

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): February 28, 2022

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 February 28, 2022, Gulfport Energy Corporation ("Gulfport") issued a press release reporting its financial and operational results for the fourth quarter and full year ended December 31, 2021 and providing its 2022 operational and financial guidance. 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 February 28, 2022, 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

99.1 [Press release dated February 28, 2022 entitled "Gulfport Energy Reports Fourth Quarter and Full Year 2021 Financial and Operating Results and Provides 2022 Operational and Financial Guidance."](#)

99.2 [Supplemental Financial Information](#)

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

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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: February 28, 2022

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

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Gulfport Energy Reports Fourth Quarter and Full Year 2021 Financial and Operating Results and Provides 2022 Operational and Financial Guidance

OKLAHOMA CITY (February 28, 2022) Gulfport Energy Corporation (NYSE: GPOR) (“Gulfport” or the “Company”) today reported financial and operating results for the three and twelve months ended December 31, 2021 and provided its 2022 development plan and financial guidance.

Fourth Quarter 2021 Highlights

- Delivered total net production of 1,068.9 MMcfe per day
- Reported \$558.1 million of net income and \$224.9 million of adjusted EBITDA⁽¹⁾
- Generated \$128.3 million of net cash provided by operating activities and \$133.9 million of free cash flow⁽¹⁾
- Amended credit facility increasing liquidity by more than \$160 million
- Authorized previously announced stock repurchase program to acquire up to \$100 million of outstanding common stock

Full Year 2021 Highlights⁽²⁾

- Delivered total net production 2% above and capital expenditures 2% below the midpoint of original 2021 guidance
- Reported \$138.2 million of net income and \$716.8 million of adjusted EBITDA⁽¹⁾
- Reduced total per unit expense⁽³⁾ by approximately 20% when compared to 2020
- Generated \$465.1 million of net cash provided by operating activities and \$361.0 million of free cash flow⁽¹⁾
- Achieved leverage target of below 1.0x at year end 2021
- Reported total proved reserves of 3.9 Tcfe and total discounted future net cash flows of \$4.1 billion

Full Year 2022 Outlook & Overview

- Intend to invest approximately \$360 million⁽⁴⁾ of capital, supporting a more continuous drilling program in the Utica, resulting in more than 5% production growth in 2023
- Expect to deliver full year net production of approximately 1.0 Bcfe per day⁽⁴⁾
- Plan to generate approximately \$335 million of free cash flow⁽¹⁾; free cash flow yield^(1,5) of approximately 24% at current strip prices

“During 2021, we significantly improved our balance sheet and cost structure through the restructuring process and emerged with a continuous improvement mindset, focused on disciplined capital allocation and free cash flow generation. The team executed extremely well, delivering total 2021 net production at the high end of the guidance range with total capital expenditures at the low end of the range. We also successfully achieved numerous financial objectives, including refinancing our credit facility and reaching our target leverage ratio ahead of schedule,” commented Tim Cutt, CEO of Gulfport.

“Our 2022 development program is centered around more consistent drilling operations in the Utica, allowing for increased operational efficiencies and opportunities for incremental cost reductions. We anticipate this level of activity will result in production growth of more than 5% in 2023 and modest growth through 2025. We will continue to prioritize the return of capital to shareholders and, now that we have reached our target leverage ratio, look forward to beginning to execute our previously announced stock repurchase program, which we believe holds significant value at recent trading levels.”

A company presentation to accompany the Gulfport earnings conference call can be accessed by clicking here.

1. A non-GAAP financial 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.
2. 2021 full year 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.
3. Includes lease operating expense, midstream transportation, gathering and processing expense, taxes other than income, recurring general and administrative expense and interest.
4. Assumes midpoint of 2022 guidance.
5. Free cash flow yield calculated using market capitalization as of February 25, 2022.

Operational Update

The table below summarizes Gulfport’s operated drilling and completion activity for the full year of 2021:

	<u>Gross</u>	<u>Net</u>	<u>Lateral Length</u>
Spud			
Utica ⁽¹⁾	20	18.9	14,750
SCOOP	9	7.7	9,900
Drilled			
Utica	11	10.6	15,350
SCOOP	5	4.9	9,750
Completed			
Utica	17	17.0	12,500
SCOOP	11	9.4	9,500
Turned-to-Sales			
Utica	17	17.0	12,500
SCOOP	11	9.4	9,500

(1) Includes eight gross wells spud with a top-hole rig.

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Gulfport's net daily production for the full year of 2021 averaged 1,003.6 MMcfe per day, primarily consisting of 772.1 MMcfe per day in the Utica and 231.1 MMcfe per day in the SCOOP. For the full year of 2021, Gulfport's net daily production mix was comprised of approximately 91% natural gas, 6% natural gas liquids ("NGL") and 3% oil.

