Matador
RESOURCES COMPANY



# Annual Meeting of Shareholders

*June 1, 2017*

*NYSE: MTDR*

# Board of Directors – Expertise and Stewardship

| Board Members | Professional Experience | Business Expertise |
| --- | --- | --- |
| **Reynald A. Baribault**<br>Lead Director | - Vice President / Engineering and Co-founder, North Plains Energy, LLC<br>- President and CEO, IPR Energy Partners, LLC<br>- Former Vice President, Netherland, Sewell & Associates, Inc. | Oil and Gas Exploration & Development |
| **R. Gaines Baty**<br>Director | - CEO, R. Gaines Baty Associates, Inc. | Business and Executive Leadership |
| **Craig T. Burkert**<br>Director | - CFO, ROMCO Equipment Co. | Business and Finance |
| **William M. Byerley**<br>Director | - Retired Partner (energy focus), PricewaterhouseCoopers (PwC) | Accounting |
| **Joe A. Davis**<br>Director | - Retired EVP, General Counsel and Secretary, EnLink Midstream, LLC and EnLink Midstream Partners, LP<br>- Former Partner, Hunton & Williams LLP | Law and Business |
| **Julia P. Forrester**<br>Director | - Associate Provost, Southern Methodist University<br>- Professor of Law, SMU Dedman School of Law<br>- Former real estate attorney, Thompson & Knight LLP | Law and Real Estate |
| **David M. Laney**<br>Director | - Past Chairman, Amtrak Board of Directors<br>- Former Partner, Jackson Walker LLP | Law and Investments |
| **Gregory E. Mitchell**<br>Director | - Chairman, Toot'n Totum Food Stores | Petroleum Retailing |
| **Dr. Steven W. Ohnimus**<br>Director | - Retired Vice President and General Manager, Unocal Indonesia | Oil and Gas Operations |
| **Kenneth L. Stewart**<br>Director | - Partner, Chair – United States, Norton Rose Fulbright US LLP<br>- Former Global Chair of Fulbright & Jaworski LLP (predecessor to Norton Rose Fulbright US LLP) | Law and Business |
| **George M. Yates**<br>Director | - Chairman & CEO of HEYCO Energy Group, Inc. | Oil and Gas Exploration & Development |

# Special Board Advisors and Special Advisors – Expertise and Stewardship

| Advisors | Professional Experience | Business Expertise |
|---|---|---|
| **Ronney F. Coleman** | - Retired President – North America, Archer<br>- Former Vice President North America Pumping, BJ Services Co. | Oilfield Services |
| **Marlan W. Downey** | - Retired President, ARCO International<br>- Former President, Shell Pecten International<br>- Past President of American Association of Petroleum Geologists | Oil and Gas Exploration |
| **Tara W. Lewis** | - Consultant, Director and Former Vice President, HEYCO Energy Group, Inc.<br>- Former Director of Internal Audit, Apache Corporation<br>- Former Senior Tax Manager, World Petroleum Group, PricewaterhouseCoopers (PwC) | Oil and Gas Exploration and Production |
| **Wade I. Massad** | - Managing Member, Cleveland Capital Management, LLC<br>- Formerly with KeyBanc Capital Markets and RBC Capital Markets | Capital Markets |
| **Greg L. McMichael** | - Retired Vice President and Group Leader – Energy Research of A.G. Edwards<br>- Director, Denbury Resources, Inc. | Capital Markets |
| **David F. Nicklin** | - Retired Executive Director of Exploration, Matador Resources Company<br>- Retired, Chief Geologist, ARCO International | Oil and Gas Exploration |
| **Dr. James D. Robertson** | - Retired VP Exploration, Chief Geophysicist, ARCO International | Oil and Gas Exploration |
| **James A. Rolfe** | - Solo Practitioner<br>- Retired United States Attorney, Northern District of Texas | Law |
| **Michael C. Ryan** | - Retired Partner, Berens Capital Management<br>- Former Director, Matador Resources Company | International Business and Finance |

# Shareholder Advisory Committee for Board Nominations

| Committee Member | Professional Experience |
|---|---|
| **J. Barry Banker** | - President, Stewart Home School |
| **Craig T. Burkert**<br>Director | - CFO, ROMCO Equipment Co. |
| **Kevin M. Grevey** | - Independent Business Owner<br>- Former Professional Basketball Player; Current Commentator for College Basketball |
| **Scott E. King** | - Vice President – Exploration and Development, Petro Harvester<br>- One of Matador's largest individual shareholders |
| **Greg L. McMichael**<br>Special Board Advisor | - Retired Vice President and Group Leader – Energy Research of A.G. Edwards<br>- Director, Denbury Resources, Inc. |
| **Gregory E. Mitchell**<br>Director | - Chairman, Toot'n Totum Food Stores |
| **Dr. Steven W. Ohnimus**<br>Director | - Retired Vice President and General Manager, Unocal Indonesia |
| **Michael C. Ryan**<br>Special Board Advisor | - Former Partner, Berens Capital Management<br>- Former Director, Matador Resources Company |

# Proven Management Team – Experienced Leadership

| Management Team | | Background and Prior Affiliations | Industry Experience | Matador Experience |
|---|---|---|---|---|
| **Joseph Wm. Foran**<br>Founder, Chairman and CEO | - | Matador Petroleum Corporation, Foran Oil Company, James Cleo Thompson, Jr. | 36 years | Since Inception |
| **Matthew V. Hairford**<br>President, Chair of Operating Committee | - | Samson, Sonat, Conoco | 32 years | Since 2004 |
| **David E. Lancaster**<br>EVP and CFO | - | Schlumberger, S.A. Holditch & Associates, Inc., Diamond Shamrock | 38 years | Since 2003 |
| **Craig N. Adams**<br>EVP – Land, Legal & Administration | - | Baker Botts L.L.P., Thompson & Knight LLP | 24 years | Since 2012 |
| **Van H. Singleton, II**<br>EVP of Land | - | Southern Escrow & Title, VanBrannon & Associates | 20 years | Since 2007 |
| **Billy E. Goodwin**<br>SVP of Operations | - | Samson, Conoco | 32 years | Since 2010 |
| **Bradley M. Robinson**<br>SVP of Reservoir Engineering and CTO | - | Schlumberger, S.A. Holditch & Associates, Inc., Marathon | 40 years | Since Inception |
| **G. Gregg Krug**<br>SVP – Marketing and Midstream | - | Williams Companies, Samson, Unit Corporation | 33 years | Since 2005 |
| **Matthew D. Spicer**<br>VP and General Manager of Midstream | - | L-3 Technologies, United States Marine Corps | 3 years | Since 2014 |
| **Trent W. Green**<br>VP of Production | - | HEYCO, Bass Enterprises, Schlumberger, S.A. Holditch & Associates, Inc., Amerada Hess | 28 years | Since 2015 |
| **Robert T. Macalik**<br>VP and CAO | - | Pioneer Natural Resources, PricewaterhouseCoopers (PwC) | 14 years | Since 2015 |
| **Kathryn L. Wayne**<br>VP, Controller and Treasurer | - | Matador Petroleum Corporation, Mobil | 32 years | Since Inception |
| **Brian J. Willey**<br>VP and Co-General Counsel | - | Baker Botts L.L.P. | 11 years | Since 2014 |
| **Bryan A. Erman**<br>VP and Co-General Counsel | - | Baker Botts L.L.P., Carrington, Coleman, Sloman & Blumenthal, L.L.P. | 13 years | Since 2016 |

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RESOURCES COMPANY



# Annual Meeting of Shareholders

***June 1, 2017*** ***NYSE: MTDR***

# Summary of Proposals

- **Proposal 1 – Election of Directors**

- **Proposal 2 – Approval of Amendment to Increase the Amount of Authorized Common Stock**

- **Proposal 3 – Advisory Vote on Named Executive Officer Compensation**

- **Proposal 4 – Ratification of the Appointment of KPMG LLP**

# Proposal 1 – Election of Directors

## Director Nominees

- **Class III Directors (Terms Expiring at 2020 Annual Meeting of Shareholders)**
  - Joseph Wm. Foran
  - Reynald A. Baribault
- **Class II Director (Term Expiring at 2019 Annual Meeting of Shareholders)**
  - R. Gaines Baty
- **Class I Directors (Terms Expiring at 2018 Annual Meeting of Shareholders)**
  - William M. Byerley
  - Julia P. Forrester
  - Kenneth L. Stewart

## Directors Continuing in Office

- **Class II Directors (Terms Expiring at 2019 Annual Meeting of Shareholders)**
  - Craig T. Burkert
  - Gregory E. Mitchell
  - Steven W. Ohnimus
- **Class I Director (Term Expiring at 2018 Annual Meeting of Shareholders)**
  - George M. Yates

**The Board of Directors recommends that you vote FOR all of the director nominees**

# Proposal 2 – Approval of Amendment to Increase the Amount of Authorized Common Stock

- **The Company's Certificate of Formation currently authorizes the issuance of 120 million shares of the Company's Common Stock**

- **On April 11, 2017, our Board adopted, subject to shareholder approval, a resolution approving an amendment to the Certificate of Formation to**

  **(1) Increase the number of authorized shares of Common Stock to 160 million and**

  **(2) Increase the total number of shares of authorized capital stock to reflect such increase in the Company's authorized Common Stock**

- **As of the Record Date, the Company had only approximately 13.6 million shares of Common Stock available for issuance for corporate purposes other than compensation plans**

- **As of the Record Date, no shares of preferred stock were issued and outstanding or reserved for issuance**

- **Affirmative vote of two-thirds of outstanding shares of Common Stock required**

**The Board of Directors recommends that you vote FOR the approval of the amendment to increase the amount of authorized common stock**

# Proposal 3 – Advisory Vote on Named Executive Officer Compensation

- **The Company seeks a non-binding advisory vote from its shareholders regarding the compensation of its Named Executive Officers as described in the Proxy Statement**

- **"Resolved, that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved."**

**The Board of Directors recommends that you vote FOR approval of this resolution**

# Proposal 4 – Ratification of the Appointment of KPMG LLP

- **KPMG LLP (“KPMG”) served as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2016**
- **The Audit Committee has appointed KPMG as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2017**
- **The Board of Directors has directed that such appointment be submitted to our shareholders for ratification at the Annual Meeting**

**The Board of Directors recommends that you vote FOR the ratification of the appointment of KPMG as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2017**

# Summary of Proposals

- **Proposal 1 – Election of Directors**
- **Proposal 2 – Approval of Amendment to Increase the Amount of Authorized Common Stock**
- **Proposal 3 – Advisory Vote on Named Executive Officer Compensation**
- **Proposal 4 – Ratification of the Appointment of KPMG LLP**

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# Annual Meeting of Shareholders

*June 1, 2017*

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# 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. 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 Matador's financial and operational performance: general economic conditions; Matador's ability to execute its business plan, including whether Matador's drilling program is successful; the ability of the Company's midstream joint venture to expand the Black River cryogenic processing plant, the timing of such expansion and the operating results thereof; the timing and operating results of the buildout by the Company's midstream joint venture of oil, natural gas and water gathering systems and the drilling of any additional salt water disposal wells; 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 its current reserves; Matador's costs of operations, delays and other difficulties related to producing oil, natural gas and natural gas liquids; 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 its future cash flows, increases in Matador's borrowing base and otherwise; weather and environmental conditions; 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 (the "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 and does not intend 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 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.

# Selected Financial Measures

## Matador Resources Company

| *(In thousands)* | 1Q 2011 | 2Q 2011 | 3Q 2011 | 4Q 2011 | 1Q 2012 | 2Q 2012 | 3Q 2012 | 4Q 2012 |
|---|---|---|---|---|---|---|---|---|
| Net (loss) income attributable to Matador Resources Company Shareholders | $ (27,596) | $ 7,153 | $ 6,194 | $ 3,941 | $ 3,801 | $ (6,676) | $ (9,197) | $ (21,188) |
| Net cash provided by operating activities | $ 12,732 | $ 6,799 | $ 14,912 | $ 27,425 | $ 5,110 | $ 46,416 | $ 28,799 | $ 43,903 |
| Adjusted EBITDA attributable to Matador Resources Company shareholders | $ 10,148 | $ 15,324 | $ 12,078 | $ 12,361 | $ 21,338 | $ 27,926 | $ 28,631 | $ 38,029 |

| *(In thousands)* | 1Q 2013 | 2Q 2013 | 3Q 2013 | 4Q 2013 | 1Q 2014 | 2Q 2014 | 3Q 2014 | 4Q 2014 |
|---|---|---|---|---|---|---|---|---|
| Net (loss) income attributable to Matador Resources Company Shareholders | $ (15,505) | $ 25,119 | $ 20,105 | $ 15,374 | $ 16,363 | $ 18,226 | $ 29,619 | $ 46,563 |
| Net cash provided by operating activities | $ 32,229 | $ 51,684 | $ 43,280 | $ 52,278 | $ 31,945 | $ 81,530 | $ 66,883 | $ 71,123 |
| Adjusted EBITDA attributable to Matador Resources Company shareholders | $ 40,672 | $ 40,772 | $ 61,485 | $ 48,840 | $ 56,345 | $ 69,464 | $ 66,814 | $ 70,320 |

| *(In thousands)* | 1Q 2015 | 2Q 2015 | 3Q 2015 | 4Q 2015 | 1Q 2016 | 2Q 2016 | 3Q 2016 | 4Q 2016 | 1Q 2017 |
|---|---|---|---|---|---|---|---|---|---|
| Net (loss) income attributable to Matador Resources Company Shareholders | $ (50,234) | $ (157,091) | $ (242,059) | $ (230,401) | $ (107,654) | $ (105,853) | $ 11,931 | $ 104,154 | $ 43,984 |
| Net cash provided by operating activities | $ 93,346 | $ 20,043 | $ 72,535 | $ 22,611 | $ 18,358 | $ 31,242 | $ 46,862 | $ 37,624 | $ 61,309 |
| Adjusted EBITDA attributable to Matador Resources Company shareholders | $ 50,144 | $ 66,675 | $ 58,023 | $ 48,293 | $ 17,200 | $ 38,946 | $ 47,260 | $ 54,486 | $ 69,959 |

| | Year Ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(In thousands)* | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Net (loss) income attributable to Matador Resources Company Shareholders | $103,878 | ($14,425) | $6,377 | ($10,309) | ($33,261) | $45,094 | $110,771 | ($679,785) | $110,771 |
| Net cash provided by operating activities | $25,851 | $1,791 | $27,273 | $61,868 | $124,228 | $179,470 | $251,481 | $208,535 | $251,481 |
| Adjusted EBITDA attributable to Matador Resources Company shareholders | $18,411 | $15,184 | $23,635 | $49,911 | $115,923 | $191,771 | $262,926 | $223,138 | $157,892 |

| *(In millions)* | At 3/31/2016 | At 12/31/2016 | At 3/31/2017 |
|---|---|---|---|
| Standardized Measure | $495.6 | $575.0 | $810.2 |
| PV-10 | $501.9 | $581.5 | $857.2 |

