
# Fourth Quarter and Year-End 2020 Earnings Release

## February 23, 2021

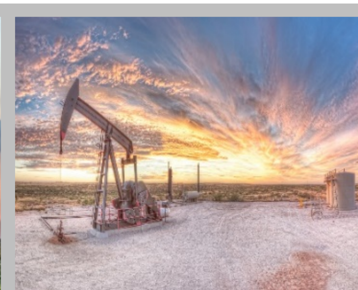
MTDR
LISTED
NYSE

# Disclosure Statements

**Safe Harbor Statement** – This presentation and statements made by representatives of Matador Resources Company ("Matador" or the "Company") during the course of this presentation include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. "Forward-looking statements" are statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "could," "believe," "would," "anticipate," "intend," "estimate," "expect," "may," "should," "continue," "plan," "predict," "potential," "project," "hypothetical," "forecasted," and similar expressions that are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Such forward-looking statements include, but are not limited to, statements about guidance, projected or forecasted financial and operating results, future liquidity, the payment of dividends, results in certain basins, objectives, project timing, expectations and intentions, regulatory and governmental actions and other statements that are not historical facts. Actual results and future events could differ materially from those anticipated in such statements, and such forward-looking statements may not prove to be accurate. These forward-looking statements involve certain risks and uncertainties, including, but not limited to, the following risks related to financial and operational performance: general economic conditions; the Company's ability to execute its business plan, including whether Matador's drilling program is successful; changes in oil, natural gas and natural gas liquids prices and the demand for oil, natural gas and natural gas liquids; Matador's ability to replace reserves and efficiently develop current reserves; costs of operations; delays and other difficulties related to producing oil, natural gas and natural gas liquids; delays and other difficulties related to regulatory and governmental approvals and restrictions; Matador's ability to make acquisitions on economically acceptable terms; Matador's ability to integrate acquisitions; availability of sufficient capital to execute Matador's business plan, including from future cash flows, increases in Matador's borrowing base and otherwise; weather and environmental conditions; the impact of the worldwide spread of the novel coronavirus, or COVID-19, on oil and natural gas demand, oil and natural gas prices and our business; the operating results of the Company's midstream joint venture's Black River natural gas cryogenic processing plant; the timing and operating results of the buildout by the Company's midstream joint venture of oil, natural gas and water gathering and transportation systems and the drilling of any additional produced water disposal wells; and other important factors which could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. For further discussions of risks and uncertainties, you should refer to Matador's filings with the Securities and Exchange Commission ("SEC"), including the "Risk Factors" section of Matador's most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. Matador undertakes no obligation to update these forward-looking statements to reflect events or circumstances occurring after the date of this presentation, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement.

**Cautionary Note** – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. Potential resources are not proved, probable or possible reserves. The SEC's guidelines prohibit Matador from including such information in filings with the SEC.

**Definitions** – Proved oil and natural gas reserves are the estimated quantities of oil and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Matador's production and proved reserves are reported in two streams: oil and natural gas, including both dry and liquids-rich natural gas. Where Matador produces liquids-rich natural gas, the economic value of the natural gas liquids associated with the natural gas is included in the estimated wellhead natural gas price on those properties where the natural gas liquids are extracted and sold. Estimated ultimate recovery (EUR) is a measure that by its nature is more speculative than estimates of proved reserves prepared in accordance with SEC definitions and guidelines and is accordingly less certain. Type curves, if any, shown in this presentation are used to compare actual well performance to a range of potential production results calculated without regard to economic conditions; actual recoveries may vary from these type curves based on individual well performance and economic conditions.




# Chairman’s Remarks

**February 23, 2021**

MTDR
LISTED
NYSE

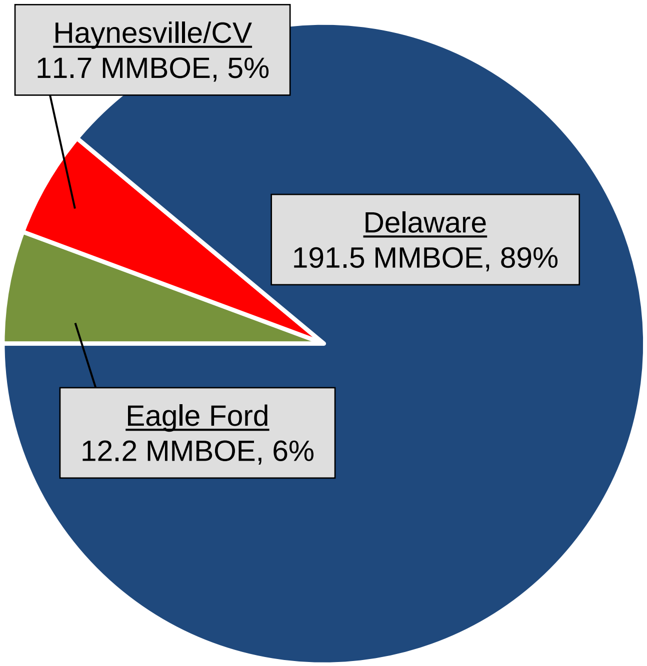
# Strong Results for Fourth Quarter 2020

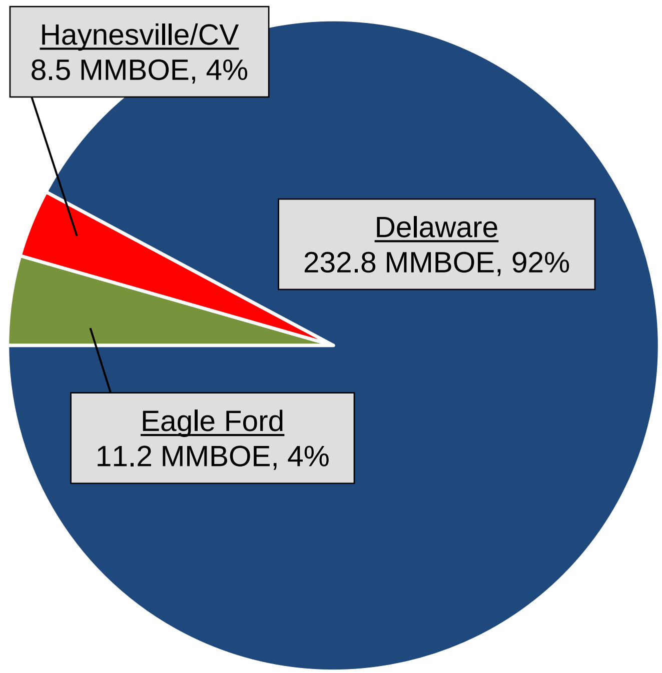
| | |
|---|---|
| **Achieved Adjusted Free Cash Flow[1]** | • Generated adjusted free cash flow[1] of $60.7 million in Q4 2020 – **Above Company Expectations!**<br>• Repaid $35 million in borrowings outstanding under reserves-based revolving credit facility in Q4 2020 and repaid an additional $10 million in January 2021 – **Above Company Expectations!**<br>• Leverage ratio[2][3] under revolving credit facility of 2.9x at YE2020 – **Better Than Company Expectations!**<br>• In February 2021, adopted dividend policy and declared first quarterly cash dividend of $0.025 per share |
| **Record Quarterly Production & Proved Reserves** | • Oil production of ~48,000 Bbl/d, **up 14%** from ~42,100 Bbl/d in Q4 2019 – **Above Guidance!**<br>• Natural gas production of ~210.9 MMcf/d, **up 11%** from ~190.0 MMcf/d in Q4 2019 – **Above Guidance!**<br>• Total production of ~83,200 BOE/d, **up 13%** from ~73,700 BOE/d in Q4 2019 – **Above Guidance!**<br>• Proved reserves of 270.3 million BOE, **up 7%** from 252.5 million BOE at YE 2019 – **All-Time High!** |
| **Improving Capital Efficiency, LOE & G&A** | • D&C costs[4] for operated horizontal wells turned to sales of **$625** per completed lateral foot, **down 46%** from $1,165 per completed lateral foot in full year 2019 – **All-Time Low!**<br>• LOE of $3.20 per BOE, **down 28%** from $4.43 per BOE in Q4 2019 – **All-Time Low!**<br>• G&A expenses of $2.16 per BOE, **down 32%** from $3.17 per BOE in Q4 2019 – **All-Time Low!** |
| **Record San Mateo Results** | • San Mateo net income of $26.2 million, **up 34%** from $19.6 million in Q4 2019<br>• San Mateo Adjusted EBITDA[3] of $35.4 million, **up 34%** from $26.5 million in Q4 2019 – **All-Time High and Above Company Expectations!** |
| **Exceeded Q4 2020 Guidance[5]** | • Average daily total production **up 14%** sequentially vs. guidance of a sequential increase of 8 to 10%<br>• D/C/E CapEx of **$63 million** vs. estimate of $78 million<br>• Midstream CapEx of **$7 million** vs. estimate of $13 million |

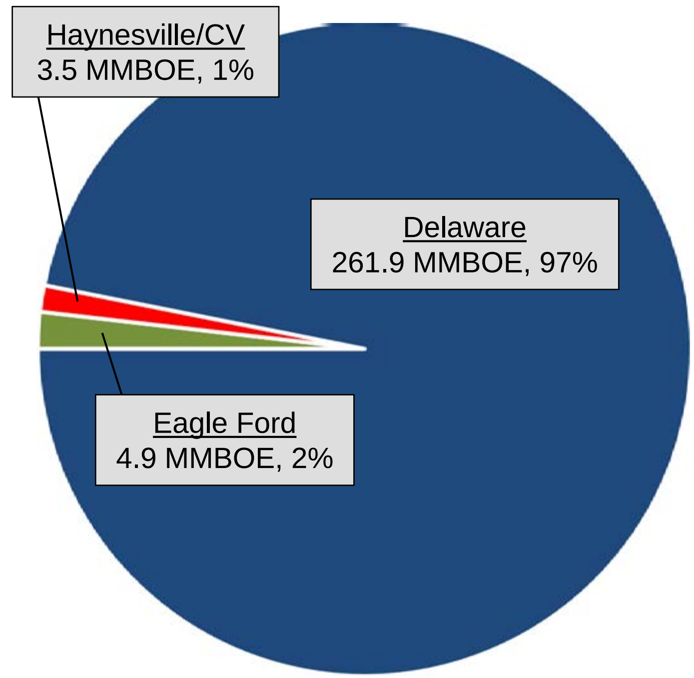
(1) Adjusted free cash flow is a non-GAAP financial measure. For a definition of adjusted free cash flow and a reconciliation of adjusted free cash flow (non-GAAP) to net cash provided by operating activities (GAAP), see Appendix.
(2) Defined as Net Debt / LTM Adjusted EBITDA. Adjusted EBITDA reflects calculation under Matador's revolving credit agreement (the "Credit Agreement"). For purposes of the Credit Agreement, Net Debt at December 31, 2020 is calculated as (i) $1.05 billion in senior notes outstanding, plus (ii) $486 million in debt under the Credit Agreement, including outstanding borrowings and letters of credit, less (iii) $50.0 million in available cash.
(3) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.
(4) Cost per completed lateral foot metric shown represents the D&C portion of well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and certain other capital expenditures.
(5) As provided on October 27, 2020.

# Matador's Proved Reserves: ~270 Million BOE at December 31, 2020[1]

## Proved Reserves Up 26% Over Last Two Years




### YE 2018[1]

215.3 MMBOE
123.4 million Bbl oil
551.5 Bcf gas
Standardized Measure: $2.25 billion
PV-10[2] = $2.58 billion
$62.04 oil / $3.10 gas

### YE 2019[1]

252.5 MMBOE
148.0 million Bbl oil
627.2 Bcf gas
Standardized Measure: $2.03 billion
PV-10[2] = $2.25 billion
$52.19 oil / $2.578 gas

### YE 2020[1]

**270.3 MMBOE** ↑ 7% YoY
**159.9 million Bbl oil** ↑ 8% YoY
662.3 Bcf gas
Standardized Measure: $1.58 billion
PV-10[2] = $1.66 billion
$36.04 oil / $1.985 gas

