



# Disclaimer

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This presentation includes "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. These statements express a belief, expectation or intention and are generally accompanied by words that convey projected future events or outcomes. The forward-looking statements include statements about SandRidge Energy, Inc.'s future operations, rig counts, drilling and resource locations, corporate strategies, including our focus on conventional oil plays with a goal to achieve a self-funding capital program while growing production and reducing our debt relative to earnings, estimates of oil and natural gas production, reserve and resource volumes and values, projected revenue, expenses, capital expenditures and other costs, earnings, capital raising activities and hedge transactions. We have based these forward-looking statements on our current expectations and assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, including the volatility of oil and natural gas prices, our success in discovering, estimating, and developing oil and natural gas reserves, the availability and terms of capital, the successful integration of recent acquisitions, our timely execution of hedge transactions, credit conditions of global capital markets, changes in economic conditions, regulatory changes, including those related to carbon dioxide and greenhouse gas emissions, and other factors, many of which are beyond our control. We refer you to the discussion of risk factors in Part I, Item 1A - "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2011 and in comparable "risk factors" sections of our Quarterly Reports on Form 10-Q filed after the date of this presentation. All of the forward-looking statements made in this presentation are qualified by these cautionary statements. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on our company or our business or operations. Such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. We undertake no obligation to update or revise any forward-looking statements.

The SEC permits oil and natural gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves, as each is defined by the SEC. At times we use the term "EUR" (estimated ultimate recovery) and "resources" and refer to their location and potential to provide estimates that the SEC's guidelines prohibit us from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved, probable or possible reserves and, accordingly, are subject to substantially greater risk of being actually realized by the company. For a discussion of the company's proved reserves, as calculated under current SEC rules, we refer you to the company's Annual Report on Form 10-K referenced above, which is available on our website at [www.sandridgeenergy.com](http://www.sandridgeenergy.com) and at the SEC's website at [www.sec.gov](http://www.sec.gov).

## Regulation G Disclosure

This presentation includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available on our website at [www.sandridgeenergy.com](http://www.sandridgeenergy.com).



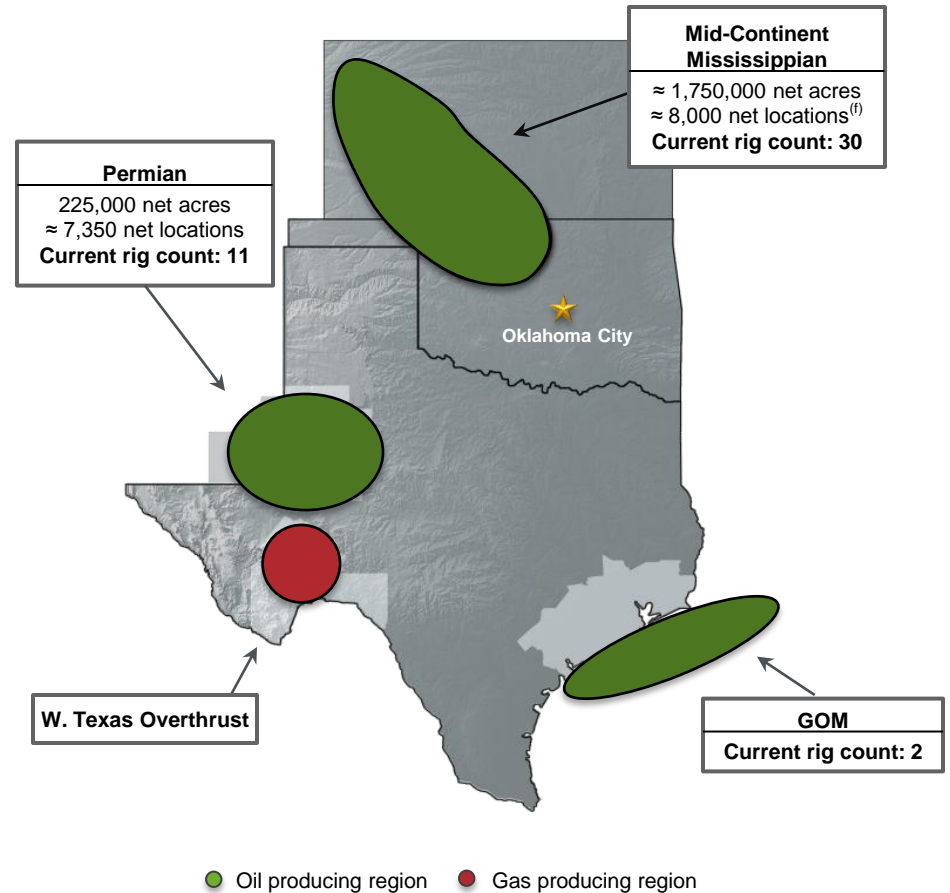
# Corporate Profile

## Market Value (\$ in billions)

Market Cap (08/30/12)	\$	3.2
Net Debt <sup>(a)(b)</sup>		3.1
Preferred Stock		0.8
Enterprise Value	\$	7.1

## Reserves (YE 2011)

Proved Reserves (MMBoe) <sup>(c)</sup>	533
% Oil <sup>(d)</sup>	91%
% Developed	53%
Resource Potential (MMBoe) <sup>(e)</sup>	4,400



- (a) As of 6/30/12, Pro Forma for the Company's most recent \$1,100 million senior note offering and the ongoing tender offer for 2014 floating rate notes  
 (b) Non-GAAP financial measure. Refer to slide 2 for additional disclosure  
 (c) SandRidge consolidated reserves with royalty trusts, Pro Forma Dynamic Offshore  
 (d) Weighted by PV-10 value  
 (e) As of YE 2011; Net of JVs & royalty trusts; Based on the 01/17/12 NYMEX strip  
 (f) Based on 3 wells per section

# Three Year Objectives

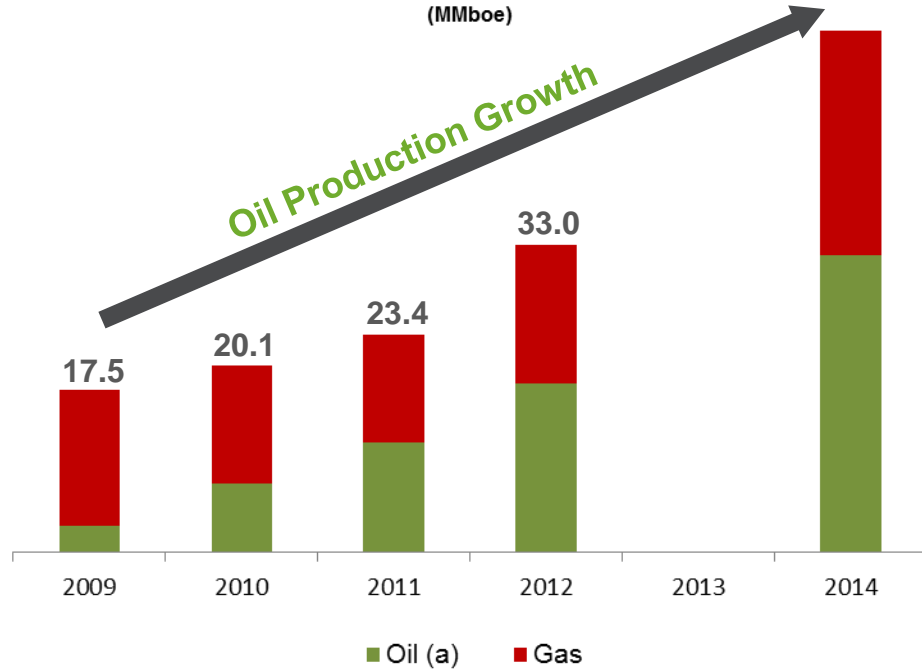


EBITDA  $\geq$  \$2 Billion

CapEx Funded Within Cash Flow

Continue to Improve Credit Metrics

Net Production  
(MMboe)



# Capital Spending Funding Plan

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## 2012

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- **Fully funded through organic cash flows, Mississippian joint venture, royalty trust IPO, secondary unit sales, and non-core asset sales**
  - August \$1.1 Billion bond offering
  - June 30<sup>th</sup> \$1.9 Billion liquidity, pro forma for the bond offering

