

DENVER, CO--(Marketwired - May 03, 2016) - [Synergy Resources Corp.](#) ("Synergy" or the "Company") (NYSE MKT: SYRG) today announced that it has entered into a definitive agreement with Noble Energy through private negotiations to acquire certain assets for total consideration of \$505 million cash, subject to customary purchase price adjustments.

Highlights of the transaction include:

- Approximately 72,000 gross (33,100 net) acres located in Weld County Colorado, primarily in and around the city of Greeley.
- The acquired lands are largely contiguous allowing for longer lateral lengths per well and the efficient development of infrastructure.
- Over 80% of the acquired lands are held by production from vertical wells, allowing for orderly horizontal development.
- Synergy has identified over 900 gross locations on the acquired lands, of which over 800 of those locations are suitable for mid (<7,500'), long (<10,000') and extended (>10,000') length laterals, using an initial assumption of horizontal development with 20-24 wells per drilling unit, creating multiyear drilling inventory.
- Drilling locations will target the Niobrara A, Niobrara B, Niobrara C and Codell zones which all produce in the acquired lands.
- For the first quarter of 2016 estimated net daily production of 800 BOE/d from non-operated properties and 1,600 BOE/d from operated properties.

The acquisition is expected to close on two separate dates, with the undeveloped lands and non-operated production expected to close in the second quarter of 2016, followed by the operated producing properties (assuming regulatory approval is obtained) later in 2016. The closings are subject to the completion of customary due diligence and closing conditions. Synergy intends to finance the purchase price of the acquisition with cash on hand and proceeds from financing transactions, including a private placement of \$80 million in notes for which it has a commitment letter in place.

In addition, the Company announced that in two separate transactions, it has entered into definitive purchase and sale agreements with two private entities to divest approximately 3,700 net undeveloped acres and 107 vertical wells primarily in Adams County, Colorado for total consideration of approximately \$27 million in cash, subject to customary purchase price adjustments. The divested assets had associated production of approximately 200 BOE/d. The vertical well transaction recently closed and the undeveloped acreage transaction is expected to close in the second quarter of 2016.

Pro forma for the closing of these transactions, the Company will have an interest in approximately 47,200 net largely contiguous acres in the Company's defined Wattenberg fairway area and approximately an additional 22,000 net acres of other Wattenberg acreage.

"This acquisition is transformational for Synergy and a significant step forward in the Company's evolution to become a leading operator in the Wattenberg Field. By consolidating our properties into a more focused footprint, we should be able to gain operating efficiencies. We have assembled an experienced Wattenberg technical team that can execute a capital efficient growth plan while maintaining a balance sheet with low leverage. We do not expect to increase our operational activity in 2016; however, we anticipate the development of the acquired properties to be a significant part of our expanded 2017 operation program, which is expected to incorporate up to three drilling rigs. This was a unique opportunity to acquire a contiguous block of acreage in the heart of the Wattenberg Field that may never present itself again. The acquisition provides the Company the ability to exploit the talents of our team across a broader and more contiguous footprint, which should result in operational efficiencies and enhance shareholder value," stated Lynn Peterson, Chairman and CEO. "We look forward to working with the county and city officials to create a development plan that can incorporate all parties' interests. Synergy has recently demonstrated success in working in a municipal setting with the drilling and completion of our Bestway wells in late 2015. This acquisition presents the opportunity to develop a largely de-risked leasehold predominately through mid- and extended length lateral wells and, since the acquired assets are largely held by production, we maintain our flexibility to deploy capital when appropriate."

About Synergy Resources Corporation

[Synergy Resources Corp.](#) 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 Company's corporate offices are located in Denver, Colorado.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this news release related to the Company's future plans and opportunities, including statements regarding the announced transaction, the expected timetable for closing of the transactions and the expected benefits of the transactions, expected capital expenditures, production, future cash flows, future financial position, drilling plans, efficiencies and expected drilling results, and all other statements other than statements of historical fact are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from the forward-looking statements, including the risk of that the acquisition transaction may not close or that financing required to fund that transaction

is not obtained, adverse changes in commodity prices, general economic and financial conditions, or the regulatory environment, and the risk that drilling and other activities will be unsuccessful or fail to meet expectations. Synergy urges you to carefully review and consider the cautionary statements made in the "Risk Factors" sections of the Company's Transition Report on Form 10-K for the four months ended December 31, 2015, filed with the Securities and Exchange Commission ("SEC") on April 22, 2016, and Quarterly Report on Form 10-Q for the three months ended March 31, 2016, filed with the SEC on May 3, 2016, and other filings with the SEC, all of which are incorporated by reference herein, for further information on risks and uncertainties that could affect the Company's business, financial condition and results of operations. The Company cautions you not to place undue reliance on forward-looking statements, which speak only as of the date made. Synergy undertakes no obligation to update any forward-looking statements in order to reflect any event or circumstance occurring after the date of this release or currently unknown facts or conditions or the occurrence of unanticipated events. All forward looking statements are qualified in their entirety by this cautionary statement.

Source: [Synergy Resources Corp.](#)

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