

2020 Operating Plan and Market Guidance

February 25, 2020 ***NYSE: MTDR***

Disclosure Statements

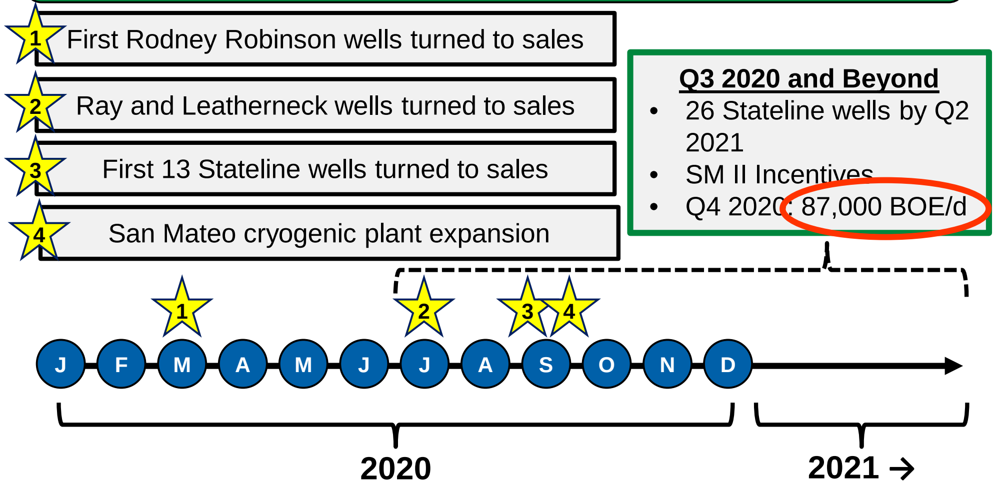
Safe Harbor Statement – This presentation and statements made by representatives of Matador Resources Company ("Matador" or the "Company") during the course of this presentation include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 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, 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 operating results of the Company's midstream joint venture's expansion of the Black River cryogenic processing plant, including the timing of the further expansion of such 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 salt water disposal wells, including in conjunction with the expansion of the midstream joint venture's services and assets into new areas in Eddy County, New Mexico; 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.

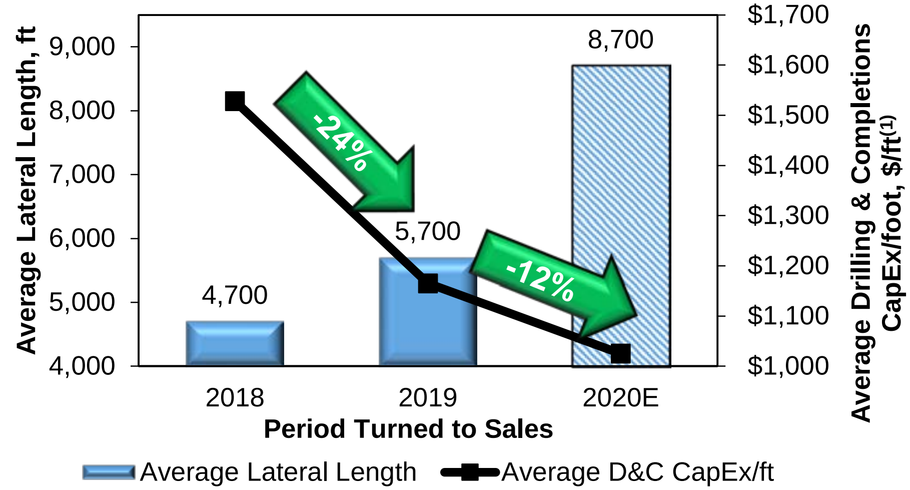
Definitions – Proved oil and natural gas reserves are the estimated quantities of oil and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Matador's production 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.

2020 Priorities – Positioning Matador for Sustainable Free Cash Flow

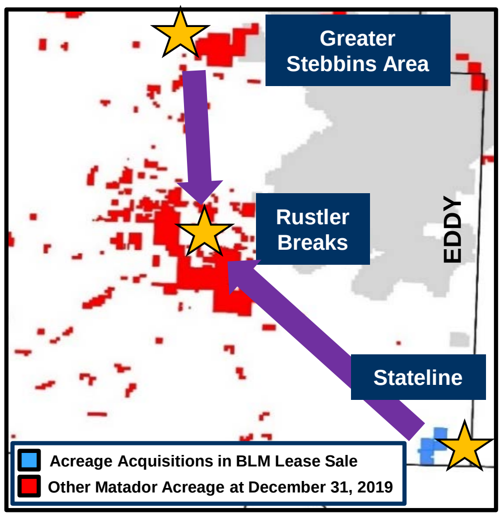
MTDR Catalyst Timeline



Capital Efficiency: D&C CapEx/ft



San Mateo Expansion



San Mateo II

- *Expansion of gas processing plant by additional 200 MMcf/d*
- *Gas, oil and water gathering, oil transportation and water disposal infrastructure*
- *Up to $150 million in deferred performance incentives*

Represents natural gas gathering lines connecting Greater Stebbins Area and Stateline asset area to the expanded Black River Processing Plant

Balance Sheet Opportunities

1. ***Capital Efficiency Improvements***
2. ***San Mateo Performance Incentives***
3. ***Non-Core Asset Divestitures***
4. ***Monetizing Mineral Interests***
5. ***Commodity Marketing Options***
6. ***Cost Control and Oil Hedges***

(1) Cost per foot metric shown represents the drilling and completion portion of well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and other capital expenditures.

