

May 6, 2015



## Ring Energy Announces Financial Results for First Quarter 2015

MIDLAND, Texas--(BUSINESS WIRE)-- Ring Energy, Inc. (NYSE MKT: REI) ("Ring") ("Company") announced today financial results for the first quarter ended March 31, 2015. For the three month period ended March 31, 2015, Ring had oil and gas revenues of \$6,045,701 compared to \$5,970,452 for the quarter ended March 31, 2014, a 1% increase, and a net loss of \$975,624, or \$0.04 per diluted share, compared to net income of \$1,163,689 or \$0.05 per diluted share, for the same period in 2014. The primary reason for this change was lower received oil and gas prices.

For the three months ended March 31, 2015, oil sales volume increased to 137,090 barrels, compared to 63,944 barrels for the same period in 2014, a 114% increase, and gas sales volume increased to 19,848 MCF (thousand cubic feet), compared to 8,617 MCF for the same period in 2014, a 130% increase. The remaining production that was not sold by March 31, 2015, was held in storage and sold in the second quarter. The average commodity prices received by Ring were \$43.76 per barrel of oil and \$2.36 per MCF of natural gas for the quarter ended March 31, 2015, compared to \$92.71 per barrel of oil and \$4.88 per MCF of natural gas for the quarter ended March 31, 2014.

Lease operating expenses for the three months ended March 31, 2015 were \$13.30 per barrel of oil equivalent ("BOE"). Depreciation, depletion and amortization costs were \$26.03 per BOE, and general and administrative costs, which included a \$654,688 charge for stock-based compensation, were \$12.31 per BOE.

Net cash flow from operations for the three months ended March 31, 2015 was \$2,827,356, or \$0.11 per diluted share, compared to net cash flow of \$4,061,171, or \$0.16 per diluted share for the same period in 2014 (1).

Upon year-end review and redetermination, SunTrust Robinson Humphrey, Inc. stated the Company's \$150 million senior secured credit facility with a current borrowing base of \$40 million would remain in place. There was outstanding debt of \$10,000,000 on the credit facility at March 31, 2015.

Ring's Chief Executive Officer, Mr. Kelly Hoffman, stated, "We continue to be patient. Our staff and field personnel are working diligently to maximize the performance of our existing wells, while reducing our overall costs. We were cash flow positive in the first quarter. This was the result of over a 100% increase in production, even though we had over a 50% drop in prices we received a year ago. We have been encouraged by the recent improvement in commodity prices and are anxious to re-start our development program."

(1) Cash Flow from Operations is a non-GAAP financial measure that represents "Net Cash Provided By Operating Activities" adjusted for the change in operating assets and liabilities. See below for a reconciliation of the related amounts.

## About Ring Energy, Inc.

Ring Energy, Inc. is an oil and gas exploration, development and production company with current operations in Texas and Kansas.

[www.ringenergy.com](http://www.ringenergy.com)

### Safe Harbor Statement

This release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 that involve a wide variety of risks and uncertainties, including, 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, 2014, its Form 10-Q for the quarter ended March 31, 2015 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.

#### RING ENERGY, INC. STATEMENTS OF OPERATIONS

	Three Months Ended	
	March 31,	
	2015	2014
	(Unaudited)	(Unaudited)
<b>Oil and Gas Revenues</b>	<u>\$ 6,045,701</u>	<u>\$ 5,970,452</u>
<b>Costs and Operating Expenses</b>		
Oil and gas production costs	1,867,795	771,100
Oil and gas production taxes	277,031	275,961
Depreciation, depletion and amortization	3,654,298	1,530,196
Accretion expense	66,979	24,382
General and administrative expense	1,728,987	1,564,461
<b>Total Costs and Operating Expenses</b>	<u>7,595,090</u>	<u>4,166,100</u>
<b>Other Income (Expense)</b>		
Interest income	<u>780</u>	<u>42,773</u>
<b>Net Other Income</b>	<u>780</u>	<u>42,773</u>
<b>Income (Loss) before tax provision</b>	(1,548,609)	1,847,125
<b>(Provision For) Benefit From Income Taxes</b>	<u>572,985</u>	<u>(683,436)</u>
<b>Net Income (Loss)</b>	<u>(\$975,624)</u>	<u>\$ 1,163,689</u>
<b>Basic Earnings (Loss) Per Common Share</b>	\$ 0.04	\$ 0.05
<b>Diluted Earnings (Loss) Per Common Share</b>	\$ 0.04	\$ 0.05

<b>Basic Weighted-Average Common Shares Outstanding</b>	25,746,513	23,581,357
<b>Diluted Weighted-Average Common Shares Outstanding</b>	25,746,513	24,704,652

