



## Comstock Resources, Inc. Reports Second Quarter 2010 Financial and Operating Results

August 2, 2010

FRISCO, Texas, Aug 02, 2010 /PRNewswire via COMTEX/ --

Comstock Resources, Inc. ("Comstock" or the "Company") (NYSE: CRK) today reported financial and operating results for the three months and six months ended June 30, 2010.

### **Financial Results for the Three Months and Six Months Ended June 30, 2010**

Comstock reported a net loss of \$1.6 million or 4 cents per diluted share for the three months ended June 30, 2010 as compared to a net loss of \$11.5 million or 26 cents per share for the three months ended June 30, 2009. Comstock's production in the second quarter of 2010 grew 30% to 20.0 billion cubic feet of natural gas equivalent ("Bcfe") as compared to 15.3 Bcfe produced in the second quarter of 2009. Production in the second quarter of 2010 averaged 219 million cubic feet of natural gas equivalent ("MMcfe") per day. The increase in production is primarily attributable to Comstock's successful Haynesville shale drilling program. Production from Haynesville shale wells comprised 102 MMcfe per day (47%) of the Company's total production in the second quarter of 2010, as compared to only 27 MMcfe per day (16%) during the second quarter of 2009. Oil and natural gas prices improved in the second quarter of 2010 as compared to 2009's second quarter. Comstock's average realized natural gas price increased 5% to \$4.09 per Mcf for the second quarter of 2010 as compared to \$3.88 per Mcf for the second quarter of 2009. The Company's average realized oil price improved by 37% to \$67.37 per barrel for the second quarter of 2010 as compared to \$49.24 per barrel for the second quarter of 2009.

The higher sales volumes, combined with the higher oil and natural gas prices, resulted in sales increasing by 40% to \$90.7 million in the second quarter of 2010 as compared to 2009's second quarter sales of \$64.9 million. Operating cash flow (before changes in working capital accounts) increased to \$55.9 million in the second quarter of 2010 as compared to 2009's second quarter operating cash flow of \$42.1 million. EBITDAX, or earnings before interest, taxes, depreciation, depletion, amortization, exploration expense and other noncash expenses, was \$62.9 million in 2010's second quarter as compared to 2009's second quarter EBITDAX of \$42.2 million.

Comstock reported net income of \$5.7 million or 12 cents per diluted share for the first six months of 2010 as compared to a net loss of \$17.1 million or 38 cents per share in the first six months of 2009. The improvement in net income is mainly attributable to increased production and improved oil and natural gas prices. Comstock's production in the first half of 2010 increased 32% to 38.8 Bcfe as compared to the 29.4 Bcfe produced during the first half of 2009. Comstock averaged \$4.68 per Mcf for sales of its natural gas production in the first six months of 2010, 9% higher than the \$4.30 per Mcf realized during the first six months of 2009. Realized oil prices in the first six months of 2010 averaged \$67.24 per barrel, 60% higher than the \$41.95 per barrel in 2009's first six months.

Oil and gas sales for the first half of 2010 increased 48% to \$196.8 million from \$133.2 million in the first half of 2009. Operating cash flow (before changes in working capital accounts) generated by Comstock in 2010's first six months of \$127.5 million increased 47% from 2009's first six months operating cash flow of \$86.8 million while EBITDAX increased 64% to \$143.2 million in 2010's first six months from 2009's first six months EBITDAX of \$87.5 million.

### **2010 Drilling Results**

Comstock also reported on the results to date of its 2010 drilling program. The Company spent \$244.2 million during the first six months of 2010 on its exploration and development activities. \$181.8 million was spent on drilling activities and \$62.4 million was spent to acquire leasehold to support future exploration activity. During the first six months of 2010, Comstock drilled 36 wells (22.7 net), 15 of which have been successfully completed as producing wells. As of June 30, 2010 the Company also had eight wells in the process of being drilled.

In the East Texas/North Louisiana region, Comstock drilled 35 wells (22.2 net) so far in 2010. Thirty-four of the wells are Haynesville shale wells. Eleven of the 24 operated Haynesville shale wells drilled in 2010 have been completed and were put on production at an average initial production rate of 12.5 MMcfe per day.