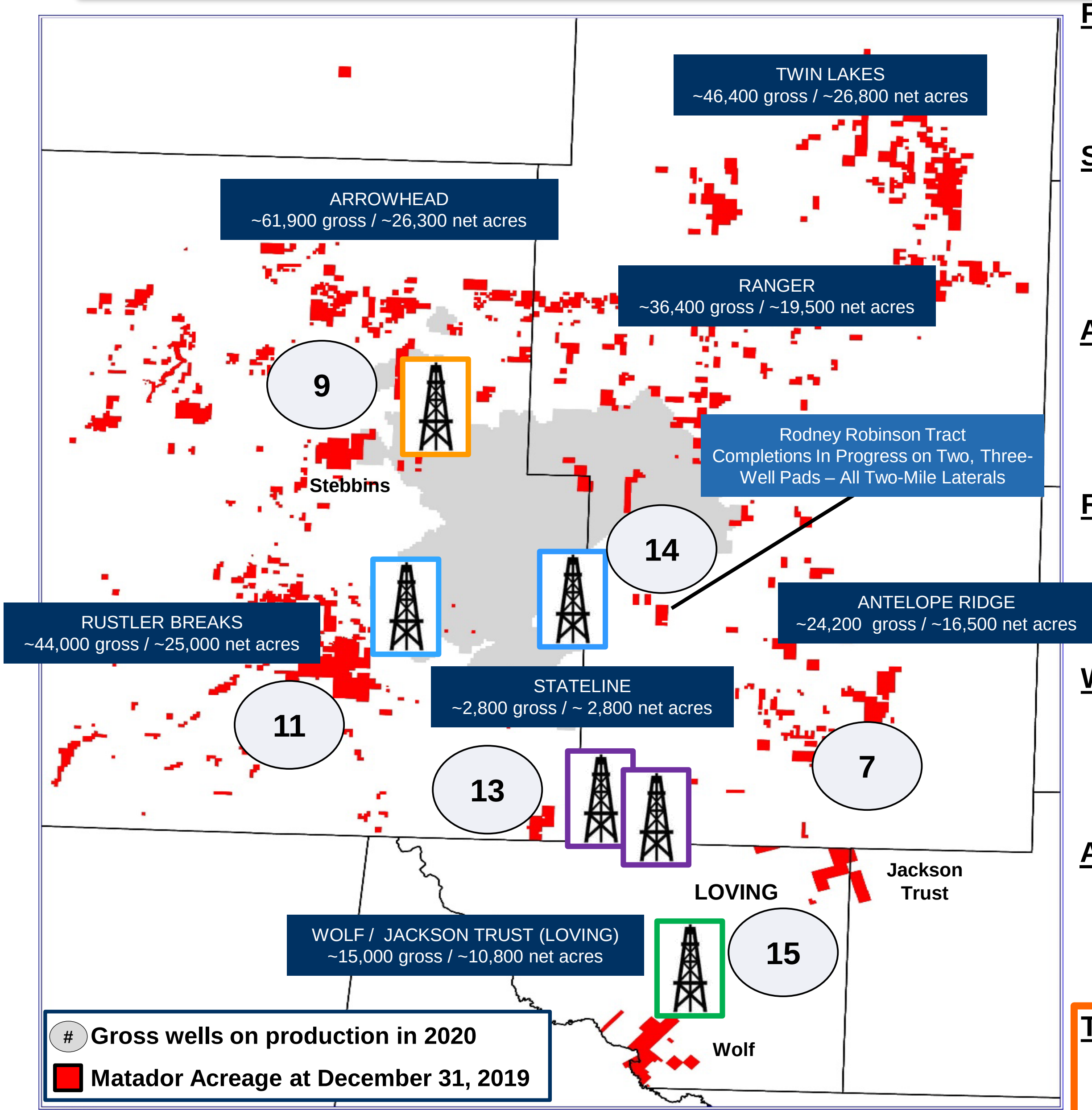
Summary and 2020 Guidance (as Provided on February 25, 2020)

- **Six rigs operating in the Delaware Basin – expect 69 gross (58.0 net) operated wells in 2020**
  - *Two to four rigs (at times) in Stateline, one to two rigs (at times) in Rustler Breaks, one to two rigs (at times) in Antelope Ridge (including Rodney Robinson in western Antelope Ridge), one rig in Wolf/Jackson Trust and one rig in Greater Stebbins Area (southern Arrowhead)*
- **Non-operated drilling activity in Delaware Basin – 76 gross (5.6 net) wells**
- **Production expected to be more uneven or "lumpy" than in previous years – Q4 2020 expected to have largest sequential increase**
  - *Oil production expected to be down 5 to 7% sequentially in Q1 2020 but up 22% YoY in Q4 2020*
  - *Natural gas production expected to be down 4 to 6% sequentially in Q1 2020 but up 12% YoY in Q4 2020*

	Actual 2019 Results	*2020 Guidance*	*%YoY Change(1)*
Total Oil Production	14.0 million Bbl	16.0 to 16.5 million Bbl	+ 16%
Total Natural Gas Production	61.1 Bcf	66.0 to 71.0 Bcf	+ 12%
Total Oil Equivalent Production	24.2 million BOE	27.0 to 28.3 million BOE	+ 14%
D/C/E CapEx(2)	$671 million	$690 to $750 million	+ 7%
San Mateo Midstream CapEx(3)(4)	$77 million	$85 to $105 million	+ 23%

(1) Represents percentage change from 2019 actual results to the midpoint of 2020 guidance.
(2) Capital expenditures associated with drilling, completing and equipping wells.
(3) Capital expenditures associated with San Mateo Midstream, LLC ("San Mateo I") and San Mateo II, LLC ("San Mateo II" and, together with San Mateo I, "San Mateo").
(4) Reflects Matador's proportionate share of 2020 estimated capital expenditures for San Mateo and accounts for remaining portions of the $50 million capital carry an affiliate of Five Point Energy LLC ("Five Point") agreed to provide as part of the San Mateo II expansion.

Matador's 2020 Delaware Basin Operated Drilling Program



Note: All acreage as of December 31, 2019. Some tracts not shown on map.

Rustler Breaks
- *17 gross (8.7 net) wells in progress for 2020*
- *11 gross (5.9 net) wells turned to sales, including 6 Wolfcamp A-XY, 2 Wolfcamp A-Lower and 3 Wolfcamp B wells*

Stateline
- *27 gross (26.7 net) wells in progress for 2020*
- *13 gross (13.0 net) wells turned to sales, including 1 Avalon, 2 2nd Bone Spring, 4 Wolfcamp A-XY, 4 Wolfcamp A-Lower and 2 Wolfcamp B wells*

Antelope Ridge
- *8 gross (7.4 net) wells in progress for 2020*
- *7 gross (6.4 net) wells turned to sales, including 1 1st Bone Spring, 2 2nd Bone Spring, 1 3rd Bone Spring, 1 Wolfcamp A-XY, 1 Wolfcamp A-Lower and 1 Wolfcamp B wells*

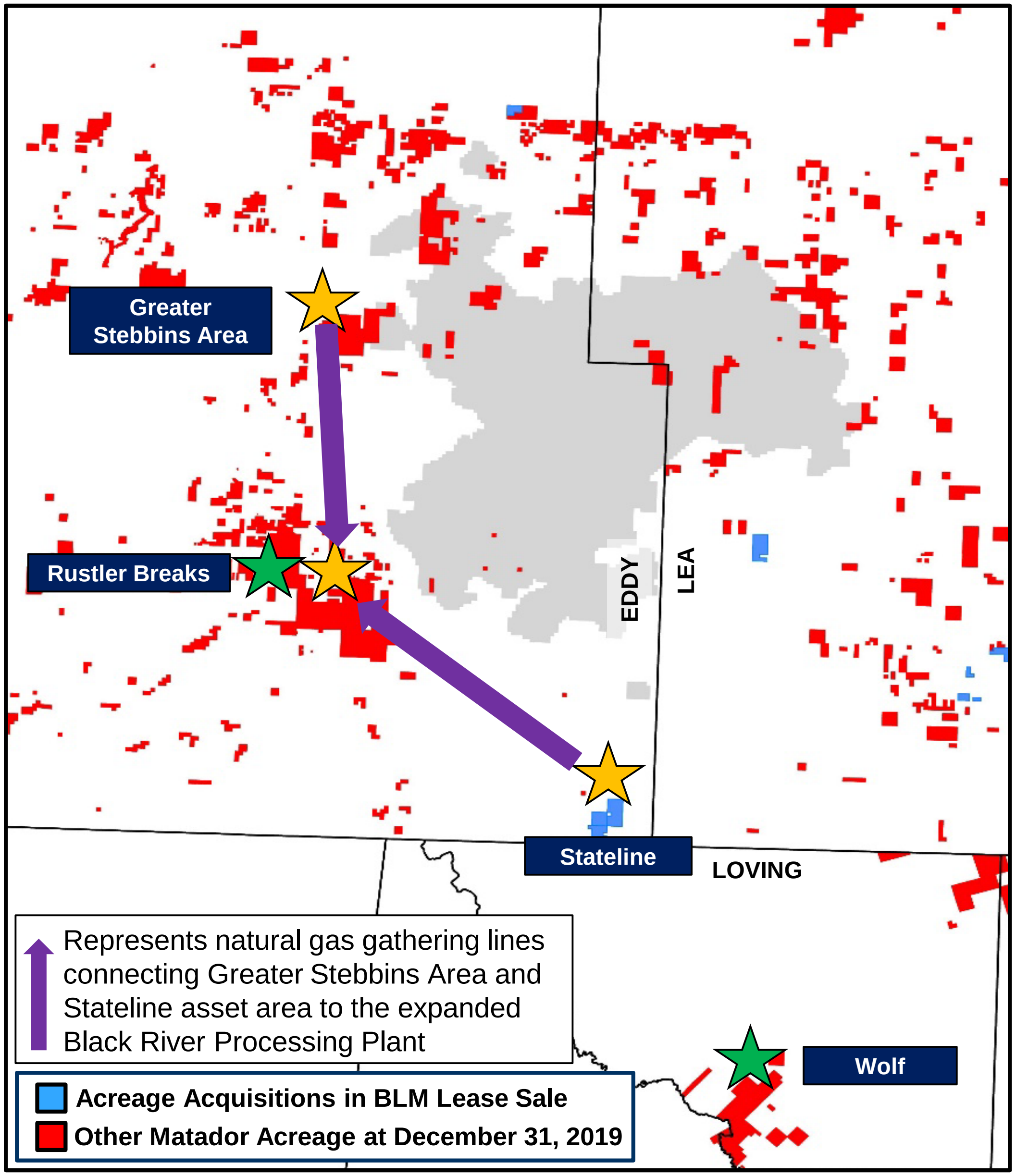
Rodney Robinson
- *14 gross (13.5 net) wells in progress for 2020*
- *14 gross (13.5 net) wells turned to sales, including 4 Avalon, 4 2nd Bone Spring, 2 3rd Bone Spring and 4 Wolfcamp A-XY wells*

