



Comstock Resources, Inc. Reports 2016 Fourth Quarter and Annual Financial and Operating Results

February 24, 2017

COMSTOCK RESOURCES, INC. REPORTS 2016 FOURTH QUARTER AND ANNUAL FINANCIAL AND OPERATING RESULTS

FRISCO, TEXAS, February 24, 2017 - Comstock Resources, Inc. ("Comstock" or the "Company") (NYSE: CRK) today reported financial and operating results for the quarter and year ended December 31, 2016.

Comstock produced 62 Bcfe or 169 million cubic feet equivalent ("MMcfe") per day during 2016. Natural gas production grew 13% in 2016 to 53.7 Bcf while oil production decreased by 55% to 1.4 million barrels. Natural gas comprised 87% of Comstock's 2016 total production as compared to 72% of total production in 2015. Production in the fourth quarter of 2016 was 14 Bcfe or 153 MMcfe per day, which was comprised of 3,217 barrels of oil and 133 million cubic feet ("MMcf") of natural gas. The production decline in the fourth quarter was primarily attributable to the suspension of the drilling program in June 2016, which was restarted in the fourth quarter, the Company's divestiture of certain natural gas properties in the fourth quarter, and the shut-in of certain of the Company's Haynesville shale production for offset completion activity.

Oil and natural gas prices remained low in 2016 and continued to negatively impact the Company's financial results. Comstock's average realized natural gas price, including realized hedging gains, of \$2.32 per thousand cubic feet ("Mcf") in the year ended December 31, 2016 was comparable to the \$2.33 per Mcf realized in the year ended December 31, 2015. The Company's average realized oil price decreased by 17% to \$38.24 per barrel in the year ended December 31, 2016 as compared to \$46.19 per barrel in the year ended December 31, 2015. Oil and gas sales (including realized gains or losses from hedging) in the year ended December 31, 2016 of \$177.8 million decreased by 30% as compared to \$253.7 million in the year ended December 31, 2015. EBITDAX, or earnings before interest, taxes, depreciation, depletion, amortization, exploration expense and other noncash expenses, decreased 40% to \$90.9 million in the year ended December 31, 2016 from EBITDAX of \$150.4 million in the year ended December 31, 2015.

In the fourth quarter of 2016, oil and natural gas prices improved as compared to the fourth quarter of 2015. Comstock's average realized natural gas price, including realized hedging gains, increased 41% to \$2.85 per Mcf in the fourth quarter of 2016 as compared to \$2.02 per Mcf realized in the fourth quarter of 2015. The Company's average realized oil price increased by 27% to \$45.96 per barrel in the fourth quarter of 2016 as compared to \$36.26 per barrel in the fourth quarter of 2015. Oil and gas sales in the quarter (including realized gains from hedging) increased by 1% to \$48.5 million as compared to 2015's fourth quarter sales of \$48.1 million. EBITDAX was \$27.2 million in the fourth quarter of 2016 as compared to EBITDAX of \$27.0 million in the fourth quarter of 2015.

Comstock reported a net loss of \$135.1 million, or \$11.52 per share, for the year ended December 31, 2016 as compared to a net loss of \$1.0 billion, or \$113.53 per share, for the year ended December 31, 2015. Excluding nonrecurring items from each period's results, the net loss for the year ended December 31, 2016 would have been \$171.4 million, or \$14.61 per share, as compared to a net loss of \$189.2 million, or \$20.51 per share, in the year ended December 31, 2015. The nonrecurring items impacting 2016 results include impairments on oil and gas properties and unevaluated leases and losses realized from divestitures of \$125.5 million, an unrealized loss from derivative financial instruments of \$7.5 million, an income tax charge to reflect a change in state law of \$7.2 million, and a gain of \$176.5 million from extinguishment of debt, less the amortization of the original issue discount from the notes issued in the debt exchange completed in September 2016. Financial results for the year ended December 31, 2015 included impairments on oil and gas properties and unevaluated leases and losses realized from divestitures of \$982.4 million, a valuation allowance on deferred tax assets of \$283.6 million, unrealized gain from derivative financial instruments of \$1.4 million, a net gain on extinguishment of debt of \$78.7 million, and drilling rig termination fees of \$1.7 million.

