Wolfcamp A-XY
6	Rodney Robinson #202H – 4,651 BOE/d (76% oil)	Wolfcamp A-XY

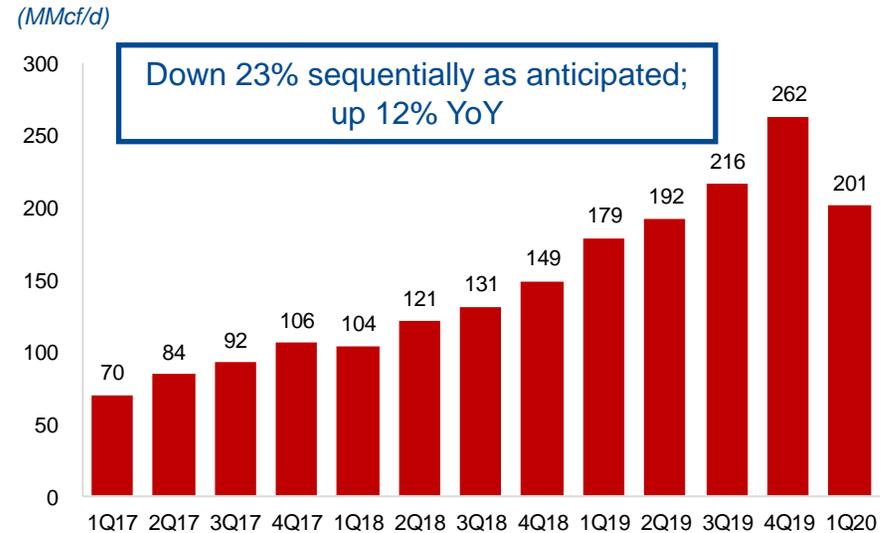
Note: All acreage as of March 31, 2020. Some tracts not shown on map.

# Significant Growth in All Parts of San Mateo's Delaware Midstream Business (51% Owned by Matador)

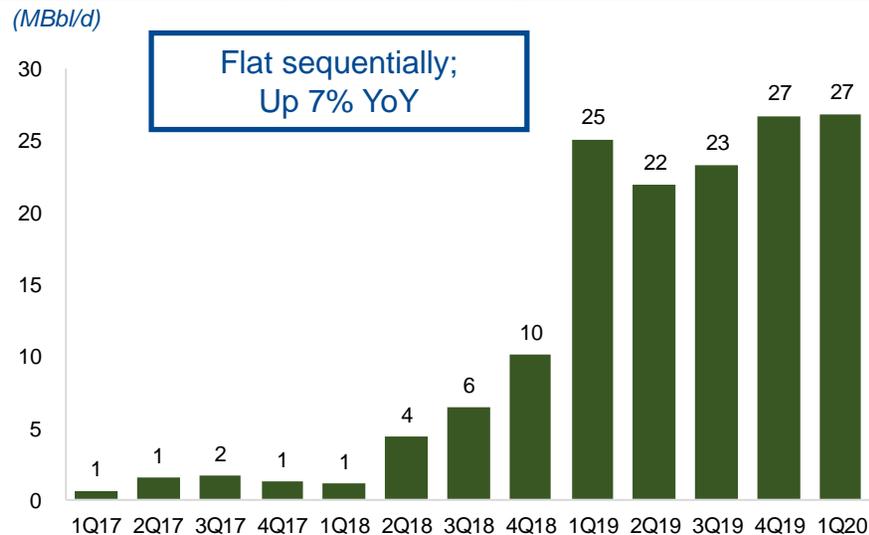
## San Mateo Average Water Disposal



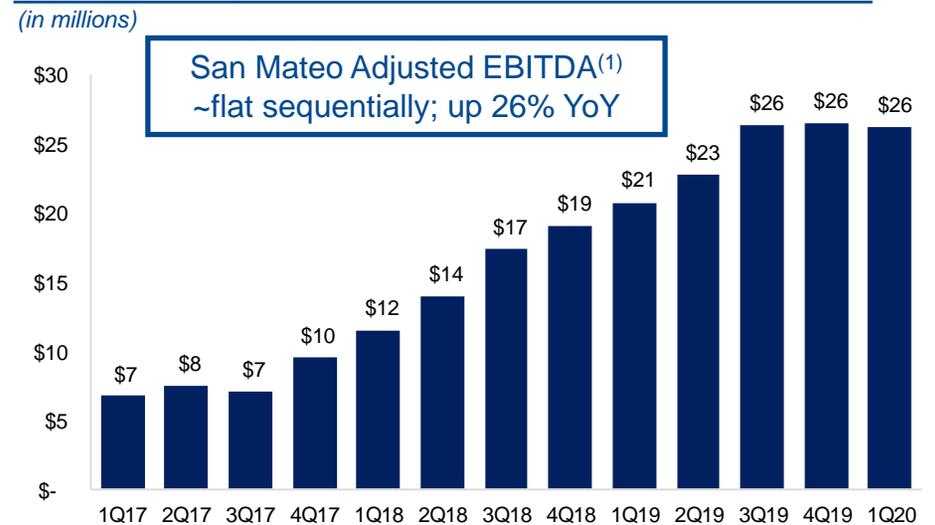
## San Mateo Average Natural Gas Gathering



## San Mateo Average Oil Gathering



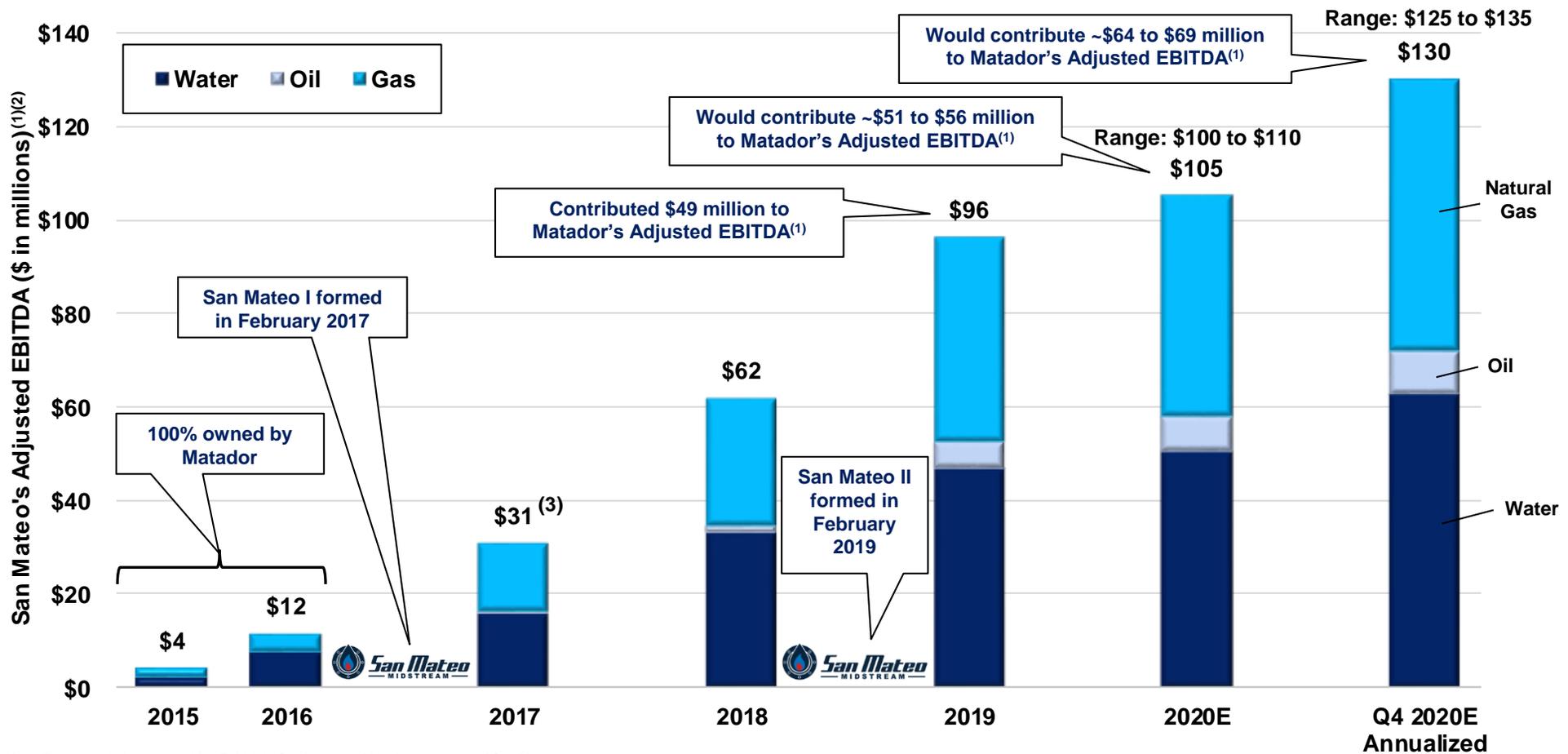
## San Mateo Adjusted EBITDA<sup>(1)</sup>



