Matador Resources Company

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October 31, 2023

Dear Shareholders and Friends,

Thank you for your continued support for Matador. Your Board, management team and staff are pleased to report that the third quarter of 2023 was another record quarter in Matador's history. As we have done for the last 40 years, we continue to manage the business for the long term while focusing on our strategy of profitable growth at a measured pace, maintaining a strong balance sheet and returning value to our shareholders. Although there is always market volatility in the short term, we are pleased that over the long term, Matador's stock has been a top performer among our peer group over the last five years **(see Slide A)**. In fact, Matador has significantly outperformed both the price of oil and the S&P Oil and Gas Exploration & Production Select Industry Index (XOP Index) since our initial public offering in February 2012 and has responded strongly after various acquisitions in our history **(see Slide B)**.

Record Production and Better-Than-Expected Cost Savings

Matador's record third quarter 2023 results again exceeded expectations. Highlights include the following milestones reflecting our growth in the Delaware Basin in West Texas and Southeast New Mexico **(see Slide C)**:

- The third quarter of 2023 was the best quarter of total production in Matador's history, averaging more than 135,000 barrels of oil and natural gas equivalent ("BOE") per day. This record total production for the third quarter of 2023 was 3% better sequentially than our previous total production record of 130,683 BOE per day in the second quarter of 2023.

- Matador also achieved record oil production during the third quarter of 2023 of 77,529 barrels per day, which was 2% better sequentially than our previous oil production record of 76,345 barrels per day in the second quarter of 2023.

- Matador also achieved record natural gas production during the third quarter of 2023 of 345.4 million cubic feet per day, which was 6% better sequentially than our previous natural gas production record of 326.0 million cubic feet per day in the second quarter of 2023.

- Matador's drilling, completions and equipping ("D/C/E") capital expenditures for the third quarter of 2023 were approximately $4 million lower than expected. Midstream capital expenditures were approximately $48 million lower than expected for the third quarter of 2023 due to cost savings and timing of capital projects.

- Matador's record production and lower costs led to better-than-expected "Net Cash Provided by Operating Activities" of $461.0 million for the third quarter of 2023 and "Adjusted Free Cash Flow" of $144.6 million for the third quarter of 2023.

Increased Dividend

Earlier this month, in light of our success and profitability in the Delaware Basin, we were pleased to announce an increase in our fixed quarterly cash dividend from $0.15 per share, or $0.60 per share on an annual basis, to $0.20 per share, or $0.80 per share on an annual basis **(see Slide D)**. This is the fourth increase in our fixed dividend since our Board initiated the dividend in the first quarter of 2021. Our ability to raise our dividend again evidences Matador's increasing financial and operational strength in the places where it operates.

Continued Debt Repayment

Matador was also pleased to announce that our bank group amended our credit agreement to increase the borrowing base by $250 million to $2.5 billion and increase the elected commitment by $75 million to $1.325 billion **(see Slide E)**. In connection with the amendment, we welcomed JPMorgan Chase Bank, N.A. as the newest member to our 14-member bank group. We value these lending relationships and are grateful for the continuing support of each of these banks.

The support of our banks was critical in connection with our Advance acquisition as we borrowed $700 million under Matador's credit agreement when we closed the acquisition in April 2023. Since then, we have repaid $200 million of these borrowings, leaving only $500 million outstanding under Matador's credit agreement today. As of September 30, 2023, our leverage ratio was just under 1.0x. We expect our leverage ratio to remain 1.0x or less for the remainder of 2023 and anticipate being able to fully repay the borrowings under Matador's credit agreement in 2024 at current commodity prices absent another compelling opportunity.

Horseshoe Wells Update

In October 2023, we turned to sales our first two "horseshoe" wells in our Wolf asset area in Loving County, Texas. We are pleased to announce that these two horseshoe wells have 24-hour initial production test results of 2,477 BOE per day (51% oil) and 2,166 BOE per day (53% oil), respectively, and have high initial flowing casing pressures between 3,650 and 4,100 pounds per square inch. We are encouraged by the early initial production from the horseshoe wells, which is comparable to or better than traditional two-mile lateral wells drilled in the Wolf asset area. We estimate that we achieved approximately $10 million in cost savings by drilling two horseshoe two-mile lateral wells as compared to four one-mile lateral wells in this section. **(see Slide F).**

Strong Finish in 2023

Matador expects to finish the year strong with continued production increases, cost efficiencies and debt repayment. We anticipate achieving the mid-to-high end of our full-year 2023 guidance range for total oil and natural gas equivalent production, oil production and natural gas production. We also expect lower capital expenditures for full-year 2023, primarily due to lower midstream capital expenditures of $25 million.

