

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 2, 2021

GULFPORT ENERGY CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware (State or other jurisdiction of incorporation)	001-19514 (Commission File Number)	86-3684669 (I.R.S. Employer Identification Number)
3001 Quail Springs Parkway Oklahoma City, Oklahoma (Address of principal executive offices)		73134 (Zip code)
	(405) 252-4600 (Registrant's telephone number, including area code)	

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered	Trading Symbol
Common stock, par value \$0.0001 per share	The New York Stock Exchange	GPOR

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 2, 2021, Gulfport Energy Corporation ("Gulfport") issued a press release reporting its financial and operational results for the second quarter ended September 30, 2021 and providing an update on its 2021 activities. A copy of the press release and supplemental financial information are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

Also on November 2, 2021, Gulfport posted an updated investor presentation on its website. The presentation may be found on Gulfport's website at <http://www.gulfportenergy.com> by selecting "Investors," "Company Information" and then "Presentations."

The information in the press release and updated investor presentation is being furnished, not filed, pursuant to Item 2.02 and Item 7.01. Accordingly, the information in the press release and updated investor presentation will not be incorporated by reference into any registration statement filed by Gulfport under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Number	Exhibit
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99.1 [Press release dated November 2, 2021 entitled "Gulfport Energy Reports Third Quarter 2021 Financial and Operating Results and Announces Updated Guidance and Stock Repurchase Program."](#)

99.2 [Supplemental Financial Information](#)

104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

1

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GULFPORT ENERGY CORPORATION

Date: November 2, 2021

By: /s/ William J. Buese
William J. Buese
Chief Financial Officer

2



Gulfport Energy Reports Third Quarter 2021 Financial and Operating Results and Announces Updated Guidance and Stock Repurchase Program

OKLAHOMA CITY (November 2, 2021) Gulfport Energy Corporation (NYSE: GPOR) (“Gulfport” or the “Company”) today reported financial and operating results for the three months and nine months ended September 30, 2021 and provided an updated 2021 development plan and financial guidance.

Highlights⁽¹⁾

- Amended credit facility increasing liquidity by more than \$160 million
- Authorized stock repurchase program to acquire up to \$100 million of outstanding common stock⁽²⁾
- Completed six-well Angelo pad in the Utica during the third quarter and subsequently brought online at a combined gross production rate of 250 MMcfe per day
- Reported \$126.3 million of Net Cash Provided by Operating Activities
- Delivered \$69.7 million of Free Cash Flow (non-GAAP measure)
- Reduced 2021 full year Recurring Cash General and Administrative Expense (non-GAAP measure) guidance to total \$42 to \$44 million, a \$3 million decrease from the previous midpoint
- Increased expected 2021 full year Free Cash Flow (non-GAAP measure) guidance to \$345 million to \$365 million, a \$55 million increase from previous midpoint

“Gulfport delivered strong third quarter 2021 results, driven by reservoir outperformance and operational execution. In addition, the six-well Angelo pad was completed and subsequently brought online ahead of expectations. The efficiencies realized across the enterprise to date have enabled us to improve our 2021 guidance, narrowing the outlook for full year net production and reducing our forecasted G&A expense to the expected 2022 run rate. These improvements, coupled with the recent strength in commodities, resulted in another quarter of free cash flow generation and positions the Company to deliver significant free cash flow going forward,” commented Tim Cutt, CEO of Gulfport.

“We recently amended the Company’s credit facility, increasing our liquidity by more than \$160 million. The amendment provides the financial flexibility to execute our ongoing business plan and accelerates our ability to begin returning capital to shareholders, as demonstrated with today’s announcement of the stock repurchase program.”

A company presentation to accompany the Gulfport earnings conference call can be accessed by clicking here <https://ir.gulfportenergy.com/>.

- (1) 2021 full year outlook reflects the combination of Successor and Predecessor company results, unless otherwise noted. The Company refers to the post-emergence reorganized company as the Successor for periods subsequent to May 18, 2021, and to the pre-emergence company as the Predecessor for periods on or prior to May 17, 2021.
- (2) Subject to available liquidity, market conditions and restrictions under the credit facility.

Stock Repurchase Program

Gulfport announced today that its board of directors has approved a stock repurchase program to acquire up to \$100 million of its outstanding common stock. Purchases under the repurchase program may be made from time to time in open market or privately negotiated transactions, and will be subject to available liquidity, market conditions, credit agreement restrictions, applicable legal requirements, contractual obligations and other factors. The repurchase program does not require the Company to acquire any specific number of shares. The Company intends to purchase shares under the repurchase program opportunistically with available funds while maintaining sufficient liquidity to fund its capital development program. This repurchase program is authorized to extend through December 31, 2022 and may be suspended from time to time, modified, extended or discontinued by the board of directors at any time.

Operational Update

For the third quarter of 2021, the Company spud two gross operated wells in the Utica with a planned average lateral length of approximately 15,920 feet and two gross operated wells in the SCOOP with a planned average lateral length of approximately 9,880 feet. In addition, Gulfport turned-to-sales two gross operated wells in the Utica with an average lateral length of approximately 13,700 feet.

Gulfport’s net daily production for the third quarter of 2021 averaged 973.3 MMcfe per day, primarily consisting of 699.0 MMcfe per day in the Utica and 273.8 MMcfe per day in the SCOOP. For the third quarter of 2021, Gulfport’s net daily production mix was comprised of approximately 89% natural gas, 8% natural gas liquids (“NGL”) and 3% oil.

Subsequent to the third quarter of 2021, Gulfport agreed to monetize certain overriding royalty interests associated with assets held in the Bakken to a third party for approximately \$3.8 million in cash. Net production from the assets averaged approximately 50 Boe per day, comprised of approximately 92% oil. The effective date of the transaction is August 1, 2021 and the transaction is expected to close in the fourth quarter of 2021.