	<u>Successor</u>	<u>Predecessor</u>	<u>Non-GAAP</u>	<u>Predecessor</u>
	<u>Three</u>	<u>Three</u>	<u>Year Ended</u>	<u>Year Ended</u>
	<u>Months Ended</u>	<u>Months Ended</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Production				
Natural gas (Mcf/day)	977,411	988,117	912,112	942,619
Oil and condensate (Bbl/day)	4,438	4,452	4,655	4,927
NGL (Bbl/day)	10,808	10,171	10,601	10,830
Total (Mcf/day)	1,068,888	1,075,861	1,003,641	1,037,160
Average Prices				
Natural Gas:				
Average price without the impact of derivatives (\$/Mcf)	\$ 5.48	\$ 2.36	\$ 3.76	\$ 1.95
Impact from settled derivatives (\$/Mcf)	(2.35)	(0.70)	(0.91)	0.33
Average price, including settled derivatives (\$/Mcf)	\$ 3.13	\$ 1.66	\$ 2.85	\$ 2.28
Oil:				
Average price without the impact of derivatives (\$/Bbl)	\$ 74.71	\$ 37.44	\$ 65.01	\$ 34.88
Impact from settled derivatives (\$/Bbl)	(13.18)	(4.84)	(5.72)	25.76
Average price, including settled derivatives (\$/Bbl)	\$ 61.53	\$ 32.60	\$ 59.29	\$ 60.64
NGL:				
Average price without the impact of derivatives (\$/Bbl)	\$ 44.18	\$ 22.25	\$ 36.68	\$ 16.86
Impact from settled derivatives (\$/Bbl)	(7.02)	(0.54)	(3.35)	(0.04)
Average price, including settled derivatives (\$/Bbl)	\$ 37.16	\$ 21.71	\$ 33.33	\$ 16.82
Total:				
Average price without the impact of derivatives (\$/Mcf)	\$ 5.77	\$ 2.53	\$ 4.10	\$ 2.11
Impact from settled derivatives (\$/Mcf)	(2.27)	(0.67)	(0.89)	0.42
Average price, including settled derivatives (\$/Mcf)	\$ 3.50	\$ 1.86	\$ 3.21	\$ 2.53
Selected operating metrics				
Lease operating expenses (\$/Mcf)	\$ 0.14	\$ 0.13	\$ 0.14	\$ 0.14
Taxes other than income (\$/Mcf)	\$ 0.14	\$ 0.10	\$ 0.12	\$ 0.08
Transportation, gathering, processing and compression expense (\$/Mcf)	\$ 0.88	\$ 1.23	\$ 1.02	\$ 1.20
Recurring cash general and administrative expenses (\$/Mcf) (non-GAAP)	\$ 0.09	\$ 0.12	\$ 0.11	\$ 0.14
Interest expenses (\$/Mcf)	\$ 0.16	\$ 0.21	\$ 0.12	\$ 0.32

Capital Investment

Capital investment was \$292.9 million (on an incurred basis) for the full year of 2021, of which \$275.6 million related to drilling and completion ("D&C") activity and \$17.3 million related to leasehold and land investment.

Financial Position and Liquidity

As of December 31, 2021, Gulfport had approximately \$3.3 million of cash and cash equivalents, \$164.0 million of borrowings under its revolving credit facility, \$122.1 million of letters of credit outstanding and \$550 million of outstanding 2026 senior notes.

Gulfport's liquidity at December 31, 2021, totaled approximately \$417.2 million, comprised of the \$3.3 million of cash and cash equivalents and approximately \$413.9 million of available borrowing capacity under its new revolving credit facility.

As of February 25, 2022, Gulfport had \$7.1 million of cash and cash equivalents, zero borrowings under its revolving credit facility, \$109.8 million of letters of credit outstanding and \$550 million of outstanding 2026 Notes.

During 2021, the company paid dividends on its Preferred Stock, which included 3,071 shares of New Preferred Stock paid in kind, approximately \$55 thousand of cash-in-lieu of fractional shares and \$1.5 million of cash dividends.

Stock Repurchase Program

On November 2, 2021, Gulfport announced the authorization by its Board of Directors to repurchase up to \$100 million of its outstanding shares of common stock through December 31, 2022. 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. The repurchase program may be suspended from time to time, modified, extended or discontinued by the board of directors at any time. The Company did not repurchase any common stock during the year ended December 31, 2021.

2022 Guidance Update

Gulfport released operational guidance and outlook for the full year 2022, including full year expense estimates and projections for production and capital expenditures. Gulfport's 2022 guidance assumes commodity strip prices as of February 15, 2022, adjusted for applicable commodity and location differentials, and no property acquisitions or divestitures.

	Year Ending December 31, 2022	
	Low	High
Production		
Average daily gas equivalent (MMcfepd)	975	1,025
% Gas	~90%	
Realizations (before hedges)		
Natural gas (differential to NYMEX settled price) (\$/Mcf)	\$ (0.15)	\$ (0.25)
NGL (% of WTI)	45%	55%
Oil (differential to NYMEX WTI) (\$/Bbl)	\$ (3.00)	\$ (4.00)
Operating costs		
Lease operating expense (\$/Mcf)	\$ 0.16	\$ 0.18
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.

	Total	
	(in millions)	
Capital expenditures (incurred)		
D&C	\$ 320	\$ 360
Leasehold and land	\$20	
Total	\$ 340	\$ 380

Free cash flow⁽³⁾ \$335

(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 enters into commodity derivative contracts on a portion 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.

Estimated Proved Reserves

Gulfport reported year end 2021 total proved reserves of 3.9 Tcfe, consisting of 3.5 Tcf of natural gas, 16.2 MMBbbls of oil and 53.8 MMBbbls of natural gas liquids. Gulfport's year end 2021 total proved reserves increased approximately 51% when compared to its 2020 total proved reserves. The standardized measure of discounted future net cash flows of Gulfport's total proved reserves was \$4.1 billion and the present value, discounted at 10% (referred to as "PV-10"), was \$4.3 billion at December 31, 2021, an increase of \$3.6 billion and \$3.8 billion, respectively, when compared to its 2020 results.

The table below provides information regarding the components driving the 2021 net proved reserve adjustments:

	Total (Bcfe)
Proved Reserves, December 31, 2020 (Predecessor)	2,588
Sales of oil and natural gas reserves in place	—
Extensions and discoveries	695
Revisions of prior reserve estimates	982
Current production	(366)
Proved Reserves, December 31, 2021 (Successor)	3,898
<i>Total may not sum due to rounding.</i>	

Proved developed reserves totaled approximately 2,165 Bcfe as of December 31, 2021 or approximately 56% of Gulfport's proved reserves. Proved undeveloped reserves totaled approximately 1,733 Bcfe as of December 31, 2021.

The table below summarizes the Company's 2021 net proved reserves:

	December 31, 2021			
	Oil (MMBbl)	Natural Gas (Bcf)	NGL (MMBbl)	Total (Bcfe)
Utica				
Proved developed	2	1,482	9	1,550
Proved undeveloped	4	1,073	4	1,123
Total proved	6	2,555	13	2,673
SCOOP				
Proved developed	6	445	22	613
Proved undeveloped	4	477	18	610
Total proved	10	922	40	1,223
Total				
Proved developed ⁽¹⁾	8	1,928	31	2,165
Proved undeveloped	8	1,550	22	1,733
Total proved	16	3,478	54	3,898

Totals may not sum or recalculate due to rounding.