Since the Company's last operational update, Comstock has completed five operated wells in its East Texas/North Louisiana region. Three of the completed wells are in its North Toledo Bend field in DeSoto Parish, Louisiana, one is at its Logansport field in DeSoto Parish, Louisiana and one in its Beckville field in Harrison County, Texas. The wells at North Toledo Bend were tested an average per well initial production rate of 10 MMcfe per day, the Logansport well was tested at 16 MMcfe per day and the Beckville well in East Texas was tested at 9 MMcfe per day. These wells were drilled with horizontal laterals from 4,500 feet to 5,000 feet and were completed with 15 to 18 frac stages. The initial production rates reflect the Company's "choke back" program where new completions are being tested and produced with a tighter choke to maintain a higher reservoir pressure in the well for a longer time. The Company believes that the ultimate reserve recovery will improve for the wells under this program.

In addition to its Haynesville shale horizontal drilling program, Comstock has drilled two vertical wells during 2010. Comstock successfully completed a Cotton Valley well in its Blocker field in East Texas and also completed the Julian Pasture #4 in its Ball Ranch field in South Texas which was tested at an initial production rate of 8 MMcfe per day.

Due to the high demand for high pressure pumping services, the Company currently has 17 wells which are drilled and waiting on completion. Comstock is working with oil field service providers to address its backlog of wells awaiting completion but does not expect the situation to improve

until late 2010 or early 2011. With the substantial delays in completions, Comstock now expects its production level to decrease in the third quarter from the second quarter.

During the second quarter of 2010, Comstock began an active lease acquisition program in the Eagle Ford shale play in South Texas. The Company has acquired or is in the process of acquiring leasehold interests in approximately 18,000 net acres which are prospective for Eagle Ford shale and plans on acquiring up to an additional 10,000 acres. Comstock expects to begin drilling operations in the Eagle Ford shale during the third quarter of 2010 by moving one of its drilling rigs from its East Texas/North Louisiana region. Comstock has also increased its leasehold position in the Haynesville shale and Bossier shale plays in North Louisiana and East Texas. Since the beginning of the year the Company has added approximately 5,000 net acres prospective for both the Haynesville and Bossier shales.

The Company expects to spend approximately \$500 million in 2010 for exploration and development activities. \$350 million will be spent to drill 69 wells (46.5 net) with \$150 million to acquire exploratory acreage prospective for the Haynesville and Eagle Ford shale. All but three of the wells will be horizontal wells drilled to test either Haynesville or Eagle Ford shale.

Comstock has planned a conference call for 9:30 a.m. Central Time on Tuesday, August 3, 2010, to discuss the operational and financial results for the second quarter of 2010. Investors wishing to participate should visit the Company's website at [www.comstockresources.com](http://www.comstockresources.com) for a live web cast or dial 1-888-396-2298 (international dial-in use 617-847-8708) and provide access code 69569175 when prompted. If you are unable to participate in the original conference call, a web replay will be available approximately 24 hours following the completion of the call on Comstock's website at [www.comstockresources.com](http://www.comstockresources.com). The web replay will be available for approximately one week.

***This press release may contain "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described herein. Although the Company believes the expectations in such statements to be reasonable, there can be no assurance that such expectations will prove to be correct.***

***Comstock Resources, Inc. is an independent energy company based in Frisco, Texas and is engaged in oil and gas acquisitions, exploration and development primarily in Texas and Louisiana. The Company's stock is traded on the New York Stock Exchange under the symbol CRK.***

COMSTOCK RESOURCES, INC.  
OPERATING RESULTS

(In thousands, except per share amounts)

	Three Months Ended June 30,	
	----- 2010 -----	2009 -----
Revenues:		
Oil and gas sales	\$90,682	\$64,875
Operating expenses:		
Production taxes	4,806	2,516
Gathering and transportation	3,679	1,350
Lease operating	13,988	13,619
Exploration	99	131
Depreciation, depletion and amortization	57,398	50,796
Impairment of oil and gas properties	28	-
General and administrative	9,764	9,051
	-----	-----
Total operating expenses	89,762	77,463
	-----	-----
Operating income (loss)	920	(12,588)
Other income (expenses):		
Interest income	119	10
Other income	25	29

Gain on sale of assets	4,895	-
Interest expense	(7,599)	(2,901)
	-----	-----
Total other income (expenses)	(2,560)	(2,862)
	-----	-----
Income (loss) before income taxes	(1,640)	(15,450)
Benefit from (provision for) income taxes	21	3,975
	---	----
Net income (loss)	\$ (1,619)	\$ (11,475)
Net income (loss) per share:		
Basic	\$ (0.04)	\$ (0.26)
	=====	=====
Diluted	\$ (0.04)	\$ (0.26)
	=====	=====
Weighted average shares outstanding:		
Basic	45,579	45,000
	=====	=====
Diluted	45,579 (1)	45,000 (1)
	=====	=====