	Successor	Predecessor
	Three	Three
	Months	Months
	Ended	Ended
	September 30,	September 30,
	2021	2020
Production		
Natural gas (Mcf/day)	866,446	902,660
Oil and condensate (Bbl/day)	5,371	4,840
NGL (Bbl/day)	12,434	10,047

Total (Mcf/day)		973,281	991,983
Average Prices			
Natural Gas:			
Average price without the impact of derivatives (\$/Mcf)	\$	3.78	\$ 1.87
Impact from settled derivatives (\$/Mcf)		(1.04)	0.38
Average price, including settled derivatives (\$/Mcf)	\$	2.74	\$ 2.25
Oil:			
Average price without the impact of derivatives (\$/Bbl)	\$	67.37	\$ 35.96
Impact from settled derivatives (\$/Bbl)		(8.77)	(3.38)
Average price, including settled derivatives (\$/Bbl)	\$	58.60	\$ 32.58
NGL:			
Average price without the impact of derivatives (\$/Bbl)	\$	39.47	\$ 20.37
Impact from settled derivatives (\$/Bbl)		(5.23)	—
Average price, including settled derivatives (\$/Bbl)	\$	34.24	\$ 20.37
Total:			
Average price without the impact of derivatives (\$/Mcf)	\$	4.24	\$ 2.08
Impact from settled derivatives (\$/Mcf)		(1.04)	0.33
Average price, including settled derivatives (\$/Mcf)	\$	3.20	\$ 2.41
Selected operating metrics			
Lease operating expenses (\$/Mcf)	\$	0.15	\$ 0.15
Taxes other than income (\$/Mcf)	\$	0.13	\$ 0.07
Transportation, gathering, processing and compression expense (\$/Mcf)	\$	0.94	\$ 1.21
Recurring cash general and administrative expenses (\$ millions) (non-GAAP)	\$	0.11	\$ 0.14
Interest expenses (\$/Mcf)	\$	0.18	\$ 0.38

Capital Investment

Capital investment was \$80.9 million (on an incurred basis) for the third quarter of 2021, of which \$77.8 million related to drilling and completion (“D&C”) activity and \$3.1 million related to leasehold and land investment.

For the nine-month period ended September 30, 2021, capital investment was \$221.5 million (on an incurred basis), of which \$214.0 million related to D&C activity and \$7.5 million to leasehold and land investment.

3

Amended and Restated Credit Facility

On October 14, 2021, Gulfport announced that it has entered into the Third Amended and Restated Credit Agreement (“Amendment”), which amends and refinances the Company’s Credit Agreement, dated as of May 17, 2021 (“Exit Facility”). The Amendment provides for, among other things, an increase in aggregate elected lender commitments from \$580 million to \$700 million, the repayment of the term loan under the Exit Facility, the elimination of the \$40 million availability blocker and a maturity date extension to October 2025 from May 2024.

Financial Position and Liquidity

As of September 30, 2021, Gulfport had approximately \$4.5 million of cash and cash equivalents, \$200.6 million of borrowings under its Exit Facility, \$115.5 million of letters of credit outstanding and \$550 million of outstanding 2026 senior notes.

Pro forma for the Amendment, Gulfport’s liquidity at September 30, 2021, totaled approximately \$388 million, comprised of the \$4.5 million of cash and cash equivalents and approximately \$384 million of available borrowing capacity under its new revolving credit facility.

On September 30, 2021, the company paid dividends on its Preferred Stock, which included 2,065 shares of New Preferred Stock paid in kind and approximately \$30,000 of cash in lieu of fractional shares.

2021 Guidance Update

Driven by reservoir outperformance and operational execution in the Utica coming in ahead of expectations, Gulfport has narrowed its 2021 full year net production guidance range to average 980 MMcf to 1,000 MMcf per day.

Gulfport increased guidance for its expected realized natural gas liquids price, before hedges, as a percent of WTI to 55% to 60% from a range of 45% to 50% previously. The increase was driven by strong realizations reported during the nine-month period ended September 30, 2021 and expectations for continued strong fundamentals to result in higher prices during the fourth quarter of 2021.

Recurring cash general and administrative expense (“G&A”) (non-GAAP measure) guidance was reduced to total \$42 million to \$44 million for full year 2021, a decrease of \$3 million from the previous midpoint, reflecting the Company’s continued focus on reducing costs to target top-quartile G&A and in line with its expected 2022 run rate.

As a result of all the previously mentioned updates combined with a significant increase in commodity prices, Gulfport has increased its forecasted free cash flow (non-GAAP measure) guidance for 2021 to \$345 to \$365 million.

4

Year Ending	
12/31/21	
Low	High

Production

Average Daily Gas Equivalent (MMcfepd)	980	1,000
% Gas	~90%	

Realizations (before hedges)

Natural Gas (Differential to NYMEX Settled Price) (\$/Mcf)	\$ (0.10)	\$ (0.20)
NGL (% of WTI)	55%	60%
Oil (Differential to NYMEX WTI) (\$/Bbl)	\$ (3.00)	\$ (4.00)

Operating Costs

Lease operating expense (\$/Mcf)	\$ 0.13	\$ 0.15
Taxes other than income (\$/Mcf)	\$ 0.11	\$ 0.13
Transportation, gathering, processing and compression ⁽¹⁾ (\$/Mcf)	\$ 0.92	\$ 0.96
Recurring cash general and administrative ^(2,3) (in millions)	\$ 42	\$ 44

(1) Assumes rejection of Rover firm transportation agreement.

(2) Recurring cash G&A includes capitalization. It excludes non-cash stock compensation and expenses related to certain legal and restructuring charges.

Capital Expenditures (incurred)

	Total	
	(in millions)	
D&C	\$ 270	\$ 290
Leasehold and Land	\$20	
Total	\$ 290	\$ 310

Free Cash Flow⁽³⁾	\$ 345	\$ 365
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(3) This is a non-GAAP measure. Reconciliations of these non-GAAP measures and other disclosures are provided with the supplemental financial tables available on our website at www.gulfportenergy.com.

Derivatives

Gulfport hedges portions of its expected future production volumes to mitigate the Company's exposure to commodity price fluctuations. For details, please refer to the "Derivatives" section provided with the supplemental financial tables available on our website at ir.gulfportenergy.com.

Third Quarter 2021 Conference Call

Gulfport will host a teleconference and webcast to discuss its third quarter of 2021 results beginning at 9:00 a.m. ET (8:00 a.m. CT) on Wednesday, November 3, 2021.

The conference call can be heard live through a link on the Gulfport website, www.gulfportenergy.com. In addition, you may participate in the conference call by dialing 866-373-3408 domestically or 412-902-1039 internationally. A replay of the conference call will be available on the Gulfport website and a telephone audio replay will be available from November 4, 2021 to November 18, 2021, by calling 877-660-6853 domestically or 201-612-7415 internationally and then entering the replay passcode 13724300.

