

Matador Resources Company

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BOARD OF DIRECTORS

April 14, 2021

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Dear Shareholders and Friends,

The challenges of last year are behind us, but those challenges have helped make us a stronger and more focused company. There is no question that Matador is off to a great start in 2021, and the outlook going forward is very positive. The purpose of this letter is to provide you with a brief operational update on our progress and to affirm the key priorities and milestones we have set for Matador in 2021.

Initial Dividend Declared and Paid

In conjunction with Matador's press release outlining our 2021 operating plan and market guidance, we summarized our 2021 milestones and priorities in late February (see **Slide A**). We believe that 2021 will be particularly exciting for Matador and our shareholders as we work to continue profitably growing our exploration and production and midstream businesses, further improve capital efficiency, transition to free cash flow, pay down debt and augment our return to shareholders through the initiation of a dividend policy. In fact, given our strong finish to 2020, our positive outlook for 2021, our free cash flow expectations and our confidence in Matador's financial strength going forward, Matador's Board of Directors (the "Board") recently adopted a dividend policy pursuant to which Matador paid its first quarterly dividend of \$0.025 per share of common stock on March 31, 2021. We are pleased to initiate these quarterly dividend payments, and it has been nice to hear from many of you that you received your first dividend payment in good order!

Matador Share Price Up Sharply in First Quarter 2021

Matador's share price enjoyed strong performance in the first quarter of 2021, closing the quarter at \$23.45 per share on March 31, 2021, up 94%, or almost double, from the \$12.06 per share closing price on December 31, 2020. Matador's shares traded even higher at times during the first quarter as oil prices briefly topped \$66 per barrel in early March. By comparison, Matador significantly outperformed the "XOP index," which was up 39% in the first quarter. The "XOP index" is an electronically traded oil and gas exploration and production fund that serves as a proxy for the average share price performance of oil and natural gas exploration and production companies across the industry (see **Slides B and C**). It is certainly gratifying to see Matador's share price trading back at these levels and above the current XOP. We hope to see further appreciation in our share price as more long-only, fundamental investors begin to return to the energy space and Matador continues to meet its milestones and goals.

First Quarter 2021 Operations Update and 2021 Key Drilling and Completion Milestones

As we noted in our February guidance release, Matador's 2021 drilling program will focus primarily on our federal properties, including continued development of our Stateline asset area, continued drilling of the Rodney Robinson leasehold and further development of the Greater Stebbins Area. Matador began the year operating three rigs in the Delaware Basin, but in late March, we added a fourth operated rig to our drilling program. Today, two of these rigs are drilling in the Stateline asset area, and two rigs are drilling in the Greater Stebbins Area (see **Slide D**).

We are anticipating a number of key milestones in 2021 that are expected to add significant value, production and reserves to Matador and our midstream affiliate, San Mateo Midstream, LLC ("San Mateo"), while positioning both companies for continued growth and free cash flow in the coming years.

- We have already completed the first milestone as production from four new Rodney Robinson wells in the Antelope Ridge asset area and two Uncle Ches wells in our Ranger asset area was turned to sales in mid-March 2021 as anticipated. The first six Rodney Robinson wells turned to sales in March 2020 continue to perform above expectations, having now produced in aggregate approximately 3.0 million barrels of oil equivalent ("BOE") in just about one year of production.
- In April and May 2021, we expect to turn to sales production from the first 13 Voni wells in our Stateline asset area in a staggered fashion, all of which are expected to have completed lateral lengths of approximately 12,000 feet, or about 2.3 miles, making them the longest horizontal laterals that Matador has completed to date in the Delaware Basin. Given the strong early performance of the first 13 Boros wells turned to sales in September 2020 in the Stateline asset area, which have produced in aggregate approximately 3.8 million BOE in just over six months of production, we are particularly excited to get this first group of Voni wells on production. Matador is pleased to report that we have just begun turning the first Voni wells to sales as anticipated and expect to continue doing so over the next several weeks.
- During the summer of 2021, we should turn to sales production from the first four of 13 wells we expect to drill and complete in the Greater Stebbins Area during 2021. We continue to be pleased with the five most-recent Leatherneck wells turned to sales last summer in the Greater Stebbins Area, which have produced in aggregate approximately 1.2 million BOE in just eight months of production.
- Finally, in October and November 2021, we expect to turn to sales production from the remaining nine wells in the Greater Stebbins Area, as well as the next 13 wells in the Stateline asset area.

As a result of our operated and non-operated drilling and completion activities in 2021, we anticipate 10 to 12% growth in our oil equivalent production. We also expect to finish the year with free cash flow and reduced debt, positioning Matador for continued dividend payments and continued production and reserves growth in 2022 and beyond.

Wells Completed and Turned to Sales

During the first quarter of 2021, Matador completed and turned to sales a total of 16 gross (6.0 net) wells in its various Delaware Basin operating areas. This total was comprised of six gross (5.1 net) operated wells and 10 gross (0.9 net) non-operated wells. All six operated wells were two-mile laterals, including four gross (3.8 net) wells on the Rodney Robinson leasehold in the western portion of the Antelope Ridge

asset area and two gross (1.3 net) Uncle Ches wells in the Ranger asset area. All six operated wells were turned to sales in mid-March 2021. As a result, these wells did not contribute significantly to Matador's first quarter production but are expected to be important contributors to Matador's production numbers in the second quarter.

