
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(d) OF THE**

SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): August 1, 2018

LAREDO PETROLEUM, INC.

(Exact name of registrant as specified in charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

001-35380

(Commission File Number)

45-3007926

(I.R.S. Employer Identification No.)

15 W. Sixth Street, Suite 900, Tulsa, Oklahoma

(Address of principal executive offices)

74119

(Zip code)

Registrant's telephone number, including area code: **(918) 513-4570**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 1, 2018, Laredo Petroleum, Inc. (the "Company") announced its financial and operating results for the quarter ended June 30, 2018. Copies of the Company's press release and Presentation (as defined below) are furnished as Exhibit 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference. The Company plans to host a teleconference and webcast on August 2, 2018 at 7:30 am Central Time to discuss these results. To access the call, please dial 1-877-930-8286 or 1-253-336-8309 for international callers, and use conference code 3368476. A replay of the call will be available through Thursday, August 9, 2018, by dialing 1-855-859-2056, and using conference code 3368476. The webcast may be accessed at the Company's website, www.laredopetro.com, under the tab "Investor Relations."

In accordance with General Instruction B.2 of Form 8-K, the information furnished under this Item 2.02 of this Current Report on Form 8-K and the exhibits attached hereto are deemed to be "furnished" and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and exhibits be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 7.01. Regulation FD Disclosure.

On August 1, 2018, the Company furnished the press release described above in Item 2.02 of this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated into this Item 7.01 by reference.

On August 1, 2018, the Company also posted to its website a Second-Quarter 2018 Earnings Presentation (the "Presentation"). The Presentation is available on the Company's website, www.laredopetro.com, and is attached hereto as Exhibit 99.2 and incorporated into this Item 7.01 by reference.

All statements in the press release, teleconference and the Presentation, other than historical financial information, may be deemed to be 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. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results or developments may differ materially from those in the forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In accordance with General Instruction B.2 of Form 8-K, the information furnished under Item 7.01 of this Current Report on Form 8-K and the exhibits attached hereto are deemed to be "furnished" and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and exhibits be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------------|---|
| <u>99.1</u> | <u>Press Release Dated August 1, 2018 Announcing Financial and Operating Results.</u> |
| <u>99.2</u> | <u>Second-Quarter 2018 Earnings Presentation Dated August 1, 2018.</u> |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LAREDO PETROLEUM, INC.

Dated: August 1, 2018

By: /s/ Richard C. Buterbaugh

Richard C. Buterbaugh

Executive Vice President & Chief Financial Officer



15 West 6th Street, Suite 900 · Tulsa, Oklahoma 74119 · (918) 513-4570 · Fax: (918) 513-4571
www.laredopetro.com

Laredo Petroleum Announces 2018 Second-Quarter Financial and Operating Results

TULSA, OK - August 1, 2018 - Laredo Petroleum, Inc. (NYSE: LPI) ("Laredo" or "the Company") today announced its 2018 second-quarter results, reporting net income attributable to common stockholders of \$33.5 million, or \$0.14 per diluted share. Adjusted Net Income, a non-GAAP financial measure, for the second quarter of 2018 was \$58.9 million, or \$0.25 per diluted share. Adjusted EBITDA, a non-GAAP financial measure, for the second quarter of 2018 was \$152.5 million. Please see supplemental financial information at the end of this news release for reconciliations of non-GAAP financial measures.

2018 Second-Quarter Highlights

- Produced a Company record 67,206 barrels of oil equivalent ("BOE") per day, an increase of 15% from second-quarter 2017
- Increased anticipated production growth for full-year 2018 to greater than 15%
- Increased Adjusted EBITDA to \$152.5 million, up 33% from the second quarter of 2017
- Repurchased 3,150,651 shares of common stock at a weighted-average price of \$9.12 per share for \$28.7 million under the Company's share repurchase program

"The Company continued its impressive operational performance in the second quarter, with improving efficiencies enabling the Company to complete more wells than projected and exceed production guidance," stated Randy A. Foutch, Chairman and Chief Executive Officer. "We now expect to complete 12% more wells than was anticipated in our original 2018 budget as a result of reduced cycle times and we forecast our well costs will decrease in the second half of the year as we implement the utilization of in-basin sand. Our low unit operating costs, the positive results of our co-development activities and continued focus on cost control are expected to drive further capital-efficient growth and value enhancement as we accelerate our development by adding a fourth rig this month."

E&P Update

In the second quarter of 2018, Laredo completed 20 gross (19.9 net) horizontal wells with an average completed lateral length of approximately 10,700 feet, surpassing Company expectations of 17 gross completions. Laredo produced a Company record 67,206 BOE per day in second-quarter 2018, an increase of 15% from the second quarter of 2017 and higher than Company guidance of 64,000 BOE per day.

Operational efficiency gains experienced in the first quarter of 2018 continued through second-quarter 2018, facilitating higher than anticipated completion counts in both quarters. Completions efficiency has increased by approximately 34% compared to 2017, reflecting the benefits of contracting a second dedicated completion crew and the Company's focus on best practices in drilling and completions operations.

At the end of the second quarter of 2018, the Company signed a one-year contract that is expected to enable the full implementation of in-basin sand in future completions. Laredo anticipates savings of approximately \$400,000 per well in second-half 2018 completions from the use of in-basin sand, thus achieving a substantial portion of the savings anticipated in the Company's initial budget.

Unit lease operating expenses ("LOE") decreased in the second quarter of 2018 to \$3.70 per BOE, down from \$3.85 per BOE in the previous quarter. This is the eighth consecutive quarter in which Laredo's unit LOE has been less than \$4.00 per BOE. The Company expects sequential decreases in unit LOE for the remaining two quarters of 2018.

Previously, the Company announced a fire caused by a lightning strike on June 30, 2018, at a tank battery in Glasscock County, Texas. Production was restored in accordance with previously announced expectations, with minimal production loss, and has now exceeded pre-fire levels. The cost to replace the damaged equipment is expected to be less than \$2 million.

Laredo expects to complete 16 gross horizontal wells (16 net) in the third quarter of 2018 with an average lateral length of approximately 11,400 feet. Third-quarter 2018 production is expected to be positively impacted by the 14 wells completed at the end of the second quarter. Eight of the completions during the third quarter of 2018 are expected to be at the end of the quarter and thus have limited impact on production for the third quarter.

The Company has signed a contract for a fourth horizontal rig and expects to begin drilling with the rig in mid-August. Laredo anticipates maintaining four horizontal rigs and two completion crews for the remainder of 2018.

Results from previous co-development packages in the Upper and Middle Wolfcamp formations continue to be very positive. Both the five-well Sugg-A 157/158 and the nine-well Lane Trust packages continue to perform above the Company's Upper/Middle Wolfcamp type curve. In the second quarter of 2018, the Company completed an 11-well co-development package and has two more co-development packages, each with at least eight wells, scheduled to be completed in the second half of 2018. These packages are expected to drive capital-efficient production growth in 2019 as they reach peak production.

Crude Marketing

In the second quarter of 2018, Laredo contracted firm transportation to the Gulf Coast on the Gray Oak crude oil pipeline, which is expected to begin transporting crude oil in the fourth quarter of 2019. The agreement allows the Company to transport 25,000 gross barrels of oil per day ("BOPD") in the first year of operation and 35,000 gross BOPD in the remaining six years of the contract. Laredo currently transports 10,000 gross BOPD to the Gulf Coast

on the Bridgetex crude oil pipeline and, when combined with the Gray Oak volumes, a substantial portion of the Company's gross production will be priced in the Gulf Coast when the Gray Oak pipeline begins service.

Laredo's contract with the Medallion intra-basin pipeline provides flow assurance to multiple long-haul pipelines that connect to the Cushing, Houston or Corpus Christi markets. The Company currently has contracts with Medallion that ensure firm transportation for substantially all of Laredo's current and expected future volumes through May 2027.

Approximately 85% of the Company's gross operated volumes are gathered directly on pipe by Laredo Midstream Services, LLC ("LMS")-owned crude oil gathering system or on Medallion-owned gathering, substantially eliminating the need for trucking the Company's crude production. The small portion of crude that is trucked is delivered into either Laredo or Medallion-owned truck stations, shortening the average trip from tank battery to delivery to approximately 20 miles.

Water Infrastructure

Through LMS, the Company has built approximately 110 miles of water gathering and distribution pipelines, recycling facilities capable of processing 54,000 barrels of water per day and water storage capacity of 22.5 million barrels of water. In the second quarter of 2018, Laredo gathered 81% of produced water by pipe and recycled 35% of produced water. In total, LMS' water assets produced savings net to the Company of approximately \$5.4 million in the second quarter of 2018.

2018 Capital Program

During the second quarter of 2018, Laredo invested approximately \$169 million in drilling and completions activities. Other budgeted expenditures incurred during the quarter included approximately \$2 million in bolt-on land acquisitions, lease extensions and data, approximately \$8 million in infrastructure, including LMS investments, and approximately \$7 million in other capitalized costs. Additionally, the Company completed property acquisitions for approximately \$16 million that were not previously budgeted.

Through the first half of 2018, the Company has completed 40 gross (39.9 net) horizontal wells with an average lateral length of approximately 10,200 feet, or more than 60% of the total lateral feet originally expected to be completed during 2018. Operational efficiencies have shortened cycle times and Laredo now expects to complete approximately 70 net horizontal wells with an average lateral length of approximately 10,400 feet during 2018, an increase from original expectations of 60 - 65 net wells.

Commensurate with the increase in operational efficiencies and expected completions, the Company is increasing the drilling and completion portion of its capital budget to \$545 million, an increase of \$45 million from the previously announced level. Other capital expenditures are expected to remain unchanged at \$85 million, bringing total annual budgeted capital expenditures, excluding non-budgeted acquisitions, to \$630 million.

Liquidity

At June 30, 2018, the Company had cash and cash equivalents of approximately \$37 million and undrawn capacity under the senior secured credit facility of \$1.09 billion, resulting in total liquidity of approximately \$1.13 billion.

At July 31, 2018, the Company had cash and cash equivalents of approximately \$34 million and available capacity under the senior secured credit facility of \$1.065 billion, resulting in total available liquidity of approximately \$1.1 billion.

Commodity Derivatives

Laredo maintains a disciplined hedging program to reduce the variability in its anticipated cash flow due to fluctuations in commodity prices. The Company utilizes a combination of puts, swaps and collars, entering into contracts solely with banks that are part of its senior secured credit facility. Laredo currently has hedges in place for approximately 90% of anticipated oil production in the second half of 2018 and has oil hedges through 2021. Laredo has also entered into NGL and natural gas hedges through 2018 and basis hedges through 2020. Details of the Company's hedge positions are included in the current Corporate Presentation available on the Company's website at www.laredopetro.com.