(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

# San Mateo – Recent Highlights and Performance

- **March 2020** – 10<sup>th</sup> commercial SWD in Eddy County, NM online
  - Total of 13 commercial SWDs in Eddy County, NM and Loving County, TX with ~335,000 Bbl/d of designed disposal capacity
- **October 2019** – Expanded credit facility for a second time from \$325 million to \$375 million (originally entered into \$250 million facility in December 2018)
- **February 2019** – Matador entered into second strategic midstream transaction with Five Point to expand San Mateo’s operations in the Delaware Basin



Note: Figures exclude assets sold to EnLink in October 2015. Matador owns 51% of San Mateo.

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

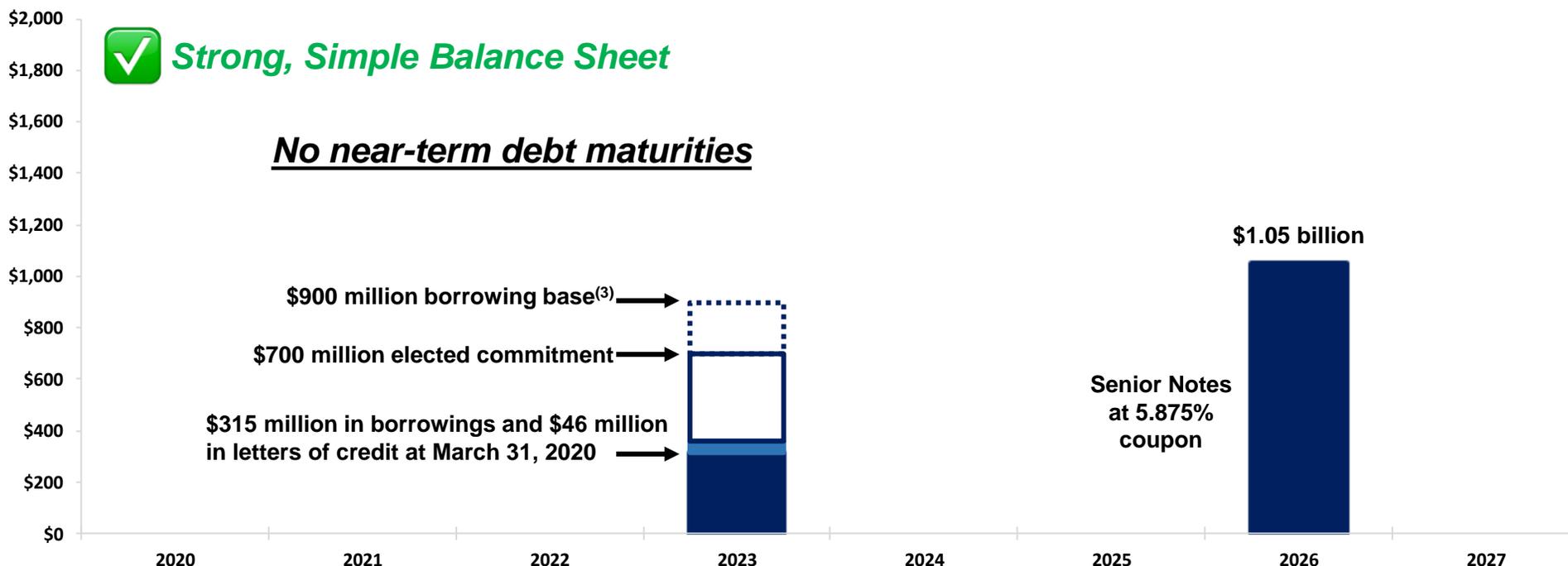
(2) Reflects the combined Adjusted EBITDA for San Mateo I and San Mateo II and includes allocations for general and administrative expenses.

(3) Pro forma for February 2017 San Mateo I transaction and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

# Strong, Simple Financial Position

- Strong, supportive bank group led by Royal Bank of Canada
- **Facility size of \$1.5 billion; matures in October 2023**
- Based on December 2019 reserves review, borrowing base affirmed at \$900 million in February 2020 (Spring 2020 redetermination)
  - Matador chose to **increase “elected borrowing commitment” to \$700 million from \$500 million** and added two new lenders to its commercial bank group – closed on February 28, 2020
- **\$315 million in borrowings outstanding at March 31, 2020**
  - \$46.0 million in outstanding letters of credit at March 31, 2020
- Financial Covenant: Maximum Net Debt to Adjusted EBITDA<sup>(1)(2)</sup> Ratio of not more than 4.00:1.00 **at 2.2x** on March 31, 2020

## Debt Maturities (\$ in millions)



(1) Adjusted EBITDA is a non-GAAP financial measure. Reflects calculation under the Credit Agreement. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

(2) For purposes of the Credit Agreement, Net Debt at March 31, 2020 is calculated as (i) \$1.05 billion in senior notes outstanding, plus (ii) \$361 million in debt under the Credit Agreement, including letters of credit, less (iii) \$27.1 million in available cash.

(3) Potential borrowing capacity of \$539 million at March 31, 2020 after accounting for \$46 million in outstanding letters of credit.

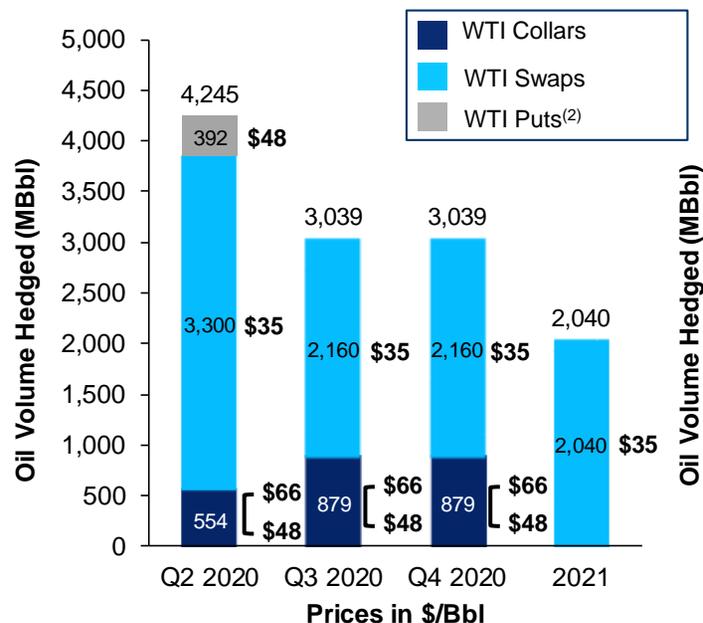
# Hedging Profile – Remainder of 2020, 2021 and 2022

