



February 6, 2018

PDC Energy Announces Year-End 2017 Proved Reserves of Approximately 453 MMBoe, Including Nearly 100 MMBoe in Delaware Basin

DENVER, Feb. 06, 2018 (GLOBE NEWSWIRE) -- PDC Energy, Inc. ("PDC," the "Company," "we" or "us") (NASDAQ:PDCE) today reported year-end 2017 proved reserves and full-year production.

Highlights:

- Year-end 2017 proved reserves of 452.9 million barrels of oil equivalent ("MMBoe"), an approximate 33% increase over year-end 2016 proved reserves with estimated all-sources reserve replacement of 450%⁽¹⁾.
- Proved reserves of 97.9 MMBoe in the Delaware Basin, an increase of 65.4 MMBoe or 200% from year-end 2016.
- Before-tax SEC PV10 of the year-end 2017 reserves of \$3.2 billion, an increase of approximately 92% from year-end 2016.
- Anticipated 2017 production of 31.8 MMBoe, a 44% increase over 2016, with estimated 2017 oil production of 12.9 MM barrels, a 48% increase over 2016.
- Anticipated fourth quarter 2017 oil production of over 40,400 barrels per day, an 8% increase over third quarter 2017.
- Anticipated December 2017 production exit rate of 97,000 barrels of oil equivalent ("Boe") per day.
- Anticipated 2017 capital investment of approximately \$790 million.

CEO Commentary

Bart Brookman, President and Chief Executive Officer, commented, "We were very pleased with the strong reserve growth in both Wattenberg and Delaware. Overall, our year-end 2017 proved reserves increased 33% over year-end 2016 to 453 MMBoe. The key driver was our Delaware assets, which grew to nearly 100 MMBoe. We continue to place the highest priority on operational execution and we are seeing measured improvement in our Delaware performance."

"Given the midstream constraints in Wattenberg, we are pleased with our full-year 2017 production of 31.8 MMBoe, compared to our guidance of approximately 32 MMBoe. We are particularly pleased with oil production that came in slightly above expectations. These higher oil volumes were attributable to strong results in Delaware, and in particular, in our Eastern acreage block. Our operating teams in both basins managed capital investments effectively, as our full-year 2017 capital spending came in below our guidance of \$800 million."

2017 Proved Reserves

PDC's total proved reserves as of December 31, 2017 increased 33% to 452.9 MMBoe compared to 341.4 MMBoe reported at year-end 2016. The composition of the reserves at the end of 2017 were 58% liquids and 42% natural gas, with 32% of the reserves classified as proved developed. Year-end 2016 reserves were 59% liquid, 41% natural gas, and 29% proved developed. Proved reserves in the Wattenberg Field increased 15% to 350.8 MMBoe, while proved reserves in the Delaware Basin increased over 200% to 97.9 MMBoe. The Company's year-end 2017 proved reserves include its Utica Shale assets, which it expects to divest in the first quarter of 2018, but excludes assets acquired in the Wattenberg Field from Bayswater Exploration & Production, LLC that closed in January 2018.

Year-End Proved Reserve Breakdown by Basin

	2016 (MMBoe)	2017 (MMBoe)	% Liquid (2017)
Wattenberg Field	305.3	350.8	55%

Delaware Basin	32.5	97.9	67%
Utica Shale	3.6	4.2	51%
Total	<u>341.4</u>	<u>452.9</u>	58%

PDC's independent reserve engineering firms, Ryder Scott Company, L.P. (Wattenberg and Utica) and Netherland, Sewell and Associates, Inc. (Delaware) completed their estimates of the Company's year-end 2017 proved reserves in accordance with Securities and Exchange Commission ("SEC") guidelines. NYMEX pricing used in the preparation of the December 31, 2017 reserves was \$51.34 per barrel for crude oil and \$2.98 per million British Thermal Units for natural gas, before adjustments for energy content, quality, midstream fees, and basis differentials.

The value of the Company's proved reserves, utilizing the SEC price guidelines, discounted at ten percent and before tax ("PV10"), increased to \$3.2 billion as of December 31, 2017, compared to \$1.7 billion as of year-end 2016. The increase in PV10 is primarily the result of a 33% increase in total proved reserves, along with an increase of approximately 20% in the average NYMEX price of both oil and gas.