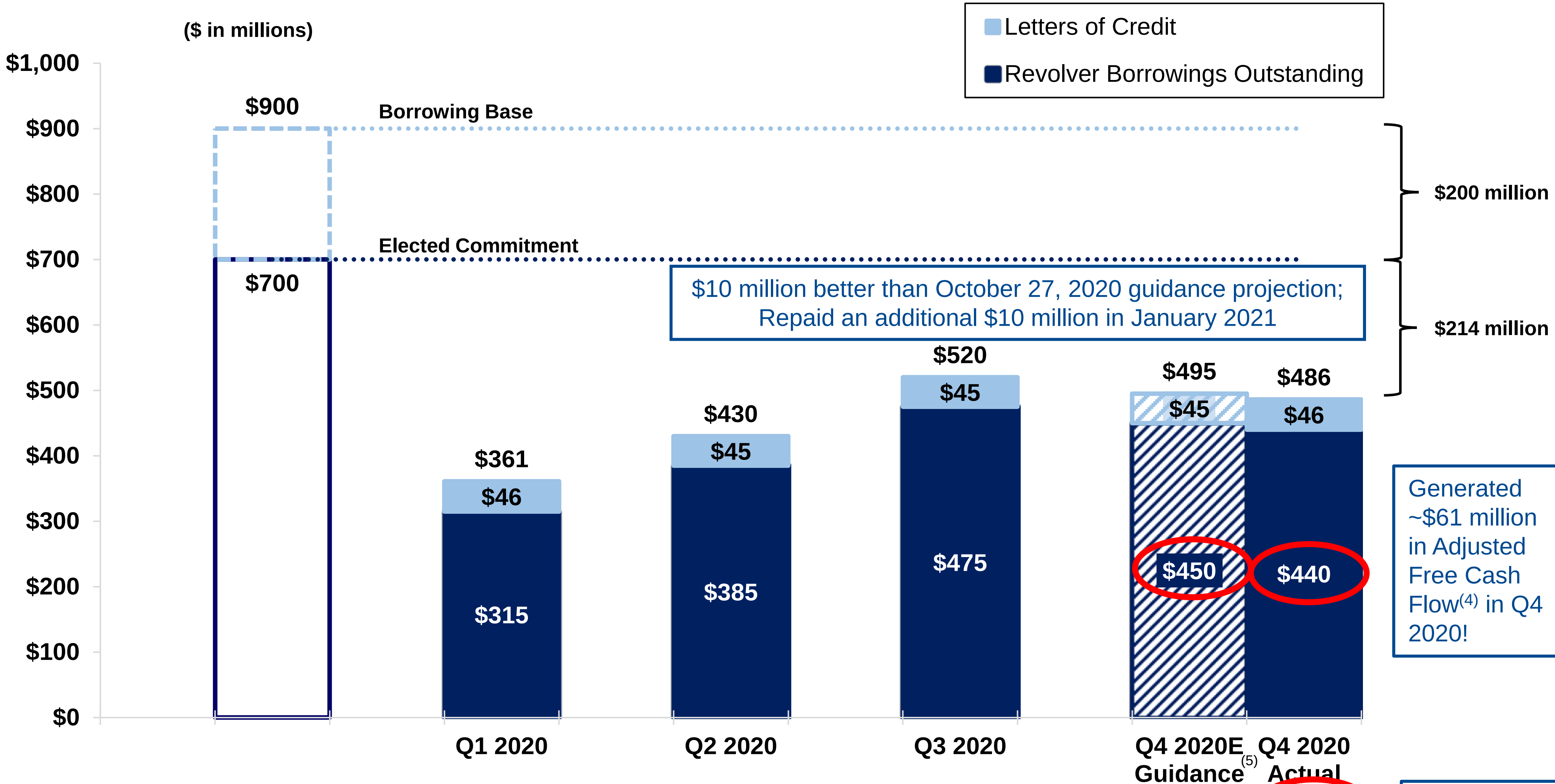
Note: Oil and natural gas prices noted are in $/Bbl and $/MMBtu, respectively. Prices reflect the arithmetic average of first-day-of-month oil and natural gas prices for the periods January 1 to December 31, 2018, 2019 and 2020, respectively, as per SEC guidelines for reserves estimation.

(1) The reserves estimates at all dates presented above were prepared by the Company's internal engineering staff and were also audited by an independent reservoir engineering firm, Netherland, Sewell & Associates, Inc. These reserves estimates at all dates were prepared in accordance with the SEC's rules for oil and natural gas reserves reporting and do not include any unproved reserves classified as probable or possible that might exist on Matador's properties.

(2) PV-10 is a non-GAAP financial measure. For a reconciliation of PV-10 (non-GAAP) to Standardized Measure (GAAP), see Appendix.

SLIDE C

# Revolver Borrowings Outstanding – 2020 Quarterly Results



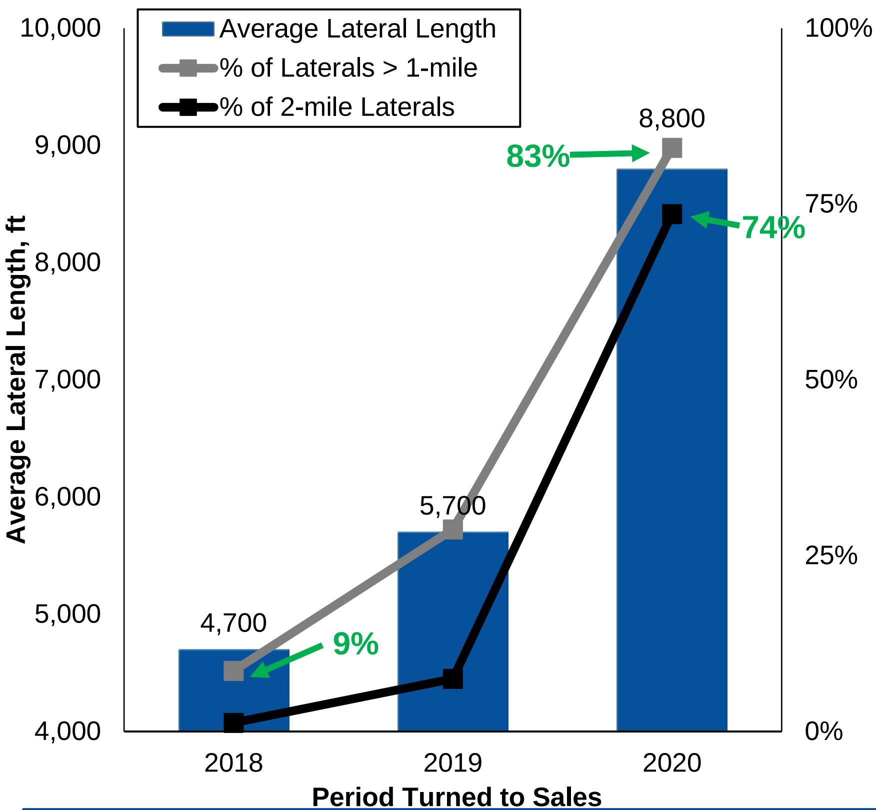

| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020E Guidance[5] | Q4 2020 Actual |
|---|---|---|---|---|---|
| **Net Debt/ LTM Adj. EBITDA[1][2]:** | 2.2x | 2.5x | 2.8x | 3.2x | 2.9x |
| **Realized Oil Price[3] ($/Bbl):** | $45.87 | $24.03 | $38.67 | $37.67 | $40.99 |
| **Realized Gas Price[3] ($/Mcf):** | $1.70 | $1.49 | $2.27 | $2.96 | $2.97 |

Leverage below 3x!

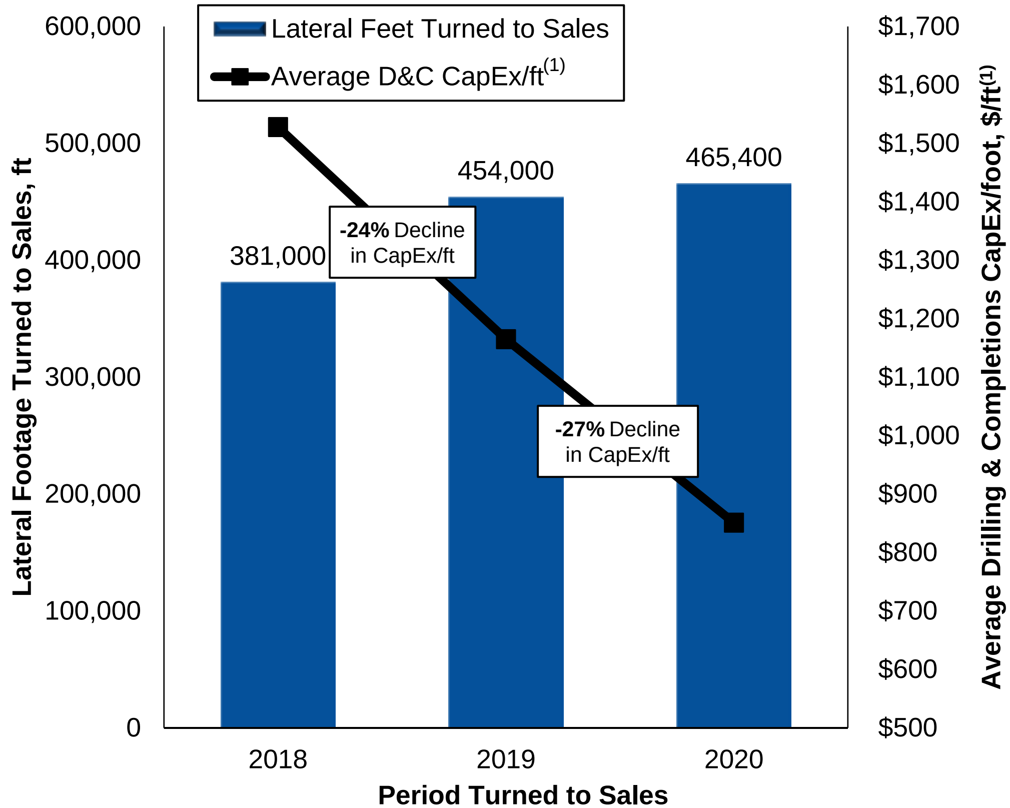
(1) Adjusted EBITDA is a non-GAAP financial measure. Reflects calculation under the Credit Agreement. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.
(2) For purposes of the Credit Agreement, Net Debt at December 31, 2020 is calculated as (i) $1.05 billion in senior notes outstanding, plus (ii) $486 million in debt under the Credit Agreement, including outstanding borrowings and letters of credit, less (iii) $50 million in available cash.
(3) Without realized derivatives.
(4) Adjusted free cash flow is a non-GAAP financial measure. For a definition of adjusted free cash flow and a reconciliation of adjusted free cash flow (non-GAAP) to net cash provided by operating activities (GAAP), see Appendix.
(5) As provided on October, 27, 2020.

# A Step Change in Capital Efficiency: *Record Low Costs in 2020*

## Average Lateral Length and % of Longer Laterals




## CapEx per Foot[1] and Lateral Footage Turned to Sales



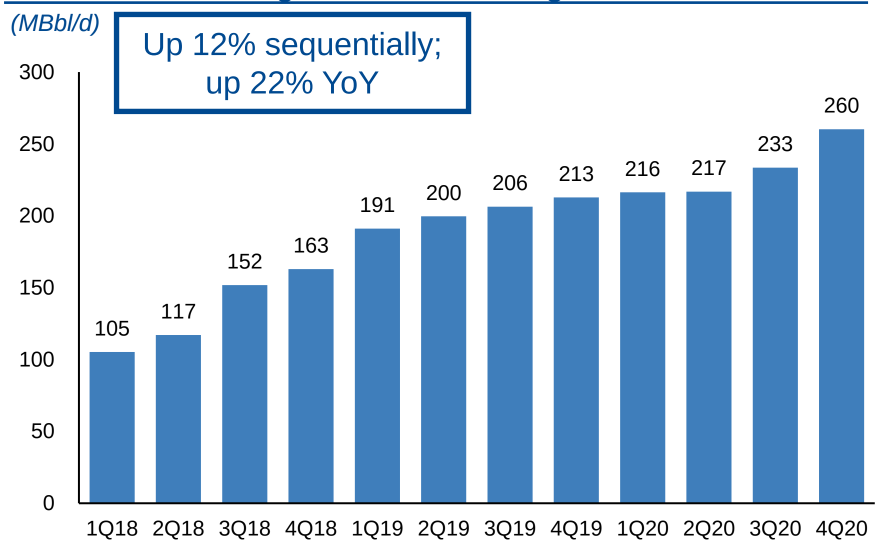

- By combining longer laterals with increased pad development, Matador significantly reduced development costs per foot between 2018 and 2020
- 83% of laterals in 2020 were greater than one mile, as compared to 29% in 2019 and 9% in 2018
- In 2020, Matador's drilling and completion costs for operated horizontal wells turned to sales averaged $850/ft, a decrease of ~27% from an average of $1,165/ft achieved in full year 2019 and a decrease of ~44% from an average of $1,528/ft achieved in full year 2018
- In Q4 2020, Matador's drilling and completion costs for all horizontal wells turned to sales averaged $625/ft, a decrease of ~46% from full year 2019 and a decrease of ~59% from full year 2018

Note: All footage and percentage of lateral types shown are based on gross operated horizontal wells.
(1) Cost per completed lateral foot metric shown represents the drilling and completion (D&C) portion of well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and certain other capital expenditures.

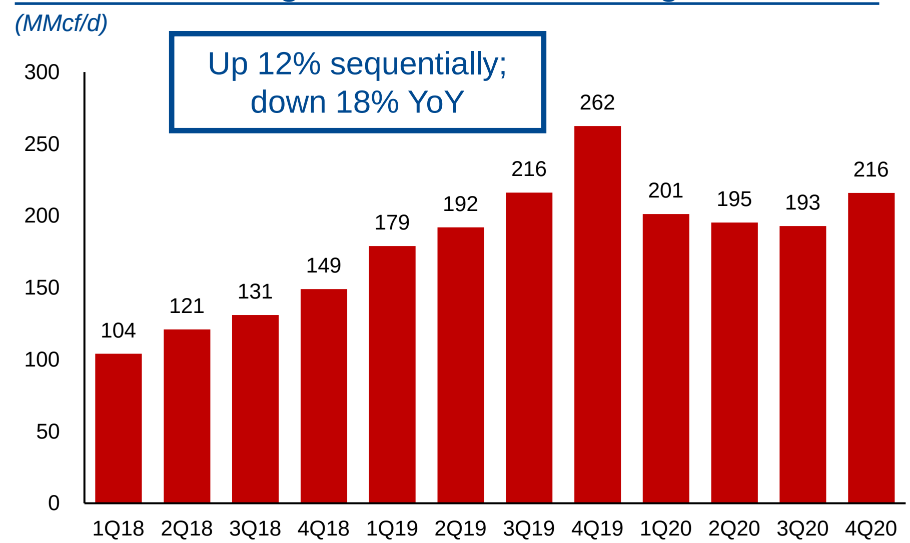
# Continued Progress in All Parts of San Mateo's Delaware Midstream Business (51% Owned by Matador)

