

SECOND-QUARTER 2018

EARNINGS CALL

AUGUST 2, 2018

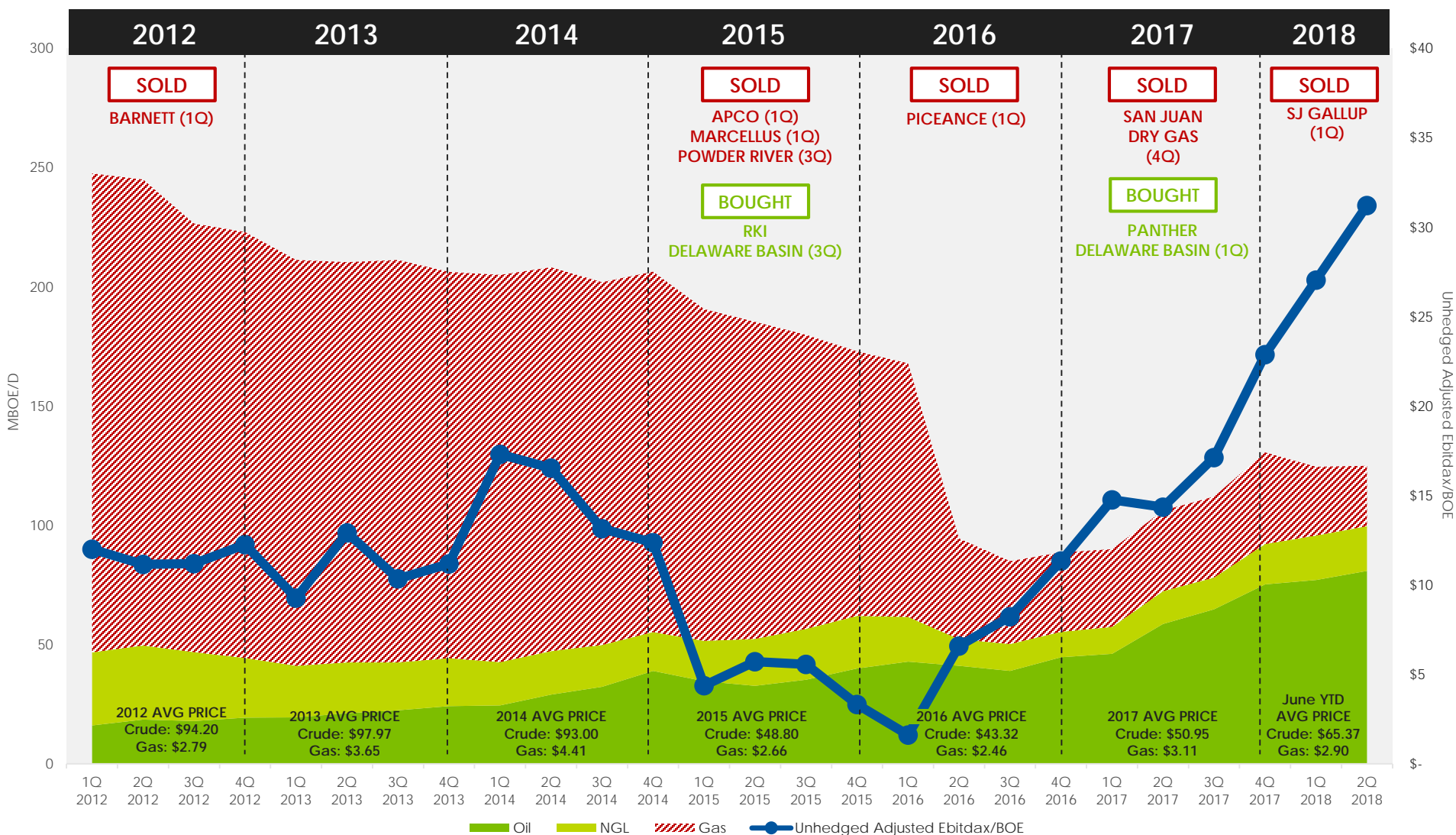
WPXENERGY®



WPX Today



Strategic Transformation Delivering Results



7 BASINS

2 BASINS

2Q 2018 Earnings Overview

SECOND QUARTER HIGHLIGHTS



OIL VOLUMES

80.8 MMBL/D

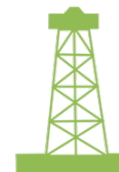
UP 61% Y/Y



PRODUCT REVENUES

\$520MM

UP 130% Y/Y



CASH FLOW FROM OPERATIONS

\$283MM

UP 136% Y/Y



ANNUALIZED NET DEBT/ADJ EBITDAX¹

1.8X



UNHEDGED ADJUSTED EBITDAX²

\$365MM

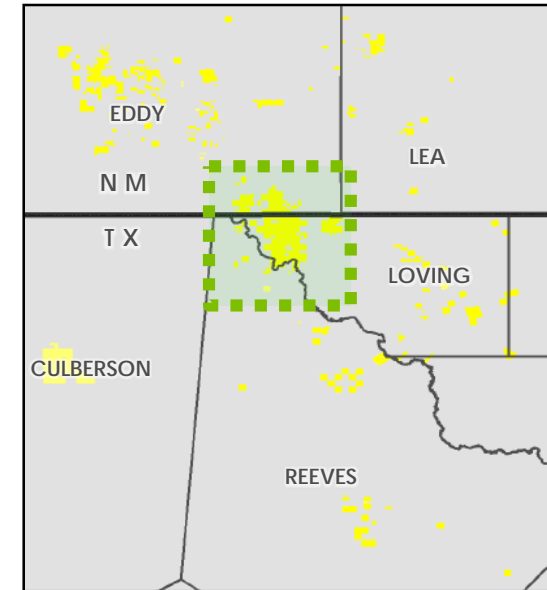
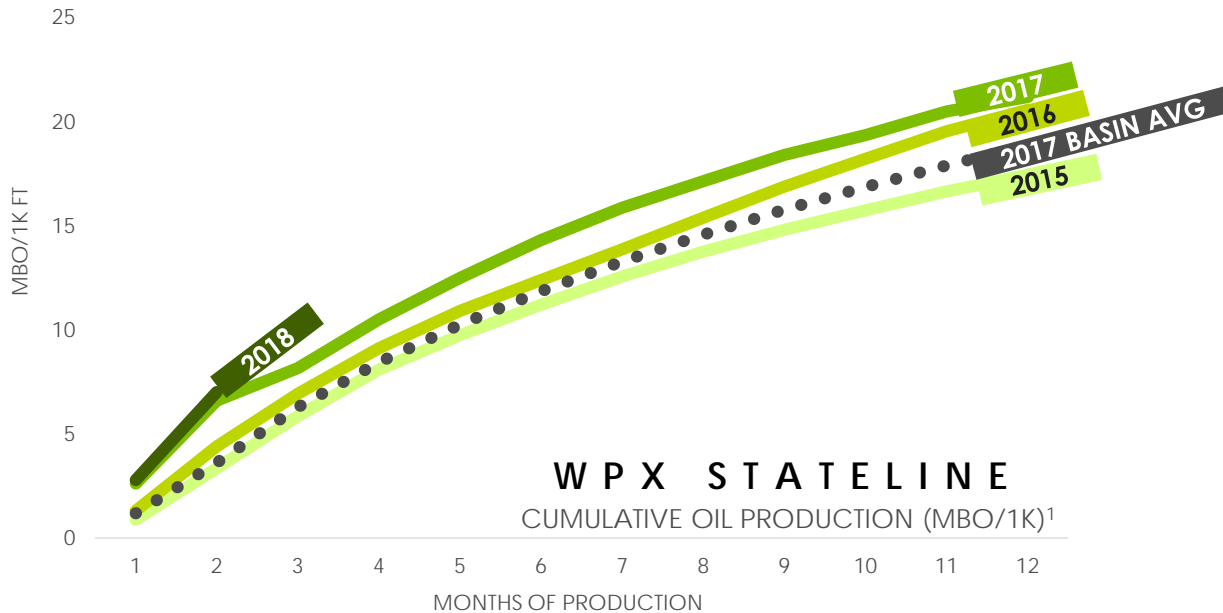
UP 235% Y/Y