Wolf/Jackson Trust
- *18 gross (14.5 net) wells in progress for 2020*
- *15 gross (11.9 net) wells turned to sales, including 5 2nd Bone Spring, 1 Third Bone Carbonate, 6 Wolfcamp A-XY and 3 Wolfcamp A-Lower wells*

Arrowhead
- *17 gross (12.4 net) wells in progress for 2020*
- *9 gross (7.3 net) wells turned to sales, including 4 2nd Bone Spring, 2 3rd Bone Spring, 2 Wolfcamp A-XY and 1 Wolfcamp B wells*

Total Delaware Basin Operated Drilling Program
- *101 gross (83.2 net) wells in progress for 2020*
- *69 gross (58.0 net) wells turned to sales, including 40 Wolfcamp and 29 Bone Spring/Avalon wells*

San Mateo Asset Overview – Including Planned San Mateo Expansion



Note: All acreage as of December 31, 2019. Some tracts not shown on map.

San Mateo I (Formed February 2017):

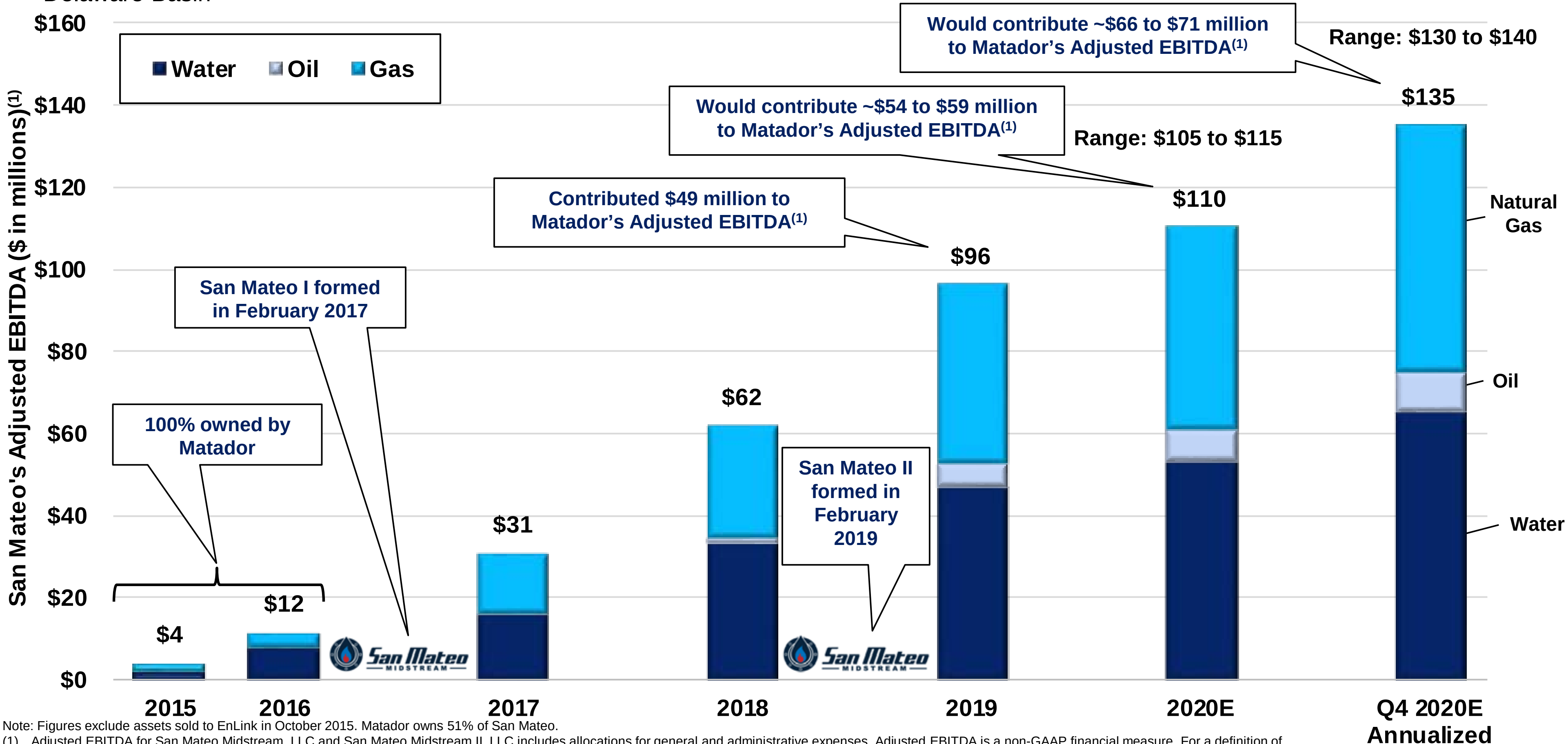
- *Gas processing plant – 260 MMcf/d designed inlet capacity*
- *Gas, oil and water gathering and oil transportation*
- *Ten commercial SWDs (11th expected Q1 2020)*
- *Earned $44.1 million of potential $73.5 million in performance incentives (including $14.7 million due in Q1 2020)*

San Mateo II (Formed February 2019):

- *Second strategic transaction with Five Point to expand San Mateo's operations in the Delaware Basin*
- *Expansion of gas processing plant – additional 200 MMcf/d of designed inlet capacity, with estimated in-service date in summer 2020*
- *Gas, oil and water gathering, oil transportation*
- *Two commercial SWDs*
- *Matador has agreed to pay $25 million and Five Point has agreed to pay $125 million of the first $150 million in capital expenditures related to this expansion*
- *Up to $150 million in deferred performance incentives – expected to begin earning in Q4 2020*
- *Additional incentives to bring in more third-party customers*