SLIDE E

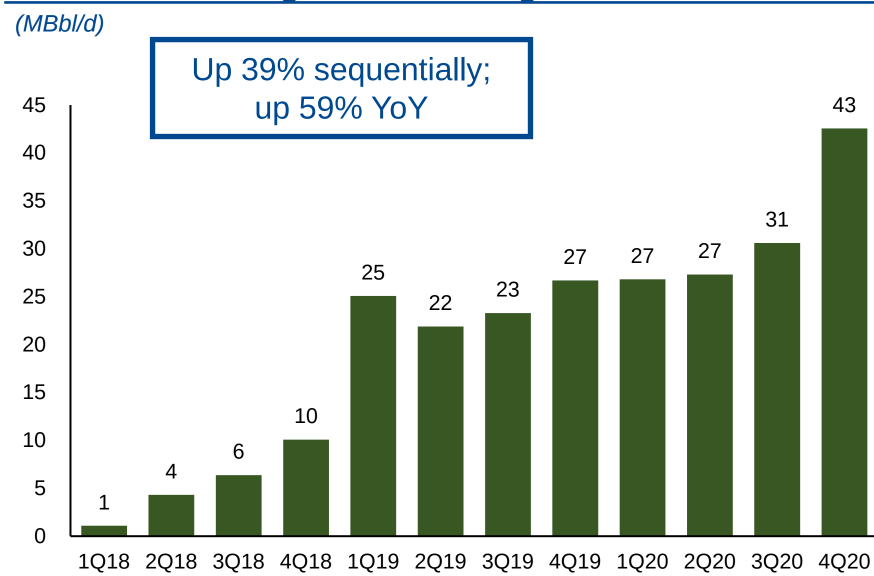
## San Mateo Average Water Handling



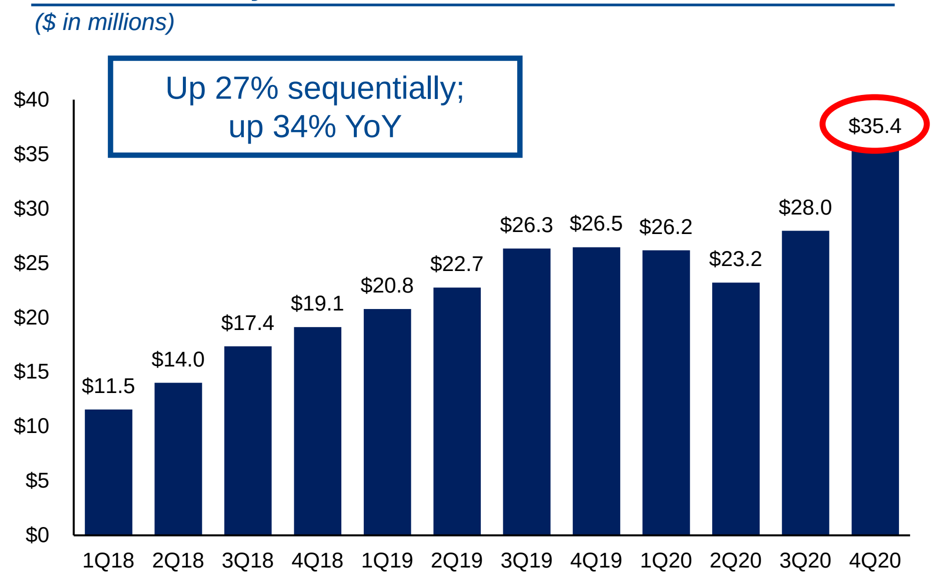

## San Mateo Average Natural Gas Gathering[1]




## San Mateo Average Oil Gathering




## San Mateo Adjusted EBITDA[2]




(1) Natural gas gathering and processing volumes declined in 2020 as compared to Q4 2019, as anticipated, primarily as a result of reduced natural gas volumes being provided by a significant third-party customer.
(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

Matador
RESOURCES COMPANY


# Operational and Financial Results

February 23, 2021

MTDR
LISTED
NYSE

# Q4 and Year-End 2020 Selected Operating and Financial Results

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Net Production Volumes:(1) | | | | | |
| Oil (MBbl) | 4,419 | 3,895 | 3,872 | 15,931 | 13,984 |
| Natural gas (Bcf) | 19.4 | 16.9 | 17.5 | 69.5 | 61.1 |
| Total oil equivalent (MBOE) | 7,653 | 6,715 | 6,785 | 27,514 | 24,164 |
| Average Daily Production Volumes:(1) | | | | | |
| Oil (Bbl/d) | 48,028 | 42,340 | 42,087 | 43,526 | 38,312 |
| Natural gas (MMcf/d) | 210.9 | 183.9 | 190.0 | 189.9 | 167.4 |
| Total oil equivalent (BOE/d) | 83,183 | 72,989 | 73,749 | 75,175 | 66,203 |
| Average Sales Prices: | | | | | |
| Oil, without realized derivatives, $/Bbl | $ 40.99 | $ 38.67 | $ 56.36 | $ 37.38 | $ 54.34 |
| Oil, with realized derivatives, $/Bbl | $ 38.59 | $ 37.28 | $ 56.78 | $ 39.83 | $ 54.98 |
| Natural gas, without realized derivatives, $/Mcf | $ 2.97 | $ 2.27 | $ 2.31 | $ 2.14 | $ 2.17 |
| Natural gas, with realized derivatives, $/Mcf | $ 2.97 | $ 2.27 | $ 2.31 | $ 2.14 | $ 2.18 |
| Revenues (millions): | | | | | |
| Oil and natural gas revenues | $ 238.7 | $ 189.1 | $ 258.6 | $ 744.5 | $ 892.3 |
| Third-party midstream services revenues | $ 15.1 | $ 19.4 | $ 17.7 | $ 64.9 | $ 59.1 |
| Realized (loss) gain on derivatives | $ (10.6) | $ (5.4) | $ 1.7 | $ 38.9 | $ 9.5 |
| Operating Expenses (per BOE): | | | | | |
| Production taxes, transportation and processing | $ 3.53 | $ 3.85 | $ 3.88 | $ 3.39 | $ 3.82 |
| Lease operating | $ 3.20 | $ 3.48 | $ 4.43 | $ 3.81 | $ 4.85 |
| Plant and other midstream services operating | $ 1.62 | $ 1.40 | $ 1.51 | $ 1.51 | $ 1.52 |
| Depletion, depreciation and amortization | $ 11.73 | $ 13.11 | $ 14.89 | $ 13.15 | $ 14.51 |
| General and administrative(2) | $ 2.16 | $ 2.25 | $ 3.17 | $ 2.27 | $ 3.31 |
| Total(3) | $ 22.24 | $ 24.09 | $ 27.88 | $ 24.13 | $ 28.01 |
| Other (millions): | | | | | |
| Net sales of purchased natural gas(4) | $ 1.2 | $ 2.2 | $ 0.7 | $ 9.0 | $ 5.4 |
| Net (loss) income (millions)(5) | $ (89.5) | $ (276.1) | $ 24.0 | $ (593.2) | $ 87.8 |
| (Loss) earnings per common share (diluted)(5) | $ (0.77) | $ (2.38) | $ 0.21 | $ (5.11) | $ 0.75 |
| Adjusted net income (loss) (millions)(5)(6) | $ 32.3 | $ 11.6 | $ 46.1 | $ 63.8 | $ 140.6 |
| Adjusted earnings per common share (diluted)(5)(7) | $ 0.27 | $ 0.10 | $ 0.39 | $ 0.54 | $ 1.20 |
| Adjusted EBITDA (millions)(5)(8) | $ 150.1 | $ 121.0 | $ 181.0 | $ 519.3 | $ 610.8 |
| Net cash provided by operating activities (millions)(9) | $ 157.6 | $ 109.6 | $ 198.9 | $ 477.6 | $ 552.0 |
| Adjusted free cash flow (millions)(5)(10) | $ 60.7 | $ (18.0) | $ (3.0) | $ (73.9) | $ (188.5) |
| San Mateo net income (millions)(11) | $ 26.2 | $ 20.3 | $ 19.6 | $ 80.9 | $ 71.9 |
| San Mateo adjusted EBITDA (millions)(8)(11) | $ 35.4 | $ 28.0 | $ 26.5 | $ 112.7 | $ 96.3 |
| San Mateo net cash provided by operating activities (millions)(11) | $ 26.1 | $ 24.8 | $ 23.8 | $ 96.3 | $ 106.7 |
| San Mateo adjusted free cash flow (millions)(9)(10)(11) | $ 21.4 | $ (28.6) | $ (61.1) | $ (95.7) | $ (130.1) |
| D/C/E capital expenditures (millions) | $ 63.4 | $ 94.5 | $ 142.4 | $ 450.4 | $ 671.2 |
| Midstream capital expenditures (millions)(12) | $ 7.4 | $ 28.0 | $ 25.4 | $ 89.1 | $ 76.9 |

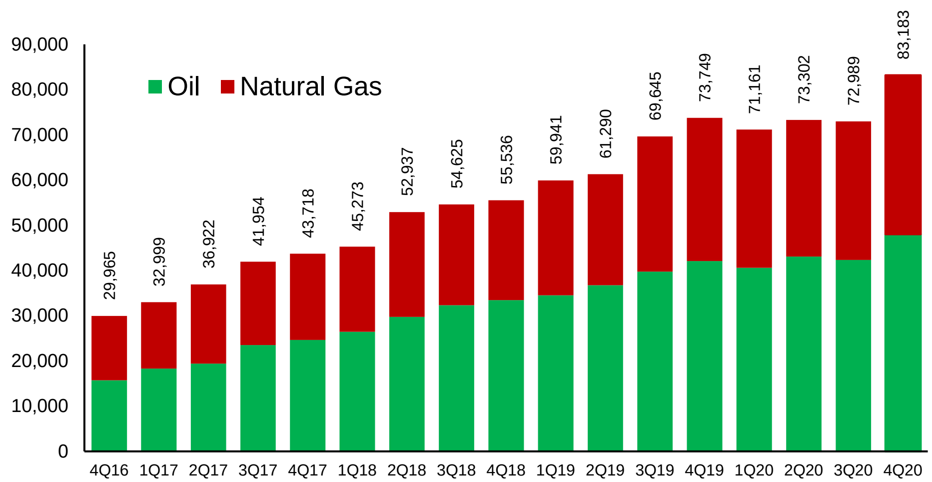
(1) Production volumes reported in two streams: oil and natural gas, including both dry and liquids-rich natural gas.
(2) Includes approximately $0.42, $0.50, $0.70, $0.50, and $0.76 per BOE of non-cash, stock-based compensation expense in Q4 2020, Q3 2020, Q4 2019 and the years ended December 31, 2020 and 2019, respectively.
(3) Total does not include the impact of full-cost ceiling impairment charges, purchased natural gas or immaterial accretion expenses.
(4) Net sales of purchased natural gas refers to residue natural gas and natural gas liquids that are purchased from customers and subsequently resold.
(5) Attributable to Matador Resources Company shareholders.
(6) Adjusted net income (loss) is a non-GAAP financial measure. For a definition of adjusted net income (loss) and a reconciliation of adjusted net income (loss) (non-GAAP) to net income (loss) (GAAP), see Appendix.
(7) Adjusted earnings (loss) per diluted common share is a non-GAAP financial measure. For a definition of adjusted earnings (loss) per diluted common share and a reconciliation of adjusted earnings (loss) per diluted common share (non-GAAP) to earnings (loss) per diluted common share (GAAP), see Appendix.
(8) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.
(9) As reported for each period on a consolidated basis, including 100% of San Mateo's net cash provided by operating activities.
(10) Adjusted free cash flow is a non-GAAP financial measure. For a definition of adjusted free cash flow and a reconciliation of adjusted free cash flow (non-GAAP) to net cash provided by operating activities (GAAP), see Appendix.
(11) Represents 100% of San Mateo's net income, net cash provided by operating activities or adjusted free cash flow for each period reported.
(12) Includes Matador's 51% share of San Mateo's capital expenditures, net of the applicable portions of Five Point's $50 million capital carry of Matador's proportionate interest in San Mateo II, plus 100% of other immaterial midstream capital expenditures not associated with San Mateo.

# A Tightly Integrated Strategy: Growing E&P and Midstream Together

## Average Daily Total Production

(BOE/d)

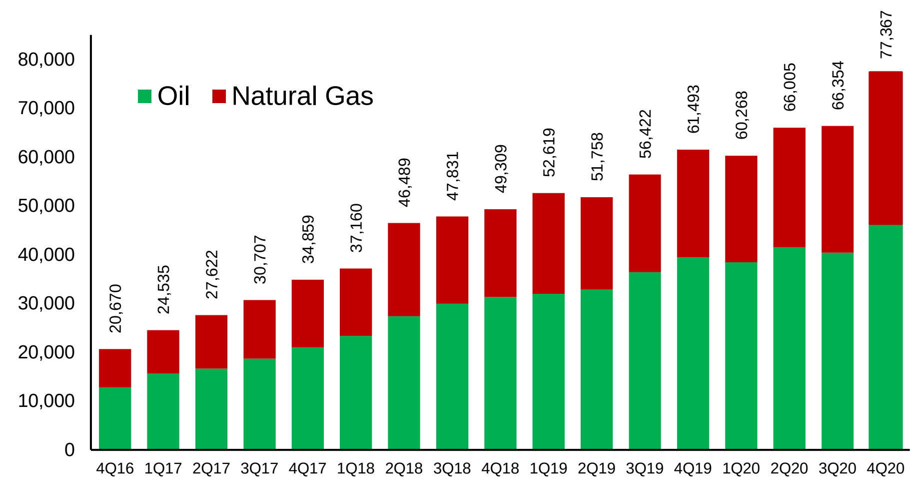
Q4 2020 BOE up 14% sequentially; up 13% YoY




## Average Daily Total Delaware Basin Production

(BOE/d)