## 2013

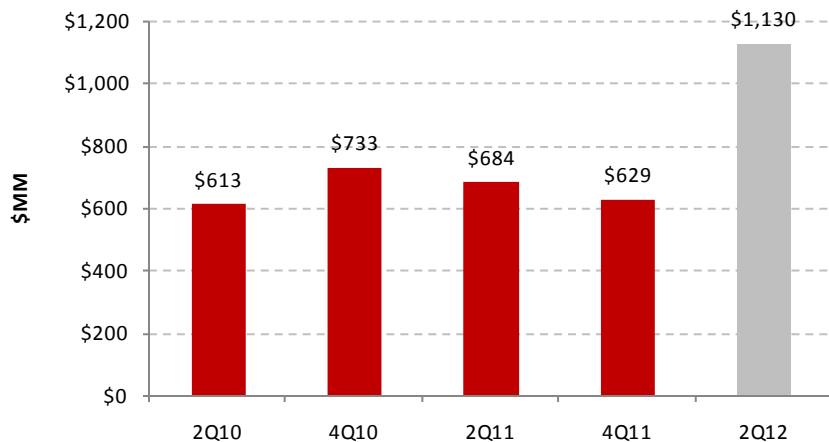
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- **≈ \$2 Billion capital program funded through cash flow from operations and available liquidity**
  - Leverage ≈ 3.0x
  - Additional debt supported by 2012 and 2013 EBITDA growth

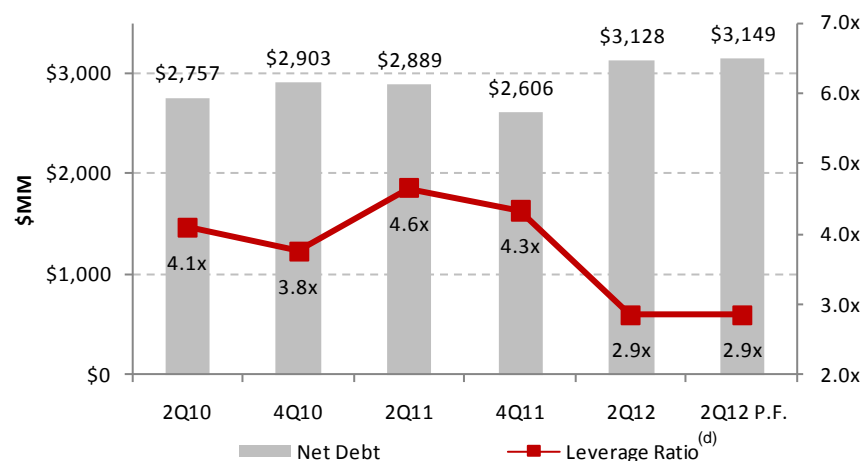
**2012 and 2013 Capital Programs Comfortably Funded**

# Credit Metrics and Liquidity

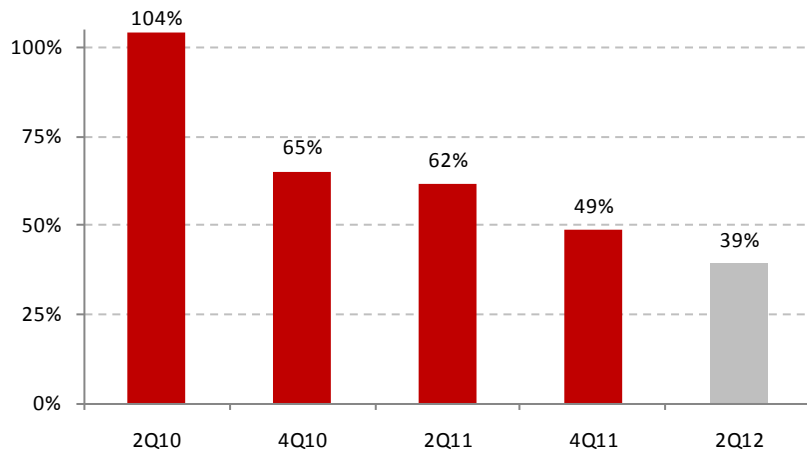
## Pro Forma LTM Adjusted EBITDA<sup>(a)(e)</sup>



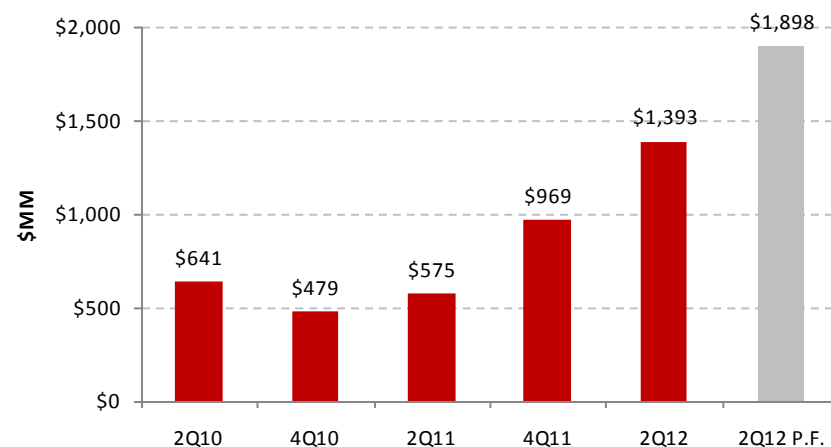
## Net Debt & Leverage<sup>(b)(e)</sup>



## Net Debt / Total Cap<sup>(b)(e)</sup>



## Liquidity<sup>(b)(d)(e)</sup>



a) 4Q10 and 2Q11 are Pro Forma for the Arena Acquisition. 2Q12 represents the annualized six-month Adjusted EBITDA ending June 30, 2012, calculated on an pro forma basis for the DOR acquisition, the IPO of SDR, and the East Texas divestiture. The annualized six-month figure is presented as a proxy for Pro Forma LTM Adjusted EBITDA for the 12-months ending June 30, 2012, which is not available at this time

b) 2Q12 P.F. are Pro Forma for the Company's most recent \$1,100 million senior notes offering, and the ongoing tender offer for outstanding 2014 senior notes

c) Leverage Ratio represents Consolidated Leverage Ratio calculated pursuant to the terms of the Senior Credit Facility

d) Liquidity represents the quarter ending cash balance and revolver availability, adjusted for letters of credit

e) Contains a non-GAAP financial measure. Refer to slide 2 for additional disclosure

# Hedges – Actively Locking in High Rates of Return

<b>Oil</b>	<b>Q3 2012</b>	<b>Q4 2012</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Swaps</b>						
Volumes (MMBbls)	4.05	4.20	15.02	18.52	6.78	5.08
Price (\$/Bbl)	\$100.52	\$100.67	\$100.22	\$96.24	\$92.15	\$83.69
<b>Three-way Collars</b>						
Volumes (MMBbls)	-	-	-	-	8.21	2.56
Call Price (\$/Bbl)	-	-	-	-	\$100.00	\$102.86
Put Price (\$/Bbl)	-	-	-	-	\$90.20	\$90.72
Short Put Price (\$/Bbl)	-	-	-	-	\$70.00	\$72.86
<b>Natural Gas</b>						
<b>Swaps</b>						
Volumes (Bcf)	20.85	22.05	52.95	-	-	-
Price (\$/Mcf)	\$2.81	\$3.14	\$3.10	-	-	-
<b>Collars</b>						
Volumes (Bcf)	2.16	2.27	5.84	6.86	0.94	1.01
Call Price (\$/Mcf)	\$6.58	\$6.58	\$6.59	\$6.71	\$7.78	\$8.55
Put Price (\$/Mcf)	\$4.04	\$4.09	\$4.08	\$3.78	\$4.00	\$4.00

- Strong hedge program provides downside protection in volatile commodity markets
  - Target 75-85% of current year production hedged
- Continue to use derivatives to ensure financial stability
- No margin requirement with counterparties

• As of 8/29/2012

• Hedge positions include contracts that have been novated to or the benefit of which have been conveyed to SandRidge sponsored royalty trusts