San Mateo – Recent Highlights and Performance

- **<u>March 2020</u>** – 10th commercial SWD in Eddy County, NM expected online
  - Expect to have 13 commercial SWDs in Eddy County, NM and Loving County, TX with ~335,000 Bbl/d of designed disposal capacity
- **<u>Late Q3 / Q4 2019</u>** – Operated Black River Processing Plant at >95% of the designed inlet capacity of 260 MMcf/d at certain times as a result of increased throughput from existing natural gas processing customers
- **<u>October 2019</u>** – Expanded credit facility for a second time to $375 million from $325 million (originally entered into $250 million facility in December 2018)
- **<u>February 2019</u>** – Matador entered into second strategic midstream transaction with Five Point to expand San Mateo's operations in the Delaware Basin

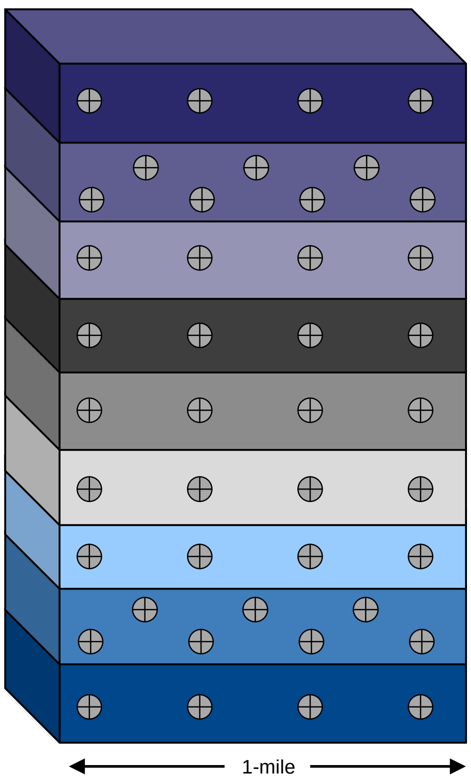


Note: Figures exclude assets sold to EnLink in October 2015. Matador owns 51% of San Mateo.

(1) Adjusted EBITDA for San Mateo Midstream, LLC and San Mateo Midstream II, LLC includes allocations for general and administrative expenses. Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to San Mateo's net income and net cash provided by operating activities, see Appendix. Pro forma for February 2017 San Mateo transaction and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

Delaware Basin Operated Well Completions in 2020

- Matador plans to complete and turn to sales 69 gross (58.0 net) operated wells in 2020
- Matador plans to complete five Avalon wells, one 1st Bone Spring well, 17 2nd Bone Spring wells, five 3rd Bone Spring wells, one 3rd Bone Spring Carbonate well, 23 Wolfcamp A-XY wells, 10 Wolfcamp A-Lower wells and seven Wolfcamp B wells in the Delaware Basin



	Rustler Breaks		Stateline		Antelope Ridge		Rodney Robinson		Wolf / Jackson Trust		Arrowhead	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Brushy Canyon	–	–	–	–	–	–	–	–	–	–	–	–
Avalon	–	–	1	1.0	–	–	4	4.0	–	–	–	–
1st Bone Spring	–	–	–	–	1	0.8	–	–	–	–	–	–
2nd Bone Spring	–	–	2	2.0	2	1.6	4	3.7	5	4.2	4	3.0
3rd Bone Spring	–	–	–	–	1	1.0	2	1.8	1	0.9	2	1.7
Wolfcamp A-XY	6	3.1	4	4.0	1	1.0	4	4.0	6	5.1	2	1.7
Wolfcamp A-Lower	2	1.2	4	4.0	1	1.0	–	–	3	1.7	–	–
Wolfcamp B (3 landing targets)	3	1.6	2	2.0	1	1.0	–	–	–	–	1	0.9
Wolfcamp D	–	–	–	–	–	–	–	–	–	–	–	–
	11	5.9	13	13.0	7	6.4	14	13.5	15	11.9	9	7.3

Wells Completed and Turned to Sales – 2020 Estimate

- **During full year 2020, Matador expects to complete and turn to sales 150 gross (63.6 net) wells. Matador expects the Delaware Basin to account for 145 gross (63.6 net) wells, including 69 gross (58.0 net) operated and 76 gross (5.6 net) non-operated wells.**

	Operated		Non-Operated		Total		
Asset/Operating Area	Gross	Net	Gross	Net	Gross	Net	Gross Operated Well Completion Intervals
Rustler Breaks	11	5.9	32	2.5	43	8.4	6-WC A-XY, 2-WC A-Lower, 3-WC B
Stateline	13	13.0	-	-	13	13.0	1-AVLN, 2-2BS, 4-WC A-XY, 4-WC A-Lower, 2-WC B
Arrowhead	9	7.3	9	0.6	18	7.9	4-2BS, 2-3BS, 2-WC A-XY, 1-WC B
Ranger	-	-	9	0.9	9	0.9	No operated Ranger completions in 2020
Wolf/Jackson Trust	15	11.9	-	-	15	11.9	5-2BS, 1-3BS-Carb, 6-WC A-XY, 3-WC A-Lower
Twin Lakes	-	-	-	-	-	-	No Twin Lakes completions in 2020
Western Antelope Ridge (R. Robinson)	14	13.5	-	-	14	13.5	4-AVLN, 4-2BS, 2-3BS, 4-WC A-XY
Antelope Ridge	7	6.4	26	1.6	33	8.0	1-1BS, 2-2BS, 1-3BS, 1-WC A-XY, 1-WC A-Lower, 1-WC B
Delaware Basin	69	58.0	76	5.6	145	63.6	
Eagle Ford Shale	-	-	-	-	-	-	
Haynesville Shale	-	-	5	0.0	5	0.0	
Total	**69**	**58.0**	**81**	**5.6**	**150**	**63.6**	