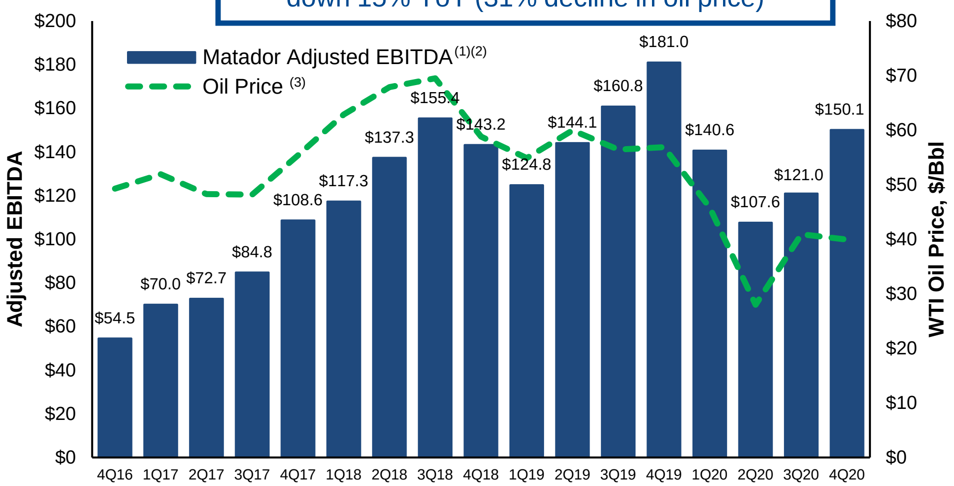
Q4 2020 BOE up 17% sequentially; up 26% YoY




## Matador Adjusted EBITDA(1)(2)

($ in millions)

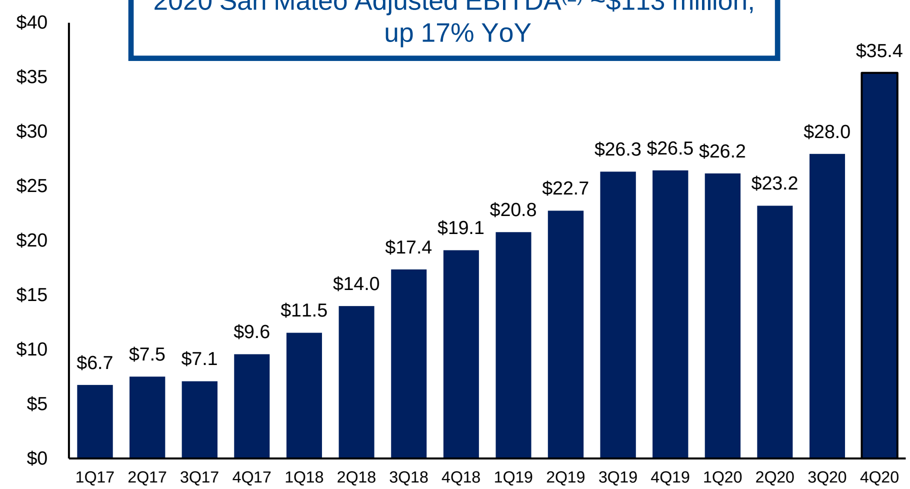
2020 Adjusted EBITDA(1)(2) ~$519 million; down 15% YoY (31% decline in oil price)




## San Mateo Adjusted EBITDA(2)

($ in millions)

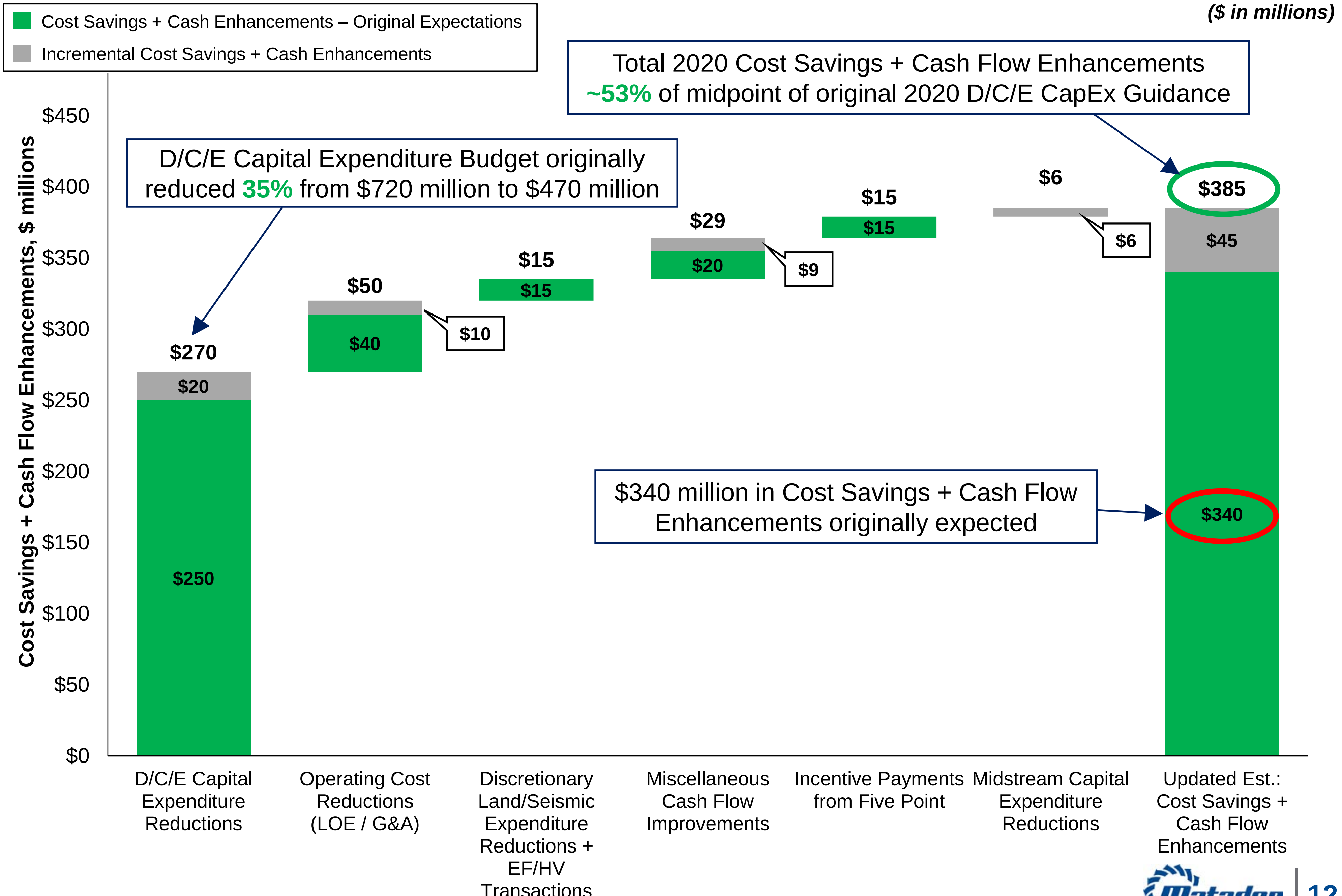
2020 San Mateo Adjusted EBITDA(2) ~$113 million; up 17% YoY




(1) Attributable to Matador Resources Company shareholders.
(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.
(3) Average settlement price for West Texas Intermediate ("WTI") crude oil for the period.

# Elements of 2020 Cost Savings & Cash Flow Enhancements

## *$385 Million Realized Improvement vs. Original Guidance[(1)]*

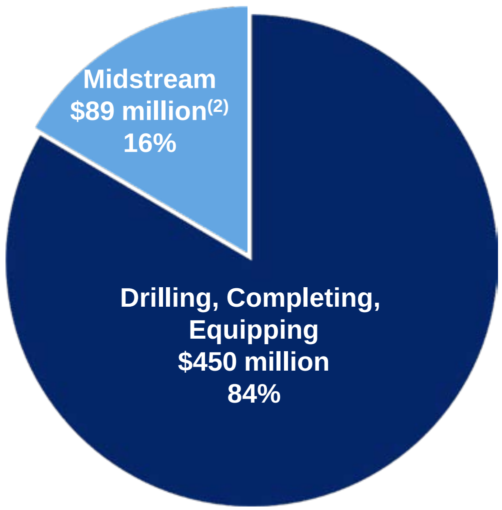



(1) As provided on February 25, 2020.

# 2020 Capital Investment Summary

## Full Year 2020 CapEx[1][2] – $539 million (Below guidance estimate of $560 million[3] – was $565 million until Q4)

*(Delaware: Moved from 6 to 3 operated rigs by end of Q2 2020)*

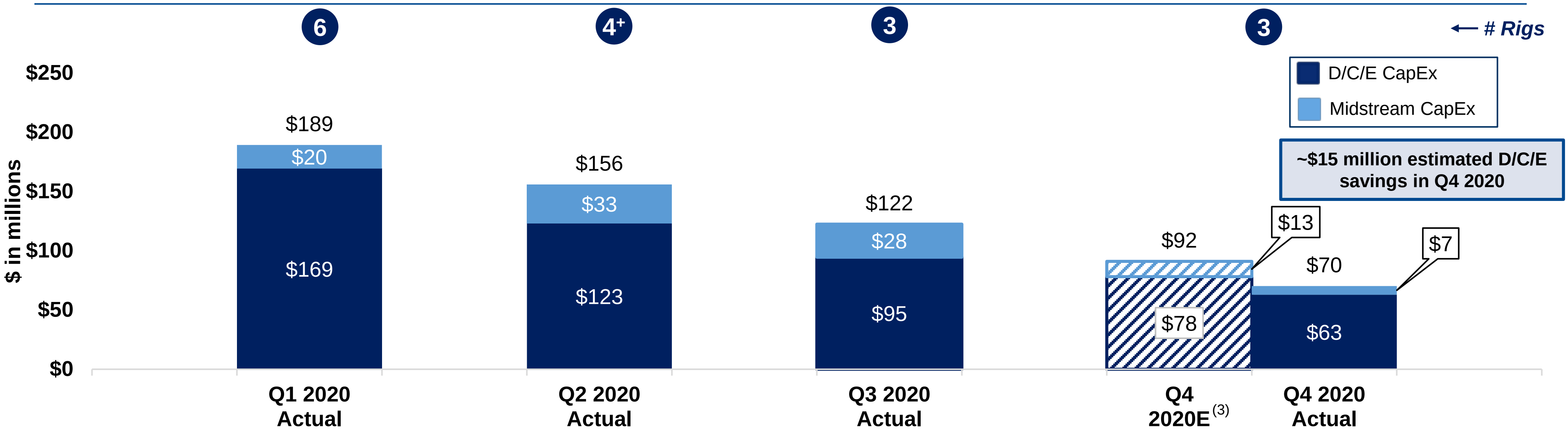



### 2020 Wells Turned to Sales – In-Line with Expectations

| | Gross | Net |
|---|---|---|
| **Operated** | 53 | 45.6 |
| **Non-Operated** | 40 | 2.2 |
| **Total** | 93 | 47.8 |

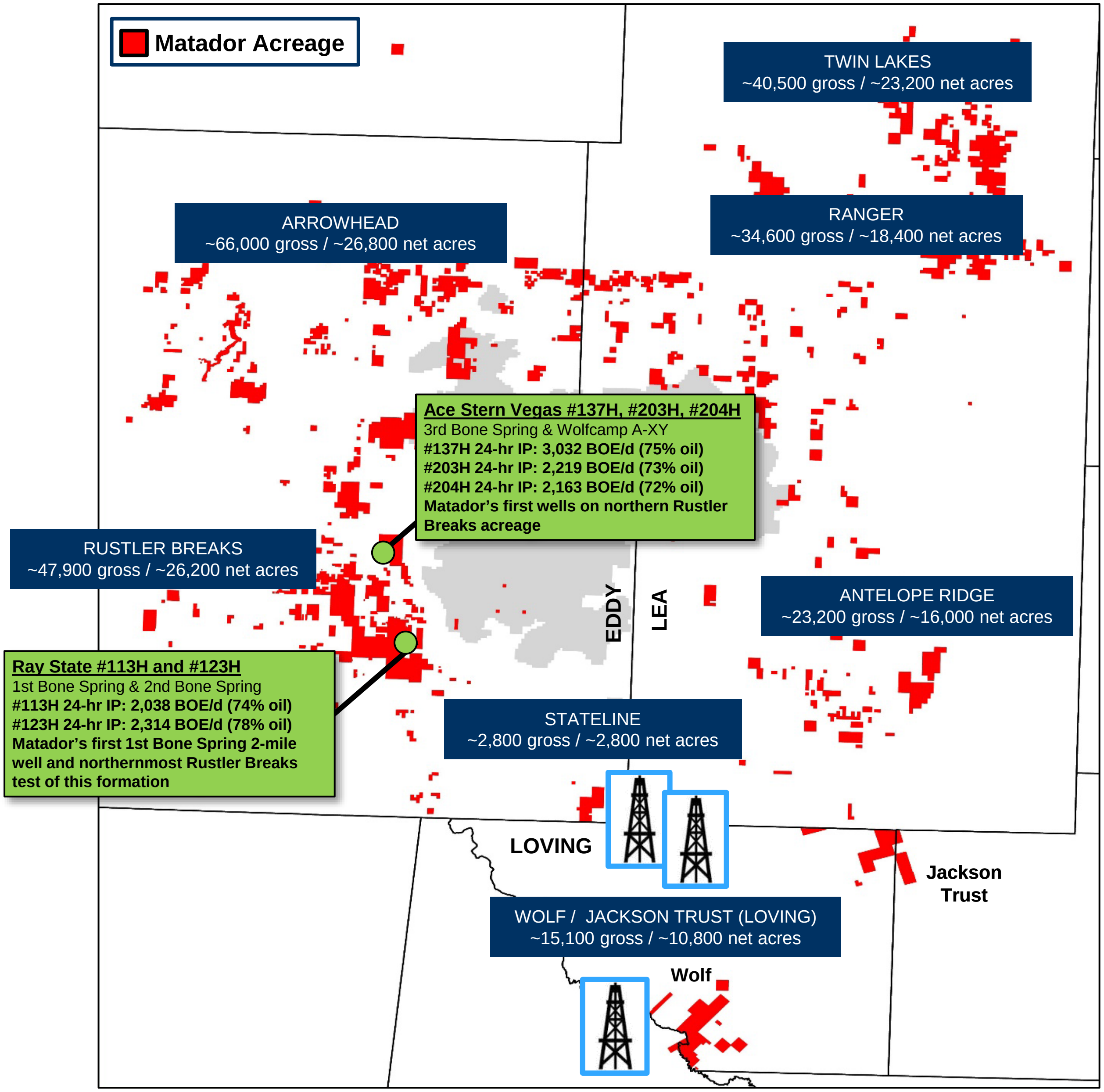
### 2020 CapEx[1][2] by Quarter

*(Delaware: Moved from 6 to 3 operated rigs by end of Q2 2020)*




Note: Numbers may not total due to rounding.
(1) Includes D/C/E capital expenditures and capital expenditures for various midstream projects; does not include any expenditures for land or seismic acquisitions.
(2) Reflects Matador's proportionate share of capital expenditures for San Mateo and accounts for the remaining portions of the $50 million capital carry Five Point provided as part of the San Mateo II expansion.
(3) At midpoint of guidance as of and as provided on October 27, 2020.

