
**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 5, 2021

GULFPORT ENERGY CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-19514
(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 August 5, 2021, Gulfport Energy Corporation (“Gulfport”) issued a press release reporting its financial and operational results for the second quarter ended June 30, 2021 and providing an update on its 2021 activities. A copy of the press release and supplemental financial information are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

Also on August 5, 2021, Gulfport posted an updated investor presentation on its website. The presentation may be found on Gulfport’s website at <http://www.gulfportenergy.com> by selecting “Investors,” “Company Information” and then “Presentations.”

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

Item 9.01. Financial Statements and Exhibits

(d) *Exhibits*

<u>Number</u>	<u>Exhibit</u>
99.1	Press release dated August 5, 2021 entitled “Gulfport Energy Corporation Reports Second Quarter 2021 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 5, 2021

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



Press Release

Gulfport Energy Corporation Reports Second Quarter 2021 Financial and Operating Results

OKLAHOMA CITY (August 5, 2021) Gulfport Energy Corporation (NASDAQ: GPOR) (“Gulfport” or the “Company”) today reported financial and operating results for the three months and six months ended June 30, 2021 and provided its 2021 development plan and financial guidance.

Second Quarter 2021 Highlights⁽¹⁾

- Emerged from restructuring process on May 17, 2021
- Right-sized firm transportation commitments and negotiated new, cost-competitive midstream agreements to better align with operating plan
- Reduced total debt by more than \$1.2 billion and reduced annual cash interest expense by over \$90 million
- Reported \$87.3 million of Net Cash Provided by Operating Activities
- Delivered \$74.4 million of Free Cash Flow (non-GAAP measure)

2021 Full Year Forecast

- Intend to invest \$290 million to \$310 million of capital
- Expect to deliver full year net production of 975 MMcfe to 1,000 MMcfe per day
- Forecast to reduce total per unit expense⁽²⁾ by more than 23% when compared to 2020
- Plan to generate approximately \$290 million to \$310 million of Free Cash Flow (non-GAAP measure)

“During the second quarter 2021, we emerged from our restructuring process with a continuous improvement mindset, focused on cost effective production and capital discipline, supported by a strong balance sheet. We are fully committed to safely executing in the field and improving our Environmental, Social and Governance performance. We flattened our corporate structure, reduced overhead and are focused on optimizing our development program to deliver the highest returns possible to our investors,” commented Tim Cutt, Interim CEO of Gulfport.

“We plan to develop our assets in a disciplined manner, investing approximately \$300 million of capital to deliver 1.0 Bcfe per day of production and targeting sustainable cash flow generation of roughly \$300 million per year. We believe that our ability to deliver substantial free cash flow, with top-quartile operating costs and leverage, provides a unique opportunity for investors.”

A company presentation to accompany the Gulfport earnings conference call can be accessed by clicking [here](#).

1. Second quarter highlights and full year outlook reflect the combination of Successor and Predecessor company results, unless otherwise noted. The Company refers to the post-emergence reorganized company as the Successor for periods subsequent to May 18, 2021, and to the pre-emergence company as the Predecessor for periods on or prior to May 17, 2021.
2. Includes lease operating expense, midstream transportation, gathering and processing expense, taxes other than income, recurring general and administrative expense and interest.

Fresh Start Accounting and Predecessor and Successor Periods

On May 17, 2021 (“Emergence Date”), Gulfport successfully completed its restructuring process and emerged from Chapter 11 protection. In connection with the Company’s emergence from bankruptcy, the Company qualified for and applied fresh start accounting on the Emergence Date. As a result of the application of fresh start accounting, the consolidated financial statements after May 17, 2021, are not comparable with the consolidated financial statements on or prior to that date. References to “Successor” refer to the Gulfport entity after emergence from bankruptcy on the Emergence Date. References to “Predecessor” refer to the Gulfport entity prior to emergence from bankruptcy.

2020 Corporate Sustainability Report

Gulfport today released its 2020 Corporate Sustainability Report. The report highlights Gulfport’s commitment to environmental excellence, managing and reducing risks, and our commitment to the well-being of our employees and the communities in which we operate. The report is available at gulfportenergy.com/sustainability.

Operational Update

For the second quarter of 2021, the Company spud one gross operated well in the Utica with a planned lateral length of 12,100 feet and two gross operated wells in the SCOOP with planned lateral lengths of 9,700 feet. In addition, Gulfport turned-to-sales two gross operated wells in the Utica and eight gross operated wells in the SCOOP. The average lateral length for the wells turned-to-sales was approximately 13,000 feet in the Utica and 9,300 feet in the SCOOP.

Gulfport’s net daily production for the second quarter of 2021 averaged 989.1 MMcfe per day, primarily consisting of 744.3 MMcfe per day in the Utica and 244.4 MMcfe per day in the SCOOP. For the second quarter of 2021, Gulfport’s net daily production mix was comprised of approximately 91% natural gas, 6% natural gas liquids (“NGL”) and 3% oil.