The following table reconciles the standardized measure of future net cash flows to the PV-10 value of Gulfport's proved reserves:

	Proved Developed	Proved Undeveloped	Total Proved
	(\$ in millions)		
Estimated future net revenue ⁽¹⁾	\$ 4,649	\$ 3,585	\$ 8,234
Present value of estimated future net revenue (PV-10) ⁽¹⁾	\$ 2,655	\$ 1,660	\$ 4,316
Standardized measure ⁽¹⁾			\$ 4,138

(1) Estimated future net revenue represents the estimated future revenue to be generated from the production of proved reserves, net of estimated production and future development costs, using prices and costs under existing economic conditions as of December 31, 2021, and assuming commodity prices as set forth below. For the purpose of determining prices used in our reserve reports, we used the unweighted arithmetic average of the prices on the first day of each month within the 12-month period ended December 31, 2021. The prices used in our PV-10 measure were \$66.55 per barrel and \$3.60 per MMBtu, before basis differential adjustments. These prices should not be interpreted as a prediction of future prices, nor do they reflect the value of our commodity derivative instruments in place as of December 31, 2021. The amounts shown do not give effect to non-property-related expenses, such as corporate general and administrative expenses and debt service, or to depreciation, depletion and amortization. The present value of estimated future net revenue typically differs from the standardized measure because the former does not include the effects of estimated future income tax expense of \$178 million as of December 31, 2021.

Management uses PV-10, which is calculated without deducting estimated future income tax expenses, as a measure of the value of the Company's current proved reserves and to compare relative values among peer companies. We also understand that securities analysts and rating agencies use this measure in similar ways. While estimated future net revenue and the present value thereof are based on prices, costs and discount factors which may be consistent from company to company, the standardized measure of discounted future net cash flows is dependent on the unique tax situation of each individual company. PV-10 should not be considered in isolation or as a substitute for the standardized measure of discounted future net cash flows or any other measure of a company's financial or operating performance presented in accordance with GAAP. A reconciliation of the standardized measure of discounted future net cash flows to PV-10 is presented above. Neither PV-10 nor the standardized measure of discounted future net cash flows purport to represent the fair value of our proved oil and gas reserves.

Fourth Quarter and Full Year 2021 Conference Call

Gulfport will host a teleconference and webcast to discuss its fourth quarter and full year 2021 results beginning at 9:00 a.m. ET (8:00 a.m. CT) on Tuesday, March 1, 2022.

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 March 1, 2022 to March 15, 2022, by calling 877-660-6853 domestically or 201-612-7415 internationally and then entering the replay passcode 13726914.

Financial Statements and Guidance Documents

Fourth quarter and full year 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, 2021 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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Year ended December 31, 2021
Supplemental Information of Gulfport Energy

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Production Volumes by Asset Area : Quarter ended, December 31, 2021

Production Volumes

	Successor Three Months Ended December 31, 2021	Predecessor Three Months Ended December 31, 2020
Natural gas (Mcf/day)		
Utica	805,141	857,220
SCOOP	172,203	130,888
Other	67	9
Total	977,411	988,117
Oil and condensate (Bbl/day)		
Utica	890	1,805
SCOOP	3,496	2,666
Other	52	(19)
Total	4,438	4,452
NGL (Bbl/day)		
Utica	2,288	3,123
SCOOP	8,518	7,045
Other	2	3
Total	10,808	10,171
Combined (Mcf/day)		
Utica	824,211	886,788
SCOOP	244,286	189,155
Other	391	(82)
Total	1,068,888	1,075,861

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Production Volumes by Asset Area : Year ended, December 31, 2021

Production Volumes

Successor	Predecessor	Non-GAAP Combined	Predecessor
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	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Year Ended December 31, 2021	Year Ended December 31, 2020
Natural gas (Mcf/day)				
Utica	732,044	780,791	750,341	795,446
SCOOP	183,000	126,294	161,716	147,138
Other	50	63	55	35
Total	915,094	907,148	912,112	942,619
Oil and condensate (Bbl/day)				
Utica	963	1,336	1,103	1,074
SCOOP	4,091	2,508	3,497	3,803
Other	67	35	55	50
Total	5,121	3,879	4,655	4,927
NGL (Bbl/day)				
Utica	2,467	2,638	2,531	2,943
SCOOP	9,190	6,200	8,068	7,885
Other	1	3	2	2
Total	11,658	8,841	10,601	10,830
Combined (Mcf/day)				
Utica	752,623	804,633	772,145	819,549
SCOOP	262,686	178,545	231,104	217,266
Other	455	288	392	345
Total	1,015,764	983,466	1,003,641	1,037,160



Production and Pricing : Quarter ended, December 31, 2021

The following table summarizes production and related pricing for the quarter ended December 31, 2021, as compared to such data for the quarter ended December 31, 2020:

	Successor Three Months Ended December 31, 2021	Predecessor Three Months Ended December 31, 2020
Natural gas sales		
Natural gas production volumes (MMcf)	89,922	90,907
Natural gas production volumes (MMcf/d)	977	988
Total sales	\$ 492,862	\$ 214,676
Average price without the impact of derivatives (\$/Mcf)	\$ 5.48	\$ 2.36
Impact from settled derivatives (\$/Mcf)	\$ (2.35)	\$ (0.70)
Average price, including settled derivatives (\$/Mcf)	\$ 3.13	\$ 1.66
Oil and condensate sales		
Oil and condensate production volumes (MBbl)	408	410
Oil and condensate production volumes (MBbl/d)	4	4
Total sales	\$ 30,481	\$ 15,349
Average price without the impact of derivatives (\$/Bbl)	\$ 74.71	\$ 37.44
Impact from settled derivatives (\$/Bbl)	\$ (13.18)	\$ (4.84)
Average price, including settled derivatives (\$/Bbl)	\$ 61.53	\$ 32.60
NGL sales		
NGL production volumes (MBbl)	994	936
NGL production volumes (MBbl/d)	11	10
Total sales	\$ 43,911	\$ 20,825
Average price without the impact of derivatives (\$/Bbl)	\$ 44.18	\$ 22.25
Impact from settled derivatives (\$/Bbl)	\$ (7.02)	\$ (0.54)
Average price, including settled derivatives (\$/Bbl)	\$ 37.16	\$ 21.71
Natural gas, oil and condensate and NGL sales		
Natural gas equivalents (MMcfe)	98,338	98,979
Natural gas equivalents (MMcfe/d)	1,069	1,076
Total sales	\$ 567,254	\$ 250,850
Average price without the impact of derivatives (\$/Mcf)	\$ 5.77	\$ 2.53
Impact from settled derivatives (\$/Mcf)	\$ (2.27)	\$ (0.67)
Average price, including settled derivatives (\$/Mcf)	\$ 3.50	\$ 1.86
Production Costs:		
Average lease operating expenses (\$/Mcf)	\$ 0.14	\$ 0.13

Average taxes other than income (\$/Mcf)	\$ 0.14	\$ 0.10
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.88	\$ 1.23
Total lease operating expenses, midstream costs and taxes other than income (\$/Mcf)	\$ 1.16	\$ 1.46


Production and Pricing : Year ended, December 31, 2021

The following table summarizes production and related pricing for the year ended December 31, 2021, as compared to such data for the year ended December 31, 2020:

	<u>Successor</u> <u>Period from</u> <u>May 18,</u> <u>2021</u> <u>through</u> <u>December 31,</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>Year Ended</u> <u>December 31,</u> <u>2021</u>	<u>Predecessor</u> <u>Year Ended</u> <u>December 31,</u> <u>2020</u>
Natural gas sales				
Natural gas production volumes (MMcf)	208,641	124,279	332,921	344,999
Natural gas production volumes (MMcf/d)	915	907	912	943
Total sales	\$ 906,096	\$ 344,390	\$ 1,250,486	\$ 671,535
Average price without the impact of derivatives (\$/Mcf)	\$ 4.34	\$ 2.77	\$ 3.76	\$ 1.95
Impact from settled derivatives (\$/Mcf)	\$ (1.44)	\$ (0.03)	\$ (0.91)	\$ 0.33
Average price, including settled derivatives (\$/Mcf)	\$ 2.90	\$ 2.74	\$ 2.85	\$ 2.28
Oil and condensate sales				
Oil and condensate production volumes (MBbl)	1,167	531	1,699	1,803
Oil and condensate production volumes (MBbl/d)	5	4	5	5
Total sales	\$ 81,347	\$ 29,106	\$ 110,453	\$ 62,902
Average price without the impact of derivatives (\$/Bbl)	\$ 69.71	\$ 54.81	\$ 65.01	\$ 34.88
Impact from settled derivatives (\$/Bbl)	\$ (8.33)	\$ —	\$ (5.72)	\$ 25.76
Average price, including settled derivatives (\$/Bbl)	\$ 61.38	\$ 54.81	\$ 59.29	\$ 60.64
NGL sales				
NGL production volumes (MBbl)	2,658	1,211	3,869	3,964
NGL production volumes (MBbl/d)	12	9	11	11
Total sales	\$ 105,141	\$ 36,780	\$ 141,921	\$ 66,814
Average price without the impact of derivatives (\$/Bbl)	\$ 39.56	\$ 30.37	\$ 36.68	\$ 16.86
Impact from settled derivatives (\$/Bbl)	\$ (4.88)	\$ —	\$ (3.35)	\$ (0.04)
Average price, including settled derivatives (\$/Bbl)	\$ 34.68	\$ 30.37	\$ 33.33	\$ 16.82
Natural gas, oil and condensate and NGL sales				
Natural gas equivalents (MMcfe)	231,594	134,735	366,329	379,600
Natural gas equivalents (MMcfe/d)	1,016	983	1,004	1,037
Total sales	\$ 1,092,584	\$ 410,276	\$ 1,502,860	\$ 801,251
Average price without the impact of derivatives (\$/Mcf)	\$ 4.72	\$ 3.05	\$ 4.10	\$ 2.11
Impact from settled derivatives (\$/Mcf)	\$ (1.39)	\$ (0.02)	\$ (0.89)	\$ 0.42
Average price, including settled derivatives (\$/Mcf)	\$ 3.33	\$ 3.03	\$ 3.21	\$ 2.53
Production Costs:				
Average lease operating expenses (\$/Mcf)	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14
Average taxes other than income (\$/Mcf)	\$ 0.13	\$ 0.09	\$ 0.12	\$ 0.08
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.92	\$ 1.20	\$ 1.02	\$ 1.20
Total lease operating expenses, midstream costs and taxes other than income (\$/Mcf)	\$ 1.19	\$ 1.43	\$ 1.28	\$ 1.42


Consolidated Statements of Income: Quarter ended, December 31, 2021

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

	Successor	Predecessor
	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
REVENUES:		
Natural gas sales	492,862	214,676
Oil and condensate sales	30,481	15,349
Natural gas liquid sales	43,911	20,825
Net gain (loss) on natural gas, oil and NGL derivatives	205,315	(6,123)
Total Revenues	<u>772,569</u>	<u>244,727</u>
OPERATING EXPENSES:		
Lease operating expenses	14,192	13,070
Taxes other than income	13,343	9,470
Transportation, gathering, processing and compression	86,202	121,529
Depreciation, depletion and amortization	65,978	45,375
General and administrative expenses	11,256	13,610
Restructuring and liability management expenses	—	21,246
Accretion expense	500	796
Total Operating Expenses	<u>191,471</u>	<u>225,096</u>
INCOME FROM OPERATIONS	<u>581,098</u>	<u>19,631</u>
OTHER EXPENSE:		
Interest expense	15,608	20,402
Loss on debt extinguishment	3,040	—
Loss from equity method investments, net	—	68
Reorganization items, net	—	152,359
Other, net	5,070	12,367
Total Other Expense	<u>23,718</u>	<u>185,196</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>557,380</u>	<u>(165,565)</u>
Income tax benefit	(689)	—
NET INCOME (LOSS)	<u>558,069</u>	<u>(165,565)</u>
Dividends on New Preferred Stock	(1,447)	—
Participating securities - New Preferred Stock	(93,064)	—
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>463,558</u>	<u>(165,565)</u>
NET INCOME (LOSS) PER COMMON SHARE:		
Basic	20,598,932	160,762,186
Diluted	20,715,345	160,762,186
Weighted average common shares outstanding—Basic	22.50	(1.03)
Weighted average common shares outstanding—Diluted	22.40	(1.03)