# Chairman's Remarks

*Joseph Wm. Foran, Chairman and CEO*

***June 1, 2017***

***NYSE: MTDR***

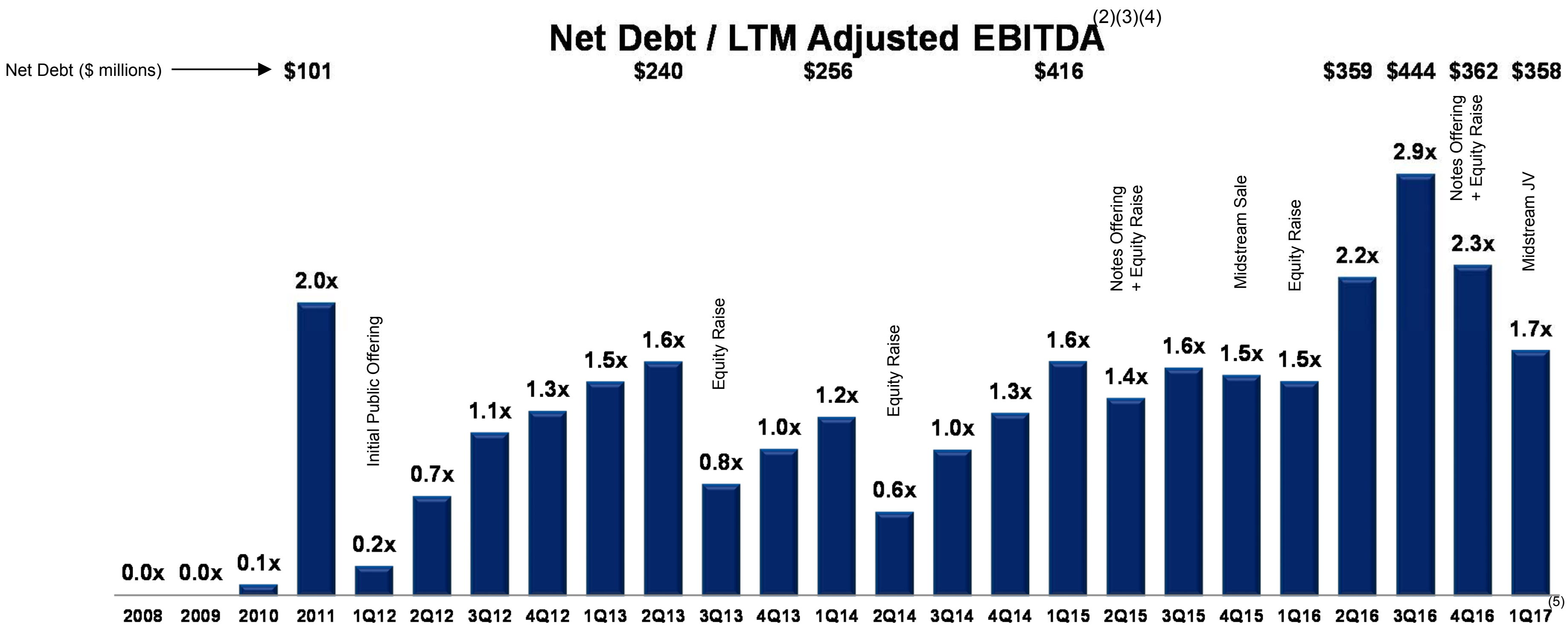
# Matador Has Made Tremendous Progress Since its IPO

| | At IPO(1): February 7, 2012 | Today(2) | Difference |
|---|---|---|---|
| Value of Midstream Business | Negligible | ~$500 million | ↑ Significant |
| Oil Production | 414 Bbl/d (6% oil) | ~18,300 Bbl/d (56% oil) | ↑ +44-fold |
| Proved Reserves | 27 MMBOE (4% oil) | 117 MMBOE (54% oil) | ↑ +4-fold |
| Proved Oil Reserves | 1.1 MMBbl | 63 MMBbl | ↑ +57-fold |
| Delaware Acreage | ~7,500 net acres | ~102,300 net acres(3) | ↑ +14-fold |
| Delaware Locations | Negligible | 1,784 net(4) | ↑ Significant |
| Leverage(5) | 1.5x(6) | 1.7x(7) | ↑ +13% |
| Oil Price | $98.41 | $49.66(8) | ↓ ~Half |
| Share Price | $12.00 | $23.89(9) | ↑ ~Double |

(1) Unless otherwise noted, at or for the nine months ended September 30, 2011.
(2) Unless otherwise noted, at or for the three months ended March 31, 2017. Value of midstream business based upon implied valuation of San Mateo Midstream, LLC ("San Mateo" or the "Joint Venture"), a strategic joint venture with a subsidiary of Five Point Capital Partners LLC ("Five Point") that was formed on February 17, 2017. As of May 3, 2017, Matador owns 51% of San Mateo.
(3) As of May 3, 2017. Represents all of Matador's Permian Basin acreage, primarily in the Delaware Basin in Lea and Eddy Counties, New Mexico and Loving County, Texas.
(4) As of February 22, 2017.
(5) Calculated as Net Debt divided by LTM Adjusted EBITDA attributable to Matador Resources Company shareholders. Net debt is equal to debt outstanding less available cash. Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.
(6) At December 31, 2011.
(7) LTM Adjusted EBITDA and Net Debt at March 31, 2017.
(8) As of May 30, 2017.
(9) Closing share price as of May 26, 2017.

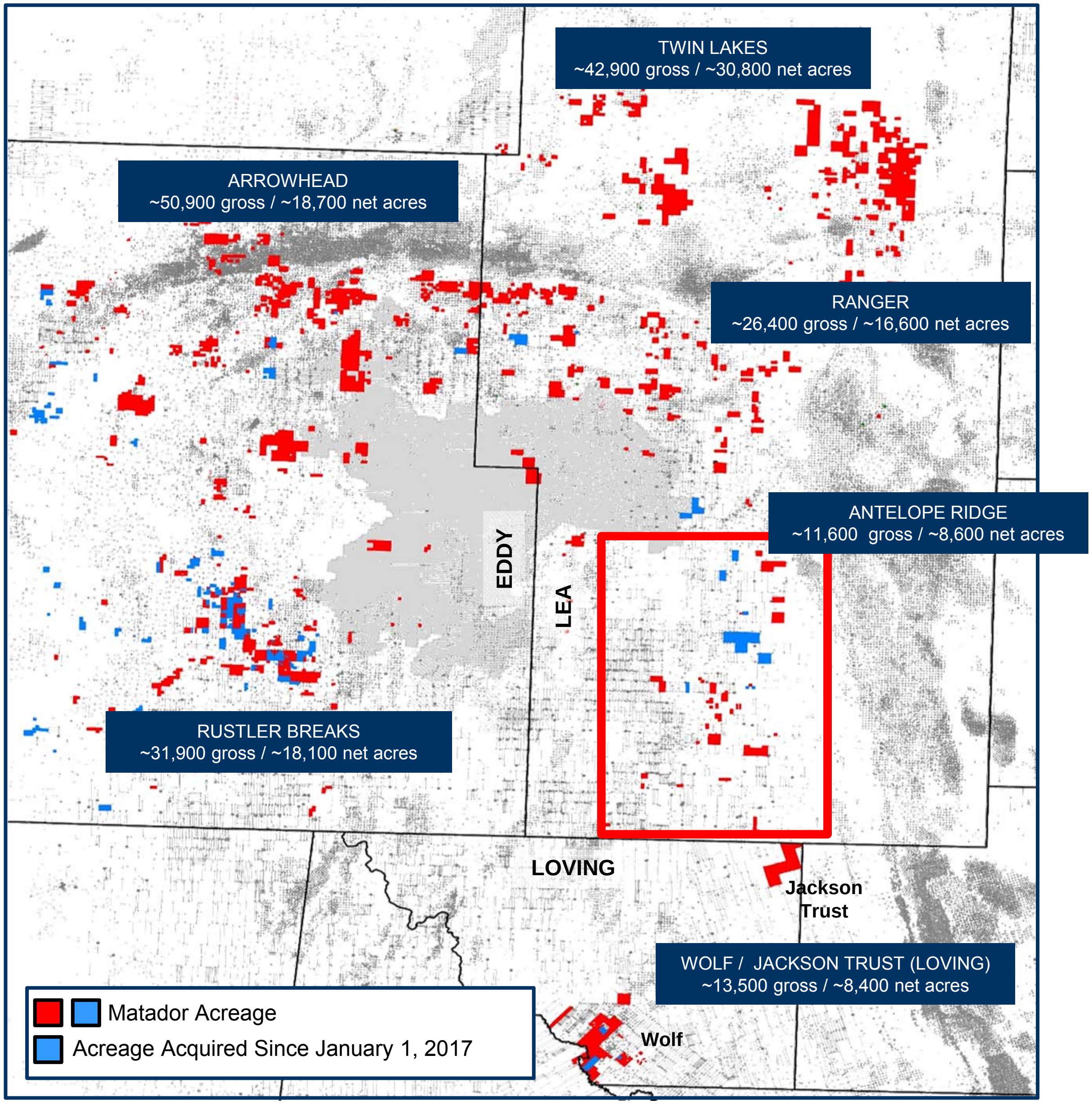
# Committed to Maintaining Strong Balance Sheet

- Preserved and enhanced liquidity through December 2016 equity and senior notes offerings and February 2017 San Mateo midstream joint venture
- Substantial liquidity to execute planned drilling program and midstream operations throughout 2017, including cash on the balance sheet of ~$210 million at March 31, 2017 and undrawn borrowing capacity of ~$400 million(1) at May 3, 2017
- Strong financial position with Net Debt/LTM Adjusted EBITDA(2)(3)(4) of ~1.7x at March 31, 2017




(1) Borrowing capacity of $399.2 million at December 31, 2016 and May 3, 2017, after accounting for $0.8 million in outstanding letters of credit. Lenders increased borrowing base to $450 million in late April 2017, but Company maintained 'elected borrowing commitment' at $400 million.
(2) Attributable to Matador Resources Company shareholders.
(3) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.
(4) Net Debt is equal to debt outstanding less available cash (including Matador's proportionate share of any restricted cash).
(5) LTM Adjusted EBITDA and Net Debt at March 31, 2017.

# Delaware Basin Acreage and Asset Areas – Introducing Antelope Ridge

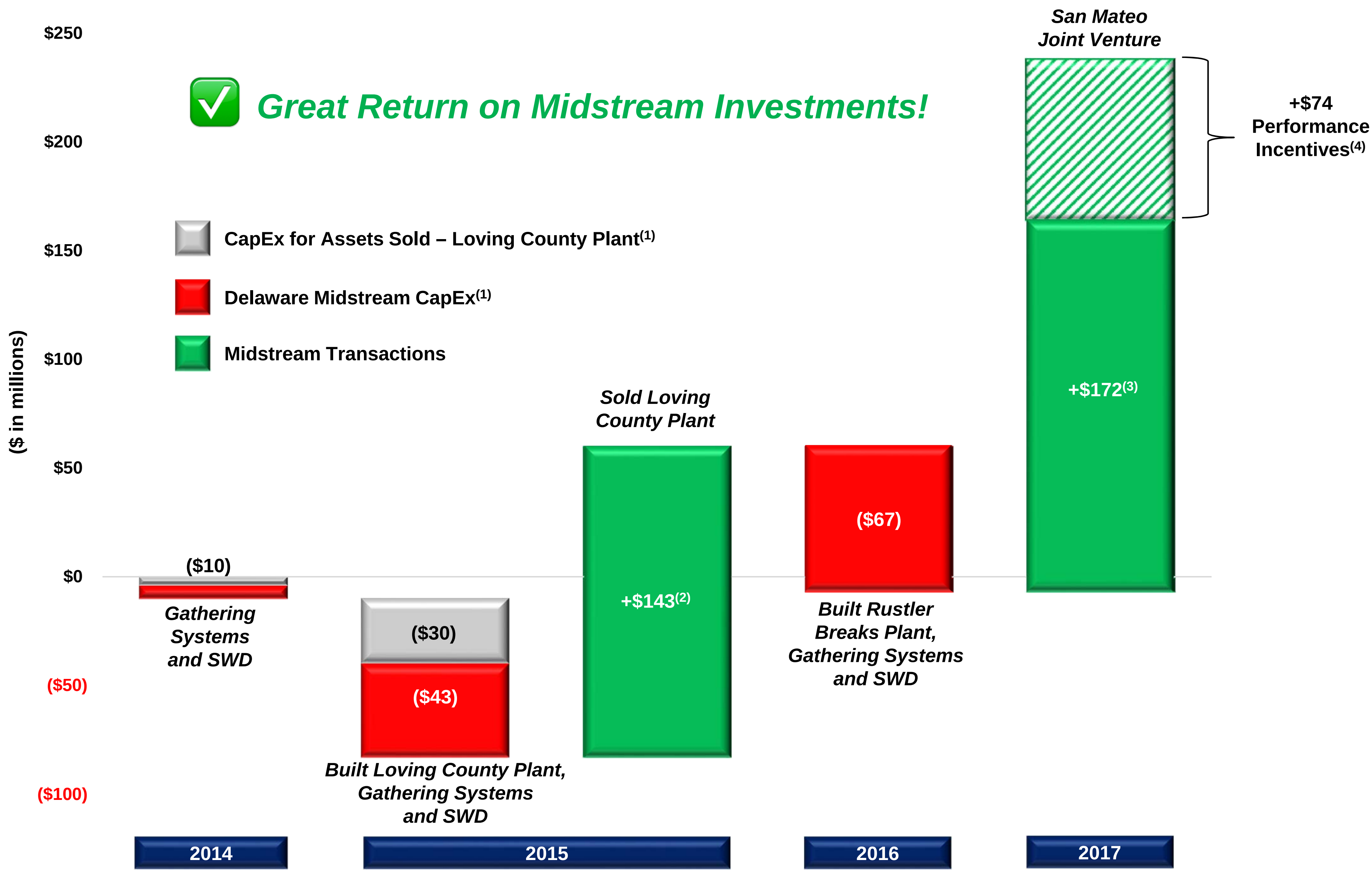



- Permian acreage position includes 178,600 gross (102,300 net) acres, almost all in the Delaware Basin
- Acquisition costs average ~$6,000 per acre(1) – far below recent public transaction prices(2)
- Since January 1, 2017, Matador has acquired 15,900 gross (9,500 net) acres, primarily in Rustler Breaks and Antelope Ridge
- Acreage in Antelope Ridge asset area offers new opportunities for Bone Spring, Wolfcamp and other formations
- We expect typical development wells drilled in these various asset areas can yield 50% or higher rates of return at oil and natural gas prices of $50.00 per barrel and $3.00 per MMBtu(3)

Note: All acreage numbers at May 3, 2017. Some tracts not shown on map.

(1) Reflects aggregate acquisition costs in the period from January 1, 2012 through May 3, 2017.
(2) Refers to publicly announced Delaware Basin transactions since January 1, 2015, with per acre valuations as high as $40,000 to $50,000 per net acre.
(3) Based on estimated ultimate recoveries and costs to drill, complete and equip wells as provided in Analyst Day presentation on March 23, 2017. Does not yet include Twin Lakes where Matador's testing program is just underway.

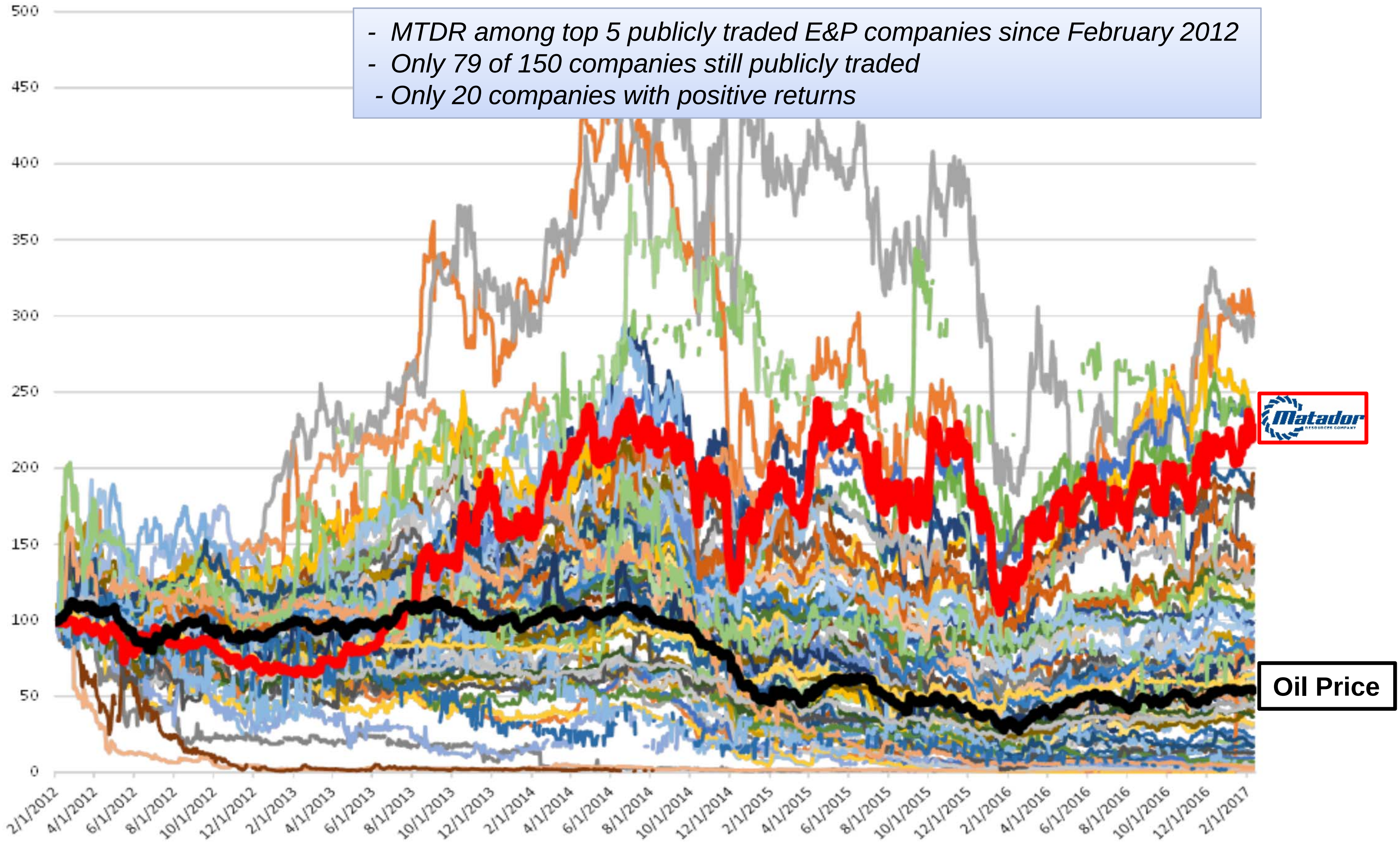
# Delaware Basin Midstream Investments Have Created Significant Value




(1) Excluding net income/cash flow.
(2) Excluding customary purchase price adjustments.
(3) Special distribution received in connection with the formation of San Mateo.
(4) Performance incentives Matador may earn over the next five years in connection with the formation of San Mateo.

