

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): August 1, 2023

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)

713 Market Drive
Oklahoma City, Oklahoma
(Address of principal
executive offices)

73114
(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 August 1, 2023, Gulfport Energy Corporation (“Gulfport”) issued a press release reporting its financial and operating results for the three months ended June 30, 2023, and provided an update on its 2023 development plan 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 August 1, 2023, 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 August 1, 2023 entitled “Gulfport Energy Reports Second Quarter 2023 Financial and Operating Results.”
99.2	Supplemental Financial Information.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

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: August 1, 2023

By: /s/ Michael Hodges
Michael Hodges
Chief Financial Officer



Gulfport Energy Reports Second Quarter 2023 Financial and Operating Results

OKLAHOMA CITY (August 1, 2023) Gulfport Energy Corporation (NYSE: GPOR) (“Gulfport” or the “Company”) today reported financial and operating results for the three months ended June 30, 2023 and provided an update on its 2023 development plan and financial guidance.

Second Quarter 2023 and Recent Highlights

- Delivered total net production of 1,039.3 MMcfe per day, above analyst consensus expectations
- Reported \$93.7 million of net income and \$144.5 million of adjusted EBITDA⁽¹⁾, above analyst consensus expectations
- Per unit operating costs⁽²⁾ totaled \$1.16 per Mcfe, below analyst consensus expectations
- Incurred capital expenditures of \$129.3 million, below analyst consensus expectations
- Completed and turned to sales 13 gross wells, including 11 wells in the Utica and 2 wells in the SCOOP
- Commenced drilling on Marcellus delineation test in Belmont County, Ohio and plan to turn to sales during the fourth quarter 2023
- Completed secondary equity offering of 1.5 million shares of common stock, increasing public equity float by approximately 18%
- Repurchased approximately 441.5 thousand shares for approximately \$41.4 million at a weighted average price of \$93.67 per share during second quarter 2023
- Repurchased approximately 3.8 million shares of common stock for approximately \$325.0 million⁽³⁾ since the inception of the repurchase program

Updated Full Year 2023 Outlook

- Raising full year 2023 net production guidance to 1,035 MMcfe - 1,055 MMcfe per day, an increase of 1% to 3% based upon the Company’s previously issued guidance range
 - Reducing per unit operating costs⁽²⁾ to \$1.16 - \$1.24 per Mcfe, an improvement of approximately 4% based upon the midpoint of the Company’s previously issued guidance range
 - Revising realized natural gas liquids guidance to 35% - 40% of WTI, an update to reflect market impacts to pricing realized to date and the Company’s expectations for the remainder of the year
 - Reaffirming guidance for total base capital expenditures of \$425 million - \$475 million, consisting of drilling and completion expenditures of \$375 million - \$400 million and maintenance leasehold and land investment of \$50 million - \$75 million
-

- Reiterating plans to allocate substantially all 2023 adjusted free cash flow⁽¹⁾ towards common share repurchases after discretionary acreage acquisitions
- Planning to allocate approximately \$40 million to targeted discretionary acreage acquisitions

John Reinhart, President and CEO, commented, “This was another solid quarter for Gulfport, delivering outperformance relative to analyst consensus estimates for production, per unit operating costs, adjusted EBITDA and capital expenditures. We continued to exhibit strong operational execution and realized consistent cycle time improvements on the operational planning, drilling and completions front. These efficiencies resulted in accelerated turn in line dates for all 13 gross wells brought online during the second quarter, with the 11 gross Utica wells averaging a pad turn-in-line date two weeks ahead of schedule. The team’s focus on efficiencies and continuous improvements, in addition to our base production performance, contributed to the second quarter production results and led us to positively update our full year production and per unit operating expense guidance. Subsequent to June 30, the drilling team spud Gulfport’s first Marcellus delineation pad in Belmont County, Ohio. We look forward to bringing this pad online during the fourth quarter of 2023 and further discussing this development later in the year.”

Reinhart continued, “The current natural gas environment reinforces the importance of developing our assets in an efficient and sustainable manner. Our team is focused on enhancing margins, optimizing efficiencies, and protecting the financial strength of the Company. This, in addition to the enhancement of our already attractive acreage portfolio and a robust shareholder return strategy, will further improve our strong positioning going forward. We continue to prioritize the return of capital to our shareholders through common stock repurchases, as further evidenced by the concurrent repurchase alongside the secondary equity offering in June 2023. Since initiating the program, we have reduced our outstanding common shares by over 13%⁽³⁾. For the remainder of the year, we plan to continue allocating substantially all of our adjusted free cash flow to common share repurchases after accounting for discretionary acreage acquisitions. We are actively pursuing these acquisition opportunities and intend to allocate approximately \$40 million from our robust 2023 adjusted free cash flow to this acreage in the form of discretionary acreage acquisitions that extend our high-quality inventory by approximately 1.5 years and provide optionality for near term development.”

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. Includes lease operating expense, transportation, gathering, processing and compression expense and taxes other than income.
3. As of July 27, 2023.

Operational Update

The table below summarizes Gulfport's operated drilling and completion activity for the second quarter of 2023:

	Quarter Ended June 30, 2023		
	Gross	Net	Lateral Length
Spud			
Utica	2	1.7	18,700
SCOOP	—	—	—
Drilled			
Utica	7	6.3	14,800
SCOOP	1	0.9	8,500
Completed			
Utica	11	10.2	12,100
SCOOP	2	1.7	8,600
Turned-to-Sales			
Utica	11	10.2	14,200
SCOOP	2	1.7	8,600

Gulfport's net daily production for the second quarter of 2023 averaged 1,039.3 MMcfe per day, primarily consisting of 769.2 MMcfe per day in the Utica and 270.1 MMcfe per day in the SCOOP. For the second quarter of 2023, Gulfport's net daily production mix was comprised of approximately 91% natural gas, 7% natural gas liquids ("NGL") and 2% oil and condensate.