	Non-GAAP Combined	Predecessor
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Production		
Natural gas (Mcf/day)	895,101	933,936
Oil and condensate (Bbl/day)	4,971	4,577
NGL (Bbl/day)	10,687	10,945
Total (Mcf/day)	<u>989,053</u>	<u>1,027,065</u>
Average Prices		
Natural Gas:		
Average price without the impact of derivatives (\$/Mcf)	\$ 2.71	\$ 1.66
Impact from settled derivatives (\$/Mcf)	(0.12)	0.99
Average price, including settled derivatives (\$/Mcf)	<u>\$ 2.59</u>	<u>\$ 2.65</u>
Oil:		
Average price without the impact of derivatives (\$/Bbl)	\$ 62.95	\$ 20.14
Impact from settled derivatives (\$/Bbl)	—	97.12
Average price, including settled derivatives (\$/Bbl)	<u>\$ 62.95</u>	<u>\$ 117.26</u>
NGL:		
Average price without the impact of derivatives (\$/Bbl)	\$ 29.89	\$ 10.29
Impact from settled derivatives (\$/Bbl)	—	—
Average price, including settled derivatives (\$/Bbl)	<u>\$ 29.89</u>	<u>\$ 10.29</u>
Total:		
Average price without the impact of derivatives (\$/Mcf)	\$ 3.09	\$ 1.70
Impact from settled derivatives (\$/Mcf)	(0.11)	1.33
Average price, including settled derivatives (\$/Mcf)	<u>\$ 2.98</u>	<u>\$ 3.03</u>
Selected operating metrics		
Lease operating expenses (\$/Mcf)	\$ 0.12	\$ 0.14
Taxes other than income (\$/Mcf)	\$ 0.10	\$ 0.07
Transportation, gathering, processing and compression expense (\$/Mcf)	\$ 1.07	\$ 1.22
Recurring general and administrative expenses (\$ millions) (non-GAAP)	\$ 0.12	\$ 0.16
Interest expenses (\$/Mcf)	\$ 0.13	\$ 0.35

Capital Investment

Capital investment was \$67.8 million (on an incurred basis) for the second quarter of 2021, of which \$67.6 million related to drilling and completion (“D&C”) activity and \$0.2 million related to leasehold and land investment.

For the six-month period ended June 30, 2021, capital investment was \$140.5 million (on an incurred basis), of which \$136.2 million related to D&C activity and \$4.3 million to leasehold and land investment.

Financial Position and Liquidity

As of June 30, 2021, the Company had \$9.4 million of cash and cash equivalents, \$105.0 million of borrowings under its revolving credit facility, \$180.0 million of borrowings under its term loan, \$114.8 million of letters of credit outstanding and \$550 million of outstanding 2026 senior notes. The Company was in compliance with the covenants under its credit agreement.

The Company's liquidity at June 30, 2021 totaled approximately \$150 million, comprised of the \$9.4 million of cash and cash equivalents and approximately \$141 million of available borrowing capacity under our revolving credit facility, after adjusting for the \$40 million liquidity blocker.

On June 30, 2021, the company paid dividends on its New Preferred Stock, which included 1,006 shares of New Preferred Stock paid in kind and approximately \$25,000 of cash-in-lieu of fractional shares.

2021 Development Plan and Financial Guidance

Gulfport released operational guidance and outlook for the full year 2021, including full-year expense estimates and projections for production and capital expenditures. Gulfport's 2021 guidance assumes commodity strip prices as of July 7, 2021, adjusted for applicable commodity and location differentials, and no property acquisitions or divestitures.

	Year Ending 12/31/21	
	Low	High
Production		
Average Daily Gas Equivalent (MMcfepd)	975	1,000
% Gas	~90%	
Realizations (before hedges)		
Natural Gas (Differential to NYMEX Settled Price) (\$/Mcf)	\$(0.10)	\$(0.20)
NGL (% of WTI)	45%	50%
Oil (Differential to NYMEX WTI) (\$/Bbl)	\$(3.00)	\$(4.00)
Operating Costs		
Lease operating expense (\$/Mcf)	\$ 0.13	\$ 0.15
Taxes other than income (\$/Mcf)	\$ 0.11	\$ 0.13
Transportation, gathering, processing and compression ⁽¹⁾ (\$/Mcf)	\$ 0.92	\$ 0.96
Recurring general and administrative ^(2,3) (in millions)	\$ 45	\$ 47

- (1) Assumes rejection of TC Energy & Rover firm transportation agreements.
(2) Recurring G&A includes capitalization. It excludes non-cash stock compensation and expenses related to certain legal and restructuring charges.

Capital Expenditures (incurred)	Total	
	(in millions)	
D&C	\$270	\$290
Leasehold and Land	\$20	
Total	\$290	\$310
Free Cash Flow⁽³⁾	\$290	\$310

- (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

The following below details Gulfport's hedging positions as of August 5, 2021:

	3Q2021	4Q2021	2021(1)	2022
Natural Gas Contract Summary (NYMEX):				
Fixed Price Swaps				
Volume (BBtupd)	245	198	222	141
Weighted Average Price (\$/MMBtu)	\$ 2.75	\$ 2.85	\$ 2.79	\$ 2.88
Fixed Price Collars				
Volume (BBtupd)	540	610	575	407
Weighted Average Floor Price (\$/MMBtu)	\$ 2.56	\$ 2.59	\$ 2.58	\$ 2.58
Weighted Average Ceiling Price (\$/MMBtu)	\$ 2.91	\$ 3.02	\$ 2.97	\$ 2.91
Fixed Price Calls Sold				
Volume (BBtupd)	—	—	—	153
Weighted Average Price (\$/MMBtu)	\$ —	\$ —	\$ —	\$ 2.90
Rex Zone 3 Basis				
Volume (BBtupd)	50	83	67	25
Differential (\$/MMBtu)	\$ (0.23)	\$ (0.12)	\$ (0.16)	\$ (0.10)
Oil Contract Summary (WTI):				
Fixed Price Swaps				
Volume (Bblpd)	3,500	3,000	3,250	2,104
Weighted Average Price (\$/Bbl)	\$57.09	\$57.67	\$57.35	\$66.23
Fixed Price Collars				
Volume (Bblpd)	—	—	—	1,500
Weighted Average Floor Price (\$/Bbl)	\$ —	\$ —	\$ —	\$55.00
Weighted Average Ceiling Price (\$/Bbl)	\$ —	\$ —	\$ —	\$60.00
NGL Contract Summary:				
C3 Propane Fixed Price Swaps				
Volume (Bblpd)	3,100	3,100	3,100	496
Weighted Average Price (\$/Bbl)	\$27.80	\$27.80	\$27.80	\$27.30

(1) July 1 - December 31, 2021

Second Quarter 2021 Conference Call

Gulfport will host a teleconference and webcast to discuss its second quarter of 2021 results beginning at 9:00 a.m. ET (8:00 a.m. CT) on Friday, August 6, 2021.