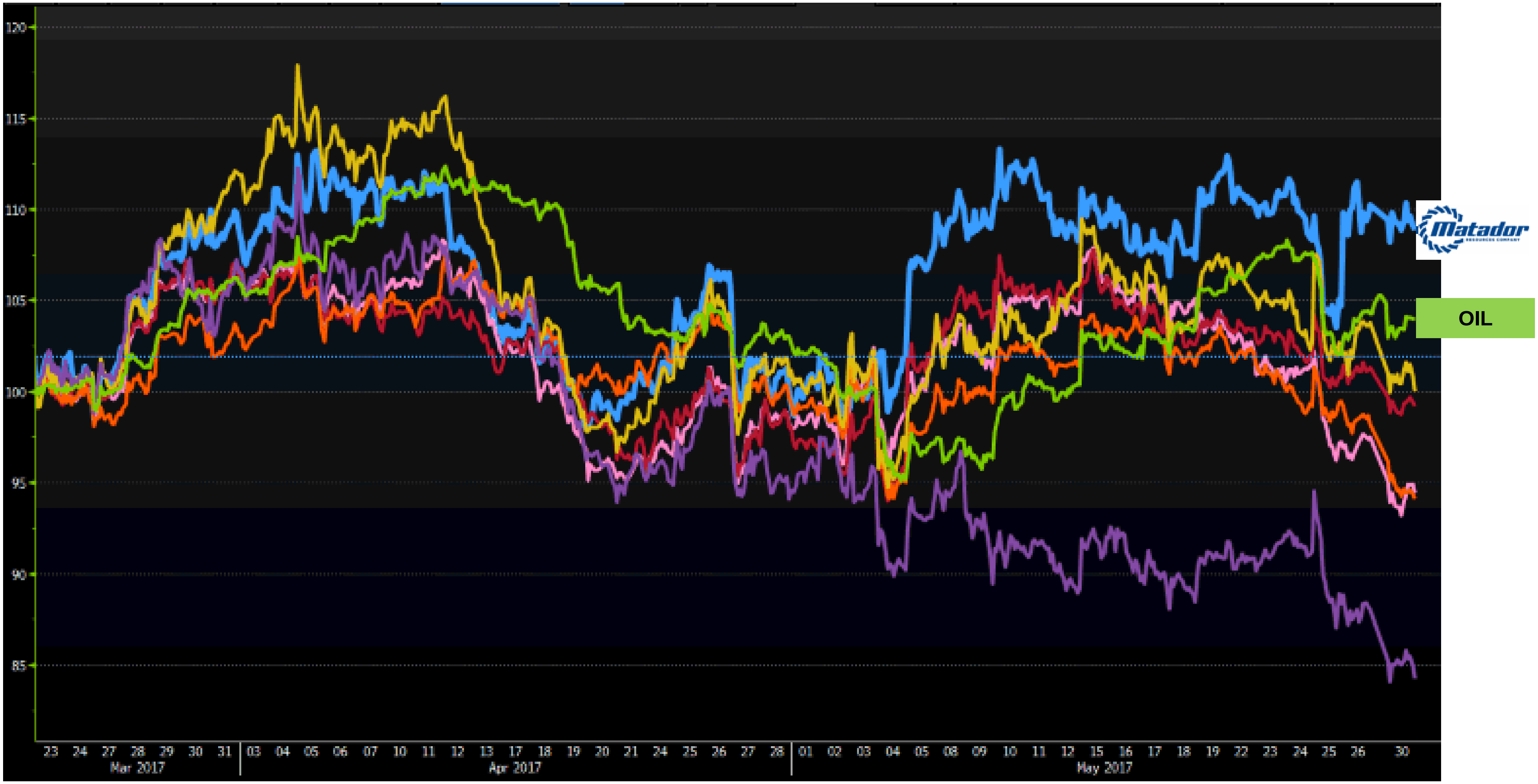
Note: "SWD" refers to salt water disposal wells and/or facilities. "Plant" refers to cryogenic natural gas processing plants.

# MTDR's Performance Has Reflected Our Progress Throughout the Cycle




Note: As of February 10, 2017 close. Slide shows top 150 public E&P companies as of June 30, 2012 (source: Oil and Gas Financial Journal). All stock prices and oil price indexed to 100 at February 2, 2012 (source: Bloomberg). Does not include companies that became publicly traded after February 2, 2012.

# MTDR Has Outperformed Its Peers Since Analyst Day in Late March 2017




Note: As of May 30, 2017 close. “Peers” include CRZO, CPE, FANG, PE and RSPP. (Source: Bloomberg Finance L.P.)

# Matador Selected for Inclusion in S&P MidCap 400® Index

- **Matador has been selected for inclusion in the S&P MidCap 400® index effective June 2, 2017 prior to the market open**
- **S&P MidCap 400® index provides investors with a benchmark for mid-sized companies, which the index defines as companies with a market cap between $1.6 and $6.8 billion**
- **S&P MidCap 400® index originally launched in June 1991**
- **First time MTDR has been part of an S&P index, although it has been part of the Russell 2000 for several years**
- **Funds that seek to mimic the S&P MidCap 400® index will be required to purchase MTDR shares**
- **Currently, there are 20 energy-related companies in the S&P MidCap 400® index, including Delaware Basin peers Energen and WPX Energy, as well as Patterson-UTI**

S&P Dow Jones Indices

A Division of S&P Global

**S&P MidCap 400®**

Ticker : MID



# Operations/Financial Update and 2017 Plans

*Matthew V. Hairford, President*

*David E. Lancaster, Executive Vice President and CFO*

***June 1, 2017***

***NYSE: MTDR***

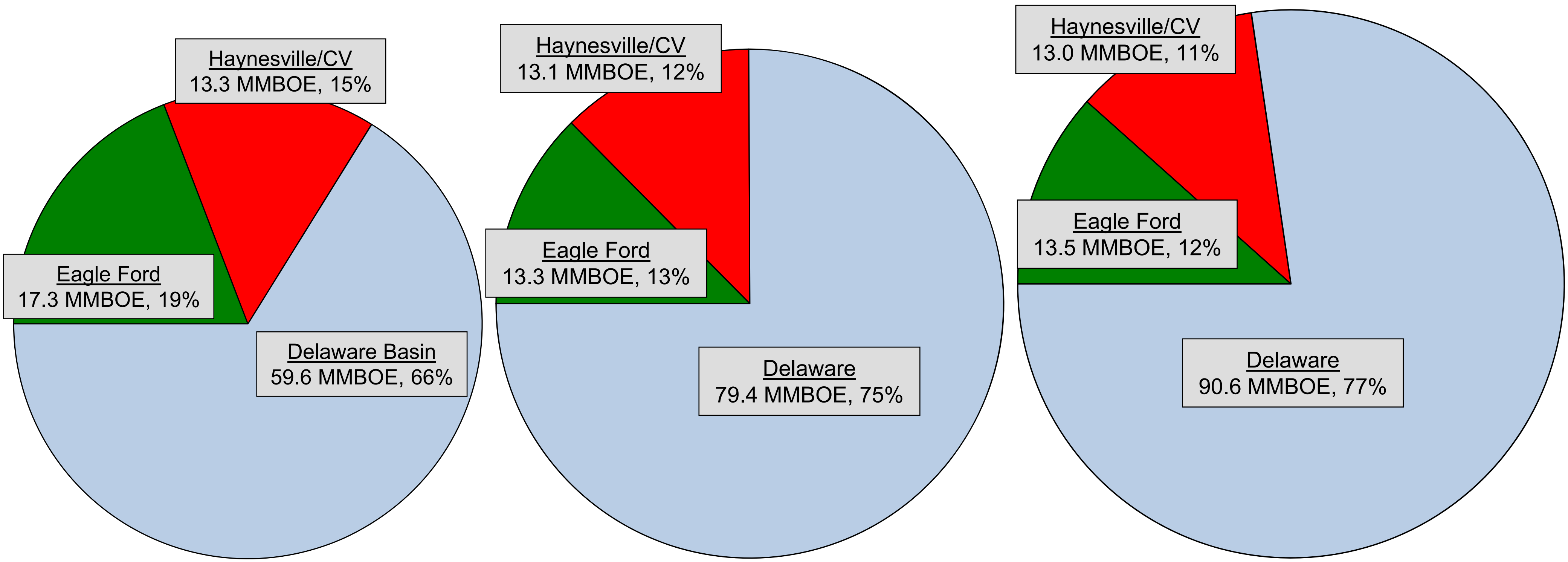
# Matador Resources Company – Company Overview


| | | |
|---|---|---|
| **Market Capitalization(1)** | **~$2.4 billion** | |
| **Avg Daily Production – Q1 2017(2)** | **~33,000 BOE/d** | ↑ 38%* |
| Oil (% total) | ~18,300 Bbl/d (56%) | ↑ 60%* |
| Natural Gas (% total) | ~88 MMcf/d (44%) | ↑ 19%* |
| **Proved Reserves @ 3/31/2017** | **117.1 million BOE** | ↑ 30%* |
| % Proved Developed | 43% | |
| % Oil | 54% | |
| **2017E CapEx(3)** | **$456 to $484 million** | |
| % Delaware Basin | ~93% | |
| **Gross Acreage(4)** | **~236,400 acres** | |
| **Net Acreage(4)** | **~154,400 acres** | |
| **Engineered Drilling Locations(5)** | **4,985 gross / 2,151 net** | ↑ 19%** |
| Delaware Basin | 4,234 gross / 1,784 net | ↑ 26%** |
| Eagle Ford | 249 gross / 214 net | |
| Haynesville/Cotton Valley | 502 gross / 153 net | |

* Note: Represents year-over-year increase as compared to the first quarter of 2016.
** Note: Represents increase as compared to each respective figure at or for the year ended December 31, 2015.

(1) Market capitalization based on closing share price as of May 8, 2017 and shares outstanding at May 5, 2017 as reported in the Company's most recent Quarterly Report on Form 10-Q.
(2) Average daily production for the three months ended March 31, 2017.
(3) 2017 estimated capital expenditures, including all anticipated operations and midstream expenditures, but excluding potential land and seismic expenditures, as of March 23, 2017, assuming a 4-to 5-rig program in the Delaware Basin and including one rig in the Eagle Ford for a portion of 2017.
(4) As of May 3, 2017.
(5) Identified and engineered locations for potential future drilling, including specified production units and estimated lateral lengths, costs and well spacing using objective criteria for designation. Locations identified as of February 22, 2017, but including limited locations at Twin Lakes (two wells planned for 2017). Includes identified locations where Matador has an operated or non-operated working interest.

# Matador's Proved Reserves ~117 Million BOE at March 31, 2017(1)




| Q1 2016(1) | YE 2016(1) | Q1 2017(1) |
|---|---|---|
| 90.2 million BOE | 105.8 million BOE | **117.1 million BOE** ↑ 11% |
| 50.7 million Bbl oil (56% oil) | 57.0 million Bbl oil (54% oil) | **62.9 million Bbl oil (54% oil)** ↑ 10% |
| 237 Bcf natural gas | 293 Bcf natural gas | 325 Bcf natural gas |
| Standardized Measure: $495.6 million | Standardized Measure: $575.0 million | Standardized Measure: $810.2 million |
| PV-10(2): $501.9 million | PV-10(2): $581.5 million | PV-10(2): $857.2 million |
| $42.77 oil / $2.40 natural gas | $39.25 oil / $2.48 natural gas | $44.10 oil / $2.73 natural gas |

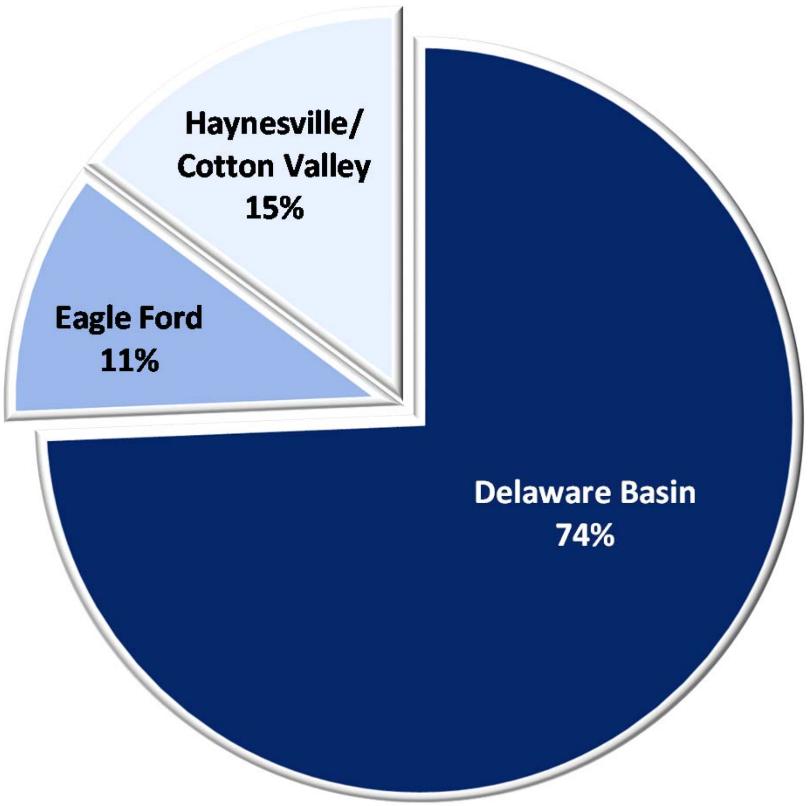
Note: Oil and natural gas prices noted are in $/Bbl and $/MMBtu, respectively. Prices reflect the arithmetic average of first-day-of-month oil and natural gas prices for the 12-month periods April 1, 2015 to March 31, 2016, January 1 to December 31, 2016 and April 1, 2016 to March 31, 2017, respectively, as per SEC guidelines for reserves estimation.

(1) The reserves estimates at all dates presented in the table above were prepared by the Company's internal engineering staff. These reserves estimates 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.

