

**PDC Energy**  
Non-GAAP Financial Metrics and Reconciliations <sup>†</sup>  
(unaudited; in thousands)

	Quarter Ended			Year Ended December 31,		
	09/30/2010	06/30/2010	03/31/2010	2009	2008	2007
<b>Adjusted cash flow from operations:</b>						
Adjusted cash flow from operations	\$ 23,636	\$ 28,850	\$ 49,329	\$ 170,214	\$ 199,919	\$ 95,626
Total changes in current assets and liabilities	(2,215)	15,176	2,016	(26,319)	(60,818)	(35,322)
Net cash provided by operating activities	<u>\$ 21,421</u>	<u>\$ 44,026</u>	<u>\$ 51,345</u>	<u>\$ 143,895</u>	<u>\$ 139,101</u>	<u>\$ 60,304</u>
<b>Adjusted net income (loss) attributable to shareholders:</b>						
Adjusted net income (loss) attributable to shareholders	\$ (1,859)	\$ (5,373)	\$ 10,923	\$ (2,929)	\$ 39,685	\$ 36,050
Unrealized loss (gain) on derivatives, net	11,355	4,211	20,490	(116,623)	117,536	(4,642)
Provision for underpayment of gas sales	(3,252)	-	-	(2,706)	(4,025)	-
Tax effect of above adjustments	(3,078)	(1,567)	(7,689)	42,981	(39,887)	1,801
Net income (loss) attributable to shareholders	<u>\$ 3,166</u>	<u>\$ (2,729)</u>	<u>\$ 23,724</u>	<u>\$ (79,277)</u>	<u>\$ 113,309</u>	<u>\$ 33,209</u>
<b>Adjusted EBITDA:</b>						
Adjusted EBITDA	\$ 27,163	\$ 27,623	\$ 53,669	\$ 159,588	\$ 187,043	\$ 131,858
Unrealized loss (gain) on derivatives, net	11,355	4,211	20,490	(116,623)	117,536	(4,642)
Interest expense, net	(8,153)	(7,638)	(7,795)	(36,954)	(27,541)	(6,617)
Income tax expense (benefit)	1,020	192	(14,251)	45,716	(59,089)	(16,505)
Depreciation, depletion and amortization	(28,219)	(27,117)	(28,389)	(131,004)	(104,640)	(70,885)
Net income (loss) attributable to shareholders	<u>\$ 3,166</u>	<u>\$ (2,729)</u>	<u>\$ 23,724</u>	<u>\$ (79,277)</u>	<u>\$ 113,309</u>	<u>\$ 33,209</u>

<sup>†</sup> The amounts presented include the operating results of our former Michigan assets, which were divested in July 2010 and reported as discontinued operations as of June 30, 2010.