## Remainder of 2020, 2021 and 2022 Hedges<sup>(1)</sup>

- **Oil (WTI) Costless Collars:** ~2.3 million Bbl hedged for the remainder of 2020 at weighted average floor and ceiling prices of \$48/Bbl and \$66/Bbl, respectively
- **Oil (WTI) Swaps:** ~7.6 million Bbl hedged for the remainder of 2020 and 2.0 million Bbl hedged for 2021 at a weighted average price of \$35/Bbl
- **Oil (WTI) Puts<sup>(2)</sup>:** ~390,000 Bbl hedged for Q2 2020 at a weighted average price of \$48/Bbl
- **Midland-Cushing Oil Basis Differential:** ~7.3 million Bbl hedged for the remainder of 2020, 8.4 million Bbl hedged for 2021 and 5.5 million Bbl hedged for 2021 at weighted average prices of \$0.61/Bbl, \$0.87/Bbl and \$0.95/Bbl, respectively
- **Natural Gas (Henry Hub) Costless Collars:** 3.2 Bcf hedged for November to December 2020 and 4.8 Bcf hedged for Q1 2021 at weighted average floor and ceiling prices of \$2.52/MMBtu and \$3.71/MMBtu, respectively

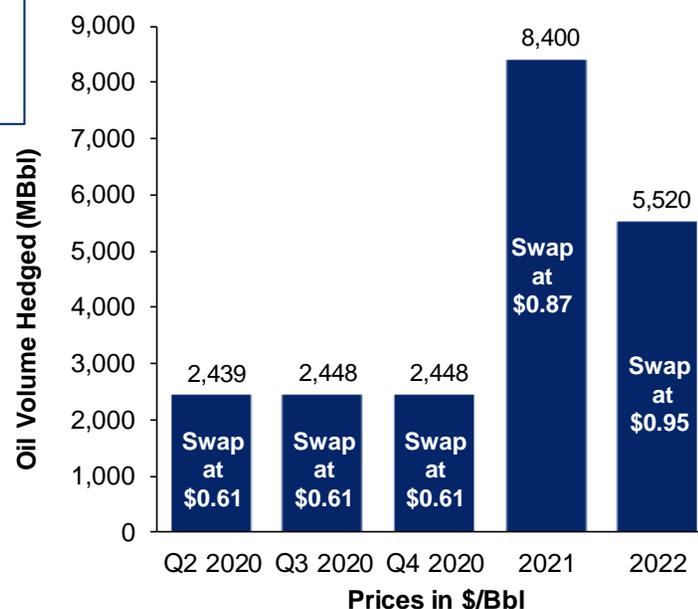
### Oil Collars, Swaps, Puts

✓ ~90% hedged for Q2-Q4 2020  
~100% in Q2 2020



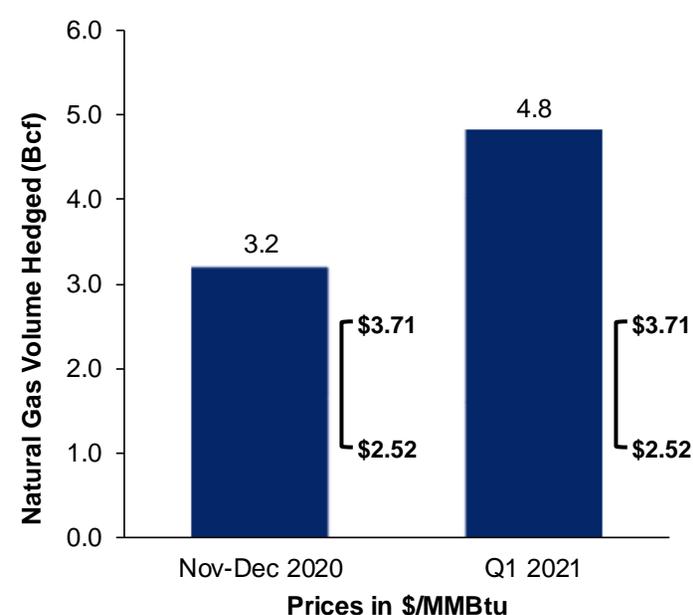
### Midland-Cushing Basis Swaps

✓ ~65% hedged for Q2-Q4 2020



### Natural Gas Costless Collars

✓ ~30% hedged for Nov-Dec 2020



(1) As of March 31, 2020. Pro forma for hedging transactions through April 29, 2020.

(2) Represent an option to sell at a specified exercise price.



# Updated Full Year 2020 Guidance

*April 29, 2020*

*NYSE: MTDR*

## Summary and Updated 2020 Guidance (as Provided on April 29, 2020)

- **Six rigs operating in the Delaware Basin dropping to three – expect 53 gross (45.9 net) operated wells in 2020**
  - Released one rig at the end of March 2020 and a second at the end of April 2020
  - Anticipate releasing one additional operated rig by the end of Q2 2020
  - Thereafter, three rigs in the Delaware Basin, two of which are anticipated to be operating in the Stateline asset area
- **Non-operated drilling activity – 43 gross (2.7 net) wells, primarily in the Delaware Basin**
- **Production expected to be more uneven or “lumpy” than in previous years – Q4 2020 expected to have largest sequential increase**
  - Oil equivalent production expected to be down 4 to 6% sequentially in Q2 2020 but up 7% in 2020
  - Oil production expected to remain flat sequentially in Q2 2020 but up 9% in 2020
  - Natural gas production expected to be down 10 to 12% sequentially in Q2 2020 but up 5% in 2020

	<i>Actual 2019 Results</i>	<i>Original 2020 Guidance<sup>(1)</sup></i>	<i>Updated 2020 Guidance<sup>(2)</sup></i>	<i>%YoY Change<sup>(3)</sup></i>
<b>Total Oil Production</b>	14.0 million Bbl	16.0 to 16.5 million Bbl	15.1 to 15.5 million Bbl	+ 9%
<b>Total Natural Gas Production</b>	61.1 Bcf	66.0 to 71.0 Bcf	62.0 to 66.0 Bcf	+ 5%
<b>Total Oil Equivalent Production</b>	24.2 million BOE	27.0 to 28.3 million BOE	25.4 to 26.5 million BOE	+ 7%
<b>D/C/E CapEx<sup>(4)</sup></b>	\$671 million	\$690 to \$750 million	\$440 to \$500 million	- 30%
<b>San Mateo Midstream CapEx<sup>(5)</sup></b>	\$77 million	\$85 to \$105 million	\$85 to \$105 million	+ 23%

(1) As of and as provided on February 25, 2020.

(2) As of and as updated on April 29, 2020.

(3) Represents percentage change from 2019 actual results to the midpoint of updated 2020 guidance on April 29, 2020.

(4) Capital expenditures associated with drilling, completing and equipping wells.

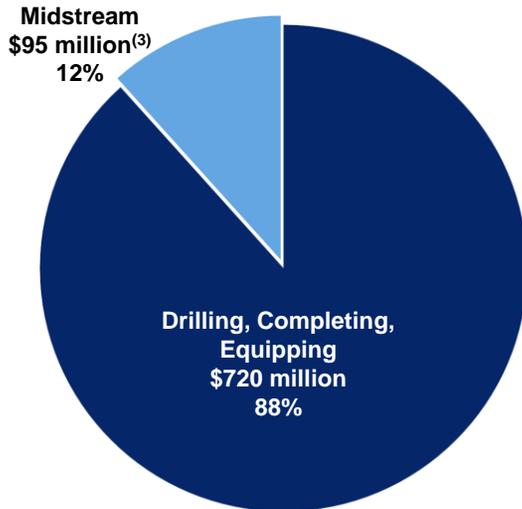
(5) Reflects Matador's proportionate share of capital expenditures for San Mateo, and accounts for the remaining portions of the \$50 million capital carry Five Point is expected to provide as part of the San Mateo II expansion.



