

DENVER, Dec. 05, 2016 (GLOBE NEWSWIRE) -- [PDC Energy Inc.](#) ("PDC", the "Company", or "us") (NASDAQ:PDCE) today announced its 2017 capital budget and production forecast. All 2017 forecasts and projections are inclusive of the expected early December closing of the Company's Delaware Basin acquisition, previously announced in August 2016.

2017 Budget Highlights:

- Annual production of approximately 30.0 to 33.0 million barrels of oil equivalent ("MMBoe"), a year-over-year increase of more than 40% at the mid-point.
- Oil production to account for approximately 43% of total production, with year-over-year oil growth of approximately 50%.
- Anticipated capital budget of \$725 to \$775 million with an expected outspend of less than \$200 million.
- Year-end 2017 cash on hand of approximately \$200 million.
- Year-end 2017 debt to EBITDAX of approximately 1.8 times.
- Turn-in-line ("TIL") approximately 170 wells, an increase in terms of lateral feet of approximately 37% year-over-year.

CEO Commentary

Bart Brookman, President and Chief Executive Officer, commented, "Looking to 2017, we have a strong focus on several key initiatives. First, the integration of our Delaware Basin assets, a top-tier core position with tremendous resource potential. Look for PDC to focus on holding acreage, drilling longer laterals and multi-well pads and developing a long-term midstream strategy. Second, we will continue to build upon our tremendous operational momentum by continuing to push the envelope with our completion designs and technical enhancements. Finally, and equally important, we will continue to prioritize our balance sheet to ensure that we maintain strong debt metrics and ample liquidity. Our ability to not only execute on these initiatives, but deliver another year of significant, responsible growth, puts PDC in position for a terrific 2017."

2017 Capital Plan and Production Guidance

PDC's 2017 capital budget of \$750 million at the mid-point is primarily focused on the continued execution in the Core Wattenberg and the integration of its Core Delaware Basin assets upon closing.

2017 production guidance of 30.0 to 33.0 MMBoe, or 82,200 to 90,400 Boe per day, represents an increase of greater than 40 percent at the mid-point compared to anticipated 2016 volumes. The anticipated commodity mix is approximately 43 percent oil, 21 percent NGLs and 36 percent natural gas.

First quarter 2017 production is expected to be in-line with anticipated fourth quarter 2016 volumes due to the timing of turn-in-lines. Subsequent 2017 quarters are expected to show steady sequential growth culminating with an average December exit rate of approximately 97,000 Boe per day.

2017 Financial Positioning

PDC projects to exit 2017 with a debt to EBITDAX ratio of approximately 1.8 times. Total year-end liquidity is projected to be approximately \$900 million, assuming its current \$700 million borrowing base and anticipated cash on hand.

Based on the mid-point of production guidance, nearly 50 percent of 2017 expected crude oil volumes are hedged at approximately \$48 per barrel and approximately 52 percent of anticipated gas volumes are hedged at nearly \$3.50 per thousand cubic foot ("Mcf"), including CIG basis swaps.

Using internal weighted-average NYMEX pricing of approximately \$51 per barrel of oil, \$3.30 per Mcf of natural gas and NGL realizations of approximately 25% of NYMEX oil, the Company expects to outspend cash flow in the first half of 2017 and be approximately cash flow neutral in the second half. The Company anticipates its corporate well-head oil differential to NYMEX to be approximately \$4.50 per barrel in 2017.

Wattenberg Operations Details

In 2017, the Company plans to operate a three to four rig program and spend approximately \$490 million in the Wattenberg Field. Approximately \$460 million is allocated for operated activity with approximately \$20 million anticipated to be spent on non-operated activity and the remaining \$10 million on miscellaneous workover and capital projects.

The Company plans to drill standard reach lateral ("SRL"), mid-reach lateral ("MRL") and extended reach lateral ("XRL") wells in 2017 with an average lateral length of approximately 7,300 feet. TILs for the field are

expected to be approximately 150, an increase in terms of one mile-equivalent wells of more than 20 percent compared to 2016.

2017 Wattenberg Program Details

<i>All numbers approximate</i>	SRL	MRL	XRL
Lateral Length	4,200' ; 6,900' ; 9,500'		
Drilling days (spud-to-spud)	7	10	12
% of 2017 operated spuds	36 %	37 %	27 %
% of 2017 operated TILs	34 %	28 %	38 %
Well cost (millions)	\$ 2.5	\$ 3.5	\$ 4.5

The Company anticipates its average working interest in 2017 to be approximately 85 percent, as much of its planned activity is located in and around the recently blocked up Middle Core acreage. Due to successful testing of new completion technologies and longer average laterals, the anticipated number of total completion stages is expected to increase approximately 50 percent year-over-year.

Delaware Basin Details

The Company expects its acquisition of approximately 57,000 net acres in Reeves and Culberson Counties, Texas to close in early December of 2016. In 2017, PDC anticipates operating a two rig program for the majority of the year with the addition of a third rig in the fourth quarter. Total capital spend is expected to be approximately \$235 million, of which approximately \$185 million is allocated to spud and turn-in-line an estimated 28 and 19 wells, respectively. The Company plans to drill 12 wells in its Eastern acreage block, 14 wells in the Central acreage block and two wells in its Western acreage block, with the majority of wells targeting the Wolfcamp A zone. Thirteen of the 19 planned turn-in-lines are expected to have laterals of approximately 10,000 feet with 72 completion stages. Similarly spaced completions are anticipated for the remaining six turn-in-lines. Estimated well costs for SRL, MRL and XRL wells are approximately \$6.5, \$8.0 and \$9.5 million, respectively.

