



Midstates Petroleum Proposes Combination with SandRidge Energy in All-Stock Transaction

Annual cash-saving synergies in excess of \$70 million from highly complementary assets would create substantial value for shareholders of both companies

Strong, clean balance sheet, increased liquidity and scale with a combined current market capitalization of approximately \$1 billion

Merger would form leading Mississippian Lime producer with a 456,000-net acre operating footprint in the play

Complementary 75,000-net acre position in emerging NW STACK play with significant upside potential

Combined company would focus on generating substantial free cash flow and employing disciplined capital allocation between reinvestment and return of capital to shareholders

TULSA, Okla.--(BUSINESS WIRE)-- Midstates Petroleum Company, Inc. (NYSE: MPO) ("Midstates" or the "Company") today announced that it has proposed to combine with SandRidge Energy, Inc. (NYSE: SD) ("SandRidge") in an all-stock merger that would create the leading exploration and production company in the Mississippian Lime play. Earlier today, Midstates sent a letter to the Board of Directors of SandRidge detailing the merger proposal and its strong desire to negotiate a friendly transaction. A copy of the letter is included below.

This press release features multimedia. View the full release here:
<http://www.businesswire.com/news/home/20180206005653/en/>

Given the highly complementary nature of the businesses, significant shareholder overlap, and the substantial operational synergies, Midstates believes that the proposed combination is attractive strategically and financially for the shareholders of both companies. Under the terms of the proposal, SandRidge shareholders would own approximately 60% of the combined company and Midstates shareholders would own 40%.

David J. Sambrooks, Midstates President and Chief Executive Officer, stated, "We are ready to move forward immediately to negotiate a merger agreement to form a stronger, more formidable company. The combined company will have zero net debt, strong liquidity, and forecasted free cash flow generation of up to \$480 million over the next five years."

Mr. Sambrooks continued, "Combining these two businesses in an at-market merger would bring undeniable benefits to shareholders of both companies. The strategic fit and geographic overlap of both companies' assets in the Miss Lime and NW STACK builds critical mass, creates significant synergies, and generates superior, risk-adjusted returns."

Midstates is making this proposal public to inform both Midstates and SandRidge shareholders of the compelling value creation potential of the combination and to encourage SandRidge's board to move towards a negotiated transaction.

Strategic & Financial Rationale

Midstates believes that as one company, shareholders of Midstates and SandRidge would share in the substantial upside, and the merger would provide significant benefits to both sets of shareholders that would not be available to either company on a standalone basis.

The combined company would:

- Achieve greater than \$70 million in annual synergies, resulting in significant value creation, projected annual free cash flow of over \$100 million and accretion to both sets of shareholders;
- Have increased scale, liquidity, access to capital markets and interest from a broader investor base, driving potential multiple expansion;
- Join highly complementary assets in the Mississippian Lime and NW STACK;

- Control over 450,000 net acres in the core of the Mississippian Lime play and produce over 53,000 barrels of oil equivalent per day;
- Own 75,000 net acres in the emerging NW STACK play currently being delineated through an attractive DrillCo and other operators that holds significant upside potential;
- Be led by David J. Sambrooks, Midstates' President and Chief Executive Officer; respective shareholders to provide input on the Board of Directors;
- Implement a strategy focused on proven assets in the Mississippian Lime that optimizes the drilling program, high-grades the combined inventory and utilizes the latest in new generation completion technology; and
- Drive shareholder value and enhanced cash flow with prudent investment, non-core asset divestitures and a clean balance sheet.

Under the terms of the proposal, SandRidge shareholders would receive 1.068 shares of Midstates for each existing SandRidge share. Midstates is prepared to work expeditiously to close the transaction as soon as the second quarter of 2018. Any transaction would be subject to regulatory and shareholder approvals and other customary closing conditions.

Shareholder Support

The transaction has the support of Fir Tree Partners and Avenue Capital Group, Midstates' largest shareholders, holding a combined 40% of the equity. Additionally, there is significant shareholder overlap between the two companies of approximately 40%.

