

HOUSTON, TX--(Marketwired - October 05, 2015) -

- *Sanchez Energy and Targa Resources will collaborate on a new cryogenic natural gas processing plant and pipelines near Catarina*
- *The midstream projects are expected to provide significant marketing benefits, increase revenue, and lower transportation costs to Sanchez Energy*
- *Sanchez Energy will own ~50% equity interest in the new processing plant and gathering line*

[Sanchez Energy Corp.](#) (NYSE: SN) ("Sanchez Energy", "SN" or the "Company") today announced that it has entered into joint venture agreements with Targa Resources Partners LP (NYSE: NGLS) ("Targa") to construct a new cryogenic natural gas processing plant and associated high pressure gathering pipelines near Sanchez Energy's Catarina asset in the Eagle Ford Shale. The processing plant, which will be located in La Salle County, Texas, is expected to have initial capacity of 200 million cubic feet per day ("MMcf/d") with the ability to increase to 260 MMcf/d. In connection with the joint venture agreements, Sanchez Energy intends to invest approximately \$115 million and receive a 50% ownership interest in the plant and the approximately 45 miles of high pressure gathering pipelines that will connect SN's existing Catarina gathering system to the plant. Targa will hold all of the transportation capacity on the pipeline, and the gathering joint venture will receive fees for transportation.

The new midstream joint ventures are expected to provide significant operational and commercial benefits and improve yields, increase net-back prices, and lower the gathering and transportation fees SN currently pays for its Catarina production. Sanchez Energy has firm capacity for 125,000 Mcf/d of plant processing and associated pipeline capacity for the first five years and has dedicated the Catarina acreage and all production developed during the 15 year term. The Company has the option to deliver additional volumes and commit additional acreage to the new plant as production increases.

"These South Texas midstream joint ventures are a key part of our strategy aimed at capturing opportunities across the hydrocarbon value chain," said Tony Sanchez III, CEO of Sanchez Energy. "Our participation in the joint ventures and commitment to anchor these projects are expected to result in access to attractive midstream assets that are central to SN's major development activity in South Texas. The modern plant design is expected to deliver better liquids yields and lower processing fees, resulting in lower operating costs, higher net-backs, and greater price realization on our natural gas liquids revenue stream. The joint ventures are expected to also improve our access to end markets, including the developing Mexico and global LNG markets, and provide opportunities to increase revenue through utilization of the new midstream system to transport and process third party volumes."

"Importantly, these South Texas midstream assets are expected to provide stable cash flows which a master limited partnership may find attractive and financeable at favorable rates. As the project develops, we intend to explore potential alternative financing or other options for the joint ventures to maintain our liquidity, while also exploring whether there are any mutually beneficial funding strategies with Sanchez Production Partners LP that might be attractive to us. We look forward to updating the investment community as our plans advance."

The natural gas processing plant and gathering pipelines will be designed, built and operated by Targa. The plant is expected to be operational by early 2017.

Additional Information

An updated corporate presentation has been uploaded to the Company's website (www.sanchezenergycorp.com) with additional slides detailing this transaction.

About Sanchez Energy Corporation

[Sanchez Energy Corp.](#) is an independent exploration and production company focused on the acquisition and development of unconventional resources in the onshore U.S. Gulf Coast with a current focus on the Eagle Ford Shale in South Texas, where the Company has assembled approximately 223,000 net acres, and the Tuscaloosa Marine Shale. For more information about Sanchez Energy Corporation, please visit our website (www.sanchezenergycorp.com).

About Targa Resources Partners LP

Targa Resources Partners LP is a publicly traded Delaware limited partnership formed in October 2006 by its parent, Targa Resources Corp., to own, operate, acquire and develop a diversified portfolio of complementary midstream energy assets. Targa is a leading provider of midstream natural gas and natural gas liquid services in the United States. In addition, Targa provides crude oil gathering and crude oil and petroleum product terminaling services. Targa is engaged in the business of gathering, compressing, treating, processing and selling natural gas; storing, fractionating, treating, transporting, terminaling and selling NGLs and NGL products; gathering, storing, and terminaling crude oil; and storing and terminaling petroleum products. Targa reports its operations in two divisions: (i) Gathering and Processing, consisting of two reportable segments - (a) Field Gathering and Processing and (b) Coastal Gathering and Processing; and (ii) Logistics and Marketing, consisting of two

reportable segments - (a) Logistics Assets and (b) Marketing and Distribution. The financial results of Targa's commodity hedging activities are reported in Other.

The principal executive offices of Targa Resources Corp. and Targa Resources Partners LP are located at 1000 Louisiana, Suite 4300, Houston, TX 77002 and their telephone number is 713-584-1000. For more information please go to www.targaresources.com.

Forward-Looking Statements

This press release contains, and our officers and representatives may from time to time make, 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 press release that address activities, events or developments that Sanchez Energy expects, believes or anticipates will or may occur in the future, including, statements related to cash flows, operational and commercial benefits of the joint venture with Targa, benefits of the plant design, the capacity of the plant, the timing that the plant becomes operational, access to midstream assets, access to end markets, our strategy and plans, our view of the market and expected cost efficiencies, are forward-looking statements. These statements are based on certain assumptions made by the Company based on management's experience, perception of historical trends and technical analyses, current conditions, anticipated future developments and other factors believed to be appropriate and reasonable by management. When used in this press release, the words "will," "potential," "believe," "estimate," "intend," "expect," "may," "should," "anticipate," "could," "plan," "predict," "project," "profile," "model," "strategy," "future," or their negatives, other similar expressions or the statements that include those words, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Sanchez Energy, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements, including, but not limited to, the timing to consummate the joint venture, failure of acquired assets to operate as anticipated, failure to successfully integrate acquired assets, failure to continue to produce oil and gas at historical rates, costs of operations, delays, and any other difficulties related to producing oil or gas, the price of oil or gas, marketing and sales of produced oil and gas, estimates made in evaluating reserves, competition, general economic conditions and the ability to manage and continue growth, our expectations regarding the timing and ability to meet our drilling commitments with respect to our Catarina assets, and other factors described in Sanchez Energy's most recent Annual Report on Form 10-K and any updates to those risk factors set forth in Sanchez Energy's Quarterly Reports on Form 10-Q. Further information on such assumptions, risks and uncertainties is available in Sanchez Energy's filings with the Securities and Exchange Commission (the "SEC"). Sanchez Energy's filings with the SEC are available on our website at www.sanchezenergycorp.com and on the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events anticipated by Sanchez Energy's forward-looking statements may not occur, and, if any of such events do occur, Sanchez Energy may not have correctly anticipated the timing of their occurrence or the extent of their impact on its actual results. Accordingly, you should not place any undue reliance on any of Sanchez Energy's forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made and Sanchez Energy undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

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