



## Comstock Resources, Inc. Reports Fourth Quarter and Annual 2014 Financial and Operating Results

February 9, 2015

### COMSTOCK RESOURCES, INC. REPORTS FOURTH QUARTER AND ANNUAL 2014 FINANCIAL AND OPERATING RESULTS

FRISCO, TEXAS, February 9, 2015 - Comstock Resources, Inc. ("Comstock" or the "Company") (NYSE: CRK) today reported financial and operating results for the quarter and year ended December 31, 2014.

#### *Financial Results for the Three Months and Year ended December 31, 2014*

Comstock reported a loss from continuing operations of \$55.1 million or \$1.19 per share for the three months ended December 31, 2014 as compared to a loss from continuing operations of \$36.6 million or 80¢ per share for the three months ended December 31, 2013. The loss in the fourth quarter of 2014 was primarily attributable to certain unusual items, including impairments of oil and gas properties and unevaluated leases and exploratory dry hole costs of \$60.9 million (\$39.5 million after tax or 85¢ per share), drilling rig termination fees of \$6.7 million (\$4.4 million after tax or 9¢ per share) and an unrealized loss from derivative financial instruments of \$3.9 million (\$2.5 million after tax or 6¢ per share). Results for the fourth quarter of 2013 included 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). Excluding these items, the net loss would have been \$8.7 million (19¢ per share) in 2014's fourth quarter and \$14.0 million (31¢ per share) in 2013.

Comstock's production in the fourth quarter of 2014 was 1,141,000 barrels of oil and 9.0 billion cubic feet of natural gas or 15.9 billion cubic feet of natural gas equivalent ("Bcfe"). Oil production in the fourth quarter averaged 12,403 barrels of oil per day, which represented an increase of 63% as compared to the fourth quarter of 2013 of 7,598 barrels per day. Natural gas production in the fourth quarter declined 26% from the same period in 2013 due to the lack of natural gas focused drilling activity in 2014.

Comstock's average realized price for natural gas improved by 6% to \$3.55 per Mcf for the fourth quarter of 2014 as compared to \$3.36 per Mcf realized in the fourth quarter of 2013. The Company's average realized price for oil, after hedging gains, decreased by 11% to \$83.55 per barrel for the fourth quarter of 2014 as compared to \$93.58 per barrel for the fourth quarter of 2013. Oil and gas sales (including realized gains from hedging) of \$127.5 million for the fourth quarter of 2014 increased by 20% as compared to 2013's fourth quarter sales of \$106.5 million. Operating cash flow (before changes in working capital accounts) of \$85.7 million in the fourth quarter of 2014 increased 34% over operating cash flow from continuing operations of \$64.1 million in the fourth quarter of 2013. EBITDAX, or earnings before interest, taxes, depreciation, depletion, amortization, exploration expense and other noncash expenses, of \$100.5 million in the fourth quarter of 2014 increased 27% over EBITDAX from continuing operations of \$78.9 million in the fourth quarter of 2013.

Comstock reported a net loss of \$53.9 million, or \$1.17 per share, for the year ended December 31, 2014 as compared to net income of \$41.0 million or 85¢ per share for the year ended December 31, 2013. Of the 2013 net income, \$147.8 million, or \$3.07 per share, was 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.

The year-end 2014 results included certain unusual items, including impairments of oil and gas properties and unevaluated leases and exploratory dry hole costs of \$72.6 million (\$47.2 million after tax or \$1.02 per share), drilling rig termination fees of \$6.7 million (\$4.4 million after tax or 9¢ per share) and an unrealized loss from derivative financial instruments of \$1.0 million (\$0.6 million after tax or 1¢ per share). In addition to the sale of the West Texas operations as noted above, the year-end 2013 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 after tax 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. Excluding these items, the net loss in 2014 would have been \$1.7 million (5¢ per share) and the net loss from continuing operations in 2013 would have been \$70.1 million (\$1.43 per share).

Oil production in 2014 increased 86% to 4.3 million barrels, as compared to 2.3 million barrels produced in 2013. Gas production decreased 29% to 39.8 Bcf in 2014 as compared to 55.7 Bcf produced in 2013. Comstock's average realized price for natural gas increased 23% to \$4.16 per Mcf in 2014 as compared to \$3.38 per Mcf for 2013. The Company's average realized price for oil, including hedging gains, in 2014 of \$92.50 per barrel was 9% below the average realized price of \$101.19 per barrel in 2013. Oil and gas sales from continuing operations (including realized gains from hedging) increased by 34% to \$564.4 million in 2014 as compared to \$422.6 million of sales in 2013. Operating cash flow related to continuing operations (before changes in working capital accounts) of \$391.5 million in 2014 increased 57% from operating cash flow of \$249.3 million in 2013. EBITDAX related to continuing operations increased 41% to \$446.4 million in 2014 from \$317.0 million in 2013.

#### **2014 Drilling Results**

During 2014, Comstock spent \$483.0 million on its development and exploration activities and \$97.7 million on acreage and acquisition costs. Comstock spent an additional \$6.7 million to release two drilling rigs before their contract termination dates. Comstock drilled 80 horizontal oil wells (54.7 net) and one natural gas well (0.2 net). During 2014, Comstock put on production 91 new oil wells (61.3 net) in its Eagleville field in South Texas, six oil wells (5.1 net) in its East Texas Eagle Ford extension in Burleson County and one well (1.0 net) in the Tuscaloosa Marine shale.

Since its last operational update in October, the Company has completed eleven (6.3 net) additional horizontal Eagle Ford shale wells in South Texas. These wells had an average per well initial production rate of 816 barrels of oil equivalent ("BOE") per day. Comstock has four additional wells (2.2 net) in South Texas that are scheduled to be completed in the first quarter of 2015.

Comstock continued to delineate its Eagle Ford shale play in Burleson County in East Texas. Since the last update, the Company has completed three (2.3 net) wells with an average initial production rate of 741 BOE per day. The Williams A #1H, the Kovar A #1H and the Ozell A #1H wells had initial production rates of 919 BOE per day, 683 BOE per day and 620 BOE per day, respectively. The Company has eight (7.8 net) wells in Burleson County that it also expects to complete in the first quarter of 2015.

During the fourth quarter of 2014, Comstock completed its first well in the Tuscaloosa Marine Shale in Mississippi. The CMR Foster Creek 28-40 #1H was drilled to a total depth of 19,312 feet, with a 6,764 foot lateral. Due to mechanical issues, the Company was able to complete only the first 4,537 feet of the lateral. The well was completed with an initial production rate of 874 BOE per day. The initial production rate of 194 BOE per day per 1,000 feet of completed lateral compares favorably with other successful wells in this play.

With the significant drop in oil prices, Comstock has suspended its oil drilling program and released two of its operated drilling rigs and cancelled another rig that was to be delivered in mid-2015. The remaining two operated rigs were moved to North Louisiana where the Company now plans to drill fourteen long lateral wells targeting the Haynesville shale. The natural gas directed drilling program is expected to allow the Company to grow its natural gas production in 2015 where the rate of returns are expected to be favorable.

Comstock has planned a conference call for 10 a.m. Central Time on February 10, 2015, to discuss the operational and financial results for the fourth quarter of 2014. 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 800-299-9086 (international dial-in use 617-786-2903) and provide access code 11391827 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 10, 2015 and will continue until 11:59 p.m. February 17, 2015. To hear the replay, call 888-286-8010 (617-801-6888 if calling from outside the US). The conference call access code is 68567447.

***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.***

[CRK 2014 Q4 Financials](#)

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