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Ring Energy, Inc. Signs Purchase and Sale Agreement on Delaware Basin Acreage

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MIDLAND, Texas

MIDLAND, Texas--([BUSINESS WIRE](#) ^[1])--Ring Energy, Inc. (NYSE MKT: REI) ("Company") ("Ring") announced today that it has signed a purchase and sale agreement to acquire producing wells and leaseholds located in Culberson and Reeves Counties, Texas ("Acquisition").

Acquisition Details

The property consists of approximately 14,000 net acres. Ring will be the operator and have an approximate 98% working interest and average net revenue interest in excess of 78%. The acreage is located in the Delaware Basin.

The current net daily production to the Company from the properties is approximately 1,300 Boe/d, which is approximately 80% oil. The Company's initial proved developed producing ("PDP") reserve estimates, as determined by outside independent engineering firm Cawley, Gillespie and Associates, are an estimated 4.7 million BOEs net to Ring, with a PV-10 value of approximately \$128.5 million. The report was completed at year-end 2014 using average pricing of \$90.24 per barrel of oil and \$4.64 per MCF of gas. In addition, Company internal engineering is currently evaluating additional proved undeveloped, probable and possible opportunities and will disclose their findings in a future release shortly after the closing date.

The Acquisition purchase price is \$75 million. With the addition of the property, the Company has entered into a new five-year, \$500 million senior credit facility, increased from \$150 million, with an immediate borrowing base of \$100 million, increased from \$40 million. The Acquisition will be financed with existing cash reserves and the Company's upsized senior credit facility. The closing date is scheduled to be on or before June 30, 2015 with an effective date of May 1, 2015.

Pro forma for the pending acquisition, Ring would have over 2,750 Boe/d of current net daily production and over 45,000 gross (32,000 net) Permian acres.

Mr. Kelly Hoffman, CEO of Ring stated, "This acquisition represents an ideal complement to our existing core area in west Texas. Not only does it immediately add reserves and increase our current production, but offers excellent upside through the drilling of new vertical wells with multiple pay zones and the reworking of existing wells."

SunTrust Bank provided committed financing to support the upsized \$100 million borrowing base facility, and SunTrust Robinson Humphrey, Inc. served as exclusive financial advisor on the Acquisition.

[About Ring Energy, Inc.](#)

Ring Energy, Inc. is an oil and gas exploration, development and production company with current operations in Texas and Kansas.

www.ringenergy.com ^[2]

Safe Harbor Statement

This release contains forward-looking statements within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995 that involve a wide variety of risks and uncertainties, including, without limitations, statements with respect to the Company's strategy and prospects. Such statements are subject to certain risks and uncertainties which are disclosed in the Company's reports filed with the SEC, including its Form 10-K for the fiscal year ended December 31, 2014, its Form 10-Q for the quarter ended March 31, 2015 and its other filings with the SEC. Readers and investors are cautioned that the Company's actual results may differ materially from those described in the forward-looking statements due to a number of factors, including, but not limited to, the Company's ability to acquire productive oil and/or gas properties or to successfully drill and complete oil and/or gas wells on such properties, general economic conditions both domestically and abroad, and the conduct of business by the Company, and other factors that may be more fully described in additional documents set forth by the Company.

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English

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