November 14, 2012

Diamondback Energy, Inc. Announces Third Quarter 2012 Financial/Operating Results & Initial 2013 Production Guidance

MIDLAND, Texas, Nov. 14, 2012 (GLOBE NEWSWIRE) -- Diamondback Energy, Inc. (Nasdaq:FANG) ("Diamondback" or the "Company") today announced financial and operating results for the third quarter ended September 30, 2012[1].

"This is a very exciting time for Diamondback Energy as we successfully began trading on NASDAQ on October 12, 2012," stated Travis Stice, Chief Executive Officer of Diamondback Energy, Inc. "The IPO proceeds will allow us to greatly expand our development program in our core areas and continue to derisk additional development areas. As we further execute on our growth strategy, we expect to deliver strong operating results as well as increased operating efficiencies."

Highlights

- Successful IPO strengthened balance sheet to support 2013 capex program with $90 million revolver undrawn, and an additional $42 million of available cash immediately upon the closing of the IPO.
- Diamondback's 1st horizontal Wolfcamp B test well was drilled in June 2012 in Upton County with a peak rate of 618 boepd and a 30 day initial production ("IP") rate of 486 boepd (86% oil) from a 3,842 foot lateral.
- The Company's 2nd horizontal Wolfcamp B test well, a non-operated well in Midland County, had a peak rate of 892 boepd and a 30 day IP of 428 boepd (90% oil) from a 3,733 foot lateral.
- Diamondback currently estimates 2013 annual average daily production of 7,200 to 7,500 boepd.

Initial Horizontal Drilling Results

Diamondback drilled its first Wolfcamp B test well, the Janey 16H in Upton County, in June 2012. The well had a peak rate of 618 barrels of oil equivalent per day ("boepd") and an initial 30-day production rate of 486 boepd (86% oil) from a 3,842 foot lateral. On November 8, 2012, the well was producing 217 boepd (81% oil) after 149 days of production and has produced 47 mboe during the same period. Diamondback has also participated in a second Wolfcamp B horizontal well, the Kemmer 4209H in its Spanish Trail lease property, which had a peak rate of 892 boepd and an initial 30 day production rate of 428 boepd (90% oil) from a 3,733 foot lateral. As of November 8, 2012, the well had been on production for 54 days and was producing 573 boepd (82% oil) on artificial lift.

When normalizing on a per foot of lateral completed, Diamondback believes that these two Wolfcamp B wells are performing at or near the top of all of the Wolfcamp B wells in the Midland Basin. The Company spud its second operated horizontal Wolfcamp B test well in November 2012 with production results expected early in the first quarter of 2013. Depending on availability, the Company expects to secure a second horizontal rig late in the fourth quarter of 2012 or early in the first quarter of 2013.

Vertical Drilling Update

During the third quarter of 2012, 8 gross operated vertical wells were drilled, and reached a total depth on average in 14.4 days while running an average of 2.3 rigs. Several recent vertical wells reached a total depth (TD) in less than 10 days. This improvement in performance lowers costs and increases Diamondback's overall drilling efficiency. In addition to the horizontal rig mentioned previously the Company is also currently running 4 vertical rigs in Midland and Ector Counties and anticipates drilling 15 gross vertical wells during the fourth quarter of 2012.

Third Quarter Financial Results

The third quarter ended prior to the completion of Company's initial public offering and its related acquisition on October 11, 2012 of Windsor UT LLC ("Windsor UT") and the oil and natural gas interests of Gulfport Energy Corporation ("Gulfport") located in the Permian Basin (collectively, the "Acquisitions"). As a result, the financial results of Windsor UT and the assets acquired from Gulfport are not included in the Company's historical financial information for the third quarter ended September 30, 2012.

The following table provides the following financial information for the three months ended September 30, 2012:

- selected historical financial information of Windsor Permian and Windsor UT;

- selected historical revenues and direct operating expenses of certain property interests of Gulfport; and
- certain pro forma financial information of the Company after giving effect the Acquisitions and the merger of Diamondback Energy LLC with and into the Company, as a result of which Windsor Permian became the Company's wholly-owned subsidiary (the "Merger"), in each case in connection with the IPO, which pro forma information was prepared as if the Acquisitions and the Merger had occurred on January 1, 2011.