The following table highlights the 24-hour initial potential ("IP") test results from the four new Rodney Robinson wells completed and turned to sales in the first quarter of 2021. IP tests for the two Uncle Ches wells are expected to be conducted after these wells are equipped with electrical submersible pumps (ESPs), which is customary for wells completed and turned to sales in the Ranger and Arrowhead asset areas. Initial flowback results from the Uncle Ches wells, both Second Bone Spring completions, exceeded Matador's expectations for both flow rates and flowing pressures up casing, and both wells exhibited initial oil cuts above 90%.

Asset Area/Well Name	Completion Interval	24-hr IP (BOE/d)	BOE/d / 1,000 ft. ⁽¹⁾	Oil (%)	Comments
Antelope Ridge, Lea County, NM					
Rodney Robinson Federal #133H	Third Bone Spring	2,999	303	78%	Tested 2,354 Bbl of oil per day and 3.9 MMcf of natural gas per day.
Rodney Robinson Federal #134H	Third Bone Spring	4,768	491	78%	Tested 3,720 Bbl of oil per day and 6.3 MMcf of natural gas per day.
Rodney Robinson Federal #203H	Wolfcamp A-XY	4,414	459	77%	Tested 3,383 Bbl of oil per day and 6.2 MMcf of natural gas per day.
Rodney Robinson Federal #204H	Wolfcamp A-XY	4,859	488	77%	Tested 3,754 Bbl of oil per day and 6.6 MMcf of natural gas per day.

(1) 24-hr IP per 1,000 feet of completed lateral length.

Matador is very pleased with the strong IP test results from these most recent Rodney Robinson wells, too, which continue to show the excellent reservoir quality associated with this leasehold. We are particularly encouraged by the results from the Rodney Robinson Federal #133H and #134H wells, as these wells are the first tests of the Third Bone Spring formation on this property. Further, the IP test result from the Rodney Robinson Federal #204H well, a Wolfcamp A-XY completion, set a Matador record for the best overall IP test result to date in the Delaware Basin, with the IP test result from the Rodney Robinson Federal #134H well being the third best overall IP test result for Matador in the Delaware Basin.

These four wells, like the six Rodney Robinson wells turned to sales in March 2020, are expected to recover 1.5 million BOE or more over their producing lives, with several of the 10 wells expected to produce more than 2.0 million BOE. We are also very pleased to be turning these new Rodney Robinson wells to sales during a time of much higher oil prices than those experienced in March 2020, which should further enhance the economic returns from these wells. We expect these wells to contribute significantly to Matador's production and cash flow in the second quarter of 2021 and beyond.

Matador Receives 2021 Best Overall Investor Relations Program (Small Cap) Award

Finally, we are truly pleased to inform you that on March 25, 2021, at its annual awards ceremony, *IR (Investor Relations) Magazine* presented Matador with the 2021 Best Overall Investor Relations (Small Cap) award across all publicly traded "small-cap" companies and all industry sectors in the United States. Further, Matador was recognized by the Nasdaq stock exchange for this achievement on the Nasdaq

MarketSite Tower in Times Square in New York, and we were also invited to ring the Nasdaq closing bell virtually on April 6, 2021 (see **Slide E**). In addition to winning this larger award, Matador was also nominated in two other categories for 2021—Best Investor Relations in Energy across all market capitalizations and Best Small Cap Investor Relations by a CEO and CFO across all industry sectors.

This recognition by *IR Magazine* reflects the hard work and dedication of the entire Matador team to interact and communicate with our investors and keep them informed on an ongoing basis. Putting our shareholders first is a key component of the Matador culture, and we will continue to strive to earn your trust and support. Our thanks to *IR Magazine* for this wonderful recognition!

Summary

In closing, we hope each of you are staying safe and staying well. We continue to be excited about the opportunities ahead for Matador and San Mateo in 2021, and we look forward to sharing more specific details about our first quarter 2021 operating and financial results later this month. We are also looking forward to our upcoming Annual Shareholders' Meeting scheduled for June 4, 2021 at The Westin Galleria Hotel in Dallas. You will receive your 2020 Annual Report soon. We will update you with additional information as the meeting date gets closer, but for now, we are planning to hold an in-person meeting once again this year. We hope you will be able to join us, but if you cannot do so, you will, of course, be able to participate in the meeting via a live webcast. As always, we appreciate your support and friendship very much, and we hope to see or hear from you soon. Please reach out to us any time you have questions, concerns or suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Foran", written in a cursive style.

Joseph Wm. Foran
Chairman & CEO

This letter includes “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, the payment of dividends, 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 its 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; its 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; its ability to make acquisitions on economically acceptable terms; its ability to integrate acquisitions; availability of sufficient capital to execute its business plan, including from future cash flows, increases in its borrowing base and otherwise; weather and environmental conditions; the impact of the worldwide spread of the novel coronavirus, or COVID-19, 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 Black River cryogenic natural gas processing 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; 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 letter, 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 letter. All forward-looking statements are qualified in their entirety by this cautionary statement.