



**SandRidge Energy, Inc.**  
**Non-GAAP Financial Measures**  
**Q3 2009 (period ending October 31, 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 September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(in thousands)			
Net cash provided by operating activities	\$ 131,238	\$ 237,534	\$ 273,220	\$ 534,368
(Deduct) add:				
Changes in operating assets and liabilities	(45,686)	(100,348)	31,597	(108,735)
Operating cash flow	<u>\$ 85,552</u>	<u>\$ 137,186</u>	<u>\$ 304,817</u>	<u>\$ 425,633</u>

**Reconciliation of Net (Loss) Income to EBITDA and Adjusted EBITDA**

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(in thousands)			
Net (loss) income	\$ (101,316)	\$ 230,346	\$ (1,347,347)	\$ 153,378
Adjusted for:				
Income tax (benefit) expense	(2,580)	130,693	(4,114)	89,308
Interest expense <sup>(1)</sup>	48,682	38,326	135,507	96,170
Depreciation, depletion and amortization - other	12,092	17,597	38,851	51,342
Depreciation, depletion and amortization - natural gas and crude oil	33,060	71,964	127,503	209,296
EBITDA	<u>(10,062)</u>	<u>488,926</u>	<u>(1,049,600)</u>	<u>599,494</u>
Asset impairment	-	-	1,304,418	-
Provision for doubtful accounts	-	1,623	62	1,623
(Income) loss from equity investments	(593)	60	(1,027)	(1,355)
Noncontrolling interest	4	2	11	853
Interest income	(89)	(923)	(287)	(3,068)
Stock-based compensation	6,158	7,023	16,526	14,283
Unrealized losses (gains) on derivative contracts	135,490	(317,092)	137,313	(81,603)
Loss (gain) on sale of assets	9	(1,420)	26,359	(9,131)
Adjusted EBITDA	<u>\$ 130,917</u>	<u>\$ 178,199</u>	<u>\$ 433,775</u>	<u>\$ 521,096</u>

<sup>(1)</sup> Excludes unrealized loss (gain) on interest rate swap of \$4.5 million and \$2.7 million for the three-month periods ended September 30, 2009 and 2008, respectively, and \$0.9 million and (\$7.7) million for the nine-month periods ended September 30, 2009 and 2008, respectively.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(in thousands)			
Net cash provided by operating activities	\$ 131,238	\$ 237,534	\$ 273,220	\$ 534,368
Changes in operating assets and liabilities	(45,686)	(100,348)	31,597	(108,735)
Interest expense <sup>(1)</sup>	48,682	38,326	135,507	96,170
Other non-cash items	(3,317)	2,687	(6,549)	(707)
Adjusted EBITDA	<u>\$ 130,917</u>	<u>\$ 178,199</u>	<u>\$ 433,775</u>	<u>\$ 521,096</u>

<sup>(1)</sup> Excludes unrealized loss (gain) on interest rate swap of \$4.5 million and \$2.7 million for the three-month periods ended September 30, 2009 and 2008, respectively, and \$0.9 million and (\$7.7) million for the nine-month periods ended September 30, 2009 and 2008, respectively.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(in thousands)			
Net (loss) income (applicable) available to common stockholders	\$ (104,132)	\$ 230,346	\$ (1,350,163)	\$ 137,146
Asset impairment	-	-	1,304,418	-
Unrealized losses (gains) on derivative contracts	135,490	(317,092)	137,313	(81,603)
Loss (gain) on sale of assets	9	(1,420)	26,359	(9,131)
Effect of income taxes	(3,365)	115,299	(5,117)	35,714
Adjusted net income available to common stockholders	28,002	27,133	112,810	82,126
Preferred stock dividends	2,816	-	2,816	16,232
Total adjusted net income	<u>\$ 30,818</u>	<u>\$ 27,133</u>	<u>\$ 115,626</u>	<u>\$ 98,358</u>
Weighted average number of common shares outstanding (thousands):				
Basic	178,069	163,020	171,902	153,125
Fully diluted <sup>(1)</sup>	214,324	164,554	207,687	163,275
Per share - basic	<u>\$ 0.16</u>	<u>\$ 0.17</u>	<u>\$ 0.66</u>	<u>\$ 0.54</u>
Per share - fully diluted	<u>\$ 0.14</u>	<u>\$ 0.16</u>	<u>\$ 0.56</u>	<u>\$ 0.60</u>

<sup>(1)</sup> Weighted average fully diluted common shares outstanding for certain periods presented includes shares that are considered antidilutive for calculating earnings per share in accordance with GAAP.