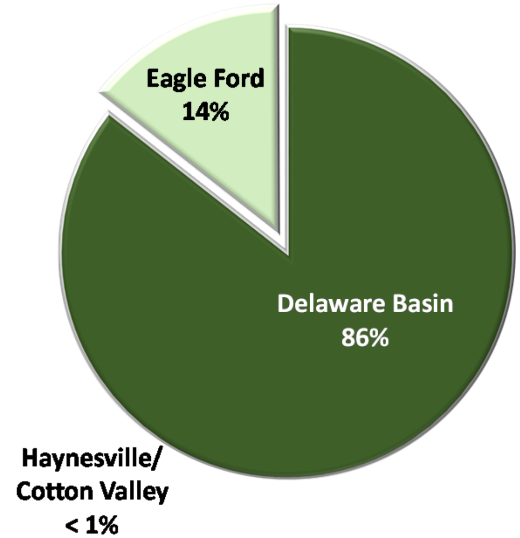
(2) PV-10 is a non-GAAP financial measure. For a reconciliation of PV-10 (non-GAAP) to Standardized Measure (GAAP), see Appendix.

# Delaware Basin Now Most Significant Component of Matador's Production

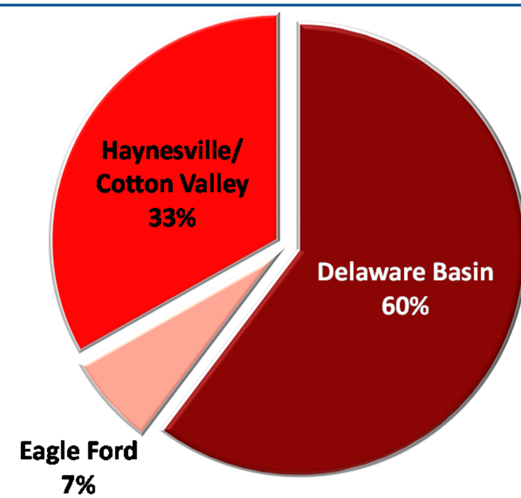
## Total Production – Q1 2017




## Oil Production – Q1 2017




## Natural Gas Production – Q1 2017

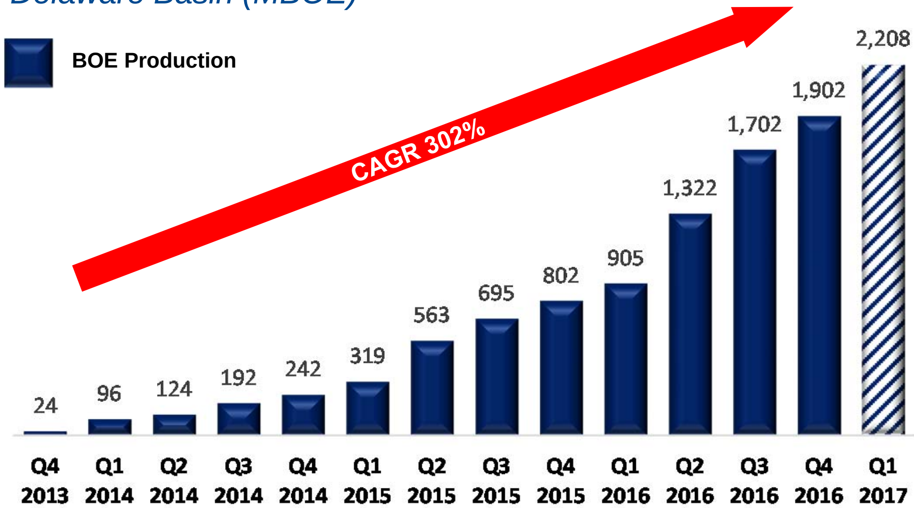



***Delaware Basin comprised 74% of Matador's total production in Q1 2017, including 86% of oil production and 60% of natural gas production***

# Significant Delaware Basin Production Growth in Last Three Years

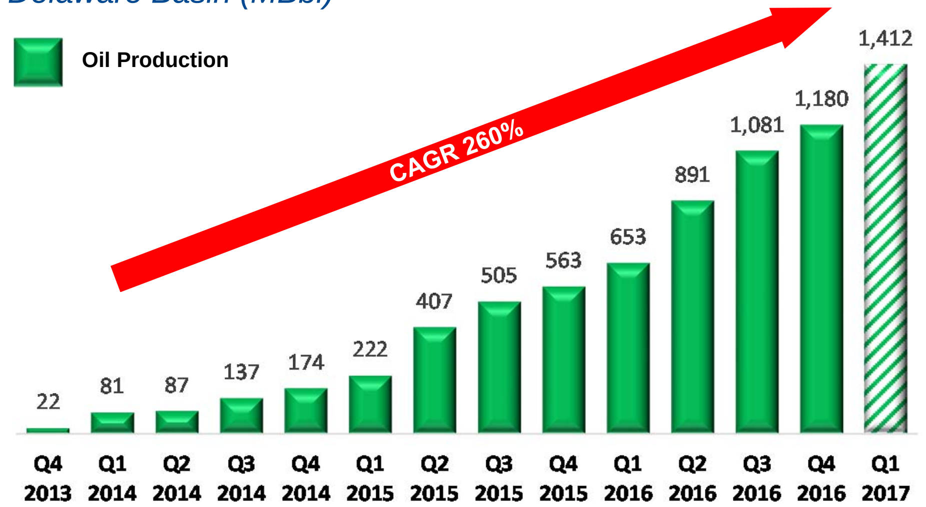
## Total Production

*Delaware Basin (MBOE)*



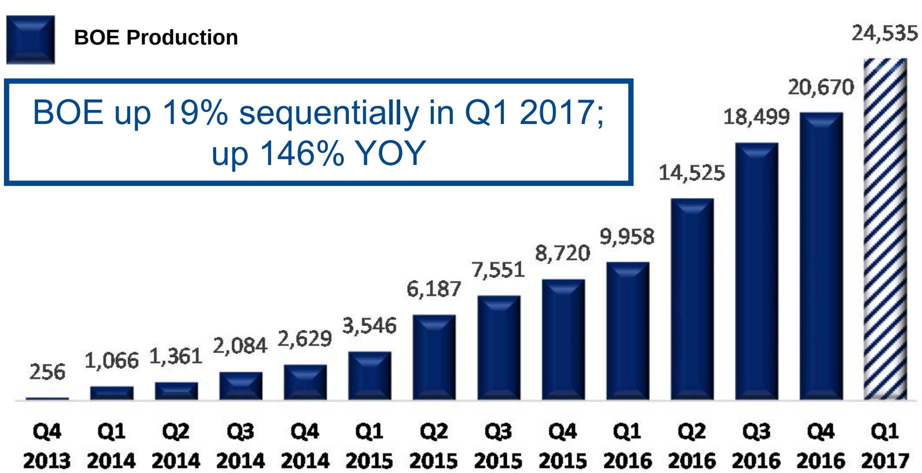

## Oil Production

*Delaware Basin (MBbl)*



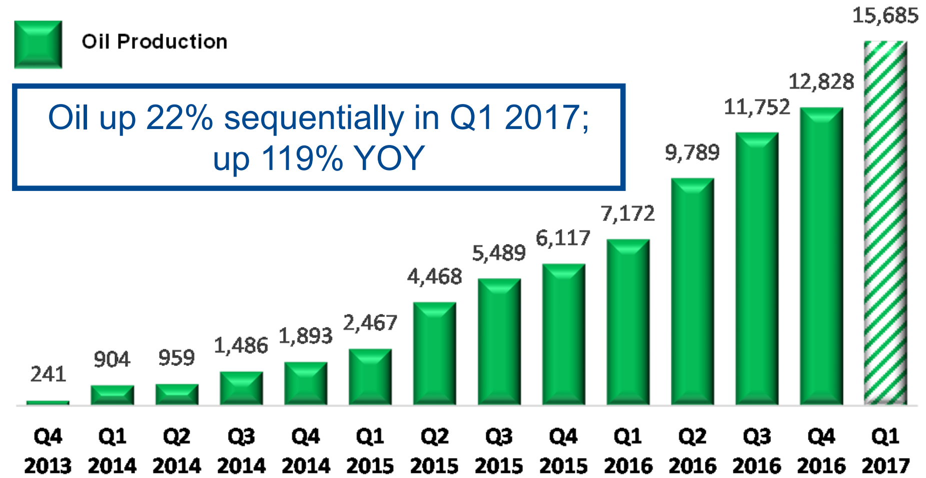

## Average Daily Total Production

*Delaware Basin (BOE/d)*

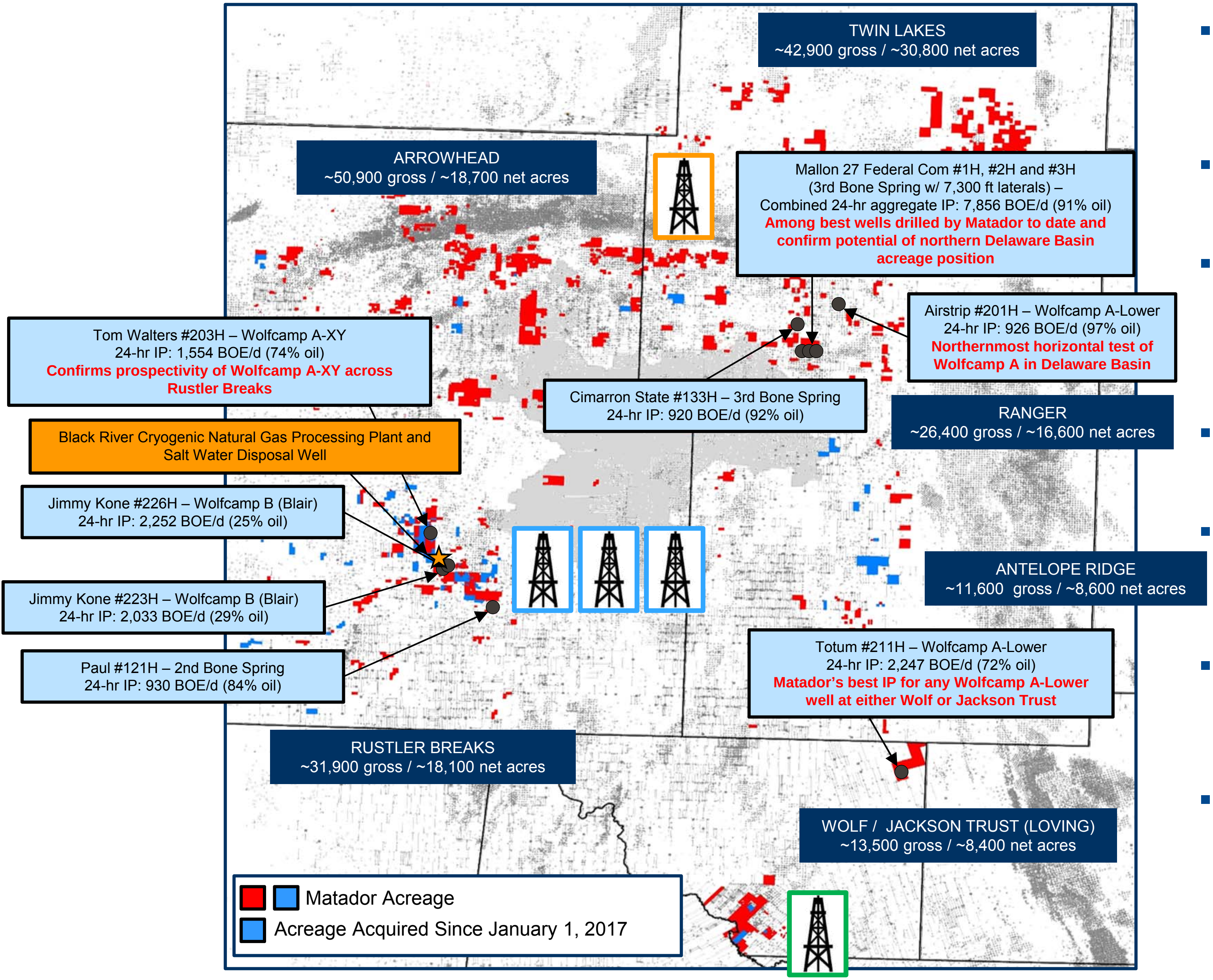



## Average Daily Oil Production

*Delaware Basin (Bbl/d)*



# Delaware Basin Acreage Position and Recent Operations and Results

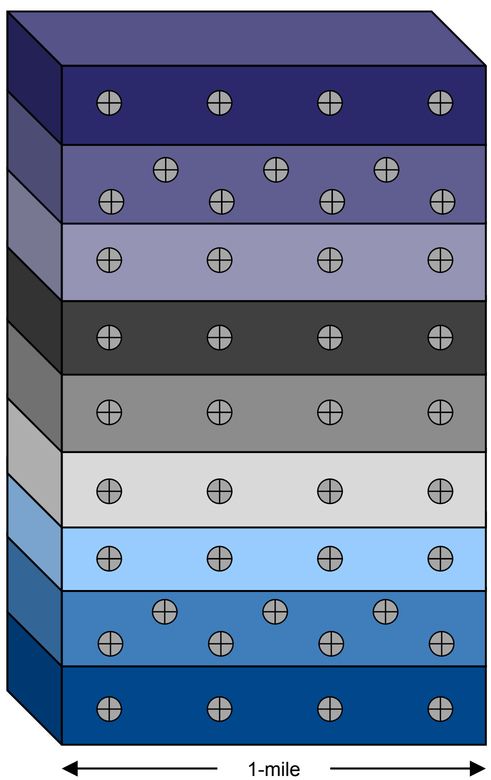



- Running five rigs in Delaware Basin; added third drilling rig at Rustler Breaks in Q2 2017
- First Avalon and Wolfcamp B tests underway at Wolf
- Rigs in Rustler Breaks drilling primarily Wolfcamp A-XY and Wolfcamp B wells – first test of Wolfcamp A-Lower in progress
- Drilling and completing first operated wells in Arrowhead
- First Wolfcamp D test at Twin Lakes flowing back following completion
- First Antelope Ridge wells planned later in 2017 or in early 2018
- Projected 2017 drilling and completions program (including non-operated wells): 88 gross (55.8 net) wells completed and placed on production

Note: All acreage at May 3, 2017. Some tracts not shown on map.

# Delaware Basin Inventory Continues to Increase

- Matador has identified up to 4,234 gross (1,784 net) potential locations[1] for future drilling (only locations yet to be drilled) on its Delaware Basin acreage – net identified locations up 25% since December 31, 2015
  - *163 gross (90.3 net) locations were PUD locations (about 5% of locations) at December 31, 2016*
- Matador anticipates operating up to 2,734 gross (1,608 net) of these potential locations[2]
- Inventory includes limited number of locations for Twin Lakes prospect area[1]



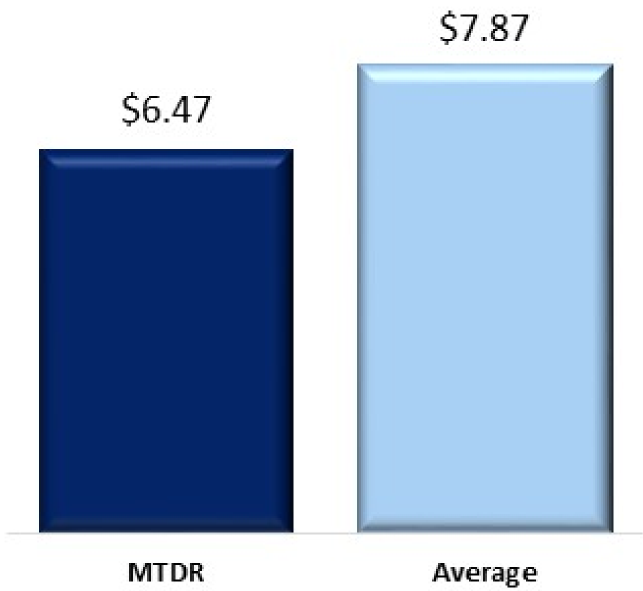

| | Total Undrilled Locations Identified[1] | | Potential Matador Operated Locations[1][2] | |
|---|---|---|---|---|
| | Gross | Net | Gross | Net |
| Brushy Canyon | 344 | 149 | 238 | 135 |
| Avalon | 375 | 184 | 274 | 171 |
| 1st Bone Spring | 602 | 208 | 331 | 179 |
| 2nd Bone Spring | 744 | 275 | 421 | 238 |
| 3rd Bone Spring | 582 | 237 | 350 | 211 |
| Wolfcamp A-XY | 338 | 138 | 221 | 124 |
| Wolfcamp A-Lower | 400 | 207 | 315 | 197 |
| Wolfcamp B (3 landing targets) | 436 | 210 | 316 | 194 |
| Wolfcamp D | 413 | 175 | 268 | 158 |
| | 4,234 | 1,784 | 2,734 | 1,608 |

(1) Identified and engineered locations for potential future drilling, including specified production units and estimated lateral lengths, costs and well spacing using objective criteria for designation. Locations identified as of February 22, 2017, but including limited locations at Twin Lakes (two wells planned for 2017). Includes identified locations where Matador has an operated or non-operated working interest.
(2) Includes any identified gross locations in which Matador's working interest is at least 25%.