Financial Statements and Guidance Documents

Third quarter of 2021 earnings results and supplemental information regarding quarterly data such as production volumes, pricing, financial statements, and non-GAAP reconciliations are available on our website at ir.gulfportenergy.com.

Non-GAAP Disclosures

This news release includes non-GAAP financial measures. Such non-GAAP measures should be not considered as an alternative to GAAP measures. Reconciliations of these non-GAAP measures and other disclosures are provided with the supplemental financial tables available on our website at ir.gulfportenergy.com.

About Gulfport

Gulfport is an independent natural gas-weighted exploration and production company focused on the exploration, acquisition and production of natural gas, crude oil and NGL in the United States with primary focus in the Appalachia and Anadarko basins. Our principal properties are located in Eastern Ohio targeting the Utica formation and in central Oklahoma targeting the SCOOP Woodford and SCOOP Springer formations.

Forward Looking Statements

This press release includes "forward-looking statements" for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements other than statements of historical fact. They include statements regarding Gulfport's current expectations, management's outlook guidance or forecasts of future events, projected cash flow and liquidity, share repurchases, its ability to enhance cash flow and financial flexibility, future production and commodity mix, plans and objectives for future operations, the ability of our employees, portfolio strength and operational leadership to create long-term value, the rejection of certain midstream contracts and the assumptions on which such statements are based. Gulfport believes the expectations and forecasts reflected in the forward-looking statements are reasonable, Gulfport can give no assurance they will prove to have been correct. They can be affected by inaccurate or changed assumptions or by known or unknown risks and uncertainties. Important risks, assumptions and other important factors that could cause future results to differ materially from those expressed in the forward-looking statements are described under "Risk Factors" in Item 1A of Gulfport's annual report on Form 10-K for the year ended December 31, 2020 and any updates to those factors set forth in Gulfport's subsequent quarterly reports on Form 10-Q or current reports on Form 8-K (available at <https://www.ir.gulfportenergy.com/all-sec-filings>). Gulfport undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

Investors should note that Gulfport announces financial information in SEC filings, press releases and public conference calls. Gulfport may use the Investors section of its website (www.gulfportenergy.com) to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on Gulfport's website is not part of this filing.

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Three months and nine months ended September 30, 2021
Supplemental Information of Gulfport Energy

Table of Contents:	Page:
Production Volumes by Asset Area	2
Production and Pricing	4
Consolidated Statements of Income	6
Consolidated Balance Sheets	8
Consolidated Statement of Cash Flows	10
Updated 2021E Guidance	11
Derivatives	12
Non-GAAP Reconciliations	13
Definitions	14
Adjusted Net Income	15
Adjusted EBITDA	17
Free Cash Flow	19
Recurring General and Administrative Expenses	21



Production Volumes by Asset Area : Three months ended, September 30, 2021

Production Volumes

	Successor	Predecessor
	Three Months	Three Months
	Ended	Ended
	September 30,	September 30,
	2021	2020
Natural gas (Mcf/day)		
Utica	678,154	763,387
SCOOP	188,292	139,233
Other	—	40
Total	866,446	902,660
Oil and condensate (Bbl/day)		
Utica	958	1,579
SCOOP	4,335	3,204
Other	78	57
Total	5,371	4,840
NGL (Bbl/day)		
Utica	2,516	2,917
SCOOP	9,918	7,128
Other	—	2
Total	12,434	10,047
Combined (Mcf/day)		
Utica	698,998	790,363
SCOOP	273,812	201,227
Other	471	393
Total	973,281	991,983



Production Volumes by Asset Area : Nine months ended, September 30, 2021

Production Volumes

	<u>Successor</u>	<u>Predecessor</u>	<u>Non-GAAP Combined</u>	<u>Predecessor</u>
	<u>Period from May 18, 2021 through September 30, 2021</u>	<u>Period from January 1, 2021 through May 17, 2021</u>	<u>Nine Months Ended September 30, 2021</u>	<u>Nine Months Ended September 30, 2020</u>
Natural gas (Mcf/day)				
Utica	682,596	780,791	731,873	774,705
SCOOP	190,305	126,294	158,182	152,595
Other	38	63	51	44
Total	<u>872,939</u>	<u>907,148</u>	<u>890,106</u>	<u>927,344</u>
Oil and condensate (Bbl/day)				
Utica	1,012	1,336	1,175	829
SCOOP	4,493	2,508	3,497	4,185
Other	76	35	55	73
Total	<u>5,581</u>	<u>3,879</u>	<u>4,727</u>	<u>5,087</u>
NGL (Bbl/day)				
Utica	2,588	2,638	2,613	2,882
SCOOP	9,645	6,200	7,916	8,167
Other	—	3	2	1
Total	<u>12,233</u>	<u>8,841</u>	<u>10,531</u>	<u>11,050</u>
Combined (Mcf/day)				
Utica	704,196	804,633	754,598	796,972
SCOOP	275,134	178,545	226,662	226,705
Other	498	288	392	488
Total	<u>979,828</u>	<u>983,466</u>	<u>981,653</u>	<u>1,024,165</u>



Production and Pricing : Three months ended, September 30, 2021

The following table summarizes production and related pricing for the three months ended September 30, 2021, as compared to such data for the three months ended September 30, 2020:

	<u>Successor</u>	<u>Predecessor</u>
	<u>Three Months Ended September 30, 2021</u>	<u>Three Months Ended September 30, 2020</u>
Natural gas sales		
Natural gas production volumes (MMcf)	79,713	83,045
Natural gas production volumes (MMcf/d)	866	903
Total sales	\$ 301,516	\$ 155,163
Average price without the impact of derivatives (\$/Mcf)	\$ 3.78	\$ 1.87
Impact from settled derivatives (\$/Mcf)	\$ (1.04)	\$ 0.38
Average price, including settled derivatives (\$/Mcf)	<u>\$ 2.74</u>	<u>\$ 2.25</u>
Oil and condensate sales		
Oil and condensate production volumes (MBbl)	494	445
Oil and condensate production volumes (MBbl/d)	5	5
Total sales	\$ 33,279	\$ 16,012
Average price without the impact of derivatives (\$/Bbl)	\$ 67.37	\$ 35.96
Impact from settled derivatives (\$/Bbl)	\$ (8.77)	\$ (3.38)
Average price, including settled derivatives (\$/Bbl)	<u>\$ 58.60</u>	<u>\$ 32.58</u>
NGL sales		
NGL production volumes (MBbl)	1,144	924
NGL production volumes (MBbl/d)	12	10
Total sales	\$ 45,153	\$ 18,824
Average price without the impact of derivatives (\$/Bbl)	\$ 39.47	\$ 20.37
Impact from settled derivatives (\$/Bbl)	\$ (5.23)	\$ —
Average price, including settled derivatives (\$/Bbl)	<u>\$ 34.24</u>	<u>\$ 20.37</u>
Natural gas, oil and condensate and NGL sales		
Natural gas equivalents (MMcfe)	89,542	91,262
Natural gas equivalents (MMcfe/d)	973	992
Total sales	\$ 379,948	\$ 189,999
Average price without the impact of derivatives (\$/Mcf)	\$ 4.24	\$ 2.08
Impact from settled derivatives (\$/Mcf)	\$ (1.04)	\$ 0.33

