



SANDRIDGE ENERGY, INC.
Non-GAAP Financial Measures
Q2 2008 (period ending June 30, 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 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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(in thousands)		(in thousands)	
Net cash provided by operating activities	\$ 140,145	\$ 136,881	\$ 296,834	\$ 180,844
Add (deduct):				
Change in operating assets and liabilities	4,991	(70,973)	(8,387)	(67,747)
Operating cash flow	<u>\$ 145,136</u>	<u>\$ 65,908</u>	<u>\$ 288,447</u>	<u>\$ 113,097</u>

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(in thousands)		(in thousands)	
Net (loss) income ⁽¹⁾	\$ (20,343)	\$ 34,564	\$ (76,968)	\$ 15,071
Adjusted for:				
Income tax (benefit) expense	(10,847)	19,583	(41,385)	9,082
Interest expense ⁽²⁾	31,866	24,679	57,844	60,108
Depreciation, depletion and amortization - other	15,780	12,103	33,745	22,263
Depreciation, depletion and amortization - natural gas and crude oil	72,256	38,015	137,332	70,699
EBITDA	<u>88,712</u>	<u>128,944</u>	<u>110,568</u>	<u>177,223</u>
Income from equity investments	(556)	(1,139)	(1,415)	(2,164)
Minority interest	16	11	851	157
Interest income	(1,333)	(2,138)	(2,145)	(3,127)
Stock-based compensation	4,019	1,188	7,260	2,259
Unrealized losses (gains) on derivative contracts	92,122	(38,436)	235,489	(16,774)
Adjusted EBITDA	<u>\$ 182,980</u>	<u>\$ 88,430</u>	<u>\$ 350,608</u>	<u>\$ 157,574</u>

⁽¹⁾ Includes gain on sale of assets

⁽²⁾ Excludes unrealized (gain) loss of (\$9.6) million and (\$10.4) million on interest rate swap for the three and six month periods ended June 30, 2008, respectively.

Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDA

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(in thousands)		(in thousands)	
Net cash provided by operating activities	\$ 140,145	\$ 136,881	\$ 296,834	\$ 180,844
Changes in operating assets and liabilities	4,991	(70,973)	(8,387)	(67,747)
Interest expense ⁽¹⁾	31,866	24,679	57,844	60,108
Unrealized (losses) gains on derivative contracts	(92,122)	38,436	(235,489)	16,774
Gain on sale of assets	7,734	658	7,711	659
Other non-cash items	90,366	(41,251)	232,095	(33,064)
Adjusted EBITDA	<u>\$ 182,980</u>	<u>\$ 88,430</u>	<u>\$ 350,608</u>	<u>\$ 157,574</u>

⁽¹⁾ Excludes unrealized (gain) loss of (\$9.6) million and (\$10.4) million on interest rate swap for the three and six month periods ended June 30, 2008, respectively.

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>(in thousands)</u>		<u>(in thousands)</u>	
Net income available (loss applicable) to common stockholders	\$ (26,993)	\$ 22,270	\$ (93,200)	\$ (6,189)
Unrealized losses (gains) on derivative contracts	92,122	(38,436)	235,489	(16,774)
Effect of income taxes	<u>(32,037)</u>	<u>13,901</u>	<u>(82,267)</u>	<u>6,317</u>
Adjusted net income available (loss applicable) to common stockholders	<u>\$ 33,092</u>	<u>\$ (2,265)</u>	<u>\$ 60,022</u>	<u>\$ (16,646)</u>
Per share - basic and diluted	<u>\$ 0.21</u>	<u>\$ (0.02)</u>	<u>\$ 0.41</u>	<u>\$ (0.17)</u>