



**SANDRIDGE ENERGY, INC.**  
**Non-GAAP Financial Measures**  
**Q1 2008 (period ending March 31, 2008)**

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 Cash Provided by Operating Activities to Operating Cash Flow**

	<b>Three Months Ended March 31,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(in thousands)</b>	
Net cash provided by operating activities	\$ 156,689	\$ 43,963
Add (deduct):		
Change in operating assets and liabilities	(13,378)	3,226
Operating cash flow	<u>\$ 143,311</u>	<u>\$ 47,189</u>

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

	<b>Three Months Ended March 31,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(in thousands)</b>	
Net loss	\$ (56,625)	\$ (19,493)
Adjusted for:		
Income tax benefit	(30,538)	(10,501)
Interest expense <sup>(1)</sup>	25,978	35,429
Depreciation, depletion and amortization - other	17,965	10,160
Depreciation, depletion and amortization - natural gas and crude oil	65,076	32,684
EBITDA	<u>21,856</u>	<u>48,279</u>
Income from equity investments	(859)	(1,025)
Minority interest	835	146
Interest income	(796)	(1,088)
Stock-based compensation	3,241	1,071
Unrealized losses on derivative contracts	143,367	21,662
Adjusted EBITDA	<u>\$ 167,644</u>	<u>\$ 69,045</u>

<sup>(1)</sup> Excludes unrealized gain of \$0.8 million on interest rate swap

**Reconciliation of Cash Provided by Operating Activities to Adjusted EBITDA**

	<b>Three Months Ended March 31,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(in thousands)</b>	
Net cash provided by operating activities	\$ 156,689	\$ 43,963
Changes in operating assets and liabilities	(13,378)	3,226
Interest expense <sup>(1)</sup>	25,978	35,429
Unrealized losses on derivative contracts	(143,367)	(21,662)
Other non-cash items	141,722	8,089
Adjusted EBITDA	<u>\$ 167,644</u>	<u>\$ 69,045</u>

<sup>(1)</sup> Excludes unrealized gain of \$0.8 million on interest rate swap

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

	<u>Three Months Ended March 31,</u>	
	<u>2008</u>	<u>2007</u>
	<u>(in thousands)</u>	
Net income available (loss applicable) to common stockholders	\$ (66,207)	\$ (28,459)
Unrealized losses on derivative contracts	143,367	21,662
Effect of income taxes	<u>(50,229)</u>	<u>(7,584)</u>
Adjusted net income available (loss applicable) to common stockholders	<u>\$ 26,931</u>	<u>\$ (14,381)</u>
Per share - basic and diluted	<u>\$ 0.19</u>	<u>\$ (0.16)</u>