



**SANDRIDGE ENERGY, INC.**  
**Non-GAAP Financial Measures**  
**Q2 2009 (period ending June 30, 2009)**

The tables below reconcile the most directly comparable GAAP financial measures to operating cash flow, EBITDA, adjusted EBITDA, and adjusted net income available (loss applicable) to common stockholders.

**Reconciliation of Net Cash Provided by Operating Activities to Operating Cash Flow**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(in thousands)			
Net cash provided by operating activities	\$ 68,751	\$ 140,145	\$ 141,982	\$ 296,834
Add (deduct):				
Change in operating assets and liabilities	31,441	4,991	77,283	(8,387)
Operating cash flow	<u>\$ 100,192</u>	<u>\$ 145,136</u>	<u>\$ 219,265</u>	<u>\$ 288,447</u>

**Reconciliation of Net Loss to EBITDA and Adjusted EBITDA**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(in thousands)			
Net loss	\$ (91,174)	\$ (20,343)	\$ (1,246,031)	\$ (76,968)
Adjusted for:				
Income tax benefit	(365)	(10,847)	(1,534)	(41,385)
Interest expense <sup>(1)</sup>	46,324	31,866	86,825	57,844
Depreciation, depletion and amortization - other	14,034	15,780	26,760	33,745
Depreciation, depletion and amortization - natural gas and crude oil	34,350	72,256	94,443	137,332
EBITDA	3,169	88,712	(1,039,537)	110,568
Asset impairment	-	-	1,304,418	-
Provision for doubtful accounts	62	-	62	-
Income from equity investments	(200)	(556)	(434)	(1,415)
Noncontrolling interest	4	16	7	851
Interest income	(188)	(1,333)	(199)	(2,145)
Stock-based compensation	5,163	4,019	10,368	7,260
Unrealized losses on derivative contracts	109,833	92,122	1,823	235,489
Loss (gain) on sale of assets	26,170	(7,734)	26,350	(7,711)
Adjusted EBITDA	<u>\$ 144,013</u>	<u>\$ 175,246</u>	<u>\$ 302,858</u>	<u>\$ 342,897</u>

<sup>(1)</sup> Excludes unrealized loss (gain) on interest rate swap of (\$3.9) million and (\$9.6) million for the three-month periods ended June 30, 2009 and 2008, respectively, and (\$3.7) and (\$10.4) million for the six-month periods ended June 30, 2009 and 2008, respectively.

## Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(in thousands)			
Net cash provided by operating activities	\$ 68,751	\$ 140,145	\$ 141,982	\$ 296,834
Changes in operating assets and liabilities	31,441	4,991	77,283	(8,387)
Interest expense <sup>(1)</sup>	46,324	31,866	86,825	57,844
Other non-cash items	(2,503)	(1,756)	(3,232)	(3,394)
Adjusted EBITDA	<u>\$ 144,013</u>	<u>\$ 175,246</u>	<u>\$ 302,858</u>	<u>\$ 342,897</u>

<sup>(1)</sup> Excludes unrealized loss (gain) on interest rate swap of (\$3.9) million and (\$9.6) million for the three-month periods ended June 30, 2009 and 2008, respectively, and (\$3.7) and (\$10.4) million for the six-month periods ended June 30, 2009 and 2008, respectively.

## Reconciliation of Net Loss Applicable to Common Stockholders to Adjusted Net Income Available to Common Stockholders

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(in thousands)			
Net loss applicable to common stockholders	\$ (91,174)	\$ (26,993)	\$ (1,246,031)	\$ (93,200)
Asset impairment	-	-	1,304,418	-
Unrealized losses on derivative contracts	109,833	92,122	1,823	235,489
Loss (gain) on sale of assets	26,170	(7,734)	26,350	(7,711)
Effect of income taxes	(542)	(29,348)	(1,752)	(79,585)
Adjusted net income available to common stockholders	<u>\$ 44,287</u>	<u>\$ 28,047</u>	<u>\$ 84,808</u>	<u>\$ 54,993</u>
Per share - basic and diluted	<u>\$ 0.25</u>	<u>\$ 0.18</u>	<u>\$ 0.50</u>	<u>\$ 0.37</u>