	Six Months Ended June 30,	
	2010	2009
	----	----
Revenues:		
Oil and gas sales	\$196,771	\$133,226
Operating expenses:		
Production taxes	6,481	3,638
Gathering and transportation	8,207	2,594
Lease operating	28,148	28,212
Exploration	1,268	144
Depreciation, depletion and amortization	116,807	98,068
Impairment of oil and gas properties	187	-
General and administrative	19,565	18,870
	-----	-----
Total operating expenses	180,663	151,526
	-----	-----
Operating income (loss)	16,108	(18,300)
Other income (expenses):		
Interest income	258	32
Other income	45	92
Gain on sale of assets	4,895	-
Interest expense	(15,443)	(5,063)

	-----	-----
Total other income (expenses)	(10,245)	(4,939)
	-----	-----
Income (loss) before income taxes	5,863	(23,239)
Benefit from (provision for) income taxes	(140)	6,107
	----	----
Net income (loss)	\$5,723	\$(17,132)
Net income (loss) per share:		
Basic	\$0.12	\$(0.38)
	=====	=====
Diluted	\$0.12	\$(0.38)
	=====	=====
Weighted average shares outstanding:		
Basic	45,594	44,971
	=====	=====
Diluted	45,571	44,971 (1)
	=====	=====

(1) Basic and diluted shares are the same due to the net loss.

COMSTOCK RESOURCES, INC.  
OPERATING RESULTS  
(In thousands)

	Three Months Ended June 30,	
	2010	2009
	----	----
OPERATING CASH FLOW:		
Net income (loss)	\$(1,619)	\$(11,475)
Reconciling items:		
Deferred income taxes	12	(1,263)
Depreciation, depletion and amortization	57,398	50,796
Impairment of oil and gas properties	28	-
Gain on sale of assets	(4,895)	-
Debt issuance costs and discount amortization	624	202
Stock-based compensation	4,309	3,820
Operating cash flow	55,857	42,080
Excess tax benefit from stock-based compensation	(41)	(245)
Decrease (increase) in accounts receivable	3,332	3,625
Decrease (increase) in		





	East Texas/ North Louisiana	South Texas
Oil production (thousand barrels)	50	39
Gas production (MMcf)	14,288	3,790
Total production (MMcfe)	14,590	4,024
Oil sales	\$3,894	\$2,953
Gas sales	57,381	16,334
Gas hedging gains	-	-
Total gas sales	57,381	16,334
Total oil and gas sales	\$61,275 =====	\$19,287 =====
Average oil price (per barrel)	\$77.25	\$75.57
Average gas price (per Mcf)	\$4.02	\$4.31
Average gas price including hedging (per Mcf)	\$4.02	\$4.31
Average price (per Mcfe)	\$4.20	\$4.79
Average price including hedging (per Mcfe)	\$4.20	\$4.79
Production taxes	\$3,670	\$526
Gathering and transportation	\$3,339	\$237
Lease operating	\$6,814	\$3,861
Production taxes (per Mcfe)	\$0.25	\$0.13
Gathering and transportation (per Mcfe)	\$0.23	\$0.06
Lease operating (per Mcfe)	\$0.47	\$0.96
Oil and Gas Capital Expenditures:		

Leasehold costs	\$29,523	\$22,844
Exploratory drilling	6,407	-
Development drilling	89,252	576
Other development	841	694
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Total	\$126,023	\$24,114
	=====	=====

For the Three Months Ended  
June 30, 2010

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	Other	Total
	-----	-----
Oil production (thousand barrels)	121	210
Gas production (MMcf)	631	18,709
Total production (MMcfe)	1,356	19,970
Oil sales	\$7,309	\$14,156
Gas sales	2,811	76,526
Gas hedging gains	-	-
	---	---
Total gas sales	2,811	76,526
	-----	-----
Total oil and gas sales	\$10,120	\$90,682
	=====	=====
Average oil price (per barrel)	\$60.59	\$67.37
Average gas price (per Mcf)	\$4.45	\$4.09
Average gas price including hedging (per Mcf)	\$4.45	\$4.09
Average price (per Mcfe)	\$7.46	\$4.54
Average price including hedging (per Mcfe)	\$7.46	\$4.54
Production taxes	\$610	\$4,806
Gathering and transportation	\$103	\$3,679
Lease		

operating	\$3,313	\$13,988
Production		
taxes (per		
Mcf)	\$0.45	\$0.24
Gathering and		
transportation		
(per Mcfe)	\$0.08	\$0.18
Lease		
operating		
(per Mcfe)	\$2.44	\$0.71
Oil and Gas		
Capital		
Expenditures:		
Leasehold		
costs	\$72	\$52,439
Exploratory		
drilling	-	6,407
Development		
drilling	-	89,828
Other		
development	255	1,790
	---	-----
Total	\$327	\$150,464
	====	=====