Guidance

The Company is increasing its anticipated full-year 2018 total production growth guidance to greater than 15% and reiterating previously issued oil production growth guidance of greater than 10% as compared to 2017. The table below reflects the Company's guidance for the third quarter of 2018.

| | 3Q-2018E |
|---|-----------------|
| Total production (MBOE/d) | 71.0 |
| Oil production (MBO/d) | 29.1 |
| Price Realizations (pre-hedge): | |
| Crude oil (% of WTI) | 86% |
| Natural gas liquids (% of WTI) | 33% |
| Natural gas (% of Henry Hub) | 47% |
| Operating Costs & Expenses: | |
| Lease operating expenses (\$/BOE) | \$3.65 |
| Midstream expenses (\$/BOE) | \$0.15 |
| Transportation and marketing expenses (\$/BOE) | \$0.80 |
| Production and ad valorem taxes (% of oil, NGL and natural gas revenue) | 6.25% |
| General and administrative expenses: | |
| Cash (\$/BOE) | \$2.60 |
| Non-cash stock-based compensation (\$/BOE) | \$1.55 |
| Depletion, depreciation and amortization (\$/BOE) | \$8.30 |

Conference Call Details

On Thursday, August 2, 2018, at 7:30 a.m. CT, Laredo will host a conference call to discuss its second-quarter 2018 financial and operating results and management's outlook, the content of which is not part of this earnings release. A slide presentation providing summary financial and statistical information that will be discussed on the call will be posted to the Company's website and available for review. The Company invites interested parties to listen to the call via the Company's website at www.laredopetro.com, under the tab for "Investor Relations." Portfolio managers and analysts who would like to participate on the call should dial 877.930.8286, using conference code 3368476, approximately 10 minutes prior to the scheduled conference time. International participants should dial 253.336.8309, also using conference code 3368476. A telephonic replay will be available approximately two hours after the call on August 2, 2018 through Thursday, August 9, 2018. Participants may access this replay by dialing 855.859.2056, using conference code 3368476.

About Laredo

Laredo Petroleum, Inc. is an independent energy company with headquarters in Tulsa, Oklahoma. Laredo's business strategy is focused on the acquisition, exploration and development of oil and natural gas properties and midstream and marketing services, primarily in the Permian Basin of West Texas.

Additional information about Laredo may be found on its website at www.laredopetro.com.

Forward-Looking Statements

This press release and any oral statements made regarding the subject of this release, including in the conference call referenced herein, contain forward-looking statements as defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, that address activities that Laredo assumes, plans, expects, believes, intends, projects, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events.

General risks relating to Laredo include, but are not limited to, the decline in prices of oil, natural gas liquids and natural gas and the related impact to financial statements as a result of asset impairments and revisions to reserve estimates, the increase in service and supply costs, tariffs on steel, pipeline transportation constraints in the Permian Basin, hedging activities, possible impacts of pending or potential litigation, the suspension or discontinuance of share repurchases at any time and other factors, including those and other risks described in its Annual Report on Form 10-K for the year ended December 31, 2017, and those set forth from time to time in other filings with the Securities and Exchange Commission ("SEC") including, but not limited to, its Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, to be filed with the SEC. These documents are available through Laredo's website at www.laredopetro.com under the tab "Investor Relations" or through the SEC's Electronic Data Gathering and Analysis Retrieval System at www.sec.gov. Any of these factors could cause Laredo's actual results and plans to differ materially from those in the forward-looking statements. Therefore, Laredo can give no assurance that its future results will be as estimated. Laredo does not intend to, and disclaims any obligation to, update or revise any forward-looking statement.

The SEC generally permits oil and natural gas companies, in filings made with the SEC, to disclose proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions and certain probable and possible reserves that meet the SEC's definitions for such terms. In this press release and the conference call, the Company may use the terms "resource potential" and "estimated ultimate recovery," or

"EURs," each of which the SEC guidelines restrict from being included in filings with the SEC without strict compliance with SEC definitions. These terms refer to the Company's internal estimates of unbooked hydrocarbon quantities that may be potentially added to proved reserves, largely from a specified resource play. A resource play is a term used by the Company to describe an accumulation of hydrocarbons known to exist over a large areal expanse and/or thick vertical section potentially supporting numerous drilling locations, which, when compared to a conventional play, typically has a lower geological and/or commercial development risk. EURs are based on the Company's previous operating experience in a given area and publicly available information relating to the operations of producers who are conducting operations in these areas. Unbooked resource potential or EURs do not constitute reserves within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System or SEC rules and do not include any proved reserves. Actual quantities of reserves that may be ultimately recovered from the Company's interests may differ substantially from those presented herein. Factors affecting ultimate recovery include the scope of the Company's ongoing drilling program, which will be directly affected by the availability of capital, decreases in oil and natural gas prices, drilling costs and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals, negative revisions to reserve estimates and other factors as well as actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of unproved reserves may change significantly as development of the Company's core assets provides additional data. In addition, our production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases.

Laredo Petroleum, Inc.
Condensed consolidated statements of operations

| (in thousands, except per share data) | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|------------|---------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | | (unaudited) | |
| Revenues: | | | | |
| Oil, NGL and natural gas sales | \$ 208,561 | \$ 141,837 | \$ 405,995 | \$ 280,573 |
| Midstream service revenues | 1,976 | 2,703 | 4,335 | 5,702 |
| Sales of purchased oil | 140,509 | 42,461 | 200,412 | 89,732 |
| Total revenues | 351,046 | 187,001 | 610,742 | 376,007 |
| Costs and expenses: | | | | |
| Lease operating expenses | 22,642 | 20,104 | 44,593 | 37,096 |
| Production and ad valorem taxes | 12,405 | 8,472 | 24,217 | 17,253 |
| Transportation and marketing expenses | 1,534 | — | 1,534 | — |
| Midstream service expenses | 403 | 896 | 1,096 | 1,812 |
| Costs of purchased oil | 140,578 | 44,020 | 201,242 | 94,276 |
| General and administrative | 26,834 | 22,008 | 51,559 | 47,605 |
| Depletion, depreciation and amortization | 50,762 | 38,003 | 96,315 | 72,115 |
| Other operating expenses | 1,121 | 1,437 | 2,227 | 2,463 |
| Total costs and expenses | 256,279 | 134,940 | 422,783 | 272,620 |
| Operating income | 94,767 | 52,061 | 187,959 | 103,387 |
| Non-operating income (expense): | | | | |
| Gain (loss) on derivatives, net | (45,976) | 28,897 | (36,966) | 65,568 |
| Income from equity method investee ⁽¹⁾ | — | 2,471 | — | 5,539 |
| Interest expense | (14,424) | (23,173) | (27,942) | (45,893) |
| Other, net | (915) | 854 | (3,079) | 785 |
| Non-operating income (expense), net | (61,315) | 9,049 | (67,987) | 25,999 |
| Income before income taxes | 33,452 | 61,110 | 119,972 | 129,386 |
| Income tax: | | | | |
| Deferred | — | — | — | — |
| Total income tax | — | — | — | — |
| Net income | \$ 33,452 | \$ 61,110 | \$ 119,972 | \$ 129,386 |
| Net income per common share: | | | | |
| Basic | \$ 0.14 | \$ 0.26 | \$ 0.51 | \$ 0.54 |
| Diluted | \$ 0.14 | \$ 0.25 | \$ 0.51 | \$ 0.53 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 230,933 | 239,231 | 234,561 | 238,870 |
| Diluted | 231,706 | 244,417 | 235,501 | 244,385 |

(1) On October 30, 2017, LMS, together with Medallion Midstream Holdings, LLC, which is owned and controlled by an affiliate of the third-party interest holder, The Energy & Minerals Group, completed the sale of 100% of the ownership interests in Medallion Gathering & Processing, LLC, a Texas limited liability company formed on October 12, 2012, which, together with its wholly-owned subsidiaries (collectively, "Medallion"), to an affiliate of Global Infrastructure Partners ("GIP"), for cash consideration of \$1.825 billion (the "Medallion Sale"). LMS' net cash proceeds for its 49% ownership interest in Medallion in 2017 were \$829.6 million, before post-closing adjustments and taxes, but after deduction of its proportionate share of fees and other expenses associated with the Medallion Sale. On February 1, 2018, closing adjustments were finalized and LMS received additional net cash of \$1.7 million for total net cash proceeds before taxes of \$831.3 million. The Medallion Sale closed pursuant to the membership interest purchase and sale agreement, which provides for potential post-closing additional cash consideration that is structured based on GIP's realized profit at exit. There can be no assurance as to when and whether the additional consideration will be paid.

Laredo Petroleum, Inc.
Condensed consolidated statements of cash flows

| (in thousands) | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|-----------|---------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | | (unaudited) | |
| Cash flows from operating activities: | | | | |
| Net income | \$ 33,452 | \$ 61,110 | \$ 119,972 | \$ 129,386 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depletion, depreciation and amortization | 50,762 | 38,003 | 96,315 | 72,115 |
| Non-cash stock-based compensation, net | 10,676 | 8,687 | 20,015 | 17,911 |
| Mark-to-market on derivatives: | | | | |
| (Gain) loss on derivatives, net | 45,976 | (28,897) | 36,966 | (65,568) |
| Settlements received (paid) for matured derivatives, net | 181 | 13,705 | (2,055) | 21,156 |
| Settlements received for early terminations of derivatives, net | — | 4,234 | — | 4,234 |
| Premiums paid for derivatives | (5,451) | (9,987) | (9,475) | (12,094) |
| Other, net ⁽¹⁾ | 3,636 | (1,158) | 8,944 | (1,920) |
| Cash flows from operations before changes in assets and liabilities | 139,232 | 85,697 | 270,682 | 165,220 |
| (Increase) decrease in current assets and liabilities, net | (24,867) | 7,512 | (9,372) | (8,183) |
| Decrease (increase) in other noncurrent assets and liabilities, net | 1,765 | (92) | 1,291 | (136) |
| Net cash provided by operating activities | 116,130 | 93,117 | 262,601 | 156,901 |
| Cash flows from investing activities: | | | | |
| Acquisitions of oil and natural gas properties | (16,340) | — | (16,340) | — |
| Capital expenditures: | | | | |
| Oil and natural gas properties | (146,509) | (121,677) | (341,534) | (232,219) |
| Midstream service assets | (1,843) | (4,386) | (5,205) | (6,117) |
| Other fixed assets | (1,002) | (1,480) | (4,965) | (2,683) |
| Proceeds from disposition of equity method investee, net of selling costs ⁽¹⁾ | — | — | 1,655 | — |
| Proceeds from dispositions of capital assets, net of selling costs | 11,296 | 3,926 | 12,317 | 63,441 |
| Net cash used in investing activities | (154,398) | (123,617) | (354,072) | (177,578) |
| Cash flows from financing activities: | | | | |
| Borrowings on Senior Secured Credit Facility | 55,000 | 40,000 | 110,000 | 90,000 |
| Payments on Senior Secured Credit Facility | — | — | — | (55,000) |
| Share repurchases | (33,504) | — | (87,218) | — |
| Other, net | (2,513) | (4,828) | (6,866) | (11,971) |
| Net cash provided by financing activities | 18,983 | 35,172 | 15,916 | 23,029 |
| Net (decrease) increase in cash and cash equivalents | (19,285) | 4,672 | (75,555) | 2,352 |
| Cash and cash equivalents, beginning of period | 55,889 | 30,352 | 112,159 | 32,672 |
| Cash and cash equivalents, end of period | \$ 36,604 | \$ 35,024 | \$ 36,604 | \$ 35,024 |

(1) See footnote 1 to the condensed consolidated statements of operations.