Average price, including settled derivatives (\$/Mcf)	\$ 3.20	\$ 2.41
Production Costs:		
Average lease operating expenses (\$/Mcf)	\$ 0.15	\$ 0.15
Average taxes other than income (\$/Mcf)	\$ 0.13	\$ 0.07
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.94	\$ 1.21
Total lease operating expenses, midstream costs and taxes other than income (\$/Mcf)	\$ 1.22	\$ 1.43

Page 4



Production and Pricing : Nine months ended, September 30, 2021

The following table summarizes production and related pricing for the nine months ended September 30, 2021, as compared to such data for the nine months ended September 30, 2020:

	Successor Period from May 18, 2021 through September 30, 2021	Predecessor Period from January 1, 2021 through May 17, 2021	Non-GAAP Combined Nine Months Ended September 30, 2021	Predecessor Nine Months Ended September 30, 2020
Natural gas sales				
Natural gas production volumes (MMcf)	118,720	124,279	242,999	254,092
Natural gas production volumes (MMcf/d)	873	907	890	927
Total sales	\$ 413,234	\$ 344,390	\$ 757,624	\$ 456,859
Average price without the impact of derivatives (\$/Mcf)	\$ 3.48	\$ 2.77	\$ 3.12	\$ 1.80
Impact from settled derivatives (\$/Mcf)	\$ (0.75)	\$ (0.03)	\$ (0.38)	\$ 0.69
Average price, including settled derivatives (\$/Mcf)	\$ 2.73	\$ 2.74	\$ 2.74	\$ 2.49
Oil and condensate sales				
Oil and condensate production volumes (MBbl)	759	531	1,290	1,394
Oil and condensate production volumes (MBbl/d)	6	4	5	5
Total sales	\$ 50,866	\$ 29,106	\$ 79,972	\$ 47,553
Average price without the impact of derivatives (\$/Bbl)	\$ 67.02	\$ 54.81	\$ 61.99	\$ 34.12
Impact from settled derivatives (\$/Bbl)	\$ (5.71)	\$ —	\$ (3.36)	\$ 34.76
Average price, including settled derivatives (\$/Bbl)	\$ 61.31	\$ 54.81	\$ 58.63	\$ 68.88
NGL sales				
NGL production volumes (MBbl)	1,664	1,211	2,875	3,028
NGL production volumes (MBbl/d)	12	9	11	11
Total sales	\$ 61,230	\$ 36,780	\$ 98,010	\$ 45,989
Average price without the impact of derivatives (\$/Bbl)	\$ 36.80	\$ 30.37	\$ 34.09	\$ 15.19
Impact from settled derivatives (\$/Bbl)	\$ (3.60)	\$ —	\$ (2.08)	\$ —
Average price, including settled derivatives (\$/Bbl)	\$ 33.20	\$ 30.37	\$ 32.01	\$ 15.19
Natural gas, oil and condensate and NGL sales				
Natural gas equivalents (MMcfe)	133,257	134,735	267,992	280,621
Natural gas equivalents (MMcfe/d)	980	983	982	1,024
Total sales	\$ 525,330	\$ 410,276	\$ 935,606	\$ 550,401
Average price without the impact of derivatives (\$/Mcf)	\$ 3.94	\$ 3.05	\$ 3.49	\$ 1.96
Impact from settled derivatives (\$/Mcf)	\$ (0.75)	\$ (0.02)	\$ (0.38)	\$ 0.80
Average price, including settled derivatives (\$/Mcf)	\$ 3.19	\$ 3.03	\$ 3.11	\$ 2.76
Production Costs:				
Average lease operating expenses (\$/Mcf)	\$ 0.13	\$ 0.14	\$ 0.14	\$ 0.15
Average taxes other than income (\$/Mcf)	\$ 0.13	\$ 0.09	\$ 0.11	\$ 0.07
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.94	\$ 1.20	\$ 1.07	\$ 1.19
Total lease operating expenses, midstream costs and taxes other than income (\$/Mcf)	\$ 1.20	\$ 1.43	\$ 1.32	\$ 1.41

Page 5



Consolidated Statements of Income: Three months ended, September 30, 2021

(In thousands, except per share data)
(Unaudited)

	Successor Three Months Ended September 30, 2021	Predecessor Three Months Ended September 30, 2020
REVENUES:		
Natural gas sales	\$ 301,516	\$ 155,163
Oil and condensate sales	33,279	16,012
Natural gas liquid sales	45,153	18,824
Net loss on natural gas, oil and NGL derivatives	(622,476)	(53,823)
Total Revenues	<u>(242,528)</u>	<u>136,176</u>
OPERATING EXPENSES:		
Lease operating expenses	13,864	13,393
Taxes other than income	11,844	6,102
Transportation, gathering, processing and compression	84,435	110,567
Depreciation, depletion and amortization	62,573	51,551
Impairment of oil and natural gas properties	—	270,874
General and administrative expenses	16,691	20,331
Restructuring and liability management expenses	2,858	8,984
Accretion expense	488	774
Total Operating Expenses	<u>192,753</u>	<u>482,576</u>
LOSS FROM OPERATIONS	<u>(435,281)</u>	<u>(346,400)</u>
OTHER EXPENSE:		
Interest expense	16,351	34,321
Loss from equity method investments, net	—	153
Other, net	9,031	89
Total Other Expense	<u>25,382</u>	<u>34,563</u>
LOSS BEFORE INCOME TAXES	<u>(460,663)</u>	<u>(380,963)</u>
Income tax expense	650	—
NET LOSS	<u>\$ (461,313)</u>	<u>\$ (380,963)</u>
Dividends on New Preferred Stock	<u>\$ (2,095)</u>	<u>\$ —</u>
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ (463,408)</u>	<u>\$ (380,963)</u>
NET LOSS PER COMMON SHARE:		
Basic	\$ (22.50)	\$ (2.37)
Diluted	\$ (22.50)	\$ (2.37)
Weighted average common shares outstanding—Basic	20,598	160,683
Weighted average common shares outstanding—Diluted	20,598	160,683