# Favorable Finding and Development Costs Compared to Permian Peers

## Finding and Development Costs – Drill Bit Only

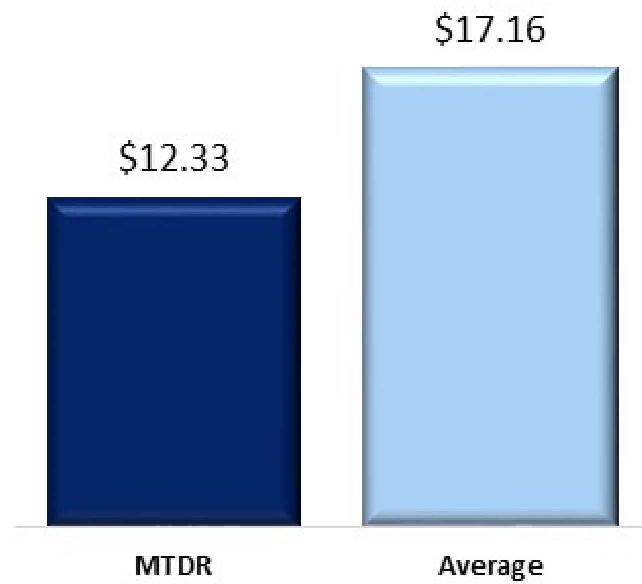
*For the Year Ended December 31, 2016 ($/BOE)*




**18% Lower – Drill Bit Only**

## Finding and Development Costs – All-in

*For the Year Ended December 31, 2016 ($/BOE)*

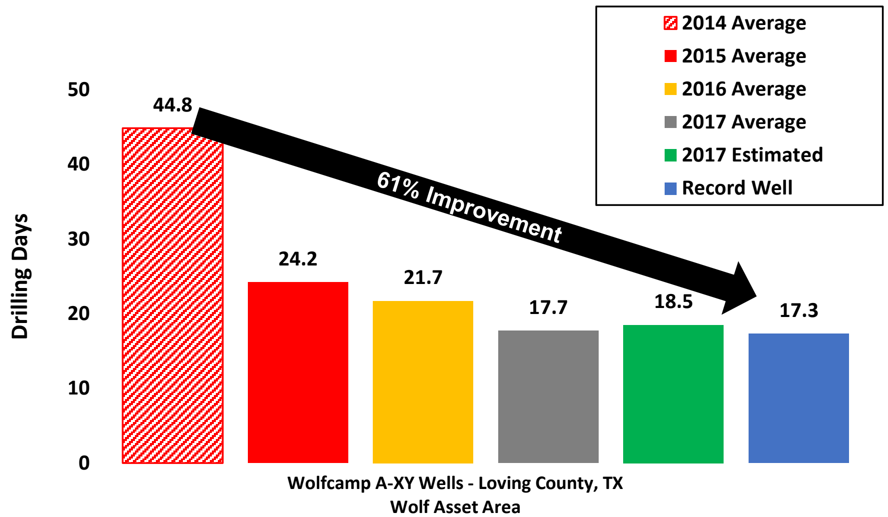



**28% Lower – All-in Basis**

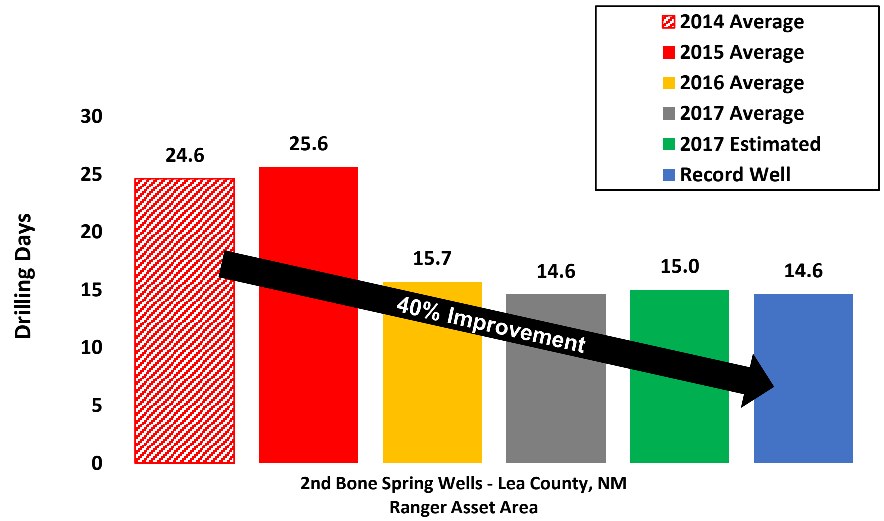
Note: All averages exclude MTDR. Drill bit only average excludes one peer that is an extreme outlier on the high end. Peer averages based on Form 10-K public filings for the year ended December 31, 2016. Peers included in averages are CPE, CXO, EOG, FANG, EGN, EPE, LPI, PE, PDCE, RSPP, WPX and XEC.

# Technology Innovations and Continued Improvement in Best Practices Should Continue to Reduce Drilling Times in the Delaware Basin

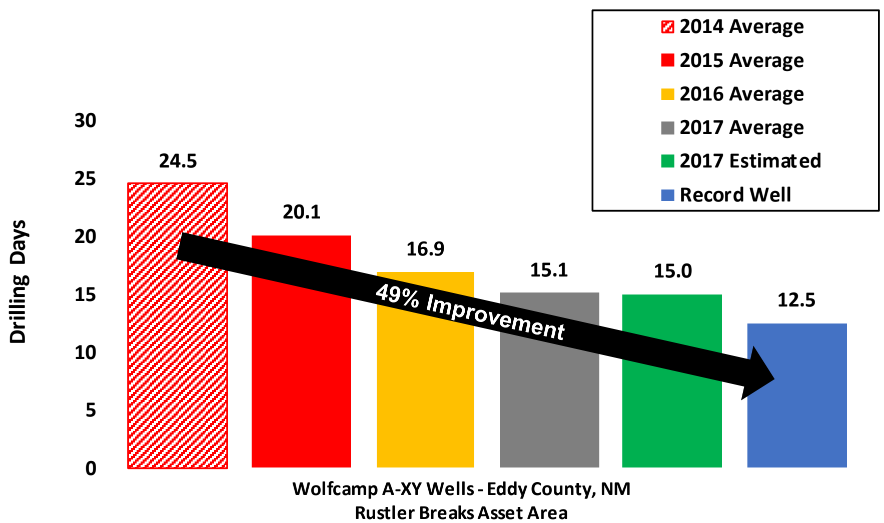
## Wolfcamp A-XY Wells, Loving County, TX



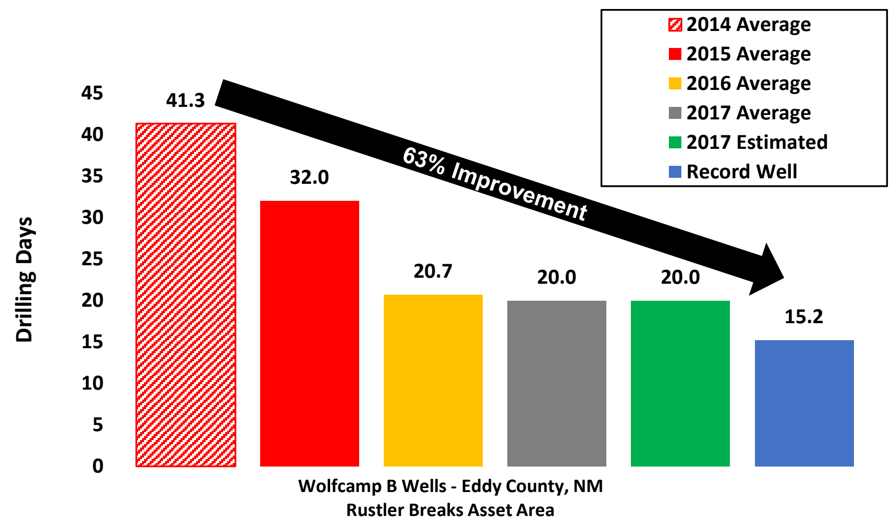

## 2nd Bone Spring Wells, Lea County, NM




## Wolfcamp A-XY Wells, Eddy County, NM[1]




## Wolfcamp B Wells, Eddy County, NM




Note: Drilling days are spud to total depth, wells >5,000 foot of lateral length are normalized to 5,000 foot.
(1) 2015 Eddy County Wolfcamp A-XY averages include Scott Walker #204H with time associated with pilot hole, logging, and sidetrack removed.

# Midstream Joint Venture Overview – February 2017

- **Equity:** Owns 51% equity interest
- **Special Distribution:** Received $171.5 million
- **Performance Incentives**: Potential to receive additional $73.5 million over next five years
- **Contribution:** Contributed Delaware Basin midstream assets plus capital commitment of $76.5 million
- **Operations:** Retains operational control of Joint Venture
- **Other Terms:** Receives firm service at market rates in exchange for acreage dedication and relatively modest minimum volume commitments

- **Equity:** Owns 49% equity interest
- **Contribution:** Contributed $171.5 million plus capital commitment of $73.5 million

**Implied Valuation of $500 million**

**Midstream Assets**

- Rustler Breaks cryogenic natural gas processing plant
- Rustler Breaks salt water disposal well and commercial facility
- Rustler Breaks natural gas, oil and water gathering systems
- Wolf salt water disposal wells and commercial facilities
- Wolf natural gas, oil and water gathering systems

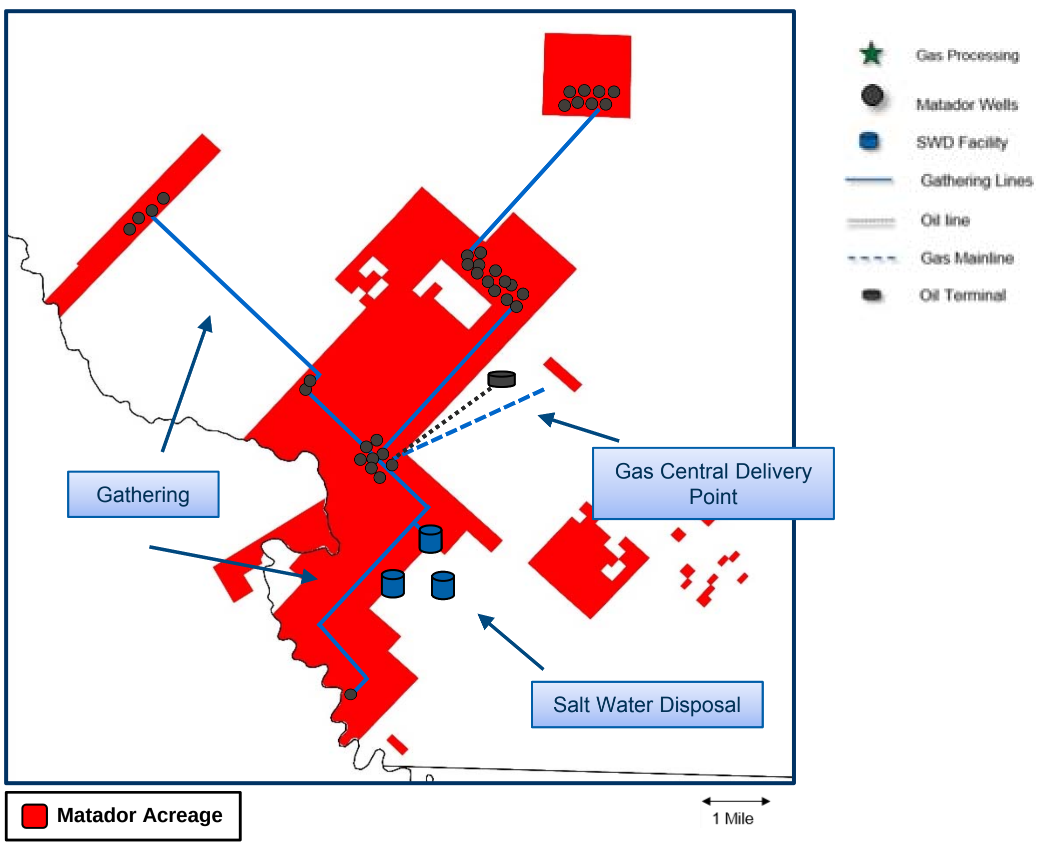
**Plans for 2017**

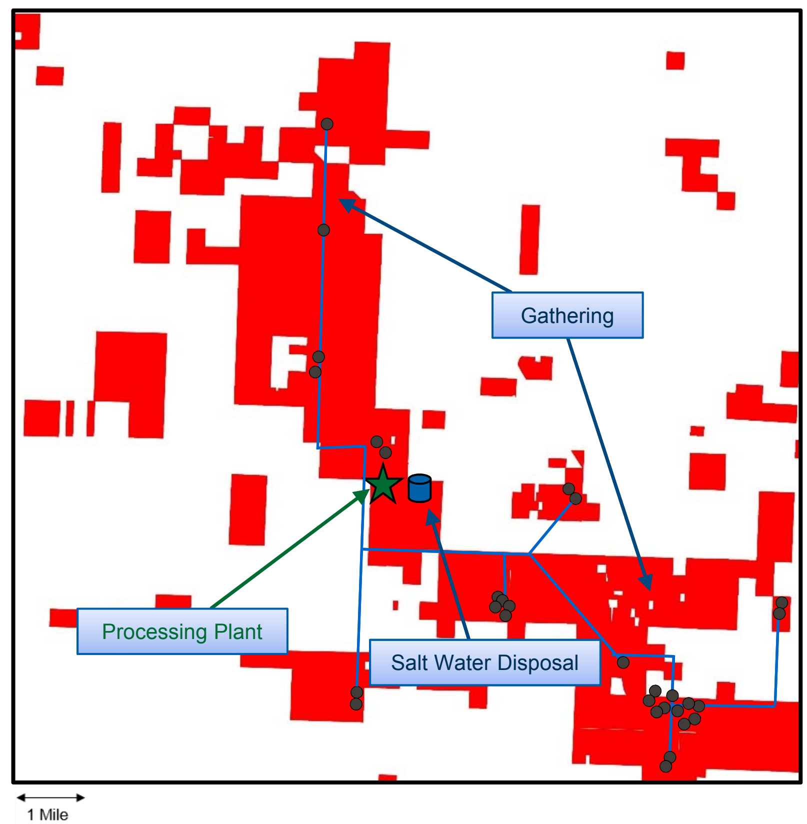
- Expand Rustler Breaks cryogenic natural gas processing plant to inlet capacity of up to 260 MMcf/d
    - Expected to be operational as early as Q1 2018
- Build-out of additional oil, natural gas and water gathering systems at Wolf and Rustler Breaks
- At least one additional salt water disposal well at Rustler Breaks
- Expected 2017 capital expenditures of $110 to $125 million for the Joint Venture

# San Mateo Operations and Assets

- ***Wolf – Loving County, TX***
  - Natural gas gathering
  - Water gathering
  - Salt water disposal
  - Oil gathering

- ***Rustler Breaks – Eddy County, NM***
  - Natural gas gathering and compression
  - Cryogenic natural gas processing plant
  - Water gathering
  - Salt water disposal
  - Oil gathering (engineering phase)