Advisors

Moelis & Company LLC is acting as financial advisor and Paul, Weiss, Rifkind, Wharton & Garrison LLP is acting as legal counsel to Midstates.

Investor Presentation and Call

In conjunction with this release, Midstates has posted an investor presentation on the Company's website www.midstatespetroleum.com, providing additional details on the substantial benefits related to the combination of Midstates and SandRidge discussed above.

The Company will host a conference call to discuss the proposed transaction on Tuesday, February 6, at 8:30 a.m. Eastern time (7:30 a.m. Central time). Participants may join the conference call by dialing (833) 851-6150 (for U.S. and Canada) or (478) 219-0257 (International). The conference ID is 6694657. To listen via live webcast, please visit the Investor Relations section of the Company's website, www.midstatespetroleum.com.

An audio replay of the conference call will be available approximately two hours after the conclusion of the call. The audio replay will remain available until midnight on February 20, 2018 and can be accessed by dialing (855) 859-2056 (for U.S. and Canada) or (404) 537-3406 (International).

Letter to SandRidge's Board

The full text of Midstates' February 6, 2018 letter to SandRidge's Board of Directors is below.

February 6, 2018
 Mr. John V. Genova, Chairman of the Board
 SandRidge Energy, Inc.
 123 Robert S. Kerr Avenue
 Oklahoma City, OK 73102

Dear John,

As you are surely aware, David Sambrooks, the President & Chief Executive Officer of Midstates Petroleum, Inc. ("Midstates") informed James Bennett, your President, Chief Executive Officer and member of your Board of Directors, on January 18, 2018, that Midstates was interested in exploring a strategic combination of our two companies. I am confident that we both agree that there are significant benefits that could be realized by each of our companies and our respective shareholders from such a transaction. Although Mr. Sambrooks and Mr. Bennett have exchanged communication since January 18 pertaining to a meeting to discuss the opportunity, Mr. Bennett has not yet provided a date for a meeting.

Midstates' Board of Directors has continued to carefully evaluate the advantages of a business combination between Midstates and SandRidge Energy, Inc. ("SandRidge") and feels strongly that a merger should be vigorously pursued to maximize value for shareholders of each of our respective companies. Accordingly, we have decided that the best way to proceed is for us to submit a specific written proposal to you and your Board of Directors for formal consideration.

Proposal

On behalf of Midstates' Board of Directors, I am pleased to submit a proposal for the merger of Midstates and SandRidge pursuant to which our respective companies would combine in an all-stock merger transaction in which SandRidge's shareholders would receive 1.068 Midstates shares for each SandRidge share. The resulting pro forma ownership of the combined company would be approximately 60% for current SandRidge shareholders and approximately 40% for current Midstates shareholders. This proposed exchange ratio was determined based on the closing share prices as of February 5, 2018.

Midstates' Chief Executive Officer would lead the combined company and remaining key positions would be selected jointly on a "best of the best" basis, building on the strengths of both companies. We would expect the combined company's board of directors to be jointly selected by both companies based upon input from our respective shareholders.

Benefits of Combination

We have dedicated a full team to the evaluation of SandRidge, including both Midstates' management and outside advisors, and have performed a thorough review of SandRidge's public filings and other publicly available information over the course of the last several weeks. Based upon this review, we are convinced that the strategic, operational and financial merits of such a combination will provide significant benefits to our respective shareholder groups.

- SandRidge's and Midstates' shareholders would benefit pro rata in over \$70 million of estimated annual synergies, including estimated operational synergies of approximately \$55 million, and an additional approximately \$15 million of estimated capital expenditure synergies driving \$400 – 480 million of cumulative free cash flow through 2022E
- The combined current market capitalization would be approximately \$1 billion, providing improved liquidity to existing shareholders by increasing the float and trading volume and attracting institutional and index fund shareholders
- Larger scale of Mississippian Lime assets, strong balance sheet and improved free cash flow generation will afford the combined company greater flexibility in allocating capital between attractive reinvestment opportunities and return of capital to shareholders
- The combined company would have the leading position in the core of the Mississippian Lime play that allows it to comprehensively manage water disposal
- Significant valuation uplift from capitalized annual cash savings and recurring annual capital expenditure savings

We believe these benefits would result in compelling value creation for both sets of shareholders.

