

SandRidge Announces Rejection of Midstates' Proposal and Review of Strategic Alternatives

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OKLAHOMA CITY, March 19, 2018 /PRNewswire/ -- [SandRidge Energy, Inc.](#) (NYSE: SD) today announced that its Board of Directors, after careful consideration and a detailed technical and financial review, has rejected Midstates Petroleum's unsolicited public offer to combine the two companies in a stock for stock merger at a 60%/40% exchange ratio. The Company engaged RBC Capital Markets as its financial advisor with respect to these matters. After extensive analysis, SandRidge has concluded that the relative asset values of the two companies do not support a combination effected at current stock prices. The decision was primarily based on significantly differing opinions of Midstates' proven oil and gas reserves, largely related to the assessment of the number of economically viable drilling locations at current oil and gas prices. SandRidge recognizes the combination would likely result in meaningful synergies given the expectation that SandRidge could efficiently absorb Midstates' assets and operations with limited incremental expense. However, the Company does not support Midstates' estimate that the combined business plan would result in generally flat production and free cash flow of \$320 million to \$400 million, over the four year period from 2019 to 2022. For these and other reasons, SandRidge has concluded that accepting Midstates' proposal would be highly dilutive and not in the best long-term interests of SandRidge stockholders.

Following the receipt of Midstates' offer, SandRidge has received indications of interest regarding alternative transactions from other oil and gas companies. As a result, the Company announced today that it will undertake a formal process to evaluate strategic alternatives to maximize shareholder value. The process will include, but is not limited to, an evaluation of divestment or joint venture opportunities associated with its North Park Basin assets and potential corporate and asset combination options with other Mid-Continent operators, including Midstates, should it elect to participate in this competitive process. SandRidge will thoroughly evaluate all third-party proposals and will pursue options which add incremental shareholder value relative to its continued standalone option.

Bill Griffin, President and CEO said, "In light of ongoing feedback from shareholders and several expressions of interest we have recently received, we have decided to engage advisors to solicit third-party proposals and assist in evaluating all strategic options available to the Company. While we evaluate strategic alternatives, we will remain focused on efficiently running our business. During the first quarter of 2018 our team has implemented a reduced capital plan to maximize asset value while minimizing cash flow outspend, and has simultaneously implemented a significant reduction in general and administrative cash expenses."

The Company is not currently providing a timetable for its process, and the Company is going to limit further comments and updates on the process while it is underway.

About SandRidge Energy, Inc.

[SandRidge Energy, Inc.](#) (NYSE: SD) is an oil and natural gas exploration and production company headquartered in Oklahoma City, Oklahoma with its principal focus on developing high-return, growth-oriented projects in the U.S. Mid-Continent and Niobrara Shale. As of December 31, 2017 our proved reserves totaled 178 MMBoe, with a SEC PV-10 value of \$749 Million (\$835 Million using year end strip pricing). The majority of the Company's production is generated from the Mississippi Lime formation across 360,000 net acres in Oklahoma and Kansas. Our development activity is currently focused on the Meramec formation in the Northwest STACK Play in Oklahoma and multiple oil rich Niobrara benches across our 125,000 net acres in the North Park Basin in Colorado.

Forward-Looking Statements

This news release contains forward-looking statements concerning our expectations for future performance, including the statements regarding the exploration of strategic alternatives and whether those strategic alternatives could maximize stockholder value. These "forward-looking statements" are based on currently

available information, operating plans and projections about future events and trends. They inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: uncertain outcome, impact, effects and results of SandRidge's exploration of strategic alternatives; and any changes in general economic or industry specific conditions. SandRidge cautions that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in SandRidge's public filings with the SEC, which are available at the SEC's website, <http://www.sec.gov>. Each forward-looking statement speaks only as of the date of the particular statement, and SandRidge undertakes no obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

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