Clayton Williams Energy, Inc. (NYSE: CWEI) today filed a Form 8-K with the Securities and Exchange Commission to provide financial guidance disclosures for the year ending December 31, 2015.

A copy of these disclosures accompanies this release or may be obtained electronically by accessing the Company’s website at www.claytonwilliams.com.

Clayton Williams Energy Inc. is an independent energy company located in Midland, Texas.

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical or current facts, that address activities, events, outcomes and other matters that we plan, expect, intend, assume, believe, budget, predict, forecast, project, estimate or anticipate (and other similar expressions) will, should or may occur in the future are forward-looking statements. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events. The Company cautions that its future oil and natural gas production, revenues, cash flows, liquidity, plans for future operations, expenses, outlook for oil and natural gas prices, timing of capital expenditures and other forward-looking statements are subject to all of the risks and uncertainties, many of which are beyond our control, incident to the exploration for and development, production and marketing of oil and gas.

These risks include, but are not limited to, the possibility of unsuccessful exploration and development drilling activities, our ability to replace and sustain production, commodity price volatility, domestic and worldwide economic conditions, the availability of capital on economic terms to fund our capital expenditures and acquisitions, our level of indebtedness, the impact of the current economic environment on our business operations, financial condition and ability to raise capital, declines in the value of our oil and gas properties resulting in a decrease in our borrowing base under our credit facility and impairments, the ability of financial counterparties to perform or fulfill their obligations under existing agreements, the uncertainty inherent in estimating proved oil and gas reserves and in projecting future rates of production and timing of development expenditures, drilling and other operating risks, lack of availability of goods and services, regulatory and environmental risks associated with drilling and production activities, the adverse effects of changes in applicable tax, environmental and other regulatory legislation, and other risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

CLAYTON WILLIAMS ENERGY, INC.

FINANCIAL GUIDANCE DISCLOSURES FOR 2015

Overview

Clayton Williams Energy Inc. and its subsidiaries have prepared this document to provide public disclosure of certain financial and operating estimates in order to permit the preparation of models to forecast our operating results for the year ending December 31, 2015. These estimates are based on information available to us as of the date of this filing, and actual results may vary materially from these estimates. We do not undertake any obligation to update these estimates as conditions change or as additional information becomes available.

The estimates provided in this document are based on assumptions that we believe are reasonable. Until our actual results of operations for this period have been compiled and released, all of the estimates and assumptions set forth herein constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this document that address activities, events, outcomes and other matters that we plan, expect, intend, assume, believe, budget, predict, forecast, project, estimate or anticipate (and other similar expressions) will, should, could or may occur in the future, including such matters as production of oil and gas, product prices, oil and gas reserves, drilling and completion results, capital expenditures, operating costs and other such matters, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the results, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: the volatility of oil and gas prices; the unpredictable nature of our exploratory drilling results; the reliance upon estimates of proved reserves; operating hazards and uninsured risks; competition; government regulation; and other factors referenced in filings made by us with the Securities and Exchange Commission.

As a matter of policy, we generally do not attempt to provide guidance on:

(a) production which may be obtained through future exploratory drilling;
(b) dry hole and abandonment costs that may result from future exploratory drilling;
(c) the effects of Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities” superseded by topic 815-10 of the Financial Accounting Standards Board Accounting Standards Codification;

(d) gains or losses from sales of property and equipment unless the sale has been consummated prior to the filing of financial guidance;

(e) capital expenditures related to completion activities on exploratory wells or acquisitions of proved properties until the expenditures are estimable and likely to occur; and

(f) revenues and operating expenses related to Drilling Rig or Midstream Services.

The accompanying guidance does not include any divestitures, joint venture arrangements or similar structures that have not been consummated.

Summary of Estimates

The following table sets forth certain estimates being used to model our anticipated results of operations for the fiscal year ending December 31, 2015. Each range of values provided represents the expected low and high estimates for such financial or operating factor.

