

HOUSTON, March 01, 2017 (GLOBE NEWSWIRE) -- [Sanchez Energy Corp.](#) (NYSE:SN) ("Sanchez Energy" or the "Company"), today announced the closing of the previously announced acquisition of working interests in approximately 318,000 gross operated acres in the Western Eagle Ford from [Anadarko Petroleum Corp.](#) (NYSE:APC) ("Anadarko") through a 50/50 partnership involving wholly-owned subsidiaries of the Company and with Blackstone Energy Partners ("Blackstone") (the "Comanche Transaction"). After purchase price adjustments associated with net cash flows from July 1, 2016 (the effective date of the transaction), which totaled approximately \$200 million, the 50/50 partnership paid approximately \$2.1 billion (\$1.05 billion net to Sanchez Energy) to close the transaction, which includes proved reserves of approximately 300 million barrels of oil equivalent ("MMBoe") (approximately 150 MMBoe net to Sanchez Energy).

Commenting on the Comanche Transaction, Tony Sanchez, III, Chief Executive Officer of Sanchez Energy said, "With the closing of the Comanche Transaction, the Company's operated Eagle Ford position is now approximately 585,000 gross acres (335,000 net to Sanchez Energy). The contiguous nature of the acquired acreage relative to our Catarina asset creates an opportunity for significant operational and cost synergies. Our initial focus for the asset will be on completing the 132 gross drilled but uncompleted ("DUC") wells on the acreage, which we believe will allow for immediate and rapid production growth over the next 12 months. The closing of this transaction increases our total net proved reserves to approximately 340 MMBoe, which represents an increase of approximately 78 percent from our year-end 2016 reserves. With the current development plan, we expect full year 2018 net production to be in excess of 100,000 Boe per day, double our average production rate for 2016. Importantly, we view this transaction as a key step toward deleveraging the Company's balance sheet and anticipate that this strong production growth and reduced leverage will enable us to deliver significant value to our shareholders in the coming years."

NON-RECOURSE FINANCING AND LIQUIDITY UPDATE

In conjunction with closing the Comanche Transaction, the Company closed the previously announced financing at its newly formed, unrestricted subsidiary SN EF UnSub, LP ("UnSub"), which included \$500 million in proceeds from the issuance of non-convertible perpetual preferred equity to funds managed by GSO Capital Partners LP ("GSO") and borrowings under a new revolving credit facility (non-recourse to Sanchez Energy) (the "UnSub Credit Facility") totaling approximately \$173.5 million. The UnSub Credit Facility, which was led by JPMorgan Chase Bank, N.A. as administrative agent and Citigroup Global Markets Inc., involves a syndicate of 16 lenders, including nine financial institutions that are not in the existing Sanchez Energy credit facility. The UnSub Credit Facility is secured by the assets of UnSub and has an initial borrowing base of \$330 million, which is subject to semi-annual redetermination.

Upon closing the Comanche Transaction, the Company maintained total liquidity of approximately \$602 million, which includes borrowing capacity of \$457 million under its credit facilities and approximately \$145 million in cash and cash equivalents.

COMANCHE HEDGING UPDATE

Consistent with its strategy of hedging a high percentage of anticipated production, the Company has hedged approximately 80% of the oil and natural gas volumes from the proved developed producing reserves of the acquired Comanche assets with swaps at prices of \$55.85 per Bbl and \$3.26 per MMBtu from April 2017 through September 2018, and \$53.52 per Bbl and \$2.82 per MMBtu from October 2018 through March 2020.

ABOUT SANCHEZ ENERGY CORPORATION

[Sanchez Energy Corp.](#) (NYSE:SN) is an independent exploration and production company focused on the acquisition and development of U.S. onshore unconventional oil and natural gas resources, with a current focus on the Eagle Ford Shale in South Texas where we have assembled over 335,000 net acres. For more information about Sanchez Energy Corporation, please visit our website: www.sanchezenerycorp.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 are forward-looking statements, including statements relating to the expected financial and operational results of the Comanche assets and the expected synergies and benefits related to the Comanche Transaction. 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 failure of the acquired assets and partnerships to perform as anticipated, failure or delays on the part of our partners, 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 or completing our ongoing joint venture projects, the price of oil or gas, marketing and sales of produced oil and gas, estimates made in evaluating reserves and future production, competition, general

economic conditions and the ability to manage our growth, our expectations regarding our future liquidity and leverage, our expectations regarding the results of our efforts to improve the efficiency of our operations to reduce our costs 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 or Current Reports on Form 8-K. Further information on such assumptions, risks and uncertainties is available in Sanchez Energy's filings with the U.S. 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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