• SandRidge has 1.5 MMBbls of LLS-WTI swaps at an average price of \$17.27 during the May-December 2012 period

• SandRidge has 0.3 MMBbls of oil collars from 3Q12 – 4Q13 at an average ceiling price of \$107 and an average floor price of \$81.96

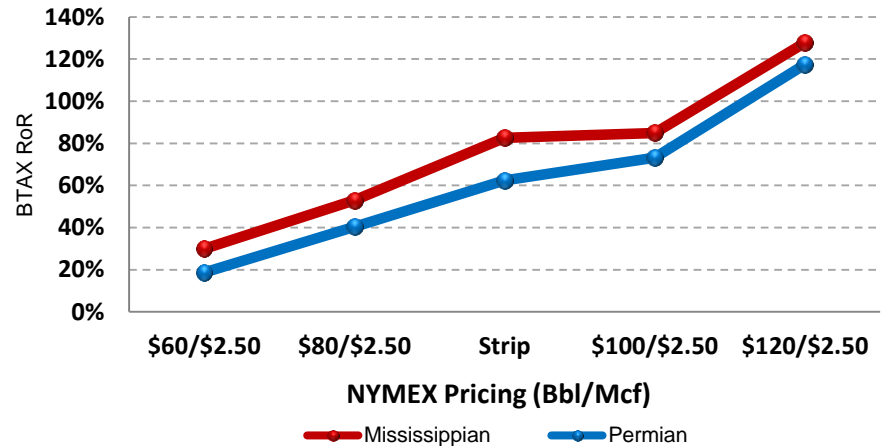


# Organic Growth Economics

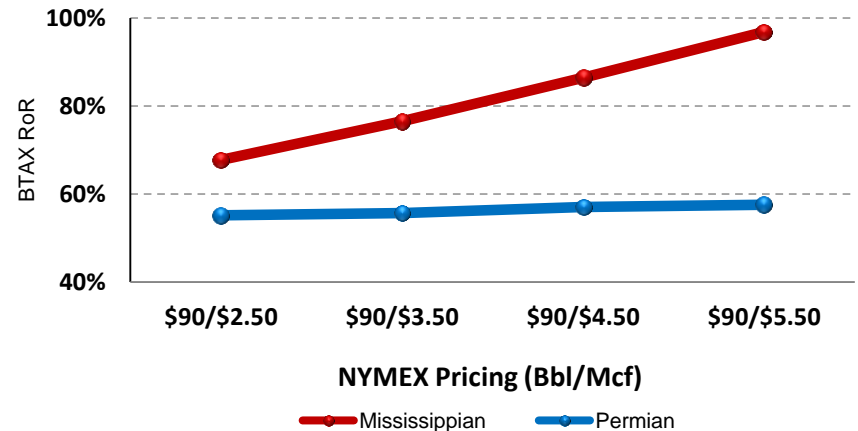
Permian	
Oil EUR	53 Mbbl (85% Crude)
Gas EUR	27 MMcf, dry
Total EUR	58 Total Mboe
Gross Well Cost	\$643 M/well
30 Day IP	53 Boe/d
PV-10 <sup>(b)</sup>	\$647 M
IRR <sup>(b)</sup>	≈ 62%
2012 Drilling Program	WI 91%, NRI 70%
Total Locations	≈ 7,350

Mississippian	
Oil EUR	204 Mbbl (100% Crude)
Gas EUR	1,512 MMcf
Total EUR	456 Total Mboe
Gross Well Cost	\$3.2 MM/well <sup>(a)</sup>
30 Day IP	275 Boe/d
PV-10 <sup>(b)</sup>	\$5,049 M
IRR <sup>(b)</sup>	≈ 82%
2012 Drilling Program	WI 62%, NRI 51%
Total Locations	≈ 8,000

## Liquids Driven Returns

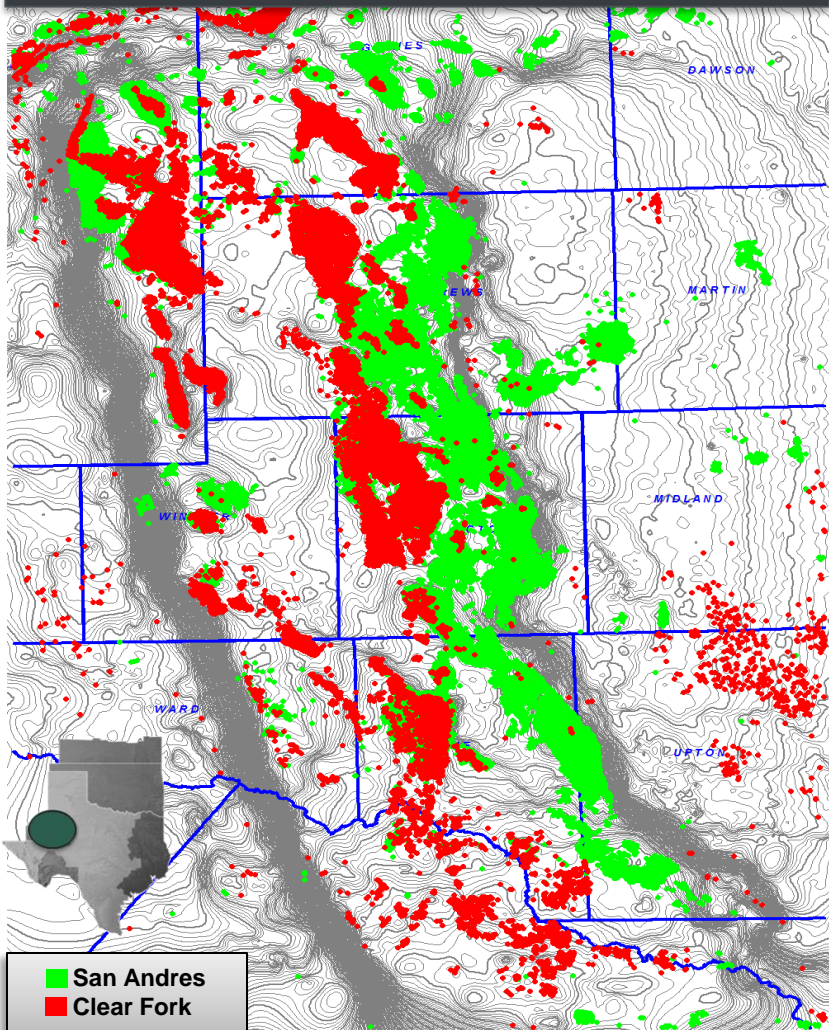


## Gas Price Upside



# Permian – Central Basin Platform Statistics

## Central Basin Platform



- 13 Billion Bbls cumulative production
  - Production spans 3 million acres
  - Top producing zones San Andres/Clear Fork
- Shallow, Carbonate oil zones
- 225M net acres in SD focus area
- ≈ 7,350 potential locations
- ≈ 4,500' – 9,000' depth to target formation
- Most active driller (11 rigs)
- Multiple pay targets
  - San Andres / Grayburg
  - Clear Fork / Wichita Albany
  - Penn / Ellenburger

RANK	OPERATOR	ACTIVE WELL COUNT <sup>(a)</sup>	RIG COUNT <sup>(b)</sup>
1	OCCIDENTAL PERMIAN	5,212	9
2	APACHE CORPORATION (BP)	4,884	4
3	EXXON / MOBIL (XTO)	3,658	3
4	CHEVRON	3,601	1
5	<b>SANDRIDGE ENERGY</b>	<b>3,208</b>	<b>11</b>
6	CONOCOPHILLIPS (BURLINGTON)	2,645	2

(a) All active wells as of ≈ 12/31/2011 (IHS data source)