Consolidated Statements of Income: Year ended, December 31, 2021

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

	Successor	Predecessor	
	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Year Ended December 31, 2020
REVENUES:			
Natural gas sales	906,096	344,390	671,535
Oil and condensate sales	81,347	29,106	62,902
Natural gas liquid sales	105,141	36,780	66,814
Net (loss) gain on natural gas, oil and NGL derivatives	(556,819)	(137,239)	65,291
Total Revenues	<u>535,765</u>	<u>273,037</u>	<u>866,542</u>
OPERATING EXPENSES:			
Lease operating expenses	32,172	19,524	54,235
Taxes other than income	30,243	12,349	28,509
Transportation, gathering, processing and compression	212,013	161,086	456,318
Depreciation, depletion and amortization	160,913	62,764	239,744
Impairment of oil and natural gas properties	117,813	—	1,357,099
Impairment of other property and equipment	—	14,568	—
General and administrative expenses	34,465	19,175	59,329
Restructuring and liability management expenses	2,858	—	30,847

Accretion expense	1,214	1,229	3,066
Total Operating Expenses	591,691	290,695	2,229,147
LOSS FROM OPERATIONS	(55,926)	(17,658)	(1,362,605)
OTHER EXPENSE (INCOME):			
Interest expense	40,853	4,159	120,079
Loss (Gain) on debt extinguishment	3,040	—	(49,579)
Loss from equity method investments, net	—	342	11,055
Reorganization items, net	—	(266,898)	152,359
Other, net	13,049	1,713	21,324
Total Other Expense (Income)	56,942	(260,684)	255,238
(LOSS) INCOME BEFORE INCOME TAXES	(112,868)	243,026	(1,617,843)
Income tax (benefit) expense	(39)	(7,968)	7,290
NET (LOSS) INCOME	(112,829)	250,994	(1,625,133)
Dividends on New Preferred Stock	(4,573)	—	—
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	(117,402)	250,994	(1,625,133)
NET (LOSS) INCOME PER COMMON SHARE:			
Basic	(5.71)	1.56	(10.14)
Diluted	(5.71)	1.56	(10.14)
Weighted average common shares outstanding—Basic	20,544,538	160,833,769	160,231,335
Weighted average common shares outstanding—Diluted	20,544,538	160,833,769	160,231,335

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Consolidated Balance Sheets

(In thousands, except share data)

	Successor	Predecessor
	December 31, 2021	December 31, 2020
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,260	\$ 89,861
Accounts receivable—oil and natural gas sales	232,854	119,879
Accounts receivable—joint interest and other	20,383	12,200
Prepaid expenses and other current assets	12,359	160,664
Short-term derivative instruments	4,695	27,146
Total current assets	273,551	409,750
Property and equipment:		
Oil and natural gas properties, full-cost method		
Proved oil and natural gas properties	1,917,833	9,359,866
Unproved properties	211,007	1,457,043
Other property and equipment	5,329	88,538
Total property and equipment	2,134,169	10,905,447
Less: accumulated depletion, depreciation and amortization	(278,341)	(8,819,178)
Total property and equipment, net	1,855,828	2,086,269
Other assets:		
Equity investments	—	24,816
Long-term derivative instruments	18,664	322
Operating lease assets	322	342
Other assets	19,867	18,372
Total other assets	38,853	43,852
Total assets	\$ 2,168,232	\$ 2,539,871

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Consolidated Balance Sheets

(In thousands, except share data)

Successor	Predecessor
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	December 31, 2021 (Unaudited)	December 31, 2020
Liabilities, Mezzanine Equity and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 394,011	\$ 244,903
Short-term derivative instruments	240,735	11,641
Current portion of operating lease liabilities	182	—
Current maturities of long-term debt	—	253,743
Total current liabilities	<u>634,928</u>	<u>510,287</u>
Non-current liabilities:		
Long-term derivative instruments	184,580	36,604
Asset retirement obligation	28,264	—
Non-current operating lease liabilities	140	—
Long-term debt, net of current maturities	712,946	—
Total non-current liabilities	<u>925,930</u>	<u>36,604</u>
Liabilities subject to compromise	—	2,293,480
Total liabilities	\$ 1,560,858	\$ 2,840,371
Commitments and contingencies (Notes 18 and 19)		
Mezzanine Equity:		
New Preferred Stock - \$0.0001 par value, 110 thousand shares authorized, 57.9 thousand issued and outstanding at December 31, 2021	57,896	—
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 December 31, 2021	2	—
Additional paid-in capital	692,521	4,213,752
New Common Stock held in reserve, 938 thousand shares	(30,216)	—
Accumulated deficit	(112,829)	(4,472,859)
Total stockholders' equity (deficit)	<u>\$ 549,478</u>	<u>\$ (300,500)</u>
Total liabilities, mezzanine equity and stockholders' equity (deficit)	\$ 2,168,232	\$ 2,539,871



Consolidated Statement of Cash Flows: Quarter ended, December 31, 2021

(In thousands)
(Unaudited)