The conference call can be heard live through a link on the Gulfport website, www.gulfportenergy.com. In addition, you may participate in the conference call by dialing 866-373-3408 domestically or 412-902-1039 internationally. A replay of the conference call will be

available on the Gulfport website and a telephone audio replay will be available from August 6, 2021 to August 20, 2021, by calling 877-660-6853 domestically or 201-612-7415 internationally and then entering the replay passcode 13721683.

Financial Statements and Guidance Documents

Second quarter of 2021 earnings results and supplemental information regarding quarterly data such as production volumes, pricing, financial statements, and non-GAAP reconciliations are available on our website at [ir.gulfportenergy.com/](https://www.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/](https://www.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, its ability to enhance cash flow and financial flexibility, future production and commodity mix, plans and objectives for future operations, the ability of our employees, portfolio strength and operational leadership to create long-term value, the rejection of certain midstream contracts and the assumptions on which such statements are based. Gulfport believes the expectations and forecasts reflected in the forward-looking statements are reasonable, Gulfport can give no assurance they will prove to have been correct. They can be affected by inaccurate or changed assumptions or by known or unknown risks and uncertainties. Important risks, assumptions and other important factors that could cause future results to differ materially from those expressed in the forward-looking statements are described under “Risk Factors” in Item 1A of Gulfport’s annual report on Form 10-K for the year ended December 31, 2020 and any updates to those factors set forth in Gulfport’s subsequent quarterly reports on Form 10-Q or current reports on Form 8-K (available at <https://www.ir.gulfportenergy.com/all-sec-filings>). Gulfport undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

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

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**Three months and six months ended June 30, 2021
Supplemental Information of Gulfport Energy**

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

Production Volumes

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>April 1, 2021</u> <u>through May 17,</u> <u>2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Three Months</u> <u>Ended June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended June 30,</u> <u>2020</u>
Natural gas (Mcf/day)				
Utica	691,876	748,885	721,321	775,070
SCOOP	194,513	154,224	173,704	158,813
Other	127	29	76	53
Total	<u>886,516</u>	<u>903,138</u>	<u>895,101</u>	<u>933,936</u>
Oil and condensate (Bbl/day)				
Utica	1,125	1,208	1,168	308
SCOOP	4,824	2,757	3,756	4,186
Other	71	24	47	83
Total	<u>6,020</u>	<u>3,989</u>	<u>4,971</u>	<u>4,577</u>
NGL (Bbl/day)				
Utica	2,735	2,586	2,658	2,532
SCOOP	9,073	7,047	8,027	8,411
Other	4	2	2	2
Total	<u>11,812</u>	<u>9,635</u>	<u>10,687</u>	<u>10,945</u>
Combined (Mcfe/day)				
Utica	715,042	771,649	744,279	792,106
SCOOP	277,897	213,043	244,401	234,396
Other	577	182	373	563
Total	<u>993,516</u>	<u>984,874</u>	<u>989,053</u>	<u>1,027,065</u>



Production Volumes by Asset Area : Six months ended, June 30, 2021

Production Volumes

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1, 2021</u> <u>through May 17,</u> <u>2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2020</u>
Natural gas (Mcf/day)				
Utica	691,876	780,791	759,176	780,426
SCOOP	194,513	126,294	142,878	159,349
Other	127	63	78	46
Total	<u>886,516</u>	<u>907,148</u>	<u>902,132</u>	<u>939,821</u>
Oil and condensate (Bbl/day)				
Utica	1,125	1,336	1,285	450
SCOOP	4,824	2,508	3,071	4,680
Other	71	35	44	81
Total	<u>6,020</u>	<u>3,879</u>	<u>4,400</u>	<u>5,211</u>
NGL (Bbl/day)				
Utica	2,735	2,638	2,661	2,865
SCOOP	9,073	6,200	6,899	8,692
Other	4	3	3	1
Total	<u>11,812</u>	<u>8,841</u>	<u>9,563</u>	<u>11,558</u>
Combined (Mcf/day)				
Utica	715,042	804,633	782,854	800,313
SCOOP	277,897	178,545	202,697	239,583
Other	577	288	358	536
Total	<u>993,516</u>	<u>983,466</u>	<u>985,909</u>	<u>1,040,432</u>



