

Non-GAAP Financial Measures

Cash Interest

Cash Interest is a supplemental non-GAAP financial measure that is used by management and external users of the Partnership's financial statements, such as industry analysts, investors, lenders and rating agencies. We define Cash Interest as interest expense plus capitalized interest less amortization of deferred financing costs included in interest expense. Cash Interest is not a measure of interest expense as determined by United States generally accepted accounting principles, or GAAP. Management believes that the presentation of Cash Interest provides useful additional information to investors and analysts for assessing the interest charges incurred on our debt, excluding non-cash amortization, and our ability to maintain compliance with our debt covenants.

The following table presents a reconciliation of the GAAP financial measure of interest expense, net of capitalized interest, to the non-GAAP financial measure of Cash Interest for the periods presented:

	Three Months Ended March 31,	
	2018	2017
	(In thousands)	
Interest expense, net of capitalized interest	\$ 262	\$ 1,531
Capitalized interest	835	289
Amortization of deferred financing costs	(116)	—
Cash Interest	\$ 981	\$ 1,820

Adjusted EBITDA

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of the Partnership's financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as earnings before interest expense (net of capitalized interest), income taxes, depreciation, amortization, equity-based compensation expenses and other similar non-cash adjustments. Adjusted EBITDA should not be considered an alternative to net income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Management believes that the presentation of Adjusted EBITDA provides information useful to investors and analysts for assessing our results of operations, financial performance and our ability to generate cash from our business operations without regard to our financing methods or capital structure, coupled with our ability to maintain compliance with our debt covenants. The GAAP measures most directly comparable to Adjusted EBITDA are net income and net cash provided by operating activities, respectively.

Distributable Cash Flow ("DCF")

DCF is a supplemental non-GAAP financial measure that is used by management and external users of the Partnership's financial statements, such as industry analysts, investors, lenders and rating agencies. We define DCF as Adjusted EBITDA attributable to the Partnership less Cash Interest and maintenance capital expenditures attributable to the Partnership. Maintenance capital expenditures are cash expenditures (including expenditures for the construction or development of new capital assets or the replacement, improvement or expansion of existing capital assets) made to maintain, over the long term, system operating capacity, operating income or revenue. DCF should not be considered an alternative to net income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Management believes that the presentation of DCF provides information useful to investors and analysts for assessing our results of operations, financial performance and our ability to generate cash from our business operations without regard to our

financing methods or capital structure, coupled with our ability to make distributions to our unitholders. The GAAP measures most directly comparable to DCF are net income and net cash provided by operating activities, respectively.

The following table presents reconciliations of the GAAP financial measures of net income and net cash provided by operating activities to the non-GAAP financial measure of Adjusted EBITDA and DCF for the periods presented:

	Three Months Ended March 31,	
	2018	2017
(In thousands)		
Net income	\$ 31,529	\$ 12,249
Income tax expense	—	7,295
Depreciation and amortization	6,364	3,458
Equity-based compensation expense	63	348
Interest expense, net of capitalized interest	262	1,217
Adjusted EBITDA	38,218	\$ 24,567
Less: Adjusted EBITDA attributable to non-controlling interests	24,496	
Adjusted EBITDA attributable to Oasis Midstream Partners LP	13,722	
Cash Interest attributable to Oasis Midstream Partners LP	981	
Maintenance capital expenditures	796	
Distributable Cash Flow attributable to Oasis Midstream Partners LP	\$ 11,945	
Net cash provided by operating activities	\$ 74,751	\$ 20,379
Current tax expense	—	5,358
Interest expense, net of capitalized interest	262	1,217
Changes in working capital	(36,681)	(2,387)
Other non-cash adjustments	(114)	—
Adjusted EBITDA	38,218	\$ 24,567
Less: Adjusted EBITDA attributable to non-controlling interests	24,496	
Adjusted EBITDA attributable to Oasis Midstream Partners LP	13,722	
Cash Interest attributable to Oasis Midstream Partners LP	981	
Maintenance capital expenditures	796	
Distributable Cash Flow attributable to Oasis Midstream Partners LP	\$ 11,945	