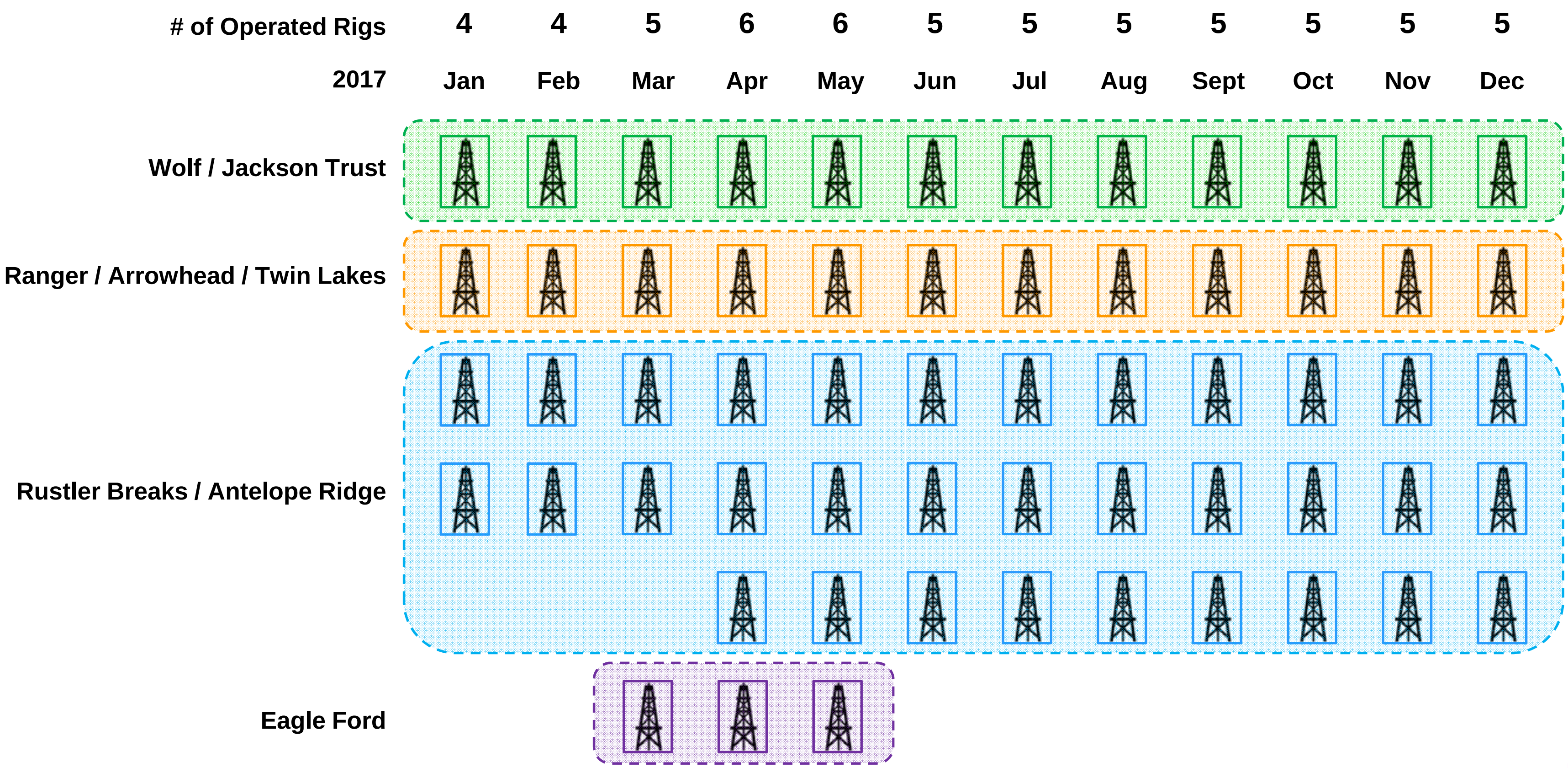



Note: All acreage at May 3, 2017.

# 2017 Capital Investment Plan – Summary

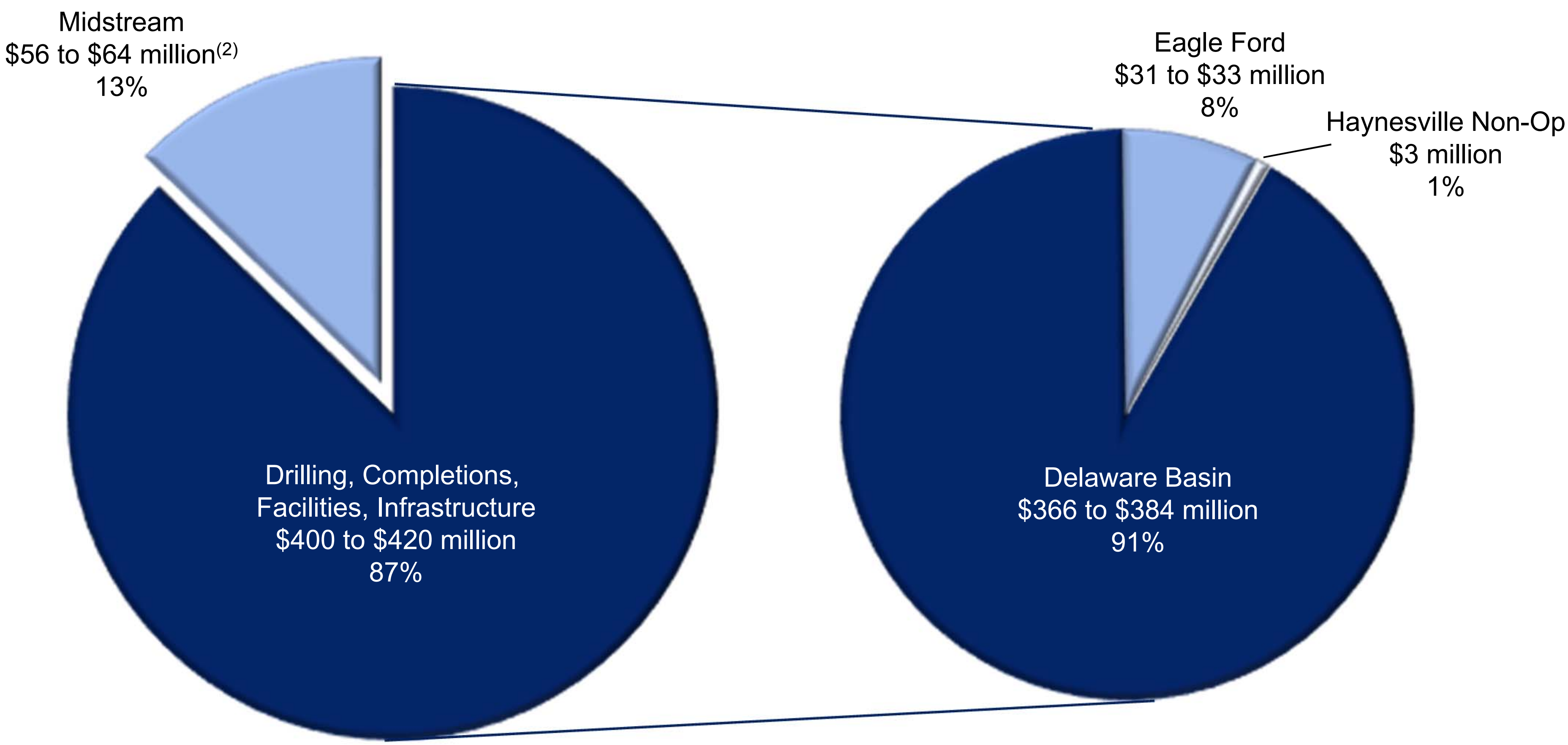
- We plan to continue to focus on our Delaware Basin assets and opportunities in 2017, and ~93% of our capital is expected to be invested there
- Drilling and completing five operated Eagle Ford shale wells in 2017 to maintain and enhance the value of the asset, with expected returns comparable to our Delaware Basin opportunities
- We expect to participate in attractive, non-operated well opportunities in the Delaware Basin, Eagle Ford and Haynesville as such opportunities may become available



# 2017 Capital Investment Plan Summary

**2017E CapEx(1) – $456 to $484 million**

*(Delaware: 4 rigs in Q1 and 5 rigs in Q2 – Q4; Eagle Ford: 5 wells total)*

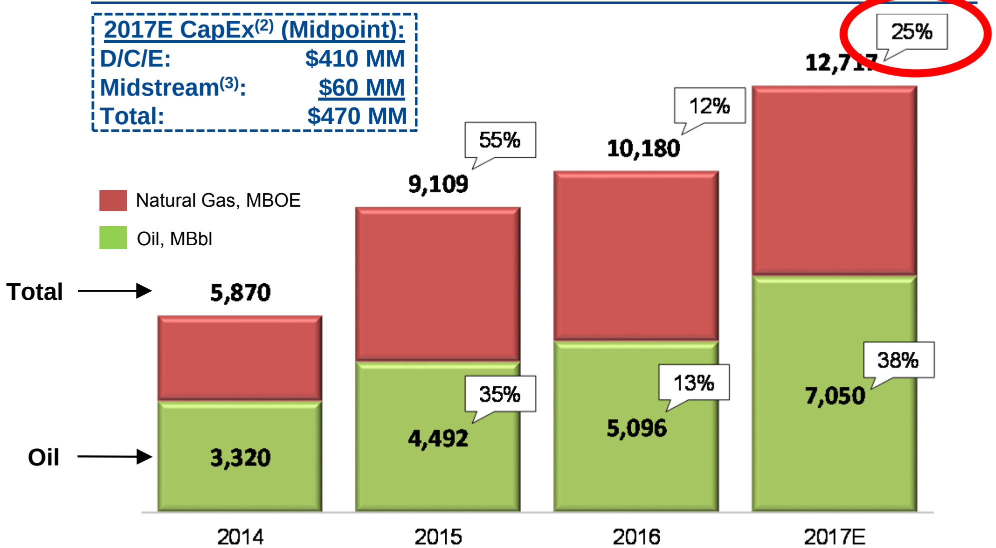



(1) Includes capital expenditures related to drilling, completing and equipping (D/C/E) wells and for various midstream projects; does not include any expenditures for land or seismic acquisitions.
(2) Represents Matador's 51% share of estimated 2017 San Mateo Joint Venture capital expenditures of $110 to $125 million.

# 2017 Oil and Natural Gas Production Estimates(1)

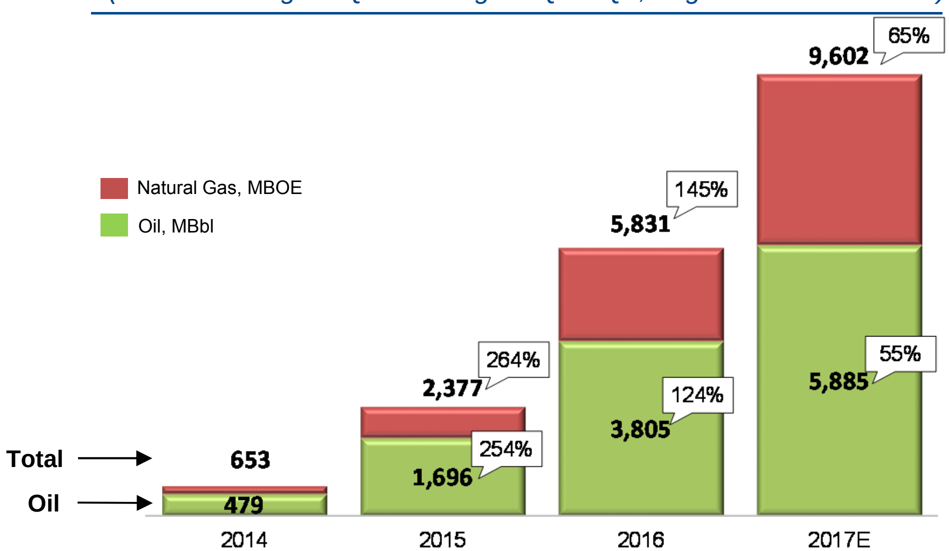
## Total Oil and Natural Gas Production

*(Delaware: 4 rigs in Q1 and 5 rigs in Q2 – Q4; Eagle Ford: 5 wells total)*




## Delaware Oil and Natural Gas Production

*(Delaware: 4 rigs in Q1 and 5 rigs in Q2 – Q4; Eagle Ford: 5 wells total)*




## 2017E Oil Production – 38% Growth YoY

- Estimated oil production of 6.9 to 7.2 million barrels
  - *38% increase from 2016 to midpoint of 2017 range*
- Average daily oil production of 19,300 Bbl/d, up from 13,900 Bbl/d in 2016
  - *Delaware Basin ~16,100 Bbl/d (83%) – up 55% YoY*
  - *Eagle Ford ~3,200 Bbl/d (17%) – production expected to increase significantly from anticipated Q1 2017 levels as new wells are placed on production*
- Quarterly oil production growth projected to be "lumpy" in 2017 due to drilling more multi-well pads
  - *Q4 2017 up 36% over Q4 2016*

## 2017E Natural Gas Production – 11% Growth YoY

- Estimated natural gas production of 33.0 to 35.0 Bcf
  - *11% increase from 2016 to midpoint of 2017 range*
- Average daily natural gas production of 93.2 MMcf/d, compared to 83.3 MMcf/d in 2016
  - *Delaware Basin ~61.1 MMcf/d (66%) – up 84% YoY*
  - *Haynesville/Cotton Valley ~26.1 MMcf/d (28%)*
  - *Eagle Ford ~6.0 MMcf/d (6%)*
  - *Q4 2017 up 11% over Q4 2016*

(1) As updated on March 23, 2017.
(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) Represents Matador's 51% share of estimated 2017 San Mateo Joint Venture capital expenditures of $110 to $125 million.

# Matador's Financial Position Remains Strong

- **Strong balance sheet with cash on hand of $210 million, $575 million in bonds and no borrowings under revolving credit facility at March 31, 2017**
- **December 2016 equity and bond offerings, plus proceeds from the San Mateo Joint Venture, provided approximately $500 million in cash**
- **Oil, natural gas and NGL prices have improved significantly since early 2016, favorably impacting Matador's cash flow**
- **Low debt levels and strong debt metrics relative to industry peers, including Net Debt/ LTM Adjusted EBITDA of 1.7x[1][2] at March 31, 2017**
- **Rating agencies confirmed views on Matador's credit quality following first quarter 2017 reviews**
  - *S&P confirmed MTDR corporate and bond ratings at B*
  - *Moody's confirmed MTDR corporate rating at B2 and confirmed bond rating at B3*
- **Matador's bonds are currently trading above par at ~105.5 as of late May 2017, with an effective yield of about 5.3%**
- **<u>Matador's cash-on-hand, projected cash flow and available borrowing capacity provide ample liquidity to conduct our 2017 planned drilling and completion and midstream activities</u>**

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.
(2) Net Debt is equal to debt outstanding less available cash (including Matador's proportionate share of restricted cash).