# Delaware Basin – Continuing to Deliver Strong Well Results!




Note: All acreage as of December 31, 2020. Some tracts not shown on map.

Running three rigs in Delaware Basin to start 2021 – two at Stateline and one at Wolf currently; adding fourth rig in March

**Current Activity and Plan:**

- **Stateline**: Two rigs drilling 12 additional Boros wells on the eastern portion of the leasehold; completing first 13 Voni wells (online April 2021)
- **Antelope Ridge**: Four additional Rodney Robinson wells being completed (online March 2021)
- **Rustler Breaks**: No current activity; two Ray State and three Ace Stern Vegas wells turned to sales in Q4 2020
- **Arrowhead/Ranger/Twin Lakes**: Completing two Uncle Ches wells in Ranger asset area; beginning next wells at Stebbins in March
- **Wolf/Jackson Trust**: One rig drilling two Marsh/Carthel wells

*In 2021, average lateral length for all operated wells completed and turned to sales expected to be* ***10,400 feet!***

# Wells Completed and Turned to Sales – Q4 2020

- **During Q4 2020, Matador completed and turned to sales 14 gross (4.3 net) wells in its various operating areas, including five gross (2.6 net) operated wells and nine gross (1.7 net) non-operated wells.**
- **All of the five operated wells turned to sales were two-mile laterals.**

| | Operated | | Non-Operated | | Total | | |
|---|---|---|---|---|---|---|---|
| Asset/Operating Area | Gross | Net | Gross | Net | Gross | Net | Gross Operated Well Completion Intervals |
| Antelope Ridge | - | - | - | - | - | - | No wells turned to sales in Q4 2020 |
| Arrowhead | - | - | - | - | - | - | No wells turned to sales in Q4 2020 |
| Ranger | - | - | - | - | - | - | No wells turned to sales in Q4 2020 |
| Rustler Breaks | 5 | 2.6 | 8 | 1.7 | 13 | 4.3 | 1-1BS, 1-2BS, 1-3BS, 2-WC A |
| Stateline | - | - | - | - | - | - | No wells turned to sales in Q4 2020 |
| Twin Lakes | - | - | - | - | - | - | No wells turned to sales in Q4 2020 |
| Wolf/Jackson Trust | - | - | - | - | - | - | No wells turned to sales in Q4 2020 |
| **Delaware Basin** | 5 | 2.6 | 8 | 1.7 | 13 | 4.3 | |
| **South Texas** | - | - | - | - | - | - | No wells turned to sales in Q4 2020 |
| **Haynesville Shale** | - | - | 1 | 0.0 | 1 | 0.0 | No operated wells turned to sales in Q4 2020 |
| **Total** | **5** | **2.6** | **9** | **1.7** | **14** | **4.3** | |

Note: WC = Wolfcamp; BS = Bone Spring. For example, 1-1BS indicates one First Bone Spring completions and 2-WC A indicates two Wolfcamp A completions. Any "0.0" values in the table above reflect a net working interest of less than 5%, which does not round to 0.1.

# Wells Completed and Turned to Sales – Full Year 2020

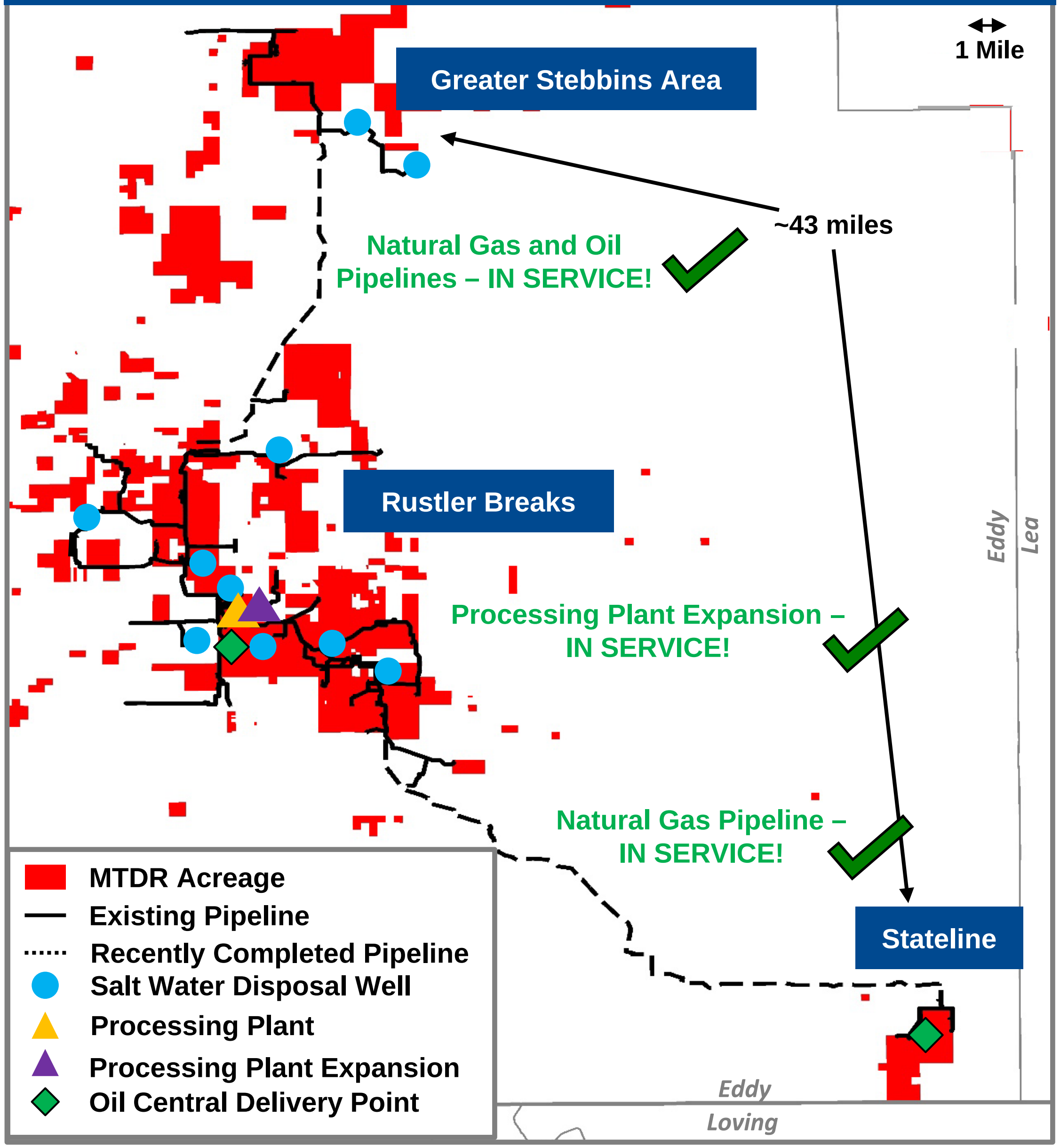
- **During the full year of 2020, Matador completed and turned to sales 93 gross (47.8 net) wells.**
- **The Delaware Basin accounted for 89 gross (47.8 net) wells completed and turned to sales, including 53 gross (45.6 net) operated and 36 gross (2.2 net) non-operated wells.**
- **Of the 53 operated wells turned to sales, 39 were two-mile laterals and five (all in the Wolf asset area) were 1.5-mile laterals.**

| | Operated | | Non-Operated | | Total | | |
|---|---|---|---|---|---|---|---|
| Asset/Operating Area | Gross | Net | Gross | Net | Gross | Net | Gross Operated Well Completion Intervals |
| Western Antelope Ridge (Rodney Robinson) | 6 | 6.0 | - | - | 6 | 6.0 | 2-AVLN, 2-2BS, 2-WC A |
| Antelope Ridge | 6 | 5.4 | 15 | 0.3 | 21 | 5.7 | 1-1BS, 2-2BS, 1-3BS, 1-WC A, 1-WC B |
| Arrowhead | 5 | 4.3 | - | - | 5 | 4.3 | 2-3BS, 2-WC A, 1-WC B |
| Ranger | - | - | - | - | - | - | No wells turned to sales in 2020 |
| Rustler Breaks | 13 | 7.8 | 21 | 1.9 | 34 | 9.7 | 1-1BS, 1-2BS, 1-3BS, 7-WC A, 3-WC B |
| Stateline | 13 | 13.0 | - | - | 13 | 13.0 | 1-AVLN, 2-2BS, 8-WC A, 2-WC B |
| Twin Lakes | - | - | - | - | - | - | No wells turned to sales in 2020 |
| Wolf/Jackson Trust | 10 | 9.1 | - | - | 10 | 9.1 | 3-2BS, 1-3BSC, 6-WC A |
| **Delaware Basin** | 53 | 45.6 | 36 | 2.2 | 89 | 47.8 | |
| **South Texas** | - | - | - | - | - | - | No wells turned to sales in 2020 |
| **Haynesville Shale** | - | - | 4 | 0.0 | 4 | 0.0 | No operated wells turned to sales in 2020 |
| **Total** | **53** | **45.6** | **40** | **2.2** | **93** | **47.8** | |

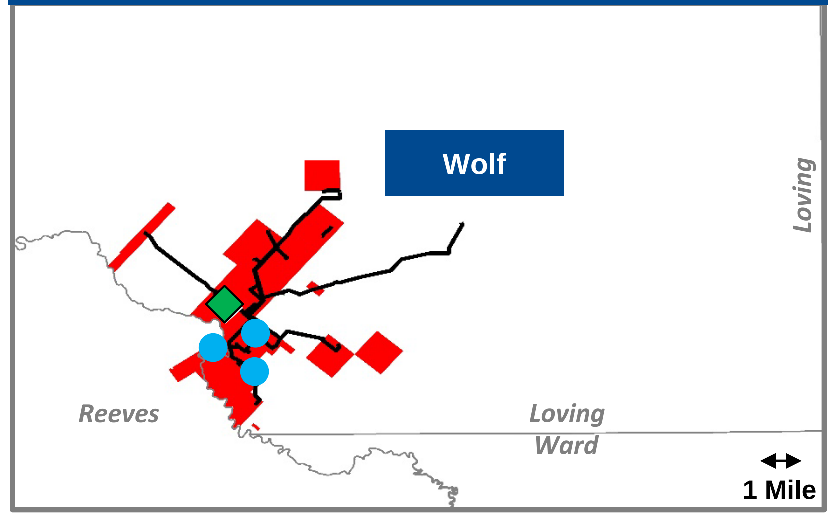
Note: WC = Wolfcamp; BS = Bone Spring; AVLN= Avalon; BSC = Bone Spring Carbonate. For example, 2-2BS indicates two Second Bone Spring completions and 2-WC A indicates two Wolfcamp A completions. Any “0.0” values in the table above reflect a net working interest of less than 5%, which does not round to 0.1.

# San Mateo[1] Assets and Operations – "Three-Pipe" Offering

## Eddy County, NM Assets




## Loving County, TX Assets




### Natural Gas Gathering and Processing

- *460 MMcf/d of designed natural gas cryogenic processing capacity following plant expansion*

### Produced Water Gathering and Disposal

- *13 commercial produced water disposal wells and associated facilities with designed produced water disposal capacity of 335,000 Bbl/d*

### Oil Gathering

- *~400,000 acre joint development area with a subsidiary of Plains All American Pipeline, L.P. ("Plains") in Eddy County, NM*

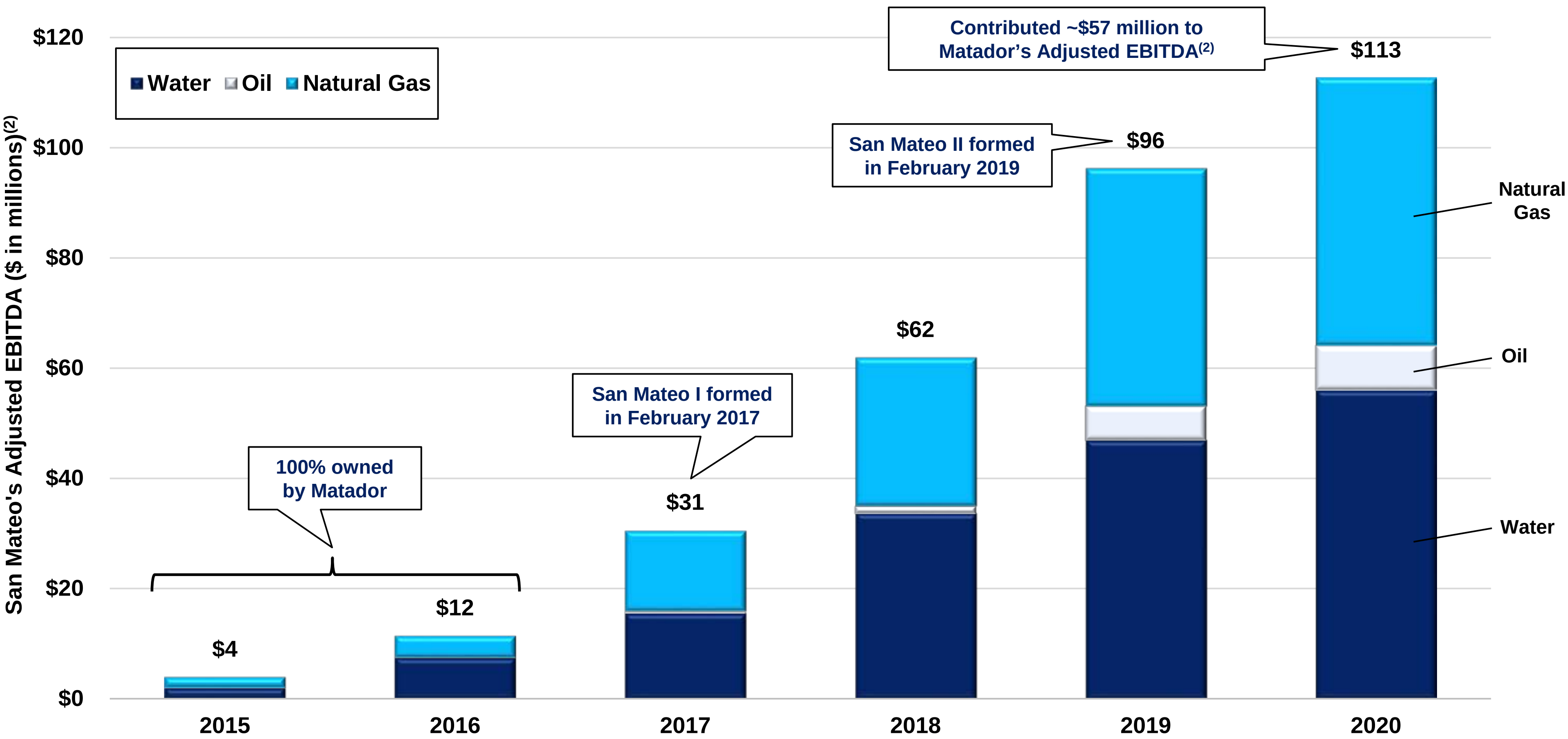
### ~350 Miles of Midstream Pipeline Systems

Note: All acreage as of December 31, 2020. Some tracts not shown on map.