Operational Update



Clay Gaspar, President & Chief Operating Officer

Continued Progress in the Delaware



STATELINE FOCUSED



2015

3,800' laterals
1,000 lbs/ft. proppant
250' stage spacing
50 ft. clusters



2016

4,000' laterals
1,500 lbs/ft. proppant
250' stage spacing
50 ft. clusters



2017

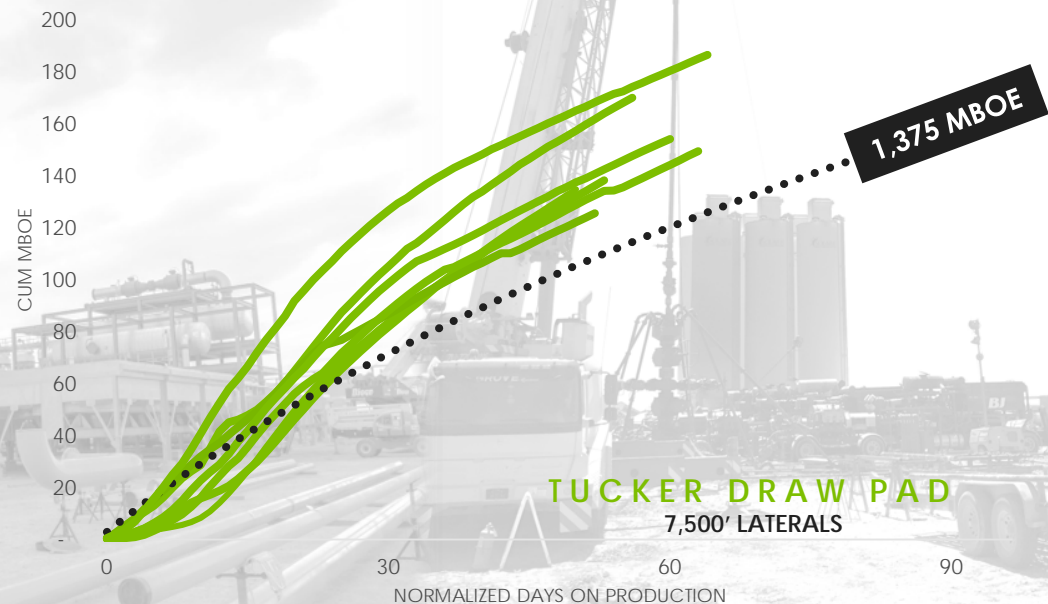
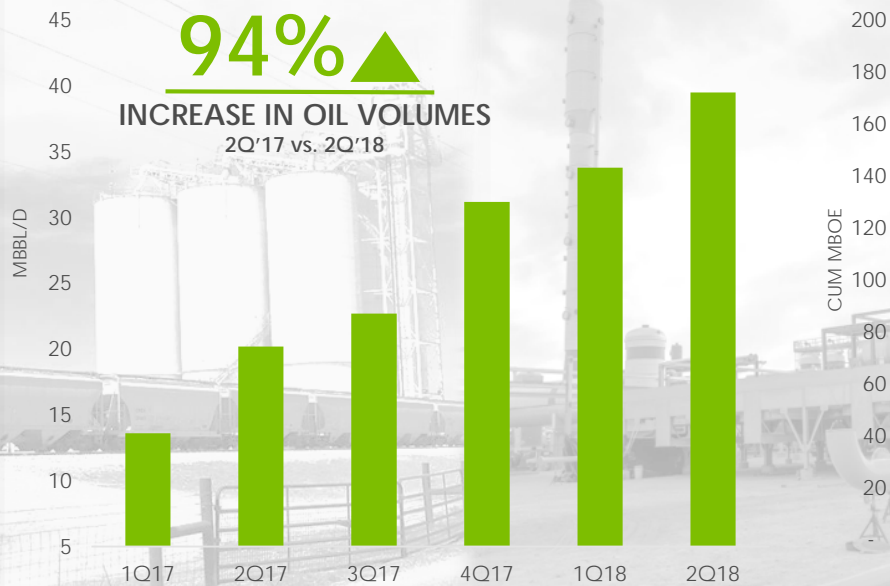
6,250' laterals
2,000 lbs/ft. proppant
138' stage spacing
30 ft. clusters



TODAY

7,500' laterals
2,000-2,500 lbs/ft. proppant
138'-230' stage spacing
14-20 ft. clusters