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Production		
Natural gas (Mcf/day)	945,910	858,481
Oil and condensate (Bbl/day)	3,533	4,678
NGL (Bbl/day)	12,036	12,093
Total (Mcf/day)	1,039,323	959,106
Average Prices		
Natural Gas:		
Average price without the impact of derivatives (\$/Mcf)	\$ 1.85	\$ 6.90
Impact from settled derivatives (\$/Mcf)	\$ 0.57	\$ (3.70)
Average price, including settled derivatives (\$/Mcf)	\$ 2.42	\$ 3.20
Oil and condensate:		
Average price without the impact of derivatives (\$/Bbl)	\$ 70.30	\$ 105.72
Impact from settled derivatives (\$/Bbl)	\$ 1.15	\$ (33.55)
Average price, including settled derivatives (\$/Bbl)	\$ 71.45	\$ 72.17
NGL:		
Average price without the impact of derivatives (\$/Bbl)	\$ 23.80	\$ 49.17
Impact from settled derivatives (\$/Bbl)	\$ 2.47	\$ (4.73)
Average price, including settled derivatives (\$/Bbl)	\$ 26.27	\$ 44.44
Total:		
Average price without the impact of derivatives (\$/Mcf)	\$ 2.20	\$ 7.31
Impact from settled derivatives (\$/Mcf)	\$ 0.56	\$ (3.53)
Average price, including settled derivatives (\$/Mcf)	\$ 2.76	\$ 3.78
Selected operating metrics		
Lease operating expenses (\$/Mcf)	\$ 0.17	\$ 0.16
Taxes other than income (\$/Mcf)	\$ 0.08	\$ 0.19
Transportation, gathering, processing and compression expense (\$/Mcf)	\$ 0.91	\$ 1.01
Recurring cash general and administrative expenses (\$/Mcf) (non-GAAP)	\$ 0.11	\$ 0.12
Interest expenses (\$/Mcf)	\$ 0.15	\$ 0.16

Capital Investment

Capital investment was \$129.3 million (on an incurred basis) for the second quarter of 2023, of which \$110.6 million related to drilling and completion (“D&C”) activity and \$18.7 million related to leasehold and land investment.

For the six-month period ended June 30, 2023, capital investment was \$276.2 million (on an incurred basis), of which \$237.7 million related to D&C activity and \$38.5 million to leasehold and land investment.

Common Stock Repurchase Program

Gulfport repurchased approximately 441.5 thousand shares of common stock during the second quarter of 2023 at an average price of \$93.67. As of July 27, 2023, the Company had repurchased approximately 3.8 million shares of common stock at a weighted-average share price of \$85.51 since the program initiated in March 2022, totaling approximately \$325.0 million in aggregate. The Company currently has approximately \$75.0 million of remaining capacity under the share repurchase program.

Financial Position and Liquidity

As of June 30, 2023, Gulfport had approximately \$5.3 million of cash and cash equivalents, \$99.0 million of borrowings under its revolving credit facility, \$74.4 million of letters of credit outstanding and \$550 million of outstanding 2026 senior notes.

Gulfport’s liquidity at June 30, 2023, totaled approximately \$731.9 million, comprised of the \$5.3 million of cash and cash equivalents and approximately \$726.6 million of available borrowing capacity under its credit facility.

Full Year 2023 Guidance

The Company is providing updated full year 2023 guidance (changes in *italics*) as set forth in the table below:

	Year Ending December 31, 2023	
	Low	High
Production		
Average daily gas equivalent (MMcfe/day)	1,035	1,055
% Gas	~90%	
Realizations (before hedges)		
Natural gas (differential to NYMEX settled price) (\$/Mcf)	\$ (0.20)	\$ (0.35)
NGL (% of WTI)	35%	40%
Oil (differential to NYMEX WTI) (\$/Bbl)	\$ (3.00)	\$ (4.00)
Expenses		
Lease operating expense (\$/Mcf)	\$ 0.16	\$ 0.18
Taxes other than income (\$/Mcf)	\$ 0.10	\$ 0.12
Transportation, gathering, processing and compression (\$/Mcf)	\$ 0.90	\$ 0.94
Recurring cash general and administrative ^(1,2) (\$/Mcf)	\$ 0.11	\$ 0.13
Capital expenditures (incurred)		
	Total (in millions)	
D&C	\$ 375	\$ 400
Maintenance leasehold and land	\$ 50	\$ 75
Total base capital expenditures	\$ 425	\$ 475
<i>Discretionary acreage acquisitions</i>		\$40

(1) Recurring cash G&A includes capitalization. It excludes non-cash stock compensation and expenses related to the continued administration of our prior Chapter 11 filing.

(2) 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.

Second Quarter 2023 Conference Call

Gulfport will host a teleconference and webcast to discuss its second quarter of 2023 results beginning at 9:00 a.m. ET (8:00 a.m. CT) on Wednesday, August 2, 2023.

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 August 3, 2023 to August 17, 2023, by calling 877-660-6853 domestically or 201-612-7415 internationally and then entering the replay passcode 13739877.