	Successor Three Months Ended December 31, 2021	Predecessor Three Months Ended December 31, 2020
Cash flows from operating activities:		
Net (loss) income	\$ 558,069	\$ (165,564)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation and amortization	65,978	45,375
Loss from equity investments	—	68
Loss (Gain) on debt extinguishment	3,040	—
Net loss (gain) on derivative instruments	(205,315)	6,123
Net cash (payments) receipts on settled derivative instruments	(223,283)	(65,970)
Non-cash reorganization items, net	—	21,956
Other, net	1,643	19,231
Changes in operating assets and liabilities, net	(71,784)	34,084
Net cash provided by (used in) operating activities	<u>128,348</u>	<u>(104,697)</u>
Cash flows from investing activities:		
Additions to oil and natural gas properties	(87,807)	(29,308)
Proceeds from sale of oil and natural gas properties	3,739	4,039
Other, net	107	1,378
Net cash used in investing activities	<u>(83,961)</u>	<u>(23,891)</u>
Cash flows from financing activities:		
Principal payments on Pre-Petition Revolving Credit Facility	—	(11,290)
Borrowings on Pre-Petition Revolving Credit Facility	—	181,844
Borrowings on Exit Credit Facility	99,422	—
Principal payments on Exit Credit Facility	(300,028)	—
Principal payments on DIP credit facility	—	(90,000)
Borrowings on DIP Credit facility	—	90,000
Principal payments on New Credit Facility	(477,000)	—
Borrowings on New Credit Facility	641,000	—
Debt issuance costs and loan commitment fees	(7,558)	(105)

DIP Credit Facility Financing Fees	—	(2,988)
Other, net	(1,448)	(55)
Net cash (used in) provided by in financing activities	(45,612)	167,406
Net (decrease) increase in cash, cash equivalents and restricted cash	(1,225)	38,818
Cash, cash equivalents and restricted cash at beginning of period	4,485	51,043
Cash, cash equivalents and restricted cash at end of period	3,260	89,861



Consolidated Statement of Cash Flows: Year ended, December 31, 2021

(In thousands)
(Unaudited)

	Successor	Predecessor	
	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Year Ended December 31, 2020
Cash flows from operating activities:			
Net (loss) income	\$ (112,829)	\$ 250,994	\$ (1,625,133)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depletion, depreciation and amortization	160,913	62,764	239,744
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	11,055
Loss (Gain) on debt extinguishment	3,040	—	(49,579)
Net loss (gain) on derivative instruments	556,819	137,239	(65,291)
Net cash (payments) receipts on settled derivative instruments	(322,857)	(3,361)	159,394
Non-cash reorganization items, net	—	(446,012)	21,956
Deferred income tax expense	—	—	7,290
Other, net	3,130	1,727	31,984
Changes in operating assets and liabilities, net	(113,044)	153,894	6,785
Net cash provided by operating activities	<u>292,985</u>	<u>172,155</u>	<u>95,304</u>
Cash flows from investing activities:			
Additions to oil and natural gas properties	(207,113)	(102,330)	(367,287)
Proceeds from sale of oil and natural gas properties	4,339	15	50,971
Other, net	2,669	4,484	1,729
Net cash used in investing activities	<u>(200,105)</u>	<u>(97,831)</u>	<u>(314,587)</u>
Cash flows from financing activities:			
Principal payments on Pre-Petition Revolving Credit Facility	—	(318,961)	(383,290)
Borrowings on Pre-Petition Revolving Credit Facility	—	26,050	713,701
Borrowings on Exit Credit Facility	406,277	302,751	—
Principal payments on Exit Credit Facility	(709,028)	—	—
Principal payments on DIP credit facility	—	(157,500)	(90,000)
Borrowings on DIP Credit facility	—	—	90,000
Principal payments on New Credit Facility	(477,000)	—	—
Borrowings on New Credit Facility	641,000	—	—
Debt issuance costs and loan commitment fees	(8,783)	(7,100)	—
Repurchase of senior notes	—	—	(22,827)
Proceeds from issuance of New Preferred Stock	—	50,000	(2,988)
Other, net	(1,503)	(8)	(1,512)
Net cash (used in) provided by in financing activities	<u>(149,037)</u>	<u>(104,768)</u>	<u>303,084</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>(56,157)</u>	<u>(30,444)</u>	<u>83,801</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>59,417</u>	<u>89,861</u>	<u>6,060</u>
Cash, cash equivalents and restricted cash at end of period	<u>3,260</u>	<u>59,417</u>	<u>89,861</u>



2022E Guidance

Gulfport's 2022 guidance assumes commodity strip prices as of February 15, 2022, adjusted for applicable commodity and location differentials, and no property acquisitions or

divestitures.

	Year Ending December 31, 2022	
	Low	High
Production		
Average daily gas equivalent (MMcfepd)	975	1,025
% Gas	~90%	
Realizations (before hedges)		
Natural gas (differential to NYMEX settled price) (\$/Mcf)	\$ (0.15)	\$ (0.25)
NGL (% of WTI)	45% 55%	
Oil (differential to NYMEX WTI) (\$/Bbl)	\$ (3.00)	\$ (4.00)
Operating costs		
Lease operating expense (\$/Mcf)	\$ 0.16	\$ 0.18
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.

	Total (in millions)	
	2022	2023
Capital expenditures (incurred)		
D&C	\$ 320	\$ 360
Leasehold and land	\$20	
Total	\$ 340	\$ 380
Free cash flow⁽³⁾	\$335	

(3) This is a non-GAAP measure. Reconciliations of these non-GAAP measures and other disclosures are included in these supplemental financial tables.



Derivatives

The below details Gulfport's hedging positions as of February 28, 2022.