# Updated 2020 Capital Investment Plan Summary vs. Original Guidance

## Original 2020 CapEx Guidance<sup>(1)(2)(3)</sup> – \$815 million

(Delaware: 6 operated rigs)

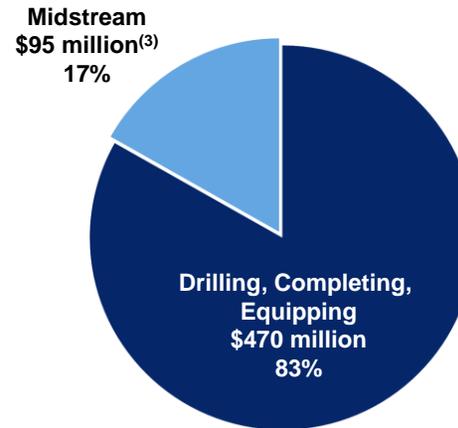


### 2020E Wells Turned to Sales

	Gross	Net
Operated	69	58.0
Non-Operated	81	5.6
<b>Total</b>	<b>150</b>	<b>63.6</b>

## Updated 2020 CapEx Guidance<sup>(2)(3)(4)</sup> – \$565 million

(Delaware: Moving from 6 to 3 operated rigs by end of Q2 2020)

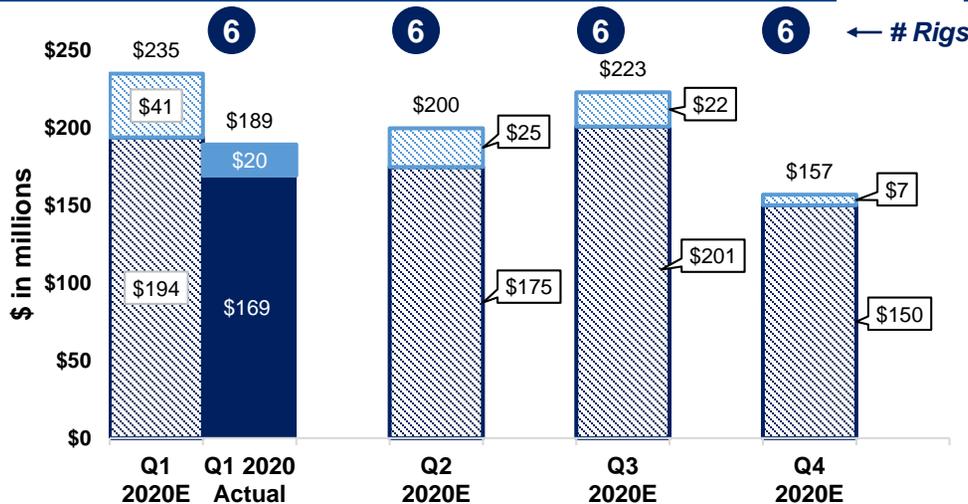


### 2020E Wells Turned to Sales

	Gross	Net
Operated	53	45.9
Non-Operated	43	2.7
<b>Total</b>	<b>96</b>	<b>48.6</b>

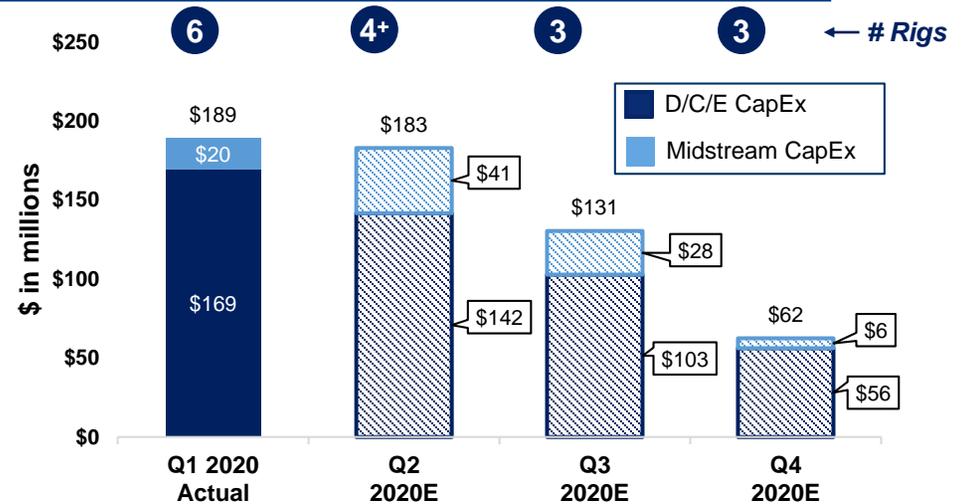
## Original 2020E CapEx<sup>(1)(2)(3)</sup> by Quarter

(Delaware: 6 operated rigs)



## Updated 2020E CapEx<sup>(2)(3)(4)</sup> by Quarter

(Delaware: Moving from 6 to 3 operated rigs by end of Q2 2020)



(1) At midpoint of guidance as of and as provided on February 25, 2020.

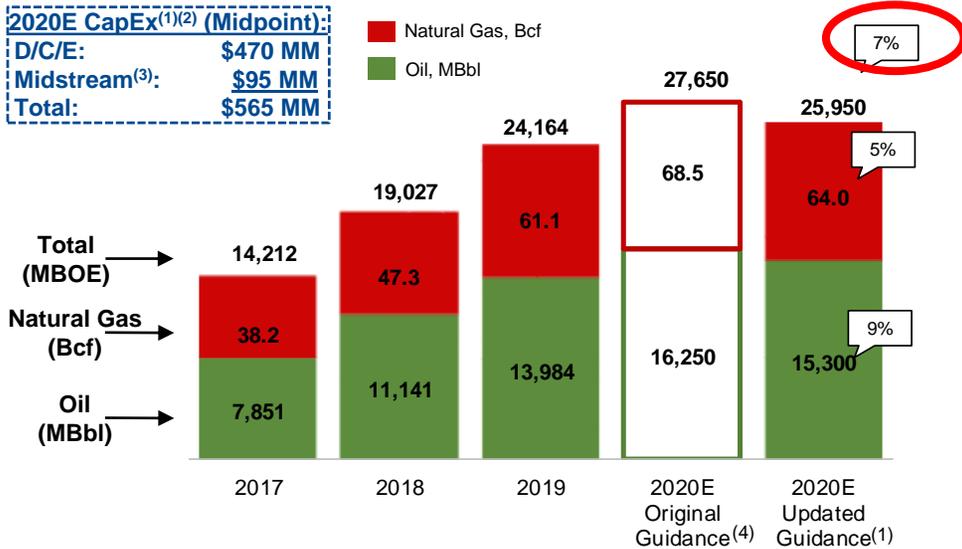
(2) Includes D/C/E capital expenditures and capital expenditures for various midstream projects; does not include any expenditures for land or seismic acquisitions.

(3) Reflects Matador's proportionate share of capital expenditures for San Mateo, and accounts for the remaining portions of the \$50 million capital carry Five Point is expected to provide as part of the San Mateo II expansion.

(4) At midpoint of guidance as of and as updated on April 29, 2020.