# Hedging Profile

### Remainder of 2017 Hedges[1]

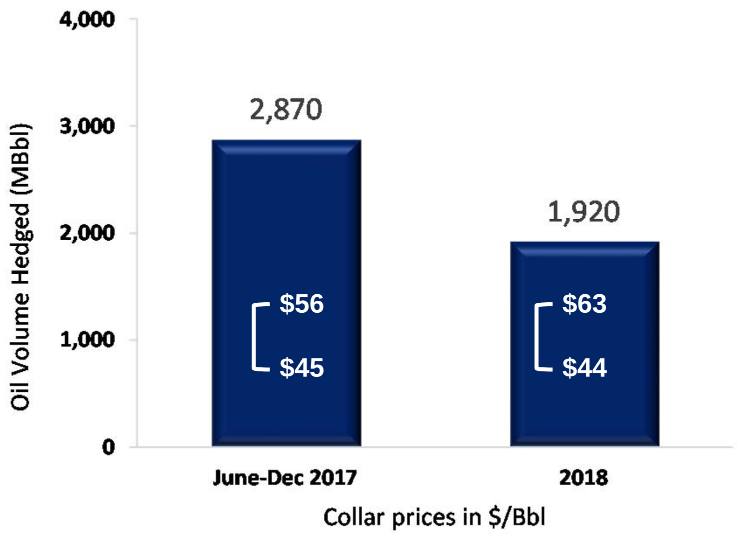
- **Oil**: ~2.9 million barrels hedged for remainder of 2017 at weighted average floor and ceiling prices of $45/Bbl and $56/Bbl, respectively
- **Natural Gas**: ~14.6 Bcf hedged for remainder of 2017 at weighted average floor and ceiling prices of $2.51/MMBtu and $3.60/MMBtu, respectively

### 2018 Hedges[1]

- **Oil**: ~1.9 million barrels hedged for 2018 at weighted average floor and ceiling prices of $44/Bbl and $63/Bbl, respectively
- **Natural Gas**: ~16.8 Bcf hedged for 2018 at weighted average floor and ceiling prices of $2.53/MMBtu and $3.67/MMBtu, respectively

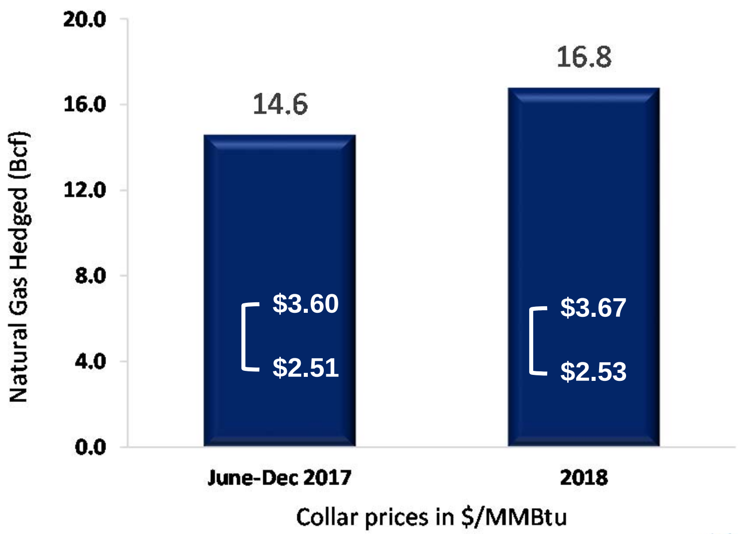
## Oil Hedges (Costless Collars)

*~65-70% hedged for remainder of 2017*




## Natural Gas Hedges (Costless Collars)

*~70-75% hedged for remainder of 2017*




(1) At May 31, 2017.

# Credit Agreement Status – Borrowing Base Increased to $450 Million

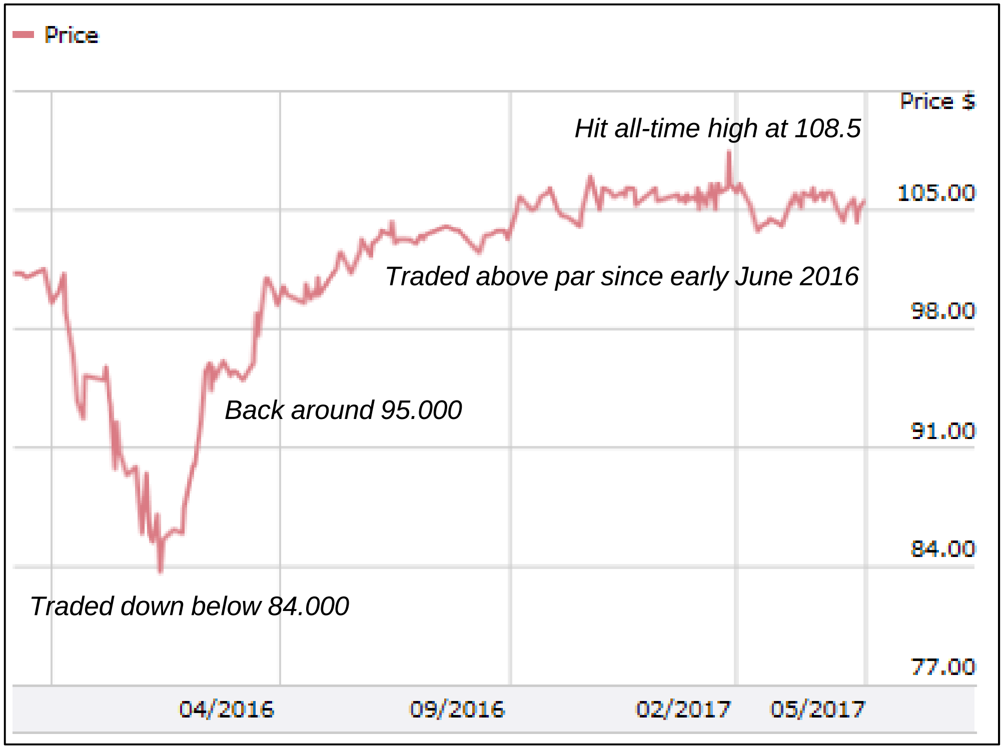
- Strong, supportive bank group led by Royal Bank of Canada (group includes eight banks)
- Bank group increased borrowing base to $450 million in late April 2017 based on December 31, 2016 reserves and improved bank price decks
  - Matador chose to keep "elected borrowing commitment" at $400 million at this time
- No changes to structure of agreement or pricing – excellent bank deal!
- No borrowings outstanding today!
- Estimated Net Debt/LTM Adjusted EBITDA(1)(2) of ~1.7x at March 31, 2017
- Financial covenants
  - *Maximum Total Debt to Adjusted EBITDA(2) Ratio of not more than 4.25:1.00*

| TIER | Borrowing Base Utilization | LIBOR Margin | BASE Margin | Commitment Fee |
|---|---|---|---|---|
| Tier One | x < 25% | 150 bps | 50 bps | 37.5 bps |
| Tier Two | 25% < or = x < 50% | 175 bps | 75 bps | 37.5 bps |
| Tier Three | 50% < or = x < 75% | 200 bps | 100 bps | 50 bps |
| Tier Four | 75% < or = x < 90% | 225 bps | 125 bps | 50 bps |
| Tier Five | 90% < or = x < 100% | 250 bps | 150 bps | 50 bps |

(1) Net Debt is equal to debt outstanding less available cash (including Matador's proportionate share of any restricted cash).
(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA an a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.

# Matador Bonds Continue to Perform Very Well

- **Issued $175 million of additional notes at 105.5% of par in December 2016**
- **Bonds have traded very well since bond and equity offerings in December 2016**
  - *Bonds have traded above par since early June 2016; hit an all-time high of 108.5 in late February 2017*
  - *Bonds currently trading ~105.5, with an implied yield of approximately 5.3%*





Note: As of Tuesday, May 30, 2017.

# Summary and 2017 Guidance (as Affirmed May 3, 2017)

- **Ran 4 rigs in the Delaware Basin in Q1 2017 and plan to run 5 rigs in the Delaware Basin from Q2 through Q4 of 2017**
  - *3 rigs in Rustler Breaks, 1 rig in Wolf/Jackson Trust and 1 rig in Ranger/Arrowhead/Twin Lakes*
- **Eagle Ford shale five-well program should benefit Q3 2017 production growth – expected online late Q2 or early Q3**
- **Three non-operated Haynesville shale wells on production early in Q2 should benefit Q2 2017 natural gas production**
  - *Otherwise, minimal Haynesville non-operated drilling activity in 2017*
- **Production expected to be "lumpy" quarter-to-quarter due to increased Delaware Basin multi-well pad drilling in 2017**
  - *Estimate oil production to be up ~2 to 4% sequentially in Q2; estimate Q4 2017 will be 36% higher than Q4 2016*
  - *Estimate natural gas production to be up ~6 to 8% sequentially in Q2; estimate Q4 2017 will be 11% higher than Q4 2016*

| | Actual 2016 Results | Initial 2017 Guidance(1) | Updated 2017 Guidance(2) | %YoY Change(3) |
|---|---|---|---|---|
| **D/C/E CapEx** | $251 million | $370 to $390 million | $400 to $420 million | + 63% |
| **Midstream CapEx** | $67 million | $56 to $64 million(4) | $56 to $64 million(4) | - 10% |
| **Total Oil Production** | 5.1 million Bbl | 6.7 to 7.0 million Bbl | 6.9 to 7.2 million Bbl | + 38% |
| **Total Natural Gas Production** | 30.5 Bcf | 33.0 to 35.0 Bcf | 33.0 to 35.0 Bcf | + 11% |
| **Total Oil Equivalent Production** | 10.2 million BOE | 12.2 to 12.8 million BOE | 12.4 to 13.0 million BOE | + 25% |
| **Adjusted EBITDA(5)(6)** | $158 million | $245 to $265 million | $255 to $275 million | + 68% |

(1) As provided on February 22, 2017. Estimated 2017 Adjusted EBITDA is based upon the midpoint of 2017 production guidance range. Estimated average realized prices for oil and natural gas used in these estimates were $51.72/Bbl (WTI oil price of $54.22/Bbl less $2.50/Bbl of estimated price differentials) and $3.11/Mcf (NYMEX Henry Hub natural gas price assuming regional differentials and uplifts from natural gas processing roughly offset), respectively, for the period January through December 2017.
(2) As updated on March 23, 2017. Estimated 2017 Adjusted EBITDA is based upon the midpoint of 2017 production guidance range. Estimated average realized prices for oil and natural gas used in these estimates were $51.72/Bbl (WTI oil price of $54.22/Bbl less $2.50/Bbl of estimated price differentials) and $3.11/Mcf (NYMEX Henry Hub natural gas price assuming regional differentials and uplifts from natural gas processing roughly offset), respectively, for the period January through December 2017.
(3) Represents percentage change from 2016 actual results to the midpoint of 2017 guidance as updated on March 23, 2017.
(4) Represents Matador's 51% share of estimated 2017 capital expenditures budget of $110 to $125 million for San Mateo joint venture.
(5) Attributable to Matador Resources Company.
(6) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.



# Closing Remarks

*Joseph Wm. Foran, Chairman and CEO*

*June 1, 2017*

*NYSE: MTDR*



# Annual Meeting of Shareholders

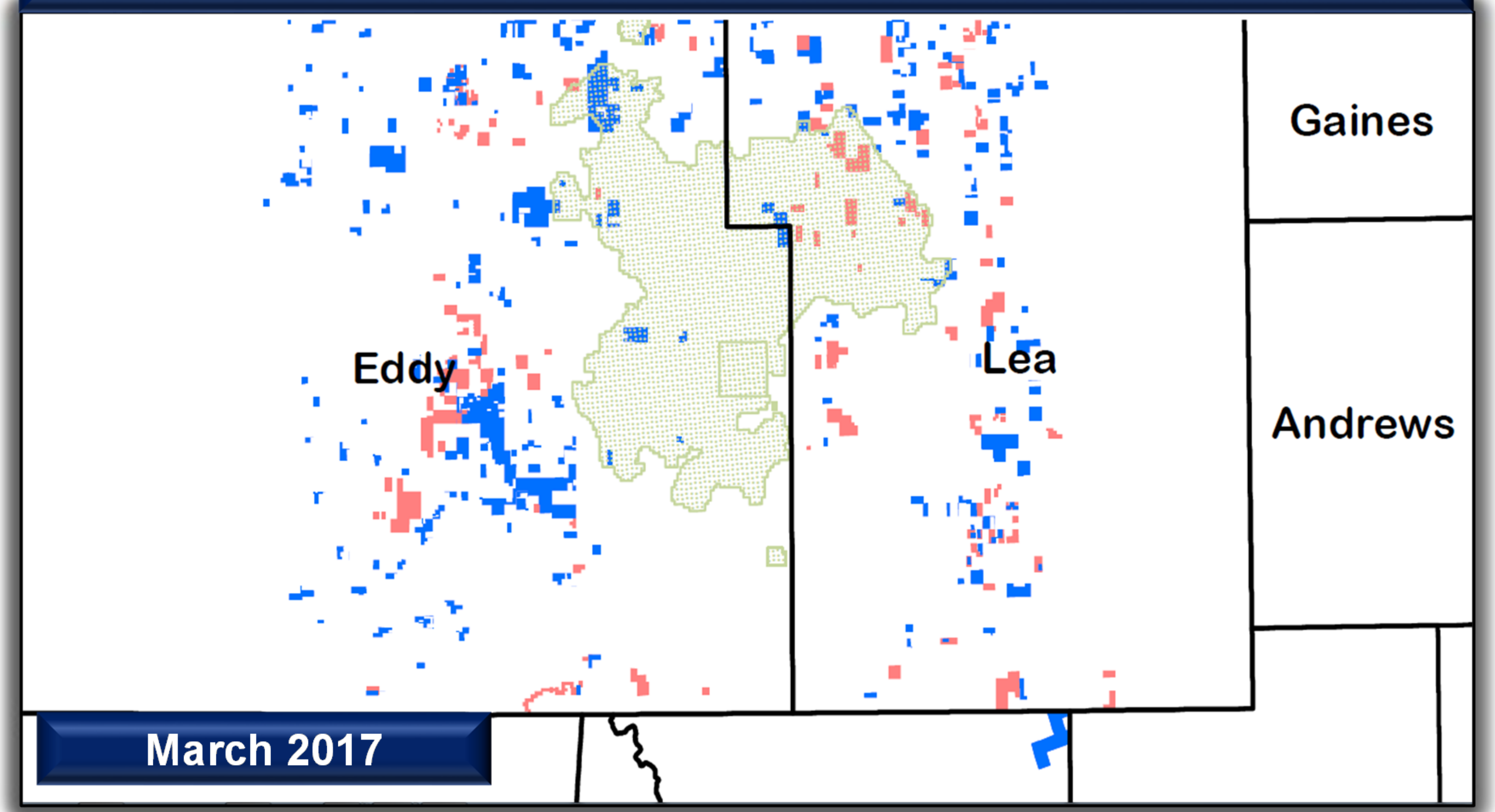
***June 1, 2017***

***NYSE: MTDR***

# Appendix

# Significant Transactions in Northern Delaware Basin Since Matador/HEYCO Merger in February 2015 – Over 600,000 Net Acres

## Marathon Oil Acquires Black Mountain – Approx. 21,000 net acres

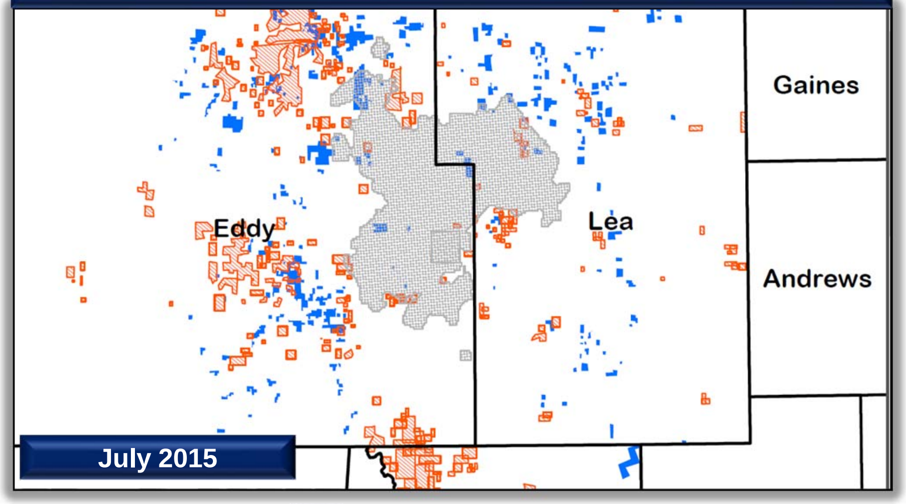



Matador Acreage | Potash Area | Black Mountain

Sources: RBC Capital Markets and acquiring company press releases and presentations.