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

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

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>April 1, 2021</u> <u>through May 17,</u> <u>2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Three Months</u> <u>Ended June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended June 30,</u> <u>2020</u>
Natural gas sales				
Natural gas production volumes (MMcf)	39,007	42,448	81,455	84,988
Natural gas production volumes (MMcf) per day	887	903	895	934
Total sales	111,718	109,069	220,787	140,688
Average price without the impact of derivatives (\$/Mcf)	2.86	2.57	2.71	1.66
Impact from settled derivatives (\$/Mcf)	(0.17)	(0.08)	(0.12)	0.99
Average price, including settled derivatives (\$/Mcf)	2.69	2.49	2.59	2.65
Oil and condensate sales				
Oil and condensate production volumes (MBbl)	265	187	452	417
Oil and condensate production volumes (MBbl) per day	6	4	5	5
Total sales	17,587	10,867	28,454	8,390
Average price without the impact of derivatives (\$/Bbl)	66.37	58.11	62.95	20.14
Impact from settled derivatives (\$/Bbl)	—	—	—	97.12
Average price, including settled derivatives (\$/Bbl)	66.37	58.11	62.95	117.26
NGL sales				
NGL production volumes (MBbl)	520	453	973	996
NGL production volumes (MBbl) per day	12	10	11	11
Total sales	16,077	13,004	29,081	10,252
Average price without the impact of derivatives (\$/Bbl)	30.92	28.71	29.89	10.29
Impact from settled derivatives (\$/Bbl)	—	—	—	—
Average price, including settled derivatives (\$/Bbl)	30.92	28.71	29.89	10.29
Natural gas, oil and condensate and NGL sales				
Natural gas equivalents (MMcfe)	43,715	46,289	90,004	93,463
Natural gas equivalents (MMcfe) per day	994	985	989	1,027
Total sales	145,382	132,940	278,322	159,330
Average price without the impact of derivatives (\$/Mcf)	3.33	2.87	3.09	1.70
Impact from settled derivatives (\$/Mcf)	(0.15)	(0.08)	(0.11)	1.33
Average price, including settled derivatives (\$/Mcf)	3.18	2.79	2.98	3.03
Production Costs:				
Average lease operating expenses (\$/Mcf)	\$ 0.09	\$ 0.15	\$ 0.12	\$ 0.14
Average taxes other than income (\$/Mcf)	\$ 0.12	\$ 0.08	\$ 0.10	\$ 0.07
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.95	\$ 1.19	\$ 1.07	\$ 1.22
Total lease operating expenses, midstream costs and production taxes (\$/Mcf)	1.16	1.42	1.29	1.43



Production and Pricing : Six months ended, June 30, 2021

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

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1,</u> <u>2021 through</u> <u>May 17, 2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2020</u>
Natural gas sales				
Natural gas production volumes (MMcf)	39,007	124,279	163,286	171,047
Natural gas production volumes (MMcf) per day	887	907	902	940
Total sales	111,718	344,390	456,108	301,696
Average price without the impact of derivatives (\$/Mcf)	2.86	2.77	2.79	1.76
Impact from settled derivatives (\$/Mcf)	(0.17)	(0.03)	(0.06)	0.85
Average price, including settled derivatives (\$/Mcf)	<u>2.69</u>	<u>2.74</u>	<u>2.73</u>	<u>2.61</u>
Oil and condensate sales				
Oil and condensate production volumes (MBbl)	265	531	796	948
Oil and condensate production volumes (MBbl) per day	6	4	4	5
Total sales	17,587	29,106	46,693	31,541
Average price without the impact of derivatives (\$/Bbl)	66.37	54.81	58.66	33.26
Impact from settled derivatives (\$/Bbl)	—	—	—	52.67
Average price, including settled derivatives (\$/Bbl)	<u>66.37</u>	<u>54.81</u>	<u>58.66</u>	<u>85.93</u>
NGL sales				
NGL production volumes (MBbl)	520	1,211	1,731	2,103
NGL production volumes (MBbl) per day	12	9	10	12
Total sales	16,077	36,780	52,857	27,165
Average price without the impact of derivatives (\$/Bbl)	30.92	30.37	30.54	12.92
Impact from settled derivatives (\$/Bbl)	—	—	—	—
Average price, including settled derivatives (\$/Bbl)	<u>30.92</u>	<u>30.37</u>	<u>30.54</u>	<u>12.92</u>
Natural gas, oil and condensate and NGL sales				
Natural gas equivalents (MMcfe)	43,715	134,735	178,450	189,359
Natural gas equivalents (MMcfe) per day	994	983	986	1,040
Total sales	145,382	410,276	555,658	360,402
Average price without the impact of derivatives (\$/Mcf)	3.33	3.05	3.11	1.90
Impact from settled derivatives (\$/Mcf)	(0.15)	(0.02)	(0.06)	1.03
Average price, including settled derivatives (\$/Mcf)	<u>3.18</u>	<u>3.03</u>	<u>3.05</u>	<u>2.93</u>
Production Costs:				
Average lease operating expenses (\$/Mcf)	\$ 0.09	\$ 0.14	\$ 0.13	\$ 0.15
Average taxes other than income (\$/Mcf)	\$ 0.12	\$ 0.09	\$ 0.10	\$ 0.07
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.95	\$ 1.20	\$ 1.13	\$ 1.18
Total lease operating expenses, midstream costs and production taxes (\$/Mcf)	<u>1.16</u>	<u>1.43</u>	<u>1.36</u>	<u>1.40</u>



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

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

	Successor	Predecessor	
	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2020
REVENUES:			
Natural gas sales	\$ 111,718	\$ 109,069	\$ 140,688
Oil and condensate sales	17,587	10,867	8,390
Natural gas liquid sales	16,077	13,004	10,252
Net (loss) gain on natural gas, oil and NGL derivatives	(139,658)	(107,261)	26,971
Total Revenues	<u>5,724</u>	<u>25,679</u>	<u>186,301</u>
OPERATING EXPENSES:			
Lease operating expenses	4,116	6,871	13,078
Taxes other than income	5,056	3,645	6,300
Transportation, gathering, processing and compression	41,376	55,219	113,865
Depreciation, depletion and amortization	32,362	21,617	64,790
Impairment of oil and natural gas properties	117,813	—	532,880
General and administrative expenses	6,518	6,418	9,766
Restructuring and liability management expenses	—	—	617
Accretion expense	226	424	755
Total Operating Expenses	<u>207,467</u>	<u>94,194</u>	<u>742,051</u>
(LOSS) INCOME FROM OPERATIONS	<u>(201,743)</u>	<u>(68,515)</u>	<u>(555,750)</u>
OTHER EXPENSE (INCOME):			
Interest expense	8,894	898	32,366
Gain on debt extinguishment	—	—	(34,257)
Loss from equity method investments, net	—	—	45
Reorganization items, net	—	(305,617)	—
Other expense	(1,051)	1,958	7,164
Total Other Expense	<u>7,843</u>	<u>(302,761)</u>	<u>5,318</u>
(LOSS) INCOME BEFORE INCOME TAXES	<u>(209,586)</u>	<u>234,246</u>	<u>(561,068)</u>
Income tax benefit	—	(7,968)	—
NET (LOSS) INCOME	<u>\$ (209,586)</u>	<u>\$ 242,214</u>	<u>\$ (561,068)</u>
Dividends on New Preferred Stock	\$ (1,031)	\$ —	\$ —
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ (210,617)</u>	<u>\$ 242,214</u>	<u>\$ (561,068)</u>
NET INCOME (LOSS) PER COMMON SHARE:			
Basic	\$ (10.36)	\$ 1.51	\$ (3.51)
Diluted	\$ (10.36)	\$ 1.51	\$ (3.51)
Weighted average common shares outstanding—Basic	20,321	\$ 160,887	159,934
Weighted average common shares outstanding—Diluted	20,321	160,887	159,934