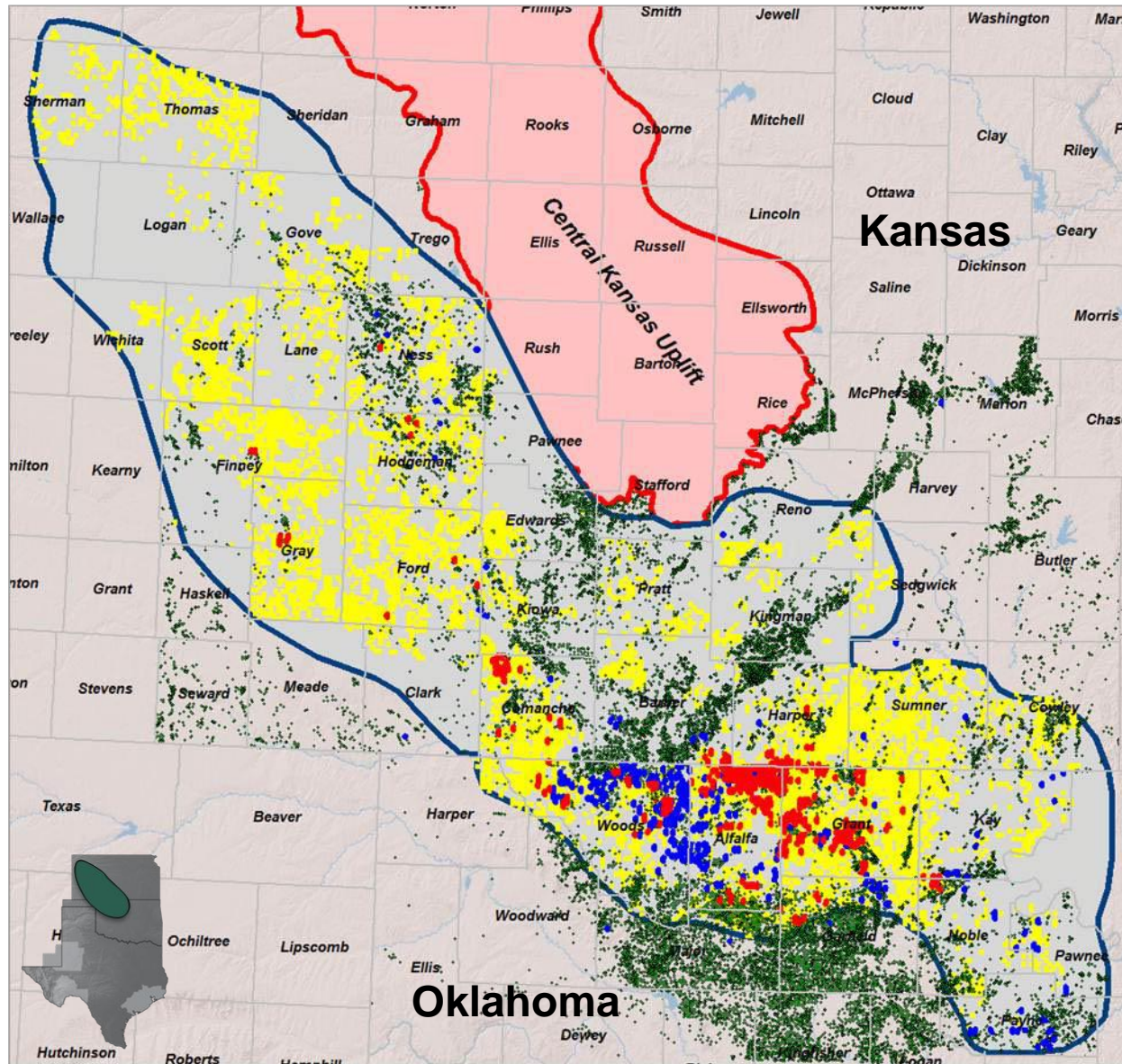
(b) SD Rig count as of 08/29/12

# SandRidge: Dominating the Horizontal Mississippian Play



- 2.2 Million acres** → **SD & partners control the largest acreage position in the play**
- 30 Rigs across 200 miles** → **2x rigs as the next most active operator**
- 432 Wells drilled** → **45% of all wells drilled in the play**
- 39 Days spud to first sales** → **Best in class**
- 95 Disposal wells** → **Leader in water disposal infrastructure**
- 384 Miles of power line** → **Leader in securing access to power in the play**

# Mississippian – 962 Drilled Wells and 85 Active Rigs



	Wells Drilled	Active Rigs
<b>SandRidge</b>	<b>432</b>	<b>30</b>
Chesapeake	266	15
Eagle	58	2
Calyx	22	0
Range	23	3
Plymouth	15	1
Shell	17	1
Territory Res.	10	1
Panther	8	0
Chaparral	9	0
Devon	10	6
Other	92	26
<b>TOTAL ALL</b>	<b>962</b>	<b>85</b>

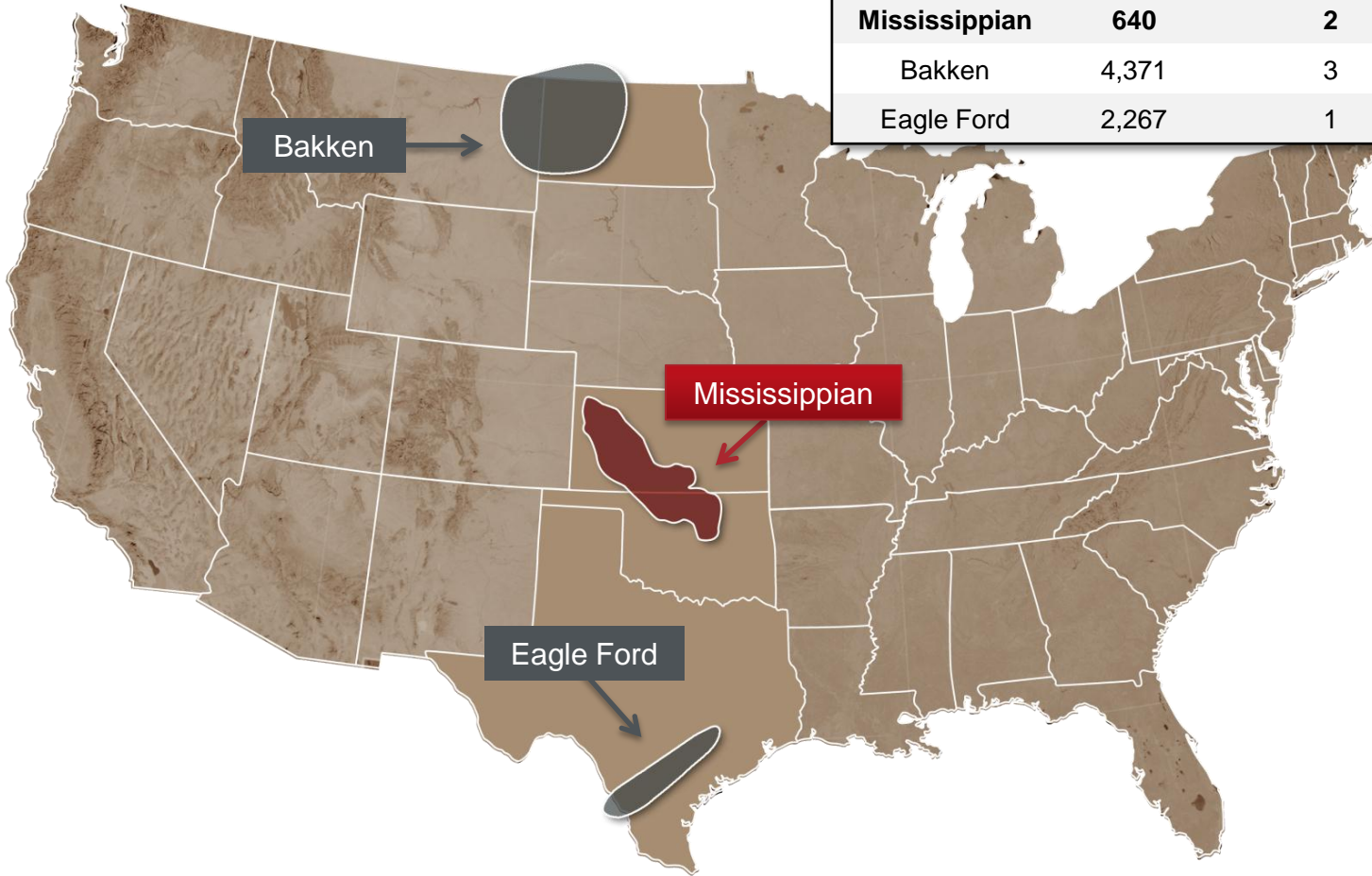
- **432 SandRidge horizontal wells** <sup>(b)</sup>
  - 380 Hz operated wells planned in 2012
  - SD ≈ 8,000 potential locations <sup>(a)</sup>
- **530 Industry horizontal wells** <sup>(b)</sup>
- **14,700 Vertical Miss wells**
- **SD ≈ 1.75 Million net acres**