# 2020 Oil and Natural Gas Production Estimates<sup>(1)</sup>

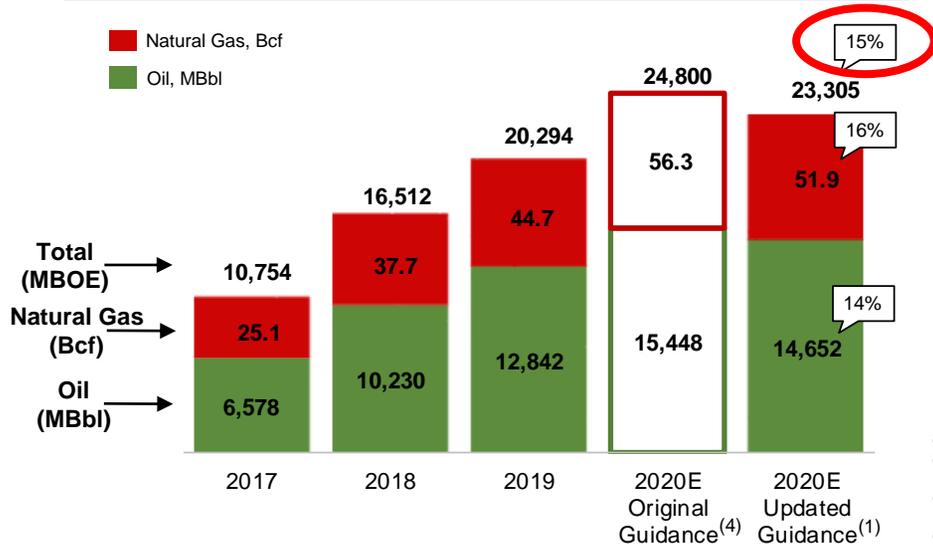
## Total Oil and Natural Gas Production



## 2020E Oil Production – 9% Growth YoY

- Estimated oil production of 15.1 to 15.5 million barrels
  - 9% increase from 2019 to midpoint of updated 2020 guidance range
- Average daily oil production of 41,800 Bbl/d, up from 38,300 Bbl/d in 2019
  - Delaware Basin ~40,000 Bbl/d (96%) – up 14% YoY
- “Lumpy” production growth in 2020 weighted to Q4 2020

## Delaware Oil and Natural Gas Production



## 2020E Gas Production – 5% Growth YoY

- Estimated natural gas production of 62.0 to 66.0 Bcf
  - 5% increase from 2019 to midpoint of updated 2020 guidance range
- Average daily natural gas production of 174.9 MMcf/d, up from 167.4 MMcf/d in 2019
  - Delaware Basin ~141.9 MMcf/d (81%) – up 16% YoY
  - Haynesville/Cotton Valley ~29.7 MMcf/d (17%) – down 25% YoY

(1) At midpoint of revised 2020 guidance as of and as updated on April 29, 2020.  
 (2) Includes D/C/E capital expenditures and capital expenditures for various midstream projects; does not include any expenditures for land or seismic acquisitions.  
 (3) Reflects Matador’s proportionate share of capital expenditures for San Mateo and accounts for the remaining portions of the \$50 million capital carry Five Point agreed to provide as part of the San Mateo II expansion.  
 (4) As of and as provided on February 25, 2020

## Wells Completed and Turned to Sales – 2020 Updated Guidance<sup>(1)</sup>

- During full year 2020, Matador expects to complete and turn to sales 96 gross (48.6 net) wells. Matador expects the Delaware Basin to account for 93 gross (48.6 net) wells, including 53 gross (45.9 net) operated and 40 gross (2.7 net) non-operated wells.

Asset/Operating Area	Operated		Non-Operated		Total		Gross Operated Well Completion Intervals
	Gross	Net	Gross	Net	Gross	Net	
Rustler Breaks	13	8.3	26	2.4	39	10.7	1-1BS, 1-2BS, 1-3BS, 5-WC A-XY, 2-WC A-Lower, 3-WC B
Stateline	13	13.0	-	-	13	13.0	1-AVLN, 2-2BS, 4-WC A-XY, 4-WC A-Lower, 2-WC B
Arrowhead	5	4.2	-	-	5	4.2	2-3BS, 2-WC A-XY, 1-WC B
Ranger	-	-	1	0.0	1	0.0	No operated Ranger completions in 2020
Wolf/Jackson Trust	10	9.0	-	-	10	9.0	3-2BS, 1-3BS-Carb, 5-WC A-XY, 1-WC A-Lower
Twin Lakes	-	-	-	-	-	-	No Twin Lakes completions in 2020
Western Antelope Ridge (R. Robinson)	6	6.0	-	-	6	6.0	2-AVLN, 2-2BS, 2-WC A-XY
Antelope Ridge	6	5.4	13	0.3	19	5.7	1-1BS, 2-2BS, 1-3BS, 1-WC A-XY, 1-WC B
<b>Delaware Basin</b>	<b>53</b>	<b>45.9</b>	<b>40</b>	<b>2.7</b>	<b>93</b>	<b>48.6</b>	
<b>Eagle Ford Shale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Haynesville Shale</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>0.0</b>	<b>3</b>	<b>0.0</b>	
<b>Total</b>	<b>53</b>	<b>45.9</b>	<b>43</b>	<b>2.7</b>	<b>96</b>	<b>48.6</b>	

Note: WC = Wolfcamp; BS = Bone Spring; AVLN = Avalon. For example, 4-2BS indicates four Second Bone Spring completions and 2-WC A indicates two Wolfcamp A completions for full year 2020. Any "0.0" values in the table above suggest a net working interest of less than 5%, which does not round to 0.1.

(1) As of and as updated on April 29, 2020.

## Wells Completed and Turned to Sales – 2020 Updated Guidance<sup>(1)</sup>

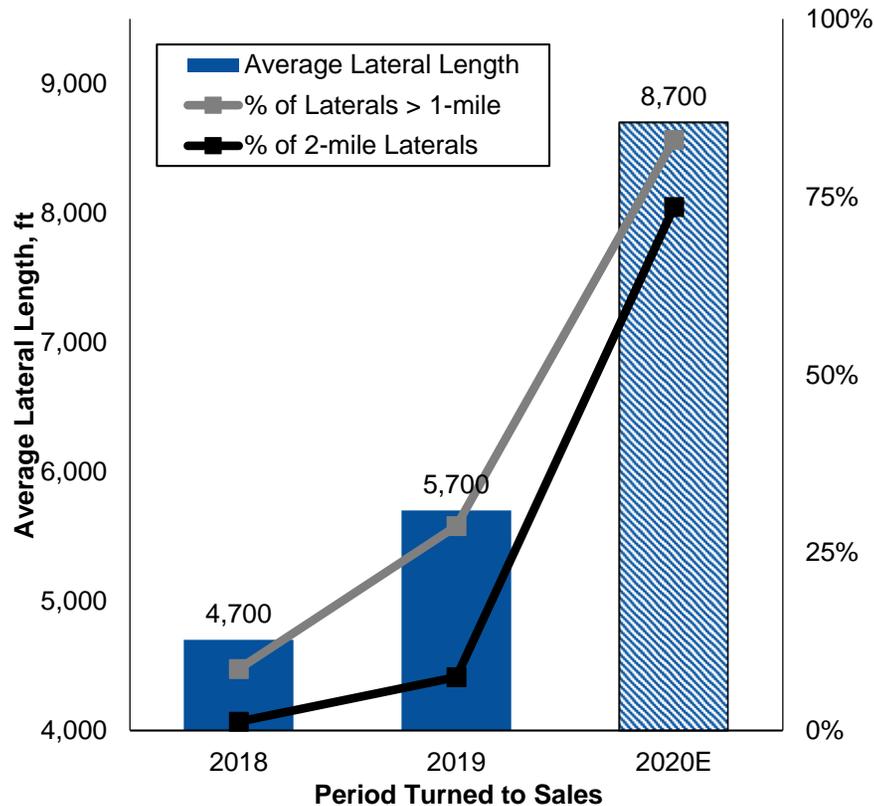
- In 2020, Matador expects to continue transitioning its operations to longer laterals greater than one mile.
  - 83% of Matador’s gross operated horizontal wells completed and turned to sales in 2020 are expected to have lateral lengths greater than one mile, as compared to 29% in 2019 and 9% in 2018
  - 74% of Matador’s gross operated horizontal wells completed and turned to sales in 2020 are expected to have lateral lengths of two miles, as compared to 8% in 2019 and 1% in 2018
  - Matador estimates its average lateral length for operated wells turned to sales in 2020 should be approximately 8,700 feet

