

[Ring Energy Inc.](#) (NYSE MKT: REI) (“Ring”)(“Company”) announced today financial results for the three months and nine months ended September 30, 2015. For the three month period ended September 30, 2015, Ring had oil and gas revenues of \$8,629,007 compared to \$10,929,771 for the quarter ended September 30, 2014, and net loss of \$1,138,268 or \$0.04 per fully diluted share, compared to a net income of \$1,726,469, or \$0.06 per fully diluted share, for the same period in 2014. For the nine month period ended September 30, 2015, the Company reported oil and gas revenues of \$23,651,498, compared to oil and gas revenues of \$28,104,461 for the nine month period ended September 30, 2014, and a net loss for the nine month period ended September 30, 2015 of \$1,579,725, or \$0.06 per fully diluted share, compared to a net income of \$5,711,896, or \$0.22 per fully diluted share, for the same period in 2014. The revenue decrease was primarily due to lower received oil and gas prices.

For the three months ended September 30, 2015, oil sales volume increased to 181,069 barrels, compared to 124,526 barrels for the same period in 2014, and gas sales volume increased to 165,942 MCF (thousand cubic feet), compared to 8,192 MCF for the same period in 2014. For the nine months ended September 30, 2015, oil sales volume increased to 483,918 barrels, compared to 307,003 barrels for the same period in 2014, and gas sales volume increased to 280,307 MCF, compared to 23,951 MCF for the same period in 2014. The average commodity prices received by Ring were \$45.24 per barrel of oil and \$2.64 per MCF of natural gas for the quarter ended September 30, 2015, compared to \$87.58 per barrel of oil and \$2.92 per MCF of natural gas for the quarter ended September 30, 2014. The average prices received for the nine months ended September 30, 2015 were \$47.31 per barrel of oil and \$2.70 per MCF of natural gas, compared to \$91.21 per barrel of oil and \$4.24 per MCF of natural gas for the nine month period ended September 30, 2014.

Lease operating expenses, including production taxes, for the three months ended September 30, 2015 were \$15.94 per barrel of oil equivalent (“BOE”), an 8% increase from the prior year. Depreciation, depletion and amortization costs, including accretion, decreased 37% to \$22.86 per BOE. General and administrative costs, which included a \$650,968 charge for stock based compensation, were \$9.59 per BOE, a 34% decrease. For the nine months ended September 30, 2015, lease operating expenses, including production taxes, were \$15.27 per BOE, a 6% increase. Depreciation, depletion and amortization costs, including accretion, were \$22.20 per BOE, a 28% decrease, and general and administrative costs, which included a \$1,962,142 charge for stock based compensation, were \$10.88 per BOE, a 33% decrease.

There was outstanding debt of \$40,900,000 on the Company’s \$500 million senior secured credit facility at September 30, 2015.

Net cash flow from operations for the three and nine months ended September 30, 2015 was \$3,522,565 or \$0.12 per fully diluted share, and \$11,309,746, or \$0.41 per fully diluted share, compared to net cash flow of \$7,995,660 and \$20,691,009, or \$0.30 and \$0.81 per fully diluted share for the same periods in 2014 (1).

Ring’s Chief Executive Officer, Mr. Kelly Hoffman, stated, “As commodity prices continue to be depressed, we have focused our attention on improving efficiencies at both our legacy properties in the Permian Basin and our recently acquired Delaware Basin acreage. We have made infrastructure improvements at both sites and continue to work closely with all our vendors. We remain patient and diligent as we evaluate additional acquisition opportunities. We have built a solid company with years of drilling inventory and are anxious to restart our development program.”

#### Non-GAAP Financial Measures:

Earnings for the three months ended September 30, 2015 include a non-cash charge for stock based compensation of \$650,968. Earnings for the nine months ended September 30, 2015 include a non-cash charge for stock based compensation of \$1,962,142. Excluding such items, the Company’s earnings would have been a net loss of \$0.02 per diluted share for the three months ended September 30, 2015, and a net loss of \$0.01 for the nine months ended September 30, 2015. The Company believes results excluding these items are more comparable to estimates provided by security analysts and, therefore, are useful in evaluating operational trends of the Company and its performance, compared to other similarly situated oil and gas producing companies.

- (1) Cash Flow from Operations is a non-GAAP financial measure that represents “Net Cash Provided By Operating Activities”; adjusted for the change in operating assets and liabilities. See below for a reconciliation of the related amounts.