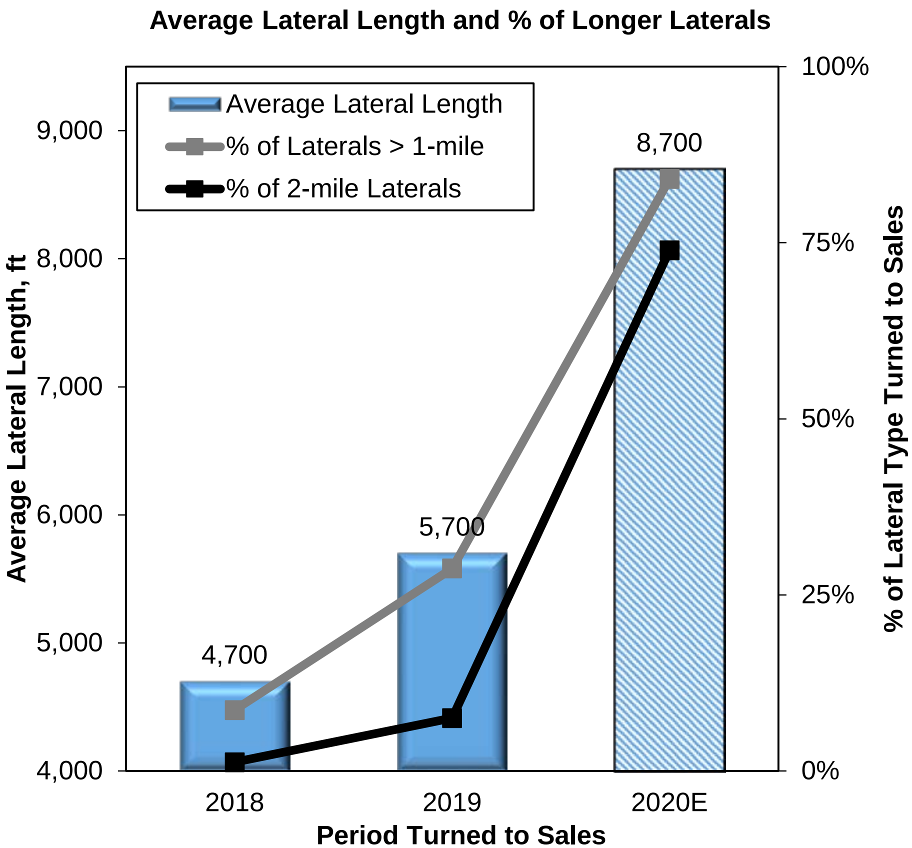
Note: AVLN = Avalon; WC = Wolfcamp; BS = Bone Spring; Carb = Carbonate. For example, 2-2BS indicates two Second Bone Spring completions and 6-WC A-XY indicates six Wolfcamp A-XY completions for full year 2020. Any "0.0" values in the table above suggest a net working interest of less than 5%, which does not round to 0.1.

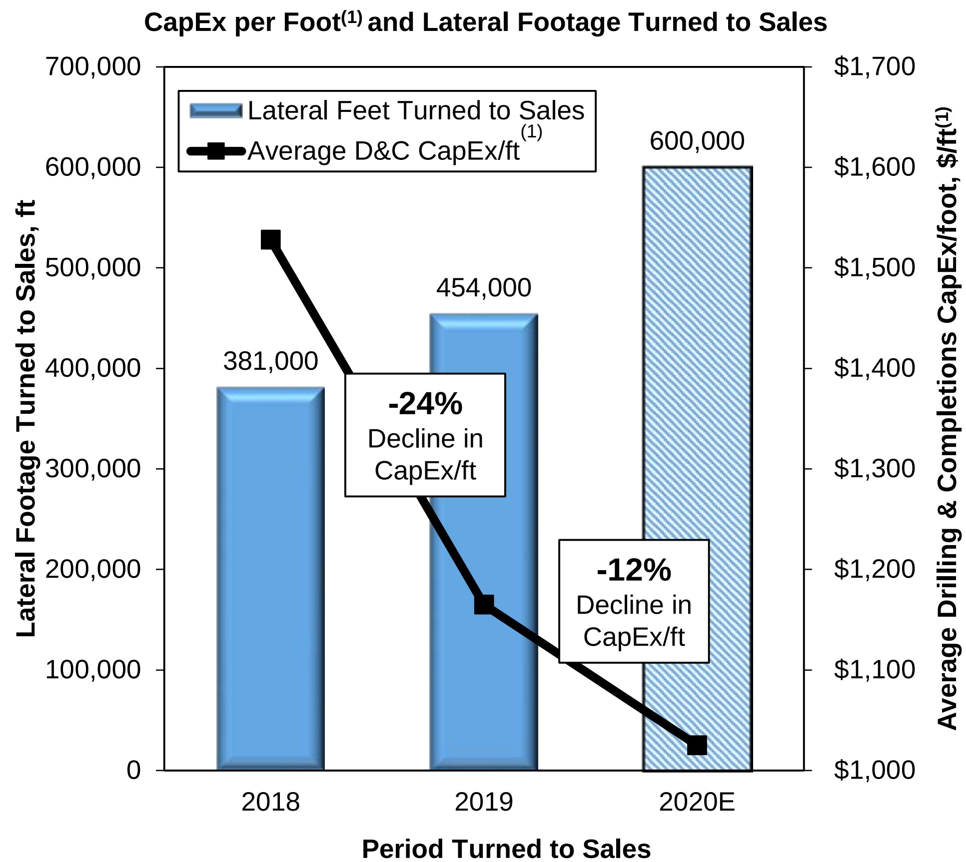
Wells Completed and Turned to Sales – 2020 Estimate

- **In 2020, Matador expects to continue transitioning its operations to longer laterals greater than one mile.**
  - *84% of Matador's gross operated horizontal wells completed and turned to sales in 2020 are expected to have lateral lengths greater than one mile, as compared to 29% in 2019 and 9% in 2018*
  - *74% of Matador's gross operated horizontal wells completed and turned to sales in 2020 are expected to have lateral lengths of two miles, as compared to 8% in 2019 and 1% in 2018*
  - *Matador estimates its average lateral length for operated wells turned to sales in 2020 should be approximately 8,700 feet*

Asset/Operating Area	Wells Turned to Sales		Average Lateral Length (feet)	% of Wells Greater Than One Mile	% of Wells Greater Than Two Miles
	Gross	Net			
Rustler Breaks	11	5.9	9,300	100%	82%
Stateline	13	13.0	9,800	100%	100%
Arrowhead	9	7.3	9,800	100%	100%
Wolf/Jackson Trust	15	11.9	7,500	73%	44%
Western Antelope Ridge (R. Robinson)	14	13.5	9,800	100%	100%
Antelope Ridge	7	6.4	4,500	0%	0%
Total	**69**	**58.0**	**8,700**	**84%**	**74%**

A Step Change in Capital Efficiency: 2019 Results and 2020 Expectations





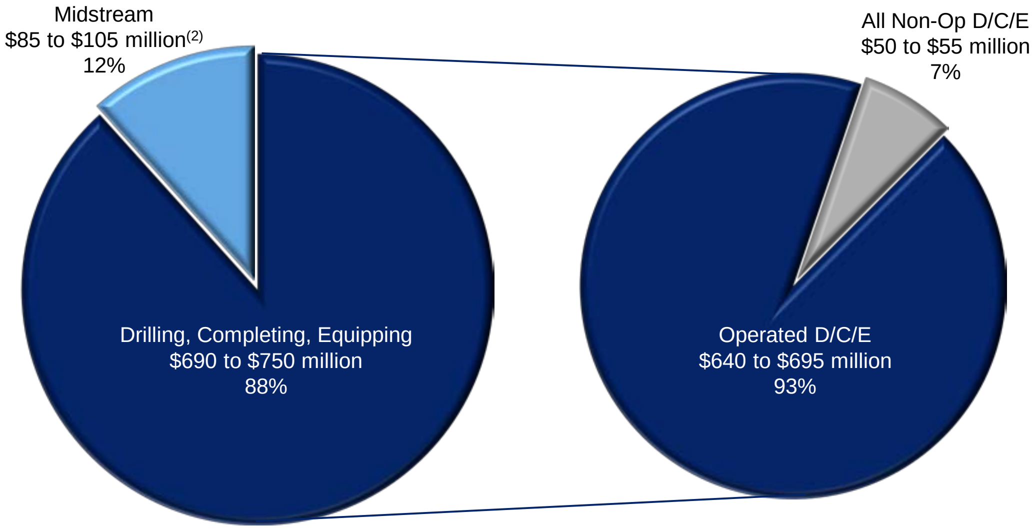
- *By combining longer laterals with increased pad development, Matador expects to significantly reduce development costs per foot between 2018 and 2020*
- *Due to various operational efficiencies and increased usage of regional sand, 2019 D&C CapEx per foot was lower than expected*
- *In 2019, Matador's drilling and completion costs for all horizontal wells turned to sales averaged approximately $1,165/ft, a decrease of ~24% from an average of $1,528/ft achieved in full year 2018*