Financial Statements and Guidance Documents

Second quarter of 2023 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, inflation, share repurchases and other return of capital plans, 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, 2022 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.gulfportenergy.com/investors/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.

Investor Contact:

Jessica Antle – Director, Investor Relations
jantle@gulfportenergy.com
405-252-4550



Three months and six months ended June 30, 2023
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 2023E Guidance	12
Derivatives	13
Non-GAAP Reconciliations	14
Definitions	15
Adjusted Net Income	16
Adjusted EBITDA	18
Adjusted Free Cash Flow	20
Recurring General and Administrative Expenses	22



Production Volumes by Asset Area: Three months ended June 30, 2023

Production Volumes

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Natural gas (Mcf/day)		
Utica	751,272	637,854
SCOOP	194,639	220,637
Other	—	(10)
Total	<u>945,910</u>	<u>858,481</u>
Oil and condensate (Bbl/day)		
Utica	556	722
SCOOP	2,977	3,960
Other	—	(4)
Total	<u>3,533</u>	<u>4,678</u>
NGL (Bbl/day)		
Utica	2,440	2,109
SCOOP	9,596	9,983
Other	—	2
Total	<u>12,036</u>	<u>12,093</u>
Combined (Mcf/day)		
Utica	769,246	654,840
SCOOP	270,077	304,293
Other	1	(27)
Total	<u>1,039,323</u>	<u>959,106</u>

Totals may not sum or recalculate due to rounding.



Production Volumes by Asset Area: Six months ended June 30, 2023

Production Volumes

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Natural gas (Mcf/day)		
Utica	735,133	699,489
SCOOP	210,030	191,806
Other	—	11
Total	<u>945,163</u>	<u>891,306</u>
Oil and condensate (Bbl/day)		
Utica	573	710
SCOOP	3,555	3,447
Other	—	1
Total	<u>4,128</u>	<u>4,158</u>
NGL (Bbl/day)		
Utica	2,564	2,145
SCOOP	10,496	9,052
Other	—	1
Total	<u>13,060</u>	<u>11,198</u>
Combined (Mcf/day)		
Utica	753,956	716,621
SCOOP	294,335	266,798
Other	1	25
Total	<u>1,048,292</u>	<u>983,444</u>

Totals may not sum or recalculate due to rounding.



Production and Pricing: Three months ended June 30, 2023

The following table summarizes production and related pricing for the three months ended June 30, 2023, as compared to such data for the three months ended June 30, 2022:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Natural gas sales		
Natural gas production volumes (MMcf)	86,078	78,122
Natural gas production volumes (MMcf) per day	946	858
Total sales	\$ 159,246	\$ 539,090
Average price without the impact of derivatives (\$/Mcf)	\$ 1.85	\$ 6.90
Impact from settled derivatives (\$/Mcf)	\$ 0.57	\$ (3.70)
Average price, including settled derivatives (\$/Mcf)	\$ 2.42	\$ 3.20
Oil and condensate sales		
Oil and condensate production volumes (MBbl)	321	426
Oil and condensate production volumes (MBbl) per day	4	5
Total sales	\$ 22,602	\$ 45,009
Average price without the impact of derivatives (\$/Bbl)	\$ 70.30	\$ 105.72
Impact from settled derivatives (\$/Bbl)	\$ 1.15	\$ (33.55)
Average price, including settled derivatives (\$/Bbl)	\$ 71.45	\$ 72.17
NGL sales		
NGL production volumes (MBbl)	1,095	1,100
NGL production volumes (MBbl) per day	12	12
Total sales	\$ 26,070	\$ 54,106
Average price without the impact of derivatives (\$/Bbl)	\$ 23.80	\$ 49.17
Impact from settled derivatives (\$/Bbl)	\$ 2.47	\$ (4.73)
Average price, including settled derivatives (\$/Bbl)	\$ 26.27	\$ 44.44
Natural gas, oil and condensate and NGL sales		
Natural gas equivalents (MMcfe)	94,578	87,279
Natural gas equivalents (MMcfe) per day	1,039	959
Total sales	\$ 207,918	\$ 638,205
Average price without the impact of derivatives (\$/Mcf)	\$ 2.20	\$ 7.31
Impact from settled derivatives (\$/Mcf)	\$ 0.56	\$ (3.53)
Average price, including settled derivatives (\$/Mcf)	\$ 2.76	\$ 3.78
Production Costs:		
Average lease operating expenses (\$/Mcf)	\$ 0.17	\$ 0.16
Average taxes other than income (\$/Mcf)	\$ 0.08	\$ 0.19
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.91	\$ 1.01
Total lease operating expenses, midstream costs and production taxes (\$/Mcf)	\$ 1.16	\$ 1.36



Production and Pricing: Six months ended June 30, 2023

The following table summarizes production and related pricing for the six months ended June 30, 2023, as compared to such data for the six months ended June 30, 2022:

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Natural gas sales		
Natural gas production volumes (MMcf)	171,075	161,326
Natural gas production volumes (MMcf) per day	945	891
Total sales	\$ 441,780	\$ 944,302
Average price without the impact of derivatives (\$/Mcf)	\$ 2.58	\$ 5.85
Impact from settled derivatives (\$/Mcf)	\$ 0.29	\$ (2.48)
Average price, including settled derivatives (\$/Mcf)	\$ 2.87	\$ 3.37
Oil and condensate sales		
Oil and condensate production volumes (MBbl)	747	753
Oil and condensate production volumes (MBbl) per day	4	4
Total sales	\$ 53,316	\$ 75,248
Average price without the impact of derivatives (\$/Bbl)	\$ 71.36	\$ 99.99
Impact from settled derivatives (\$/Bbl)	\$ (0.10)	\$ (29.80)
Average price, including settled derivatives (\$/Bbl)	\$ 71.26	\$ 70.19
NGL sales		
NGL production volumes (MBbl)	2,364	2,027
NGL production volumes (MBbl) per day	13	11
Total sales	\$ 65,982	\$ 99,390
Average price without the impact of derivatives (\$/Bbl)	\$ 27.91	\$ 49.03
Impact from settled derivatives (\$/Bbl)	\$ 1.56	\$ (5.40)
Average price, including settled derivatives (\$/Bbl)	\$ 29.47	\$ 43.63
Natural gas, oil and condensate and NGL sales		
Natural gas equivalents (MMcfe)	189,741	178,003
Natural gas equivalents (MMcfe) per day	1,048	983
Total sales	\$ 561,078	\$ 1,118,940
Average price without the impact of derivatives (\$/Mcf)	\$ 2.96	\$ 6.29
Impact from settled derivatives (\$/Mcf)	\$ 0.28	\$ (2.44)
Average price, including settled derivatives (\$/Mcf)	\$ 3.24	\$ 3.85
Production Costs:		
Average lease operating expenses (\$/Mcf)	\$ 0.19	\$ 0.18
Average taxes other than income (\$/Mcf)	\$ 0.10	\$ 0.16
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.91	\$ 0.97
Total lease operating expenses, midstream costs and production taxes (\$/Mcf)	\$ 1.20	\$ 1.31



Consolidated Statements of Income: Three months ended June 30, 2023

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

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
REVENUES:		
Natural gas sales	\$ 159,246	\$ 539,090
Oil and condensate sales	22,602	45,009
Natural gas liquid sales	26,070	54,106
Net gain (loss) on natural gas, oil and NGL derivatives	96,788	(172,871)
Total revenues	<u>304,706</u>	<u>465,334</u>
OPERATING EXPENSES:		
Lease operating expenses	16,155	14,239
Taxes other than income	7,938	16,682
Transportation, gathering, processing and compression	85,664	87,752
Depreciation, depletion and amortization	80,148	62,602
General and administrative expenses	8,611	8,271
Restructuring costs	2,893	—
Accretion expense	714	692
Total operating expenses	<u>202,123</u>	<u>190,238</u>
INCOME FROM OPERATIONS	<u>102,583</u>	<u>275,096</u>
OTHER EXPENSE (INCOME):		
Interest expense	13,727	14,234
Other, net	(4,831)	4,282
Total other expense	<u>8,896</u>	<u>18,516</u>
INCOME BEFORE INCOME TAXES	<u>93,687</u>	<u>256,580</u>
Income tax expense	—	—
NET INCOME	<u>\$ 93,687</u>	<u>\$ 256,580</u>
Dividends on preferred stock	(1,278)	(1,380)
Participating securities - preferred stock	(14,044)	(39,590)
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ 78,365</u>	<u>\$ 215,610</u>
NET INCOME (LOSS) PER COMMON SHARE:		
Basic	\$ 4.23	\$ 10.42
Diluted	\$ 4.18	\$ 10.34
Weighted average common shares outstanding—Basic	18,518	20,684
Weighted average common shares outstanding—Diluted	18,805	20,877



Consolidated Statements of Income: Six months ended June 30, 2023

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

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
REVENUES:		
Natural gas sales	\$ 441,780	\$ 944,302
Oil and condensate sales	53,316	75,248
Natural gas liquid sales	65,982	99,390
Net gain (loss) on natural gas, oil and NGL derivatives	474,849	(961,422)
Total revenues	<u>1,035,927</u>	<u>157,518</u>
OPERATING EXPENSES:		
Lease operating expenses	36,017	31,883
Taxes other than income	18,633	29,150
Transportation, gathering, processing and compression	173,281	172,544
Depreciation, depletion and amortization	159,242	124,886
General and administrative expenses	17,344	15,376
Restructuring costs	4,762	—
Accretion expense	1,478	1,384
Total operating expenses	<u>410,757</u>	<u>375,223</u>
INCOME (LOSS) FROM OPERATIONS	<u>625,170</u>	<u>(217,705)</u>
OTHER EXPENSE (INCOME):		
Interest expense	27,483	28,218
Other, net	(19,054)	(10,528)
Total other expense	<u>8,429</u>	<u>17,690</u>
INCOME (LOSS) BEFORE INCOME TAXES	616,741	(235,395)
Income tax expense	—	—
NET INCOME (LOSS)	<u>\$ 616,741</u>	<u>\$ (235,395)</u>
Dividends on preferred stock	(2,585)	(2,828)
Participating securities - preferred stock	(92,611)	—
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ 521,545</u>	<u>\$ (238,223)</u>
NET INCOME (LOSS) PER COMMON SHARE:		
Basic	\$ 27.91	\$ (11.36)
Diluted	\$ 27.60	\$ (11.36)
Weighted average common shares outstanding—Basic	18,688	20,961
Weighted average common shares outstanding—Diluted	18,930	20,961



Consolidated Balance Sheets

(In thousands)
(Unaudited)

