

[Pioneer Natural Resources Company](#) (NYSE:PXD) ("Pioneer" or "the Company") today announced the Company and Reliance Holding USA, Inc. ("Reliance") closed the previously announced sale of their Eagle Ford Shale Midstream business ("EFS Midstream") to an affiliate of Enterprise Products Partners L.P. ("Enterprise") for \$2.15 billion, subject to normal closing adjustments. Pioneer owned 50.1% of EFS Midstream and Reliance owned the remaining 49.9%.

Pioneer and Reliance will also benefit from fee reductions under existing downstream processing and transportation contracts with Enterprise in exchange for extending the contracts' terms to 20 years and dedicating additional Eagle Ford Shale volumes to Enterprise. The reduced fees are expected to benefit Pioneer and Reliance over the original terms of the downstream contracts by approximately \$200 million on a net present value basis at 10%. These reduced fees will primarily be reflected as improvements in future realized prices. Enterprise has also agreed to spend \$270 million over the next ten years on new facilities, connections and expansions to support the continuing development of the Eagle Ford Shale resource.

The purchase price for the EFS Midstream business will be paid by Enterprise in two installments: \$1.15 billion was paid at closing, before normal closing adjustments, and approximately \$1 billion will be paid twelve months after closing. After retiring the debt of EFS Midstream of approximately \$125 million, Pioneer's share of the net sale proceeds is \$530 million at closing and approximately \$500 million one year later. The sale of EFS Midstream is expected to result in a pretax gain in excess of \$725 million to Pioneer, which will be recognized in the third quarter of 2015. Pioneer expects net cash proceeds from the sale to total approximately \$930 million after tax. In addition, the Company will realize its \$100 million share of the reduced transportation and processing fees associated with the new downstream agreements. The sale of EFS Midstream is also expected to enhance Pioneer's ability to export processed Eagle Ford Shale condensate.

Upon closing this transaction, Pioneer will no longer receive its share of the cash flow generated by the EFS Midstream business, which was forecasted to be more than \$100 million in 2015. The loss of this cash flow will result in an increase to Pioneer's Eagle Ford Shale production costs of approximately \$3.00 per barrel oil equivalent (BOE) and total corporate production costs of approximately \$0.75 per BOE.

Scott D. Sheffield, Chairman and CEO, stated, "The sale of EFS Midstream will further improve our already strong balance sheet and allow us to strategically redeploy capital to our core, oil-rich Spraberry/Wolfcamp asset in the Permian Basin of West Texas. We are currently operating 12 horizontal rigs in the Spraberry/Wolfcamp, including two horizontal rigs added this month. Our strong balance sheet, combined with a strong derivatives position for 2015 and 2016, provides us with the financial firepower to ramp up drilling activity on high-return Wolfcamp B, Wolfcamp A and Lower Spraberry Shale horizontal wells during the second half of this year."

"We have already added two horizontal rigs in the northern Spraberry/Wolfcamp and plan to add an average of two horizontal rigs per month in this area over the remainder of 2015 as long as the oil price outlook remains constructive. This additional drilling activity is expected to increase the Company's 2015 capital budget by approximately \$350 million to \$2.2 billion. Adding these 12 rigs will have minimal impact on forecasted 2015 production growth of greater than 10% due to multi-well pad drilling."

"During the first quarter of 2016, we are planning to add another eight horizontal rigs, of which six rigs will be in the northern Spraberry/Wolfcamp and two rigs will be in the Eagle Ford Shale. This rig ramp-up will bring our total horizontal rig count to 36 rigs (28 rigs in the Spraberry/Wolfcamp and eight rigs in the Eagle Ford Shale), which is essentially the same as our horizontal rig count prior to the oil price collapse in late 2014 and early 2015. Based on this planned increase in drilling activity, we expect to deliver compound annual production growth of greater than 15% over the 2016 through 2018 period."

"I want to again personally thank all of our EFS Midstream employees for the value they have created for Pioneer shareholders in supporting our successful development of the Eagle Ford Shale. I am pleased Enterprise will be working with us going forward to build on this success."

Pioneer is a large independent oil and gas exploration and production company, headquartered in Dallas, Texas, with operations in the United States. For more information, visit Pioneer's website at [www.pxd.com](http://www.pxd.com).

Except for historical information contained herein, the statements in this news release 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 and the business prospects of Pioneer are subject to a number of risks and uncertainties that may cause Pioneer's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of commodity prices, product supply and demand, competition, the ability to obtain environmental and other permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, completion of planned divestitures, litigation, the costs and results of drilling and operations, availability of equipment, services, resources and personnel required to perform the Company's drilling and operating activities, access to and availability of transportation, processing, fractionation and refining facilities, Pioneer's ability to implement its business plans or complete its development activities as scheduled, access to and cost of capital, the assumptions underlying production forecasts, quality of technical data, and environmental and weather risks, including the possible impacts of climate change, the risks associated with the ownership and operation of the

Company's industrial sand mining and oilfield services businesses and acts of war or terrorism. These and other risks are described in Pioneer's 10-K and 10-Q Reports and other filings with the Securities and Exchange Commission. In addition, Pioneer may be subject to currently unforeseen risks that may have a materially adverse impact on it. Pioneer undertakes no duty to publicly update these statements except as required by law.

Cautionary Note to U.S. Investors -- The SEC prohibits oil and gas companies, in their filings with the SEC, from disclosing estimates of oil or gas resources other than "reserves," as that term is defined by the SEC. In this news release, Pioneer includes estimates of quantities of oil and gas using certain terms, such as "estimated ultimate recovery," "EUR," or other descriptions of volumes of reserves, which terms include quantities of oil and gas that may not meet the SEC's definitions of proved, probable and possible reserves, and which the SEC's guidelines strictly prohibit Pioneer from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being recovered by Pioneer.

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