(a) Based on 3 wells per section  
 (b) Drilled well counts as of 08/29/12

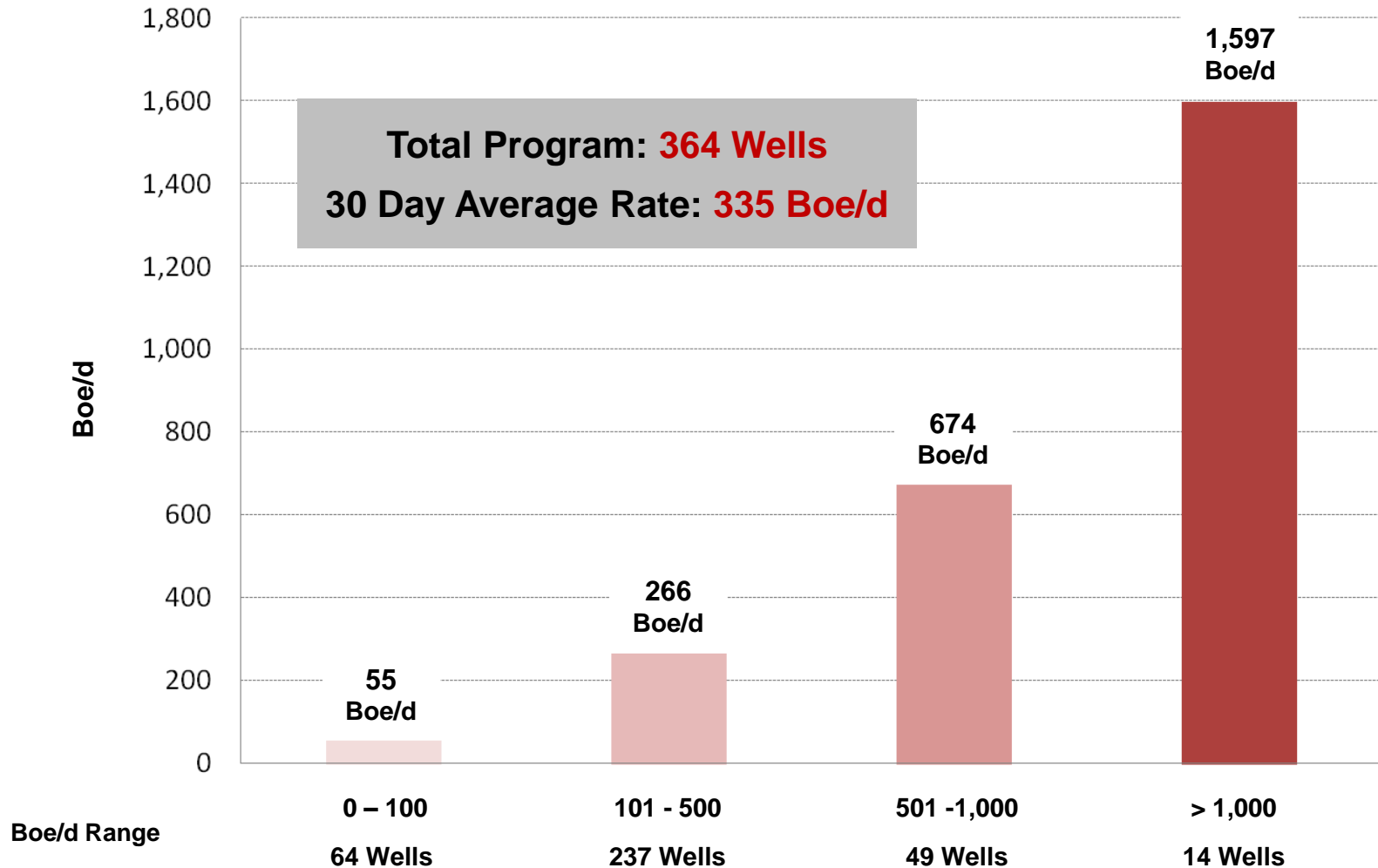


# Mississippian Oil: Contending with Top US Onshore Oil Plays

Oil Resource Play	Horizontal 30 Day Maximum Oil (a)		
	# Wells	# Wells > 2,000 BOPD	Max BOPD per Well
<b>Mississippian</b>	<b>640</b>	<b>2</b>	<b>2,394</b>
Bakken	4,371	3	2,239
Eagle Ford	2,267	1	2,377