Laredo Petroleum, Inc.
Selected operating data

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|-----------------|---------------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | | (unaudited) | |
| Sales volumes: | | | | |
| Oil (MBbl) | 2,514 | 2,482 | 4,953 | 4,602 |
| NGL (MBbl) | 1,778 | 1,433 | 3,341 | 2,696 |
| Natural gas (MMcf) | 10,947 | 8,524 | 21,120 | 16,524 |
| Oil equivalents (MBOE) ⁽¹⁾⁽²⁾ | 6,116 | 5,336 | 11,814 | 10,052 |
| Average daily sales volumes (BOE/D) ⁽²⁾ | 67,206 | 58,632 | 65,270 | 55,536 |
| % Oil ⁽²⁾ | 41% | 47% | 42% | 46% |
| Average sales Realized Prices⁽²⁾: | | | | |
| Oil, without derivatives (\$/Bbl) ⁽³⁾ | \$ 63.26 | \$ 42.00 | \$ 62.58 | \$ 44.26 |
| NGL, without derivatives (\$/Bbl) ⁽³⁾ | \$ 20.71 | \$ 13.82 | \$ 19.51 | \$ 15.07 |
| Natural gas, without derivatives (\$/Mcf) ⁽³⁾ | \$ 1.16 | \$ 2.09 | \$ 1.46 | \$ 2.19 |
| Average price, without derivatives (\$/BOE) ⁽³⁾ | \$ 34.10 | \$ 26.58 | \$ 34.37 | \$ 27.91 |
| Oil, with derivatives (\$/Bbl) ⁽⁴⁾ | \$ 58.71 | \$ 46.95 | \$ 58.62 | \$ 48.22 |
| NGL, with derivatives (\$/Bbl) ⁽⁴⁾ | \$ 20.07 | \$ 13.61 | \$ 19.15 | \$ 14.75 |
| Natural gas, with derivatives (\$/Mcf) ⁽⁴⁾ | \$ 1.72 | \$ 2.12 | \$ 1.78 | \$ 2.21 |
| Average price, with derivatives (\$/BOE) ⁽⁴⁾ | \$ 33.04 | \$ 28.88 | \$ 33.18 | \$ 29.66 |
| Average costs per BOE sold⁽²⁾: | | | | |
| Lease operating expenses | \$ 3.70 | \$ 3.77 | \$ 3.78 | \$ 3.69 |
| Production and ad valorem taxes | 2.03 | 1.59 | 2.05 | 1.72 |
| Transportation and marketing expenses | 0.25 | — | 0.13 | — |
| Midstream service expenses | 0.07 | 0.17 | 0.09 | 0.18 |
| General and administrative: | | | | |
| Cash | 2.64 | 2.50 | 2.67 | 2.95 |
| Non-cash stock-based compensation, net | 1.75 | 1.63 | 1.69 | 1.78 |
| Depletion, depreciation and amortization | 8.30 | 7.12 | 8.15 | 7.17 |
| Total costs and expenses | \$ 18.74 | \$ 16.78 | \$ 18.56 | \$ 17.49 |
| Cash margins per BOE sold⁽²⁾: | | | | |
| Realized | \$ 25.41 | \$ 18.56 | \$ 25.65 | \$ 19.37 |
| Hedged | \$ 24.35 | \$ 20.86 | \$ 24.46 | \$ 21.12 |

(1) BOE is calculated using a conversion rate of six Mcf per one Bbl.

(2) The numbers presented are based on actual results and are not calculated using the rounded numbers presented in the table above.

(3) Realized oil, NGL and natural gas prices are the actual prices received when control passes to the purchaser/customer adjusted for quality, transportation fees, geographical differentials, marketing bonuses or deductions and other factors affecting the price received at the wellhead. See "Transportation and marketing expenses" under "Average costs per BOE sold" for costs incurred prior to control passing to the final customer per BOE.

(4) Price reflects the after-effects of our derivative transactions on our average Realized Prices. Our calculation of such after-effects includes current period settlements of matured derivatives in accordance with GAAP and an adjustment to reflect premiums incurred previously or upon settlement that are attributable to instruments that settled in the period.

Laredo Petroleum, Inc.
Costs incurred

The following table presents costs incurred in the acquisition, exploration and development of oil and natural gas properties, with asset retirement obligations included in evaluated property acquisition costs and development costs, for the periods presented:

| (in thousands) | Three months ended June 30, | | Six months ended June 30, | |
|-----------------------------|-----------------------------|------------|---------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | | (unaudited) | |
| Property acquisition costs: | | | | |
| Evaluated | \$ 13,847 | \$ — | \$ 13,847 | \$ — |
| Unevaluated | 2,790 | — | 2,790 | — |
| Exploration costs | 5,108 | 5,658 | 11,245 | 21,201 |
| Development costs | 178,796 | 125,738 | 327,834 | 236,896 |
| Total costs incurred | \$ 200,541 | \$ 131,396 | \$ 355,716 | \$ 258,097 |

Laredo Petroleum, Inc.
Supplemental reconciliations of GAAP to non-GAAP financial measures

Non-GAAP financial measures

The non-GAAP financial measures of Adjusted Net Income and Adjusted EBITDA, as defined by us, may not be comparable to similarly titled measures used by other companies. Therefore, these non-GAAP measures should be considered in conjunction with net income or loss and other performance measures prepared in accordance with GAAP, such as operating income or loss or cash flows from operating activities. Adjusted Net Income and Adjusted EBITDA should not be considered in isolation or as a substitute for GAAP measures, such as net income or loss, operating income or loss or any other GAAP measure of liquidity or financial performance.

Adjusted Net Income

Adjusted Net Income is a non-GAAP financial measure we use to evaluate performance, prior to income tax expense or benefit, mark-to-market on derivatives, premiums paid for derivatives, gains or losses on disposal of assets and other non-recurring income and expenses and after applying adjusted income tax expense. We believe Adjusted Net Income helps investors in the oil and natural gas industry to measure and compare our performance to other oil and natural gas companies by excluding from the calculation items that can vary significantly from company to company depending upon accounting methods, the book value of assets and other non-operational factors.

The following table presents a reconciliation of income before income taxes (GAAP) to Adjusted Net Income (non-GAAP):

| (in thousands, except per share data) | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|-----------|---------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | | (unaudited) | |
| Income before income taxes | \$ 33,452 | \$ 61,110 | \$ 119,972 | \$ 129,386 |
| Plus: | | | | |
| Mark-to-market on derivatives: | | | | |
| (Gain) loss on derivatives, net | 45,976 | (28,897) | 36,966 | (65,568) |
| Settlements received (paid) for matured derivatives, net | 181 | 13,705 | (2,055) | 21,156 |
| Settlements received for early terminations of derivatives, net | — | 4,234 | — | 4,234 |
| Premiums paid for derivatives | (5,451) | (9,987) | (9,475) | (12,094) |
| (Gain) loss on disposal of assets, net | 1,358 | (805) | 3,975 | (591) |
| Adjusted income before adjusted income tax expense | 75,516 | 39,360 | 149,383 | 76,523 |
| Adjusted income tax expense ⁽¹⁾ | (16,614) | (14,170) | (32,864) | (27,548) |
| Adjusted Net Income | \$ 58,902 | \$ 25,190 | \$ 116,519 | \$ 48,975 |
| Net income per common share: | | | | |
| Basic | \$ 0.14 | \$ 0.26 | \$ 0.51 | \$ 0.54 |
| Diluted | \$ 0.14 | \$ 0.25 | \$ 0.51 | \$ 0.53 |
| Adjusted Net Income per common share: | | | | |
| Basic | \$ 0.26 | \$ 0.11 | \$ 0.50 | \$ 0.21 |
| Diluted | \$ 0.25 | \$ 0.10 | \$ 0.49 | \$ 0.20 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 230,933 | 239,231 | 234,561 | 238,870 |
| Diluted | 231,706 | 244,417 | 235,501 | 244,385 |

(1) Adjusted income tax expense is calculated by applying a statutory tax rate of 22% for the three and six months ended June 30, 2018, in response to recent changes in the tax code, and 36% for the three and six months ended June 30, 2017.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we define as net income or loss plus adjustments for depletion, depreciation and amortization, non-cash stock-based compensation, net, accretion expense, mark-to-market on derivatives, premiums paid for derivatives, interest expense, gains or losses on disposal of assets, income or loss from equity method investee, proportionate Adjusted EBITDA of equity method investee and other non-recurring income and expenses. Adjusted EBITDA provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, working capital movement or tax position. Adjusted EBITDA does not represent funds available for discretionary use because those funds are required for debt service, capital expenditures, working capital, income taxes, franchise taxes and other commitments and obligations. However, our management believes Adjusted EBITDA is useful to an investor in evaluating our operating performance because this measure:

- is widely used by investors in the oil and natural gas industry to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods, the book value of assets, capital structure and the method by which assets were acquired, among other factors;
- helps investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure; and
- is used by our management for various purposes, including as a measure of operating performance, in presentations to our board of directors and as a basis for strategic planning and forecasting.

There are significant limitations to the use of Adjusted EBITDA as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss, the lack of comparability of results of operations to different companies and the different methods of calculating Adjusted EBITDA reported by different

companies. Our measurements of Adjusted EBITDA for financial reporting as compared to compliance under our debt agreements differ.

The following table presents a reconciliation of net income (GAAP) to Adjusted EBITDA (non-GAAP):

| (in thousands) | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|------------|---------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | | (unaudited) | |
| Net income | \$ 33,452 | \$ 61,110 | \$ 119,972 | \$ 129,386 |
| Plus: | | | | |
| Depletion, depreciation and amortization | 50,762 | 38,003 | 96,315 | 72,115 |
| Non-cash stock-based compensation, net | 10,676 | 8,687 | 20,015 | 17,911 |
| Accretion expense | 1,121 | 943 | 2,227 | 1,871 |
| Mark-to-market on derivatives: | | | | |
| (Gain) loss on derivatives, net | 45,976 | (28,897) | 36,966 | (65,568) |
| Settlements (paid) received for matured derivatives, net | 181 | 13,705 | (2,055) | 21,156 |
| Settlements received for early terminations of derivatives, net | — | 4,234 | — | 4,234 |
| Premiums paid for derivatives | (5,451) | (9,987) | (9,475) | (12,094) |
| Interest expense | 14,424 | 23,173 | 27,942 | 45,893 |
| (Gain) loss on disposal of assets, net | 1,358 | (805) | 3,975 | (591) |
| Income from equity method investee ⁽¹⁾ | — | (2,471) | — | (5,539) |
| Proportionate Adjusted EBITDA of equity method investee ⁽¹⁾⁽²⁾ | — | 6,601 | — | 12,966 |
| Adjusted EBITDA | \$ 152,499 | \$ 114,296 | \$ 295,882 | \$ 221,740 |

(1) See footnote 1 to the condensed consolidated statements of operations.