Page 6



Consolidated Statements of Income: Nine months ended, September 30, 2021

(In thousands, except per share data)
(Unaudited)

	Successor Period from May 18, 2021 through September 30, 2021	Predecessor Period from January 1, 2021 through May 17, 2021		Nine Months Ended September 30, 2020
REVENUES:				
Natural gas sales	\$ 413,234	\$ 344,390	\$ 456,859	\$ 456,859
Oil and condensate sales	50,866	29,106	47,553	47,553
Natural gas liquid sales	61,230	36,780	45,989	45,989
Net (loss) gain on natural gas, oil and NGL derivatives	(762,134)	(137,239)	71,414	71,414
Total Revenues	<u>(236,804)</u>	<u>273,037</u>	<u>621,815</u>	<u>621,815</u>
OPERATING EXPENSES:				
Lease operating expenses	17,980	19,524	41,166	41,166
Taxes other than income	16,900	12,349	19,039	19,039
Transportation, gathering, processing and compression	125,811	161,086	334,789	334,789
Depreciation, depletion and amortization	94,935	62,764	194,369	194,369
Impairment of oil and natural gas properties	117,813	—	1,357,099	1,357,099
Impairment of other property and equipment	—	14,568	—	—

General and administrative expenses	23,209	19,175	45,719
Restructuring and liability management expenses	2,858	—	9,601
Accretion expense	714	1,229	2,270
Total Operating Expenses	400,220	290,695	2,004,052
LOSS FROM OPERATIONS	(637,024)	(17,658)	(1,382,237)
OTHER EXPENSE (INCOME):			
Interest expense	25,245	4,159	99,677
Gain on debt extinguishment	—	—	(49,579)
Loss from equity method investments, net	—	342	10,987
Reorganization items, net	—	(266,898)	—
Other, net	7,979	1,711	8,957
Total Other Expense (Income)	33,224	(260,686)	70,042
(LOSS) INCOME BEFORE INCOME TAXES	(670,248)	243,028	(1,452,279)
Income tax expense (benefit)	650	(7,968)	7,290
NET (LOSS) INCOME	\$ (670,898)	\$ 250,996	\$ (1,459,569)
Dividends on New Preferred Stock	\$ (3,126)	\$ —	\$ —
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (674,024)	\$ 250,996	\$ (1,459,569)
NET (LOSS) INCOME PER COMMON SHARE:			
Basic	\$ (32.87)	\$ 1.56	\$ (9.12)
Diluted	\$ (32.87)	\$ 1.56	\$ (9.12)
Weighted average common shares outstanding—Basic	20,507	160,834	160,053
Weighted average common shares outstanding—Diluted	20,507	160,834	160,053

Page 7



Consolidated Balance Sheets

(In thousands, except share data)

	Successor	Predecessor
	September 30,	December 31,
	2021	2020
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,485	\$ 89,861
Accounts receivable—oil and natural gas sales	185,941	119,879
Accounts receivable—joint interest and other	9,669	12,200
Prepaid expenses and other current assets	18,487	160,664
Short-term derivative instruments	2,142	27,146
Total current assets	220,724	409,750
Property and equipment:		
Oil and natural gas properties, full-cost method		
Proved oil and natural gas properties	1,831,762	9,359,866
Unproved properties	216,357	1,457,043
Other property and equipment	5,277	88,538
Total property and equipment	2,053,396	10,905,447
Less: accumulated depletion, depreciation and amortization	(212,403)	(8,819,178)
Total property and equipment, net	1,840,993	2,086,269
Other assets:		
Equity investments	—	24,816
Long-term derivative instruments	961	322
Operating lease assets	34	342
Other assets	25,496	18,372
Total other assets	26,491	43,852
Total assets	\$ 2,088,208	\$ 2,539,871

Page 8



Consolidated Balance Sheets

(In thousands, except share data)

	<u>Successor</u> <u>September 30,</u> <u>2021</u> <u>(Unaudited)</u>	<u>Predecessor</u> <u>December 31,</u> <u>2020</u>
Liabilities, Mezzanine Equity and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 436,172	\$ 244,903
Short-term derivative instruments	560,722	11,641
Current portion of operating lease liabilities	34	—
Current maturities of long-term debt	60,000	253,743
Total current liabilities	<u>1,056,928</u>	<u>510,287</u>
Non-current liabilities:		
Long-term derivative instruments	272,935	36,604
Asset retirement obligation	19,854	—
Long-term debt, net of current maturities	689,502	—
Total non-current liabilities	<u>982,291</u>	<u>36,604</u>
Liabilities subject to compromise	—	2,293,480
Total liabilities	<u>\$ 2,039,219</u>	<u>\$ 2,840,371</u>
Mezzanine Equity:		
New Preferred Stock - \$0.0001 par value, 110 thousand shares authorized, 57.9 thousand issued and outstanding at September 30, 2021	57,920	—
Stockholders' equity (deficit):		
Predecessor common stock - \$0.01 par value, 200.0 million shares authorized, 160.8 million issued and outstanding at December 31, 2020	—	1,607
Predecessor accumulated other comprehensive loss	—	(43,000)
New Common Stock - \$0.0001 par value, 42.0 million shares authorized, 20.6 million issued and outstanding at September 30, 2021	2	—
Additional paid-in capital	692,182	4,213,752
New Common Stock held in reserve, 938 thousand shares	(30,216)	—
Accumulated deficit	(670,899)	(4,472,859)
Total stockholders' deficit	<u>\$ (8,931)</u>	<u>\$ (300,500)</u>
Total liabilities, mezzanine equity and stockholders' deficit	<u>\$ 2,088,208</u>	<u>\$ 2,539,871</u>

