



January 13, 2015

Diamondback Energy, Inc. and Viper Energy Partners LP, a Subsidiary of Diamondback Energy, Inc., Provide Interim Q4 2014 Operational Update and Preliminary 2015 Guidance

MIDLAND, Texas, Jan. 13, 2015 (GLOBE NEWSWIRE) -- Diamondback Energy, Inc. (Nasdaq:FANG) ("Diamondback" or the "Company") and Viper Energy Partners LP (Nasdaq:VNOM) ("Viper"), a subsidiary of Diamondback, today provided an operational update for the quarter ended December 31, 2014, and announced preliminary financial and operating guidance for the full year of 2015.

PRODUCTION

Diamondback's Q4 2014 production increased 25% to 25.7 Mboe/d, from 20.6 Mboe/d in Q3 2014. Full year 2014 production increased 166% over full year 2013 to 19.5 Mboe/d, above the 2014 guidance range of 17.0 to 19.0 Mboe/d.

"2014 was another outstanding year as we continued best in class execution, continued to drive costs lower, and demonstrated the tremendous potential for Lower Spraberry development across our acreage. Diamondback's production grew 166% in 2014 as compared to 2013, surpassing the approximately 150% growth experienced in 2013 and the high end of 2014 guidance, which we had revised upward twice," said Travis Stice, Chief Executive Officer of Diamondback.

A breakdown of Diamondback's quarterly production is shown in the table below.

Diamondback Energy, Inc. Selected Operating Data (unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Production Data:				
Oil (MBbl)	1,785	760	5,382	2,023
Natural gas (MMcf)	1,447	525	4,346	1,730
Natural gas liquids (MBbls)	341	112	1,002	361
Oil Equivalents ⁽¹⁾⁽²⁾ (MBOE)	2,367	959	7,108	2,672
Average daily production ⁽²⁾ (BOE/d)	25,724	10,426	19,474	7,321
% Oil	75%	79%	76%	76%

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.

(2) The volumes presented are based on actual results and are not calculated using the rounded numbers in the table above.

Production attributable to Viper's interests during Q4 2014 was 4.2 Mboe/d, an increase of 24% from 3.4 Mboe/d in Q3 2014. Full year 2014 production was 3.04 Mboe/d, which was above the high end of 2014 guidance of 2.5 to 3.0 Mboe/d.

A breakdown of Viper's quarterly production is shown in the table below.

Viper Energy Partners LP Selected Operating Data (unaudited)

	Three Months Ended December 31,	Twelve Months Ended December 31,
	2014	2014

Production Data:

Oil (Bbls)	302,867	856,541
Natural gas (Mcf)	209,899	648,807
Natural gas liquids (Bbls)	44,863	144,073
Oil Equivalents ⁽¹⁾⁽²⁾ (boe)	382,713	1,108,749
Average daily production ⁽²⁾ (boe/d)	4,160	3,038
% Oil	79%	77%

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.

(2) The volumes presented are based on actual results and are not calculated using the rounded numbers in the table above.

Severe winter weather in late December 2014 and early January 2015 caused substantial production interruptions throughout the Permian Basin for area operators, including Diamondback. While the impact was minimal in 2014, the Company is still quantifying the 2015 volumes that were shut-in due to a lack of oil marketing or power.

OPERATIONS

- The Company continues to see strong Lower Spraberry results:
 - The UL Tawny 812 Unit 1LS, the Company's first Lower Spraberry well in Andrews County, has a 7,585 ft lateral, completed with 33 stages, achieving an average peak 30-day 2-stream initial production ("IP") rate of 1,239 boe/d (92% oil) on electric submersible pump ("ESP"), or approximately 163 boe/d per 1,000 feet of lateral. The Company believes that this well, combined with the Mabee Breedlove 2301LS in northwest Martin County, derisks the Lower Spraberry in a large portion of northwest Martin County and northeast Andrews County.
 - The Estes B Unit 1602LS, the Company's first Lower Spraberry well in Dawson County, just started producing oil prior to encountering electricity issues related to the recent severe weather in the Permian Basin. The Company expects to have results on its fourth quarter 2014 earnings call.
 - The Gridiron S002LS, which targeted the Lower Spraberry and was part of the Company's first operated stacked lateral test with the Gridiron S001WB, continues to show strong production, achieving an average peak 30-day 2-stream IP rate of 1,517 boe/d (88% oil) on ESP and an average peak 60-day 2-stream IP rate of 1,472 boe/d (87% oil).
 - The Company brought on six additional Lower Spraberry completions in Spanish Trail late in the fourth quarter of 2014. Early results from the six wells indicate an average 24-hr IP rate of 1,326 boe/d (93% oil) per well from an average lateral length of 5,939 feet.
- The Gridiron S001WB, which targeted the Wolfcamp B, also continues to show encouraging results. The well achieved an average peak 30-day 2-stream IP rate of 1,373 boe/d (87% oil).
- The Company has brought on its first two Wolfcamp B wells on its Martin County acreage that was acquired in February 2014. Early results indicate performance similar to the Wolfcamp B in Spanish Trail.
- As a reminder, Viper owns the minerals underlying Diamondback's Spanish Trail acreage.

HORIZONTAL DRILLING

- The Company is currently running five horizontal rigs and one vertical rig. The Company will release two of its horizontal rigs and its remaining vertical rig in February.
- 19 wells were completed in the fourth quarter of 2014, bringing the year to date total to 65 wells. Fourth quarter 2014 completions consisted of 10 Lower Spraberry wells and 9 Wolfcamp B wells.

