

MIDLAND, Texas, Oct. 10, 2016 (GLOBE NEWSWIRE) -- [Diamondback Energy Inc.](#) (NASDAQ:FANG) ("Diamondback" or the "Company") today provided an operational update for the quarter ended September 30, 2016, increased 2016 production outlook and introduced preliminary guidance for the full year of 2017.

"Diamondback's continued strong well performance and increased completion cadence during the third quarter reflects our ability to turn our growth engine back on into a rising commodity price after reducing completion activity in early 2016. We are now operating four rigs with a fifth rig to be added in the coming weeks and a sixth rig to be added early next year," stated Travis Stice, Chief Executive Officer of Diamondback.

Mr. Stice continued, "We have increased 2016 production guidance and introduced 2017 production guidance which shows production growth of more than 30% at the midpoint compared to updated 2016 expectations. Our existing asset base allows us to drive production growth within cash flow into 2017 and beyond at the current forward strip prices. The ability to drive multi-year organic growth, within cash flow on our existing asset base represents the standard we have always sought to achieve. We believe we are ideally positioned to pursue additional transactions provided they drive exceptional shareholder value while maintaining our disciplined approach to acquisitions. As has been rumored, we were engaged in discussions involving an acquisition but are not actively pursuing further negotiations at this time."

OPERATIONS UPDATE:

- Diamondback's average daily production during Q3 2016 was 44,923 boe/d (73% oil), up 22% from Q2 2016 average daily production of 36,841 boe/d. Average realized prices during Q3 2016 were \$42.11 per barrel of oil, \$2.37 per Mcf of natural gas and \$13.76 per barrel of natural gas liquids.
- Diamondback's subsidiary, Viper Energy Partners LP ("Viper"), had Q3 2016 production of 6,255 boe/d (75% oil), up 16% from Q2 2016 average daily production of 5,380 boe/d. Viper's Q3 2016 average realized prices were \$41.97 per barrel of oil, \$2.39 per Mcf of natural gas and \$12.56 per barrel of natural gas liquids.
- In September 2016, Diamondback completed its previously announced acquisition in the Southern Delaware Basin.

GUIDANCE UPDATE:

- Diamondback is increasing its 2016 production guidance to a range of 41.0 to 42.0 Mboe/d, up 6% from the midpoint of the July guidance range of 38.0 to 40.0 Mboe/d, as a result of continued strong well performance.
 - Diamondback now intends to complete 65 to 70 gross horizontal wells this year.
 - Diamondback's 2016 capital expenditure guidance remains unchanged at \$350 to \$425 million.
 - Diamondback plans to add a fifth rig in the coming weeks.
- The Company is decreasing its full year 2016 lease operating expense ("LOE") guidance to \$5.50 to \$6.00 per boe from a prior range of \$5.50 to \$6.25 per boe as a result of continued cost savings and efficiency improvements.
- Diamondback's preliminary full year 2017 production guidance is 52 to 58 Mboe/d, the midpoint of which is up over 30% from the midpoint of updated 2016 production guidance
 - Diamondback plans to complete 90 to 120 gross wells in 2017 with an average lateral length of approximately 8,500 feet.

PRELIMINARY FULL YEAR 2017 GUIDANCE

Diamondback expects full year 2017 production to be between 52.0 Mboe/d and 58.0 Mboe/d. During 2017, the Company plans to complete 90 to 120 gross horizontal wells with an estimated total capital spend of \$500 to \$650 million from a five to seven rig program, should WTI prices remain above \$45 per barrel.

Well costs are expected to range from \$5.0 to \$5.5 million for a 7,500 foot lateral horizontal well in the Midland Basin and \$6.0 to \$7.0 million in the Delaware Basin. Leading-edge Midland Basin well costs remain below \$6.0 million for a 10,000 foot lateral well and below \$5.0 million for a 7,500 foot lateral well.

UPDATED FULL YEAR 2016 GUIDANCE

Below is Diamondback's updated full year 2016 guidance, which has been updated to reflect increased production. The Company is reiterating its 2016 capital expenditure guidance for drilling, completion and infrastructure of \$350 to \$425 million.

	2016 Guidance Diamondback Energy, Inc.	Viper Energy Partners LP
Total Net Production – Mboe/d	41.0 – 42.0	6.0 – 6.5
<i>Unit costs (\$/boe)</i>		
Lease operating expenses, including workovers	\$5.50 - \$6.00	n/a
Gathering & Transportation	\$0.50 - \$1.00	\$0.25-\$0.50
G&A		

Cash G&A	\$1.00 - \$2.00		\$0.50-\$1.50	
Non-cash equity-based compensation	\$1.50 - \$2.50		\$2.00-\$3.00	
DD&A	\$11.00 - \$13.00		\$12.00-\$14.00	
Interest expense (net of interest income)	\$2.50 - \$3.50			
Production and ad valorem taxes (% of revenue) ^(a)	8.0	%	8.0	%
<i>(\$ - million)</i>				
Gross Midland Basin horizontal well costs ^(b)	\$5.0 - \$5.5		n/a	
Horizontal wells completed (net)	65 – 70 (55 – 60)			
<i>Capital Budget (\$ - million)</i>				
Horizontal drilling and completion	\$305 - \$360		n/a	
Infrastructure	\$30 - \$40		n/a	
Non-op and other	\$15 - \$25		n/a	
2016 Capital Spend	\$350 - \$425		n/a	

(a) Includes production taxes of 4.6% for crude oil and 7.5% for natural gas and NGLs and ad valorem taxes.

(b) Assumes a 7,500' average lateral length.

About Diamondback Energy, Inc.

Diamondback is an independent oil and natural gas Company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. Diamondback's activities are primarily focused on the horizontal exploitation of multiple intervals within the Wolfcamp, Spraberry, Clearfork, Bone Springs and Cline formations.

About Viper Energy Partners LP

Viper is a limited partnership formed by Diamondback to own, acquire and exploit oil and natural gas properties in North America, with a focus on the Permian Basin.

Forward Looking Statements

This news release contains forward-looking statements within the meaning of the federal securities laws. All statements, other than historical facts, that address activities that Diamondback assumes, plans, expects, believes, intends or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements, including specifically the statements regarding any acquisitions announced above. The forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the management of Diamondback. Information concerning these risks and other factors can be found in Diamondback's filings with the Securities and Exchange Commission, including its Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the Securities and Exchange Commission's web site at <http://www.sec.gov>. Diamondback undertakes no obligation to update or revise any forward-looking statement.

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