(2) Proportionate Adjusted EBITDA of Medallion, our equity method investee until its sale on October 30, 2017, is calculated as follows:

| (in thousands) | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|----------|---------------------------|-----------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | | (unaudited) | |
| Income from equity method investee | \$ — | \$ 2,471 | \$ — | \$ 5,539 |
| Adjusted for proportionate share of depreciation and amortization | — | 4,130 | — | 7,427 |
| Proportionate Adjusted EBITDA of equity method investee | \$ — | \$ 6,601 | \$ — | \$ 12,966 |

###

Contacts:
Ron Hagood: (918) 858-5504 - RHagood@laredopetro.com

L A R E D O P E T R O L E U M



Second-Quarter 2018 Earnings Presentation



Forward-Looking / Cautionary Statements

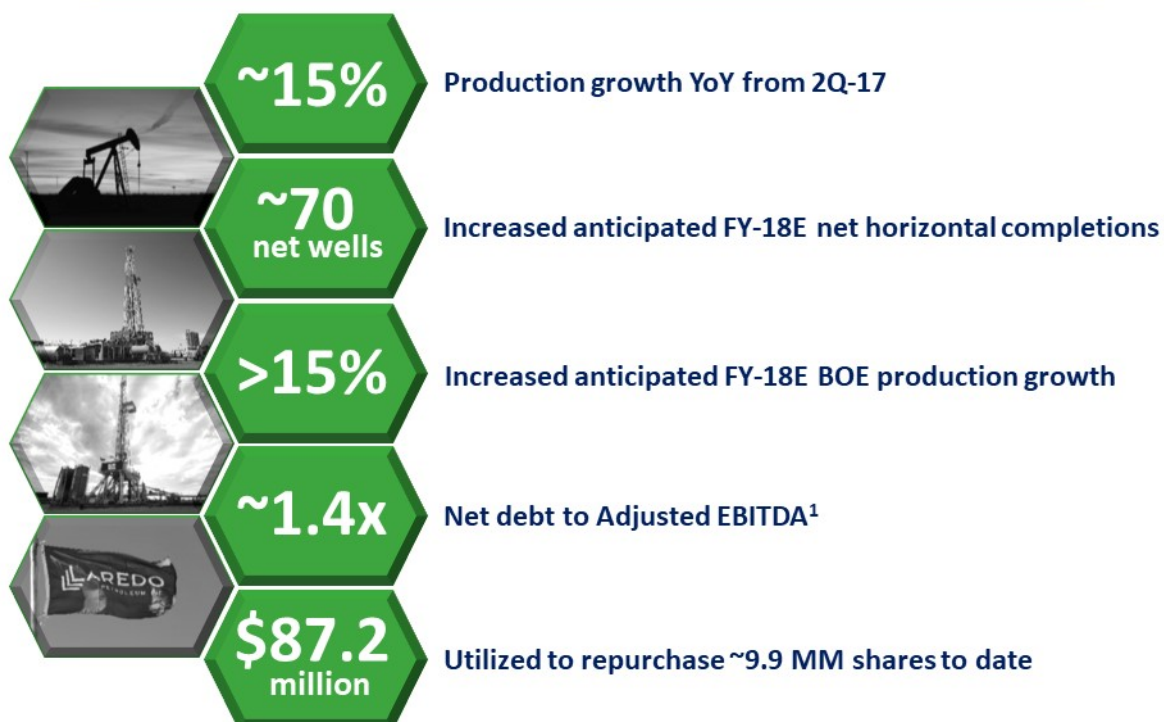
This presentation, including any oral statements made regarding the contents of this presentation, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that Laredo Petroleum, Inc. (together with its subsidiaries, the "Company", "Laredo" or "LPI") assumes, plans, expects, believes or anticipates will or may occur in the future are forward-looking statements. The words "believe," "expect," "may," "estimates," "will," "anticipate," "plan," "project," "intend," "indicator," "foresee," "forecast," "guidance," "should," "would," "could," "goal," "target," "suggest" or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature and are not guarantees of future performance. However, the absence of these words does not mean that the statements are not forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the Company, including the Company's drilling program, production, midstream and marketing services, hedging activities, capital expenditure levels, possible impacts of pending or potential litigation and other guidance included in this presentation. These statements are based on certain assumptions made by the Company based on management's expectations and perception of historical trends, current conditions, anticipated future developments and rate of return and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include risks relating to financial performance and results, current economic conditions and resulting capital restraints, prices and demand for oil and natural gas (including but not limited to impacts on transportation constraints in the Permian Basin) and the related impact to financial statements as a result of asset impairments and revisions to reserve estimates, availability and cost of equipment and supplies and personnel, availability of sufficient capital to execute the Company's business plan, impact of compliance with legislation and regulations, including tariffs on steel, impacts of pending or potential litigation, impacts relating to the Company's share repurchase program (which may be suspended or discontinued by the Company at any time without notice), successful results from the Company's identified drilling locations, the Company's ability to replace reserves and efficiently develop and exploit its current reserves and other important factors that could cause actual results to differ materially from those projected as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and those in the Company's 10-Q for the quarter ended June 30, 2018 anticipated to be filed August 2, 2018, and other reports filed with the Securities and Exchange Commission ("SEC").

Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

The SEC generally permits oil and natural gas companies to disclose proved reserves in filings made with the SEC, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions and certain probable and possible reserves that meet the SEC's definitions for such terms. In this presentation, the Company may use the terms "unproved reserves," "resource potential," "estimated ultimate recovery," "EUR," "development ready," "type curve" or other descriptions of potential reserves or volumes of reserves which the SEC guidelines restrict from being included in filings with the SEC without strict compliance with SEC definitions. "Unproved reserves" refers to the Company's internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. "Resource potential" is used by the Company to refer to the estimated quantities of hydrocarbons that may be added to proved reserves, largely from a specified resource play potentially supporting numerous drilling locations. A "resource play" is a term used by the Company to describe an accumulation of hydrocarbons known to exist over a large areal expanse and/or thick vertical section potentially supporting numerous drilling locations, which, when compared to a conventional play, typically has a lower geological and/or commercial development risk. The Company does not choose to include unproved reserve estimates in its filings with the SEC. "Estimated ultimate recovery", or "EUR", refers to the Company's internal estimates of per-well hydrocarbon quantities that may be potentially recovered from a hypothetical and/or actual well completed in the area. Actual quantities that may be ultimately recovered from the Company's interests are unknown. Factors affecting ultimate recovery include the scope of the Company's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability and cost of drilling services and equipment, lease expirations, transportation constraints, regulatory approvals and other factors, as well as actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of ultimate recovery from reserves may change significantly as development of the Company's core assets provide additional data. "Type curve" refers to a production profile of a well, or a particular category of wells, for a specific play and/or area. In addition, the Company's production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases.

This presentation includes financial measures that are not in accordance with generally accepted accounting principles ("GAAP"), including Adjusted EBITDA. While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For a reconciliation of Adjusted EBITDA to the nearest comparable measure in accordance with GAAP, please see the Appendix.

2Q-18 Highlights & FY-18 Expectations



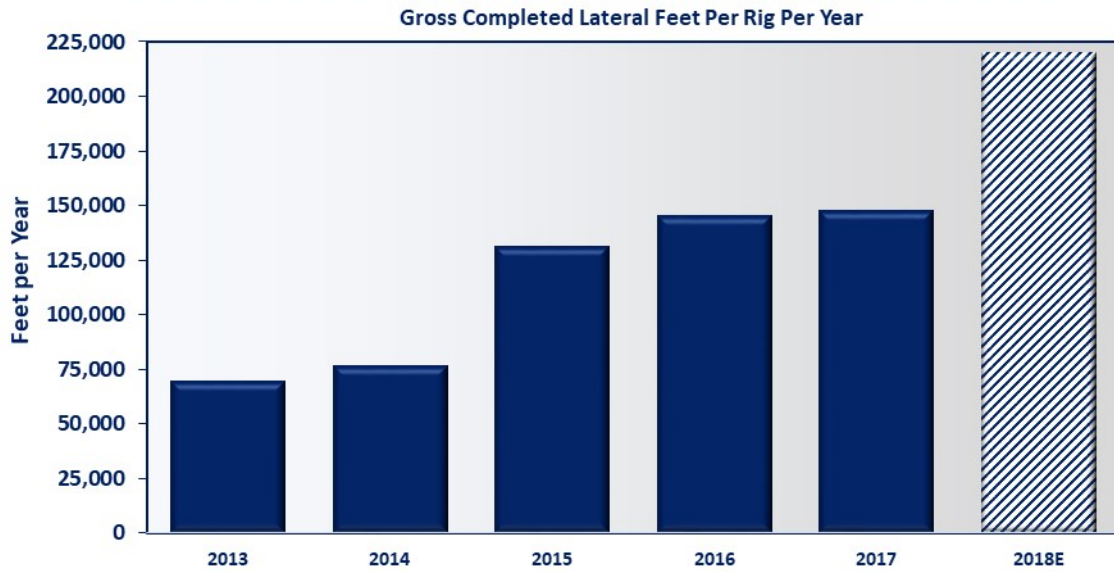
¹ Net debt to Adjusted EBITDA includes net debt as of 6/30/18 and 2Q-18 annualized Adjusted EBITDA. Net debt as of 6/30/18 is calculated as the face value of long-term debt of \$910 MM, reduced by cash on hand of \$37 MM. See Appendix for a reconciliation of Net Income to Adjusted EBITDA

2Q-18 Guidance vs. Actuals

| | Guidance | Actuals |
|---|----------|---------|
| Production (MBOE/d)..... | 64.0 | 67.2 |
| Crude oil production (MBbl/d)..... | 27.4 | 27.6 |
| Price Realizations (pre-hedge): | | |
| Crude oil (% of WTI)..... | 91% | 93% |
| Natural gas liquids (% of WTI)..... | 28% | 30% |
| Natural gas (% of Henry Hub)..... | 36% | 42% |
| Operating Costs & Expenses: | | |
| Lease operating expenses (\$/BOE)..... | \$3.70 | \$3.70 |
| Midstream service expenses (\$/BOE)..... | \$0.15 | \$0.07 |
| Transportation and marketing expenses (\$/BOE)..... | - | \$0.25 |
| Production and ad valorem taxes (% of oil, NGL and natural gas revenue).... | 6.25% | 5.95% |
| General and administrative expenses: | | |
| Cash (\$/BOE)..... | \$2.70 | \$2.64 |
| Non-cash stock-based compensation (\$/BOE)..... | \$1.85 | \$1.75 |
| Depletion, depreciation and amortization (\$/BOE)..... | \$8.00 | \$8.30 |