2Q 2018 Delaware Basin



DELAWARE OPERATIONS

20 wells on first sales in 2Q

Exercised option on ORYX II- **25%** equity

First flows to JV Gas Processing Plant
expected in August **2018**

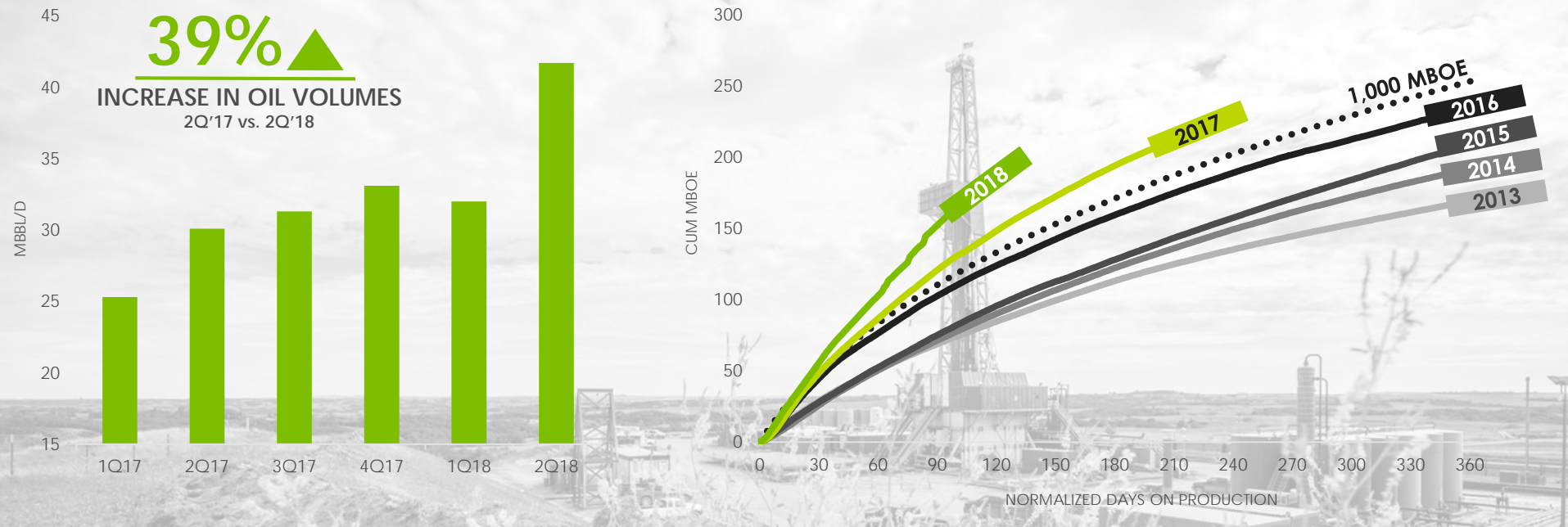
Tucker 7 well pad results

- Cumulative production of **1,000 MBOE** after 60 days
- Oil volumes (24-hr IP average): **~2,400 BBL/D**

Strong early performance from Wolfcamp X/Y well (Lindsay 10-3B-2H)

- Produced **50,000 barrels of oil** in first 20 days
- Oil volumes (24-hr IP): **3,600 BBL/D**

2Q 2018 Williston Basin



Mandan North Pad

- Produced **530+ MBOE** in 90 days (81% oil)
- Mandan North 13-24HB: **4,558 BOE/D** (24-hr IP)

Mandaree South Pad

- Produced **426+ MBOE** in 60 days (81% oil)
- Mandaree South 19-18HA: **3,335 BOE/D** (24-hr IP)

Arikara pad results

- Produced **1,400 MBOE** after 130 days
- Arikara 15-22HB produced **230 MBOE** in 130 days

2018 REMAINING COMPLETIONS



Financial Update



Kevin Vann, Chief Financial Officer

2Q 2018 Actual Results



	2Q	
	2018	2017
Average Daily Production		
Oil (Mbbbl/d)	80.8	50.2
Gas (MMcf/d)	152	92
NGLs (Mbbbl/d)	18.8	10.5
Equivalent (MBOE/d)	125.0	76.1
Adjusted EBITDAX	\$287	\$123
Adjusted Net Income (Loss) from Continuing Operations	\$23	(\$54)
Capital Expenditures	\$355	\$316

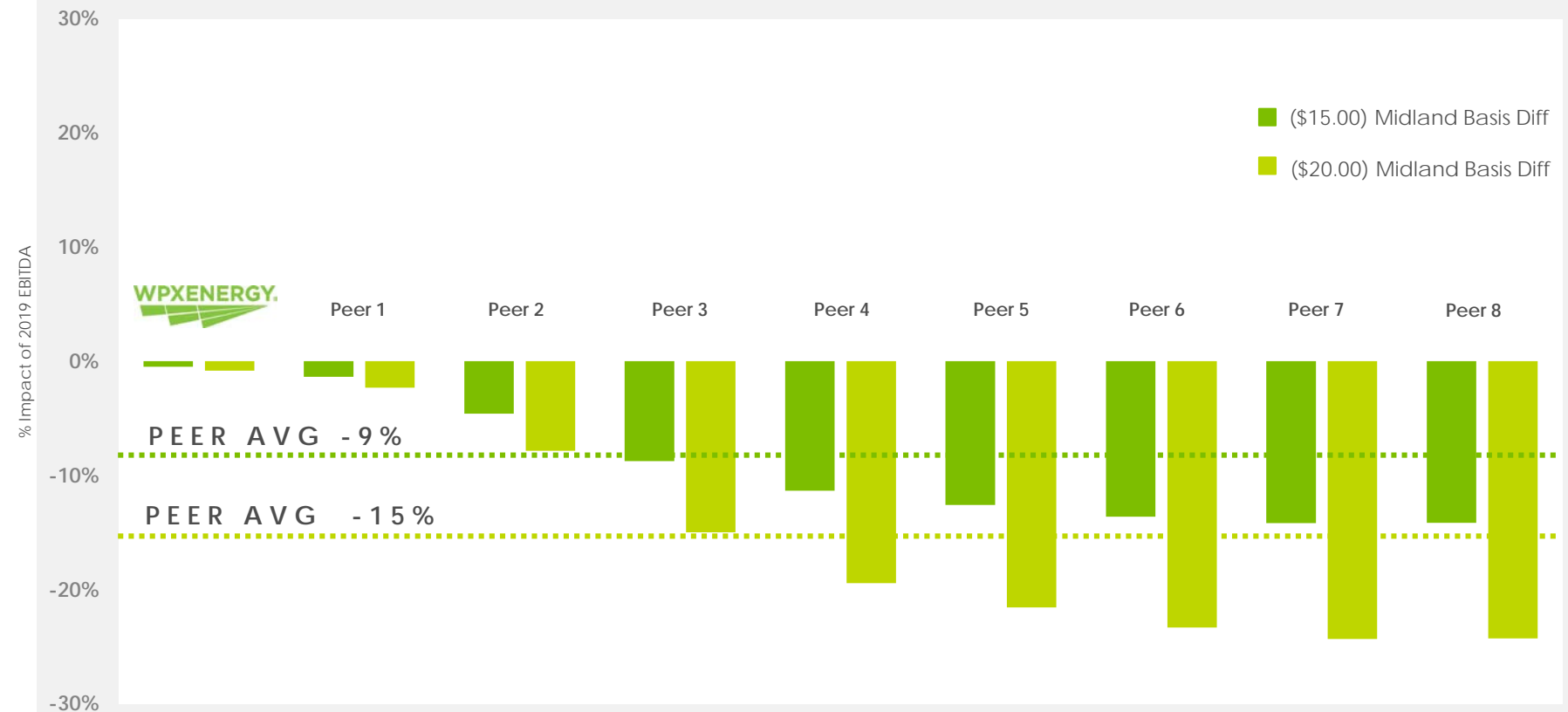
Note: Adjusted EBITDAX and adjusted net income are non-GAAP measures. A reconciliation to relevant GAAP measures is provided in this presentation.