Assets	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Current assets:		
Cash and cash equivalents	\$ 5,269	\$ 7,259
Accounts receivable—oil, natural gas, and natural gas liquids sales	92,104	278,404
Accounts receivable—joint interest and other	17,883	21,478
Prepaid expenses and other current assets	6,453	7,621
Short-term derivative instruments	140,686	87,508
Total current assets	<u>262,395</u>	<u>402,270</u>
Property and equipment:		
Oil and natural gas properties, full-cost method		
Proved oil and natural gas properties	2,695,104	2,418,666
Unproved properties	188,461	178,472
Other property and equipment	7,419	6,363
Total property and equipment	2,890,984	2,603,501
Less: accumulated depletion, depreciation and amortization	(705,153)	(545,771)
Total property and equipment, net	<u>2,185,831</u>	<u>2,057,730</u>
Other assets:		
Long-term derivative instruments	54,308	26,525
Operating lease assets	20,600	26,713
Other assets	32,590	21,241
Total other assets	<u>107,498</u>	<u>74,479</u>
Total assets	<u>\$ 2,555,724</u>	<u>\$ 2,534,479</u>



Consolidated Balance Sheets

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

	June 30, 2023	December 31, 2022
Liabilities, Mezzanine Equity and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 307,720	\$ 437,384
Short-term derivative instruments	59,367	343,522
Current portion of operating lease liabilities	12,756	12,414
Total current liabilities	<u>379,843</u>	<u>793,320</u>
Non-current liabilities:		
Long-term derivative instruments	61,557	118,404
Asset retirement obligation	33,638	33,171
Non-current operating lease liabilities	7,844	14,299
Long-term debt	648,267	694,155
Total non-current liabilities	<u>751,306</u>	<u>860,029</u>
Total liabilities	<u>\$ 1,131,149</u>	<u>\$ 1,653,349</u>
Commitments and contingencies (Note 9)		
Mezzanine Equity:		
Preferred stock - \$0.0001 par value, 110.0 thousand shares authorized, 46.5 thousand issued and outstanding at June 30, 2023, and 52.3 thousand issued and outstanding at December 31, 2022	46,459	52,295
Stockholders' Equity:		
Common stock - \$0.0001 par value, 42.0 million shares authorized, 18.7 million issued and outstanding at June 30, 2023, and 19.1 million issued and outstanding at December 31, 2022	2	2
Additional paid-in capital	384,082	449,243
Common stock held in reserve, 62 thousand shares at June 30, 2023, and 62 thousand shares at December 31, 2022	(1,996)	(1,996)
Retained earnings	996,028	381,872
Treasury stock, at cost - no shares at June 30, 2023, and 3.9 thousand shares at December 31, 2022	—	(286)
Total stockholders' equity	<u>\$ 1,378,116</u>	<u>\$ 828,835</u>
Total liabilities, mezzanine equity and stockholders' equity	<u>\$ 2,555,724</u>	<u>\$ 2,534,479</u>



Consolidated Statement of Cash Flows: Three months ended June 30, 2023

(In thousands)
(Unaudited)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Cash flows from operating activities:		
Net income	\$ 93,687	\$ 256,580
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation and amortization	80,148	62,602
Net (gain) loss on derivative instruments	(96,788)	172,871
Net cash receipts (payments) on settled derivative instruments	52,519	(308,420)
Other, net	4,385	2,381
Changes in operating assets and liabilities, net	(26,600)	(56,510)
Net cash provided by operating activities	<u>107,351</u>	<u>129,504</u>
Cash flows from investing activities:		
Additions to oil and natural gas properties	(153,006)	(101,516)
Proceeds from sale of oil and natural gas properties	185	580
Other, net	(191)	(51)
Net cash used in investing activities	<u>(153,012)</u>	<u>(100,987)</u>
Cash flows from financing activities:		
Principal payments on Credit Facility	(205,000)	(380,000)
Borrowings on Credit Facility	304,000	479,000
Debt issuance costs and loan commitment fees	(6,913)	(108)
Dividends on preferred stock	(1,280)	(1,381)
Repurchase of common stock under Repurchase Program	(41,844)	(125,020)
Other, net	(1,493)	(325)
Net cash provided by (used in) financing activities	<u>47,470</u>	<u>(27,834)</u>
Net increase in cash and cash equivalents	<u>1,809</u>	<u>683</u>
Cash and cash equivalents at beginning of period	<u>3,460</u>	<u>5,898</u>
Cash and cash equivalents at end of period	<u>\$ 5,269</u>	<u>\$ 6,581</u>



Consolidated Statement of Cash Flows: Six months ended June 30, 2023

(In thousands)
(Unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash flows from operating activities:		
Net income (loss)	\$ 616,741	\$ (235,395)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation and amortization	159,242	124,886
Net (gain) loss on derivative instruments	(474,849)	961,422
Net cash receipts (payments) on settled derivative instruments	52,886	(433,466)
Other, net	9,227	5,071
Changes in operating assets and liabilities, net	48,159	(39,318)
Net cash provided by operating activities	<u>411,406</u>	<u>383,200</u>
Cash flows from investing activities:		
Additions to oil and natural gas properties	(283,406)	(181,787)
Proceeds from sale of oil and natural gas properties	2,648	580
Other, net	(835)	(58)
Net cash used in investing activities	<u>(281,593)</u>	<u>(181,265)</u>
Cash flows from financing activities:		
Principal payments on Credit Facility	(518,000)	(836,000)
Borrowings on Credit Facility	472,000	796,000
Debt issuance costs and loan commitment fees	(6,920)	(169)
Dividends on preferred stock	(2,587)	(2,828)
Repurchase of common stock under Repurchase Program	(74,516)	(155,212)
Other, net	(1,780)	(405)
Net cash used in financing activities	<u>(131,803)</u>	<u>(198,614)</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,990)</u>	<u>3,321</u>
Cash and cash equivalents at beginning of period	<u>7,259</u>	<u>3,260</u>
Cash and cash equivalents at end of period	<u>\$ 5,269</u>	<u>\$ 6,581</u>



Updated 2023E Guidance

The Company is providing updated full year 2023 guidance (changes in *italics*) as set forth in the table below. Gulfport's 2023 guidance assumes commodity strip prices as of July 17, 2023, adjusted for applicable commodity and location differentials, and no property acquisitions or divestitures.

