



SANDRIDGE ENERGY, INC.
Non-GAAP Financial Measures
Q1 2010 (period ending March 31, 2010)

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 March 31,</u>	
	<u>2010</u>	<u>2009</u>
	(in thousands)	
Net cash provided by operating activities	\$ 147,602	\$ 75,344
(Deduct) add:		
Changes in operating assets and liabilities	(61,186)	45,838
Operating cash flow	<u>\$ 86,416</u>	<u>\$ 121,182</u>

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

	<u>Three Months Ended March 31,</u>	
	<u>2010</u>	<u>2009</u>
	(in thousands)	
Net income (loss)	\$ 27,236	\$ (1,154,857)
Adjusted for:		
Income tax expense (benefit)	12	(1,169)
Interest expense ⁽¹⁾	58,241	40,501
Depreciation, depletion and amortization - other	12,303	12,726
Depreciation and depletion - oil and natural gas	52,278	60,093
EBITDA	<u>150,070</u>	<u>(1,042,706)</u>
Asset impairment	-	1,304,418
Provision for doubtful accounts	84	-
Income from equity investments	-	(234)
Interest income	(69)	(11)
Stock-based compensation	6,882	5,205
Unrealized gains on derivative contracts	(15,511)	(108,010)
(Gain) loss on sale of assets	(304)	180
Adjusted EBITDA	<u>\$ 141,152</u>	<u>\$ 158,842</u>

⁽¹⁾ Excludes unrealized loss on interest rate sw ap of \$3.8 million and \$0.3 million for the three-month periods ended March 31, 2010 and 2009, respectively.

Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDA

	Three Months Ended March 31,	
	2010	2009
	(in thousands)	
Net cash provided by operating activities	\$ 147,602	\$ 75,344
Changes in operating assets and liabilities	(61,186)	45,838
Interest expense ⁽¹⁾	58,241	40,501
Other non-cash items	(3,505)	(2,841)
Adjusted EBITDA	\$ 141,152	\$ 158,842

⁽¹⁾ Excludes unrealized loss on interest rate swap of \$3.8 million and \$0.3 million for the three-month periods ended March 31, 2010 and 2009, respectively.

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

	Three Months Ended March 31,	
	2010	2009
	(in thousands, except per share data)	
Net income (loss) available (applicable) to common stockholders	\$ 18,605	\$ (1,154,857)
Asset impairment	-	1,304,418
Unrealized gains on derivative contracts	(15,511)	(108,010)
(Gain) loss on sale of assets	(304)	180
Effect of income taxes	7	(1,210)
Adjusted net income available to common stockholders	2,797	40,521
Preferred stock dividends	8,631	-
Total adjusted net income	\$ 11,428	\$ 40,521
Weighted average number of common shares outstanding		
Basic	209,145	163,321
Fully diluted ⁽¹⁾	261,428	198,900
Per share - basic	\$ 0.01	\$ 0.25
Per share - fully diluted	\$ 0.04	\$ 0.20

⁽¹⁾ 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.