Third Quarter 2012 Historical and Pro Forma Financial Results

(unaudited, in thousands)

	Historical	Pro Forma[2]
Revenues	$16,598	$23,839
Production Taxes	$815	$1,209
Lease Operating Expense	$3,882	$6,422
Net Income	$435	$1,242
EBITDA	$11,093	$15,374

Third Quarter 2012 Production[3]

(unaudited)

	Historical	Pro Forma
Production Volumes		
Oil (mBbls)	163.8	235.4
Gas (MMcf)	204.2	312.9
Liquids (mBbls)	44.8	68.4
Oil Equivalents (MBOE)	242.6	355.9
Average Daily Production (BOE/d)	2,637	3,869
Average Realized Price		
Oil (per Bbl)	$81.94	$82.87
Natural Gas (per Mcf)	$2.83	$2.75
Natural Gas Liquids (per barrel)	$38.04	$37.63
Oil Equivalents (MBOE)	$64.72	$66.97

Liquidity and Capital Expenditures

As of September 30, 2012, Diamondback's total outstanding long-term debt balance was approximately $130 million, consisting of $30 million of borrowings under a subordinated note and $100 million of borrowings under its revolving credit facility. The Company used part of the proceeds from its initial public offering to retire all of this outstanding debt. As of November 14, 2012, Diamondback had no outstanding borrowings under its revolving credit facility.

During the third quarter of 2012, Diamondback's capital expenditures were approximately $25.0 million, primarily for drilling and completion of wells and infrastructure costs. The Company had a total of 31,052 net acres at quarter end and, after giving effect to the contribution of Windsor UT and the acquisition of Gulfport's oil and natural gas assets in the Permian Basin on October 11, 2012, the Company holds a total of 51,709 net acres.

Initial Public Offering

On October 17, 2012, Diamondback completed its initial public offering of 12,500,000 shares of common stock at $17.50 per share. These shares trade on the NASDAQ Global Select Market under the ticker symbol "FANG."

On October 23, 2012 the underwriters of the completed underwritten public offering purchased 1,875,000 additional shares of Diamondback common stock following the exercise in full of their overallotment option.

In total, Diamondback received net proceeds of approximately $235.3 million from the sale of the common stock. Following the IPO transaction, the Company incurred a nonrecurring charge to fourth quarter general and administrative expense of approximately $3 million for executive bonuses associated with the IPO.

Initial 2013 Production Guidance

Based on Diamondback's anticipated drilling program, the Company currently estimates 2013 average daily production of 7,200 to 7,500 boepd.

About Diamondback

Diamondback is an independent oil and natural gas company 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 Clearfork, Spraberry, Wolfcamp, Cline, Strawn and Atoka formations, which we refer to collectively as the Wolfberry play.

Forward Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as the Company's future capital expenditures (including the amount and nature thereof), business strategy and measures to implement strategy, competitive strength, goals, expansion and growth of the Company's business and operations, plans, market conditions, references to future success, reference to intentions as to future matters and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the Company's expectations and predictions is subject to a number of risks and uncertainties, general economic, market, credit or business conditions; the opportunities (or lack thereof) that may be presented to and pursued by the Company; competitive actions by other oil and gas companies; changes in laws or regulations; and other factors, many of which are beyond the control of the Company. Information concerning these and other factors can be found in the Company's filings with the Securities and Exchange Commission (the "SEC"), including its final prospectus dated October 11, 2012 filed with the SEC pursuant to Rule 424(b) under the Securities Act on October 15, 2012 and the Company's periodic and current reports to be filed with the SEC subsequent to such prospectus. Consequently, all of the forward-looking statements made in this news release are qualified by these cautionary statements and there can be no assurances that the actual results or developments anticipated by the Company will be realized, or even if realized, that they will have the expected consequences to or effects on the Company, its business or operations. The Company has no intention, and disclaims any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

Diamondback Energy, Inc.