Consolidated Statements of Income: Six months ended, June 30, 2021

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

	Successor	Predecessor	
	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2020
REVENUES:			
Natural gas sales	\$ 111,718	\$ 344,390	\$ 301,696
Oil and condensate sales	17,587	29,106	31,541
Natural gas liquid sales	16,077	36,780	27,165
Net (loss) gain on natural gas, oil and NGL derivatives	(139,658)	(137,239)	125,237
Total Revenues	<u>5,724</u>	<u>273,037</u>	<u>485,639</u>
OPERATING EXPENSES:			
Lease operating expenses	4,116	19,524	27,773
Taxes other than income	5,056	12,349	12,937
Transportation, gathering, processing and compression	41,376	161,086	224,222
Depreciation, depletion and amortization	32,362	62,764	142,818
Impairment of oil and natural gas properties	117,813	—	1,086,225
Impairment of other property and equipment	—	14,568	—
General and administrative expenses	6,518	19,175	25,388
Restructuring and liability management expenses	—	—	617
Accretion expense	226	1,229	1,496
Total Operating Expenses	<u>207,467</u>	<u>290,695</u>	<u>1,521,476</u>
(LOSS) INCOME FROM OPERATIONS	<u>(201,743)</u>	<u>(17,658)</u>	<u>(1,035,837)</u>
OTHER EXPENSE (INCOME):			
Interest expense	8,894	4,159	65,356
Gain on debt extinguishment	—	—	(49,579)
Loss from equity method investments, net	—	342	10,834
Reorganization items, net	—	(266,898)	—
Other expense	(1,051)	1,711	8,868
Total Other Expense (Income)	<u>7,843</u>	<u>(260,686)</u>	<u>35,479</u>
(LOSS) INCOME BEFORE INCOME TAXES	<u>(209,586)</u>	<u>243,028</u>	<u>(1,071,316)</u>
Income tax (benefit) expense	—	(7,968)	7,290
NET (LOSS) INCOME	<u>\$ (209,586)</u>	<u>\$ 250,996</u>	<u>\$ (1,078,606)</u>
Dividends on New Preferred Stock	\$ (1,031)	\$ —	\$ —
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ (210,617)</u>	<u>\$ 250,996</u>	<u>\$ (1,078,606)</u>
NET (LOSS) INCOME PER COMMON SHARE:			
Basic	\$ (10.36)	\$ 1.56	\$ (6.75)
Diluted	\$ (10.36)	\$ 1.56	\$ (6.75)
Weighted average common shares outstanding—Basic	20,321	160,834	159,847
Weighted average common shares outstanding—Diluted	20,321	160,834	159,847



Consolidated Balance Sheets

(In thousands, except share data)

	<u>Successor</u>	<u>Predecessor</u>
	<u>June 30, 2021</u>	<u>December 31,</u>
	<u>(Unaudited)</u>	<u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,389	\$ 89,861
Restricted cash	29,135	—
Accounts receivable—oil and natural gas sales	140,663	119,879
Accounts receivable—joint interest and other	10,695	12,200
Prepaid expenses and other current assets	24,737	160,664
Short-term derivative instruments	2,223	27,146
Total current assets	<u>216,842</u>	<u>409,750</u>
Property and equipment:		
Oil and natural gas properties, full-cost method		
Proved oil and natural gas properties	1,737,778	9,359,866
Unproved properties	224,214	1,457,043
Other property and equipment	6,914	88,538
Total property and equipment	1,968,906	10,905,447
Less: accumulated depletion, depreciation and amortization	(150,175)	(8,819,178)
Total property and equipment, net	<u>1,818,731</u>	<u>2,086,269</u>
Other assets:		
Equity investments	—	24,816
Long-term derivative instruments	3,014	322
Operating lease assets	44	342
Other assets	27,557	18,372
Total other assets	<u>30,615</u>	<u>43,852</u>
Total assets	<u>\$ 2,066,188</u>	<u>\$ 2,539,871</u>



Consolidated Balance Sheets

(In thousands, except share data)