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

2020 Capital Investment Plan Summary

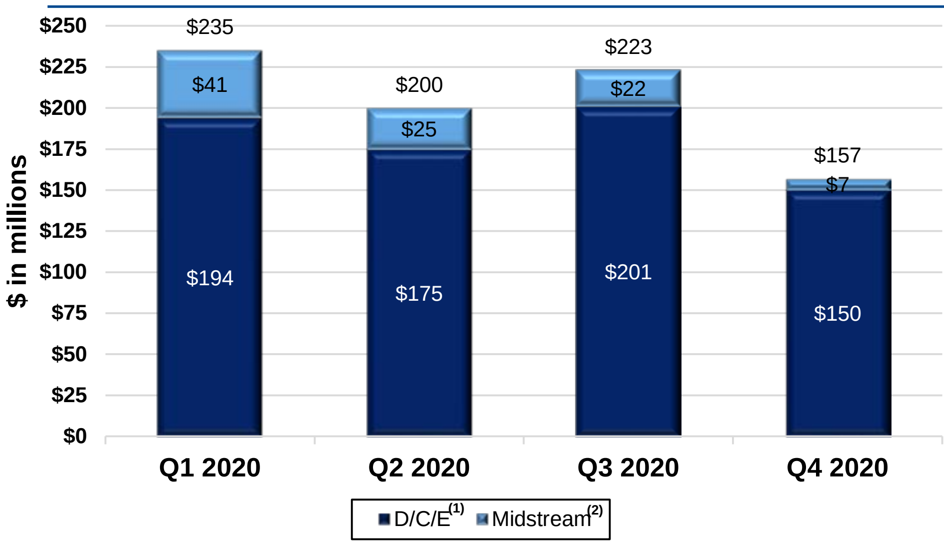
2020E CapEx(1)(2) – $775 to $855 million

(Delaware: six operated rigs)



2020E CapEx(1)(2) by Quarter

(Figures at midpoint of $775 to $855 million guidance range)



- **2020E D/C/E CapEx of $690 to $750 million**
  - *Continued improvement in capital efficiency expected in 2020*
    - *2020E average D&C costs for all operated horizontal wells of $1,025 per lateral foot → down 12% vs. $1,165 per lateral foot in 2019 and down 33% vs. $1,528 per lateral foot in 2018*
  - *Matador expects to complete and turn to sales 600,000 lateral feet in its operated horizontal wells in 2020, while keeping its rig count flat at six operated rigs, an increase of 32%, as compared to 454,000 lateral feet in 2019*
  - *Includes $32 million in estimated capitalized general and administrative and interest expenses in 2020*
  - *The average working interest of operated wells expected to be completed and turned to sales in 2020 is estimated to be 84%, as compared to 81% in 2019*

- **2020E Midstream CapEx of $85 to $105 million(2)**
  - *Represents Matador's share of estimated 2020 San Mateo capital expenditures of $190 to $235 million*
  - *Anticipated capital expenditures in 2020 will be primarily directed to:*
    - *Expansion of the Black River Processing Plant by an incremental 200 MMcf/d of designed inlet capacity*
    - *Connection of natural gas gathering systems in the Greater Stebbins Area and Stateline to the Black River Processing Plant*
    - *Connection of oil transportation systems in the Greater Stebbins Area to existing infrastructure near Rustler Breaks*
    - *Building out oil, natural gas and salt water gathering and salt water disposal infrastructure and upgrading facilities to service existing contracts (Matador + other customers)*

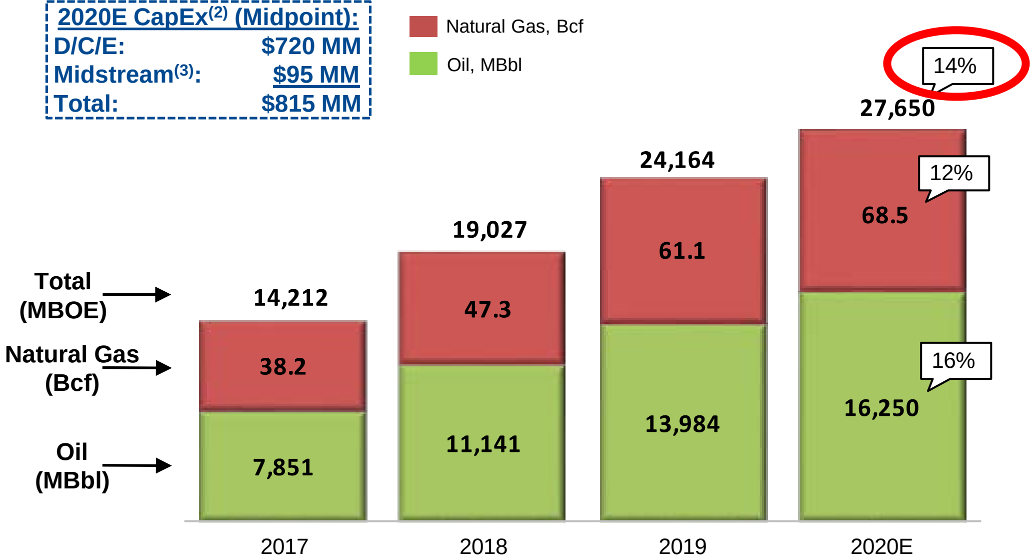
(1) Includes capital expenditures related to drilling, completing and equipping (D/C/E) wells and for various midstream projects; does not include any expenditures for land or seismic acquisitions.

(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 is expected to provide as part of the San Mateo II expansion.

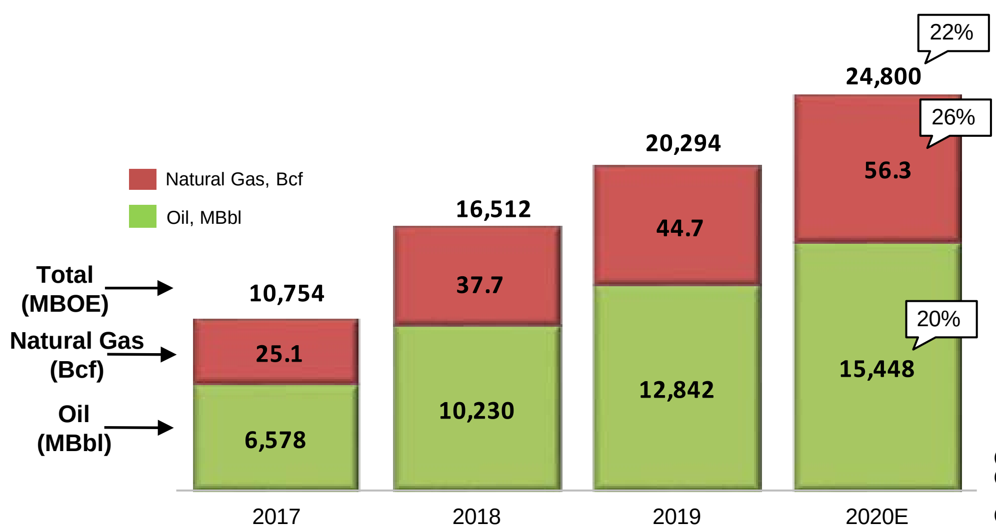
2020 Oil and Natural Gas Production Estimates(1)