	Year Ending December 31, 2023	
	Low	High
Production		
Average daily gas equivalent (MMcfe/day)	1,035	1,055
% Gas	~90%	
Realizations (before hedges)		
Natural gas (differential to NYMEX settled price) (\$/Mcf)	\$ (0.20)	\$ (0.35)
NGL (% of WTI)	35%	40%
Oil (differential to NYMEX WTI) (\$/Bbl)	\$ (3.00)	\$ (4.00)
Expenses		
Lease operating expense (\$/Mcf)	\$ 0.16	\$ 0.18
Taxes other than income (\$/Mcf)	\$ 0.10	\$ 0.12
Transportation, gathering, processing and compression (\$/Mcf)	\$ 0.90	\$ 0.94
Recurring cash general and administrative ^(1,2) (\$/Mcf)	\$ 0.11	\$ 0.13
Capital expenditures (incurred)		
	Total (in millions)	
D&C	\$ 375	\$ 400
Maintenance leasehold and land	\$ 50	\$ 75
Total base capital expenditures	\$ 425	\$ 475
<i>Discretionary acreage acquisitions</i>		\$40

(1) Recurring cash G&A includes capitalization. It excludes non-cash stock compensation and expenses related to the continued administration of our prior Chapter 11 filing.

(2) 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

The below details Gulfport's hedging positions as of August 1, 2023:

	<u>3Q2023</u>	<u>4Q2023</u>	<u>Full Year 2023⁽¹⁾</u>	<u>Full Year 2024</u>	<u>Full Year 2025</u>
Natural Gas Contract Summary (NYMEX):					
Fixed Price Swaps					
Volume (BBtupd)	220	280	250	305	110
Weighted Average Price (\$/MMBtu)	\$ 3.82	\$ 4.36	\$ 4.12	\$ 4.08	\$ 4.09
Fixed Price Collars					
Volume (BBtupd)	285	285	285	180	80
Weighted Average Floor Price (\$/MMBtu)	\$ 2.93	\$ 2.93	\$ 2.93	\$ 3.43	\$ 3.65
Weighted Average Ceiling Price (\$/MMBtu)	\$ 4.78	\$ 4.78	\$ 4.78	\$ 5.49	\$ 4.54
Fixed Price Calls Sold					
Volume (BBtupd)	408	408	408	202	193
Weighted Average Price (\$/MMBtu)	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.33	\$ 5.80
Rex Zone 3 Basis					
Volume (BBtupd)	140	140	140	130	—
Differential (\$/MMBtu)	\$ (0.22)	\$ (0.22)	\$ (0.22)	\$ (0.15)	\$ —
Tetco M2 Basis					
Volume (BBtupd)	210	210	210	90	—
Differential (\$/MMBtu)	\$ (0.91)	\$ (0.91)	\$ (0.91)	\$ (0.91)	\$ —
NGPL TX OK Basis					
Volume (BBtupd)	80	80	80	70	—
Differential (\$/MMBtu)	\$ (0.35)	\$ (0.35)	\$ (0.35)	\$ (0.31)	\$ —
Oil Contract Summary (WTI):					
Fixed Price Swaps					
Volume (Bblpd)	3,000	3,000	3,000	—	—
Weighted Average Price (\$/Bbl)	\$ 74.47	\$ 74.47	\$ 74.47	\$ —	\$ —
Fixed Price Collars					
Volume (Bblpd)	—	—	—	1,000	—
Weighted Average Floor Price (\$/Bbl)	\$ —	\$ —	\$ —	\$ 62.00	\$ —
Weighted Average Ceiling Price (\$/Bbl)	\$ —	\$ —	\$ —	\$ 80.00	\$ —
NGL Contract Summary:					
C3 Propane Fixed Price Swaps					
Volume (Bblpd)	3,000	3,000	3,000	500	—
Weighted Average Price (\$/Bbl)	\$ 38.07	\$ 38.07	\$ 38.07	\$ 29.13	\$ —

(1) July 1 - December 31, 2023.



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, adjusted 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.



Definitions

Adjusted net income is a non-GAAP financial measure equal to income (loss) before income taxes less non-cash derivative (gain) loss, non-recurring general and administrative expenses comprised of expenses related to the continued administration of our prior Chapter 11 filing, stock-based compensation expenses, restructuring costs and other items which include items related to our Chapter 11 filing and other non-material expenses.

Adjusted EBITDA is a non-GAAP financial measure equal to net income (loss), the most directly comparable GAAP financial measure, plus interest expense, depreciation, depletion and amortization, and impairment of oil and gas properties, property and equipment, accretion, non-cash derivative (gain) loss, non-recurring general and administrative expenses comprised of expenses related to the continued administration of our prior Chapter 11 filing, stock-based compensation, restructuring costs and other items which include items related to our Chapter 11 filing and other non-material expenses.