About Ring Energy, Inc.

[Ring Energy Inc.](#) is an oil and gas exploration, development and production company with current operations in Texas and Kansas. [www.ringenergy.com](http://www.ringenergy.com)

#### Safe Harbor Statement

This release contains forward-looking statements within the meaning of the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995 that involve a wide variety of risks and uncertainties, including, without limitations,

statements with respect to the Company's strategy and prospects. Such statements are subject to certain risks and uncertainties which are disclosed in the Company's reports filed with the SEC, including its Form 10-K for the fiscal year ended December 31, 2014, its Form 10-Q for the quarter ended September 30, 2015 and its other filings with the SEC. Readers and investors are cautioned that the Company's actual results may differ materially from those described in the forward-looking statements due to a number of factors, including, but not limited to, the Company's ability to acquire productive oil and/or gas properties or to successfully drill and complete oil and/or gas wells on such properties, general economic conditions both domestically and abroad, and the conduct of business by the Company, and other factors that may be more fully described in additional documents set forth by the Company.

RING ENERGY, INC.  
STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30, 2015 (Unaudited)	2014 (Unaudited)	September 30, 2015 (Unaudited)	2014 (Unaudited)
Oil and Gas Revenues	\$8,629,007	\$10,929,771	\$23,651,498	\$28,104,461
Costs and Operating Expenses				
Oil and gas production costs	2,917,296	1,347,929	6,991,148	3,196,907
Oil and gas production taxes	410,347	504,091	1,110,262	1,297,104
Depreciation, depletion and amortization	4,668,353	4,494,868	11,527,684	9,502,880
Accretion expense	103,887	42,548	250,266	104,242
General and administrative expense	2,002,638	1,816,131	5,775,355	5,015,399
Total Costs and Operating Expenses	10,102,521	8,205,567	25,654,715	19,116,532
Income (Loss) from Operations	(1,473,514 )	2,724,204	(2,003,217 )	8,987,929
Other Income				
Interest expense	(350,737 )	-	(429,742 )	-
Interest income	1,831	16,224	2,613	78,573
Net Other Income	(348,906 )	16,224	(427,129 )	78,573
Income (Loss) Before Tax Provision	(1,822,420 )	2,740,428	(2,430,346 )	9,066,502
(Provision For) Benefit From Income Taxes	684,152	(1,013,959 )	850,621	(3,354,606 )
Net Income (Loss)	(\$1,138,268 )	\$1,726,469	(\$1,579,725 )	\$5,711,896
Basic Net Income (Loss) Per Common Share	(\$0.04 )	\$0.07	(\$0.06 )	\$0.23
Diluted Net Income (Loss) Per Common Share	(\$0.04 )	\$0.06	(\$0.06 )	\$0.22
Basic Weighted-Average Common Shares Outstanding	30,372,701	25,707,371	27,430,624	24,406,581
Diluted Weighted-Average Common Shares Outstanding	30,372,701	26,881,710	27,430,624	25,568,065

COMPARATIVE OPERATING STATISTICS

	Three Months Ended September 30,		
	2015	2014	Change
Net Production - BOE per day	2,269	1,368	66 %
Per BOE:			
Average Sales Price	\$ 41.34	\$ 86.82	-52 %
Operating Costs (Includes Production Taxes)	\$ 15.94	\$ 14.71	8 %
DD&A (Includes Accretion)	\$ 22.86	\$ 36.04	-37 %
General & Administrative Expenses	\$ 9.59	\$ 14.43	-34 %
	Nine Months Ended September 30,		
	2015	2014	Change
Net Production - BOE per day	1,944	1,139	71 %
Per BOE:			
Average Sales price	\$ 44.57	\$ 90.37	-51 %
Operating Costs (Includes Production Taxes)	\$ 15.27	\$ 14.45	6 %
DD&A (Includes Accretion)	\$ 22.20	\$ 30.89	-28 %
General & Administrative Expenses	\$ 10.88	\$ 16.13	-33 %

RING ENERGY, INC.  
CONSOLIDATED BALANCE SHEET

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash	\$3,118,234	\$8,622,235
Accounts receivable	2,660,662	3,616,676
Joint interest billing receivable	2,722,958	2,683,787