(1) Matador owns 51% of San Mateo.

# San Mateo – Recent Highlights and Performance

- **October 2020** – Matador and Five Point[1] completed the successful merger of San Mateo I and San Mateo II into a single entity
- **2H 2020** – San Mateo II expansion projects completed, including:
  - Expansion of the Black River Processing Plant to designed inlet capacity of 460 MMcf of natural gas per day
  - 43 miles of large-diameter natural gas pipelines connecting Stateline and the Greater Stebbins Area to the Black River Processing Plant
  - 19 miles of various diameter crude oil pipelines connecting the Greater Stebbins Area to existing interconnect with Plains in Eddy County, NM




Note: Figures (i) reflect the combined Adjusted EBITDA for San Mateo I and San Mateo II prior to their October 2020 merger, including allocations for general and administrative expenses, (ii) are pro forma for February 2017 San Mateo I transaction and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador and (iii) exclude assets sold to EnLink in October 2015. Matador owns 51% of San Mateo.

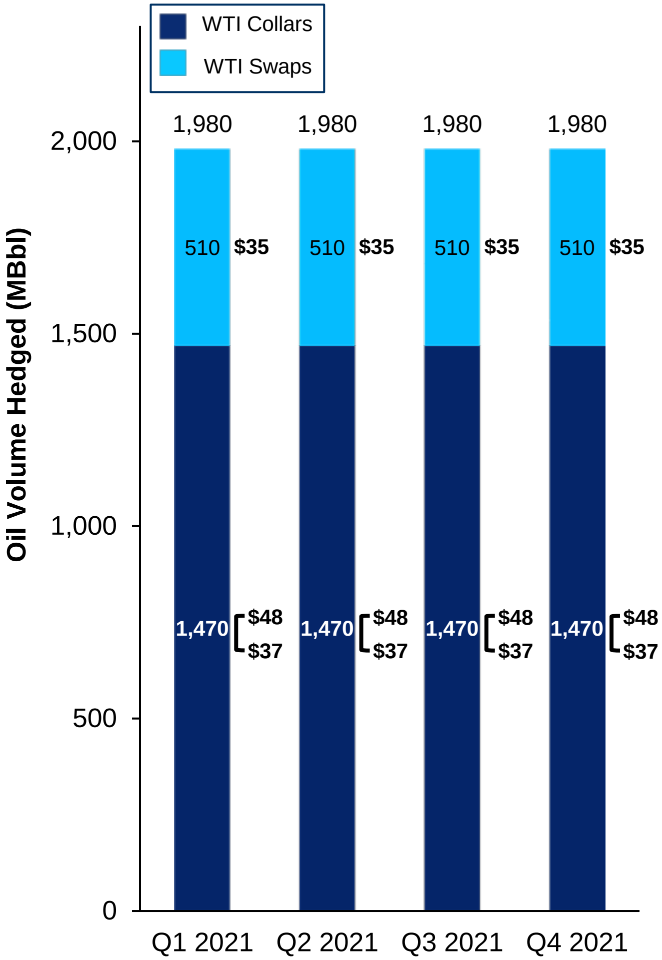
(1) A subsidiary of Five Point Energy LLC ("Five Point") is Matador's joint venture partner in San Mateo. Matador and Five Point own 51% and 49%, respectively, of San Mateo.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (loss) (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

# Hedging Profile – Remainder of 2021 and 2022(1)

## Oil Collars, Swaps, Puts

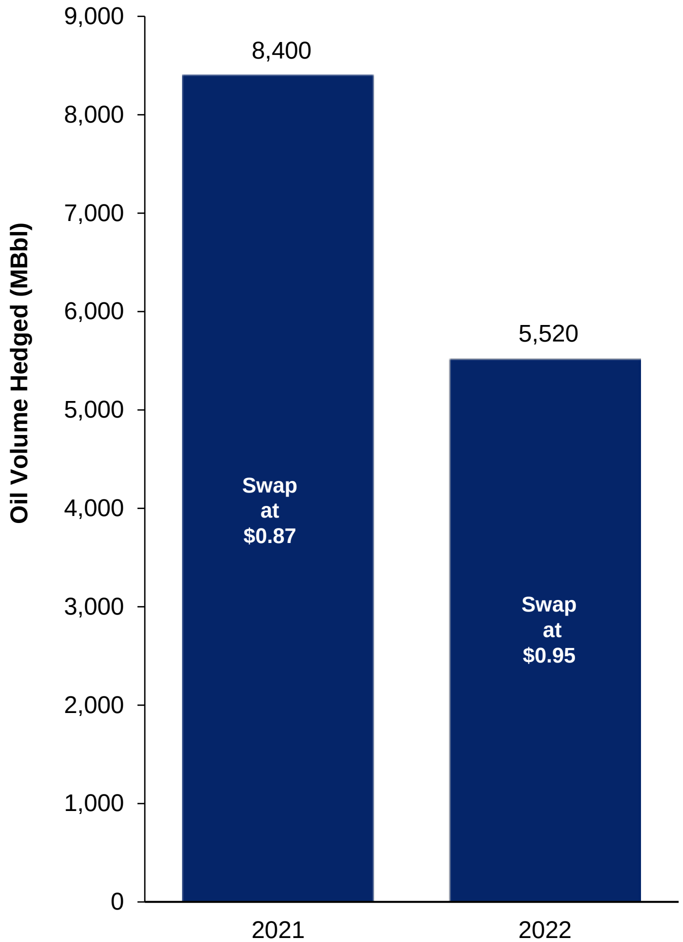
*~45% hedged for 2021*




Prices in $/Bbl

## Midland-Cushing Basis Swaps

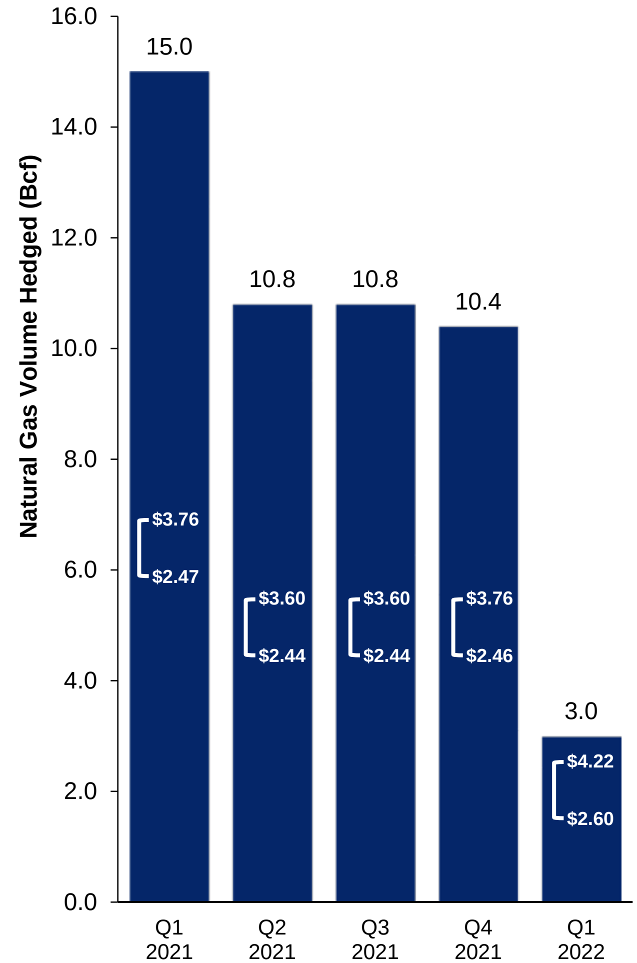
*~50% hedged for 2021*




Prices in $/Bbl

## Natural Gas Collars

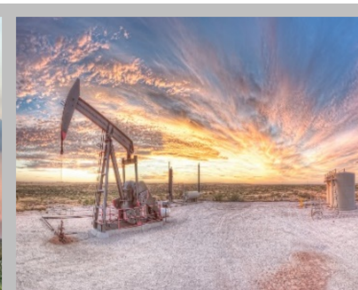
*~85% hedged for Q1 2021*
*~50-55% hedged for Q2-Q4 2021*




Prices in $/MMBtu

(1) As of December 31, 2020.

Matador
RESOURCES COMPANY




# Appendix

MTDR
LISTED
NYSE

Reaffirmed October 2020!

# Matador Resources and San Mateo Credit Facilities

## Matador Credit Agreement Summary

*Bank group led by Royal Bank of Canada*

| Facility Size | Maturity Date | Borrowing Base | Last Reserves Review | Elected Borrowing Commitment | Borrowings Outstanding *at 12/31/2020* | Letters of Credit Outstanding *at 12/31/2020* | Financial Covenant: Maximum Net Debt to Adjusted EBITDA[(1)(2)] |
|---|---|---|---|---|---|---|---|
| $1.5 billion | October 2023 | $900 million | 9/30/2020 | $700 million | $440 million | $46 million | 4.00:1.00 |

## San Mateo Credit Facility Summary

*Bank group led by The Bank of Nova Scotia*

| Facility Size | Accordion Feature Expandable Up To | Borrowings Outstanding *at 12/31/2020* | Letters of Credit Outstanding *at 12/31/2020* | Financial Covenant: Maximum Net Debt to Adjusted EBITDA[(3)] | Financial Covenant: Minimum Interest Coverage Ratio |
|---|---|---|---|---|---|
| $375 million | $400 million | $334 million | $9 million | 5.00:1.00 | ≥ 2.50x |

## Matador Credit Agreement Pricing Grid

| TIER | Borrowing Base Utilization | LIBOR Margin | BASE Margin | Commitment Fee |
|---|---|---|---|---|
| **Tier One** | x < 25% | 125 bps | 25 bps | 37.5 bps |
| **Tier Two** | 25% < or = x < 50% | 150 bps | 50 bps | 37.5 bps |
| **Tier Three** | 50% < or = x < 75% | 175 bps | 75 bps | 50 bps |
| **Tier Four** | 75% < or = x < 90% | 200 bps | 100 bps | 50 bps |
| **Tier Five** | 90% < or = x < 100% | 225 bps | 125 bps | 50 bps |

## San Mateo Credit Facility Pricing Grid

| TIER | Leverage (Total Debt / LTM Adjusted EBITDA) | LIBOR Margin | BASE Margin | Commitment Fee |
|---|---|---|---|---|
| **Tier One** | ≤ 2.75x | 150 bps | 50 bps | 30 bps |
| **Tier Two** | > 2.75x to ≤ 3.25x | 175 bps | 75 bps | 35 bps |
| **Tier Three** | > 3.25x to ≤ 3.75x | 200 bps | 100 bps | 37.5 bps |
| **Tier Four** | > 3.75x to ≤ 4.25x | 225 bps | 125 bps | 50 bps |
| **Tier Five** | > 4.25x | 250 bps | 150 bps | 50 bps |

(1) Adjusted EBITDA is a non-GAAP financial measure. For purposes of the Credit Agreement, Adjusted EBITDA excludes amounts attributable to San Mateo. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income and net cash provided by operating activities, see Appendix.
(2) For purposes of the Credit Agreement, Net Debt is equal to debt outstanding less available cash not exceeding $50 million and excluding all cash associated with San Mateo.
(3) Adjusted EBITDA is a non-GAAP financial measure. Based on Adjusted EBITDA for San Mateo. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA (non-GAAP) to net income (GAAP) and net cash provided by operating activities (GAAP), see Appendix.

# Adjusted EBITDA Reconciliation

This presentation includes the non-GAAP financial measure of Adjusted EBITDA. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of the Company's consolidated financial statements, such as securities analysts, investors, lenders and rating agencies. "GAAP" means Generally Accepted Accounting Principles in the United States of America. The Company believes Adjusted EBITDA helps it evaluate its operating performance and compare its results of operations from period to period without regard to its financing methods or capital structure. The Company defines, on a consolidated basis and for San Mateo, Adjusted EBITDA as earnings before interest expense, income taxes, depletion, depreciation and amortization, accretion of asset retirement obligations, property impairments, unrealized derivative gains and losses, certain other non-cash items and non-cash stock-based compensation expense, prepayment premium on extinguishment of debt and net gain or loss on asset sales and impairment. Adjusted EBITDA for San Mateo includes the combined financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC prior to the October 2020 merger. Adjusted EBITDA is not a measure of net income (loss) or net cash provided by operating activities as determined by GAAP. All references to Matador's Adjusted EBITDA are those values attributable to Matador Resources Company shareholders after giving effect to Adjusted EBITDA attributable to third-party non-controlling interests, including in San Mateo.

Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss) or net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company's operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components of understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure. Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. The following table presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively, that are of a historical nature. Where references are pro forma, forward-looking, preliminary or prospective in nature, and not based on historical fact, the table does not provide a reconciliation. The Company could not provide such reconciliation without undue hardship because such Adjusted EBITDA numbers are estimations, approximations and/or ranges. In addition, it would be difficult for the Company to present a detailed reconciliation on account of many unknown variables for the reconciling items, including future income taxes, full-cost ceiling impairments, unrealized gains or losses on derivatives and gains or losses on asset sales and impairment. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

# Adjusted EBITDA Reconciliation
## *Matador Resources Company, Consolidated*

The following table presents our calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

| *(In thousands)* | 1Q 2016 | 2Q 2016 | 3Q 2016 | 4Q 2016 | 1Q 2017 | 2Q 2017 | 3Q 2017 | 4Q 2017 | 1Q 2018 | 2Q 2018 | 3Q 2018 | 4Q 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net (Loss) Income:** | | | | | | | | | | | | |
| Net (loss) income attributable to Matador Resources Company shareholders | $ (107,654) | $ (105,853) | $ 11,931 | $ 104,154 | $ 43,984 | $ 28,509 | $ 15,039 | $ 38,335 | $ 59,894 | $ 59,806 | $ 17,794 | $ 136,713 |
| Net (loss) income attributable to non-controlling interest in subsidiaries | (13) | 106 | 116 | 155 | 1,916 | 3,178 | 2,940 | 4,106 | 5,030 | 5,831 | 7,321 | 7,375 |
| Net (loss) income | (107,667) | (105,747) | 12,047 | 104,309 | 45,900 | 31,687 | 17,979 | 42,441 | 64,924 | 65,637 | 25,115 | 144,088 |
| Interest expense | 7,197 | 6,167 | 6,880 | 7,955 | 8,455 | 9,224 | 8,550 | 8,336 | 8,491 | 8,004 | 10,340 | 14,492 |
| Total income tax (benefit) provision | - | - | (1,141) | 105 | - | - | - | (8,157) | - | - | - | (7,691) |
| Depletion, depreciation and amortization | 28,923 | 31,248 | 30,015 | 31,863 | 33,992 | 41,274 | 47,800 | 54,436 | 55,369 | 66,838 | 70,457 | 72,478 |
| Accretion of asset retirement obligations | 264 | 289 | 276 | 354 | 300 | 314 | 323 | 353 | 364 | 375 | 387 | 404 |
| Full-cost ceiling impairment | 80,462 | 78,171 | - | - | - | - | - | - | - | - | - | - |
| Unrealized loss (gain) on derivatives | 6,839 | 26,625 | (3,203) | 10,977 | (20,631) | (13,190) | 12,372 | 11,734 | (10,416) | (1,429) | 21,337 | (74,577) |
| Stock-based compensation expense | 2,243 | 3,310 | 3,584 | 3,224 | 4,166 | 7,026 | 1,296 | 4,166 | 4,179 | 4,766 | 4,842 | 3,413 |
| Net (gain) loss on asset sales and impairment | (1,065) | (1,002) | (1,073) | (104,137) | (7) | - | (16) | - | - | - | 196 | - |
| Prepayment premium on extinguishment of debt | - | - | - | - | - | - | - | - | - | - | 31,226 | - |
| Consolidated Adjusted EBITDA | 17,196 | 39,061 | 47,385 | 54,650 | 72,175 | 76,335 | 88,304 | 113,309 | 122,911 | 144,191 | 163,900 | 152,607 |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | 4 | (115) | (125) | (164) | (2,216) | (3,683) | (3,471) | (4,690) | (5,657) | (6,853) | (8,508) | (9,368) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 17,200** | **$ 38,946** | **$ 47,260** | **$ 54,486** | **$ 69,959** | **$ 72,652** | **$ 84,833** | **$ 108,619** | **$ 117,254** | **$ 137,338** | **$ 155,392** | **$ 143,239** |

| *(In thousands)* | 1Q 2016 | 2Q 2016 | 3Q 2016 | 4Q 2016 | 1Q 2017 | 2Q 2017 | 3Q 2017 | 4Q 2017 | 1Q 2018 | 2Q 2018 | 3Q 2018 | 4Q 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to** | | | | | | | | | | | | |
| **Net Cash Provided by Operating Activities:** | | | | | | | | | | | | |
| Net cash provided by operating activities | $ 18,358 | $ 31,242 | $ 46,862 | $ 37,624 | $ 61,309 | $ 59,933 | $ 101,274 | $ 76,609 | $ 136,149 | $ 118,059 | $ 165,111 | $ 189,205 |
| Net change in operating assets and liabilities | (8,059) | 1,944 | (4,909) | 9,215 | 2,455 | 7,198 | (21,481) | 36,886 | (21,364) | 18,174 | (11,111) | (50,129) |
| Interest expense, net of non-cash portion | 6,897 | 5,875 | 6,573 | 7,706 | 8,411 | 9,204 | 8,511 | 7,971 | 8,126 | 7,958 | 9,900 | 13,986 |
| Current income tax (benefit) provision | - | - | (1,141) | 105 | - | - | - | (8,157) | - | - | - | (455) |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | 4 | (115) | (125) | (164) | (2,216) | (3,683) | (3,471) | (4,690) | (5,657) | (6,853) | (8,508) | (9,368) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 17,200** | **$ 38,946** | **$ 47,260** | **$ 54,486** | **$ 69,959** | **$ 72,652** | **$ 84,833** | **$ 108,619** | **$ 117,254** | **$ 137,338** | **$ 155,392** | **$ 143,239** |

| *(In thousands)* | 1Q 2019 | 2Q 2019 | 3Q 2019 | 4Q 2019 | 1Q 2020 | 2Q 2020 | 3Q 2020 | 4Q 2020 |
|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net (Loss) Income:** | | | | | | | | |
| Net (loss) income attributable to Matador Resources Company shareholders | $ (16,947) | $ 36,752 | $ 43,953 | $ 24,019 | $ 125,729 | $ (353,416) | $ (276,064) | $ (89,454) |
| Net (loss) income attributable to non-controlling interest in subsidiaries | 7,462 | 8,320 | 9,800 | 9,623 | 9,354 | 7,473 | 9,957 | 12,861 |
| Net (loss) income | (9,485) | 45,072 | 53,753 | 33,642 | 135,083 | (345,943) | (266,107) | (76,593) |
| Interest expense | 17,929 | 18,068 | 18,175 | 19,701 | 19,812 | 18,297 | 18,231 | 20,352 |
| Total income tax (benefit) provision | (1,013) | 12,858 | 13,490 | 10,197 | 39,957 | (109,823) | 26,497 | (2,230) |
| Depletion, depreciation and amortization | 76,866 | 80,132 | 92,498 | 101,043 | 90,707 | 93,350 | 88,025 | 89,749 |
| Accretion of asset retirement obligations | 414 | 420 | 520 | 468 | 476 | 495 | 478 | 499 |
| Full-cost ceiling impairment | - | - | - | - | - | 324,001 | 251,163 | 109,579 |
| Unrealized loss (gain) on derivatives | 45,719 | (6,157) | (9,847) | 24,012 | (136,430) | 132,668 | 13,033 | 22,737 |
| Stock-based compensation expense | 4,587 | 4,490 | 4,664 | 4,765 | 3,794 | 3,286 | 3,369 | 3,176 |
| Net (gain) loss on asset sales and impairment | - | 368 | 439 | 160 | - | 2,632 | - | 200 |
| Prepayment premium on extinguishment of debt | - | - | - | - | - | - | - | - |
| Consolidated Adjusted EBITDA | 135,017 | 155,251 | 173,692 | 193,988 | 153,399 | 118,963 | 134,689 | 167,469 |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | (10,178) | (11,147) | (12,903) | (12,964) | (12,823) | (11,369) | (13,701) | (17,350) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 124,839** | **$ 144,104** | **$ 160,789** | **$ 181,024** | **$ 140,576** | **$ 107,594** | **$ 120,988** | **$ 150,119** |

| *(In thousands)* | 1Q 2019 | 2Q 2019 | 3Q 2019 | 4Q 2019 | 1Q 2020 | 2Q 2020 | 3Q 2020 | 4Q 2020 |
|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to** | | | | | | | | |
| **Net Cash Provided by Operating Activities:** | | | | | | | | |
| Net cash provided by operating activities | $ 59,240 | $ 135,257 | $ 158,630 | $ 198,915 | $ 109,372 | $ 101,013 | $ 109,574 | $ 157,623 |
| Net change in operating assets and liabilities | 58,491 | 2,472 | (2,488) | (23,958) | 24,899 | 368 | 7,599 | (9,788) |
| Interest expense, net of non-cash portion | 17,286 | 17,522 | 17,550 | 19,031 | 19,128 | 17,582 | 17,516 | 19,634 |
| Current income tax (benefit) provision | - | - | - | - | - | - | - | - |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | (10,178) | (11,147) | (12,903) | (12,964) | (12,823) | (11,369) | (13,701) | (17,350) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 124,839** | **$ 144,104** | **$ 160,789** | **$ 181,024** | **$ 140,576** | **$ 107,594** | **$ 120,988** | **$ 150,119** |

# Adjusted EBITDA Reconciliation
## *Matador Resources Company, Consolidated*

The following table presents our calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

| *(In thousands)* | 2018 | 2019 | 2020 |
|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):** | | | |
| Net income (loss) attributable to Matador Resources Company shareholders | $274,207 | $87,777 | ($593,205) |
| Net income attributable to non-controlling interest in subsidiaries | 25,557 | 35,205 | 39,645 |
| Net income (loss) | $299,764 | $122,982 | ($553,560) |
| Interest expense | 41,327 | 73,873 | 76,692 |
| Total income tax (benefit) provision | (7,691) | 35,532 | (45,599) |
| Depletion, depreciation and amortization | 265,142 | 350,540 | 361,831 |
| Accretion of asset retirement obligations | 1,530 | 1,822 | 1,948 |
| Full-cost ceiling impairment | - | - | 684,743 |
| Unrealized (gain) loss on derivatives | (65,085) | 53,727 | 32,008 |
| Stock-based compensation expense | 17,200 | 18,505 | 13,625 |
| Net loss on asset sales and impairment | 196 | 967 | 2,832 |
| Prepayment premium on extinguishment of debt | 31,226 | - | - |
| Consolidated Adjusted EBITDA | 583,609 | 657,948 | 574,520 |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | (30,386) | (47,192) | (55,243) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$553,223** | **$610,756** | **$519,277** |

| *(In thousands)* | 2018 | 2019 | 2020 |
|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:** | | | |
| Net cash provided by operating activities | $608,523 | $552,042 | $477,582 |
| Net change in operating assets and liabilities | (64,429) | 34,517 | 23,078 |
| Interest expense, net of non-cash portion | 39,970 | 71,389 | 73,860 |
| Current income tax benefit | (455) | - | - |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | (30,386) | (47,192) | (55,243) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$553,223** | **$610,756** | **$519,277** |

# Adjusted EBITDA Reconciliation
## *San Mateo[(1)]*

The following table presents the calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC.

| | Three Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In thousands)* | 3/31/2017 | 6/30/2017 | 9/30/2017 | 12/31/2017 | 3/31/2018 | 6/30/2018 | 9/30/2018 | 12/31/2018 |
| **Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):** | | | | | | | | |
| Net income | $ 5,741 | $ 6,422 | $ 5,937 | $ 8,291 | $ 10,266 | $ 11,901 | $ 14,940 | $ 15,051 |
| Total income tax provision | 54 | 64 | 63 | 88 | – | – | – | – |
| Depletion, depreciation and amortization | 951 | 1,016 | 1,083 | 1,181 | 1,268 | 2,086 | 2,392 | 3,713 |
| Interest expense | – | – | – | – | – | – | – | 333 |
| Accretion of asset retirement obligations | – | 9 | 10 | 11 | 11 | 12 | 18 | 20 |
| Net loss on impairment | – | – | – | – | – | – | – | – |
| **Adjusted EBITDA (Non-GAAP)** | **$ 6,746** | **$ 7,511** | **$ 7,093** | **$ 9,571** | **$ 11,545** | **$ 13,999** | **$ 17,350** | **$ 19,117** |

| | Three Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In thousands)* | 3/31/2017 | 6/30/2017 | 9/30/2017 | 12/31/2017 | 3/31/2018 | 6/30/2018 | 9/30/2018 | 12/31/2018 |
| **Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by (Used in) Operating Activities:** | | | | | | | | |
| Net cash (used in) provided by operating activities | $ (1,064) | $ 2,630 | $ 22,509 | $ (2,767) | $ 10,385 | $ (160) | $ 2,093 | $ 23,070 |
| Net change in operating assets and liabilities | 7,756 | 4,817 | (15,479) | 12,250 | 1,160 | 14,159 | 15,257 | (4,273) |
| Interest expense, net of non-cash portion | – | – | – | – | – | – | – | 320 |
| Current income tax provision | 54 | 64 | 63 | 88 | – | – | – | – |
| **Adjusted EBITDA (Non-GAAP)** | **$ 6,746** | **$ 7,511** | **$ 7,093** | **$ 9,571** | **$ 11,545** | **$ 13,999** | **$ 17,350** | **$ 19,117** |