	2022	2023
Natural Gas Contract Summary (NYMEX):		
Fixed Price Swaps		
Volume (BBtupd)	141	135
Weighted Average Price (\$/MMBtu)	\$ 2.88	\$ 3.45
Fixed Price Collars		
Volume (BBtupd)	477	85
Weighted Average Floor Price (\$/MMBtu)	\$ 2.64	\$ 2.75
Weighted Average Ceiling Price (\$/MMBtu)	\$ 3.22	\$ 4.25
Fixed Price Calls Sold		
Volume (BBtupd)	153	508
Weighted Average Price (\$/MMBtu)	\$ 2.90	\$ 2.90
Rex Zone 3 Basis		
Volume (BBtupd)	25	20
Differential (\$/MMBtu)	\$ (0.10)	\$ (0.21)
OGT Basis		
Volume (BBtupd)	7	—
Differential (\$/MMBtu)	\$ 0.50	\$ —
Oil Contract Summary (WTI):		
Fixed Price Swaps		
Volume (Bblpd)	2,104	2,000
Weighted Average Price (\$/Bbl)	\$ 66.23	\$ 67.89
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)		3,378	2,000
Weighted Average Price (\$/Bbl)	\$	35.09	\$ 35.05

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**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.

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**Definitions**

Adjusted Net Income is a non-GAAP financial measure equal to (loss) income before income taxes less reorganization items, non-cash derivative loss (gain), early termination of sold call contracts, impairments of oil and gas properties, property and equipment, contractual charges on midstream disputes, non-recurring general and administrative expenses, restructuring and liability management expenses, loss (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 (benefit), depreciation, depletion and amortization and impairment of oil and gas properties, property and equipment, reorganization items, non-cash derivative loss (gain), early termination of sold call contracts, contractual charges on midstream disputes, non-recurring general and administrative expenses, restructuring and liability management expenses, loss (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 2022. 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 2022. 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.

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**Adjusted Net Income: Quarter ended, December 31, 2021**

(In thousands)
(Unaudited)

Successor	Predecessor
Three Months Ended December 31, 2021	Three Months Ended December 31, 2020

Income (Loss) Before Income Taxes (GAAP)	557,380	(165,565)
Adjustments:		
Reorganization items, net	—	152,359
Non-cash derivative gain	(428,598)	(59,848)
Early termination of sold call contracts	—	60,179
Non-recurring general and administrative expense	4,758	5,627
Restructuring and liability management expenses	—	21,246
Loss on debt extinguishment	3,040	—
Loss from equity method investments	—	68
Other, net	6,215	13,206
Adjusted Net Income (Non-GAAP)	<u>\$ 142,795</u>	<u>\$ 27,272</u>
Dividends on New Preferred Stock	(1,447)	—
Participating Securities - New Preferred Stock	\$ (23,632)	—
Adjusted Net Income Attributable to Common Stockholders (Non-GAAP)	<u>\$ 117,716</u>	<u>\$ 27,272</u>
Adjusted Net Income Per Common Share, Basic (Non-GAAP)	<u>\$ 5.71</u>	<u>\$ 0.17</u>
Adjusted Net Income Per Common Share, Diluted (Non-GAAP)	<u>\$ 5.69</u>	<u>\$ 0.17</u>



Adjusted Net Income: Year ended, December 31, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period from</u> <u>May 18,</u> <u>2021</u> <u>through</u> <u>December 31,</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>Year Ended</u> <u>December 31,</u> <u>2021</u>	<u>Predecessor</u> <u>Year Ended</u> <u>December 31,</u> <u>2020</u>
(Loss) Income Before Income Taxes (GAAP)	\$ (112,868)	\$ 243,026	\$ 130,158	\$ (1,617,843)
Adjustments:				
Reorganization items, net	—	(266,898)	(266,898)	152,359
Non-cash derivative loss	233,962	133,878	367,840	92,723
Early termination of sold call contracts	—	—	—	60,179
Impairments	117,813	—	117,813	1,357,099
Contractual charges on midstream disputes	—	30,351	30,351	—
Non-recurring general and administrative expense	18,357	8,923	27,280	25,475
Restructuring and liability management expenses	2,858	—	2,858	30,847
Loss (Gain) on debt extinguishment	3,040	—	3,040	(49,579)
Loss from equity method investments	—	342	342	11,055
Other, net	15,093	3,209	18,302	24,904
Adjusted Net Income (Non-GAAP)	<u>\$ 278,255</u>	<u>\$ 152,831</u>	<u>\$ 431,086</u>	<u>\$ 87,219</u>
Dividends on New Preferred Stock	\$ (4,573)	\$ —	\$ (4,573)	\$ —
Participating Securities - New Preferred Stock ⁽¹⁾	\$ (45,859)	\$ —	\$ (45,859)	\$ —
Adjusted Net Income Attributable to Common Stockholders (Non-GAAP)	<u>\$ 227,823</u>	<u>\$ 152,831</u>	<u>\$ 380,654</u>	<u>\$ 87,219</u>
Adjusted Net Income Per Common Share, Basic (Non-GAAP)⁽¹⁾	<u>\$ 11.09</u>	<u>\$ 0.95</u>	<u>\$ 17.28</u>	<u>\$ 0.54</u>
Adjusted Net Income Per Common Share, Diluted (Non-GAAP)⁽¹⁾	<u>\$ 11.06</u>	<u>\$ 0.95</u>	<u>\$ 17.23</u>	<u>\$ 0.54</u>

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



Adjusted EBITDA: Quarter ended, December 31, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Three Months</u> <u>Ended</u> <u>December 31,</u> <u>2021</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended</u> <u>December 31,</u> <u>2020</u>
Net (loss) income (GAAP)	\$ 558,069	\$ (165,565)
Adjustments:		
Interest expense	15,608	20,402
Income tax benefit	(689)	—
DD&A and impairment	66,478	46,171
Reorganization items, net	—	152,359
Non-cash derivative gain	(428,598)	(59,847)
Early termination of sold call contracts	—	60,179
Non-recurring general and administrative expenses	4,758	5,627
Restructuring and liability management expenses	—	21,246
Loss on debt extinguishment	3,040	—
Loss from equity method investments	—	68
Other, net	6,215	13,206
Adjusted EBITDA (Non-GAAP)	<u>\$ 224,881</u>	<u>\$ 93,846</u>