Consolidated Statements of Operations

(unaudited, in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
Revenues:				
Oil and natural gas revenues	$16,598	$10,971	$48,356	$33,009
Other revenue	—	—	—	1,491
Operating Expenses:				
Lease operating expense	3,882	3,119	10,017	7,404
Production taxes	815	535	2,365	1,629

Gathering and transportation expense	117	53	264	139
Oil and natural gas services	—	—	—	1,733
Depreciation, depletion and amortization	6,066	3,680	16,302	11,121
General and administrative	1,654	755	4,468	2,176
Asset retirement obligation accretion expense	22	17	62	45
Total expenses	12,556	8,159	33,478	24,247
Income from operations:	4,042	2,812	14,878	10,253
Other income	671	—	1,729	—
Net interest income (expense)	(1,129)	(716)	(3,181)	(1,806)
Gain (loss) on derivative contracts	(3,148)	(7)	2,017	(35)
Loss from equity investment	—	—	(67)	—
Total other income (expense)	(3,606)	(723)	498	(1,841)
Net income	**$436**	**$2,089**	**$15,376**	**$8,412**

Non-GAAP Financial Measures

EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines EBITDA as net income (loss) before income tax expense, gain (loss) on derivative contracts, interest expense, depreciation, depletion and amortization, equity based compensation and asset retirement obligation accretion expense. EBITDA is not a measure of net income (loss) as determined by United States' generally accepted accounting principles, or GAAP. Management believes EBITDA is useful because it allows it to more effectively evaluate the Company's operating performance and compare the results of its operations from period to period without regard to its financing methods or capital structure. The Company excludes the items listed above from net income (loss) in arriving at EBITDA because these amounts can vary substantially from company to company within its industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of the Company's operating performance or liquidity. Certain items excluded from EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of EBITDA. The Company's computations of EBITDA may not be comparable to other similarly titled measure of other companies or to such measure in our credit facility.

The following tables present a reconciliation of the non-GAAP financial measure of EBITDA to the GAAP financial measure of net income (loss) on an actual and pro forma basis.

Reconciliation of EBITDA to Net income

(unaudited, in thousands)

	Three months ended September 30, 2012				
	Windsor Permian	Gulfport	Windsor UT	Pro forma adjustments	Total pro forma
Net income	$436	$4,196	$15	$(3,405)	$1,242
Income tax expense	--	--	--	688	688
Loss on derivatives	3,148	--	--	--	3,148
Interest expense	1,130	--	--	--	1,130
Depreciation, depletion and amortization	6,066	--	70	2,717	8,853
Equity-based compensation expense	291	--	--	--	291
Asset retirement obligation accretion expense	22	--	--	--	22
EBITDA	$11,093	$4,196	$85	$--	$15,374

Selected Historical Information and Pro Forma Adjustment

(unaudited, in thousands)

	Three months ended September 30, 2012				
	Windsor Permian	Gulfport	Windsor UT	Pro forma adjustments	Total Pro Forma[2]
Revenues:	$16,598	$7,025	$216	$--	$23,839
Production taxes	$815	$384	$10	$--	$1,209
Lease operating expense	$3,882	$2,445	$95	$--	$6,422
Net income	$436	$4,196	$15	$(3,405)	$1,242
EBITDA	$11,092	$4,196	$85	$--	$15,373
Average Daily Production (BOE/p)	2,637	1,205	27	--	3,869
Average Realized Price					
Oil (per BBL)	$81.94	$84.91	$87.20	--	$82.87
Natural Gas (per MCF)	$2.83	$2.59	--	--	$2.75
Natural Gas Liquids (per MCF)	$38.04	$36.85	--	--	$37.63

[1]*The Company completed its initial public offering (or "IPO") on October 17, 2012 and, as a result, third quarter earnings and related financial information presented in this release are those of its wholly-owned subsidiary, Windsor Permian LLC ("Windsor Permian"), and do not include information on a per share basis.*

[2] *The selected historical financial information of Windsor UT, historical revenues and direct operating expenses of certain property interests of Gulfport and certain pro forma adjustments are presented in a table appearing at the end of this press release. The pro forma data are not necessarily indicative of financial results that would have been obtained had the described transactions occurred on the date indicated above.*

[3] *A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. A boe conversion ratio of 6 mcf to 1 bbls is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

CONTACT: Investor Contacts:

KCSA Strategic Communications

Jeffrey Goldberger / Philip Carlson

+1 212.896.1249 / +1 212.896.1233

jgoldberger@kcsa.com / pcarlson@kcsa.com