| | Three Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In thousands)* | 3/31/2019 | 6/30/2019 | 9/30/2019 | 12/31/2019 | 3/31/2020 | 6/30/2020 | 9/30/2020 | 12/31/2020 |
| **Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):** | | | | | | | | |
| Net income | $ 15,229 | $ 16,979 | $ 20,000 | $ 19,642 | $ 19,088 | $ 15,252 | $ 20,323 | $ 26,247 |
| Total income tax provision | – | – | – | – | – | – | – | – |
| Depletion, depreciation and amortization | 3,406 | 3,565 | 3,848 | 4,249 | 4,600 | 4,786 | 5,822 | 7,277 |
| Interest expense | 2,142 | 2,180 | 2,458 | 2,502 | 2,437 | 1,854 | 1,766 | 1,827 |
| Accretion of asset retirement obligations | – | 25 | 27 | 58 | 45 | 49 | 50 | 56 |
| Net loss on impairment | – | – | – | – | – | 1,261 | - | - |
| **Adjusted EBITDA (Non-GAAP)** | **$ 20,777** | **$ 22,749** | **$ 26,333** | **$ 26,451** | **$ 26,170** | **$ 23,202** | **$ 27,961** | **$ 35,407** |

| | Three Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In thousands)* | 3/31/2019 | 6/30/2019 | 9/30/2019 | 12/31/2019 | 3/31/2020 | 6/30/2020 | 9/30/2020 | 12/31/2020 |
| **Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by (Used in) Operating Activities:** | | | | | | | | |
| Net cash (used in) provided by operating activities | $ 32,616 | $ 18,650 | $ 31,550 | $ 23,834 | $ 25,244 | $ 20,164 | $ 24,795 | $ 26,131 |
| Net change in operating assets and liabilities | (13,899) | 2,031 | (7,468) | 199 | (1,341) | 1,354 | 1,477 | 7,716 |
| Interest expense, net of non-cash portion | 2,060 | 2,068 | 2,251 | 2,418 | 2,267 | 1,684 | 1,689 | 1,560 |
| Current income tax provision | – | – | – | – | – | – | – | – |
| **Adjusted EBITDA (Non-GAAP)** | **$ 20,777** | **$ 22,749** | **$ 26,333** | **$ 26,451** | **$ 26,170** | **$ 23,202** | **$ 27,961** | **$ 35,407** |

(1) Pro forma for February 2017 San Mateo I transaction and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

# Adjusted EBITDA Reconciliation
## *San Mateo*[(1)]

The following table presents the calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC.

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| *(In thousands)* | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| **Unaudited Adjusted EBITDA reconciliation to Net Income:** | | | | | | |
| Net income | $ 2,719 | $ 10,174 | $ 26,391 | $52,158 | $ 71,850 | $ 80,910 |
| Total income tax provision | 647 | 97 | 269 | – | – | – |
| Depletion, depreciation and amortization | 562 | 1,739 | 4,231 | 9,459 | 15,068 | 22,485 |
| Interest expense | – | – | – | 333 | 9,282 | 7,884 |
| Accretion of asset retirement obligations | 16 | 47 | 30 | 61 | 110 | 200 |
| Net loss on impairment | – | – | – | – | – | 1,261 |
| **Adjusted EBITDA (Non-GAAP)** | **$ 3,944** | **$ 12,057** | **$ 30,921** | **$62,011** | **$ 96,310** | **$ 112,740** |

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| *(In thousands)* | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| **Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:** | | | | | | |
| Net cash provided by operating activities | $ 13,916 | $ 6,694 | $ 21,308 | $ 35,702 | $ 106,650 | $ 96,334 |
| Net change in operating assets and liabilities | (10,007) | 5,266 | 9,344 | 25,989 | (19,137) | 9,206 |
| Interest expense, net of non-cash portion | – | – | – | 320 | 8,797 | 7,200 |
| Current income tax provision | 35 | 97 | 269 | – | – | – |
| **Adjusted EBITDA (Non-GAAP)** | **$ 3,944** | **$ 12,057** | **$ 30,921** | **$ 62,011** | **$ 96,310** | **$ 112,740** |

(1) Pro forma for February 2017 San Mateo I transaction and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

# Adjusted Net (Loss) Income and Adjusted Earnings (Loss) Per Diluted Common Share

This presentation includes the non-GAAP financial measures of adjusted net (loss) income and adjusted (loss) earnings per diluted common share. These non-GAAP items are measured as net (loss) income attributable to Matador Resources Company shareholders, adjusted for dollar and per share impact of certain items, including unrealized gains or losses on derivatives, the impact of full cost-ceiling impairment charges, if any, and non-recurring transaction costs for certain acquisitions or other non-recurring expense items, along with the related tax effect for all periods. This non-GAAP financial information is provided as additional information for investors and is not in accordance with, or an alternative to, GAAP financial measures. Additionally, these non-GAAP financial measures may be different than similar measures used by other companies. The Company believes the presentation of adjusted net (loss) income and adjusted (loss) earnings per diluted common share provides useful information to investors, as it provides them an additional relevant comparison of the Company's performance across periods and to the performance of the Company's peers. In addition, these non-GAAP financial measures reflect adjustments for items of income and expense that are often excluded by industry analysts and other users of the Company's financial statements in evaluating the Company's performance. The table below reconciles adjusted net (loss) income and adjusted (loss) earnings per diluted common share to their most directly comparable GAAP measure of net (loss) income attributable to Matador Resources Company shareholders.

| | Three Months Ended | | | Year Ended December 31, | |
|---|---|---|---|---|---|
| *(In thousands, except per share data)* | December 31, 2020 | September 30, 2020 | December 31, 2019 | 2020 | 2019 |
| **Unaudited Adjusted Net Income and Adjusted Earnings Per Share Reconciliation to Net (Loss) Income:** | | | | | |
| Net (loss) income attributable to Matador Resources Company shareholders | $ (89,454) | $ (276,064) | $ 24,019 | ($593,205) | $87,777 |
| Total income tax (benefit) provision | (2,230) | 26,497 | 10,197 | (45,599) | 35,532 |
| (Loss) income attributable to Matador Resources Company shareholders before taxes | (91,684) | (249,567) | 34,216 | (638,804) | 123,309 |
| Less non-recurring and unrealized charges to (loss) income before taxes: | | | | | |
| Full-cost ceiling impairment | 109,579 | 251,163 | - | 684,743 | - |
| Unrealized loss on derivatives | 22,737 | 13,033 | 24,012 | 32,008 | 53,727 |
| Net loss on asset sales and impairment | 200 | - | 160 | 2,832 | 967 |
| Adjusted income attributable to Matador Resources Company shareholders before taxes | 40,832 | 14,629 | 58,388 | 80,779 | 178,003 |
| Income tax expense[1] | 8,575 | 3,072 | 12,261 | 16,964 | 37,381 |
| **Adjusted net income attributable to Matador Resources Company shareholders (non-GAAP)** | **$ 32,257** | **$ 11,557** | **$ 46,127** | **$ 63,815** | **$ 140,622** |
| Basic weighted average shares outstanding, without participating securities | 116,163 | 116,155 | 115,746 | 116,068 | 115,609 |
| Dilutive effect of participating securities | 677 | 685 | 895 | 652 | 946 |
| Weighted average shares outstanding, including participating securities - basic | 116,840 | 116,840 | 116,641 | 116,720 | 116,555 |
| Dilutive effect of options and restricted stock units | 704 | 569 | 342 | 472 | 508 |
| Weighted average common shares outstanding - diluted | 117,544 | 117,409 | 116,983 | 117,192 | 117,063 |
| **Adjusted earnings per share attributable to Matador Resources Company shareholders (non-GAAP)** | | | | | |
| **Basic** | **$ 0.28** | **$ 0.10** | **$ 0.40** | **$ 0.55** | **$ 1.21** |
| **Diluted** | **$ 0.27** | **$ 0.10** | **$ 0.39** | **$ 0.54** | **$ 1.20** |

(1) Estimated using federal statutory tax rate in effect for the period.

# Adjusted Free Cash Flow Reconciliation

This presentation includes the non-GAAP financial measure of adjusted free cash flow. This non-GAAP item is measured, on a consolidated basis for the Company and for San Mateo, as net cash provided by operating activities, adjusted for changes in working capital and cash performance incentives that are not included as operating cash flows, less cash flows used for capital expenditures, adjusted for changes in capital accruals. On a consolidated basis, these numbers are also adjusted for the cash flows related to non-controlling interest in subsidiaries that represent cash flows not attributable to Matador shareholders. Adjusted free cash flow should not be considered an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company's liquidity. Adjusted free cash flow is used by the Company, securities analysts and investors as an indicator of the Company's ability to manage its operating cash flow, internally fund its D/C/E capital expenditures, pay dividends and service or incur additional debt, without regard to the timing of settlement of either operating assets and liabilities or accounts payable related to capital expenditures. Additionally, this non-GAAP financial measure may be different than similar measures used by other companies. The Company believes the presentation of adjusted free cash flow provides useful information to investors, as it provides them an additional relevant comparison of the Company's performance, sources and uses of capital associated with its operations across periods and to the performance of the Company's peers. In addition, this non-GAAP financial measure reflects adjustments for items of cash flows that are often excluded by securities analysts and other users of the Company's financial statements in evaluating the Company's cash spend.

The table below reconciles adjusted free cash flow to its most directly comparable GAAP measure of net cash provided by operating activities. All references to Matador's adjusted free cash flow attributable to third-party non-controlling interests, including in San Mateo. Adjusted free cash flow for San Mateo includes the combined financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC prior to their October 2020 merger.

# Adjusted Free Cash Flow Reconciliation
## *Matador Resources Company*

The following table presents our calculation of adjusted free cash flow and reconciliation of adjusted free cash flow to the GAAP financial measure of net cash provided by operating activities.

| *(In thousands)* | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | **December 31, 2020** | **September 30, 2020** | **December 31, 2019** | **December 31, 2020** | **December 31, 2019** |
| Net cash provided by operating activities | $ 157,623 | $ 109,574 | $ 198,915 | $ 477,582 | $ 552,042 |
| Net change in operating assets and liabilities | (9,788) | 7,599 | (23,958) | 23,078 | 34,517 |
| San Mateo discretionary cash flow attributable to non-controlling interest in subsidiaries[1] | (16,585) | (12,873) | (11,776) | (51,715) | (42,881) |
| Performance incentives received from Five Point | - | - | - | 14,700 | 14,700 |
| Total discretionary cash flow | 131,250 | 104,300 | 163,181 | 463,645 | 558,378 |
| Drilling, completion and equipping capital expenditures | 70,531 | 117,194 | 185,238 | 471,087 | 679,395 |
| Midstream capital expenditures | 36,417 | 74,604 | 71,243 | 234,359 | 192,035 |
| Expenditures for other property and equipment | 404 | 415 | (210) | 2,200 | 3,701 |
| (Decrease) increase in capital accruals | (30,753) | (43,000) | (29,849) | (57,737) | 17,064 |
| Accrual-based San Mateo capital expenditures related to non-controlling interest in subsidiaries[2] | (6,083) | (26,870) | (60,285) | (112,366) | (145,362) |
| Total accrual-based capital expenditures[3] | 70,516 | 122,343 | 166,137 | 537,543 | 746,833 |
| **Adjusted free cash flow** | **$ 60,734** | **$ (18,043)** | **$ (2,956)** | **$ (73,898)** | **$ (188,455)** |

(1) Represents Five Point's 49% interest in San Mateo discretionary cash flow, as computed below.
(2) Represents Five Point's 49% interest in accrual-based San Mateo capital expenditures, and for the three months ended December 31, 2019, amounts related to Five Point's $50 million carry of Matador's proportionate interest in San Mateo II.
(3) Represents drilling, completion and equipping costs, Matador's share of San Mateo capital expenditures plus 100% of other immaterial midstream capital expenditures not associated with San Mateo.

# Adjusted Free Cash Flow Reconciliation
## *San Mateo (100%)*

The following table presents the calculation of adjusted free cash flow and reconciliation of adjusted free cash flow to the GAAP financial measure of net cash provided by operating activities for San Mateo Midstream, LLC.

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| *(In thousands)* | **December 31, 2020** | **September 30, 2020** | **December 31, 2019** | **December 31, 2020** | **December 31, 2019** |
| Net cash provided by San Mateo operating activities | $ 26,131 | $ 24,795 | $ 23,834 | $ 96,334 | $ 106,650 |
| Net change in San Mateo operating assets and liabilities | 7,716 | 1,477 | 199 | 9,206 | (19,137) |
| San Mateo discretionary cash flow | 33,847 | 26,272 | 24,033 | 105,540 | 87,513 |
| San Mateo capital expenditures | 36,333 | 74,712 | 71,921 | 235,225 | 188,893 |
| (Decrease) increase in San Mateo capital accruals | (23,919) | (19,875) | 13,166 | (33,978) | 28,682 |
| Accrual-based San Mateo capital expenditures | 12,414 | 54,837 | 85,087 | 201,247 | 217,575 |
| **Adjusted San Mateo free cash flow** | **$ 21,433** | **$ (28,565)** | **$ (61,054)** | **$ (95,707)** | **$ (130,062)** |

# PV-10 Reconciliation

PV-10 is a non-GAAP financial measure and generally differs from Standardized Measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes on future net revenues. PV-10 is not an estimate of the fair market value of the Company's properties. Matador and others in the industry use PV-10 as a measure to compare the relative size and value of proved reserves held by companies and of the potential return on investment related to the companies' properties without regard to the specific tax characteristics of such entities. PV-10 may be reconciled to the Standardized Measure of discounted future net cash flows at such dates by adding the discounted future income taxes associated with such reserves to the Standardized Measure.

| | At December 31, 2020 | At December 31, 2019 | At December 31, 2018 |
|---|---|---|---|
| **Standardized Measure** *(in millions)* | **$1,584.4** | **$2,034.0** | **$2,250.6** |
| **Discounted Future Income Taxes** *(in millions)* | **73.6** | **214.2** | **328.7** |
| **PV-10** *(in millions)* | **$1,658.0** | **$2,248.2** | **$2,579.3** |