Page 9



Consolidated Statement of Cash Flows: Nine months ended, September 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through</u> <u>September 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1, 2021</u> <u>through</u> <u>May 17,</u> <u>2021</u>		<u>Nine Months</u> <u>Ended</u> <u>September 30,</u> <u>2020</u>
Cash flows from operating activities:				
Net (loss) income	\$ (670,898)	\$ 250,996	\$ (1,459,569)	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depletion, depreciation and amortization	94,935	62,764	194,369	
Impairment of oil and natural gas properties	117,813	—	1,357,099	
Impairment of other property and equipment	—	14,568	—	
Loss from equity investments	—	342	10,987	
Gain on debt extinguishment	—	—	(49,579)	
Net loss (gain) on derivative instruments	762,134	137,239	(71,414)	
Net cash (payments) receipts on settled derivative instruments	(99,574)	(3,361)	225,364	
Non-cash reorganization items, net	—	(446,012)	—	
Deferred income tax expense	—	—	7,290	
Other, net	1,487	1,725	12,753	
Changes in operating assets and liabilities, net	<u>(41,260)</u>	<u>153,894</u>	<u>(27,299)</u>	
Net cash provided by operating activities	<u>164,637</u>	<u>172,155</u>	<u>200,001</u>	
Cash flows from investing activities:				
Additions to oil and natural gas properties	(119,306)	(102,330)	(337,979)	
Proceeds from sale of oil and natural gas properties	600	15	46,932	
Other, net	2,562	4,484	351	
Net cash used in investing activities	<u>(116,144)</u>	<u>(97,831)</u>	<u>(290,696)</u>	
Cash flows from financing activities:				
Principal payments on Pre-Petition Revolving Credit Facility	—	(318,961)	(372,000)	
Borrowings on Pre-Petition Revolving Credit Facility	—	26,050	531,857	
Borrowings on Exit Credit Facility	306,855	302,751	—	
Principal payments on Exit Credit Facility	<u>(409,000)</u>	<u>—</u>	<u>—</u>	

Principal payments on DIP credit facility	—	(157,500)	—
Debt issuance costs and loan commitment fees	(1,225)	(7,100)	(633)
Repurchase of senior notes	—	—	(22,827)
Proceeds from issuance of New Preferred Stock	—	50,000	—
Other, net	(55)	(8)	(719)
Net cash (used in) provided by in financing activities	(103,425)	(104,768)	135,678
Net (decrease) increase in cash, cash equivalents and restricted cash	(54,932)	(30,444)	44,983
Cash, cash equivalents and restricted cash at beginning of period	59,417	89,861	6,060
Cash, cash equivalents and restricted cash at end of period	\$ 4,485	\$ 59,417	\$ 51,043

Page 10



Updated 2021E Guidance

Gulfport's 2021 guidance assumes commodity strip prices as of September 30, 2021, adjusted for applicable commodity and location differentials, and no property acquisitions or divestitures.

	Year Ending 12/31/21	
	Low	High
Production		
Average Daily Gas Equivalent (MMcfepd)	980	1,000
% Gas	~90%	
Realizations (before hedges)		
Natural Gas (Differential to NYMEX Settled Price) (\$/Mcf)	\$ (0.10)	\$ (0.20)
NGL (% of WTI)	55%	60%
Oil (Differential to NYMEX WTI) (\$/Bbl)	\$ (3.00)	\$ (4.00)
Operating Costs		
Lease operating expense (\$/Mcf)	\$ 0.13	\$ 0.15
Taxes other than income (\$/Mcf)	\$ 0.11	\$ 0.13
Transportation, gathering, processing and compression ⁽¹⁾ (\$/Mcf)	\$ 0.92	\$ 0.96
Recurring cash general and administrative ^(2,3) (in millions)	\$ 42	\$ 44
(1) Assumes rejection of Rover firm transportation agreement.		
(2) Recurring cash G&A includes capitalization. It excludes non-cash stock compensation and expenses related to certain legal and restructuring charges.		
Capital Expenditures (incurred)		
	Total (in millions)	
D&C	\$ 270	\$ 290
Leasehold and Land	\$20	
Total	\$ 290	\$ 310
Free Cash Flow⁽³⁾	\$ 345	\$ 365

(3) This is a non-GAAP measure. Reconciliations of these non-GAAP measures and other disclosures are provided with the supplemental financial tables available on our website at www.gulfportenergy.com.

Page 11



Derivatives

The below details Gulfport's hedging positions as of November 1, 2021.

	2021 ⁽¹⁾	2022	2023
Natural Gas Contract Summary (NYMEX):			
Fixed Price Swaps			
Volume (BBtupd)	198	141	65
Weighted Average Price (\$/MMBtu)	\$ 2.85	\$ 2.88	\$ 3.39
Fixed Price Collars			
Volume (BBtupd)	610	407	—
Weighted Average Floor Price (\$/MMBtu)	\$ 2.59	\$ 2.58	—
Weighted Average Ceiling Price (\$/MMBtu)	\$ 3.02	\$ 2.91	—

Fixed Price Calls Sold					
Volume (BBtupd)			—	153	628
Weighted Average Price (\$/MMBtu)	\$	—	\$	2.90	\$ 2.90
Rex Zone 3 Basis					
Volume (BBtupd)		100		25	—
Differential (\$/MMBtu)	\$	(0.10)	\$	(0.10)	\$ —
OGT Basis					
Volume (BBtupd)		20		5	—
Differential (\$/MMBtu)	\$	0.50	\$	0.50	\$ —
Oil Contract Summary (WTI):					
Fixed Price Swaps					
Volume (Bblpd)		3,000		2,104	—
Weighted Average Price (\$/Bbl)	\$	57.67	\$	66.23	\$ —
Fixed Price Collars					
Volume (Bblpd)		—		1,500	—
Weighted Average Floor Price (\$/Bbl)	\$	—	\$	55.00	\$ —
Weighted Average Ceiling Price (\$/Bbl)	\$	—	\$	60.00	\$ —
NGL Contract Summary:					
C3 Propane Fixed Price Swaps					
Volume (Bblpd)		3,100		3,378	—
Weighted Average Price (\$/Bbl)	\$	27.80	\$	35.09	\$ —

(1) November 1 - December 31, 2021

Page 12



Non-GAAP Reconciliations

Gulfport's management uses certain non-GAAP financial measures for planning, forecasting and evaluating business and financial performance, and believes that they are useful tool to assess Gulfport's operating results. Although these are not measures of performance calculated in accordance with generally accepted accounting principles (GAAP), management believes that these financial measures are useful to an investor in evaluating Gulfport because (i) analysts utilize these metrics when evaluating company performance and have requested this information as of a recent practicable date, (ii) these metrics are widely used to evaluate a company's operating performance, and (iii) we want to provide updated information to investors. Investors should not view these metrics as a substitute for measures of performance that are calculated in accordance with GAAP. In addition, because all companies do not calculate these measures identically, these measures may not be comparable to similarly titled measures of other companies.