2017 Year-End Proved Reserves Summary

	Proved Reserves (MMBoe)	BTAX PV-10 (\$MM)	BTAX PV-10 (\$/Boe)
Beginning balance at December 31, 2016	341.4	<u>\$1,675</u>	<u>\$4.91</u>
Extensions, revisions, dispositions and acquisitions	143.3		
2017 estimated production	(31.8)		
Ending balance at December 31, 2017	<u>452.9</u>	<u>\$3,212</u>	<u>\$7.09</u>

(1) All-sources reserve replacement defined as the sum of the year-over-year net additions in proved reserves from extensions, revisions, dispositions and acquisitions, divided by 2017 estimated production.

Subsequent Events

In January 2018, the Company closed the previously announced acquisition of certain assets in the Wattenberg Field. After certain adjustments, the Company acquired approximately 7,400 net acres, approximately 220 locations and 24 operated horizontal wells that were either drilled uncompleted ("DUC") or in-process at closing for an adjusted purchase price of approximately \$200 million. The purchase price included capital invested to complete 12 of those 24 wells in December 2017.

Upcoming Investor Presentations

PDC is scheduled to present at the Credit Suisse Energy Summit in Vail, Colorado on February 14, 2018. Please see the Company's website at www.pdce.com for details and webcast information. The related slide presentation is expected to be available on the Company's website immediately prior to the event.

About PDC Energy, Inc.

PDC Energy, Inc. is a domestic independent exploration and production company that produces, develops, and explores for crude oil, natural gas, and NGLs, with primary operations in the Wattenberg Field in Colorado and the Delaware Basin in Reeves and Culberson Counties, Texas. The Company also has operations in the Utica Shale in Southeastern Ohio, which it plans to divest. PDC's operations are focused in the horizontal Niobrara and Codell plays in the Wattenberg Field and in the Wolfcamp zones in the Delaware Basin.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this news release and all other statements other than statements of historical fact, are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements including those related to pending acquisitions are subject to a number of risks and uncertainties that may cause actual results to differ materially from the forward-looking statements. Words such as expects, anticipates, intends, plans, believes, seeks, estimates, outlook, targets, and similar expressions or variations of such words are intended to identify forward-looking statements herein, which may include statements regarding PDC's 2017 proved reserves, including that its estimated crude oil and natural gas reserves are based on many assumptions that may turn out to be inaccurate, and any material inaccuracies in these reserve estimates or underlying assumptions may materially affect the quantities and present value of its reserves. Forward-looking statements may include, among other things, statements regarding PDC's future production, cash flows, capital expenditures and projects, cost-saving initiatives, operational

enhancements, rates-of-return, debt metrics, liquidity, future differentials and management's strategies, plans and objectives; closing of the sale of the Company's Utica assets, which may not occur within the expected timeframe or may not successfully close such a transaction. Throughout the press release PDC may use the terms "projection", "outlook" or similar terms or expressions, or indicate that it has "modeled" certain future scenarios. The Company typically use such terms to indicate its current thoughts on possible outcomes relating to its business in periods beyond the current fiscal year. Because such statements relate to events or conditions further in the future, they are subject to increased levels of uncertainty. PDC urges you to carefully review and consider the cautionary statements made in this press release, the Item 1-A Risk Factors in the 2016 Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission ("SEC") on February 28, 2017, and other filings with the SEC for further information on risks and uncertainties that could affect the Company's business, financial condition and results of operations, which are incorporated by this reference as though fully set forth herein. The Company cautions you not to place undue reliance on forward-looking statements, which speak only as of the date made. **PDC undertakes no obligation to update any forward-looking statements in order to reflect any event or circumstance occurring after the date of this release or currently unknown facts or conditions or the occurrence of unanticipated events. All forward looking statements are qualified in their entirety by this cautionary statement.**

Before tax PV-10 is a non-GAAP measure and is different than the standard measure of discounted future net cash flows ("standardized measure"), which measure will be presented in PDC's upcoming Annual Report on Form 10-K, in that before tax PV-10 is a pre-tax number, while standardized measure includes the effect of estimated future income taxes. Estimates of non-proved reserves, including 3P reserves, are based on more limited information, and are subject to significantly greater risk of not being produced than proved reserves.

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