	<u>Successor</u>	<u>Predecessor</u>
	<u>June 30, 2021</u>	<u>December 31,</u>
	<u>(Unaudited)</u>	<u>2020</u>
Liabilities, Mezzanine Equity and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 397,800	\$ 244,903
Short-term derivative instruments	192,730	11,641
Current portion of operating lease liabilities	39	—
Current maturities of long-term debt	60,000	253,743
Total current liabilities	<u>650,569</u>	<u>510,287</u>
Non-current liabilities:		
Long-term derivative instruments	113,470	36,604
Asset retirement obligation	19,347	—
Non-current operating lease liabilities	5	—
Long-term debt, net of current maturities	773,847	—
Total non-current liabilities	<u>906,669</u>	<u>36,604</u>
Liabilities subject to compromise	—	2,293,480
Total liabilities	\$ 1,557,238	\$ 2,840,371
Mezzanine Equity:		
New Preferred Stock - \$0.0001 par value; 110 thousand shares authorized, 55.9 thousand issued and outstanding at June 30, 2021	55,860	—
Stockholders' equity (deficit):		
Predecessor common stock - \$0.01 par value, 200.0 million shares authorized, 160.8 million 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 June 30, 2021	2	—
Additional paid-in capital	693,919	4,213,752
New Common Stock held in reserve, 937 thousand shares	(30,216)	—
Accumulated deficit	(210,615)	(4,472,859)
Total stockholders' equity (deficit)	<u>\$ 453,090</u>	<u>\$ (300,500)</u>
Total liabilities, mezzanine equity and stockholders' equity (deficit)	\$ 2,066,188	\$ 2,539,871



Consolidated Statement of Cash Flows: Six months ended, June 30, 2021

(In thousands)
(Unaudited)

	Successor	Predecessor	
	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2020
Cash flows from operating activities:			
Net income (loss)	\$ (209,586)	\$ 250,996	\$ (1,078,606)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depletion, depreciation and amortization	32,362	62,764	142,818
Impairment of oil and natural gas properties	117,813	—	1,086,225
Impairment of other property and equipment	—	14,568	—
Loss from equity investments	—	342	10,834
Gain on debt extinguishment	—	—	(49,579)
Net loss (gain) on derivative instruments	139,658	137,239	(125,237)
Net cash receipts on settled derivative instruments	(6,689)	(3,361)	195,232
Non-cash reorganization items, net	—	(446,012)	—
Deferred income tax expense	—	—	7,290
Other, net	(397)	1,725	9,844
Changes in operating assets and liabilities, net	(34,796)	153,894	48,401
Net cash provided by operating activities	<u>38,365</u>	<u>172,155</u>	<u>247,222</u>
Cash flows from investing activities:			
Additions to oil and natural gas properties	(40,424)	(102,330)	(274,851)
Proceeds from sale of oil and natural gas properties	225	15	45,185
Other, net	(77)	4,484	(424)
Net cash used in investing activities	<u>(40,276)</u>	<u>(97,831)</u>	<u>(230,090)</u>
Cash flows from financing activities:			
Principal payments on pre-petition revolving credit facility	—	(318,961)	(323,000)
Borrowings on pre-petition revolving credit facility	—	26,050	326,000
Borrowings on exit credit facility	113,249	302,751	—
Principal payments on exit credit facility	(131,000)	—	—
Principal payments on DIP credit facility	—	(157,500)	—
Debt issuance costs and loan commitment fees	(1,206)	(7,100)	—
Repurchase of senior notes	—	—	(22,827)
Proceeds from issuance of New Preferred Stock	—	50,000	—
Other, net	(25)	(8)	(548)
Net cash used in financing activities	<u>(18,982)</u>	<u>(104,768)</u>	<u>(20,375)</u>
Net decrease in cash, cash equivalents and restricted cash	<u>(20,893)</u>	<u>(30,444)</u>	<u>(3,243)</u>
Cash, cash equivalents and restricted cash at beginning of period	59,417	89,861	6,060
Cash, cash equivalents and restricted cash at end of period	<u>\$ 38,524</u>	<u>\$ 59,417</u>	<u>\$ 2,817</u>



2021E Guidance

Gulfport's 2021 guidance assumes commodity strip prices as of July 7, 2021, adjusted for applicable commodity and location differentials, and no property acquisitions or divestitures.

	Year Ending 12/31/21	
	Low	High
Production		
Average Daily Gas Equivalent (MMcfepd)	975	1,000
% Gas	~90%	
Realizations (before hedges)		
Natural Gas (Differential to NYMEX Settled Price) (\$/Mcf)	\$(0.10)	\$(0.20)
NGL (% of WTI)	45%	50%
Oil (Differential to NYMEX WTI) (\$/Bbl)	\$(3.00)	\$(4.00)
Operating Costs		
Lease operating expense (\$/Mcf)	\$ 0.13	\$ 0.15
Taxes other than income (\$/Mcf)	\$ 0.11	\$ 0.13
Transportation, gathering, processing and compression ⁽¹⁾ (\$/Mcf)	\$ 0.92	\$ 0.96
Recurring general and administrative ^(2,3) (in millions)	\$ 45.0	\$ 47.0

- (1) Assumes rejection of TC Energy & Rover firm transportation agreements.
(2) Recurring G&A includes capitalization. It excludes non-cash stock compensation and expenses related to certain legal and restructuring charges.

Capital Expenditures (incurred)	Total (in millions)	
	D&C	\$270
Leasehold and Land	\$20	
Total	\$290	\$310
Free Cash Flow⁽³⁾	\$290	\$310

- (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.



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

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

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

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



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

(In thousands)
(Unaudited)