Asset/Operating Area	Operated Wells Turned to Sales		Average Lateral Length (feet)	% of Wells Greater Than One Mile	% of Wells Greater Than Two Miles
	Gross	Net			
Rustler Breaks	13	8.3	9,800	100%	100%
Stateline	13	13.0	9,800	100%	100%
Arrowhead	5	4.2	9,800	100%	100%
Wolf/Jackson Trust	10	9.0	6,900	70%	20%
Western Antelope Ridge (R. Robinson)	6	6.0	9,900	100%	100%
Antelope Ridge	6	5.4	4,600	0%	0%
<b>Total</b>	<b>53</b>	<b>45.9</b>	<b>8,700</b>	<b>83%</b>	<b>74%</b>

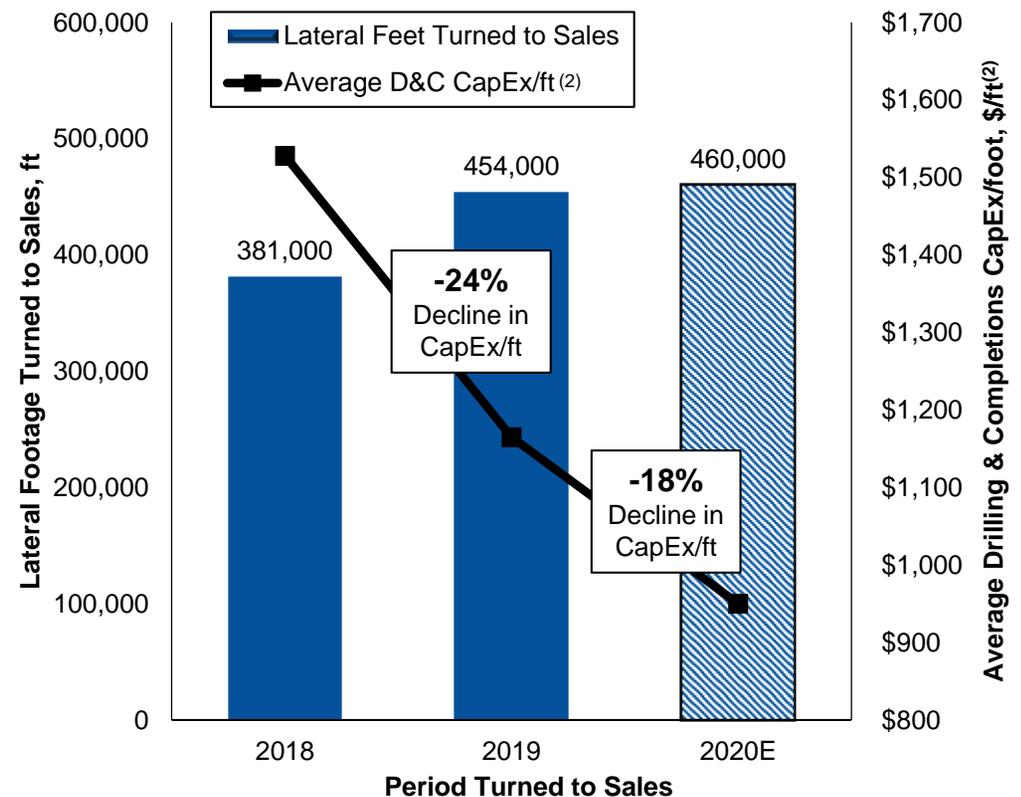
(1) As of and as updated on April 29, 2020.

# A Step Change in Capital Efficiency: Updated 2020 Expectations<sup>(1)</sup>

## Average Lateral Length and % of Longer Laterals



## CapEx per Foot<sup>(2)</sup> and Lateral Footage Turned to Sales



- By combining longer laterals with increased pad development, Matador expects to significantly reduce development costs per foot between 2018 and 2020
- In 2019, Matador's drilling and completion costs for all horizontal wells turned to sales averaged approximately **\$1,165/ft**, a decrease of ~24% from an average of \$1,528/ft achieved in full year 2018
- In Q1 2020, Matador's drilling and completion costs for all horizontal wells turned to sales averaged just over **\$1,000/ft**, a decrease of ~13% from full year 2019 and a decrease of ~34% from full year 2018

Note: All footage and percentage of lateral types shown are based on gross operated horizontal wells.

(1) As of and as updated on April 29, 2020.

(2) Cost per foot metric shown represents the drilling and completion portion of well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and other capital expenditures.



## 2020E Operating Cost Estimates (Unit Costs per BOE)

- At April 29, 2020, Matador provided updated estimates for its 2020 unit operating costs as shown below

	2020E	Q1 2020	2019
Production taxes, transportation and processing	\$2.75 to \$3.25	\$3.35	\$3.82
Lease operating	\$4.25 to \$4.75	\$4.77	\$4.85
Plant and other midstream services operating	\$1.60 to \$1.80	\$1.54	\$1.52
General and administrative	\$2.00 to \$2.50	\$2.51	\$3.31
<i>PTTP + LOE + G&amp;A</i>	\$9.00 to \$10.50	\$10.63	\$11.98

Note: As provided on April 29, 2020.





# Appendix

**NYSE: MTDR**

# Matador Resources and San Mateo I Credit Facilities



## Matador Credit Agreement Summary

Bank group led by Royal Bank of Canada

Facility Size	Maturity Date	Borrowing Base	Last Reserves Review	Elected Borrowing Commitment	Borrowings Outstanding at 3/31/2020	Letters of Credit Outstanding at 3/31/2020	Financial Covenant: Maximum Net Debt to Adjusted EBITDA <sup>(1)(2)</sup>
\$1.5 billion	October 2023	\$900 million	12/31/2019	\$700 million	\$315 million	\$46 million	4.00:1.00



## San Mateo I Credit Facility Summary

Bank group led by The Bank of Nova Scotia

Facility Size	Accordion Feature Expandable Up To	Borrowings Outstanding at 3/31/2020	Letters of Credit Outstanding at 3/31/2020	Financial Covenant: Maximum Net Debt to Adjusted EBITDA <sup>(3)</sup>	Financial Covenant: Minimum Interest Coverage Ratio
\$375 million	\$400 million	\$308 million	\$9 million	5.00:1.00	≥ 2.50x

## Matador Credit Agreement Pricing Grid

TIER	Borrowing Base Utilization	LIBOR Margin	BASE Margin	Commitment Fee
Tier One	x < 25%	125 bps	25 bps	37.5 bps
Tier Two	25% < or = x < 50%	150 bps	50 bps	37.5 bps
Tier Three	50% < or = x < 75%	175 bps	75 bps	50 bps
Tier Four	75% < or = x < 90%	200 bps	100 bps	50 bps
Tier Five	90% < or = x < 100%	225 bps	125 bps	50 bps

## San Mateo I Credit Facility Pricing Grid

TIER	Leverage (Total Debt / LTM Adjusted EBITDA)	LIBOR Margin	BASE Margin	Commitment Fee
Tier One	≤ 2.75x	125 bps	50 bps	30 bps
Tier Two	> 2.75x to ≤ 3.25x	150 bps	75 bps	35 bps
Tier Three	> 3.25x to ≤ 3.75x	175 bps	100 bps	37.5 bps
Tier Four	> 3.75x to ≤ 4.25x	200 bps	125 bps	50 bps
Tier Five	> 4.25x	225 bps	150 bps	50 bps

(1) Adjusted EBITDA is a non-GAAP financial measure. For purposes of the Credit Agreement, Adjusted EBITDA excludes amounts attributable to San Mateo. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income and net cash provided by operating activities, see Appendix.