Total Oil and Natural Gas Production

2020E CapEx(2) (Midpoint):
D/C/E: $720 MM
Midstream(3): $95 MM
Total: $815 MM



Delaware Oil and Natural Gas Production



2020E Oil Production – 16% Growth YoY

- Estimated oil production of 16.0 to 16.5 million barrels
  - 16% increase from 2019 to midpoint of 2020 range
- Average daily oil production of 44,400 Bbl/d, up from 38,300 Bbl/d in 2019
  - *Delaware Basin ~42,200 Bbl/d (95%) – up 20% YoY*
  - *Eagle Ford ~2,200 Bbl/d (5%) – down 29% YoY*
  - *Q4 2020 up 22% over Q4 2019*

2020E Natural Gas Production – 12% Growth YoY

- Estimated natural gas production of 66.0 to 71.0 Bcf
  - 12% increase from 2019 to midpoint of 2020 range
- Average daily natural gas production of 187.2 MMcf/d, compared to 167.4 MMcf/d in 2019
  - *Delaware Basin ~153.9 MMcf/d (82%) – up 26% YoY*
  - *Haynesville/Cotton Valley ~29.0 MMcf/d (16%) – down 26% YoY*
  - *Eagle Ford ~4.3 MMcf/d (2%) – down 20% YoY*
  - *Q4 2020 up 12% over Q4 2019*

(1) As provided on February 25, 2020.
(2) Includes only capital expenditures related to drilling, completing and equipping (D/C/E) wells and for various midstream projects; does not include any expenditures for land or seismic acquisitions.
(3) 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 agreed to provide as part of the San Mateo II expansion.

2020E Operating Cost Estimates (Unit Costs per BOE)

- **Matador provides the following estimated ranges for its 2020 unit operating costs as shown below**

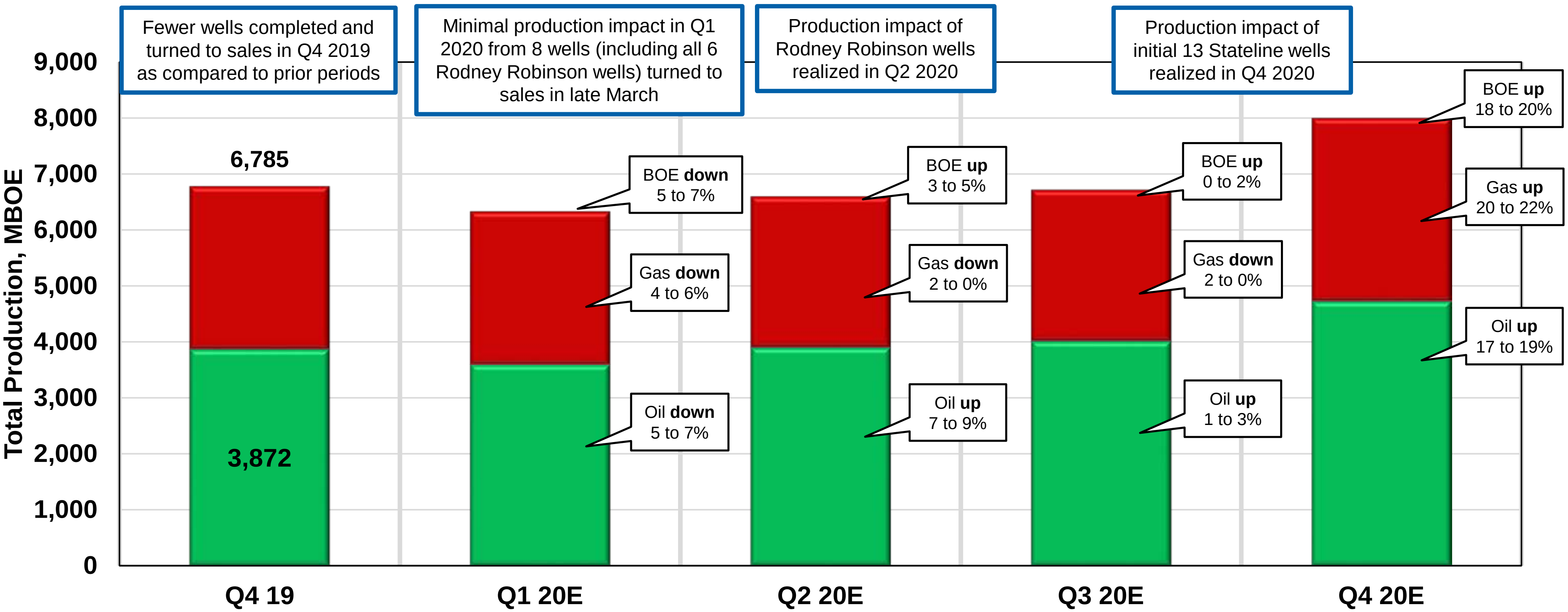
	2020E	2019
Production taxes, transportation and processing	\$3.50 to \$4.00	\$3.82
Lease operating	\$4.50 to \$5.00	\$4.85
Plant and other midstream services operating	\$1.60 to \$1.80	\$1.52
Depletion, depreciation and amortization	\$14.50 to \$15.50	\$14.51
General and administrative	\$3.00 to \$3.50	\$3.31
Total operating expenses(1)	\$27.10 to \$29.80	\$28.01
PTTP + LOE + G&A	\$11.00 to \$12.50	\$11.98

- **Lease operating expense ("LOE") expected to decrease from \$5.00 per BOE in Q1 2020 to \$4.50 per BOE in Q4 2020**
  - *LOE is typically higher in the first quarter than for the remainder of the year*

Note: As provided on February 25, 2020.
(1) Total does not include the impact of purchased natural gas or immaterial accretion expense.