	<u>Successor</u> Period from May 18, 2021 through June 30, 2021	<u>Predecessor</u> Period from April 1, 2021 through May 17, 2021	<u>Non-GAAP</u> <u>Combined</u> Three Months Ended June 30, 2021	<u>Predecessor</u> Three Months Ended June 30, 2020
Pre-Tax Net (Loss) Income	\$ (209,586)	\$ 234,246	\$ 24,660	\$ (561,068)
Adjustments:				
Reorganization items, net	—	(305,617)	(305,617)	—
Non-cash derivative loss	132,969	103,775	236,744	97,529
Impairments	117,813	—	117,813	532,880
Contractual charges on midstream disputes	—	10,843	10,843	—
Non-recurring general and administrative expense	4,045	2,438	6,483	3,201
Gain on debt extinguishment	—	—	—	(34,257)
Loss from equity method investments	—	—	—	45
Other, net	(1,051)	2,332	1,281	8,979
Adjusted Net Income (Non-GAAP)	<u>\$ 44,190</u>	<u>\$ 48,017</u>	<u>\$ 92,207</u>	<u>\$ 47,309</u>
Dividends on New Preferred Stock	\$ (1,031)	\$ —	\$ (1,031)	\$ —
Participating Securities - New Preferred Stock ⁽¹⁾	\$ (8,115)	\$ —	\$ (15,995)	\$ —
Adjusted Net Income Attributable to Common Stockholders (Non-GAAP)	<u>\$ 35,044</u>	<u>\$ 48,017</u>	<u>\$ 75,181</u>	<u>\$ 47,309</u>
Adjusted Net Income Per Common Share, Diluted (Non-GAAP)⁽²⁾	<u>\$ 1.72</u>	<u>\$ 0.30</u>	<u>\$ 3.70</u>	<u>\$ 0.29</u>

- (1) For the Non-GAAP combined period, the Company calculated the impact of participating securities using the Adjusted Net Income amount of the Non-GAAP combined period.
- (2) For the Non-GAAP combined period, the Company used the Successor's diluted weighted average share count to calculate per share amounts.



Adjusted Net Income: Six months ended, June 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1,</u> <u>2021 through</u> <u>May 17, 2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2020</u>	<u>Predecessor</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2020</u>
Pre-Tax Net (Loss) Income	\$ (209,586)	\$ 243,028	\$ 33,442	\$ (1,071,316)
Adjustments:				
Reorganization items, net	—	(266,898)	(266,898)	—
Non-cash derivative loss	132,969	133,878	266,847	68,615
Impairments	117,813	—	117,813	1,086,225
Contractual charges on midstream disputes	—	30,351	30,351	—
Non-recurring general and administrative expense	4,045	8,923	12,968	7,723
Gain on debt extinguishment	—	—	—	(49,579)
Loss from equity method investments	—	342	342	10,834
Other, net	(1,051)	3,207	2,156	14,673
Adjusted Net Income (Non-GAAP)	<u>\$ 44,190</u>	<u>\$ 152,831</u>	<u>\$ 197,021</u>	<u>\$ 67,175</u>
Dividends on New Preferred Stock	\$ (1,031)	\$ —	\$ (1,031)	\$ —
Participating Securities - New Preferred Stock ⁽¹⁾	\$ (8,115)	\$ —	\$ (33,198)	\$ —
Adjusted Net Income Attributable to Common Stockholders(Non-GAAP)	<u>\$ 35,044</u>	<u>\$ 152,831</u>	<u>\$ 162,792</u>	<u>\$ 67,175</u>
Adjusted Net Income Per Common Share, Diluted(Non-GAAP)(2)	<u>\$ 1.72</u>	<u>\$ 0.95</u>	<u>\$ 8.01</u>	<u>\$ 0.42</u>

- (1) For the Non-GAAP combined period, the Company calculated the impact of participating securities using the Adjusted Net Income amount of the Non-GAAP combined period.
- (2) For the Non-GAAP combined period, the Company used the Successor's diluted weighted average share count to calculate per share amounts.



Adjusted EBITDA: Three months ended, June 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> Period from May 18, 2021 through June 30, 2021	<u>Predecessor</u> Period from April 1, 2021 through May 17, 2021	<u>Non-GAAP Combined</u> Three Months Ended June 30, 2021	<u>Predecessor</u> Three Months Ended June 30, 2020
Net (loss) income (GAAP)	\$ (209,586)	\$ 242,214	\$ 32,628	\$ (561,068)
Adjustments:				
Interest expense	8,894	898	9,792	32,366
Income tax (benefit) expense	—	(7,968)	(7,968)	—
DD&A and impairment	150,401	22,041	172,442	598,425
Reorganization items, net	—	(305,617)	(305,617)	—
Non-cash derivative loss	132,969	103,775	236,744	97,529
Contractual charges on midstream disputes	—	10,843	10,843	—
Non-recurring general and administrative expenses	4,045	2,438	6,483	3,201
Gain on debt extinguishment	—	—	—	(34,257)
Loss from equity method investments	—	—	—	45
Other, net	(1,051)	2,332	1,281	8,979
Adjusted EBITDA (Non-GAAP)	<u>\$ 85,672</u>	<u>\$ 70,956</u>	<u>\$ 156,628</u>	<u>\$ 145,220</u>



Adjusted EBITDA: Six months ended, June 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> Period from May 18, 2021 through June 30, 2021	<u>Predecessor</u> Period from January 1, 2021 through May 17, 2021	<u>Non-GAAP</u> <u>Combined</u> Six Months Ended June 30, 2021	<u>Predecessor</u> Six Months Ended June 30, 2020
Net (loss) income (GAAP)	\$ (209,586)	\$ 250,996	\$ 41,410	\$ (1,078,606)
Adjustments:				
Interest expense	8,894	4,159	13,053	65,356
Income tax (benefit) expense	—	(7,968)	(7,968)	7,290
DD&A and impairment	150,401	78,561	228,962	1,230,539
Reorganization items, net	—	(266,898)	(266,898)	—
Non-cash derivative loss	132,969	133,878	266,847	68,615
Contractual charges on midstream disputes	—	30,351	30,351	—
Non-recurring general and administrative expenses	4,045	8,923	12,968	7,723
Gain on debt extinguishment	—	—	—	(49,579)
Loss from equity method investments	—	342	342	10,834
Other, net	(1,051)	3,207	2,156	14,673
Adjusted EBITDA (Non-GAAP)	<u>\$ 85,672</u>	<u>\$ 235,551</u>	<u>\$ 321,223</u>	<u>\$ 276,845</u>