For the Three Months Ended  
June 30, 2009

	East Texas/ North Louisiana	South Texas
Oil production		
(thousand		
barrels)	65	38
Gas production		
(MMcf)	8,613	4,823
Total		
production		
(MMcfe)	9,008	5,052
Oil sales	\$3,408	\$2,114
Gas sales	28,257	17,146
Gas hedging		
gains	-	7,114
	---	-----
Total gas		
sales	28,257	24,260
	-----	-----
Total oil and		
gas sales	\$31,665	\$26,374
	=====	=====
Average oil		
price (per		
barrel)	\$52.43	\$55.63
Average gas		
price (per		
Mcf)	\$3.28	\$3.56
Average gas		
price		
including		

hedging (per Mcf)	\$3.28	\$5.03
Average price (per Mcfe)	\$3.52	\$3.81
Average price including hedging (per Mcfe)	\$3.52	\$5.22
Production taxes	\$1,211	\$910
Gathering and transportation	\$536	\$707
Lease operating	\$7,002	\$3,661
Production taxes (per Mcfe)	\$0.13	\$0.18
Gathering and transportation (per Mcfe)	\$0.06	\$0.14
Lease operating (per Mcfe)	\$0.78	\$0.72
Oil and Gas Capital Expenditures:		
Leasehold costs	\$3,767	\$60
Exploratory drilling	30,034	81
Development drilling	36,195	4,834
Other development	1,814	312
	-----	---
Total	\$71,810	\$5,287
	=====	=====

For the Three Months Ended  
June 30, 2009

	Other	Total
Oil production (thousand barrels)	102	205
Gas production (MMcf)	672	14,108
Total production (MMcfe)	1,277	15,337
Oil sales	\$4,560	\$10,082
Gas sales	2,276	47,679
Gas hedging gains	-	7,114
	---	-----
Total gas sales	2,276	54,793
	-----	-----
Total oil and		

gas sales	\$6,836	\$64,875
	=====	=====
Average oil price (per barrel)	\$44.71	\$49.24
Average gas price (per Mcf)	\$3.39	\$3.38
Average gas price including hedging (per Mcf)	\$3.39	\$3.88
Average price (per Mcfe)	\$5.35	\$3.77
Average price including hedging (per Mcfe)	\$5.35	\$4.23
Production taxes	\$395	\$2,516
Gathering and transportation	\$107	\$1,350
Lease operating	\$2,956	\$13,619
Production taxes (per Mcfe)	\$0.31	\$0.16
Gathering and transportation (per Mcfe)	\$0.08	\$0.09
Lease operating (per Mcfe)	\$2.32	\$0.89
Oil and Gas Capital Expenditures:		
Leasehold costs	\$103	\$3,930
Exploratory drilling	-	30,115
Development drilling	111	41,140
Other development	(36)	2,090
	---	-----
Total	\$178	\$77,275
	=====	=====

For the Six Months Ended  
June 30, 2010

-----  
East  
Texas/  
North  
Louisiana  
-----  
South  
Texas  
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Oil production  
(thousand

barrels)	87	81
Gas production (MMcf)	27,267	7,903
Total production (MMcfe)	27,790	8,391
Oil sales	\$6,638	\$6,137
Gas sales	123,848	40,059
Gas hedging gains	-	-
	---	---
Total gas sales	123,848	40,059
	-----	-----
Total oil and gas sales	\$130,486	\$46,196
	=====	=====
Average oil price (per barrel)	\$76.19	\$75.39
Average gas price (per Mcf)	\$4.54	\$5.07
Average gas price including hedging (per Mcf)	\$4.54	\$5.07
Average price (per Mcfe)	\$4.70	\$5.51
Average price including hedging (per Mcfe)	\$4.70	\$5.51
Production taxes	\$4,786	\$608
Gathering and transportation	\$6,999	\$1,010
Lease operating	\$14,762	\$7,329
Production taxes (per Mcfe)	\$0.17	\$0.07
Gathering and transportation (per Mcfe)	\$0.25	\$0.12
Lease operating (per Mcfe)	\$0.54	\$0.88
Oil and Gas Capital Expenditures:		
Leasehold costs	\$39,378	\$22,844
Exploratory drilling	23,438	-
Development drilling	152,494	2,170
Other development	1,875	1,323
	-----	-----