WPX Protected from Midland Basis Widening

WPX's 2019 EBITDA not impacted by widening Midland Differentials

- Permian peers EBITDA impacted -9% with (\$15.00) differential
- Permian peers EBITDA impacted -15% with (\$20.00) differential

2019 MIDLAND DIFFERENTIAL EBITDA IMPACT



2018 Full-Year Guidance¹

Production	FY 2018
Oil Mbbbl/d	78 – 82
Natural Gas MMcf/d	150 – 160
NGL Mbbbl/d	19 – 21
Total MBOE/d	122 – 130

Avg. Price Differentials ⁵	FY 2018
Oil – WTI per barrel	(\$3.50) – (\$4.50)
NYMEX – Nat. Gas (Mcf)	(\$1.25) – (\$1.50)

Net Realized Price ⁶	FY 2018
NGL – % of WTI	34% – 38%

Cap Ex (\$ in Millions) ²	FY 2018
D&C / Facilities Capital	\$1,170 – \$1,220
Land Acquisition	40 – 60
Midstream Opportunities	60 – 90
San Juan Gallup ³	30
Total Capital Expenditures	\$1,300 – \$1,400
 Midstream Equity Investments⁴	 \$70 – 85

Expenses	FY 2018
\$ per BOE	
LOE	\$5.25 – \$5.75
GP&T	\$2.25 – \$2.50
DD&A	\$16.00 – \$18.00
G&A – Cash	\$2.70 – \$3.10
G&A – Non-Cash	\$0.65 – \$0.75
Exploration	\$1.40 – \$1.60
Interest Expense	\$3.85 – \$3.95
 Production Tax	 7% – 9%
Tax Provision ⁷	21% – 25%

¹ San Juan Gallup has been reclassified as discontinued operations as of 1Q 2018.

² Capital excludes \$15MM in “Other” corporate capital.

³ San Juan Gallup capital reimbursed in the purchase price adjustment.

⁴ 25% equity ownership in Oryx II and 20% Interest with WhiteWater recorded in the investing section of the cash flow statement, “purchase of investments”.

⁵ Average price differentials ranges for oil and natural gas exclude hedges, but include basis differential and revenue adjustments.

⁶ Percentage of realized price ranges for NGLs excludes hedges, but includes basis differential and revenue adjustments.

⁷ Rate does not reflect any potential valuation allowance on deferred tax assets.