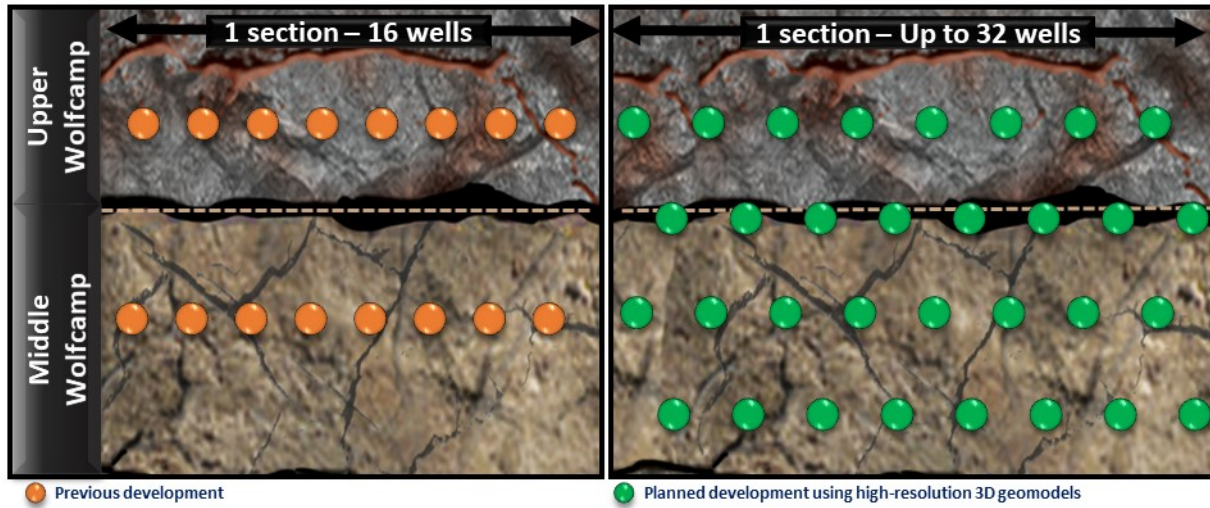
5% Total production above guidance

Operational Efficiencies Enable Us To Do More With Less



10% Increase in 2018E gross completed lateral feet per rig from original budget

Transitioning To Higher-Density Development

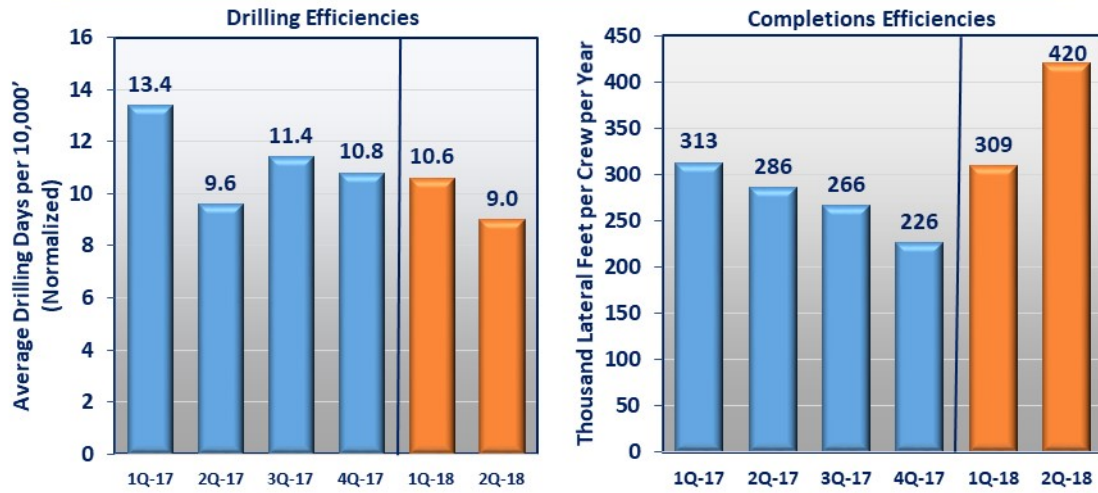


Co-development package results to date reinforce confidence in ability to develop multiple zones in the UWC & MWC simultaneously

Operational Update

- ↳ ~20% increase in 2Q-18 completed lateral feet as a result of completing 3.5 additional net wells versus guidance
- ↳ ~34% improvement in average 1H-18 completions crew efficiencies versus average 2017 performance
- ↳ 2Q-18 unit LOE decreased to \$3.70/BOE from \$3.85/BOE in 1Q-18 and is expected to trend down the remainder of the year
- ↳ Natural gas & NGL outperformance paired with on-target oil production yielding higher GORs
- ↳ Tank battery fire from lightning strike impacted production minimally, and affected wells are now exceeding pre-fire production levels

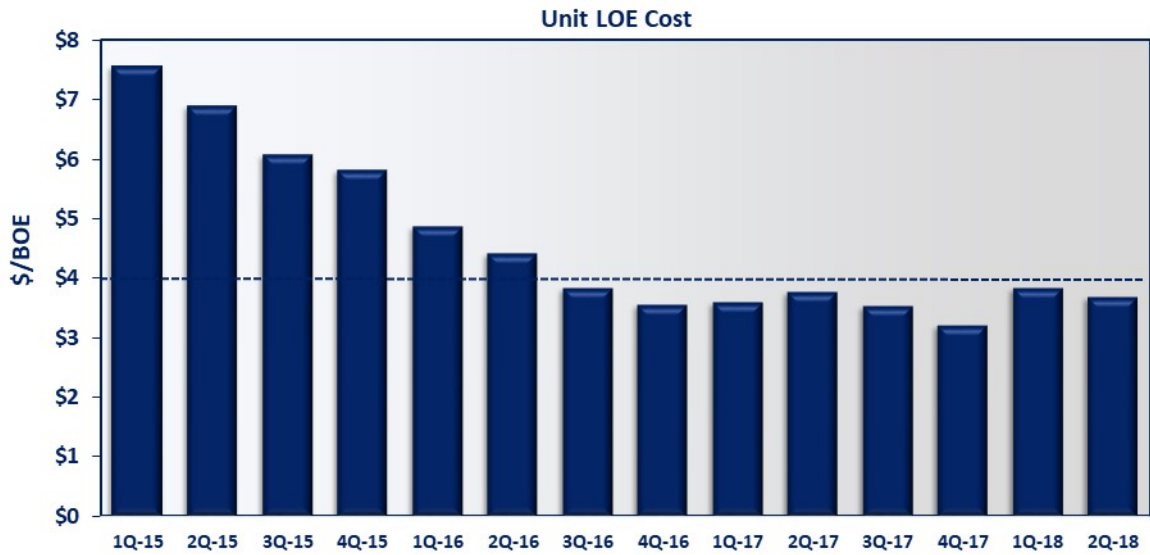
Safely Setting New Drilling & Completions Records in 2Q-18



~13% average 1H-18 improvement over average 2017 drilling days

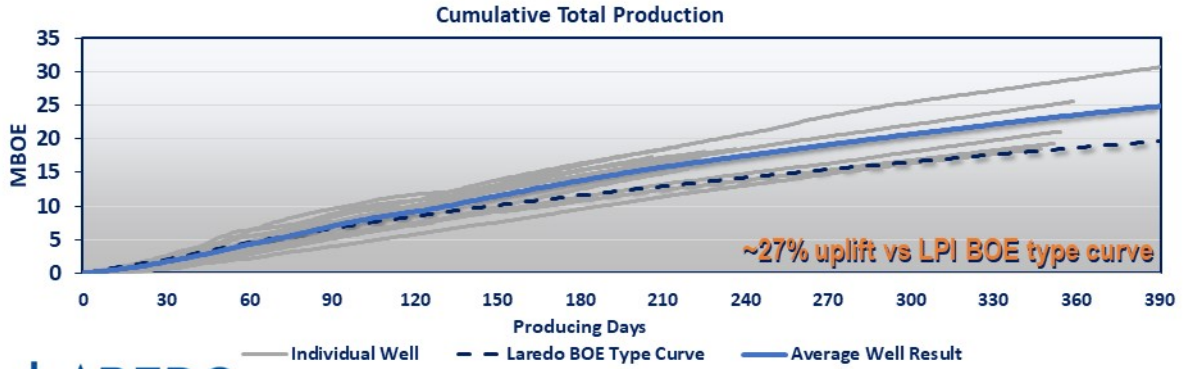
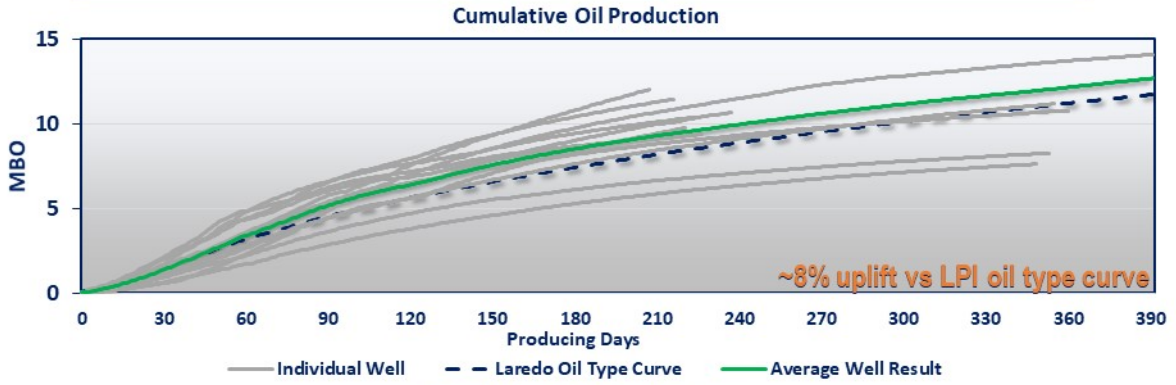
~34% average 1H-18 improvement over average 2017 completed lateral feet per crew per year

Continued Focus On Cost Control



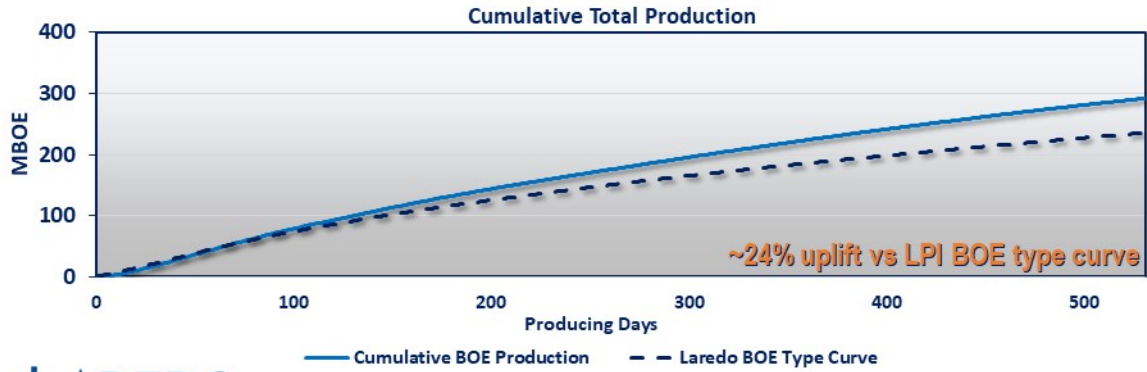
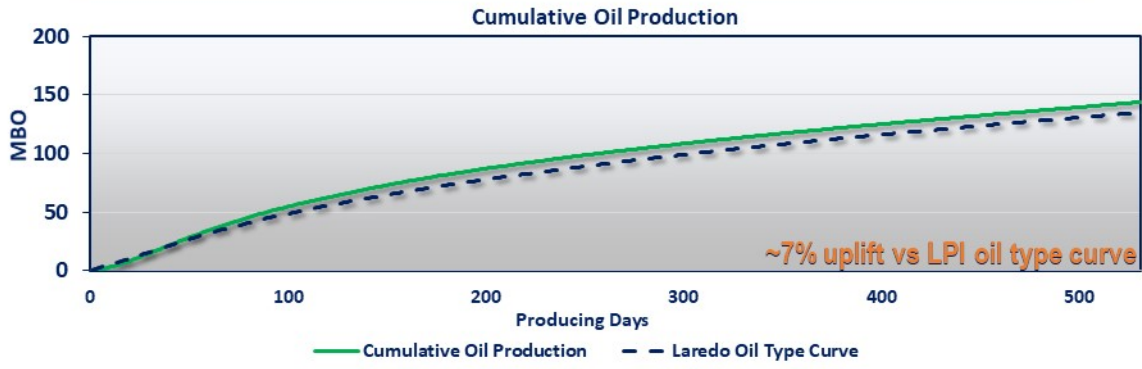
Contiguous acreage & infrastructure investments facilitate lower unit LOE