For the fourth quarter of 2016, Comstock reported a net loss of \$54.9 million, or \$4.48 per share, as compared to a net loss of \$288.5 million, or \$31.26 per share, for the fourth quarter of 2015. Excluding nonrecurring items from each period's results, the net loss for the fourth quarter of 2016 would have been \$31.6 million, or \$2.58 per share, as compared to a net loss of \$42.2 million, or \$4.57 per share, in the fourth quarter of 2015. The nonrecurring items impacting the fourth quarter 2016 results include impairments on oil and gas properties and unevaluated leases and losses realized from divestitures of \$2.8 million, an unrealized loss from derivative financial instruments of \$6.0 million, an income tax charge to reflect a change in state law of \$3.4 million, and charges associated with the debt exchange totaling \$11.1 million. Financial results for the fourth quarter of 2015 included impairments on oil and gas properties and unevaluated leases and losses realized from divestitures of \$254.9 million, a valuation allowance on deferred tax assets of \$93.4 million, an unrealized gain from derivative financial instruments of \$0.1 million, and a gain on extinguishment of debt of \$23.2 million.

2016 Drilling Program

The highlight of 2016 was the successful results from the Company's Haynesville shale drilling program. Despite a limited drilling budget in 2016, Comstock added 286 Bcfe of new proved oil and natural gas reserves primarily related to its Haynesville shale properties. In addition, the Company experienced 144 Bcfe in upward revisions primarily related to the strong performance of the Haynesville shale wells drilled in 2015 and 2016.

Comstock spent \$59.5 million for its drilling activities in 2016. Comstock drilled 13 wells (7.9 net) in 2016; 11 (7.8 net) of the wells were Haynesville shale wells drilled in North Louisiana and the remaining two (0.1 net) were non-operated Eagle Ford shale wells. Comstock's 2016 "all-in" finding

costs were approximately \$0.14 per Mcfe. Eleven (6.3 net) of the wells drilled in 2016 have been completed. The remaining two (1.6 net) wells will be completed in March 2017.

The average initial production rate of the six completed operated Haynesville wells was 24 MMcf per day. Three of these wells have been completed since the Company's operational update. The Pace James 5-8 #1 well in Logansport, Louisiana was drilled to a total vertical depth of 11,245 feet with a 7,593 foot lateral. This well targeted the Haynesville shale and was tested with an initial production rate of 25 MMcf per day. The second well, the Claybrook 15 #2 was drilled in Desoto Parish, Louisiana to a total vertical depth of 11,359 feet with a 4,389 foot lateral. This well targeted the Haynesville shale and was tested with an initial production rate of 24 MMcf per day. The third well, the Halsey 14 #1 was drilled in Desoto Parish, Louisiana to a total vertical depth of 11,417 feet with a 4,476 foot lateral. This well targeted the Haynesville shale and was tested with an initial production rate of 21 MMcf per day.

The two (0.1 net) non-operated Eagle Ford shale wells that the Company participated in achieved initial production rates of 1,826 and 1,639 barrels of oil per day. The wells had 10,000 foot laterals and were drilled 350 feet apart. The results are very encouraging and supportive of the Company resuming development of its Eagle Ford shale properties where it has 336 identified future locations based on similar well spacing.

Comstock currently plans to drill 20 (15.5 net) additional Haynesville shale wells in 2017 and complete the 2016 wells at an estimated capital outlay of \$142.9 million. Comstock has budgeted an additional \$7.0 million for other non-drilling expenditures. The Company also has tentatively budgeted an additional \$17.6 million for two (1.7 net) Bossier shale wells that may be drilled in late 2017 depending on natural gas prices. These wells would further prove up the Bossier shale potential of its properties demonstrated by the successful Jordan well drilled in 2015.

In order to lock in the returns that the Haynesville shale drilling program can generate, the Company has, in the aggregate, hedged 72 million cubic feet per day of its 2017 natural gas production at a NYMEX equivalent of \$3.38 per Mcf.

Conference Call

Comstock has planned a conference call for 10:00 a.m. central time on February 24, 2017 to discuss the 2016 operational and financial results. Investors wishing to participate should visit the Company's website at www.comstockresources.com for a live web cast or dial 844-776-7840 (international dial-in use 661-378-9538) and provide access code 62045538 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. 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 on February 24, 2017 and will continue until 2:00 p.m. March 3, 2017. To hear the replay, call 855-859-2056 (404-537-3406 if calling from outside the United States). The conference call access code is 62045538.

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 4Q2016 Results](#)