

Diamondback Energy, Inc. Announces 2019 Capital and Production Guidance; Increasing Dividend

December 18, 2018

MIDLAND, Texas, Dec. 18, 2018 (GLOBE NEWSWIRE) -- Diamondback Energy, Inc. (NASDAQ: FANG) ("Diamondback" or the "Company") today announced its 2019 capital and production guidance, reflecting an operating plan focused on disciplined growth within cash flow and a growing dividend in the current commodity price environment.

HIGHLIGHTS

- 2019 estimated annual production guidance of 275 – 290 MBoe/d (68% – 70% oil), midpoint implies over 28% pro forma year over year production growth and over 30% pro forma year over year oil production growth within cash flow at current commodity prices
- Planned 2019 capital expenditures of \$2.7 – \$3.1 billion, including \$2.35 – \$2.7 billion for drilling and completion and \$350 – \$400 million for midstream and infrastructure investments (excluding equity investments in long-haul pipelines)
- Plan to operate between 18 and 22 drilling rigs versus 24 operated drilling rigs today, reducing rig count by three rigs immediately
- Plan to operate eight completion crews entering 2019 after releasing two crews in December 2018
- Plan to complete between 280 and 320 gross wells with an average lateral length of approximately 9,200 feet
- Diamondback believes it can maintain flat exit 2018 to exit 2019 production of over 250 MBoe/d with 14 operated drilling rigs
- Intends to increase annual cash dividend by 50% to \$0.75 per common share from \$0.50 per common share previously; to be payable quarterly beginning Q1 2019, subject to the discretion and approval of the Company's board of directors

"2018 was a very active and successful year for Diamondback. We completed two transformational acquisitions, continued maximizing production growth within cash flow and initiated a dividend as a start of our return of capital program. In 2019, we will continue to target a business plan that operates within cash flow and a 50% increase to our dividend. Due to the dramatic decline in oil prices, realized pricing in the Permian Basin is near levels not seen since the end of 2016 while service costs have increased by ~35% during the same time period. As a result, and as a sign of our commitment to capital discipline, we are reducing our planned 2019 activity to levels where we can operate within cash flow," stated Travis Stice, Chief Executive Officer of Diamondback.

Mr. Stice continued, "If commodity prices continue to decline, we will further reduce activity to match our budget to expected annual operating cash flow. Conversely, and most importantly, if commodity prices improve dramatically and we have significant free cash flow above our base dividend and capital budget, our capital allocation strategy will reflect a mix of growth and an increasing return of capital, getting ahead of our anticipated increase in 2020 free cash flow at nearly any commodity price. This strategy reflects the next step in capital discipline for Diamondback, where we will not focus solely on maximizing growth within cash flow, but rather deliver both growth and increasing return of capital to shareholders. Long term, Diamondback expects to consistently grow production at industry leading rates while significantly increasing our free cash flow per share and using that free cash for shareholder-friendly initiatives, including a durable and sustainable return of capital program through the cycle while maintaining our low cost structure and minimal leverage."

Mr. Stice further stated, "After closing the Energen merger in November, we remain excited about our significant early progress in delivering on the well cost synergies presented with the merger announcement, including having already implemented regional sand use and simultaneous completion operations, as well as improvements to drilling times and well design. These synergies are reflected in the capital efficiencies presented in our 2019 budget and we look forward to updating the market with our progress in the coming year."

FULL YEAR 2019 GUIDANCE

| | 2019 Guidance |
|--|---------------------------------|
| | Diamondback Energy, Inc. |
| Total Net Production – MBoe/d | 275 – 290 |
| Oil Production - % of Net Production | 68% - 70% |
| Gross Horizontal Wells Completed (Net) | 280 – 320 (245 – 280) |
| Average Completed Lateral Length | ~9,200' |
| <i>Capital Budget (\$ - million)</i> | |
| Horizontal drilling and completion | \$2,350 - \$2,700 |
| Midstream (ex. long-haul pipeline investments) | \$225 - \$250 |
| Infrastructure | \$125 - \$150 |
| 2018 Capital Spend | \$2,700 - \$3,100 |

About Diamondback Energy, Inc.

Diamondback is an independent oil and natural gas company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. For more information, please visit www.diamondbackenergy.com.

Forward Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than historical facts, that address activities that Diamondback assumes, plans, expects, believes, intends 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 beliefs, based on currently available information, as to the outcome and timing of future events. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the management of Diamondback. Information concerning these risks and other factors can be found in Diamondback's filings with the Securities and Exchange Commission, including its Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the Securities and Exchange Commission's web site at <http://www.sec.gov>. Diamondback undertakes no obligation to update or revise any forward-looking statement.

Investor Contact:

Adam Lawlis

+1 432.221.7467

alawlis@diamondbackenergy.com



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