Prepaid expenses and retainers	320,273	160,600
Total Current Assets	8,822,127	15,083,298
Property and Equipment, Using Full Cost Accounting		
Oil and gas properties subject to amortization	266,979,567	166,036,400
Office equipment and automobiles	1,539,991	1,209,809
Total Property and Equipment	268,519,558	167,246,209
Accumulated depreciation, depletion and amortization	(26,215,731 )	(14,688,047 )
Net Property and Equipment	242,303,827	152,558,162
Deferred Financing Costs	744,379	-
Total Assets	\$ 251,870,333	\$ 167,641,460

#### LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable	\$ 7,525,150	\$ 16,241,022
Other accrued liabilities	-	22,029
Total Current Liabilities	7,525,150	16,263,051
Noncurrent Liabilities		
Deferred income taxes	4,088,769	4,939,390
Long term debt	40,900,000	-
Asset retirement obligations	6,261,614	3,896,489
Total Liabilities	58,775,533	25,098,930
Stockholders' Equity		
Preferred stock - \$0.001 par value; 50,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock - \$0.001 par value; 150,000,000 shares authorized; 30,391,342 shares and 25,725,001 shares outstanding, respectively	30,391	25,734
Additional paid-in capital	192,659,661	140,532,323
Retained earnings	404,748	1,984,473
Total Stockholders' Equity	193,094,800	142,542,530
Total Liabilities and Stockholders' Equity	\$ 251,870,333	\$ 167,641,460

#### RING ENERGY, INC.

#### STATEMENTS OF CASH FLOW

	Nine Months Ended	
	September 30,	
	2015	2014
Cash Flows From Operating Activities		
Net income	(\$1,579,725 )	\$ 5,711,896
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	11,527,684	9,502,880
Accretion expense	250,266	104,242
Share-based compensation	1,962,142	1,930,335
Stock issued for services	-	87,050
(Benefit from) Provision for income taxes	(850,621 )	3,354,606
Changes in assets and liabilities:		
Accounts receivable	916,843	(477,660 )
Prepaid expenses	(904,052 )	(150,802 )
Accounts payable	(8,737,901 )	1,925,940
Net Cash Provided by Operating Activities	2,584,636	21,988,487
Cash Flows from Investing Activities		
Payments to purchase oil and natural gas properties	(77,191,925 )	(12,438,370 )
Payments to develop oil and natural gas properties	(21,449,757 )	(60,938,454 )
Purchase of office equipment	(330,182 )	(599,387 )
Plugging and abandonment costs incurred	(186,626 )	(37,287 )
Net Cash Used in Investing Activities	(99,158,490 )	(74,013,498 )
Cash Flows From Financing Activities		
Proceeds from option exercise	130,000	215,000
Proceeds from issuance of common stock	50,039,853	28,526,276
Proceeds from issuance of notes payable	40,900,000	-
Net Cash Provided by Financing Activities	91,069,853	28,741,276
Net Increase (Decrease) in Cash	(5,504,001 )	(23,283,735 )
Cash at Beginning of Period	8,622,235	52,350,583
Cash at End of Period	\$ 3,118,234	\$ 29,066,848
Supplemental Cash Flow Information		

Cash paid for interest	\$ 174,410	-
Non-Cash Investing and Financing Activities		
Stock issued as consideration in property acquisition	-	\$ 130,428
Asset retirement obligation acquired	\$ 2,177,110	\$ 322,879
Asset retirement obligation incurred during development	124,375	1,220,566
RECONCILIATION OF CASH FLOW FROM OPERATIONS		
Net cash provided by operating activities	\$ 2,584,636	\$ 21,988,487
Change in operating assets and liabilities	8,725,110	(1,297,478 )
Cash flow from operations	\$ 11,309,746	\$ 20,691,009

Management believes that the non-GAAP measure of cash flow from operations is useful information for investors because it is used internally and is accepted by the investment community as a means of measuring the Company's ability to fund its capital program. It is also used by professional research analysts in providing investment recommendations pertaining to companies in the oil and gas exploration and production industry.

RING ENERGY, INC.

NON-GAAP DISCLOSURE RECONCILIATION

ADJUSTED EBITDA

	Nine Months Ended	
	September 30, 2015	September 30, 2014
NET INCOME	(\$1,579,725 )	\$ 5,711,896
Interest expense (Income)	427,129	(78,573 )
(Benefit From) Provision For Income taxes	(850,621 )	3,354,606
Depreciation, depletion and amortization	11,527,684	9,502,880
Accretion expense	250,266	104,242
Share-based compensation	1,962,142	1,930,335
ADJUSTED EBITDA	\$ 11,736,875	\$ 20,525,386

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