WPX: Positioned for Long-Term Value Creation

FINANCIAL STRENGTH

LEVERAGE OF 1.5X DURING 2019

OIL FOCUSED

150 MMBL/D DURING 2022

MIDSTREAM OPTIONALITY

VALUE CREATION/FLOW ASSURANCE

DEEP INVENTORY

OF HIGH RETURNS

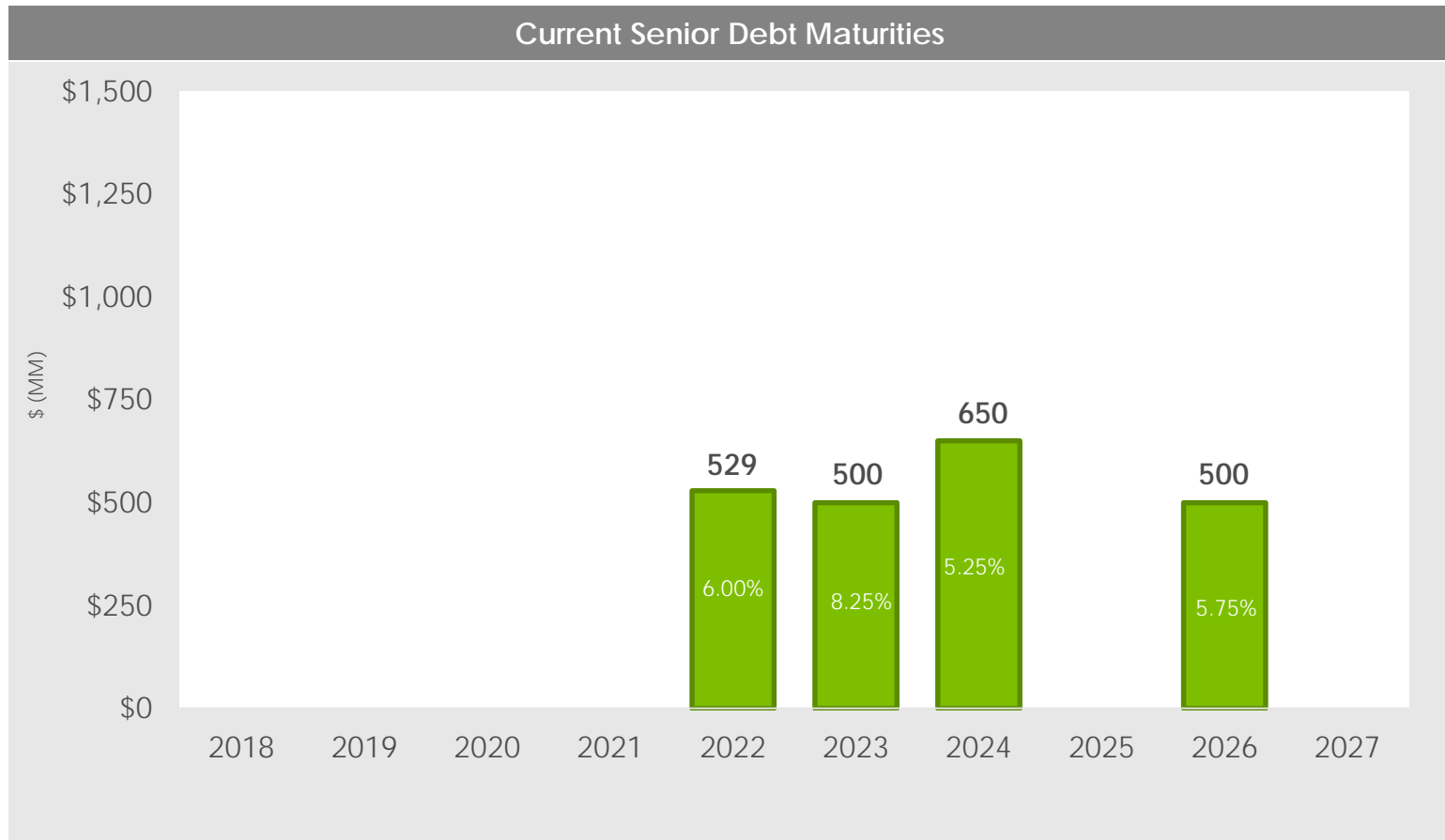
Appendix



Debt Overview

No maturity until 2022

- \$1.5B revolver, maturing in 2023
- Reduced debt \$421M since YE17



WPX Asset Overview

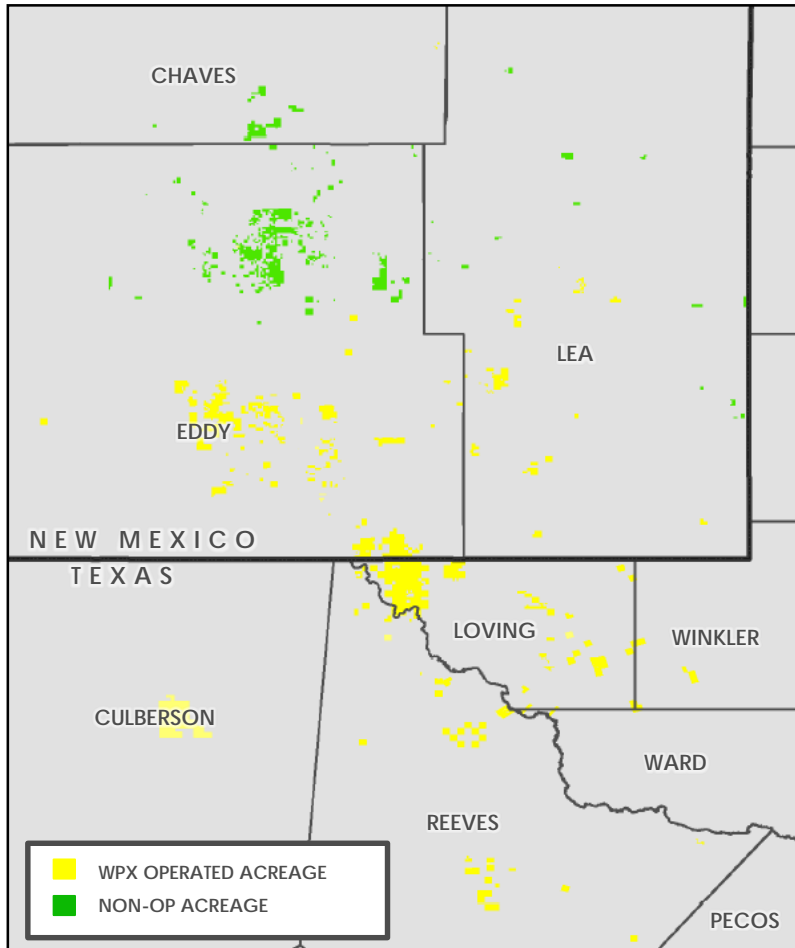


DELAWARE BASIN

~131,000 net acres¹

6,600+ gross locations^{2,3}

52% oil/18% NGLS/30% gas⁴

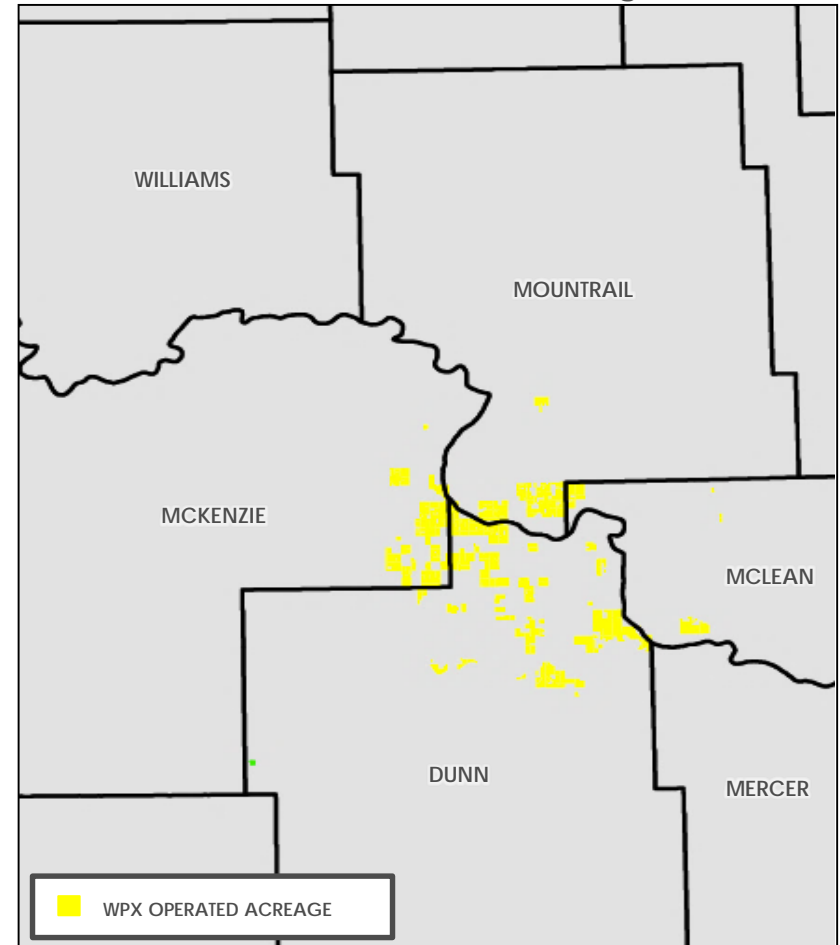


WILLISTON BASIN

~85,000 net acres¹

~465 gross locations³

86% oil/7% NGLS/7% gas⁴



WPX Delaware Midstream Infrastructure Overview

ASSETS INCLUDED IN JV

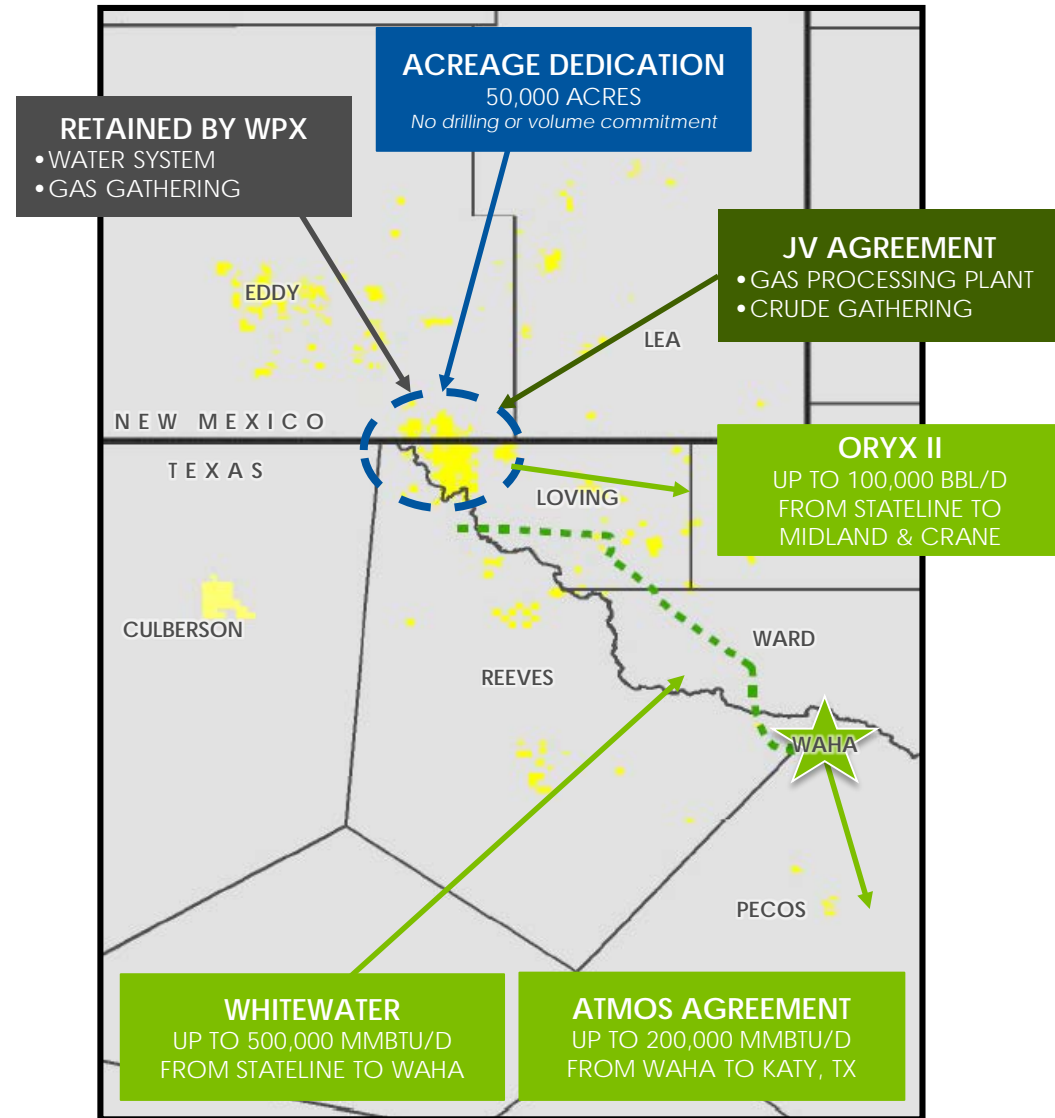
- **Crude Gathering System:**
 - ~125,000 Bbl/d
- **Gas Processing Facility:**
 - 400 MMcf/d
 - First 200 MMcf/d train- August 2018

