

**Revenues of \$23.7 Million Generating Net Income of \$0.05 per Share; Company to Host Earnings Conference Call Today, April 9, 2015 at 12:00 p.m. ET 877-407-9122 Toll Free Dial-In, 201-493-6747 International/Local Dial-In**

PLATTEVILLE, CO--(Marketwired - April 09, 2015) - [Synergy Resources Corp.](#) (NYSE MKT: SYRG), a U.S. oil and gas exploration and production company focused in the Denver-Julesburg Basin, reported its fiscal second quarter results for the period ended February 28, 2015.

**Second Quarter 2015 Financial Results**

- Revenues increased 3% to \$23.7 million up from \$23.0 million in the same quarter a year ago. The year-over-year improvement was attributed to a 98% increase in production, primarily from the new horizontal wells brought on line and production from the Bayswater acquisition that closed in December 2014. Revenue growth was offset by a 48% decrease in the realized average selling price per BOE. During fiscal Q2 2015, average selling prices were \$43.51 per barrel of oil and \$3.38 per mcf of gas, as compared to \$86.82 and \$5.93, respectively, a year ago.
- Net income was \$4.7 million or \$0.05 per basic and diluted share, down from \$5.2 million or \$0.07 per basic and diluted share in the same year-ago period.
- Adjusted EBITDA (a non-GAAP metric) increased 56% to \$27.3 million up from \$17.5 million a year ago.
- At February 28, 2015, cash and cash equivalents totaled \$218.5 million. Borrowings under the credit facility were \$146.0 million with remaining liquidity of \$46.0 million on a borrowing base of \$192.0 million.

**Second Quarter 2015 Highlights**

- Net oil and natural gas production increased to 697,069 barrels of oil equivalent (BOE), averaging 7,745 BOE per day versus 3,917, as compared to the same year-ago quarter, an average daily increase of 98%.
- Closed on the acquisition of the Bayswater assets located in the Wattenberg Field on December 15, 2014.
- Raised approximately \$191 million in net proceeds in an equity offering at \$10.75 per share that closed on February 2, 2015.
- As of February 28, 2015, we were the operator of 39 gross producing horizontal wells in the Wattenberg Field.
- 29 additional operated horizontal wells were awaiting completion and 11 more horizontal operated wells were in the drilling process as of February 28, 2015.

The following tables present certain per unit metrics that compare results of the corresponding quarterly reporting periods:

	Three Months Ended		
	February 28,		
	2015	2014	Change
Production:			
Oil (Bbls)	412,469	204,622	102%
Gas (Mcf)	1,707,598	887,494	92%
BOE	697,069	352,537	98%
Revenues (in thousands):			
Oil	\$ 17,948	\$ 17,765	1%
Gas	\$ 5,765	\$ 5,263	10%
Total	\$ 23,713	\$ 23,028	3%
Average realized price:			
Oil	\$ 43.51	\$ 86.82	-50%
Gas	\$ 3.38	\$ 5.93	-43%
BOE	\$ 34.02	\$ 65.32	-48%

"Bbl" refers to one stock tank barrel, or 42 U.S. gallons liquid volume in reference to crude oil or other liquid hydrocarbons. "Mcf" refers to one thousand cubic feet. A BOE (i.e. barrel of oil equivalent) combines Bbls of oil and Mcf of gas by converting each six Mcf of gas to one Bbl of oil.

The following table summarizes operating costs on a per unit basis. Additional details regarding operating costs can be found in the condensed financial statements.

	Three Months Ended February 28,	
	2015	2014
Lease operating expenses \$	5.29	\$ 5.13

Production taxes	\$ 3.08	Â	\$ 6.40
DDA	\$ 22.24	Â	\$ 21.90
General and administrative	\$ 5.85	Â	\$ 5.02
Total	\$ 36.46	Â	\$ 38.45
Â	Â	Â	Â

Monty Jennings, CFO of Synergy commented, "This quarter's financial results reflect the benefits we are reaping from maintaining a keen eye on controlling costs as we achieved a 63% operating cash margin on revenues in the quarter, even while commodity prices were falling. Our financial EBITDA in the quarter was greater than 100% of revenues as we realized over twelve million in cash proceeds from monetizing commodity hedges that were entered into when prices for oil ranged from \$80 to \$95 per barrel. At the same time, we nearly doubled our production compared to the period a year ago as our shift to horizontal development has been fully implemented. We further bolstered our balance sheet during the quarter with nearly \$191 million in net proceeds from our equity offering. We have also added to our human resource capital with the hiring of Brandon Lorenz as our Drilling Manager and Brant DeMuth as VP of Finance along with key people in land, environmental, and accounting, all of which positions the company well to manage its continued rapid growth."