	Actual Three Months Ended March 31, 2015	Actual Three Months Ended June 30, 2015	Estimated Ranges Six Months Ending December 31, 2015	Estimated Ranges Fiscal Year Ending December 31, 2015
(Dollars in thousands, except per unit data)				
Average Daily Production:				
Oil (Bbls)	13,100	12,363	10,600 to 10,800	11,600 to 11,800
Gas (Mcf)	15,622	16,066	14,000 to 16,000	14,000 to 16,000
Natural gas liquids (Bbls)	1,489	1,560	1,350 to 1,550	1,350 to 1,550
Total oil equivalents (BOE)	17,193	16,601	14,283 to 15,017	15,283 to 16,017
Price Differentials to NYMEX:				
Oil	90%	92%	90% to 95%	90% to 95%
Gas	94%	94%	90% to 100%	90% to 100%
Natural gas liquids (based on oil)	27%	26%	25% to 35%	25% to 35%
Other Costs and Expenses:				
Production expenses:				
Direct costs ($/BOE)	$13.26	$13.02	$13.50 to 14.50	$13.50 to 14.50
Production taxes (% of sales)	5%	5%	5% to 6%	5% to 6%
General and administrative:				
Excluding non-cash compensation	$7,829	$5,558	$12,000 to 14,000	$26,000 to 28,000
Non-cash compensation	$1,314	$5,770	$1,000 to 2,000	$8,000 to 10,000
DD&A:				
Oil and gas ($/BOE)	$25.13	$25.32	$24.00 to 26.00	$24.00 to 26.00
Other	$3,771	$3,864	$6,000 to 8,000	$14,000 to 16,000
Exploration costs:				
Abandonments and impairments	$1,623	$2,508	$2,000 to 4,000	$6,000 to 8,000
Seismic and other	$866	$105	$500 to 1,000	$1,500 to 2,000
Interest expense (cash rates):				
$600 million Senior Notes due 2019	7.75%	7.75%	7.75%	7.75%
Bank credit facility	LIBOR plus (175 to 275 bps)	LIBOR plus (175 to 275 bps)	LIBOR plus (175 to 275 bps)	LIBOR plus (175 to 275 bps)
Effective Federal and State Income Tax Rate:				
Current	0%	0%	0%	0%
Deferred	35.2%	35.4%	33% to 37%	33% to 37%

Estimated average daily production for the first six months ending December 31, 2015, as shown in the above table, includes incremental production from our core developmental drilling programs. In July 2015, we resumed drilling activities with one rig in the Eagle Ford and one rig in the Delaware Basin. Our model assumes an Eagle Ford rig can drill 12 wells per year, and a Delaware Basin rig can drill six wells per year.

The following table sets forth certain information regarding our model well economics assuming NYMEX product prices of $60 per barrel of oil and $3 per MMBtu of natural gas.

	Eagle Ford	Wolfcamp
Gross estimated ultimate reserves (EUR) (MBOE)	250	650
Drilling and completion costs (In thousands)	$ 4,000	$ 6,600
Estimated first year gross production (MBOE)	67	119
Undiscounted payout (In years)	2.5	3.1

ROI	30%	26%
Company estimated WI/NRI %	100% / 75%	100% / 75%

Capital Expenditures

The following table sets forth, by area, our actual expenditures for the first six months of 2015 and our planned capital expenditures for the year ending December 31, 2015.

	Actual Expenditures Six Months Ended June 30, 2015	Planned Expenditures Year Ending December 31, 2015	2015 Percentage of Total
	(In thousands)		
Drilling and Completion:			
Permian Basin Area:			
Delaware Basin	$ 26,100	$ 42,100	31%
Other	8,600	14,400	11%
Austin Chalk/Eagle Ford Shale	22,900	46,300	34%
Other	5,300	6,900	5%
	62,900	109,700	81%
Leasing and seismic	14,700	24,800	19%
Exploration and development	$ 77,600	$ 134,500	100%

We currently plan to spend approximately $134.5 million on exploration and development activities during fiscal 2015. Our actual expenditures during 2015 may vary significantly from these estimates since our plans for exploration and development activities may change during the year. Factors, such as changes in operating margins and the availability of capital resources could increase or decrease our actual expenditures during the remainder of fiscal 2015.

Accounting for Derivatives

The following summarizes information concerning our net positions in open commodity derivatives applicable to periods subsequent to June 30, 2015. The settlement prices of commodity derivatives are based on NYMEX futures prices.

Swaps

	Oil MBbls	Price
Production Period:		
3rd Quarter 2015	697	$ 55.65
4th Quarter 2015	592	$ 55.65
	1,289	

We did not designate any of the derivatives shown in the preceding table as cash flow hedges; therefore, all changes in the fair value of these contracts prior to maturity, plus any realized gains or losses at maturity, will be recorded as other income (expense) in our statement of operations and comprehensive income (loss).

Volumetric Production Payment

In March 2012, we entered into a volumetric production payment (“VPP”) with a third party. Under the terms of the VPP, we conveyed a term overriding royalty interest covering approximately 725,000 barrels of oil equivalents (“BOE”) of estimated future oil and gas production from certain properties related to production months from March 2012 through December 2019. The scheduled remaining volumes for production months from July 2015 through December 2019 are shown below.

	Oil Bbls	Gas Mcf
Production Period:		
2015	43,300	29,381
2016	64,808	112,928
2017	56,785	96,792
2018		

49,455   84,734

2019	43,820	72,874
	258,168	396,709

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