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

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>April 1, 2021</u> <u>through May 17,</u> <u>2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Three Months</u> <u>Ended June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended June 30,</u> <u>2020</u>
Net cash provided by operating activity (GAAP)	\$ 38,365	\$ 48,980	\$ 87,345	\$ 116,384
Adjustments:				
Interest expense	8,894	898	9,792	32,366
Current Income tax benefit	—	(7,968)	(7,968)	—
Cash reorganization items, net	—	140,395	140,395	—
Non-recurring general and administrative expenses	4,045	2,438	6,483	3,201
Contractual charges on midstream disputes	—	10,843	10,843	—
Other, net	(428)	2,603	2,175	3,114
Changes in operating assets and liabilities, net	34,796	(127,233)	(92,437)	(9,845)
Adjusted EBITDA (non-GAAP)	<u>\$ 85,672</u>	<u>\$ 70,956</u>	<u>\$ 156,628</u>	<u>\$ 145,220</u>
Interest expense	(8,894)	(898)	(9,792)	(32,366)
Capitalized expenses incurred ⁽¹⁾	(2,176)	(2,498)	(4,674)	(8,685)
Capital expenditures incurred ⁽²⁾	(32,116)	(35,696)	(67,812)	(53,988)
Free cash flow (non-GAAP)	<u>\$ 42,486</u>	<u>\$ 31,864</u>	<u>\$ 74,350</u>	<u>\$ 50,181</u>

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

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



Free Cash Flow: Six months ended, June 30, 2021

(In thousands)
(Unaudited)

	<u>Successor</u> <u>Period from</u> <u>May 18, 2021</u> <u>through June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1,</u> <u>2021 through</u> <u>May 17, 2021</u>	<u>Non-GAAP</u> <u>Combined</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2021</u>	<u>Predecessor</u> <u>Six Months</u> <u>Ended June 30,</u> <u>2020</u>
Net cash provided by operating activity (GAAP)	\$ 38,365	\$ 172,155	\$ 210,520	\$ 247,222
Adjustments:				
Interest expense	8,894	4,159	13,053	65,356
Current Income tax benefit	—	(7,968)	(7,968)	—
Cash reorganization items, net	—	179,114	179,114	—
Non-recurring general and administrative expenses	4,045	8,923	12,968	7,723
Contractual charges on midstream disputes	—	30,351	30,351	—
Other, net	(428)	2,711	2,283	4,945
Changes in operating assets and liabilities, net	34,796	(153,894)	(119,098)	(48,401)
Adjusted EBITDA (non-GAAP)	\$ 85,672	\$ 235,551	\$ 321,223	\$ 276,845
Interest expense	(8,894)	(4,159)	(13,053)	(65,356)
Capitalized expenses incurred ⁽¹⁾	(2,176)	(8,020)	(10,196)	(14,302)
Capital expenditures incurred ⁽²⁾	(32,116)	(108,408)	(140,524)	(189,293)
Free cash flow (non-GAAP)	\$ 42,486	\$ 114,964	\$ 157,450	\$ 7,894

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

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



**Recurring General and Administrative Expenses:
Three and Six months ended, June 30, 2021**

(In thousands)
(Unaudited)

	Successor			Predecessor			Non-GAAP Combined			Predecessor		
	Period from May 18, 2021 through June 30, 2021			Period from April 1, 2021 through May 17, 2021			Three Months Ended June 30, 2021			Three Months Ended June 30, 2020		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 6,518	\$—	\$ 6,518	\$ 6,039	\$ 379	\$ 6,418	\$ 12,557	\$ 379	\$ 12,936	\$ 8,568	\$ 1,198	\$ 9,766
Capitalized general and administrative expense	2,177	—	2,177	2,200	298	2,498	\$ 4,377	\$ 298	\$ 4,675	7,205	957	8,162
Non-recurring general and administrative expense ⁽¹⁾	(4,045)	—	(4,045)	(2,438)	—	(2,438)	\$ (6,483)	\$ —	\$ (6,483)	(3,201)	—	(3,201)
Recurring general and administrative before capitalization	<u>\$ 4,650</u>	<u>\$—</u>	<u>\$ 4,650</u>	<u>\$ 5,801</u>	<u>\$ 677</u>	<u>\$ 6,478</u>	<u>\$ 10,451</u>	<u>\$ 677</u>	<u>\$ 11,128</u>	<u>\$ 12,572</u>	<u>\$ 2,155</u>	<u>\$ 14,727</u>

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

	Successor			Predecessor			Non-GAAP Combined			Predecessor		
	Period from May 18, 2021 through June 30, 2021			Period from January 1, 2021 through May 17, 2021			Six Months Ended June 30, 2021			Six Months Ended June 30, 2020		
	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total	Cash	Non-Cash	Total
General and administrative expense (GAAP)	\$ 6,518	\$—	\$ 6,518	\$ 18,002	\$ 1,173	\$ 19,175	\$ 24,520	\$ 1,173	\$ 25,693	\$ 23,020	\$ 2,368	\$ 25,388
Capitalized general and administrative expense	2,177	—	2,177	7,097	922	8,019	\$ 9,274	\$ 922	\$ 10,196	11,701	1,891	13,592
Non-recurring general and administrative expense ⁽¹⁾	(4,045)	—	(4,045)	(8,923)	—	(8,923)	\$ (12,968)	\$ —	\$ (12,968)	(7,723)	—	(7,723)
Recurring general and administrative before capitalization	<u>\$ 4,650</u>	<u>\$—</u>	<u>\$ 4,650</u>	<u>\$ 16,176</u>	<u>\$ 2,095</u>	<u>\$ 18,271</u>	<u>\$ 20,826</u>	<u>\$ 2,095</u>	<u>\$ 22,921</u>	<u>\$ 26,998</u>	<u>\$ 4,259</u>	<u>\$ 31,257</u>

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