

Matador Resources Company and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31,

ASSETS	<u>2009</u>	<u>2008</u>
Current assets		
Cash and cash equivalents	\$104,229,709	\$150,768,089
Certificates of deposit	15,675,346	20,781,934
Accounts receivable		
Oil and natural gas revenues	5,750,957	2,193,093
Joint interest billings	2,234,330	8,812,668
Other	3,277,535	665,771
Derivative fair value	1,005,685	3,380,323
Lease and well equipment inventory	1,818,514	1,499,740
Prepaid expenses	<u>1,329,559</u>	<u>1,176,353</u>
Total current assets	135,321,635	189,277,971
Property and equipment, at cost		
Oil and natural gas properties, full-cost method	179,040,958	128,705,464
Unproved and undeveloped properties	73,022,913	70,869,509
Other property and equipment	12,474,215	12,159,418
Less accumulated depreciation, depletion and amortization	<u>(88,876,388)</u>	<u>(78,510,795)</u>
Net property and equipment	<u>175,661,698</u>	<u>133,223,596</u>
Total assets	<u>\$310,983,333</u>	<u>\$322,501,567</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,049,361	\$ 12,105,110
Accrued liabilities	5,206,443	13,118,308
Royalties payable	673,265	637,502
Deferred income taxes	339,471	9,450,490
State income tax payable	-	48,000
Advances from joint interest owners	450,000	-
Dividends payable - Class B	68,713	68,713
Other liabilities	<u>80,904</u>	<u>47,154</u>
Total current liabilities	8,868,157	35,475,277
Long-term liabilities		
Asset retirement obligations	2,551,637	1,763,299
Deferred income taxes	12,321,819	1,810,895
Other long-term liabilities	<u>23,577</u>	<u>170,732</u>
Total long-term liabilities	14,897,033	3,744,926
Commitments and contingencies (Note I)		
Shareholders' equity		
Common stock - Class A, \$0.01 par value, 80,000,000 shares authorized, 40,443,018 and 40,548,037 shares issued and 40,375,348 and 40,508,164 shares outstanding, respectively	404,430	405,480
Common stock - Class B, \$0.01 par value, 2,000,000 shares authorized, 1,030,700 shares issued and outstanding	10,307	10,307
Additional paid-in capital	241,507,262	238,413,969
Retained earnings	45,813,411	44,803,153
Treasury stock, at cost, 67,670 and 39,873 shares, respectively	<u>(517,267)</u>	<u>(351,545)</u>
Total shareholders' equity	<u>287,218,143</u>	<u>283,281,364</u>
Total liabilities and shareholders' equity	<u>\$310,983,333</u>	<u>\$322,501,567</u>

The accompanying notes are an integral part of these financial statements.