#### Conference Call

The Company will hold a conference call on Thursday, April 9, 2015 at 12:00 p.m. Eastern time to discuss results for its fiscal second quarter ended February 28, 2015.

Synergy Resources co-CEO Ed Holloway, co-CEO William Scaff, Jr., CFO Monty Jennings, COO Craig Rasmuson and VP of Capital Markets and Investor Relations Jon Kruljac will host the presentation, followed by a question and answer period.

Date: Thursday, April 9, 2015

Time: 12:00 p.m. Eastern time (10:00 a.m. Mountain time)

877-407-9122 Toll Free Dial-In (US & Canada)

201-493-6747 International/Local Dial-In

The conference call will be webcast simultaneously which you can access via this link:

<http://syrginfo.equisolvewebcast.com/q2-2015> and via the investor section of the company's web site at [www.syrginfo.com](http://www.syrginfo.com).

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, contact Rhonda Sandquist with Synergy Resources at 970-737-1073. A replay of the call will be available after 3:00 p.m. Eastern time on the same day and until April 23, 2015.

#### Replay Dial-In Numbers

877-660-6853 Toll Free (US & Canada)

201-612-7415 International/Local

Replay ID#411931

#### About Synergy Resources Corporation

[Synergy Resources Corp.](http://www.syrginfo.com) is a domestic oil and natural gas exploration and production company. Synergy's core area of operations is in the Denver-Julesburg Basin, which encompasses Colorado, Wyoming, Kansas, and Nebraska. The Wattenberg field in the D-J Basin ranks as one of the most productive fields in the U.S. The company's corporate offices are located in Platteville, Colorado. More company news and information about Synergy Resources is available at [www.syrginfo.com](http://www.syrginfo.com).

#### Important Cautions Regarding Forward Looking Statements

This press release may contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "believes", "expects", "anticipates", "intends", "plans", "estimates", "should", "likely" or similar expressions, indicates a forward-looking statement. These statements are subject to risk and uncertainties and are based on the beliefs and assumptions of management, and information currently available to management. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information. The identification in this press release of factors that may affect the company's future performance and the accuracy of forward-looking statements is meant to be illustrative and by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Factors that could cause the company's actual results to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: the success of the company's exploration and development efforts; the price of oil and gas; worldwide economic situation; change in interest rates or inflation; willingness and ability of third parties to honor their contractual commitments; the company's ability to raise

additional capital, as it may be affected by current conditions in the stock market and competition in the oil and gas industry for risk capital; the company's capital costs, which may be affected by delays or cost overruns; costs of production; environmental and other regulations, as the same presently exist or may later be amended; the company's ability to identify, finance and integrate any future acquisitions; and the volatility of the company's stock price.

#### About Non-GAAP Financial Measures

The company uses "adjusted EBITDA," as a non-GAAP financial measure to evaluate financial performance such as period-to-period comparisons. This Non-GAAP measure is not defined under U.S. GAAP and should be considered in addition to, not as a substitute for, indicators of financial performance reported in accordance with U.S. GAAP. The company may use non-GAAP measures that are not comparable to measures with similar titles reported by other companies. Also, in the future, the company may disclose different non-GAAP financial measures in order to help investors more meaningfully evaluate and compare the company's future results of operations to its previously reported results. The company encourages investors to review its financial statements and publicly-filed reports in their entirety and not rely on any single financial measure. The section titled "Reconciliation of Non-GAAP Financial Measures" includes a detailed description of this measure as well as a reconciliation to its most similar U.S. GAAP measure.

#### Reconciliation of Non-GAAP Financial Measures

The company defines adjusted EBITDA as net income adjusted to exclude the impact of interest expense, interest income, income taxes, depreciation, depletion and amortization, stock based compensation, and the plus or minus change in fair value of derivative assets or liabilities. The company believes adjusted EBITDA is relevant because it is a measure of cash flow available to fund capital expenditures and service debt and is a metric used by some industry analysts to provide a comparison of its results with its peers. The following table presents a reconciliation of the company's non-GAAP financial measures to the nearest GAAP measure.