These non-GAAP financial measures include Adjusted Net Income, Adjusted EBITDA, Free Cash Flow, and Recurring General and Administrative Expense. A reconciliation of each financial measure to its most directly comparable GAAP financial measure is included in the tables below. These non-GAAP measure should be considered in addition to, but not instead of, the financial statements prepared in accordance with GAAP.

Page 13

Definitions

Adjusted Net Income is a non-GAAP financial measure equal to (loss) income before income taxes less reorganization items, non-cash derivative loss, impairments of oil and gas properties, property and equipment, contractual charges on midstream disputes, non-recurring general and administrative expenses, gain on debt extinguishment, loss from equity method investments and other items which include rig termination fees, stock-based compensation and other non-material expenses.

Adjusted EBITDA is a non-GAAP financial measure equal to net (loss) income, the most directly comparable GAAP financial measure, plus interest expense, income tax expense, depreciation, depletion and amortization and impairment of oil and gas properties, property and equipment, reorganization items, non-cash derivative loss, contractual charges on midstream disputes, non-recurring general and administrative expenses, gain on debt extinguishment, loss from equity method investments and other items which include rig termination fees, stock-based compensation and other non-material expenses.

Free Cash Flow is a non-GAAP measure defined as Adjusted EBITDA plus certain non-cash items that are included in Net Cash Provided by (Used in) Operating Activities but excluded from Adjusted EBITDA less interest expense, capital expenses incurred and capital expenditures incurred. Gulfport includes a Free Cash Flow estimate for 2021. We are unable, however, to provide a quantitative reconciliation of the forward-looking non-GAAP measure to its most directly comparable forward-looking GAAP measure because management cannot reliably quantify certain of the necessary components of such forward-looking GAAP measure.

Recurring General and Administrative Expense is a non-GAAP financial measure equal to general and administrative expense (GAAP) plus capitalized general and administrative expense, less non-recurring general and administrative expense. Gulfport includes a Recurring General and Administrative Expense estimate for 2021. We are unable, however, to provide a quantitative reconciliation of the forward-looking non-GAAP measure to its most directly comparable forward-looking GAAP measure because management cannot reliably quantify certain of the necessary components of such forward-looking GAAP measure.

Page 14



Adjusted Net Income: Three months ended, September 30, 2021

(In thousands)
(Unaudited)

	Successor	Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020
Loss Before Income Taxes (GAAP)	\$ (460,663)	\$ (380,963)
Adjustments:		
Non-cash derivative loss	529,590	83,955
Impairments	—	270,874
Non-recurring general and administrative expense	9,554	12,742
Restructuring and liability management expenses	2,858	8,984
Loss from equity method investments	—	153
Other, net	9,930	464
Adjusted Net Income (Non-GAAP)	\$ 91,269	\$ (3,791)
Dividends on New Preferred Stock	\$ (2,095)	\$ —
Participating Securities - New Preferred Stock	\$ (17,010)	\$ —
Adjusted Net Income Attributable to Common Stockholders (Non-GAAP)	\$ 72,164	\$ (3,791)
Adjusted Net Income Per Common Share, Diluted (Non-GAAP)	\$ 3.50	\$ (0.02)



Adjusted Net Income: Nine months ended, September 30, 2021

(In thousands)
(Unaudited)

	Successor	Predecessor	Non-GAAP Combined	Predecessor
	Period from May 18, 2021 through September 30, 2021	Period from January 1, 2021 through May 17, 2021	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
(Loss) Income Before Income Taxes (GAAP)	\$ (670,248)	\$ 243,028	\$ (427,220)	\$ (1,452,279)
Adjustments:				
Reorganization items, net	—	(266,898)	(266,898)	—
Non-cash derivative loss	662,559	133,878	796,437	152,570
Impairments	117,813	—	117,813	1,357,099
Contractual charges on midstream disputes	—	30,351	30,351	—
Non-recurring general and administrative expense	13,599	8,923	22,522	19,848
Restructuring and liability management expenses	2,858	—	2,858	9,601
Gain on debt extinguishment	—	—	—	(49,579)
Loss from equity method investments	—	342	342	10,987
Other, net	8,878	3,207	12,085	11,700
Adjusted Net Income (Non-GAAP)	\$ 135,459	\$ 152,831	\$ 288,290	\$ 59,947
Dividends on New Preferred Stock	\$ (3,126)	\$ —	\$ (3,126)	\$ —
Participating Securities - New Preferred Stock ⁽¹⁾	\$ (25,341)	\$ —	\$ (50,997)	\$ —
Adjusted Net Income Attributable to Common Stockholders (Non-GAAP)	\$ 106,992	\$ 152,831	\$ 234,167	\$ 59,947
Adjusted Net Income Per Common Share, Diluted (Non-GAAP)⁽²⁾	\$ 5.22	\$ 0.95	\$ 11.42	\$ 0.37

(1) For the Non-GAAP combined period, the Company calculated the impact of participating securities using the Adjusted Net Income amount of the Non-GAAP combined period.

(2) For the Non-GAAP combined period, the Company used the Successor's diluted weighted average share count to calculate per share amounts.