ASSETS WHOLLY OWNED BY WPX

- **Stateline Gas & Water Gathering Systems:**
 - ~200,000 Bbl/d of water disposal capacity
 - 150 MMcf/d of gas compression capacity
- **~81,000 Net Acres Outside Stateline Dedication**
 - WPX retains all existing midstream rights in other areas

SIGNED TAKEAWAY AGREEMENTS

- **Atmos Waha Takeaway Agreement**
 - Up to 200,000 MMBtu/d from Waha to Katy, TX
- **WhiteWater Midstream Agreement**
 - Up to 500,000 MMBtu/d from Stateline to Waha
 - In-service
 - 20% equity ownership
- **Oryx II Crude Takeaway Agreement**
 - 100,000 Bbl/d capacity
 - 25% equity ownership

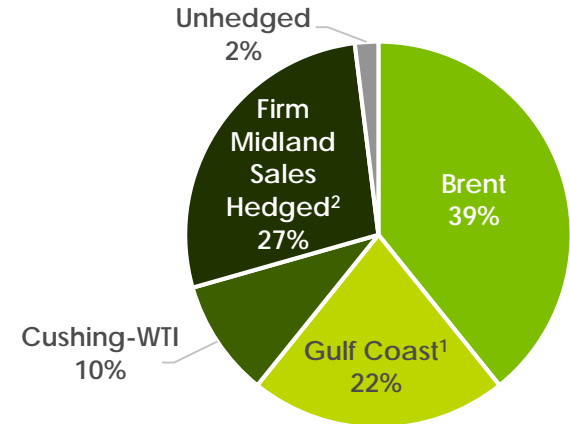


Crude Takeaway - Access to Premium Markets

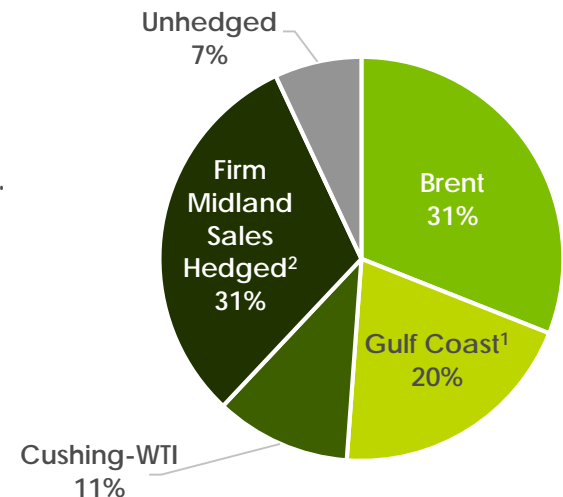


- Less than **5%** exposed to Midland spot pricing in 2018.
- **5%-10%** exposed to Midland spot pricing in 2019.
- Brent, Gulf Coast, and WTI exposure consists of firm transport and firm sales commitments on BridgeTex, Cactus, and Basin pipelines.

AUG-DEC 2018



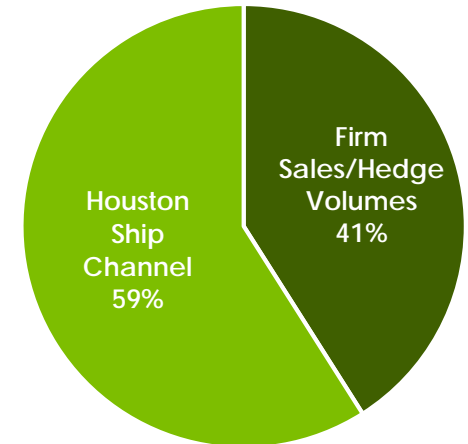
FY 2019



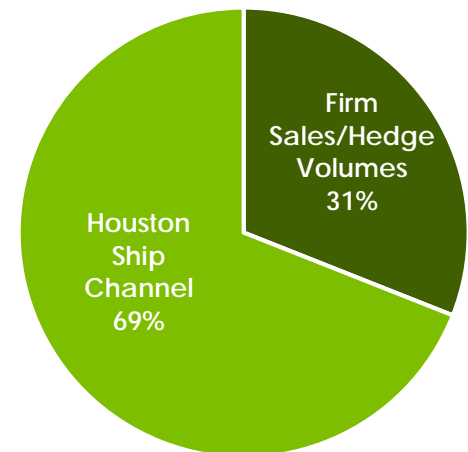
Gas Takeaway Creates Flow Assurance



AUG-DEC 2018



FY 2019



Domestic Price Realization for 2018

	Oil (\$/bbl)				Gas (\$/Mcf)				NGL (\$/bbl)			
	1Q '18	2Q'18	3Q'18	4Q '18	1Q '18	2Q'18	3Q'18	4Q '18	1Q '18	2Q'18	3Q'18	4Q '18
Weighted-Average Sales Price	\$61.21	\$64.04			\$2.73	\$2.30			\$24.36	\$24.15		
Revenue Adjustments ¹	\$(.30)	\$(.41)			\$(1.29)	\$(1.18)			\$(2.22)	\$3.21		
Net Price ²	\$60.91	\$63.63			\$1.44	\$1.12			\$22.14	\$20.94		
Realized Portion of Derivatives ³	\$(9.92)	\$(11.47)			\$.40	\$.75			\$(.69)	\$(2.06)		
Net Price Including Derivatives	\$50.99	\$52.16			\$1.84	\$1.87			\$21.45	\$18.88		



¹ Natural gas revenue adjustments are primarily related to field compression fuel. NGL revenue adjustments include T&F and revenue sharing. Of the oil revenue adjustments, gathering deductions represent \$(.16).

² "Net Price" equals income statement product revenues by commodity, divided by volume.

³ Represents the realized settlement on derivatives that occurred during each quarter.

