



## Comstock Resources, Inc. Reports Fourth Quarter and Annual 2013 Financial and Operating Results

February 10, 2014

### COMSTOCK RESOURCES, INC. REPORTS FOURTH QUARTER AND ANNUAL 2013 FINANCIAL AND OPERATING RESULTS

FRISCO, TEXAS, February 10, 2014 - Comstock Resources, Inc. ("Comstock" or the "Company") (NYSE: CRK) today reported financial and operating results for the quarter and year ended December 31, 2013.

#### *Financial Results for the Three Months and Year ended December 31, 2013*

Comstock reported a loss from continuing operations of \$36.6 million or 79¢ per share for the three months ended December 31, 2013 as compared to a loss from continuing operations of \$77.0 million or \$1.66 per share for the three months ended December 31, 2012. The fourth quarter of 2013 results included certain unusual items, including a loss on early retirement of debt of \$17.9 million (\$11.6 million after tax or 25¢ per share), impairment of unevaluated leases of \$18.1 million (\$11.8 million after tax or 26¢ per share) and an unrealized gain from derivative financial instruments of \$1.3 million (\$0.8 million after tax or 2¢ per share). Results for the three months ended December 31, 2012 included impairments of unevaluated leases and oil and gas properties of \$78.6 million (\$51.1 million after tax or \$1.10 per share) and an unrealized loss from derivative financial instruments of \$2.0 million (\$1.3 million after tax or 3¢ per share).

Comstock's production in the fourth quarter of 2013 was 699,000 barrels of oil and 12.2 billion cubic feet of natural gas or 16.4 billion cubic feet of natural gas equivalent ("Bcfe"). Oil production in the fourth quarter averaged 7,598 barrels of oil per day, which represented an increase of 11% from the 6,870 barrels per day produced in the third quarter of 2013, and a 69% increase in oil production from continuing operations in the fourth quarter of 2012 of 4,489 barrels per day. Gas production in the fourth quarter declined 31% from the same period in 2012 due to the lack of natural gas focused drilling activity.

Comstock's average realized price for natural gas improved by 12% to \$3.36 per Mcf for the fourth quarter of 2013 as compared to \$3.00 per Mcf realized in the fourth quarter of 2012. The Company's average realized price for oil, after hedging gains, decreased by 15% to \$93.58 per barrel for the fourth quarter of 2013 as compared to \$110.42 per barrel for the fourth quarter of 2012. Oil and gas sales (including realized gains from hedging) of \$106.5 million for the fourth quarter increased by 8% as compared to 2012's fourth quarter sales from continuing operations of \$98.7 million.

Operating cash flow (before changes in working capital accounts) was \$64.1 million in the fourth quarter of 2013, which represented a 9% increase as compared to operating cash flow from continuing operations of \$58.9 million in the fourth quarter of 2012. EBITDAX, or earnings before interest, taxes, depreciation, depletion, amortization, exploration expense and other noncash expenses, of \$78.9 million in the fourth quarter of 2013, increased 6% over EBITDAX from continuing operations of \$74.1 million in the fourth quarter of 2012.

Comstock reported net income of \$41.0 million, or 85¢ per share, for the year ended December 31, 2013 as compared to a net loss of \$100.1 million or \$2.16 per share for the year ended December 31, 2012. Of the 2013 net income, \$147.8 million, or \$3.07 per share, is attributable to the sale of the Company's West Texas operations in May 2013, which resulted in a gain of \$230.0 million (\$148.6 million after tax). The loss from continuing operations for 2013 was \$106.7 million, or \$2.22 per share, as compared to a loss from continuing operations of \$103.1 million or \$2.22 per share in 2012.

In addition to the sale of the West Texas operations as noted above, the 2013 operating results also include a loss on early retirement of debt of \$17.9 million (\$11.6 million after tax or 25¢ per share), impairments of oil and gas properties and unevaluated leases of \$33.6 million (\$21.9 million after tax, or 47¢ per share), a gain of \$7.9 million (\$5.1 million or 11¢ per share) on the sale of marketable securities, an unrealized loss from derivative financial instruments of \$10.7 million (\$6.9 million after tax or 15¢ per share), and a loss of \$2.0 million (\$1.3 million after tax or 3¢ per share) from oil and gas property sales and settlements. Results for the year ended December 31, 2012 included a gain on sale of marketable securities of \$26.6 million (\$17.3 million after tax or 37¢ per share), a gain of \$24.3 million (\$15.8 million after tax or 34¢ per share) from the sale of oil and gas properties, impairments of oil and gas properties and unevaluated leases of \$86.7 million (\$56.3 million or \$1.21 per share), and an unrealized gain on derivatives of \$11.5 million (\$7.5 million after tax or 16¢ per share).

Oil production related to Comstock's continuing operations for the year ended December 31, 2013 increased 29% to 2.3 million barrels, as compared to 1.8 million barrels produced in 2012. Gas production decreased 32% to 55.7 Bcf in 2013 as compared to 81.8 Bcf produced in 2012. Comstock's average realized price for natural gas increased 36% to \$3.38 per Mcf in 2013 as compared to \$2.49 per Mcf for 2012. The Company's average realized price for oil in 2013 including hedging gains of \$101.19 per barrel, was 5% below the average realized price of \$106.53 per barrel in 2012. Oil and gas sales from continuing operations (including realized gains from hedging) increased by 7% to \$422.6 million in 2013 as compared to \$394.6 million of sales in 2012. Operating cash flow related to continuing operations (before changes in working capital accounts) of \$249.3 million in 2013 increased 7% from operating cash flow of \$233.6 million in 2012. EBITDAX related to continuing operations increased 11% to \$317.0 million in 2013 from \$286.2 million in 2012.

#### **2013 Drilling Results**

Comstock reported on the results of its 2013 drilling program related to its continuing operations, which was primarily focused on developing its Eagle

Ford oil shale properties in South Texas. During 2013, Comstock spent \$343.6 million on its continuing development and exploration activities and \$137.0 million on acreage acquisition costs. Comstock drilled 75 horizontal oil wells (51.6 net) and two horizontal natural gas wells (2.0 net) and had eight oil wells (6.6 net) in various stages of drilling at December 31, 2013.

During 2013 the Company completed 63 of its Eagle Ford shale wells (42.0 net) including six wells (3.8 net) drilled in 2012. The 63 Eagle Ford shale wells that were completed had an average per well initial production rate of 780 barrels of oil equivalent ("BOE") per day. Comstock has completed an additional 21 Eagle Ford shale wells since its last operational update. Most of these wells were put on production late in December 2013 or early in January 2014. The six wells with the highest initial production rates are the Gloria Wheeler C #3H, the Gloria Wheeler C #1H, the Gloria Wheeler D #4H, the Gloria Wheeler A #4H, the Gloria Wheeler D #3H, and the Gloria Wheeler C #2H, all of which are located in McMullen County, Texas. These wells had initial production rates of 1,340, 1,219, 1,113, 1,066, 1,054 and 1,025 BOE per day, respectively.

Comstock has planned a conference call for 10 a.m. Central Time on February 11, 2014, to discuss the operational and financial results for the fourth quarter of 2013. 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 1-866-271-5140 (international dial-in use 617-213-8893) and provide access code 42466055 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. A replay of the conference call will be available beginning at 2:00 p.m. Central Time February 11, 2014 and will continue until 11:59 p.m. February 18, 2014. To hear the replay, call 888-286-8010 (617-801-6888 if calling from outside the US). The conference call ID number is 36171330.

***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.***

[2013 Q4 Financial Tables](#)

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