# Mississippian Performance – 30 Day Average Rates

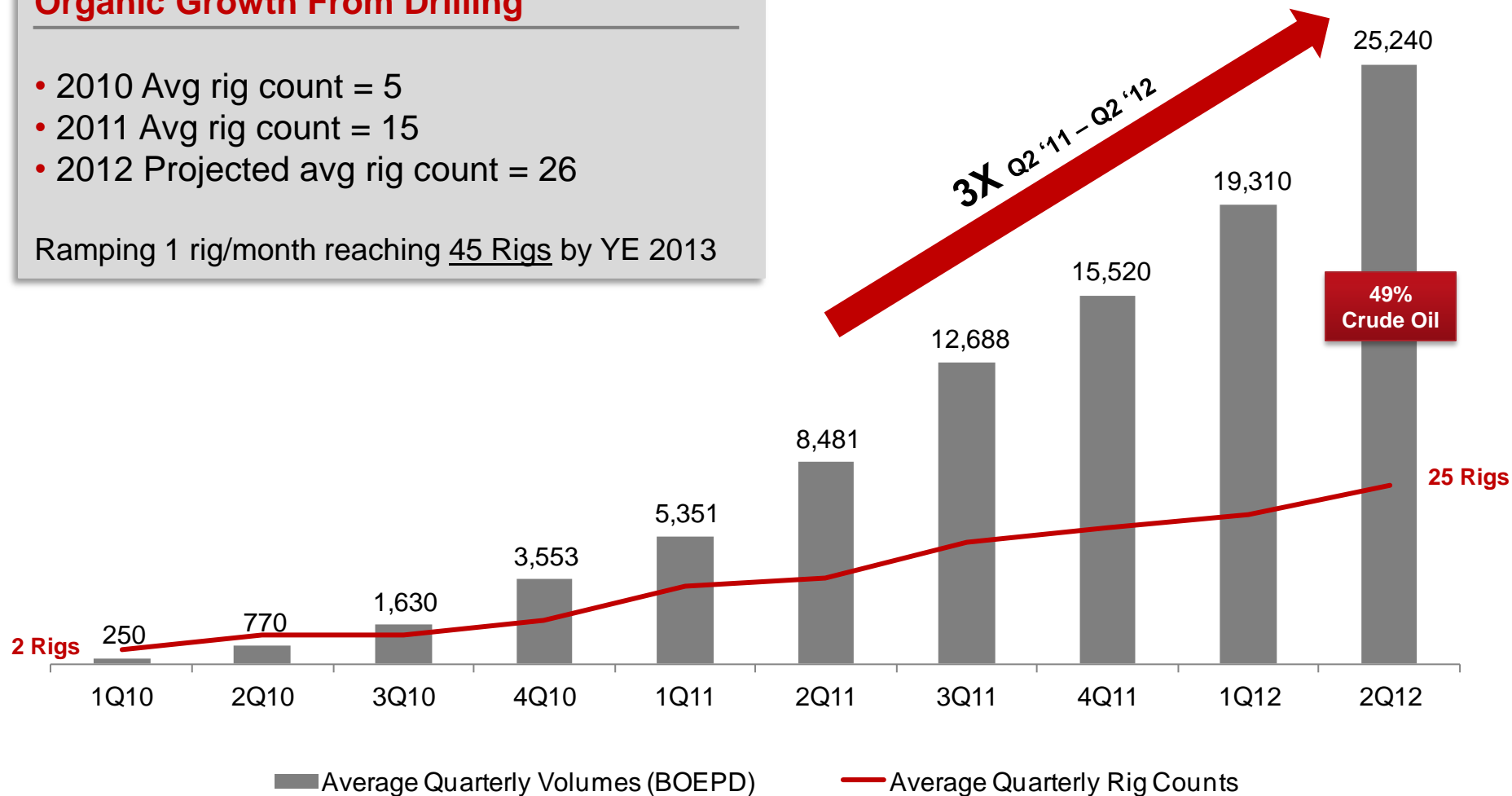


# Mississippian Production Growth

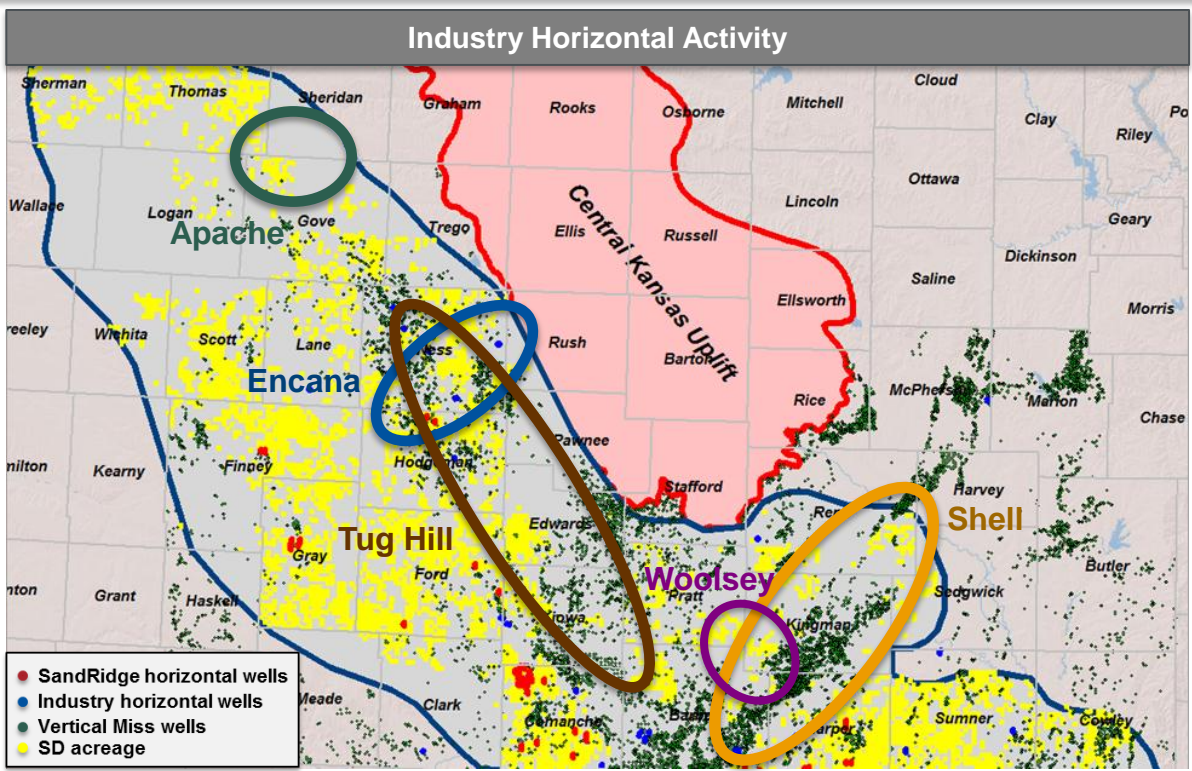
## Organic Growth From Drilling

- 2010 Avg rig count = 5
- 2011 Avg rig count = 15
- 2012 Projected avg rig count = 26

Ramping 1 rig/month reaching 45 Rigs by YE 2013

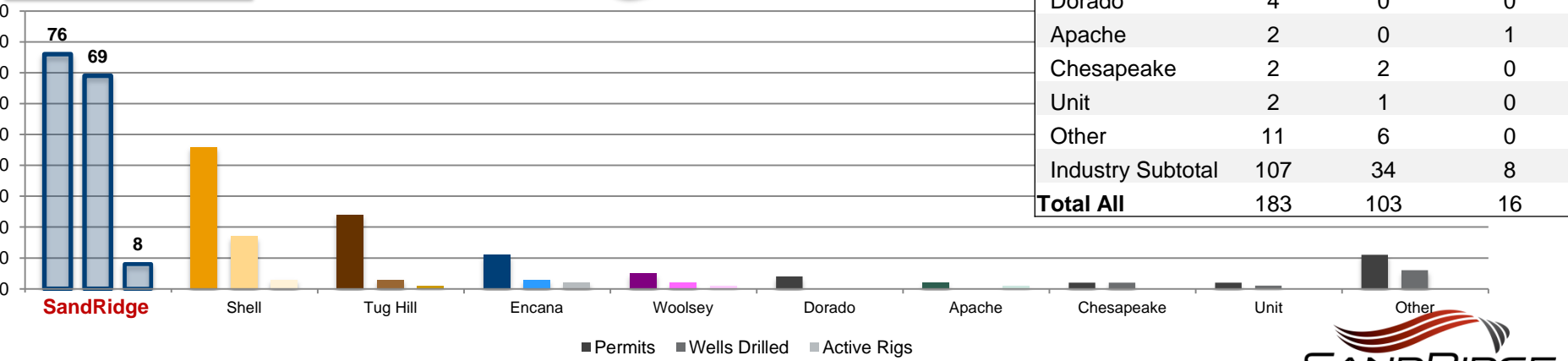


# Kansas Mississippian: More of the Same



- ### SandRidge: KS Hz Miss Activity
- Drilled 69 wells in Kansas
    - 46 Producing with 30 days production
      - 317 boe/d (30 day avg)
      - Projected EUR 300-500 mboe
  - 67% of all wells drilled to date
  - 50% of active rigs

Kansas Horizontal Activity			
	Permits	Wells Drilled	Active Rigs
<b>SandRidge</b>	<b>76</b>	<b>69</b>	<b>8</b>
Shell	46	17	3
Tug Hill	24	3	1
Encana	11	3	2
Woolsey	5	2	1
Dorado	4	0	0
Apache	2	0	1
Chesapeake	2	2	0
Unit	2	1	0
Other	11	6	0
Industry Subtotal	107	34	8
<b>Total All</b>	<b>183</b>	<b>103</b>	<b>16</b>