Adjusted 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, capitalized expenses incurred and capital expenditures incurred. Gulfport includes a adjusted free cash flow estimate for 2023. 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. Accordingly, Gulfport is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude such reconciliation. Items excluded in net cash provided by (used in) operating activities to arrive at adjusted free cash flow include interest expense, income taxes, capitalized expenses as well as one-time items or items whose timing or amount cannot be reasonably estimated.

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 expenses comprised of expenses related to the continued administration of our prior Chapter 11 filing. Gulfport includes a recurring general and administrative expense estimate for 2023. 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. Accordingly, Gulfport is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude such reconciliation. Items excluded in general and administrative expense to arrive at recurring general and administrative expense include capitalized expenses as well as one-time items or items whose timing or amount cannot be reasonably estimated. The non-GAAP measure recurring general and administrative expenses allows investors to compare Gulfport's total general and administrative expenses, including capitalization, to peer companies that account for their oil and gas operations using the successful efforts method.



Adjusted Net Income: Three months ended June 30, 2023

(In thousands)
(Unaudited)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Pre-Tax Net Income (GAAP)	\$ 93,687	\$ 256,580
Adjustments:		
Non-cash derivative gain	(44,269)	(135,549)
Non-recurring general and administrative expense	438	264
Stock-based compensation expense	2,024	1,416
Restructuring costs	2,893	—
Other, net ⁽¹⁾⁽²⁾	(4,831)	4,282
Adjusted Net Income (Non-GAAP)	\$ 49,942	\$ 126,993

(1) For the three months ended June 30, 2023, “Other, net” included a \$5.0 million recoupment of previously placed collateral for certain firm transportation commitments during our Chapter 11 filing.

(2) For the three months ended June 30, 2022, “Other, net” included a \$5.1 million payment to settle certain gas imbalance positions.



Adjusted Net Income: Six months ended June 30, 2023

(In thousands)
(Unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Pre-Tax Net Income (Loss) (GAAP)	\$ 616,741	\$ (235,395)
Adjustments:		
Non-cash derivative (gain) loss	(421,963)	527,956
Non-recurring general and administrative expense	1,735	759
Stock-based compensation expense	3,778	2,574
Restructuring costs	4,762	—
Other, net ⁽¹⁾⁽²⁾	(19,054)	(10,528)
Adjusted Net Income (Non-GAAP)	<u>\$ 185,999</u>	<u>\$ 285,366</u>

(1) For the six months ended June 30, 2023, “Other, net” included a \$17.8 million receipt of funds related to our interim claim distribution from our Chapter 11 Plan of Reorganization and a \$1 million administrative payment to Rover as part of the executed settlement. The distribution and settlement is more fully described in Note 9 of our consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2023. Additionally, “Other, net” included a \$5.0 million recoupment of previously placed collateral for certain firm transportation commitments during our Chapter 11 filing.

(2) For the six months ended June 30, 2022, “Other, net” included \$11.5 million receipt of funds related to our initial claim distribution from our Chapter 11 Plan of Reorganization. The distribution is more fully described in Note 9 of our consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2023. Additionally, “Other, net” included a \$5.1 million payment to settle certain gas imbalance positions and a \$5.2 million receipt of funds from a litigation settlement.



Adjusted EBITDA: Three months ended June 30, 2023

*(In thousands)
(Unaudited)*

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Net Income (GAAP)	\$ 93,687	\$ 256,580
Adjustments:		
Interest expense	13,727	14,234
Income tax expense	—	—
DD&A and accretion	80,862	63,294
Non-cash derivative gain	(44,269)	(135,549)
Non-recurring general and administrative expenses	438	264
Stock-based compensation expense	2,024	1,416
Restructuring costs	2,893	—
Other, net ⁽¹⁾⁽²⁾	(4,831)	4,282
Adjusted EBITDA (Non-GAAP)	\$ 144,531	\$ 204,521

(1) For the three months ended June 30, 2023, “Other, net” included a \$5.0 million recoupment of previously placed collateral for certain firm transportation commitments during our Chapter 11 filing.

(2) For the three months ended June 30, 2022, “Other, net” included a \$5.1 million payment to settle certain gas imbalance positions.



Adjusted EBITDA: Six months ended June 30, 2023

(In thousands)
(Unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net Income (Loss) (GAAP)	\$ 616,741	\$ (235,395)
Adjustments:		
Interest expense	27,483	28,218
Income tax expense	—	—
DD&A and accretion	160,720	126,270
Non-cash derivative (gain) loss	(421,963)	527,956
Non-recurring general and administrative expenses	1,735	759
Stock-based compensation expense	3,778	2,574
Restructuring costs	4,762	—
Other, net ⁽¹⁾⁽²⁾	(19,054)	(10,528)
Adjusted EBITDA (Non-GAAP)	<u>\$ 374,202</u>	<u>\$ 439,854</u>

(1) For the six months ended June 30, 2023, “Other, net” included a \$17.8 million receipt of funds related to our interim claim distribution from our Chapter 11 Plan of Reorganization and a \$1 million administrative payment to Rover as part of the executed settlement. The distribution and settlement is more fully described in Note 9 of our consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2023. Additionally, “Other, net” included a \$5.0 million recoupment of previously placed collateral for certain firm transportation commitments during our Chapter 11 filing.