	Jul - Dec 2018		2019		2020	
	Volume/Day	Average Price	Volume/Day	Average Price	Volume/Day	Average Price
Crude Oil (bbl)						
Fixed Price Swaps ¹	57,500	\$52.82	38,000	\$53.49	-	-
Fixed Price Calls	13,000	\$58.89	5,000	\$54.08	-	-
Crude Oil Basis (bbl)						
Midland Basis Swaps	14,000	(\$0.77)	21,008	(\$1.16)	7,486	(\$1.31)
Magellan East Houston Basis Swaps	4,989	\$6.38	-	-	-	-
Argus LLS Basis Swaps	4,158	\$7.01	-	-	-	-
Brent/WTI Spread Basis Swaps	-	-	-	-	3,000	\$8.40
Natural Gas (MMBtu)						
Fixed Price Swaps	129,158	\$2.99	48,470	\$2.87	-	-
Fixed Price Calls	15,698	\$4.75	-	-	-	-
Natural Gas Basis (MMBtu)						
Houston Ship Channel Basis Swaps	42,500	(\$0.08)	30,000	(\$0.09)	-	-
Permian Basis Swaps	47,500	(\$0.31)	25,000	(\$0.39)	-	-
Waha Basis Swaps	15,000	\$0.93	25,000	\$1.31	40,000	(\$0.79)
Natural Gas Liquids (bbl)						
Mont Belvieu Ethane Swaps ²	3,300	\$0.29	-	-	-	-
Mont Belvieu Propane Swaps ²	3,900	\$0.80	-	-	-	-
Conway Propane Swaps ²	900	\$0.79	-	-	-	-
Mont Belvieu Iso Butane Swaps ²	700	\$0.91	-	-	-	-
Mont Belvieu Normal Butane Swaps ²	1,800	\$0.90	-	-	-	-
Mont Belvieu Natural Gasoline Swaps ²	1,500	\$1.31	-	-	-	-

¹ In addition to several crude oil swaps, WPX entered into calendar monthly average(CMA) Nymex roll swaps which provide pricing adjustments to the trade month versus the delivery month for contract pricing. CMA Nymex roll swaps for Jul – Dec 2018 total 16,630 bbls/d at a weighted average price of \$0.03. CMA Nymex roll swaps for 2019 total 20,000 bbls/d at a weighted average price of \$0.11.

² Average price in \$/gallon.

Consolidated Statement of Operations (GAAP)

	2017					2018		
(Dollars in millions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	YTD
Revenues:								
Product revenues:								
Oil sales	\$ 159	\$ 194	\$ 218	\$ 308	\$ 879	\$ 360	\$ 468	\$ 828
Natural gas sales	17	16	13	21	67	17	16	33
Natural gas liquid sales	11	16	16	27	70	30	36	66
Total product revenues	187	226	247	356	1,016	407	520	927
Net gain (loss) on derivatives	203	116	(106)	(210)	3	(69)	(154)	(223)
Commodity management	5	8	4	8	25	36	64	100
Other	-	-	-	1	1	-	-	-
Total revenues	395	350	145	155	1,045	374	430	804
Costs and expenses:								
Depreciation, depletion and amortization	113	141	133	155	542	161	197	358
Lease and facility operating	36	41	45	46	168	55	59	114
Gathering, processing and transportation (1)	5	6	5	8	24	18	20	38
Taxes other than income	13	19	19	28	79	30	41	71
Exploration	36	16	17	18	87	19	17	36
General and administrative	41	44	40	41	166	43	44	87
Commodity management	5	8	4	10	27	39	54	93
Net (gain) loss on sales of assets	(31)	(7)	(112)	(11)	(161)	1	(1)	-
Other-net	4	7	4	-	15	2	2	4
Total costs and expenses	222	275	155	295	947	368	433	801
Operating income (loss)	173	75	(10)	(140)	98	6	(3)	3
Interest expense	(47)	(46)	(48)	(47)	(188)	(46)	(39)	(85)
Loss on extinguishment of debt	-	-	(17)	-	(17)	-	(71)	(71)
Investment income (loss) and other	2	-	2	(1)	3	(1)	1	-
Income (loss) from continuing operations before income taxes	\$ 128	\$ 29	\$ (73)	\$ (188)	\$ (104)	\$ (41)	\$ (112)	\$ (153)
Provision (benefit) for income taxes	33	(298)	305	(168)	(128)	(15)	(33)	(48)
Income (loss) from continuing operations	\$ 95	\$ 327	\$ (378)	\$ (20)	\$ 24	\$ (26)	\$ (79)	\$ (105)
Income (loss) from discontinued operations	(3)	(251)	232	(18)	(40)	(89)	(2)	(91)
Net income (loss)	\$ 92	\$ 76	\$ (146)	\$ (38)	\$ (16)	\$ (115)	\$ (81)	\$ (196)
Less: Dividends on preferred stock	4	4	3	4	15	4	4	8
Net income (loss) available to WPX Energy, Inc. common stockholders	\$ 88	\$ 72	\$ (149)	\$ (42)	\$ (31)	\$ (119)	\$ (85)	\$ (204)
Amounts available to WPX Energy, Inc. common stockholders:								
Income (loss) from continuing operations	\$ 91	\$ 323	\$ (381)	\$ (24)	\$ 9	\$ (30)	\$ (83)	\$ (113)
Income (loss) from discontinued operations	(3)	(251)	232	(18)	(40)	(89)	(2)	(91)
Net income (loss)	\$ 88	\$ 72	\$ (149)	\$ (42)	\$ (31)	\$ (119)	\$ (85)	\$ (204)

¹. 2018 includes the impact of the application of ASC 606 with an offset to product revenues.

Reconciliation-Adjusted Income (Loss) from Continuing Operations (Non-GAAP)

	2017					2018		
(Dollars in millions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	YTD
Reconciliation of adjusted income (loss) from continuing operations available to common stockholders:								
Income (loss) from continuing operations available to WPX Energy, Inc. common stockholders - reported	\$ 91	\$ 323	\$ (381)	\$ (24)	\$ 9	\$ (30)	\$ (83)	\$ (113)
Pre-tax adjustments:								
Impairments reported in exploration expense	\$ 23	\$ -	\$ -	\$ -	\$ 23	\$ -	\$ -	\$ -
Net (gain) loss on sales of assets	\$ (31)	\$ (7)	\$ (112)	\$ (11)	\$ (161)	\$ 1	\$ (1)	\$ -
Loss on extinguishment of debt	\$ -	\$ -	\$ 17	\$ -	\$ 17	\$ -	\$ 71	\$ 71
Unrealized MTM (gain) loss	\$ (208)	\$ (102)	\$ 120	\$ 191	\$ 1	\$ 14	\$ 76	\$ 90
Total pre-tax adjustments	\$ (216)	\$ (109)	\$ 25	\$ 180	\$ (120)	\$ 15	\$ 146	\$ 161
Less tax effect for above items	\$ 81	\$ 41	\$ (10)	\$ (68)	\$ 44	\$ (3)	\$ (33)	\$ (37)
Impact of state deferred tax rate change	\$ (6)	\$ -	\$ -	\$ (6)	\$ (12)	\$ (4)	\$ -	\$ (4)
Impact of state tax valuation allowance (annual effective tax rate method)	\$ (6)	\$ (161)	\$ 171	\$ (4)	\$ -	\$ -	\$ -	\$ -
Impact of federal rate change (1)	\$ -	\$ -	\$ -	\$ (83)	\$ (83)	\$ -	\$ -	\$ -
Adjustment for estimated annual effective tax rate method	\$ -	\$ (148)	\$ 155	\$ (7)	\$ -	\$ -	\$ (7)	\$ (7)
Total adjustments, after tax	\$ (147)	\$ (377)	\$ 341	\$ 12	\$ (171)	\$ 8	\$ 106	\$ 113
Adjusted income (loss) from continuing operations available to common stockholders	\$ (56)	\$ (54)	\$ (40)	\$ (12)	\$ (162)	\$ (22)	\$ 23	\$ -