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Adjusted EBITDA: Year ended, December 31, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period from</u> <u>May 18,</u> <u>2021</u> <u>through</u> <u>December 31,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1,</u> <u>2021</u> <u>through May</u> <u>17,</u> <u>2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Year Ended</u> <u>December 31,</u> <u>2021</u>	<u>Predecessor</u> <u>Year Ended</u> <u>December 31,</u> <u>2020</u>
Net (loss) income (GAAP)	\$ (112,829)	\$ 250,994	\$ 138,165	\$ (1,625,133)
Adjustments:				
Interest expense	40,853	4,159	45,012	120,079
Income tax (benefit) expense	(39)	(7,968)	(8,007)	7,290
DD&A and impairment	279,940	78,561	358,501	1,599,909
Reorganization items, net	—	(266,898)	(266,898)	152,359
Non-cash derivative (gain) loss	233,962	133,878	367,840	92,723
Early termination of sold call contracts	—	—	—	60,179
Contractual charges on midstream disputes	—	30,351	30,351	—
Non-recurring general and administrative expenses	18,357	8,923	27,280	25,475
Restructuring and liability management expenses	2,858	—	2,858	30,847
Loss (Gain) on debt extinguishment	3,040	—	3,040	(49,579)
Loss from equity method investments	—	342	342	11,055
Other, net	15,093	3,209	18,302	24,905
Adjusted EBITDA (Non-GAAP)	<u>\$ 481,235</u>	<u>\$ 235,551</u>	<u>\$ 716,786</u>	<u>\$ 450,109</u>

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Free Cash Flow: Quarter ended, December 31, 2021

(In thousands)
(Unaudited)

	Successor	Predecessor
	Three Months	Three Months
	Ended	Ended
	December 31,	December 31,
	2021	2020
Net cash provided by (used in) operating activity (GAAP)	\$ 128,348	\$ (104,697)
Adjustments:		
Interest expense	15,608	20,402
Current income tax benefit	(689)	—
Cash reorganization items, net	—	130,403
Non-recurring general and administrative expenses	4,758	5,627
Restructuring and liability management expenses	—	21,246
Early termination of sold call contracts	—	60,179
Other, net	5,072	(5,230)
Changes in operating assets and liabilities, net	71,784	(34,084)
Adjusted EBITDA (Non-GAAP)	\$ 224,881	\$ 93,846
Interest expense	(15,608)	(20,402)
Capitalized expenses incurred ⁽¹⁾	(3,937)	(5,232)
Capital expenditures incurred ⁽²⁾	(71,458)	(26,665)
Free Cash Flow (Non-GAAP)	\$ 133,878	\$ 41,547

(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.

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Free Cash Flow: Year ended, December 31, 2021

(In thousands)
(Unaudited)

	Successor	Predecessor	Non-GAAP	Predecessor
	Period from	Period from	Combined	Predecessor
	May 18,	January 1,	Year Ended	Year Ended
	2021	2021	December 31,	December 31,
	through	through	2021	2020
	December 31,	May 17,		
	2021	2021		
Net cash provided by operating activity (GAAP)	\$ 292,985	\$ 172,155	\$ 465,140	\$ 95,304
Adjustments:				
Interest expense	40,853	4,159	45,012	120,079
Current income tax (benefit) expense	(39)	(7,968)	(8,007)	—
Cash reorganization items, net	—	179,114	179,114	130,403
Non-recurring general and administrative expenses	18,357	8,923	27,280	25,475
Restructuring and liability management expenses	2,858	—	2,858	30,847
Early termination of sold call contracts	—	—	—	60,179
Contractual charges on midstream disputes	—	30,351	30,351	—
Other, net	13,176	2,711	15,887	(5,393)
Changes in operating assets and liabilities, net	113,044	(153,894)	(40,850)	(6,785)
Adjusted EBITDA (Non-GAAP)	\$ 481,234	\$ 235,551	\$ 716,785	\$ 450,109
Interest expense	(40,853)	(4,159)	(45,012)	(120,079)
Capitalized expenses incurred ⁽¹⁾	(9,820)	(8,020)	(17,840)	(25,915)
Capital expenditures incurred ⁽²⁾	(184,488)	(108,408)	(292,896)	(263,608)
Free Cash Flow (Non-GAAP)	\$ 246,073	\$ 114,964	\$ 361,037	\$ 40,507

(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.

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Recurring General and Administrative Expenses:

Quarter ended, December 31, 2021

(In thousands)
(Unaudited)

	Successor			Predecessor		
	Three Months Ended December 31, 2021			Three Months Ended December 31, 2020		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 10,111	\$ 1,145	\$ 11,256	\$ 12,770	\$ 840	\$ 13,610
Capitalized general and administrative expense	3,856	617	4,473	4,561	671	5,232
Non-recurring general and administrative expense ⁽¹⁾	(4,758)	—	(4,758)	(5,627)	—	(5,627)
Recurring General and Administrative Expense (Non-GAAP)	\$ 9,209	\$ 1,762	\$ 10,971	\$ 11,704	\$ 1,511	\$ 13,215

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



Recurring General and Administrative Expenses:

Year ended, December 31, 2021

(In thousands)
(Unaudited)

	Successor			Predecessor			Non-GAAP Combined			Predecessor		
	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021			Year Ended December 31, 2021			Year Ended December 31, 2020		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 32,421	\$ 2,044	\$ 34,465	\$ 18,002	\$ 1,173	\$ 19,175	\$ 50,423	\$ 3,217	\$ 53,640	\$ 55,746	\$ 3,583	\$ 59,329
Capitalized general and administrative expense	9,623	1,101	10,724	7,097	922	8,019	16,720	2,023	18,743	22,147	2,861	25,008
Non-recurring general and administrative expense ⁽¹⁾	(18,357)	—	(18,357)	(8,923)	—	(8,923)	(27,280)	—	(27,280)	(25,475)	—	(25,475)
Recurring General and Administrative Expense (Non-GAAP)	\$ 23,687	\$ 3,145	\$ 26,832	\$ 16,176	\$ 2,095	\$ 18,271	\$ 39,863	\$ 5,240	\$ 45,103	\$ 52,418	\$ 6,444	\$ 58,862

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