Total	\$217,185	\$26,337
	=====	=====

For the Six Months Ended  
June 30, 2010

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	Other	Total
	-----	-----
Oil production (thousand barrels)	218	386
Gas production (MMcf)	1,333	36,503
Total production (MMcfe)	2,636	38,817
Oil sales	\$13,154	\$25,929
Gas sales	6,935	170,842
Gas hedging gains	-	-
	---	---
Total gas sales	6,935	170,842
	-----	-----
Total oil and gas sales	\$20,089	\$196,771
	=====	=====

Average oil price (per barrel)	\$60.59	\$67.24
Average gas price (per Mcf)	\$5.20	\$4.68
Average gas price including hedging (per Mcf)	\$5.20	\$4.68
Average price (per Mcfe)	\$7.62	\$5.07
Average price including hedging (per Mcfe)	\$7.62	\$5.07
Production taxes	\$1,087	\$6,481
Gathering and transportation	\$198	\$8,207
Lease operating	\$6,057	\$28,148
Production taxes (per Mcfe)	\$0.41	\$0.17
Gathering and transportation (per Mcfe)	\$0.08	\$0.21
Lease operating		

(per Mcfe)	\$2.30	\$0.72
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Oil and Gas

Capital

Expenditures:

Leasehold costs	\$128	\$62,350
Exploratory drilling	-	23,438
Development drilling	-	154,664
Other development	501	3,699
	---	-----
Total	\$629	\$244,151
	====	=====

For the Six Months Ended  
June 30, 2009

	East Texas/ North Louisiana	South Texas
Oil production (thousand barrels)	128	89
Gas production (MMcf)	15,792	9,734
Total production (MMcfe)	16,563	10,270
Oil sales	\$5,683	\$4,193
Gas sales	59,575	38,110
Gas hedging gains	-	13,026
	---	-----
Total gas sales	59,575	51,136
	-----	-----
Total oil and gas sales	\$65,258	\$55,329
	=====	=====

Average oil price (per barrel)	\$44.40	\$47.11
Average gas price (per Mcf)	\$3.77	\$3.92
Average gas price including hedging (per Mcf)	\$3.77	\$5.25
Average price (per Mcfe)	\$3.94	\$4.12
Average price including hedging (per Mcfe)	\$3.94	\$5.39

Production taxes	\$1,354	\$1,533
Gathering and transportation	\$809	\$1,562
Lease operating	\$14,089	\$7,685
Production taxes (per Mcfe)	\$0.08	\$0.15
Gathering and transportation (per Mcfe)	\$0.05	\$0.15
Lease operating (per Mcfe)	\$0.85	\$0.75
Oil and Gas Capital Expenditures:		
Leasehold costs	\$7,168	\$331
Exploratory drilling	66,501	1,893
Development drilling	67,852	23,786
Other development	3,212	3,278
	-----	-----
Total	\$144,733	\$29,288
	=====	=====

For the Six Months Ended  
June 30, 2009

	Other	Total
Oil production (thousand barrels)	204	421
Gas production (MMcf)	1,375	26,901
Total production (MMcfe)	2,592	29,425
Oil sales	\$7,767	\$17,643
Gas sales	4,872	102,557
Gas hedging gains	-	13,026
	---	-----
Total gas sales	4,872	115,583
	-----	-----
Total oil and gas sales	\$12,639	\$133,226
	=====	=====
Average oil price (per barrel)	\$38.07	\$41.95
Average gas price (per Mcf)	\$3.54	\$3.81

Average gas price including hedging (per Mcf)	\$3.54	\$4.30
Average price (per Mcfe)	\$4.88	\$4.08
Average price including hedging (per Mcfe)	\$4.88	\$4.53
Production taxes	\$751	\$3,638
Gathering and transportation	\$223	\$2,594
Lease operating	\$6,438	\$28,212
Production taxes (per Mcfe)	\$0.29	\$0.12
Gathering and transportation (per Mcfe)	\$0.09	\$0.09
Lease operating (per Mcfe)	\$2.48	\$0.96
Oil and Gas Capital Expenditures:		
Leasehold costs	\$103	\$7,602
Exploratory drilling	-	68,394
Development drilling	111	91,749
Other development	296	6,786
	---	-----
Total	\$510	\$174,531
	====	=====

SOURCE Comstock Resources, Inc.