FULL YEAR 2015 GUIDANCE

Diamondback forecasts 2015 production to average between 26.0 and 28.0 Mboe/d, of which 4.2 to 4.5 Mboe/d is attributable to Viper. The 2015 production guidance range for Diamondback represents approximately 40% growth at the midpoint as compared to 2014 production. Consistent with comments on the third quarter 2014 earnings call, the Company plans to defer acceleration and run three horizontal rigs starting in February when the Company releases two of its horizontal rigs and its remaining vertical rig. Two of the remaining rigs will operate at Spanish Trail, where Viper owns the underlying minerals. The Company intends to drill and complete 50 to 60 gross horizontal wells in 2015, which represents more than a 30% reduction from 80 gross wells drilled in 2014 at the midpoint. The Company anticipates that service costs will recalibrate to the current commodity environment and expects costs for a 7,500 foot lateral horizontal well to range from \$6.2 to \$6.7 million. Consistent with a slower drilling program, Diamondback's board has approved a 2015 capital expenditures budget for drilling, completion and infrastructure in an estimated range of \$400 to \$450 million, which represents more than a 40% reduction from the initial plan to run eight rigs.

Travis Stice commented, "Following a successful 2014 acquisition campaign in which we increased acreage nearly 30%, we initially anticipated running eight rigs. Given the current commodity situation, we now intend to operate less than half of that in 2015, consistent with our commitment to capital discipline and prudent allocation of resources. Oil prices are now less than half of what they were at the peak this past summer, and we believe service costs should also decline from those highs. We are aggressively pursuing cost reductions and anticipate an overall reduction of at least 20%. Currently, we have seen approximately 10% in reductions but frac spreads have been slow to respond due to the backlog of completions. Assuming that WTI stays flat at \$50 this year, we continue to expect to become cash flow positive in the second half of 2015 with total outstanding borrowings under our credit facility of under \$300 million."

Mr. Stice added, "Diamondback's focus this year is on capital discipline, stockholder returns, and maintaining a strong balance sheet. With our focus on returns, we will continue to drill where returns are the highest. Diamondback remains committed to looking for opportunities to expand its business through accretive transactions, not only through acquisitions but also through 'drill to earn' and other joint venture opportunities. However, we will not do a dilutive deal simply to get larger. I believe that Diamondback remains an attractive investment as a low cost producer in the highest return basin."

Diamondback and Viper will release more details on guidance with the announcement of earnings for the fourth quarter of 2014. As a reminder, Viper has no capital expenditure requirements.

DERIVATIVES

Approximately 10,700 Bbls/d of Diamondback's 2015 production is hedged with a combination of Brent, WTI, and LLS fixed price swaps at an average of \$88.14/Bbl.

Diamondback Energy, Inc.
Derivatives Information
(unaudited)

The table below provides data regarding the details of Diamondback's current price swap contracts through 2015.

Oil Swaps	Average Bbls Per Day	Average Price per Bbl
2015		
First Quarter-LLS	6,344	\$ 95.57
First Quarter-WTI	5,000	\$ 84.10
First Quarter-Brent	1,000	\$ 88.83
Second Quarter-LLS	3,330	\$ 91.89
Second Quarter-WTI	5,000	\$ 84.10
Second Quarter-Brent	2,000	\$ 88.78
Third Quarter-LLS	3,000	\$ 90.99
Third Quarter-WTI	5,000	\$ 84.10
Third Quarter-Brent	2,000	\$ 88.78
Fourth Quarter-LLS	3,000	\$ 90.99
Fourth Quarter-WTI	5,000	\$ 84.10
Fourth Quarter-Brent	2,000	\$ 88.78
2015 Average	<u>10,660</u>	<u>\$ 88.14</u>

CONFERENCE CALL

Diamondback Energy, Inc. and Viper Energy Partners LP will host a joint conference call and webcast for investors and analysts to discuss their plans for 2015 on Wednesday, January 14, 2015 at 7:30 a.m. CT. Participants should call (877) 440-7573 (United States/Canada) or (253) 237-1144 (International) and utilize the confirmation code 64169469. A telephonic replay will be available for anyone unable to participate in the live call. To access the replay, call (855) 859-2056 (United States/Canada) or (404) 537-3406 (International) and enter confirmation code 64169469. The recording will be available from 10:30 a.m. CT on Wednesday, January 14, 2015 through Monday, January 19, 2015 at 10:59 p.m. CT. A live broadcast of the conference call will also be available via the internet at www.diamondbackenergy.com under the "Investor Relations" section of the site. The webcast will be archived on the site.

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. Diamondback's activities are primarily focused on the horizontal exploitation of multiple intervals within the Wolfcamp, Spraberry, Clearfork and Cline formations.

About Viper Energy Partners LP

Viper Energy Partners LP (Nasdaq:VNOM) is a limited partnership formed by Diamondback Energy, Inc. (Nasdaq:FANG) to, among other things, own, acquire and exploit oil and natural gas properties in North America, with an initial focus on the Permian Basin.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the federal securities laws. All statements, other than historical facts, that address activities that Diamondback or Viper assume, plan, expect, believe, intend or anticipate (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 and Viper. Information concerning these risks and other factors can be found in Diamondback's and Viper's filings with the Securities and Exchange Commission, including their respective 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 and Viper undertake no obligation to update or revise any forward-looking statement.

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Source: Viper Energy Partners LP; Diamondback Energy, Inc.

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