Adjusted EBITDA: Three months ended, September 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Three Months</u> <u>Ended</u> <u>September 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended</u> <u>September 30,</u> <u>2020</u>
Net (loss) income (GAAP)	\$ (461,313)	\$ (380,963)
Adjustments:		
Interest expense	16,351	34,321
Income tax expense	650	—
DD&A and impairment	63,061	323,199
Non-cash derivative loss	529,590	83,955
Non-recurring general and administrative expenses	9,554	12,742
Restructuring and liability management expenses	2,858	8,984
Loss from equity method investments	—	153
Other, net	9,930	464
Adjusted EBITDA (Non-GAAP)	<u>\$ 170,681</u>	<u>\$ 82,855</u>



Adjusted EBITDA: Nine months ended, September 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period</u> <u>from May</u> <u>18, 2021</u> <u>through</u> <u>September 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1,</u> <u>2021</u> <u>through</u> <u>May 17,</u> <u>2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Nine</u> <u>Months</u> <u>Ended</u> <u>September 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Nine</u> <u>Months</u> <u>Ended</u> <u>September 30,</u> <u>2020</u>
Net (loss) income (GAAP)	\$ (670,898)	\$ 250,996	\$ (419,902)	\$ (1,459,569)
Adjustments:				
Interest expense	25,245	4,159	29,404	99,677
Income tax expense (benefit)	650	(7,968)	(7,318)	7,290
DD&A and impairment	213,462	78,561	292,023	1,553,738
Reorganization items, net	—	(266,898)	(266,898)	—
Non-cash derivative loss	662,559	133,878	796,437	152,570
Contractual charges on midstream disputes	—	30,351	30,351	—
Non-recurring general and administrative expenses	13,599	8,923	22,522	19,848
Restructuring and liability management expenses	2,858	—	2,858	9,601
Gain on debt extinguishment	—	—	—	(49,579)
Loss from equity method investments	—	342	342	10,987
Other, net	8,878	3,207	12,085	11,700
Adjusted EBITDA (Non-GAAP)	<u>\$ 256,353</u>	<u>\$ 235,551</u>	<u>\$ 491,904</u>	<u>\$ 356,263</u>



Free Cash Flow: Three months ended, September 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Three</u> <u>Months</u> <u>Ended</u> <u>September 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Three</u> <u>Months</u> <u>Ended</u> <u>September 30,</u> <u>2020</u>
Net cash provided by operating activity (GAAP)	\$ 126,272	\$ (47,221)
Adjustments:		
Interest expense	16,351	34,321
Current income tax expense	650	—
Non-recurring general and administrative expenses	9,554	12,742
Restructuring and liability management expenses	2,858	8,984
Other, net	8,532	(1,671)
Changes in operating assets and liabilities, net	6,464	75,700
Adjusted EBITDA (Non-GAAP)	<u>\$ 170,681</u>	<u>\$ 82,855</u>
Interest expense	(16,351)	(34,321)
Capitalized expenses incurred ⁽¹⁾	(3,706)	(6,380)
Capital expenditures incurred ⁽²⁾	(80,914)	(47,650)
Free Cash Flow (Non-GAAP)	<u>\$ 69,710</u>	<u>\$ (5,496)</u>

- (1) Includes cash capitalized general and administrative expense and incurred capitalized interest expenses.
(2) Incurred capital expenditures and cash capital expenditures may vary from period to period due to the cash payment cycle.



Free Cash Flow: Nine months ended, September 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period</u> <u>from May</u> <u>18, 2021</u> <u>through</u> <u>September 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1,</u> <u>2021</u> <u>through</u> <u>May 17,</u> <u>2021</u>	<u>Non-</u> <u>GAAP</u> <u>Combined</u> <u>Nine</u> <u>Months</u> <u>Ended</u> <u>September 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Nine</u> <u>Months</u> <u>Ended</u> <u>September 30,</u> <u>2020</u>
Net cash provided by operating activity (GAAP)	\$ 164,637	\$ 172,155	\$ 336,792	\$ 200,001
Adjustments:				
Interest expense	25,245	4,159	29,404	99,677
Current income tax expense (benefit)	650	(7,968)	(7,318)	—
Cash reorganization items, net	—	179,114	179,114	—
Non-recurring general and administrative expenses	13,599	8,923	22,522	19,848
Restructuring and liability management expenses	2,858	—	2,858	9,601
Contractual charges on midstream disputes	—	30,351	30,351	—
Other, net	8,104	2,711	10,815	(163)
Changes in operating assets and liabilities, net	41,260	(153,894)	(112,634)	27,299
Adjusted EBITDA (Non-GAAP)	<u>\$ 256,353</u>	<u>\$ 235,551</u>	<u>\$ 491,904</u>	<u>\$ 356,263</u>
Interest expense	(25,245)	(4,159)	(29,404)	(99,677)
Capitalized expenses incurred ⁽¹⁾	(5,883)	(8,020)	(13,903)	(20,683)
Capital expenditures incurred ⁽²⁾	(113,030)	(108,408)	(221,438)	(236,943)
Free Cash Flow (Non-GAAP)	<u>\$ 112,195</u>	<u>\$ 114,964</u>	<u>\$ 227,159</u>	<u>\$ (1,040)</u>

- (1) Includes cash capitalized general and administrative expense and incurred capitalized interest expenses.
(2) Incurred capital expenditures and cash capital expenditures may vary from period to period due to the cash payment cycle.



**Recurring General and Administrative Expenses:
Three and Nine months ended, September 30, 2021**

(In thousands)
(Unaudited)

	Successor			Predecessor		
	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 15,792	\$ 899	\$ 16,691	\$ 19,956	\$ 375	\$ 20,331
Capitalized general and administrative expense	3,590	484	4,074	5,885	299	6,184
Non-recurring general and administrative expense ⁽¹⁾	(9,554)	—	(9,554)	(12,742)	—	(12,742)
Recurring General and Administrative Expense (Non-GAAP)	\$ 9,828	\$ 1,383	\$ 11,211	\$ 13,099	\$ 674	\$ 13,773

(1) Includes non-recurring general and administrative expenses related to certain legal and restructuring charges.

	Successor			Predecessor			Non-GAAP Combined			Predecessor		
	Period from May 18, 2021 through September 30, 2021			Period from January 1, 2021 through May 17, 2021			Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 22,310	\$ 899	\$ 23,209	\$ 18,002	\$ 1,173	\$ 19,175	\$ 40,312	\$ 2,072	\$ 42,384	\$ 42,976	\$ 2,743	\$ 45,719
Capitalized general and administrative expense	5,767	484	6,251	7,097	922	8,019	\$ 12,864	\$ 1,406	\$ 14,270	17,586	2,190	19,776
Non-recurring general and administrative expense ⁽¹⁾	(13,599)	—	(13,599)	(8,923)	—	(8,923)	\$ (22,522)	\$ —	\$ (22,522)	(19,848)	—	(19,848)
Recurring General and Administrative Expense (Non-GAAP)	\$ 14,478	\$ 1,383	\$ 15,861	\$ 16,176	\$ 2,095	\$ 18,271	\$ 30,654	\$ 3,478	\$ 34,132	\$ 40,714	\$ 4,933	\$ 45,647

(1) Includes non-recurring general and administrative expenses related to certain legal and restructuring charges.