2020 Total Production Forecast by Quarter[1]

2020E Quarterly Production Cadence



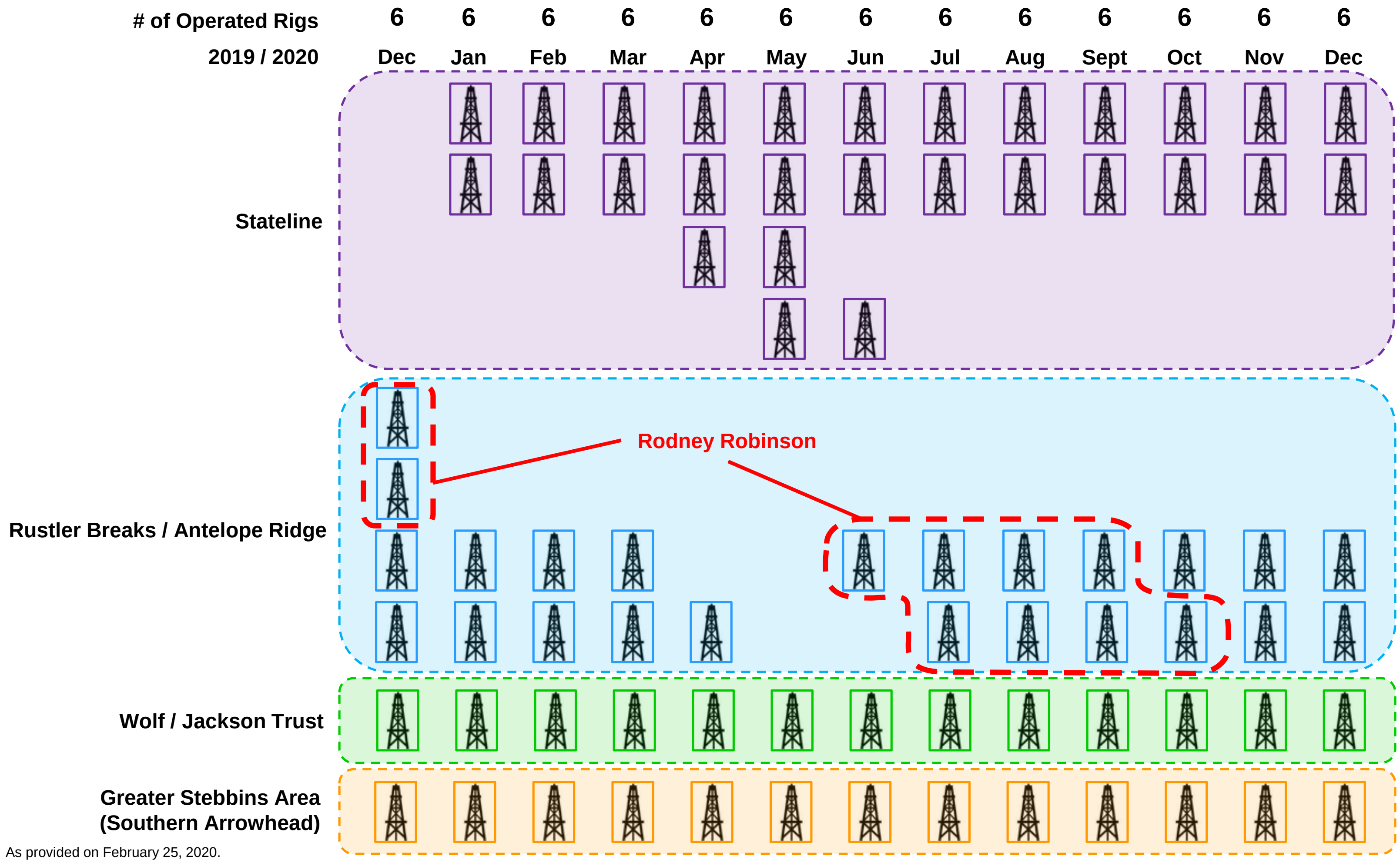
2020E Cadence of Wells Turned to Sales

	Q4 2019	*Q1 2020E*	*Q2 2020E*	*Q3 2020E*	*Q4 2020E*
Operated	16 (12.4 net)	17 (15.1 net)	14 (9.7 net)	16 (14.4 net)	22 (18.8 net)
Non-Operated	22 (2.4 net)	20 (0.7 net)	18 (1.5 net)	21 (2.4 net)	22 (1.0 net)
Total	49 (14.8 net)	37 (15.8 net)	32 (11.2 net)	37 (16.8 net)	44 (19.8 net)

(1) As provided on February 25, 2020.

2020 Drilling and Capital Investment Plan[1]

- **Matador began 2020 operating six drilling rigs in the Delaware Basin and expects to operate six drilling rigs across its various Delaware Basin asset areas throughout 2020.**
  - *Expect to operate two to four rigs (at times) in the Stateline asset area, one to two rigs (at times) in the Rustler Breaks asset area, one to two rigs (at times) in the Antelope Ridge asset area (with a focus on the Rodney Robinson tract in western Antelope Ridge), one rig in the Wolf and Jackson Trust asset areas and one rig in the "Greater Stebbins Area" in the southern Arrowhead asset area*
- **Matador expects to continue participating in attractive, non-operated well opportunities, primarily in the Delaware Basin, as such opportunities may become available**



(1) As provided on February 25, 2020.



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 industry 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 inventory impairment. Adjusted EBITDA for San Mateo includes the financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC. 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 inventory impairments. 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.

	Year Ended December 31,									
(In thousands)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):										
Net income (loss) attributable to Matador Resources Company shareholders	$6,377	($10,309)	($33,261)	$45,094	$110,771	($679,785)	($97,421)	$125,867	$274,207	$87,777
Net (loss) income attributable to non-controlling interest in subsidiaries	-	-	-	-	(17)	261	364	12,140	25,557	35,205
Net income (loss)	$6,377	($10,309)	($33,261)	$45,094	$110,754	($679,524)	($97,057)	$138,007	$299,764	$122,982
Interest expense	3	683	1,002	5,687	5,334	21,754	28,199	34,565	41,327	73,873
Total income tax provision (benefit)	3,521	(5,521)	(1,430)	9,697	64,375	(147,368)	(1,036)	(8,157)	(7,691)	35,532
Depletion, depreciation and amortization	15,596	31,754	80,454	98,395	134,737	178,847	122,048	177,502	265,142	350,540
Accretion of asset retirement obligations	155	209	256	348	504	734	1,182	1,290	1,530	1,822
Full-cost ceiling impairment	-	35,673	63,475	21,229	-	801,166	158,633	-	-	-
Unrealized (gain) loss on derivatives	(3,139)	(5,138)	4,802	7,232	(58,302)	39,265	41,238	(9,715)	(65,085)	53,727
Stock-based compensation expense	898	2,406	140	3,897	5,524	9,450	12,362	16,654	17,200	18,505
Net loss (gain) on asset sales and inventory impairment	224	154	485	192	0	(908)	(107,277)	(23)	196	967
Prepayment premium on extinguishment of debt	-	-	-	-	-	-	-	-	31,226	-
Consolidated Adjusted EBITDA	23,635	49,911	115,923	191,771	262,926	223,416	158,292	350,123	583,609	657,948
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	-	-	-	-	17	(278)	(400)	(14,060)	(30,386)	(47,192)
Adjusted EBITDA attributable to Matador Resources Company shareholders	**$23,635**	**$49,911**	**$115,923**	**$191,771**	**$262,943**	**$223,138**	**$157,892**	**$336,063**	**$553,223**	**$610,756**

	Year Ended December 31,									
(In thousands)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:										
Net cash provided by operating activities	$27,273	$61,868	$124,228	$179,470	$251,481	$208,535	$134,086	$299,125	$608,523	$552,042
Net change in operating assets and liabilities	(2,230)	(12,594)	(9,307)	6,210	5,978	(8,980)	(1,809)	25,058	(64,429)	34,517
Interest expense, net of non-cash portion	3	683	1,002	5,687	5,334	20,902	27,051	34,097	39,970	71,389
Current income tax provision (benefit)	(1,411)	(46)	-	404	133	2,959	(1,036)	(8,157)	(455)	-
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	-	-	-	-	17	(278)	(400)	(14,060)	(30,386)	(47,192)
Adjusted EBITDA attributable to Matador Resources Company shareholders	**$23,635**	**$49,911**	**$115,923**	**$191,771**	**$262,943**	**$223,138**	**$157,892**	**$336,063**	**$553,223**	**$610,756**

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 and San Mateo Midstream II, LLC.

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

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

(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.