(2) For the six months ended June 30, 2022, “Other, net” included \$11.5 million receipt of funds related to our initial claim distribution from our Chapter 11 Plan of Reorganization. The distribution is more fully described in Note 9 of our consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2023. Additionally, “Other, net” included a \$5.1 million payment to settle certain gas imbalance positions and a \$5.2 million receipt of funds from a litigation settlement.



Adjusted Free Cash Flow: Three months ended June 30, 2023

(In thousands)
(Unaudited)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Net cash provided by operating activity (GAAP)	\$ 107,351	\$ 129,504
Adjustments:		
Interest expense	13,727	14,234
Non-recurring general and administrative expenses	438	264
Restructuring costs	2,893	—
Other, net ⁽¹⁾⁽²⁾	(6,478)	4,009
Changes in operating assets and liabilities, net:		
Accounts receivable - oil, natural gas, and natural gas liquids sales	(27,759)	110,028
Accounts receivable - joint interest and other	(5,432)	(13,611)
Accounts payable and accrued liabilities	58,161	(41,910)
Prepaid expenses	1,737	3,426
Other assets	(107)	(1,423)
Total changes in operating assets and liabilities, net	<u>\$ 26,600</u>	<u>\$ 56,510</u>
Adjusted EBITDA (Non-GAAP)	<u>\$ 144,531</u>	<u>\$ 204,521</u>
Interest expense	(13,727)	(14,234)
Capitalized expenses incurred ⁽³⁾	(5,423)	(4,230)
Capital expenditures incurred ⁽⁴⁾	(129,547)	(105,755)
Adjusted free cash flow (Non-GAAP)	<u>\$ (4,166)</u>	<u>\$ 80,302</u>

(1) For the three months ended June 30, 2023, “Other, net” included a \$5.0 million recoupment of previously placed collateral for certain firm transportation commitments during our Chapter 11 filing.

(2) For the three months ended June 30, 2022, “Other, net” included a \$5.1 million payment to settle certain gas imbalance positions.

(3) Includes cash capitalized general and administrative expense and incurred capitalized interest expenses.

(4) Incurred capital expenditures and cash capital expenditures may vary from period to period due to the cash payment cycle.



Adjusted Free Cash Flow: Six months ended June 30, 2023

(In thousands)
(Unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net cash provided by operating activity (GAAP)	\$ 411,406	\$ 383,200
Adjustments:		
Interest expense	27,483	28,218
Non-recurring general and administrative expenses	1,735	759
Restructuring costs	4,762	—
Other, net ⁽¹⁾⁽²⁾	(23,025)	(11,641)
Changes in operating assets and liabilities:		
Accounts receivable - oil, natural gas, and natural gas liquids sales	(186,300)	84,043
Accounts receivable - joint interest and other	(3,595)	4,111
Accounts payable and accrued liabilities	140,832	(44,045)
Prepaid expenses	973	(3,385)
Other assets	(69)	(1,406)
Total changes in operating assets and liabilities	<u>\$ (48,159)</u>	<u>\$ 39,318</u>
Adjusted EBITDA (Non-GAAP)	<u>\$ 374,202</u>	<u>\$ 439,854</u>
Interest expense	(27,483)	(28,218)
Capitalized expenses incurred ⁽³⁾	(10,506)	(8,377)
Capital expenditures incurred ⁽⁴⁾	(277,234)	(206,130)
Adjusted free cash flow (Non-GAAP)	<u>\$ 58,979</u>	<u>\$ 197,129</u>

(1) For the six months ended June 30, 2023, “Other, net” included a \$17.8 million receipt of funds related to our interim claim distribution from our Chapter 11 Plan of Reorganization and a \$1 million administrative payment to Rover as part of the executed settlement. The distribution and settlement is more fully described in Note 9 of our consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2023. Additionally, “Other, net” included a \$5.0 million recoupment of previously placed collateral for certain firm transportation commitments during our Chapter 11 filing.

(2) For the six months ended June 30, 2022, “Other, net” included \$11.5 million receipt of funds related to our initial claim distribution from our Chapter 11 Plan of Reorganization. The distribution is more fully described in Note 9 of our consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2023. Additionally, “Other, net” included a \$5.1 million payment to settle certain gas imbalance positions and a \$5.2 million receipt of funds from a litigation settlement.

(3) Includes cash capitalized general and administrative expense and incurred capitalized interest expenses.

(4) 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 months ended June 30, 2023

(In thousands)
(Unaudited)

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 6,587	\$ 2,024	\$ 8,611	\$ 6,855	\$ 1,416	\$ 8,271
Capitalized general and administrative expense	4,408	997	5,405	4,230	729	4,959
Non-recurring general and administrative expense	(438)	—	(438)	(264)	—	(264)
Recurring general and administrative before capitalization (Non-GAAP)	\$ 10,557	\$ 3,021	\$ 13,578	\$ 10,821	\$ 2,145	\$ 12,966



Recurring General and Administrative Expenses:
Six months ended June 30, 2023

(In thousands)
(Unaudited)

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 13,566	\$ 3,778	\$ 17,344	\$ 12,802	\$ 2,574	\$ 15,376
Capitalized general and administrative expense	8,667	1,861	10,528	8,377	1,326	9,703
Non-recurring general and administrative expense	(1,735)	—	(1,735)	(759)	—	(759)
Recurring general and administrative before capitalization (Non-GAAP)	\$ 20,498	\$ 5,639	\$ 26,137	\$ 20,420	\$ 3,900	\$ 24,320