

# W&T Offshore Announces Acquisition of Oil-Weighted Producing Property in the Gulf of Mexico

HOUSTON, Dec. 12, 2019 (GLOBE NEWSWIRE) -- W&T Offshore, Inc. (NYSE: WTI) ("W&T" or the "Company") announced today that it has completed an oil-weighted producing property acquisition from ConocoPhillips which is comprised of a 75% working interest in and operatorship of the Magnolia Field in the central region of the deepwater Gulf of Mexico ("GOM"), offshore Louisiana, at Garden Banks blocks 783 and 784 for \$20.0 million, and the assumption of all abandonment obligations associated with the properties, as of the effective date of October 1, 2019, subject to normal and customary adjustments. Key highlights of the transaction include:

- Adds net proved reserves of 4.1 million barrels of oil equivalent ("Boe") of which 73% are proved developed producing and 67% are oil and 5% natural gas liquids ("NGLs") as of the effective date of October 1, 2019;
- Increases W&T's deepwater acreage by 11,500 gross acres (8,600 net acres);
- Produced approximately 2,300 net Boe per day (82% oil) to ConocoPhillips' interest in the month of October 2019;
- Provides additional upside from additional pay sands in existing well bores and potential opportunities for future drilling;
- Funded the acquisition with W&T's available cash on hand and its revolving credit facility.

Tracy W. Krohn, Chairman and Chief Executive Officer, commented, "We are pleased to announce another purchase of producing properties that meets all the criteria we have outlined in the past as necessary to drive increased shareholder value from acquisitions. At the beginning of the year, we announced that we were looking closely at acquisition opportunities and that the current environment for acquisitions in the Gulf of Mexico was very good. We have now executed two accretive transactions in 2019. We will continue to actively pursue any opportunities that meet our criteria and are accretive to W&T."

The acquisition consists of ConocoPhillips' 75% working interest in the Magnolia Field which is located in approximately 4,700 feet of water about 180 miles south of Cameron, Louisiana. It was discovered in 1999 and developed through a Tension Leg Platform ("TLP") which currently includes six producing wells that are tied back to a regional production hub at the Enchilada Platform at Garden Banks 128, approximately 50 miles away. The effective date is October 1, 2019, and the transaction closed on December 12, 2019. W&T's reported production volumes will reflect Magnolia's production immediately following the date of

closing. The cash acquisition cost was funded from W&T's available cash on hand and revolving credit facility.

Total net proved reserves to be acquired are 4.1 million barrels of oil equivalent, of which 67% are oil and 5% natural gas liquids. Current reserves are proved developed and 73% of the reserves are classified as proved developed producing. These reserves are based on internal estimates as of October 1, 2019, based on October 4, 2019 NYMEX pricing and will be updated in our year-end reserves process. The Magnolia Field produced approximately 2,300 Boe per day (82% oil) net to ConocoPhillips in the month of October 2019. The transaction added 11,500 gross deepwater acres (8,600 net acres).

## **About W&T Offshore**

W&T Offshore, Inc. is an independent oil and natural gas producer with operations offshore in the Gulf of Mexico and has grown through acquisitions, exploration and development. The Company currently has working interests in 54 producing fields in federal and state waters and has under lease approximately 837,500 gross acres, including approximately 605,000 gross acres on the Gulf of Mexico Shelf and approximately 232,500 gross acres in the deepwater. A majority of the Company's daily production is derived from wells it operates. For more information on W&T, please visit the Company's website at [www.wtoffshore.com](http://www.wtoffshore.com).

## **Forward-Looking Statements**

This press 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. These forward-looking statements reflect W&T's current views with respect to future events, based on what it believes are reasonable assumptions. No assurance can be given, however, that these events will occur. These statements are subject to risks and uncertainties that could cause actual results to differ materially including, among other things, market conditions, oil and gas price volatility, uncertainties inherent in oil and gas production operations and estimating reserves, unexpected future capital expenditures, competition, the success of our risk management activities, governmental regulations, uncertainties and other factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and other public reports posted on [www.sec.gov](http://www.sec.gov).

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