In addition, these benefits, combined with our larger market capitalization, could encourage investors to place a higher multiple on the combined business, representing additional potential value creation for both companies' shareholders.

We believe both SandRidge and Midstates shareholders would enthusiastically support such a combination. We have discussed our proposal with Fir Tree and Avenue Capital, who collectively hold approximately 40% of our outstanding shares, and they are highly supportive of this proposal. We are confident other shareholders of our two companies will similarly see the benefits of this combination and support the transaction.

Next Steps

We are prepared to move expeditiously in connection with our proposal and would like to meet with you and your Board of Directors to discuss the merits of a combination and our proposal in more detail.

We want to emphasize that it remains our strong preference to execute this transaction on a negotiated basis with SandRidge's current Board of Directors. In furtherance of this approach, Midstates is prepared to engage

immediately with the SandRidge team. In addition, we and our advisers, Moelis & Company LLC and Paul, Weiss, Rifkind, Wharton & Garrison, LLP, are prepared to begin immediately the process of negotiating a definitive agreement. We believe that we can complete due diligence, negotiate a definitive agreement and obtain final Board approval in a matter of a few weeks.

This proposal, which has received the unanimous support of our Board of Directors, is non-binding and subject to satisfactory completion of due diligence and the execution of mutually acceptable definitive agreements.

I trust that you will see that our proposal represents a compelling opportunity for value creation for each of our respective shareholders and that we ought to move quickly to complete reciprocal due diligence and negotiate a merger agreement. We look forward to receiving the response from your Board of Directors after it has reviewed our merger proposal.

Sincerely,

MIDSTATES PETROLEUM COMPANY, INC.

/s/ Alan J. Carr

Alan J. Carr

Chairman of the Board

Cc: SandRidge Board of Directors
Moelis & Company LLC
Paul, Weiss, Rifkind, Wharton & Garrison
LLP

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements that are not statements of historical fact, including statements regarding the Company's strategy, future operations, financial position, estimated revenues and losses, projected costs, resource potential, drilling locations, prospects and plans and objectives of management, are considered forward-looking statements. These forward-looking statements include statements of anticipated changes in the business environment in which the Company operates and in the Company's future operating results relating to the Company's offer and the potential benefits of a transaction with SandRidge. There is no assurance that the potential transaction will be consummated, and it is important to note that actual results could differ materially from those projected in such forward-looking statements. Without limiting the generality of the foregoing, these statements are based on certain assumptions made by the Company based on management's experience, expectations and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Although the Company believes that its plans, intentions and expectations reflected in or suggested by the forward-looking statements made in this press release are reasonable, the Company gives no assurance that these plans, intentions or expectations will be achieved when anticipated or at all. Moreover, such statements are subject to a number of factors, 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 factors include, but are not limited to variations in the market demand for, and prices of, oil and natural gas; uncertainties about the Company's estimated quantities of oil and natural gas reserves, resource potential and drilling locations; the adequacy of the Company's capital resources and liquidity; general economic and business conditions; weather-related downtime; failure to realize expected value creation from property acquisitions; uncertainties about the Company's ability to replace reserves and economically develop its current reserves; risks related to the concentration of the Company's operations; drilling results; and potential financial losses or earnings reductions from the Company's commodity derivative positions.

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.

About Midstates Petroleum Company, Inc.

Midstates Petroleum Company, Inc. is an independent exploration and production company focused on the application of modern drilling and completion techniques in oil and liquids-rich basins in the onshore U.S. The Company's operations are currently focused on oilfields in the Mississippian Lime play in Oklahoma and the

Anadarko Basin in Texas and Oklahoma.

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