	Three Months Ended		Six Months Ended	
	February 28, 2015	February 28, 2014	February 28, 2015	February 28, 2014
ADJUSTED EBITDA	\$ 27,305	\$ 17,454	\$ 60,739	\$ 30,284
Net income	\$ 4,652	\$ 5,161	\$ 25,803	\$ 11,261
Depreciation, depletion, and amortization	15,506	7,719	31,960	13,310
Income tax expense	3,207	2,338	14,951	5,725
Stock based compensation	1,136	448	1,929	867
Change in fair value - derivatives	2,832	1,805	(13,876)	(831)
Interest income	(28)	(17)	(28)	(48)

#### Financial Statements

Condensed financial statements are included below. Additional financial information, including footnotes that are considered an integral part of the financial statements, will be included in Synergy's Edgar Filings at [www.sec.gov](http://www.sec.gov) on Form 10-Q for the period ended February 28, 2015.

	February 28, 2015	August 31, 2014
ASSETS		
Cash and short term investments	\$ 218,470	\$ 34,753
Other current assets	51,093	33,487
Total current assets	269,563	68,240

Oil and gas properties and other equipment	552,511	379,400
Other assets	9,769	902
Total assets	\$ 831,843	\$ 448,542
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 77,280	103,578
Revolving credit facility	146,000	37,000
Asset retirement obligations	7,189	4,730
Commodity derivative	-	307
Deferred tax liability, net	36,504	21,437
Total liabilities	266,973	167,052
Shareholders' equity:		
Common stock and paid-in capital	523,448	265,871
Retained Earnings	41,422	15,619
Total shareholders' equity	564,870	281,490
Total liabilities and shareholders' equity	\$ 831,843	\$ 448,542

SYNERGY RESOURCES CORPORATION  
CONDENSED STATEMENTS OF OPERATIONS

(unaudited, in thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	February 28, 2015	February 28, 2014	February 28, 2015	February 28, 2014
Oil and gas revenues	\$ 23,713	\$ 23,028	\$ 66,251	\$ 42,294
Expenses:				
Lease operating expenses	3,689	1,806	6,730	3,079
Production taxes	2,143	2,255	6,321	4,271
Depreciation, depletion, and amortization	15,506	7,719	31,960	13,310
General and administrative	4,079	1,770	8,189	4,938
Total expenses	25,417	13,550	53,200	25,598
Operating income	(1,704)	9,478	13,051	16,696
Other income (expense):				
Commodity derivative realized gain (loss)	12,367	(191)	13,799	(589)
Commodity derivative unrealized gain (loss)	(2,832)	(1,805)	13,876	831
Interest income and expense, net	28	17	28	48
Total other income (expense)	9,563	(1,979)	27,703	290
Income tax provision	3,207	2,338	14,951	5,725
Net income	\$ 4,652	\$ 5,161	\$ 25,803	\$ 11,261
Net income per common share:				
Basic	\$ 0.05	\$ 0.07	\$ 0.31	\$ 0.15
Diluted	\$ 0.05	\$ 0.07	\$ 0.30	\$ 0.15
Weighted average shares outstanding:				
Basic	89,903,288	76,203,938	84,396,143	74,934,940
Diluted	90,636,107	77,990,416	85,145,431	76,843,593

SYNERGY RESOURCES CORPORATION  
CONDENSED STATEMENTS OF CASH FLOWS

(unaudited, in thousands)

	Six Months Ended	
	February 28, 2015	February 28, 2014
Cash flows from operating activities:		
Net income	\$ 25,803	\$ 11,261
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion, and amortization	31,960	13,310

Provision for deferred taxes	14,951	5,725
Other, non-cash items	(11,947)	36
Changes in operating assets and liabilities	4,348	3,022
Total adjustments	39,312	22,093
Net cash provided by operating activities	65,115	33,354
Cash flows from investing activities:		
Acquisition of property and equipment	(197,530)	(87,497)
Net proceeds from sales of oil and gas properties	3,696	
Net proceeds from short term investments	-	39,990
Net cash used in investing activities	(193,834)	(47,507)
Cash flows from financing activities:		
Proceeds from exercise of warrants	15,367	29,104
Net Proceeds from sale of stock	190,845	
Net Proceeds from revolving credit facility	106,700	
Other	(476)	(34)
Net cash provided by financing activities	312,436	29,070
Net increase (decrease) in cash and equivalents	183,717	14,917
Cash and equivalents at beginning of period	34,753	19,463
Cash and equivalents at end of period	218,470	34,380
Short term investments	-	20,028
Cash, equivalents and short term investments	\$ 218,470	\$ 54,408

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