(2) For purposes of the Credit Agreement, Net Debt is equal to debt outstanding less available cash not exceeding \$50 million and excluding all cash associated with San Mateo.

(3) Adjusted EBITDA is a non-GAAP financial measure. Based on Adjusted EBITDA for San Mateo I. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (GAAP) and net cash provided by operating activities (GAAP), see Appendix.



## Adjusted EBITDA Reconciliation

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This presentation includes the non-GAAP financial measure of Adjusted EBITDA. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. "GAAP" means Generally Accepted Accounting Principles in the United States of America. The Company believes Adjusted EBITDA helps it evaluate its operating performance and compare its results of operations from period to period without regard to its financing methods or capital structure. The Company defines, on a consolidated basis and for San Mateo, Adjusted EBITDA as earnings before interest expense, income taxes, depletion, depreciation and amortization, accretion of asset retirement obligations, property impairments, unrealized derivative gains and losses, certain other non-cash items and non-cash stock-based compensation expense, prepayment premium on extinguishment of debt and net gain or loss on asset sales and inventory impairment. Adjusted EBITDA for San Mateo includes the financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC. Adjusted EBITDA is not a measure of net income (loss) or net cash provided by operating activities as determined by GAAP. All references to Matador's Adjusted EBITDA are those values attributable to Matador Resources Company shareholders after giving effect to Adjusted EBITDA attributable to third-party non-controlling interests, including in San Mateo.

Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss) or net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company's operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components of understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure. Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. The following table presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively, that are of a historical nature. Where references are pro forma, forward-looking, preliminary or prospective in nature, and not based on historical fact, the table does not provide a reconciliation. The Company could not provide such reconciliation without undue hardship because such Adjusted EBITDA numbers are estimations, approximations and/or ranges. In addition, it would be difficult for the Company to present a detailed reconciliation on account of many unknown variables for the reconciling items, including future income taxes, full-cost ceiling impairments, unrealized gains or losses on derivatives and gains or losses on asset sales and inventory impairments. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

# Adjusted EBITDA Reconciliation

## Matador Resources Company, Consolidated

The following table presents our calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

(In thousands)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020
<b>Unaudited Adjusted EBITDA reconciliation to Net (Loss) Income:</b>																	
Net (loss) income attributable to Matador Resources Company shareholders	\$ (107,654)	\$ (105,853)	\$ 11,931	\$ 104,154	\$ 43,984	\$ 28,509	\$ 15,039	\$ 38,335	\$ 59,894	\$ 59,806	\$ 17,794	\$ 136,713	\$ (16,947)	\$ 36,752	\$ 43,953	\$ 24,019	\$ 125,729
Net (loss) income attributable to non-controlling interest in subsidiaries	(13)	106	116	155	1,916	3,178	2,940	4,106	5,030	5,831	7,321	7,375	7,462	8,320	9,800	9,623	9,354
Net (loss) income	(107,667)	(105,747)	12,047	104,309	45,900	31,687	17,979	42,441	64,924	65,637	25,115	144,088	(9,485)	45,072	53,753	33,642	135,083
Interest expense	7,197	6,167	6,880	7,955	8,455	9,224	8,550	8,336	8,491	8,004	10,340	14,492	17,929	18,068	18,175	19,701	19,812
Total income tax (benefit) provision	-	-	(1,141)	105	-	-	-	(8,157)	-	-	-	(7,691)	(1,013)	12,858	13,490	10,197	39,957
Depletion, depreciation and amortization	28,923	31,248	30,015	31,863	33,992	41,274	47,800	54,436	55,369	66,838	70,457	72,478	76,866	80,132	92,498	101,043	90,707
Accretion of asset retirement obligations	264	289	276	354	300	314	323	353	364	375	387	404	414	420	520	468	476
Full-cost ceiling impairment	80,462	78,171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized loss (gain) on derivatives	6,839	26,625	(3,203)	10,977	(20,631)	(13,190)	12,372	11,734	(10,416)	(1,429)	21,337	(74,577)	45,719	(6,157)	(9,847)	24,012	(136,430)
Stock-based compensation expense	2,243	3,310	3,584	3,224	4,166	7,026	1,296	4,166	4,179	4,766	4,842	3,413	4,587	4,490	4,664	4,765	3,794
Net (gain) loss on asset sales and inventory impairment	(1,065)	(1,002)	(1,073)	(104,137)	(7)	-	(16)	-	-	-	196	-	-	368	439	160	-
Prepayment premium on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	31,226	-	-	-	-	-	-
Consolidated Adjusted EBITDA	17,196	39,061	47,385	54,650	72,175	76,335	88,304	113,309	122,911	144,191	163,900	152,607	135,017	155,251	173,692	193,988	153,399
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	4	(115)	(125)	(164)	(2,216)	(3,683)	(3,471)	(4,690)	(5,657)	(6,853)	(8,508)	(9,368)	(10,178)	(11,147)	(12,903)	(12,964)	(12,823)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$ 17,200</b>	<b>\$ 38,946</b>	<b>\$ 47,260</b>	<b>\$ 54,486</b>	<b>\$ 69,959</b>	<b>\$ 72,652</b>	<b>\$ 84,833</b>	<b>\$ 108,619</b>	<b>\$ 117,254</b>	<b>\$ 137,338</b>	<b>\$ 155,392</b>	<b>\$ 143,239</b>	<b>\$ 124,839</b>	<b>\$ 144,104</b>	<b>\$ 160,789</b>	<b>\$ 181,024</b>	<b>\$ 140,576</b>
<b>Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:</b>																	
Net cash provided by operating activities	\$ 18,358	\$ 31,242	\$ 46,862	\$ 37,624	\$ 61,309	\$ 59,933	\$ 101,274	\$ 76,609	\$ 136,149	\$ 118,059	\$ 165,111	\$ 189,205	\$ 59,240	\$ 135,257	\$ 158,630	\$ 198,915	\$ 109,372
Net change in operating assets and liabilities	(8,059)	1,944	(4,909)	9,215	2,455	7,198	(21,481)	36,886	(21,364)	18,174	(11,111)	(50,129)	58,491	2,472	(2,488)	(23,958)	24,899
Interest expense, net of non-cash portion	6,897	5,875	6,573	7,706	8,411	9,204	8,511	7,971	8,126	7,958	9,900	13,986	17,286	17,522	17,550	19,031	19,128
Current income tax (benefit) provision	-	-	(1,141)	105	-	-	-	(8,157)	-	-	-	(455)	-	-	-	-	-
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	4	(115)	(125)	(164)	(2,216)	(3,683)	(3,471)	(4,690)	(5,657)	(6,853)	(8,508)	(9,368)	(10,178)	(11,147)	(12,903)	(12,964)	(12,823)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$ 17,200</b>	<b>\$ 38,946</b>	<b>\$ 47,260</b>	<b>\$ 54,486</b>	<b>\$ 69,959</b>	<b>\$ 72,652</b>	<b>\$ 84,833</b>	<b>\$ 108,619</b>	<b>\$ 117,254</b>	<b>\$ 137,338</b>	<b>\$ 155,392</b>	<b>\$ 143,239</b>	<b>\$ 124,839</b>	<b>\$ 144,104</b>	<b>\$ 160,789</b>	<b>\$ 181,024</b>	<b>\$ 140,576</b>

# Adjusted EBITDA Reconciliation

## San Mateo<sup>(1)</sup>



The following table presents the calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC and San Mateo Midstream II, LLC.