# Extending the Horizontal Mississippian

## SandRidge Recent Developments

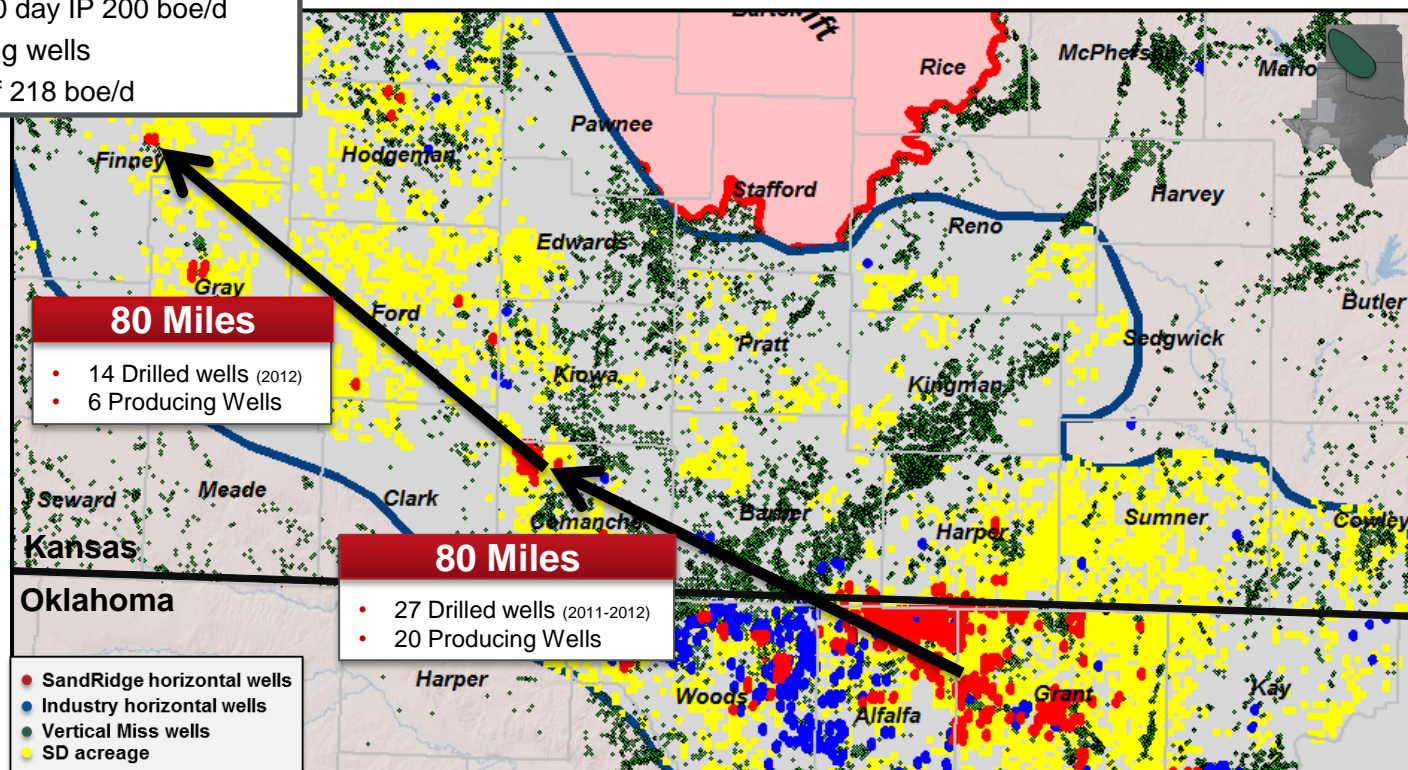
- **14 Drilled Wells (6 Producing)**

- Established commercial production 80 miles to the Northwest of Comanche County, Kansas

- **Comparable RORs**

- KS: 6 Producing Wells
  - Avg projected 30 day IP 200 boe/d
- OK: First 10 producing wells
  - Avg 30 day IP of 218 boe/d

**Best Well:  
24hr rate of 599 Boe/d  
98% Oil**



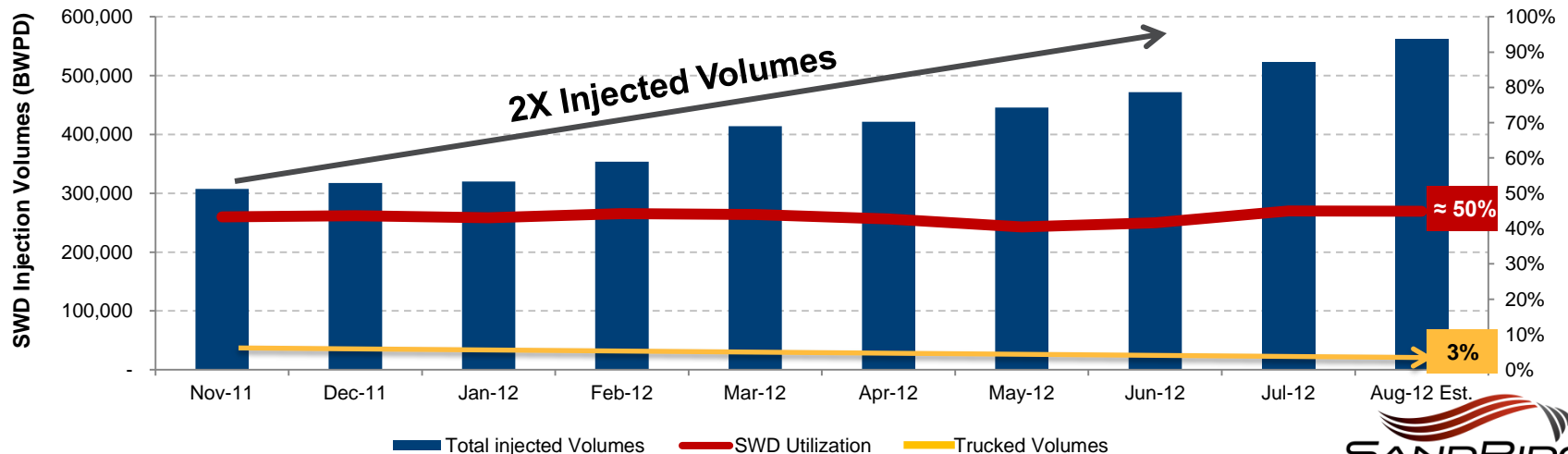
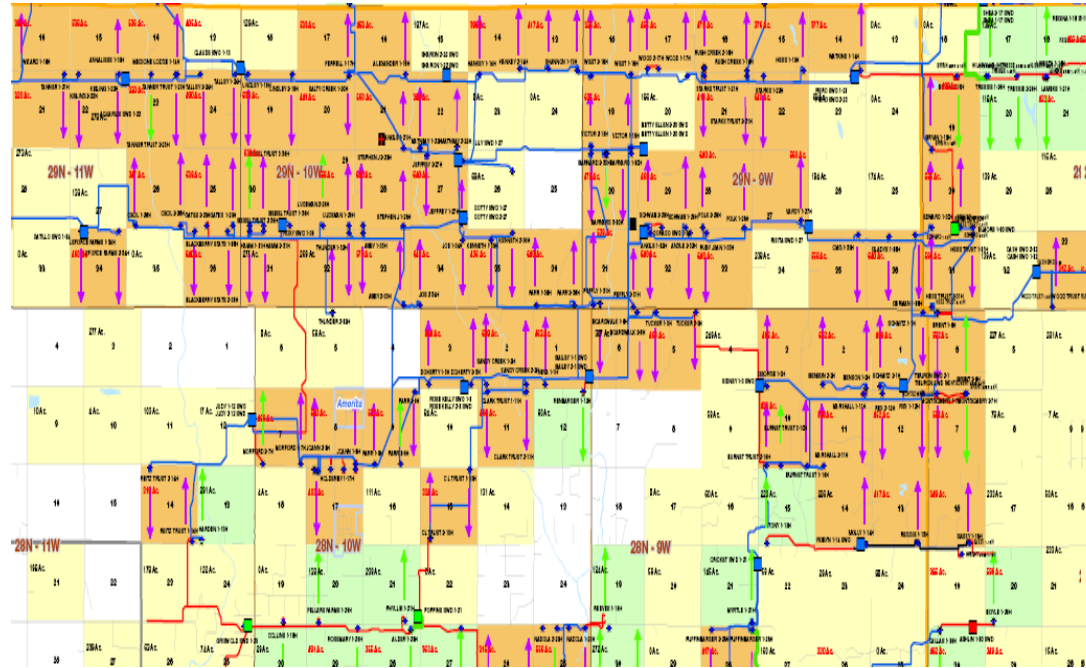
# Maximize Value Through Infrastructure Investment

## Disposal System: Key Business Asset

- Efficiency of Operations (39 days spud to 1<sup>st</sup> sales)
- LOE Reduction
- Barrier to Entry

## Salt Water Disposal Progress

- Injection volume 2X
- Current producer to injector ratio
  - Projected YE  $\approx$  5:1
  - Development expectation 10:1
  - Current utilization is  $\approx$  50%
- Trucked Volumes decreased to  $\approx$  3%



# SandRidge: Built on a Solid Foundation

## SandRidge Strategy

- Generate high rates of return from quality oil assets
- Drive double digit oil growth through Mississippian drilling program
- Dominate acreage position / achieve scale in core operating areas
- Continue focus on improving credit metrics
- Lock in returns and protect downside through multi-year hedging
- Fully funded capital programs for 2012 and 2013



