Table of Contents

We define Adjusted EBITDA as net income (loss) plus interest expense, unrealized (gains) losses on interest rate swaps, income taxes, depreciation and accretion and stock compensation expense, after eliminating the impact of non-recurring items and other factors that we do not consider indicative of future operating performance. We believe Adjusted EBITDA is useful to investors in evaluating our operating performance because:

- securities analysts and other interested parties use such calculations as a measure of financial performance and debt service capabilities; and
- t is used by our management for internal planning purposes, including aspects of our operating budget and capital expenditures.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include:

- t does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- t does not reflect changes in, or cash requirements for, working capital;
- t does not reflect significant interest expense or the case requirements necessary to service interest or principal payments on our outstanding debt;
- t does not reflect payments made or future requirements for income taxes;
- t adjusts for contract amortization, mark-to-market gains or losses, asset write-offs, impairments and factors that we do not consider indicative of future performance;
- t reflects adjustments for factors that we do not consider indicative of future performance, even though we may, in the future, incur expenses similar to the adjustments reflected in our calculation of Adjusted EBITDA in this prospectus; and
- although depreciation and accretion are non-cash charges, the assets being depreciated and accreted will often have to be replaced or paid in the future and Adjusted EBITDA does not reflect cash requirements for such replacements or payments.

Investors are encouraged to evaluate each adjustment and the reasons we consider it appropriate for supplemental analysis.

The following table presents a reconciliation of net loss to Adjusted EBITDA:

(in thousands) (unaudited)	For the year ended December 31, 2013	For the year ended December 31, 2014	For the three months ended March 31, 2014 (unaudited)	For the three months ended March 31, 2015 (unaudited)
Net loss	$ (2,277)	$ (5,039)	$ (1,204)	$ (11,225)
Add:				
Depreciation, amortization and accretion	4,785	7,167	1,735	2,735
Interest expense	11,812	24,294	3,903	16,821
Unrealized (gains) losses on interest rate swaps	(158)	705	(1,356)	594
Income tax (benefit) expense	(1,651)	1,700	438	1,118
Adjusted EBITDA	$ 12,511	$ 28,827	$ 3,516	$ 10,043

(2) Restricted cash includes current restricted cash, non-current restricted cash and cash committed for construction.