

Matador Resources Company

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BOARD OF DIRECTORS

September 5, 2019

Joseph Wm. Foran
Chairman & CEO

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Edina, Minnesota

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Dallas, Texas

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SPECIAL BOARD ADVISORS

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SPECIAL ADVISORS

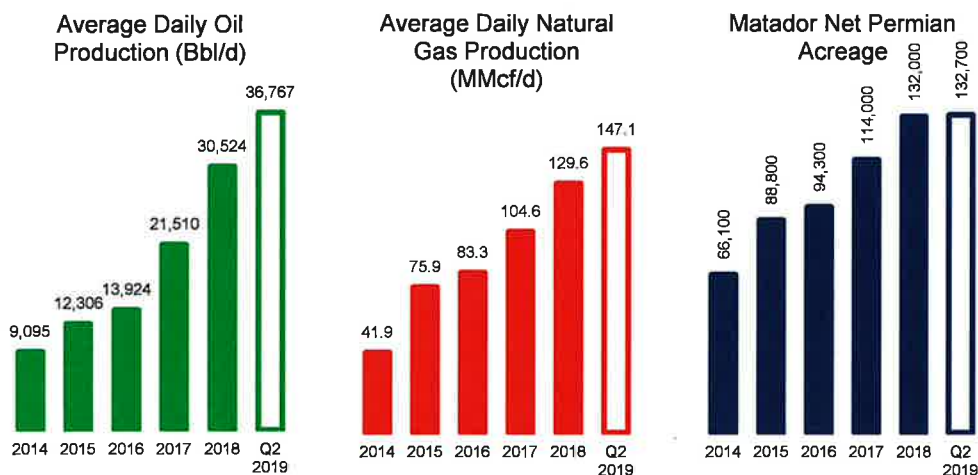
Rick H. Fenlaw
Wichita Falls, Texas

Wade I. Massad
Cleveland, Ohio

Dear Shareholders and Friends,

In these times of volatile market conditions, and being in an out-of-favor sector, we all should take comfort in the exceptional performance of our staff, in the steadily improving fundamentals of our business and in the hard assets that stand behind each share of Matador stock. Please consider the following:

- Behind every share of stock, a shareholder owns roughly one barrel of oil at \$50 per barrel and 4.7 thousand cubic feet of natural gas at approximately \$1.64 per thousand cubic feet. (See Exhibit A attached.)
- Matador's daily oil production grew from 9,095 barrels per day in 2014 to 36,767 barrels per day in the second quarter of 2019, a new record. Similarly, natural gas production grew from 41.9 million cubic feet per day in 2014 to 147.1 million cubic feet per day in the second quarter of 2019. (See graphs below.)
- Matador also owns approximately 183,000 net acres of leasehold in three of the best shale plays in the country, including 132,700 net acres in the prolific Delaware Basin in southeast New Mexico and Loving County, Texas. Based on our acreage costs, this acreage is valued at roughly \$13 per share (rather than on the higher market value per share estimates). (See Exhibits B, C and D attached.)
- In addition, Matador has accumulated approximately 11,200 net royalty acres of strategically located minerals and royalty interests.
- Since the Initial Public Offering, Matador has built a 51% interest in a significant, rapidly growing and, we believe, underappreciated group of water, natural gas and oil midstream assets in the Delaware Basin. (See Exhibit E attached.)
- Finally, of course, each Matador share is also backed by almost 300 talented technical, land and financial professionals who are, we contend, some of Matador's most valuable assets.



Focus on Delivering Real Earnings and Exceeding Expectations

Despite challenging macroeconomic conditions, we remain committed to focusing on those factors that are within our control and to continuing our strong track record of execution and progress.


- We have delivered positive earnings per share based on Generally Accepted Accounting Principles ("GAAP") in 11 of the past 12 quarters, with the only blemish on that record resulting from a non-cash, unrealized loss on hedging derivatives in the first quarter of 2019.
- In addition, we have met or exceeded consensus financial expectations for 20 consecutive quarters, a record in which we take great pride.
- Whereas a number of our closest competitors have suffered criticism and notable declines in share price due to the recognition that they drilled too many wells too close together on spacing of only 80 acres per well or less, Matador was commended twice this year by the Wall Street Journal for being one of the few companies typically using more appropriate wider spacing in the Delaware Basin of approximately 160 acres per well and for the actual production from our wells exceeding forecasts.
- Matador's operations group has set 54 new drilling records in the past year and a half.

Putting Our Money Where Our Mouth Is

Finally, over the past 12 months, approximately 85 directors, special advisors and employees, or about one-third of the staff, have bought Matador stock in the open market. These are the people who know Matador best and can see the progress we are making, and they are "putting their money where their mouths are." Our capital efficiency gains are continuing and should become more apparent as we move from 10% of our wells in 2018 being longer laterals to over 80% of our wells in 2020 being longer laterals, the effect of which is that Matador should drill even better wells for less money in the coming year! To show my confidence in Matador and our forward outlook and to further align my interests with our shareholders, I have personally purchased 236,000 shares of Matador stock since the first of the year, while Matador's stock has traded at prices ranging from \$13.42 to \$22.25. We continue to think this range is a great entry point for the stock given the sum of our assets, our per share values and consistent operating performance as well as our record-setting levels of production. Your board and staff are committed as ever to working hard to control those variables we can control, to creating value and to delivering strong operating and financial results. In short, we like our chances going forward. (See Exhibit F attached.)

We also thank you for your continued support, interest and encouragement in these volatile times for energy markets and the stock market in general. If you have any questions about any of the items enclosed or discussed in this letter or about Matador's assets or ongoing business in general, please feel free to give Matt Hairford (972-371-5244), David Lancaster (972-371-5224), Craig Adams (972-371-5220) or me (972-371-5206) a call at any time. Thank you again for your support and friendship. We really appreciate it.

Very truly yours,



Joseph Wm. Foran
Chairman and 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, results in certain basins, objectives, project timing, expectations and intentions 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; our ability to execute our business plan, including whether our 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; our ability to replace reserves and efficiently develop our current reserves; our 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; our ability to make acquisitions on economically acceptable terms; our ability to integrate acquisitions; availability of sufficient capital to execute our business plan, including from our future cash flows, increases in our borrowing base and otherwise; weather and environmental conditions; the operating results of our 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 our 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 our 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 letter. All forward-looking statements are qualified in their entirety by this cautionary statement.