	Year Ended December 31,				
	2015	2016	2017	2018	2019
<i>(In thousands)</i>					
<b>Unaudited Adjusted EBITDA reconciliation to</b>					
<b>Net Income (Loss):</b>					
Net income	\$ 2,719	\$ 10,174	\$ 26,391	\$ 52,158	\$ 71,850
Total income tax provision	647	97	269	—	—
Depletion, depreciation and amortization	562	1,739	4,231	9,459	15,068
Interest expense	—	—	—	333	9,282
Accretion of asset retirement obligations	16	47	30	61	110
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 3,944</b>	<b>\$ 12,057</b>	<b>\$ 30,921</b>	<b>\$ 62,011</b>	<b>\$ 96,310</b>
<i>(In thousands)</i>					
<b>Unaudited Adjusted EBITDA reconciliation to</b>					
<b>Net Cash Provided by (Used in) Operating Activities:</b>					
Net cash provided by (used in) operating activities	\$ 13,916	\$ 6,694	\$ 21,308	\$ 35,702	\$ 106,650
Net change in operating assets and liabilities	(10,007)	5,266	9,344	25,989	(19,137)
Interest expense, net of non-cash portion	—	—	—	320	8,797
Current income tax provision	35	97	269	—	—
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 3,944</b>	<b>\$ 12,057</b>	<b>\$ 30,921</b>	<b>\$ 62,011</b>	<b>\$ 96,310</b>

(1) Pro forma for February 2017 San Mateo I transaction and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.



# Adjusted EBITDA Reconciliation

## San Mateo<sup>(1)</sup>



The following table presents the calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC and San Mateo Midstream II, LLC.

<i>(In thousands)</i>	Three Months Ended												
	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020
<b>Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):</b>													
Net income	\$ 5,741	\$ 6,422	\$ 5,937	\$ 8,291	\$ 10,266	\$ 11,901	\$ 14,940	\$ 15,051	\$ 15,229	\$ 16,979	\$ 20,000	\$ 19,642	\$ 19,088
Total income tax provision	54	64	63	88	—	—	—	—	—	—	—	—	—
Depletion, depreciation and amortization	951	1,016	1,083	1,181	1,268	2,086	2,392	3,713	3,406	3,565	3,848	4,249	4,600
Interest expense	—	—	—	—	—	—	—	333	2,142	2,180	2,458	2,502	2,437
Accretion of asset retirement obligations	—	9	10	11	11	12	18	20	—	25	27	58	45
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 6,746</b>	<b>\$ 7,511</b>	<b>\$ 7,093</b>	<b>\$ 9,571</b>	<b>\$ 11,545</b>	<b>\$ 13,999</b>	<b>\$ 17,350</b>	<b>\$ 19,117</b>	<b>\$ 20,777</b>	<b>\$ 22,749</b>	<b>\$ 26,333</b>	<b>\$ 26,451</b>	<b>\$ 26,170</b>

<i>(In thousands)</i>	Three Months Ended												
	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020
<b>Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by (Used in) Operating Activities:</b>													
Net cash provided by (used in) operating activities	\$ (1,064)	\$ 2,630	\$ 22,509	\$ (2,767)	\$ 10,385	\$ (160)	\$ 2,093	\$ 23,070	\$ 32,616	\$ 18,650	\$ 31,550	\$ 23,834	\$ 25,244
Net change in operating assets and liabilities	7,756	4,817	(15,479)	12,250	1,160	14,159	15,257	(4,273)	(13,899)	2,031	(7,468)	199	(1,341)
Interest expense, net of non-cash portion	—	—	—	—	—	—	—	320	2,060	2,068	2,251	2,418	2,267
Current income tax provision	54	64	63	88	—	—	—	—	—	—	—	—	—
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 6,746</b>	<b>\$ 7,511</b>	<b>\$ 7,093</b>	<b>\$ 9,571</b>	<b>\$ 11,545</b>	<b>\$ 13,999</b>	<b>\$ 17,350</b>	<b>\$ 19,117</b>	<b>\$ 20,777</b>	<b>\$ 22,749</b>	<b>\$ 26,333</b>	<b>\$ 26,451</b>	<b>\$ 26,170</b>

(1) Pro forma for February 2017 San Mateo I transaction and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.



# Adjusted Net Income and Adjusted Earnings Per Diluted Common Share

This presentation includes the non-GAAP financial measures of adjusted net income and adjusted earnings per diluted common share. These non-GAAP items are measured as net income attributable to Matador Resources Company shareholders, adjusted for dollar and per share impact of certain items, including unrealized gains or losses on derivatives, the impact of full cost-ceiling impairment charges, if any, and non-recurring transaction costs for certain acquisitions or other non-recurring expense items, along with the related tax effect for all periods. This non-GAAP financial information is provided as additional information for investors and is not in accordance with, or an alternative to, GAAP financial measures. Additionally, these non-GAAP financial measures may be different than similar measures used by other companies. The Company believes the presentation of adjusted net income and adjusted earnings per diluted common share provides useful information to investors, as it provides them an additional relevant comparison of the Company's performance across periods and to the performance of the Company's peers. In addition, these non-GAAP financial measures reflect adjustments for items of income and expense that are often excluded by industry analysts and other users of the Company's financial statements in evaluating the Company's performance. The table below reconciles adjusted net income and adjusted earnings per diluted common share to their most directly comparable GAAP measure of net income attributable to Matador Resources Company shareholders.

(In thousands, except per share data)

## Unaudited Adjusted Net Income and Adjusted Earnings Per Share Reconciliation to Net Income (Loss):

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Net income (loss) attributable to Matador Resources Company shareholders	\$ 125,729	\$ 24,019	\$ (16,947)
Total income tax provision (benefit)	39,957	10,197	(1,013)
Income (loss) attributable to Matador Resources Company shareholders before taxes	165,686	34,216	(17,960)
Less non-recurring and unrealized charges to income (loss) before taxes:			
Unrealized (gain) loss on derivatives	(136,430)	24,012	45,719
Net loss on asset sales and inventory impairment	-	160	-
Adjusted income attributable to Matador Resources Company shareholders before taxes	29,256	58,388	27,759
Income tax expense <sup>(1)</sup>	6,144	12,261	5,829
<b>Adjusted net income attributable to Matador Resources Company shareholders (non-GAAP)</b>	<b>\$ 23,112</b>	<b>\$ 46,127</b>	<b>\$ 21,930</b>
Basic weighted average shares outstanding, without participating securities	115,883	115,746	115,315
Dilutive effect of participating securities	724	895	1,052
Weighted average shares outstanding, including participating securities - basic	116,607	116,641	116,367
Dilutive effect of options and restricted stock units	77	342	202
Weighted average common shares outstanding - diluted	116,684	116,983	116,569
<b>Adjusted earnings per share attributable to Matador Resources Company shareholders (non-GAAP)</b>			
<b>Basic</b>	<b>\$ 0.20</b>	<b>\$ 0.40</b>	<b>\$ 0.19</b>
<b>Diluted</b>	<b>\$ 0.20</b>	<b>\$ 0.39</b>	<b>\$ 0.19</b>

(1) Estimated using federal statutory tax rate in effect for the period.