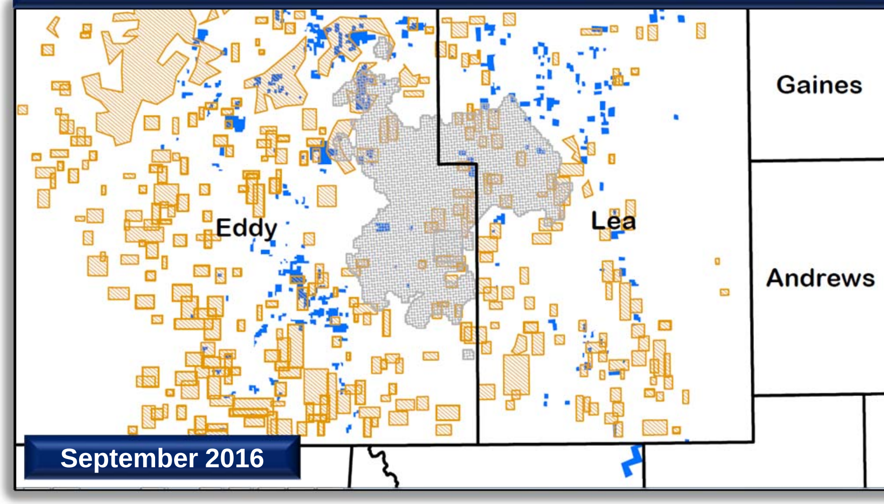
# Significant Transactions in Northern Delaware Basin Since Matador/HEYCO Merger in February 2015 – Over 600,000 Net Acres

**WPX Energy Acquires RKI E&P – Approx. 92,000 net acres**



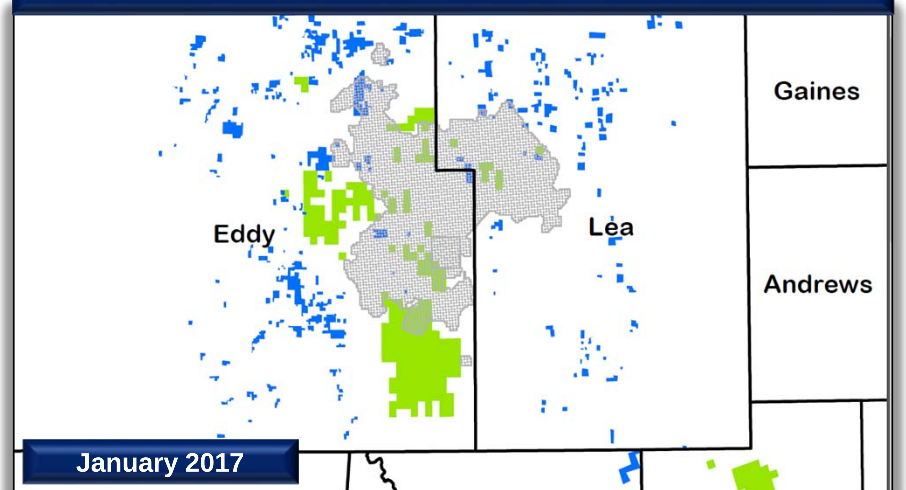

Matador Acreage | Potash Area | RKI

**EOG Acquires Yates Petroleum – Approx. 186,000 net acres**



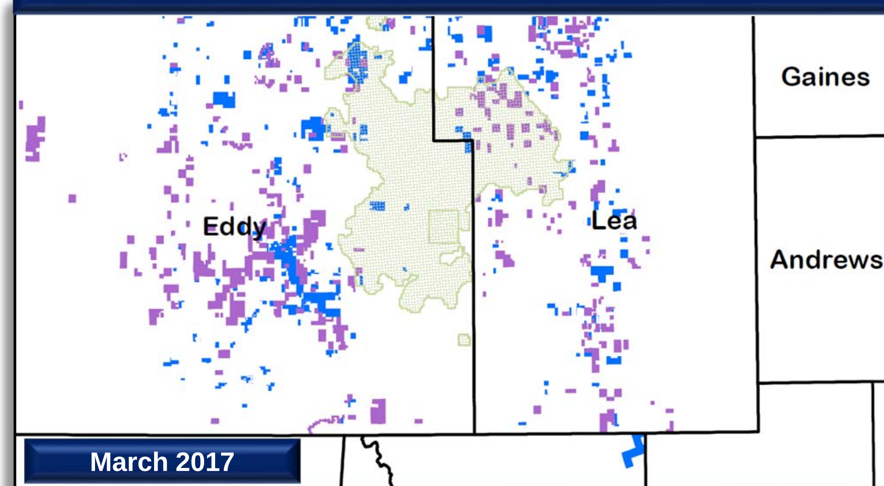

Matador Acreage | Potash Area | Yates

**ExxonMobil Acquires Bass – Approx. 250,000 net acres**




Matador Acreage | Potash Area | Bass

**Marathon Oil Acquisitions – Approx. 72,500 net acres**




Matador Acreage | Potash Area | MRO

Sources: RBC Capital Markets and acquiring company press releases and presentations.

# Adjusted EBITDA Reconciliation

This investor 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 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, and net gain or loss on asset sales and inventory impairment. Adjusted EBITDA is not a measure of net income (loss) or net cash provided by operating activities as determined by GAAP.

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 a primary 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 the forward-looking Adjusted EBITDA numbers included in this investor presentation 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

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 2011 | 2Q 2011 | 3Q 2011 | 4Q 2011 | 1Q 2012 | 2Q 2012 | 3Q 2012 | 4Q 2012 | 1Q 2013 | 2Q 2013 | 3Q 2013 | 4Q 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net (Loss) Income:** | | | | | | | | | | | | |
| Net (loss) income attributable to Matador Resources Company shareholders | $ (27,596) | $ 7,153 | $ 6,194 | $ 3,941 | $ 3,801 | $ (6,676) | $ (9,197) | $ (21,188) | $ (15,505) | $ 25,119 | $ 20,105 | $ 15,374 |
| Net (loss) income attributable to non-controlling interest in subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - |
| Net income (loss) | (27,596) | 7,153 | 6,194 | 3,941 | 3,801 | (6,676) | (9,197) | (21,188) | (15,505) | 25,119 | 20,105 | 15,374 |
| Interest expense | 106 | 184 | 171 | 222 | 308 | 1 | 144 | 549 | 1,271 | 1,609 | 2,038 | 768 |
| Total income tax provision (benefit) | (6,906) | (46) | - | 1,430 | 3,064 | (3,713) | (593) | (188) | 46 | 32 | 2,563 | 7,056 |
| Depletion, depreciation and amortization | 7,111 | 8,180 | 7,287 | 9,176 | 11,205 | 19,914 | 21,680 | 27,655 | 28,232 | 20,234 | 26,127 | 23,802 |
| Accretion of asset retirement obligations | 39 | 57 | 62 | 51 | 53 | 58 | 59 | 86 | 81 | 80 | 86 | 100 |
| Full-cost ceiling impairment | 35,673 | - | - | - | - | 33,205 | 3,596 | 26,674 | 21,230 | - | - | - |
| Unrealized (gain) loss on derivatives | 1,668 | (332) | (2,870) | (3,604) | 3,270 | (15,114) | 12,993 | 3,653 | 4,825 | (7,526) | 9,327 | 606 |
| Stock-based compensation expense | 53 | 128 | 1,234 | 991 | (363) | 191 | (51) | 363 | 492 | 1,032 | 1,239 | 1,134 |
| Net loss (gain) on asset sales and inventory impairment | - | - | - | 154 | - | 60 | - | 425 | - | 192 | - | - |
| Consolidated Adjusted EBITDA | 10,148 | 15,324 | 12,078 | 12,361 | 21,338 | 27,926 | 28,631 | 38,029 | 40,672 | 40,772 | 61,485 | 48,840 |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 10,148** | **$ 15,324** | **$ 12,078** | **$ 12,361** | **$ 21,338** | **$ 27,926** | **$ 28,631** | **$ 38,029** | **$ 40,672** | **$ 40,772** | **$ 61,485** | **$ 48,840** |

| *(In thousands)* | 1Q 2011 | 2Q 2011 | 3Q 2011 | 4Q 2011 | 1Q 2012 | 2Q 2012 | 3Q 2012 | 4Q 2012 | 1Q 2013 | 2Q 2013 | 3Q 2013 | 4Q 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:** | | | | | | | | | | | | |
| Net cash provided by operating activities | $ 12,732 | $ 6,799 | $ 14,912 | $ 27,425 | $ 5,110 | $ 46,416 | $ 28,799 | $ 43,903 | $ 32,229 | $ 51,684 | $ 43,280 | $ 52,278 |
| Net change in operating assets and liabilities | (2,690) | 8,386 | (3,004) | (15,286) | 15,920 | (18,491) | (500) | (6,235) | 7,126 | (12,553) | 15,265 | (3,630) |
| Interest expense, net of non-cash portion | 106 | 184 | 171 | 222 | 308 | 1 | 144 | 549 | 1,271 | 1,609 | 2,038 | 768 |
| Current income tax (benefit) provision | - | (45) | (1) | - | - | - | 188 | (188) | 46 | 32 | 902 | (576) |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 10,148** | **$ 15,324** | **$ 12,078** | **$ 12,361** | **$ 21,338** | **$ 27,926** | **$ 28,631** | **$ 38,029** | **$ 40,672** | **$ 40,772** | **$ 61,485** | **$ 48,840** |

| *(In thousands)* | 1Q 2014 | 2Q 2014 | 3Q 2014 | 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | 4Q 2015 | 1Q 2016 | 2Q 2016 | 3Q 2016 | 4Q 2016 | 1Q 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net (Loss) Income:** | | | | | | | | | | | | | |
| Net (loss) income attributable to Matador Resources Company shareholders | $ 16,363 | $ 18,226 | $ 29,619 | $ 46,563 | $ (50,234) | $ (157,091) | $ (242,059) | $ (230,401) | $ (107,654) | $ (105,853) | $ 11,931 | $ 104,154 | $ 43,984 |
| Net (loss) income attributable to non-controlling interest in subsidiaries | - | - | - | (17) | 36 | 75 | 45 | 105 | (13) | 106 | 116 | 155 | 1,916 |
| Net income (loss) | 16,363 | 18,226 | 29,619 | 46,546 | (50,198) | (157,016) | (242,014) | (230,296) | (107,667) | (105,747) | 12,047 | 104,309 | 45,900 |
| Interest expense | 1,396 | 1,616 | 673 | 1,649 | 2,070 | 5,869 | 7,229 | 6,586 | 7,197 | 6,167 | 6,880 | 7,955 | 8,455 |
| Total income tax provision (benefit) | 9,536 | 10,634 | 16,504 | 27,701 | (26,390) | (89,350) | (33,305) | 1,677 | - | - | (1,141) | 105 | - |
| Depletion, depreciation and amortization | 24,030 | 31,797 | 35,143 | 43,767 | 46,470 | 51,768 | 45,237 | 35,370 | 28,923 | 31,248 | 30,015 | 31,863 | 33,992 |
| Accretion of asset retirement obligations | 117 | 123 | 130 | 134 | 112 | 132 | 182 | 307 | 264 | 289 | 276 | 354 | 300 |
| Full-cost ceiling impairment | - | - | - | - | 67,127 | 229,026 | 285,721 | 219,292 | 80,462 | 78,171 | - | - | - |
| Unrealized (gain) loss on derivatives | 3,108 | 5,234 | (16,293) | (50,351) | 8,557 | 23,532 | (6,733) | 13,909 | 6,839 | 26,625 | (3,203) | 10,977 | (20,631) |
| Stock-based compensation expense | 1,795 | 1,834 | 1,038 | 857 | 2,337 | 2,794 | 1,755 | 2,564 | 2,243 | 3,310 | 3,584 | 3,224 | 4,166 |
| Net loss (gain) on asset sales and inventory impairment | - | - | - | - | 97 | - | - | (1,005) | (1,065) | (1,002) | (1,073) | (104,137) | (7) |
| Consolidated Adjusted EBITDA | 56,345 | 69,464 | 66,814 | 70,303 | 50,182 | 66,755 | 58,072 | 48,404 | 17,196 | 39,061 | 47,385 | 54,650 | 72,175 |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | - | - | - | 17 | (38) | (80) | (49) | (111) | 4 | (115) | (125) | (164) | (2,216) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 56,345** | **$ 69,464** | **$ 66,814** | **$ 70,320** | **$ 50,144** | **$ 66,675** | **$ 58,023** | **$ 48,293** | **$ 17,200** | **$ 38,946** | **$ 47,260** | **$ 54,486** | **$ 69,959** |

| *(In thousands)* | 1Q 2014 | 2Q 2014 | 3Q 2014 | 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | 4Q 2015 | 1Q 2016 | 2Q 2016 | 3Q 2016 | 4Q 2016 | 1Q 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:** | | | | | | | | | | | | | |
| Net cash provided by operating activities | $ 31,945 | $ 81,530 | $ 66,883 | $ 71,123 | $ 93,346 | $ 20,043 | $ 72,535 | $ 22,611 | $ 18,358 | $ 31,242 | $ 46,862 | $ 37,624 | $ 61,309 |
| Net change in operating assets and liabilities | 21,729 | (15,221) | (586) | 56 | (45,234) | 40,843 | (20,846) | 16,254 | (8,059) | 1,944 | (4,909) | 9,215 | 2,455 |
| Interest expense, net of non-cash portion | 1,396 | 1,616 | 673 | 1,649 | 2,070 | 5,869 | 6,678 | 6,285 | 6,897 | 5,875 | 6,573 | 7,706 | 8,411 |
| Current income tax (benefit) provision | 1,275 | 1,539 | (156) | (2,525) | - | - | (295) | 3,254 | - | - | (1,141) | 105 | - |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | - | - | - | 17 | (38) | (80) | (49) | (111) | 4 | (115) | (125) | (164) | (2,216) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$ 56,345** | **$ 69,464** | **$ 66,814** | **$ 70,320** | **$ 50,144** | **$ 66,675** | **$ 58,023** | **$ 48,293** | **$ 17,200** | **$ 38,946** | **$ 47,260** | **$ 54,486** | **$ 69,959** |

# Adjusted EBITDA Reconciliation

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 |
| **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) |
| Net (loss) income attributable to non-controlling interest in subsidiaries | - | - | - | - | (17) | 261 | 364 |
| Net income (loss) | $6,377 | ($10,309) | ($33,261) | $45,094 | $110,754 | ($679,524) | ($97,057) |
| Interest expense | 3 | 683 | 1,002 | 5,687 | 5,334 | 21,754 | 28,199 |
| Total income tax provision (benefit) | 3,521 | (5,521) | (1,430) | 9,697 | 64,375 | (147,368) | (1,036) |
| Depletion, depreciation and amortization | 15,596 | 31,754 | 80,454 | 98,395 | 134,737 | 178,847 | 122,048 |
| Accretion of asset retirement obligations | 155 | 209 | 256 | 348 | 504 | 734 | 1,182 |
| 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 |
| Stock-based compensation expense | 898 | 2,406 | 140 | 3,897 | 5,524 | 9,450 | 12,362 |
| Net loss (gain) on asset sales and inventory impairment | 224 | 154 | 485 | 192 | 0 | (908) | (107,277) |
| Consolidated Adjusted EBITDA | 23,635 | 49,911 | 115,923 | 191,771 | 262,926 | 223,416 | 158,292 |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | - | - | - | - | 17 | (278) | (400) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$23,635** | **$49,911** | **$115,923** | **$191,771** | **$262,943** | **$223,138** | **$157,892** |

| | Year Ended December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| *(In thousands)* | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **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 |
| Net change in operating assets and liabilities | (2,230) | (12,594) | (9,307) | 6,210 | 5,978 | (8,980) | (1,809) |
| Interest expense, net of non-cash portion | 3 | 683 | 1,002 | 5,687 | 5,334 | 20,902 | 27,051 |
| Current income tax provision (benefit) | (1,411) | (46) | - | 404 | 133 | 2,959 | (1,036) |
| Adjusted EBITDA attributable to non-controlling interest in subsidiaries | - | - | - | - | 17 | (278) | (400) |
| **Adjusted EBITDA attributable to Matador Resources Company shareholders** | **$23,635** | **$49,911** | **$115,923** | **$191,771** | **$262,943** | **$223,138** | **$157,892** |

# 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 March 31, 2016 | At December 31, 2016 | At March 31, 2017 |
|---|---|---|---|
| **Standardized Measure** *(in millions)* | **$495.6** | **$575.0** | **$810.2** |
| **Discounted Future Income Taxes** *(in millions)* | **6.3** | **6.5** | **47.0** |
| **PV-10** *(in millions)* | **$501.9** | **$581.5** | **$857.2** |

Matador
RESOURCES COMPANY

# Annual Meeting of Shareholders

***June 1, 2017***

***NYSE: MTDR***