Recent Upper/Middle Wolfcamp Co-Development Results

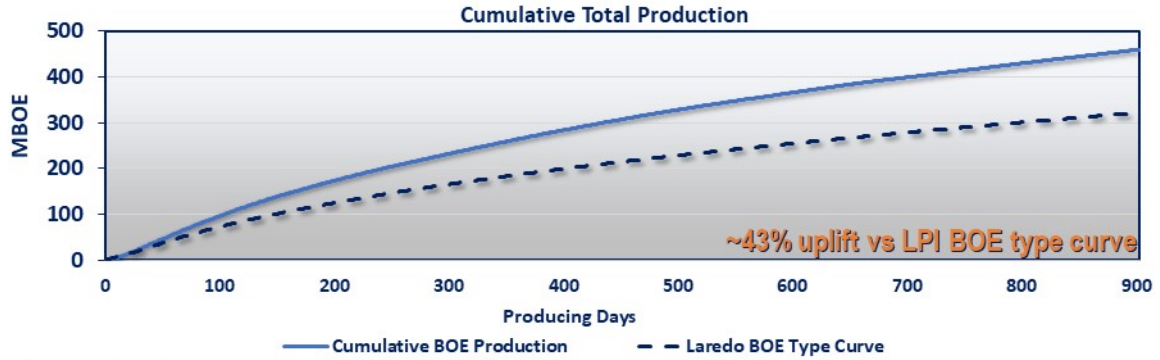
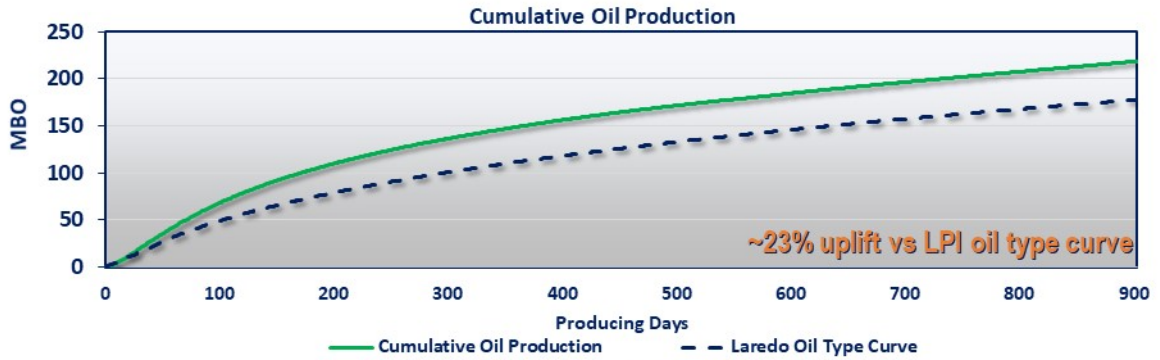


Note: Includes the 12 UWC/MWC wells from the Sugg-A 157/158 & Lane Trust packages, normalized to 10,000'

2017 Vintage Completions Performance

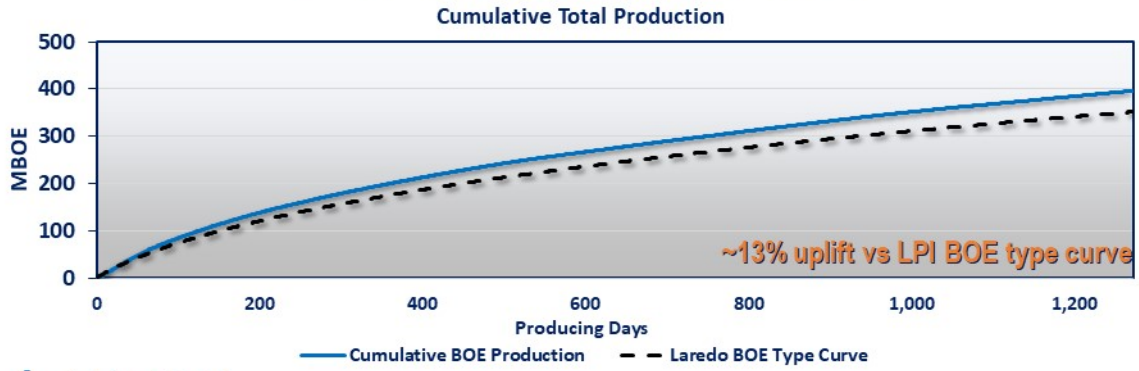
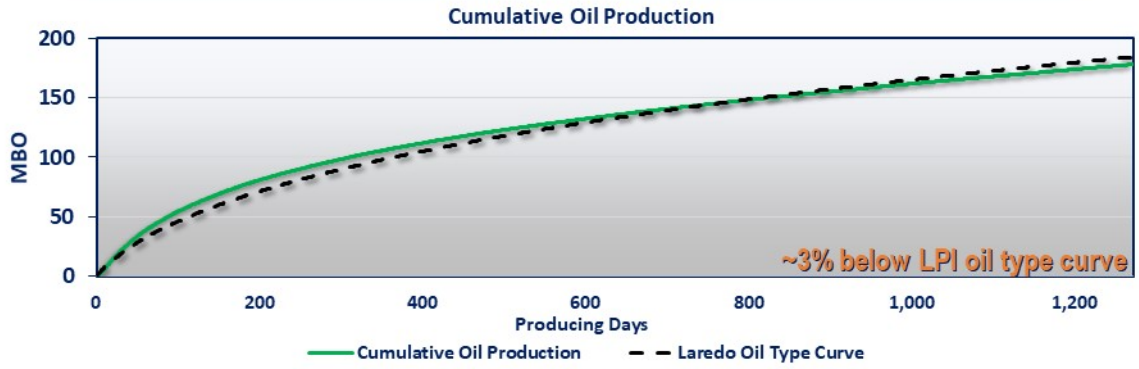


2016 Vintage Completions Performance



Note: Normalized to 10,000' & includes 45 wells

2015 Vintage Completions Performance



2Q-18 Marketing & Midstream Highlights

- ↳ Gathered >85% of LPI's gross operated volumes on LMS- or Medallion-owned gathering systems, substantially minimizing the need for trucks
- ↳ Contracted firm transportation to the Gulf Coast on the Gray Oak crude oil pipeline (in service 4Q-19E)
- ↳ LMS infrastructure allowed us to avoid shut-in of 19,000 BOPD after Shell's breach of our crude oil contract on May 1, 2018
- ↳ \$5.4 MM net savings generated by LMS water infrastructure investments¹

Firm Transportation to Multiple Pipelines Exiting the Midland Basin

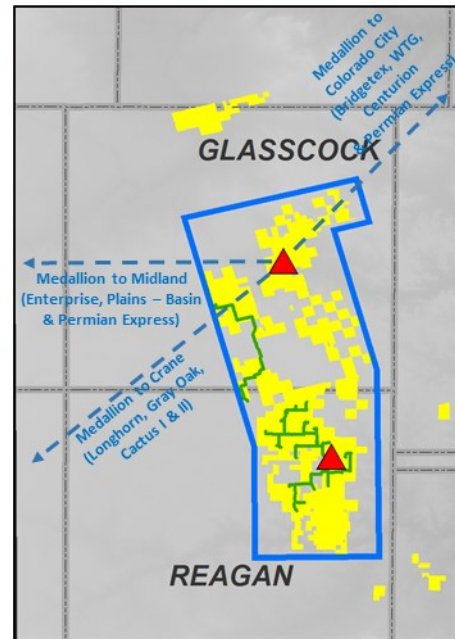
LMS Infrastructure

- Flow assurance supported by LMS- and Medallion-owned pipelines
- LMS-owned truck stations shorten hauls to <20 miles, which increases trucking efficiency and reduces costs

Long-Haul Connectivity

- Firm transportation secured on Medallion for all volumes on dedicated acreage, including expected future growth
- Medallion offers optionality to deliver into pipelines that connect to Cushing, Houston, Corpus Christi or Nederland markets

100% Firm transportation to long-haul pipes

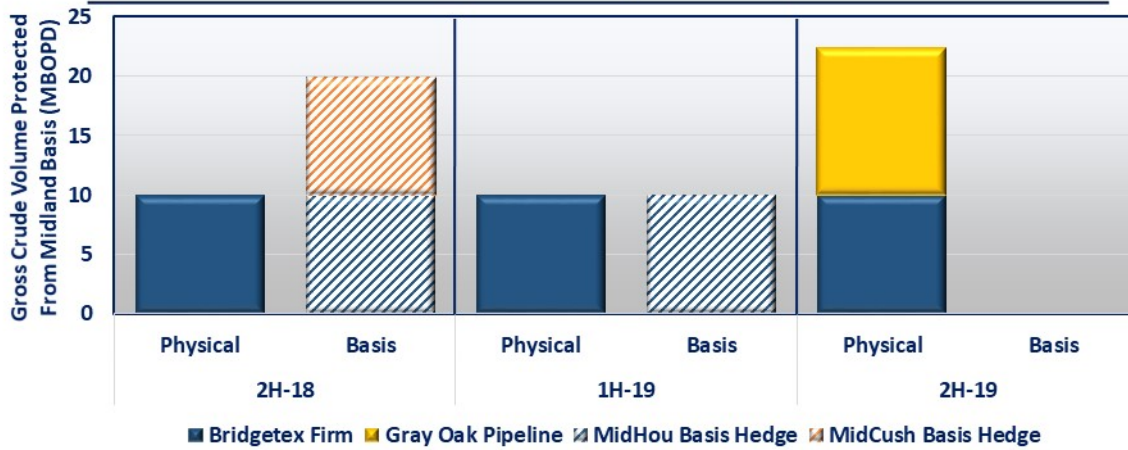


- LPI leasehold
- ▲ LMS-owned truck stations
- Oil gathering pipelines
- Medallion-dedicated LPI acreage



Note: Medallion connections and long-haul pipes on map are either in service or under construction

Crude Value Maximized Via Physical & Financial Contracts



Gulf Coast Access

- 10,000 BOPD gross firm transportation on Bridgetex through 1Q-25
- Contracted firm transportation on Gray Oak through 4Q-26E
 - Year 1: 25,000 BOPD gross firm
 - Years 2 - 7: 35,000 BOPD gross firm

Financial Stability

- Protected from Midland pricing via:
 - U.S. Gulf Coast pricing on 10,000 BOPD via Jun-18 - Jun-19 Hou/Mid basis swaps, \$7.30/Bbl wtd-avg price
 - 10,000 BOPD via 3Q-18 - 4Q-18 Mid/Cush basis swaps, (\$0.56)/Bbl wtd-avg price

Natural Gas Value Maximized Via Physical & Financial Contracts

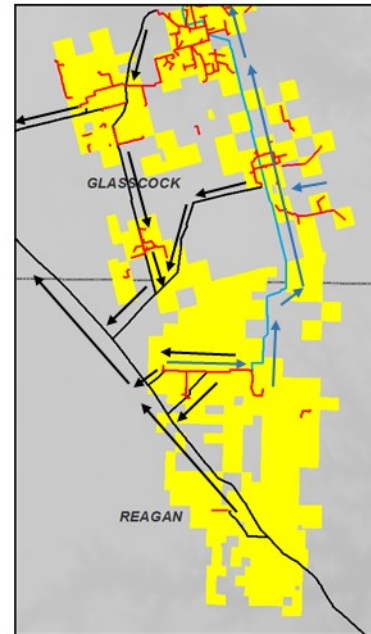
Operational Assurance

- Targa processes >90% of LPI's liquids-rich natural gas volumes
- LMS assets provide field-level optionality to move production to an alternate purchaser when needed

Financial Stability

- ~71% of 2H-18E natural gas is protected from a widening Waha basis via Waha product hedges & Waha/HH basis hedges

