

December 3, 2020



# Ring Energy, Inc. Initiates Year End Drilling Program

## *Company Increases Hedging Position for 2021*

MIDLAND, Texas--(BUSINESS WIRE)-- Ring Energy, Inc. (NYSE American: REI) ("Ring") ("Company") announced today it initiated drilling operations on its first new horizontal well in ten months. The Badger 709 B #6XH was spud early Wednesday morning, December 2, 2020, on Ring's Northwest Shelf ("NWS") leasehold in Yoakum County, Texas. The well will be a one-and-a-half-mile horizontal San Andres oil well drilled to a vertical depth of approximately 5,000'.

Additionally, Ring Energy, Inc. entered into swap derivative contracts for 2,000 Bopd for calendar year 2021 at a price of \$45.37/BO, and two 500 Bopd swaps for calendar year 2021 at a price of \$45.38/BO and \$45.00/BO, respectively. This brings Ring's total calendar year 2021 oil hedge position to 7,500 Bopd (see hedge table below).

<u>Commodity</u>	<u>Effective Date</u>	<u>End Date</u>	<u>Volume (Bbl/d)</u>	<u>Structure</u>	<u>Swap Price</u>	<u>Floor Price</u>	<u>Ceiling Price</u>
WTI - Crude	1/1/2021	12/31/2021	1,000	Costless Collar	-	\$45.00	\$52.71
WTI - Crude	1/1/2021	12/31/2021	1,000	Costless Collar	-	\$45.00	\$55.08
WTI - Crude	1/1/2021	12/31/2021	1,000	Costless Collar	-	\$40.00	\$55.08
WTI - Crude	1/1/2021	12/31/2021	1,500	Costless Collar	-	\$40.00	\$55.35
WTI - Crude	1/1/2021	12/31/2021	2,000	Swap	\$45.37	-	-
WTI - Crude	1/1/2021	12/31/2021	500	Swap	\$45.38	-	-
WTI - Crude	1/1/2021	12/31/2021	500	Swap	\$45.00	-	-
			(MMBtu/d)				
HH-Nat Gas	1/1/2021	12/31/2021	6,000	Swap	\$2.991	-	-
HH-Nat Gas	1/1/2022	12/31/2022	5,000	Swap	\$2.726	-	-

Paul D. McKinney, Chief Executive Officer and Chairman of the Board, commented, "We are excited to end the year drilling on our NWS properties where we can generate exceptional rates-of-return greater than 90% at prevailing oil and natural gas prices. After drilling the Badger #6XH, the drilling rig will move to another horizontal San Andres location currently under construction with plans to drill another well after the New Year. These wells will be paid for out of cash surplus currently on hand." Mr. McKinney continued by commenting, "We have added more to our hedge position for 2021. It is important during volatile markets like these to protect our future cash flows and strengthen our balance sheet. We intend to allocate the majority of our future cash flow to paying down debt with the remainder being invested in capital projects that maintain or improve our daily production and create additional liquidity."

Mr. McKinney further added, "Our Bank Borrowing Base Redetermination continues on schedule and we anticipate the results before the Christmas holidays."

**About Ring Energy, Inc.**

Ring Energy, Inc. is an oil and gas exploration, development and production company with current operations in Texas and New Mexico. [www.ringenergy.com](http://www.ringenergy.com)

### **Safe Harbor Statement**

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve a wide variety of risks and uncertainties, and include, without limitations, statements with respect to the Company's strategy and prospects. Such statements are subject to certain risks and uncertainties which are disclosed in the Company's reports filed with the SEC, including its Form 10-K for the fiscal year ended December 31, 2019, its Form 10Q for the quarter ended September 30, 2020 and its other filings with the SEC. Readers and investors are cautioned that the Company's actual results may differ materially from those described in the forward-looking statements due to a number of factors, including, but not limited to, the Company's ability to acquire productive oil and/or gas properties or to successfully drill and complete oil and/or gas wells on such properties, general economic conditions both domestically and abroad, and the conduct of business by the Company, and other factors that may be more fully described in additional documents set forth by the Company.

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