For the fourth quarter of 2023, we now expect to produce an average of approximately 145,000 BOE per day, which is a 2% increase from our previous expectation of 143,000 BOE per day, and a 7% increase sequentially from the third quarter production of more than 135,000 BOE per day **(see Slide G)**. In addition, we anticipate our oil production to average 86,750 barrels of oil per day at the midpoint of our guidance during the fourth quarter, which is a 1% increase from our previous expectation of 86,000 barrels of oil per day. In addition to the increased production during the fourth quarter of 2023, we also anticipate having 47 net wells in some stage of drilling or completion on December 31, 2023.

Looking Forward to 2024

We are currently operating seven drilling rigs and anticipate adding an eighth drilling rig in the first quarter of 2024. This additional drilling rig is expected to be a "super-spec" drilling rig similar to our other seven drilling rigs. We are pleased with our extensive well inventory and continued capital and operating efficiencies that allow us to add this drilling rig. Special thanks go to our vendors and operational teams for helping us achieve these efficiencies.

Matador also continues to make progress with its midstream assets to increase the "flow assurance" essential for its growing production volumes and third-party relationships in the Delaware Basin. We expect to connect the natural gas system owned by Pronto Midstream, LLC ("Pronto"), our wholly-owned midstream subsidiary, with the natural gas system owned by San Mateo Midstream, LLC ("San Mateo"), our midstream joint venture, in the first quarter of 2024. We also expect to connect Pronto's natural gas system to our Advance acreage in the first quarter of 2024, which will allow us to directly deliver natural gas volumes from the Advance acreage to Pronto.

We also continue to move forward with our plans for Pronto to expand its processing capacity by adding an additional cryogenic natural gas processing plant with a designed inlet capacity of 200 million cubic feet of natural gas per day, and we are evaluating whether to include a partner in building the processing plant or undertake building the plant ourselves in light of our growing production and financial results. Matador has a multi-year history of successfully building midstream assets. We formed San Mateo in 2017 and have grown our midstream assets since then, both at San Mateo and Pronto, to include approximately 525 miles of oil, natural gas, and water pipelines, 520 million cubic feet per day of designed natural gas processing capacity and over 475,000 barrels per day of designed water disposal capacity **(see Slide H)**.

Finally, we were pleased to see that Matador was mentioned twice this month in the *Wall Street Journal* and once in *Barron's*, including being listed as a top producer in the Permian Basin for 2023 by the *Wall Street Journal* **(see Slide I)**. We believe Matador has a promising outlook going into 2024 and consider our current stock price to be a good buying opportunity. While nothing is guaranteed, we still "like our chances" and our direction **(see again Slides A, B and C)**. Thanks to each of you for your support of Matador over its long history. We look forward to continuing to build Matador together with you for many more years to come.

Sincerely,

Joe

Joseph Wm. Foran
Chairman & CEO

Forward-Looking Statements

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 the anticipated benefits, opportunities and results with respect to the Advance acquisition, including any expected value creation, reserves additions, midstream opportunities and other anticipated impacts from the Advance acquisition, as well as other aspects of the transaction, guidance, projected or forecasted financial and operating results, future liquidity, leverage, 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, disruption from the Advance acquisition making it more difficult to maintain business and operational relationships; significant transaction costs associated with the Advance acquisition; the risk of litigation and/or regulatory actions related to the Advance acquisition, as well as 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; the operating results of the Company’s midstream oil, natural gas and water gathering and transportation systems, pipelines and facilities, the acquiring of third-party business and the drilling of any additional salt water disposal wells; 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; impact on the Company’s operations due to seismic events; 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, available borrowing capacity under its revolving credit facilities and otherwise; the operating results of and the availability of any potential distributions from our joint ventures; weather and environmental conditions; the ongoing impact of the novel coronavirus, or COVID-19, or variants thereof, on oil and natural gas demand, oil and natural gas prices and its business; and the other factors that 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 press release, 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 press release. All forward-looking statements are qualified in their entirety by this cautionary statement.