High confidence in ability to move gas to sales



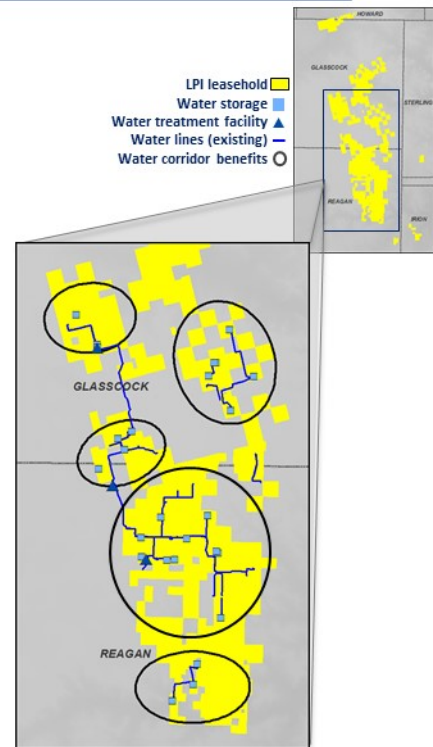
- LPI leasehold
- LMS natural gas pipelines
- Primary 3rd-party takeaway pipelines
- Secondary 3rd-party takeaway pipelines

Significant Benefits Through Water Infrastructure Investments

Water Infrastructure

- ~110 miles of water gathering & distribution pipelines
- ~81% of produced water gathered by pipe and ~35% of produced water recycled in 2Q-18
- 54 MBWPD recycling processing capacity
- 22.5 MMBW owned or contracted storage capacity

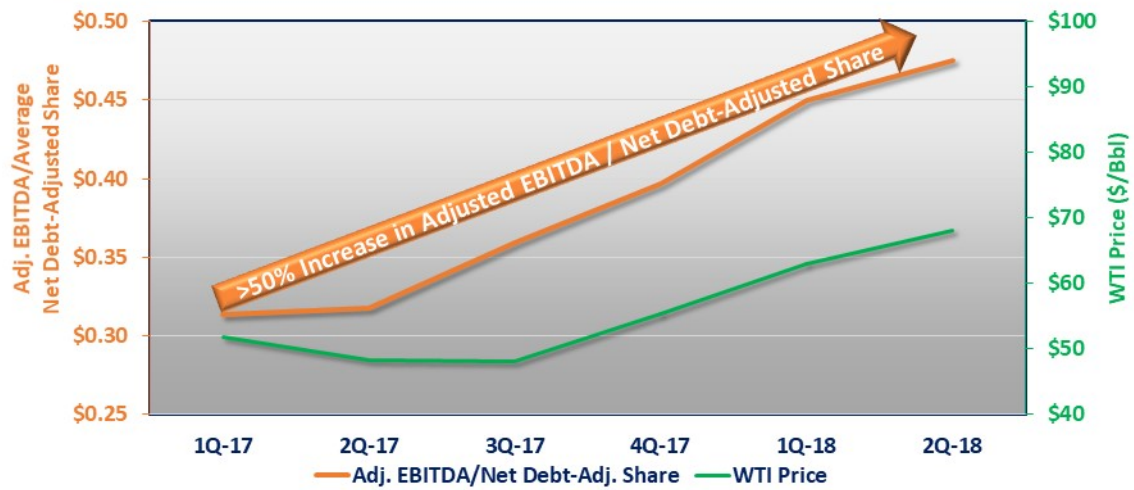
>\$19 MM
FY-18E net savings
generated by LMS water
infrastructure investments¹



2Q-18 Financial Highlights

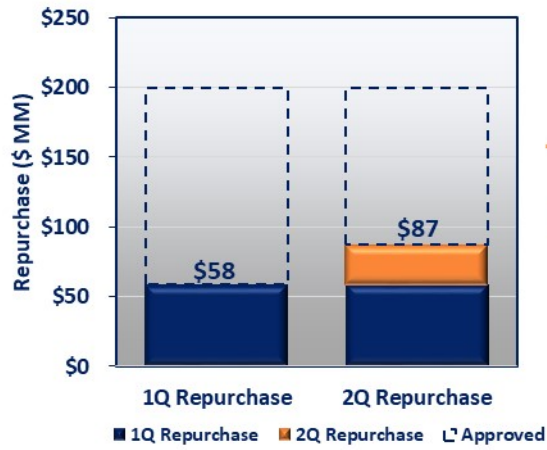
- ▮ Increased adjusted EBITDA per average net debt-adjusted share by ~8% QoQ
- ▮ Maintained solid financial position, with net debt / Adjusted EBITDA of ~1.4x as of 2Q-18¹
- ▮ Repurchased 3,150,651 shares of common stock at a weighted-average price of \$9.12 per share
- ▮ Enhanced cash flow assurance through disciplined hedging program
- ▮ Increased capital budget ~8% due to operational efficiencies resulting in higher expected net completions of ~12% in 2018
- ▮ Increased FY-18E YoY production growth guidance to >15%

Increasing Adjusted EBITDA Per Average Net Debt-Adjusted Share



~1.6x Grew adjusted EBITDA per average net debt-adjusted share faster than the increase in WTI price since 1Q-17

Stock Repurchase Program

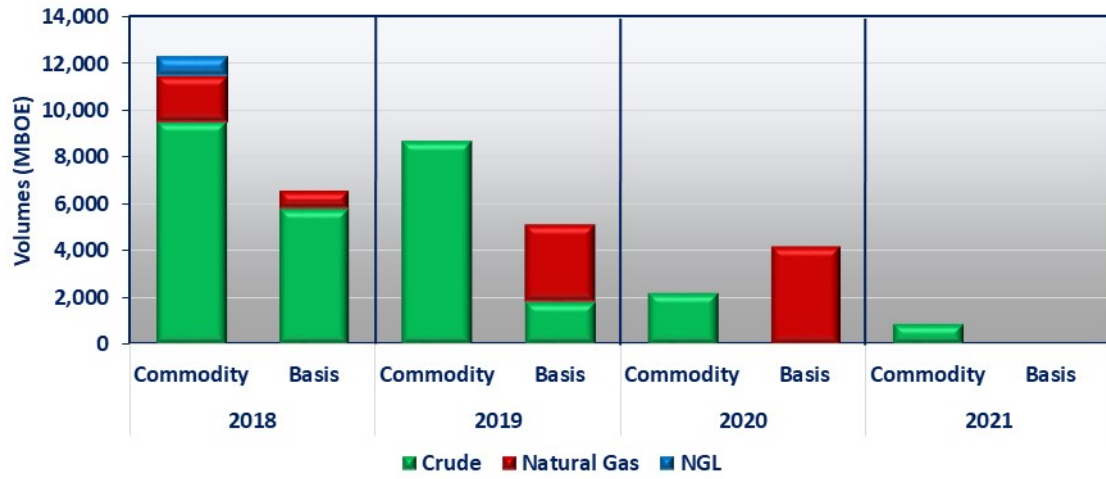


Program Update

9,878,552 shares of common stock repurchased to date with a weighted-average share price of \$8.83/share

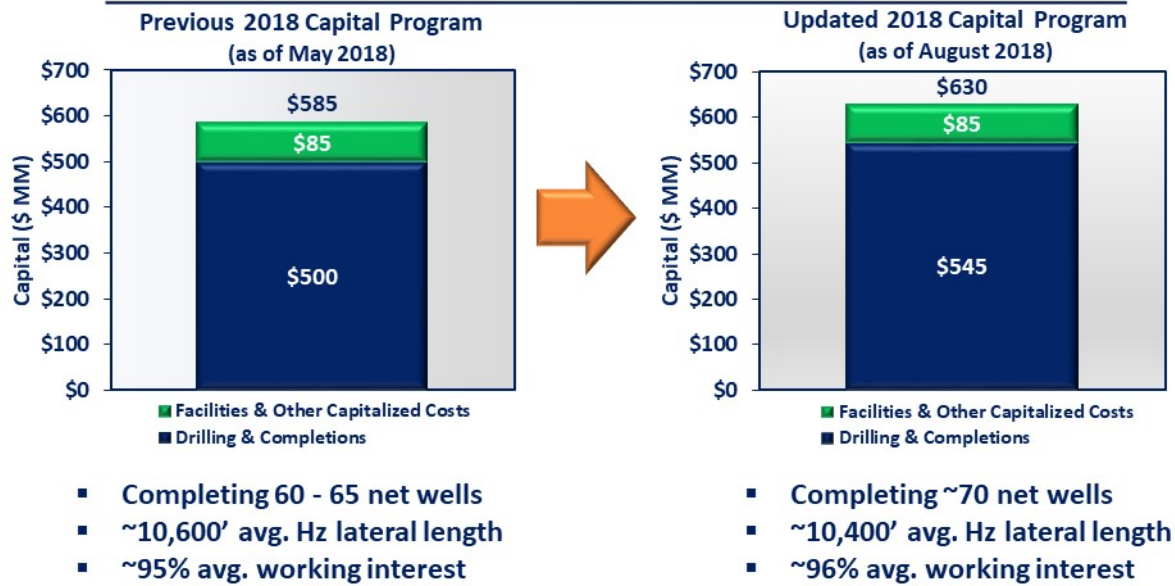
In four months, Laredo has successfully executed **>40%** of its 24-month Board-approved stock repurchase program

Consistent Financial Hedging Program



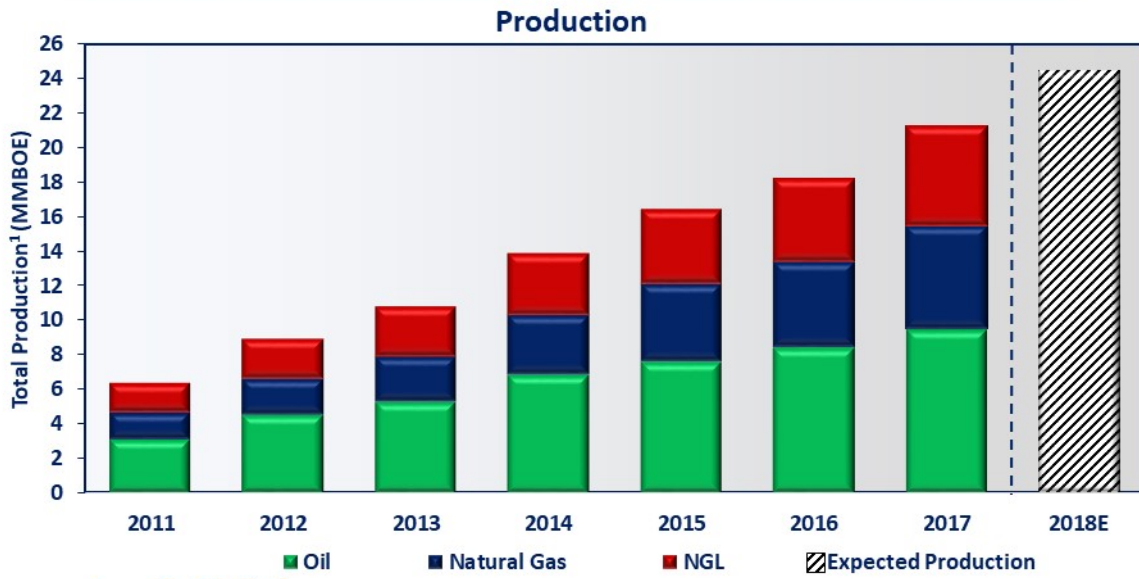
>90% Crude production hedged for FY-18E

2018 Capital Program Update



Operational efficiencies expected to result in an increased number of wells completed during 2018