Reconciliation – Adjusted Diluted Income (Loss) Per Common Share

	2017					2018		
(Dollars in millions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	YTD
Reconciliation of adjusted diluted income (loss) per common share:								
Income (loss) from continuing operations - diluted earnings per share - reported	\$ 0.23	\$ 0.77	\$ (0.96)	\$ (0.06)	\$ 0.02	\$ (0.07)	\$ (0.21)	\$ (0.28)
Impact of adjusted diluted weighted-average shares	\$ 0.01	\$ 0.05	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ -
Pretax adjustments (1):								
Impairments reported in exploration expense	\$ 0.06	\$ -	\$ -	\$ -	\$ 0.06	\$ -	\$ -	\$ -
Net (gain) loss on sales of assets	\$ (0.08)	\$ (0.02)	\$ (0.28)	\$ (0.03)	\$ (0.41)	\$ -	\$ -	\$ -
Loss on extinguishment of debt	\$ -	\$ -	\$ 0.04	\$ -	\$ 0.04	\$ -	\$ 0.18	\$ 0.18
Unrealized MTM (gain) loss	\$ (0.54)	\$ (0.26)	\$ 0.30	\$ 0.48	\$ -	\$ 0.04	\$ 0.18	\$ 0.22
Total pretax adjustments	\$ (0.56)	\$ (0.28)	\$ 0.06	\$ 0.45	\$ (0.31)	\$ 0.04	\$ 0.36	\$ 0.40
Less tax effect for above items	\$ 0.20	\$ 0.10	\$ (0.02)	\$ (0.18)	\$ 0.12	\$ (0.02)	\$ (0.08)	\$ (0.09)
Impact of state tax rate change	\$ (0.01)	\$ -	\$ -	\$ (0.02)	\$ (0.03)	\$ (0.01)	\$ -	\$ (0.01)
Impact of state valuation allowance (annual effective tax rate method)	\$ (0.02)	\$ (0.40)	\$ 0.43	\$ 0.01	\$ -	\$ -	\$ -	\$ -
Impact of federal rate change	\$ -	\$ -	\$ -	\$ (0.21)	\$ (0.21)	\$ -	\$ -	\$ -
Adjustment for estimated annual effective tax rate method	\$ -	\$ (0.37)	\$ 0.39	\$ (0.02)	\$ -	\$ -	\$ (0.02)	\$ (0.02)
Total adjustments, after-tax	\$ (0.39)	\$ (0.95)	\$ 0.86	\$ 0.03	\$ (0.43)	\$ 0.01	\$ 0.26	\$ 0.28
Adjusted diluted loss per common share	\$ (0.15)	\$ (0.13)	\$ (0.10)	\$ (0.03)	\$ (0.41)	\$ (0.06)	\$ 0.06	\$ -
Reported diluted weighted-average shares (millions)	410.4	423.2	398.1	398.2	397.4	398.6	400.0	399.3
Effect of dilutive securities due to adjusted income (loss) from continuing operations available to common stockholders	(24.1)	(25.4)	-	-	(2.3)	-	3.1	3.2
Adjusted diluted weighted-average shares (millions)	386.3	397.8	398.1	398.2	395.1	398.6	403.1	402.5

¹. Per share impact is based on adjusted diluted weighted average shares.

Reconciliation – Adjusted EBITDAX (Non-GAAP)

	2017					2018		
(Dollars in millions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	YTD
Reconciliation of Adjusted EBITDAX								
Net income (loss) - reported	\$ 92	\$ 76	\$ (146)	\$ (38)	\$ (16)	\$ (115)	\$ (81)	\$ (196)
Interest expense	47	46	48	47	188	46	39	85
Provision (benefit) for income taxes	33	(298)	305	(168)	(128)	(15)	(33)	(48)
Depreciation, depletion and amortization	113	141	133	155	542	161	197	358
Exploration expenses	36	16	17	18	87	19	17	36
EBITDAX	321	(19)	357	14	673	96	139	235
Net (gain) loss on sales of assets	(31)	(7)	(112)	(11)	(161)	1	(1)	-
Loss on extinguishment of debt	-	-	17	-	17	-	71	71
Net (gain) loss on derivatives	(203)	(116)	106	210	(3)	69	154	223
Net cash received (paid) related to settlement of derivatives	(5)	14	14	(19)	4	(55)	(78)	(133)
(Income) loss from discontinued operations	3	251	(232)	18	40	89	2	91
Adjusted EBITDAX	\$ 85	\$ 123	\$ 150	\$ 212	\$ 570	\$ 200	\$ 287	\$ 487

Disclaimers

The information contained in this summary has been prepared to assist you in making your own evaluation of the Company and does not purport to contain all of the information you may consider important in deciding whether to invest in shares of the Company's common stock. In all cases, it is your obligation to conduct your own due diligence. All information contained herein, including any estimates or projections, is based upon information provided by the Company. Any estimates or projections with respect to future performance have been provided to assist you in your evaluation but should not be relied upon as an accurate representation of future results. No persons have been authorized to make any representations other than those contained in this summary, and if given or made, such representations should not be considered as authorized.

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Reserves Disclaimer

The SEC requires oil and gas companies, in filings made with the SEC, to disclose proved reserves, which are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, under existing economic conditions, operating methods, and governmental regulations. The SEC permits the optional disclosure of probable and possible reserves. We have elected to use in this presentation “probable” reserves and “possible” reserves, excluding their valuation. The SEC defines “probable” reserves as “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” The SEC defines “possible” reserves as “those additional reserves that are less certain to be recovered than probable reserves.” The Company has applied these definitions in estimating probable and possible reserves. Statements of reserves are only estimates and may not correspond to the ultimate quantities of oil and gas recovered. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC’s reserves reporting guidelines. Investors are urged to consider closely the disclosure regarding our business that may be accessed through the SEC’s website at www.sec.gov.

The SEC’s rules prohibit us from filing resource estimates. Our resource estimations include estimates of hydrocarbon quantities for (i) new areas for which we do not have sufficient information to date to classify as proved, probable or even possible reserves, (ii) other areas to take into account the low level of certainty of recovery of the resources and (iii) uneconomic proved, probable or possible reserves. Resource estimates do not take into account the certainty of resource recovery and are therefore not indicative of the expected future recovery and should not be relied upon. Resource estimates might never be recovered and are contingent on exploration success, technical improvements in drilling access, commerciality and other factors.

WPX Non-GAAP Disclaimer

This presentation may include certain financial measures, including adjusted EBITDAX (earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses), that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission.

This presentation is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses these financial measures because they are widely accepted financial indicators used by investors to compare a company’s performance. Management believes that these measures provide investors an enhanced perspective of the operating performance of the company and aid investor understanding. Management also believes that these non-GAAP measures provide useful information regarding our ability to meet future debt service, capital expenditures and working capital requirements. These non-GAAP financial measures should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.