# Appendix



# 2012 Operational Guidance

## Production

Oil (MMBbls) <sup>(a)</sup>	18.2
Natural Gas (Bcf)	88.8
<b>Total (MMBoe)</b>	<b>33.0</b>

## Differentials

Oil <sup>(a)</sup>	\$9.00
Natural Gas	\$0.50

## Capital Expenditures (\$ in millions)

Exploration and Production	\$1,700
Land and Seismic	200
<b>Total Exploration and Production</b>	<b>\$1,900</b>
Oil Field Services	30
Midstream and Other	170
<b>Total Capital Expenditures (excl. Acquisitions)</b>	<b>\$2,100</b>

## Cost per Boe

Lifting	\$15.00 - \$17.00
Production Taxes	1.75 - 1.95
DD&A - oil & gas	16.50 - 18.25
DD&A - other	1.75 - 1.95
<b>Total DD&amp;A</b>	<b>\$18.25 - \$20.20</b>
G&A - cash	4.70 - 5.20
G&A - stock	1.15 - 1.30
<b>Total G&amp;A</b>	<b>\$5.85 - \$6.50</b>
Interest Expense	\$8.70 - \$9.60

## Shares Outstanding at End of Period (in millions)

Common Stock	493.0
Preferred Stock (as converted)	90.1
Fully Diluted	583.1

EBITDA from Oilfield Services, Midstream, and Other (\$ in millions) <sup>(b)</sup>	\$50.0
Adjusted Net Income Attributable to Noncontrolling Interest (\$ in millions) <sup>(c)</sup>	\$134.2
P&A Cash Cost (\$ in millions)	\$60.0

Corporate Tax Rate	0%
Deferral Rate	0%

- (a) Includes NGLs
- (b) EBITDA from Oilfield Services, Midstream and Other is a non-GAAP financial measure as it excludes from net income interest expense, income tax expense and depreciation, depletion and amortization. The most directly comparable GAAP measure for EBITDA from Oilfield Services, Midstream and Other is Net Income from Oilfield Services, Midstream and Other. Information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to forecast the excluded items for future periods and/or does not forecast the excluded items on a segment basis
- (c) Adjusted Net Income Attributable to Noncontrolling Interest is a non-GAAP financial measure as it excludes unrealized gain or loss on derivative contracts and gain or loss on sale of assets. The most directly comparable GAAP measure for Adjusted Net Income Attributable to Noncontrolling Interest is Net Income Attributable to Noncontrolling Interest. Information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to forecast the excluded items for future periods

# 2012 E&P Capital Expenditure Plans

	Well Count		Total
	Gross	Net	Capex (\$MM)
Drilling and Completion			
Mid-Continent	380	251	\$830
Mid-Continent - SWD	69	52	100
Permian	750	678	480
Gulf of Mexico	N/A	N/A	200
All Other Areas	N/A	N/A	10
JV Carry	N/A	N/A	(320)
Total Drilling and Completion	1,199	981	\$1,300
Infrastructure, Workovers, Carryover & Non-Op			350
Capitalized G&A and Interest			50
<b>E&amp;P Capital Expenditures</b>			<b>\$1,700</b>
Land and Seismic			200
Oil Field Services			30
Midstream and Other			170
<b>TOTAL</b>			<b>\$2,100</b>

# Capital Structure Overview

\$ in millions

## Senior Notes<sup>(a)</sup>

9.875% Sr Notes due 2016	356
8.0% Sr Notes due 2018	750
8.75% Sr Notes due 2020	444
7.5% Sr Notes due 2021	1,179
8.125% Sr Notes due 2022	750
7.5% Sr Notes due 2023	<u>821</u>
<b>Total</b>	<b>\$4,300</b>

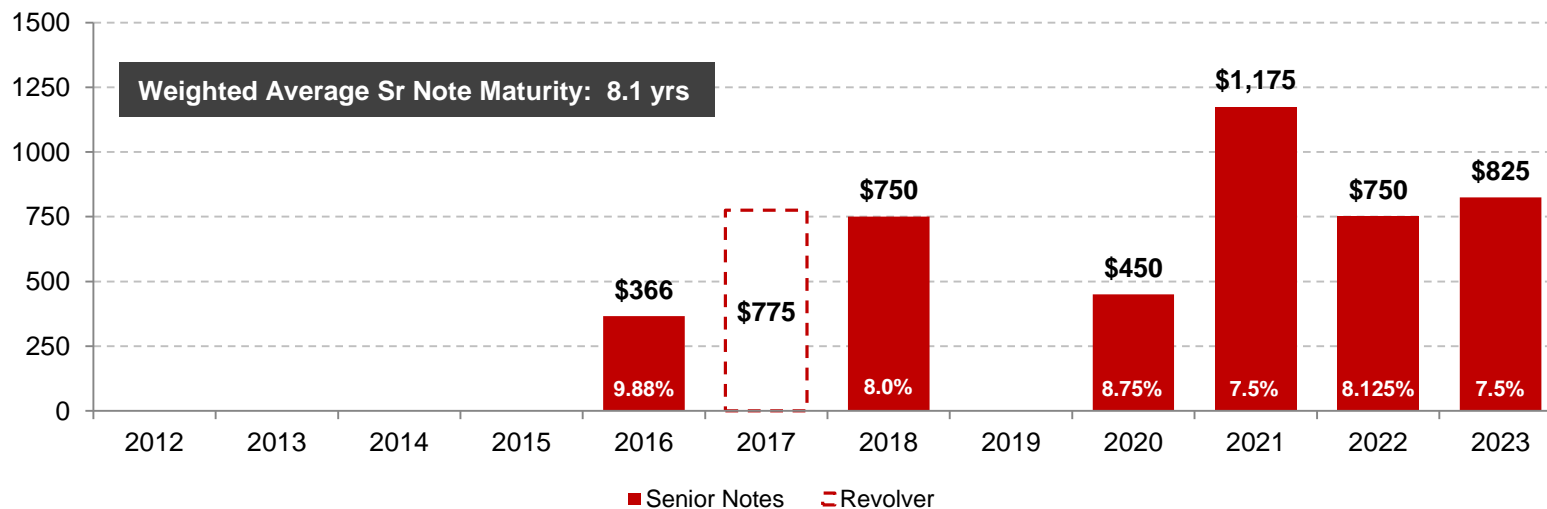
## Preferred Stock

8.5% Convertible Perpetual Preferred <sup>(b)</sup>	\$265
6.0% Convertible Preferred <sup>(c)</sup>	200
7.0% Convertible Perpetual Preferred <sup>(d)</sup>	<u>300</u>
<b>Total</b>	<b>\$765</b>

## Credit Ratings

	Corp Rating	Outlook
Moody's	B1	Stable
S&P	B	Stable

## Debt Maturity Summary<sup>(a)</sup>



(a) Pro Forma for the Company's recent \$1,100 million senior notes offering, and the ongoing tender offer for outstanding 2014 senior floating rate notes

(b) Convertible at holder's option at \$8.0125 per common share; convertible after Feb 20, 2017

(c) Convertible at holder's option at \$10.856 per common share; automatic conversion after Dec 21, 2014

(d) Convertible at holder's option at \$7.7645 per common share; convertible after Nov 20, 2015

# Royalty Trusts Ownership

	SDT		PER		SDR	
	Units	Percentage	Units	Percentage	Units	Percentage
<b>SandRidge Retained Units</b>						
Subordinated Units	7,000,000	25.0%	13,125,000	25.0%	12,431,250	25.0%
<u>Common Units</u>	<u>1,216,063</u>	<u>4.3%</u>	<u>2,875,000</u>	<u>5.5%</u>	<u>7,393,750</u>	<u>14.9%</u>
Total SD	8,216,063	29.3%	16,000,000	30.5%	19,825,000	39.9%
Common Units (Public)	19,783,937	70.7%	36,500,000	69.5%	29,900,000	60.1%
<b>Total Units Outstanding</b>	<b>28,000,000</b>	<b>100%</b>	<b>52,500,000</b>	<b>100%</b>	<b>49,725,000</b>	<b>100%</b>



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