Consistent Production Growth



>10% FY-18E YoY oil production growth
FY-18E YoY BOE production growth >15%

3Q-18 Guidance

| | 3Q-18E |
|--|--------|
| Production (MBOE/d)..... | 71.0 |
| Crude oil production (MBbl/d)..... | 29.1 |
| Price Realizations (pre-hedge): | |
| Crude oil (% of WTI)..... | 86% |
| Natural gas liquids (% of WTI)..... | 33% |
| Natural gas (% of Henry Hub)..... | 47% |
| Operating Costs & Expenses: | |
| Lease operating expenses (\$/BOE)..... | \$3.65 |
| Midstream service expenses (\$/BOE)..... | \$0.15 |
| Transportation and marketing expenses (\$/BOE)..... | \$0.80 |
| Production and ad valorem taxes (% of oil, NGL and natural gas revenue)..... | 6.25% |
| General and administrative expenses: | |
| Cash (\$/BOE)..... | \$2.60 |
| Non-cash stock-based compensation (\$/BOE)..... | \$1.55 |
| Depletion, depreciation and amortization (\$/BOE)..... | \$8.30 |

Positioned For The Future





APPENDIX

Oil, Natural Gas & Natural Gas Liquids Hedges

| Hedge Product Summary | 2H-18 | FY-19 | FY-20 | FY-21 |
|---|-------------------|------------------|------------------|----------------|
| Oil total floor volume (Bbl) | 4,796,350 | 8,687,000 | 2,196,000 | 912,500 |
| Oil wtd-avg floor price (\$/Bbl) | \$47.42 | \$47.91 | \$47.27 | \$45.00 |
| Nat gas total floor volume (MMBtu) | 11,966,800 | | | |
| Nat gas wtd-avg floor price (\$/MMBtu) | \$2.50 | | | |
| NGL total floor volume (Bbl) | 791,200 | | | |

| Oil | 2H-18 | FY-19 | FY-20 | FY-21 |
|--------------------------------|-----------|-----------|-----------|---------|
| Puts | | | | |
| Hedged volume (Bbl) | 2,735,550 | 8,030,000 | 366,000 | |
| Wtd-avg floor price (\$/Bbl) | \$51.93 | \$47.45 | \$45.00 | |
| Swaps | | | | |
| Hedged volume (Bbl) | | 657,000 | 695,400 | |
| Wtd-avg price (\$/Bbl) | | \$53.45 | \$52.18 | |
| Collars | | | | |
| Hedged volume (Bbl) | 2,060,800 | | 1,134,600 | 912,500 |
| Wtd-avg floor price (\$/Bbl) | \$41.43 | | \$45.00 | \$45.00 |
| Wtd-avg ceiling price (\$/Bbl) | \$60.00 | | \$76.13 | \$71.00 |

Note: Oil derivatives are settled based on the month's average daily NYMEX index price for the first nearby month of the WTI Light Sweet Crude Oil futures contract

| Natural Gas Liquids | 2H-18 | FY-19 | FY-20 | FY-21 |
|---------------------------------|---------|-------|-------|-------|
| Swaps - Ethane | | | | |
| Hedged volume (Bbl) | 312,800 | | | |
| Wtd-avg price (\$/Bbl) | \$11.66 | | | |
| Swaps - Propane | | | | |
| Hedged volume (Bbl) | 257,600 | | | |
| Wtd-avg price (\$/Bbl) | \$33.92 | | | |
| Swaps - Normal Butane | | | | |
| Hedged volume (Bbl) | 92,000 | | | |
| Wtd-avg price (\$/Bbl) | \$38.22 | | | |
| Swaps - Isobutane | | | | |
| Hedged volume (Bbl) | 36,800 | | | |
| Wtd-avg price (\$/Bbl) | \$38.33 | | | |
| Swaps - Natural Gasoline | | | | |
| Hedged volume (Bbl) | 92,000 | | | |
| Wtd-avg price (\$/Bbl) | \$57.02 | | | |

Note: Natural gas liquids derivatives are settled based on the month's average daily OPIS index price for Mt. Belvieu Purity Ethane and Non-TET: Propane, Normal Butane, Isobutane and Natural Gasoline

| Natural Gas - WAHA | 2H-18 | FY-19 | FY-20 | FY-21 |
|----------------------------------|-----------|-------|-------|-------|
| Puts | | | | |
| Hedged volume (MMBtu) | 4,110,000 | | | |
| Wtd-avg floor price (\$/MMBtu) | \$2.50 | | | |
| Collars | | | | |
| Hedged volume (MMBtu) | 7,856,800 | | | |
| Wtd-avg floor price (\$/MMBtu) | \$2.50 | | | |
| Wtd-avg ceiling price (\$/MMBtu) | \$3.35 | | | |

Note: Natural gas derivatives are settled based on Inside FERC index price for West Texas WAHA for the calculation period

| Basis Swaps | 2H-18 | FY-19 | FY-20 | FY-21 |
|--------------------------|-----------|------------|------------|-------|
| Mid/Cush | | | | |
| Hedged volume (Bbl) | 1,840,000 | | | |
| Wtd-avg price (\$/Bbl) | -\$0.56 | | | |
| Hou/Mid | | | | |
| Hedged volume (Bbl) | 1,840,000 | 1,810,000 | | |
| Wtd-avg price (\$/Bbl) | \$7.30 | \$7.30 | | |
| Waha/HH | | | | |
| Hedged volume (MMBtu) | 4,600,000 | 20,075,000 | 25,254,000 | |
| Wtd-avg price (\$/MMBtu) | -\$0.62 | -\$1.05 | -\$0.76 | |

Note: Other than the oil basis swaps, the Company's oil derivatives are settled based on the month's average daily NYMEX index price for the first nearby month of the West Texas Intermediate Light Sweet Crude Oil Futures Contract. The oil basis swaps are settled based on either (i) the differential between the Argus Americas Crude West Texas Intermediate ("WTI") index prices for WTI Midland-weighted average for the trade month and WTI Cushing-WTI formula basis for the trade month as compared to the basis swaps' fixed differential price or (ii) the differential between the Argus Americas Crude WTI Houston-weighted average price for the trade month and the WTI Midland-weighted average price for the trade month as compared to the basis swaps' fixed differential price. The Company's NGL derivatives are settled based on the month's average daily OPIS index price for Mont Belvieu Purity Ethane, TET and Non-TET Propane, Non-TET Butane, Non-TET Isobutane and Non-TET Natural Gasoline. Other than the natural gas basis swaps, the Company's natural gas derivatives are settled based on the Inside FERC index price for West Texas WAHA for the calculation period. The natural gas basis swaps are settled based on the differential between the Inside FERC index price for West Texas WAHA for the calculation period and the NYMEX Henry Hub index price for the calculation period as compared to the basis swaps' fixed differential price



Note: Open positions as of 6/30/18, hedges executed through 7/31/18

Supplemental Non-GAAP Financial Measure

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we define as net income or loss plus adjustments for depletion, depreciation and amortization, non-cash stock-based compensation, net accretion expense, mark-to-market on derivatives, premiums paid for derivatives, interest expense, gains or losses on disposal of assets and other non-recurring income and expenses. Adjusted EBITDA provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, working capital movement or tax position. Adjusted EBITDA does not represent funds available for discretionary use because those funds are required for debt service, capital expenditures, working capital, income taxes, franchise taxes and other commitments and obligations. However, our management believes Adjusted EBITDA is useful to an investor in evaluating our operating performance because this measure:

- is widely used by investors in the oil and natural gas industry to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods, the book value of assets, capital structure and the method by which assets were acquired, among other factors;
- helps investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure; and
- is used by our management for various purposes, including as a measure of operating performance, in presentations to our board of directors and as a basis for strategic planning and forecasting.

There are significant limitations to the use of Adjusted EBITDA as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss, the lack of comparability of results of operations to different companies and the different methods of calculating Adjusted EBITDA reported by different companies. Our measurements of Adjusted EBITDA for financial reporting as compared to compliance under our debt agreements differ.

** On October 30, 2017, LMS, together with Medallion Midstream Holdings, LLC, which is owned and controlled by an affiliate of the third-party interest holder, The Energy & Minerals Group ("EMG"), completed the sale of 100% of the ownership interests in Medallion Gathering & Processing, LLC ("Medallion") to an affiliate of Global Infrastructure Partners ("GIP"), for cash consideration of \$1.825 billion (the "Medallion Sale"). LMS' net cash proceeds for its 49% ownership interest in Medallion in 2017 were \$829.6 million, before post-closing adjustments and taxes, but after deduction of its proportionate share of fees and other expenses associated with the Medallion Sale. On February 1, 2018, closing adjustments were finalized and LMS received additional net cash of \$1.7 million for total net cash proceeds before taxes of \$831.3 million. The Medallion Sale closed pursuant to the membership interest purchase and sale agreement, which provides for potential post-closing additional cash consideration that is structured based on GIP's realized profit at exit. There can be no assurance as to when and whether the additional consideration will be paid.

Supplemental Non-GAAP Financial Measure Reconciliation

| <i>(in thousands)</i> | 1Q-17 | 2Q-17 | 3Q-17 | 4Q-17 | 1Q-18 | 2Q-18 |
|--|------------|------------|------------|------------|------------|------------|
| Net income | \$ 68,276 | \$ 61,110 | \$ 11,027 | \$ 408,561 | \$ 86,520 | \$ 33,452 |
| Plus: | | | | | | |
| Income tax expense | - | - | - | 1,800 | - | - |
| Depletion, depreciation and amortization | 34,112 | 38,003 | 41,212 | 45,062 | 45,553 | 50,762 |
| Non-cash stock-based compensation, net | 9,224 | 8,687 | 8,966 | 8,857 | 9,339 | 10,676 |
| Accretion expense | 928 | 943 | 951 | 969 | 1,106 | 1,121 |
| Mark-to-market on derivatives: | | | | | | |
| (Gain) loss on derivatives, net | (36,671) | (28,897) | 27,441 | 37,777 | (9,010) | 45,976 |
| Settlements (paid) received for matured derivatives, net | 7,451 | 13,705 | 13,635 | 2,792 | (2,236) | 181 |
| Cash settlements received for early terminations of derivatives, net | - | 4,234 | - | - | - | - |
| Cash premiums paid for derivatives | (2,107) | (9,987) | (1,448) | (12,311) | (4,024) | (5,451) |
| Interest expense | 22,720 | 23,173 | 23,697 | 19,787 | 13,518 | 14,424 |
| Gain on sale of investment in equity method investee** | - | - | - | (405,906) | - | - |
| (Gain) loss on disposal of assets, net | 214 | (805) | 991 | 906 | 2,617 | 1,358 |
| Loss on early redemption of debt | - | - | - | 23,761 | - | - |
| Income from equity method investee | (3,068) | (2,471) | (2,371) | (575) | - | - |
| Proportionate Adjusted EBITDA of equity method investee ¹ | 6,365 | 6,601 | 6,789 | 2,326 | - | - |
| Adjusted EBITDA | \$ 107,444 | \$ 114,296 | \$ 130,890 | \$ 133,806 | \$ 143,383 | \$ 152,499 |

¹ Proportionate Adjusted EBITDA of Medallion, our equity method investee until its sale on October 30, 2017, is calculated as follows:

| <i>(in thousands)</i> | 1Q-17 | 2Q-17 | 3Q-17 | 4Q-17 | 1Q-18 | 2Q-18 |
|---|----------|----------|----------|----------|-------|-------|
| Income from equity method investee | \$ 3,068 | \$ 2,471 | \$ 2,371 | \$ 575 | \$ - | \$ - |
| Adjusted for proportionate share of depreciation & amortization | 3,297 | 4,130 | 4,418 | 1,751 | - | - |
| Proportionate Adjusted EBITDA of equity method investee | \$ 6,365 | \$ 6,601 | \$ 6,789 | \$ 2,326 | \$ - | \$ - |