

HOUSTON, May 12, 2015 (GLOBE NEWSWIRE) -- Carrizo Oil & Gas, Inc. (Nasdaq:CRZO) today announced a farm-out agreement in the Delaware Basin and plans to begin an operated drilling program later this year.

Delaware Basin Update

Carrizo recently signed a farm-out agreement with a larger operator providing it the right to earn approximately 2,800 net acres in eastern Culberson County. This brings the Company's acreage position in the play to more than 20,000 net acres. The new acreage offsets Carrizo's existing position in eastern Culberson County, allowing the Company to build a contiguous nine-section unit where it has the potential to drill approximately 30 long-lateral wells on 1,000 ft. spacing in the Upper Wolfcamp zone.

Carrizo now plans to bring a rig into the play during the third quarter and drill three horizontal wells during 2015. Due to the timing of completion and hook-up for the wells, the Company does not currently expect material production from the play during 2015. Carrizo will be the operator of these wells and expects to have an average working interest of at least 80% in them. As part of the acreage acquisition cost, Carrizo will carry its partner on these wells.

S.P. "Chip" Johnson, IV, Carrizo's President and CEO, commented, "We've been watching the Delaware Basin for a few years now, and are excited to be drilling our first operated well later this year. This farm-out deal fits perfectly with some of our existing acreage and we're optimistic about the potential as it is located near strong industry results. We continue to work on other acreage deals in the area and hope to materially grow our position in the basin over time."

Capital Spending Plan Update

In order to fund the Delaware Basin activity, Carrizo has allocated approximately \$30 million to its 2015 drilling and completion capital expenditure plan, increasing it to \$470.0-\$490.0 million from \$440.0-\$460.0 million. The company's 2015 land and seismic capital expenditure plan remains unchanged at \$35.0 million.

Carrizo Oil & Gas, Inc. is a Houston-based energy company actively engaged in the exploration, development, and production of oil and gas from resource plays located in the United States. Our current operations are principally focused in proven, producing oil and gas plays primarily in the Eagle Ford Shale in South Texas, the Utica Shale in Ohio, the Niobrara Formation in Colorado, and the Marcellus Shale in Pennsylvania.

Statements in this release that are not historical facts, including but not limited to those related to capital requirements, capital expenditure and other spending plans, economical basis of wells, rig program, effect of transactions offsetting hedge positions, production, average well returns, effects of transactions, targeted ratios and other metrics, the ability to acquire additional acreage, midstream infrastructure availability and capacity, timing and levels of production, downspacing, crude oil production potential and growth, oil and gas prices, downspacing results, drilling and completion activities, drilling inventory, including timing thereof, resource potential, well costs, production mix, development plans, growth, midstream matters, use of proceeds, hedging activity, the Company's or management's intentions, beliefs, expectations, hopes, projections, assessment of risks, estimations, plans or predictions for the future, results of the Company's strategies, expected income tax rates and other statements that are not historical facts are forward-looking statements that are based on current expectations. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that these expectations will prove correct. Important factors that could cause actual results to differ materially from those in the forward-looking statements include assumptions regarding well costs, estimated recoveries, pricing and other factors affecting average well returns, results of wells and production testing, failure of actual production to meet expectations, performance of rig operators, availability of gathering systems, actions by governmental authorities, joint venture partners, industry partners, lenders and other third parties, actions by purchasers of properties, satisfaction of closing conditions, integration of acquisitions, market and other conditions, availability of well connects, capital needs and uses, commodity price changes, effects of the global economy on exploration activity, results of and dependence on exploratory drilling activities, operating risks, right-of-way and other land issues, availability of capital and equipment, weather, and other risks described in the Company's Form 10-K for the year ended December 31, 2014 and its other filings with the U.S. Securities and Exchange Commission. There can be no assurance any transaction described in this press release will occur on the terms or timing described, or at all.

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