PDC plans to spend approximately \$35 million for leasing, seismic and technical studies with an additional \$15 million for midstream related projects including gas connections, salt water disposal wells and surface location infrastructure.

Utica Operations Update

PDC plans to spend approximately \$18 million in the Utica to drill, complete and TIL two wells in Guernsey County as well as execute selective lease renewals. The planned wells have laterals of approximately 12,000 feet and are expected to TIL in the second half of 2017.

Upcoming Investor Conferences

PDC is scheduled to present at the 2016 Capital One Energy Conference in New Orleans on Wednesday, December 7, 2016. The Company will also attend the 15th Annual Wells Fargo Pipeline, MLP and Utility Symposium in New York on Tuesday, December 6, 2016; and the Goldman Sachs Energy Conference on Thursday, January 5, 2017. An updated presentation will be posted to the Company's website, www.pdce.com, prior to the start of the Wells Fargo conference.

About PDC Energy, Inc.

[PDC Energy Inc.](http://www.pdce.com) is a domestic independent exploration and production company that produces, develops, acquires and explores for crude oil, natural gas and NGLs with operations in the Wattenberg Field in Colorado and in the Utica Shale in southeastern Ohio. Upon completion of the Company's previously announced acquisition, the Company will also conduct those activities in the Delaware Basin portion of the Permian Basin region in West Texas. Its operations are focused on the liquid-rich horizontal Niobrara and Codell plays in the Wattenberg Field and the condensate and wet gas portion of the Utica Shale play.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press 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 regarding PDC's business, financial condition, results of operations and prospects. All statements other than statements of historical facts included in and incorporated by reference into this release are forward-looking statements. Words such as expects, forecast, guidance, anticipates, intends, plans, believes, seeks, estimates and similar expressions or variations of such words are intended to identify forward-looking statements herein, which may include statements regarding PDC's future production, cash flows, capital expenditures and projects, cost-saving initiatives, operational enhancements, rates-of-return, debt metrics, liquidity, future differentials and management's strategies, plans and objectives. However, these are not the exclusive means of identifying forward-looking statements herein. Although

forward-looking statements contained in this press release reflect the Company's good faith judgment, such statements can only be based on facts and factors currently known to PDC. Consequently, forward-looking statements are inherently subject to risks and uncertainties, including risks and uncertainties incidental to the exploration for, and the acquisition, development, production and marketing of crude oil, natural gas and NGLs, and actual outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to: unanticipated changes relating to the following:

- 2017 capital budget and production forecasts, including anticipated liquidity;
- year-end debt to EBITDA range;
- future exploration, drilling and development activities, including expected rig counts;
- potential additional revisions to the 2017 capital and production forecasts, including anticipated exit rates;
- anticipated number of wells spud and turned-in-line and growth level expectation;
- anticipated commodity mix in 2017;
- changes in hydrocarbon production volumes and demand, including economic conditions that might impact demand;
- volatility of commodity prices for crude oil, natural gas and NGLs, including the risk of an extended period of low commodity prices;
- the impact of governmental policies and/or regulations, including changes in environmental and other laws, the interpretation and enforcement related to those laws and regulations, liabilities arising thereunder and the costs to comply with those laws and regulations;
- potential declines in the value of crude oil, natural gas and NGLs properties resulting in impairments;
- potential inability to achieve expected improvements in efficiency and drilling results;
- changes in estimates of proved reserves;
- inaccuracy of reserve estimates and expected production rates;
- potential for production decline rates from wells being greater than expected;
- timing and extent of success in discovering, acquiring, developing and producing reserves;
- ability to secure leases, drilling rigs, supplies and services at reasonable prices;
- impact of high line pressure;
- availability of sufficient pipeline, gathering and other transportation facilities and related infrastructure to process and transport our production and the impact of these facilities and regional capacity on the prices received for production;
- timing and receipt of necessary regulatory permits;
- risks incidental to the drilling and operation of crude oil and natural gas wells;
- future cash flows, liquidity and financial condition;
- competition within the oil and gas industry;
- cost and availability of capital;
- reductions in the borrowing base under the revolving credit facility;
- success in marketing crude oil, natural gas and NGLs;
- effect of crude oil and natural gas derivatives activities;
- impact of environmental events, governmental and other third-party responses to such events, and the ability to insure adequately against such events;
- cost of pending or future litigation;
- effect that acquisitions we may pursue have on capital expenditures;
- ability to retain or attract senior management and key technical employees; and
- success of strategic plans, expectations and objectives for future operations.

Further, PDC urges you to carefully review and consider the cautionary statements made in this press release and the Company's filings with the SEC for further information on risks and uncertainties that could affect the Company's business, financial condition and results of operations, which are incorporated by this reference as though fully set forth herein. The Company cautions you not to place undue reliance on the forward-looking statements, which speak only as of the date hereof. PDC 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.

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