#### COMPARATIVE OPERATING STATISTICS

	Three Months Ended March 31,		
	2015	2014	Change
Net Production - BOE per day	1,560	726	115%
Per BOE:			
Average Sales Price	\$ 43.06	\$ 91.32	-53%
Operating Costs	13.30	11.79	13%
DD&A	26.03	23.40	11%
General & Administrative Expenses	12.31	23.93	-49%

#### RING ENERGY, INC. CONSOLIDATED BALANCE SHEET

	March 31, 2015	December 31, 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 2,850,125	\$ 8,622,235
Accounts receivable	2,853,940	3,616,676
Joint interest billing receivable	3,001,085	2,683,787
Prepaid expenses and retainers	149,731	160,600
<b>Total Current Assets</b>	<u>8,854,881</u>	<u>15,083,298</u>
<b>Property and Equipment</b> , Using Full cost Accounting		
Oil and natural gas properties subject to amortization	175,689,596	166,036,400
Office equipment and automobiles	1,374,213	1,209,809
<b>Total Property and Equipment</b>	<u>177,063,809</u>	<u>167,246,209</u>
Accumulated depreciation, depletion and amortization	<u>(18,342,345)</u>	<u>(14,688,047)</u>
<b>Net Property and Equipment</b>	<u>158,721,464</u>	<u>152,558,162</u>
<b>Total Assets</b>	<u>\$167,576,345</u>	<u>\$167,641,460</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 6,930,803	\$ 16,241,022
Other accrued liabilities	-	22,029
<b>Total Current Liabilities</b>	<u>6,930,803</u>	<u>16,263,051</u>
Deferred income taxes	4,366,405	4,939,390
Long term debt	10,000,000	-
Asset retirement obligation	3,995,043	3,896,489
<b>Total Liabilities</b>	<u>25,292,251</u>	<u>25,098,930</u>
<b>Stockholders' Equity</b>		
Preferred stock - \$0.001 par value; 50,000,000 shares authorized; No shares issued or outstanding	-	-
Common stock - \$0.001 par value; 150,000,000 shares authorized; 25,767,582 shares and 25,734,467 shares outstanding, respectively	25,767	25,734
Additional paid-in capital	141,249,478	140,532,323
Retained Earnings	1,008,849	1,984,473
<b>Total Stockholders' Equity</b>	<u>142,284,094</u>	<u>142,542,530</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$167,576,345</u>	<u>\$167,641,460</u>

**RING ENERGY, INC.**  
**STATEMENTS OF CASH FLOW**

	Three Months Ended March 31,	
	2015	2014
<b>Cash Flows From Operating Activities</b>		
Net income	(\$975,624)	\$ 1,163,689
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	3,654,298	1,530,196
Accretion expense	66,979	24,382
Share-based compensation	654,688	659,468
Deferred income taxes	(572,985)	683,436
Changes in assets and liabilities:		
Accounts receivable	445,438	1,007,275
Prepaid expenses	10,869	18,838
Accounts payable	(9,332,248)	2,438,191
<b>Net Cash Provided by Operating Activities</b>	<u>(6,048,585)</u>	<u>7,525,475</u>
<b>Cash Flows from Investing Activities</b>		
Payments to purchase oil and natural gas properties	(954,458)	(8,121,630)
Payments to develop oil and natural gas properties	(8,667,163)	(13,858,512)
Payments to purchase equipment and leasehold improvements	(164,404)	(123,851)
<b>Net Cash Used in Investing Activities</b>	<u>(9,786,025)</u>	<u>(22,103,993)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from option exercise	62,500	22,500
Payment of offering costs	-	(61,719)
Proceeds from issuance of notes payable	10,000,000	-
<b>Net Cash Provided by Financing Activities</b>	<u>10,062,500</u>	<u>(39,219)</u>
<b>Net Increase (Decrease) in Cash</b>	(5,772,110)	(14,617,737)
<b>Cash at Beginning of Period</b>	8,622,235	52,350,583
<b>Cash at End of Period</b>	<u>\$ 2,850,125</u>	<u>\$ 37,732,846</u>
<b>Noncash Investing and Financing Activities</b>		
Asset retirement obligation acquired	-	\$ 294,772
Asset retirement obligation incurred during development	31,575	299,660

**RECONCILIATION OF CASH FLOW FROM OPERATIONS**

Net cash provided by operating activities	(\$6,048,585)	\$ 7,525,475
Change in operating assets and liabilities	8,875,941	(3,464,304)
Cash flow from operations	<u>\$ 2,827,356</u>	<u>\$ 4,061,171</u>

Management believes that the non-GAAP measure of cash flow from operations is useful information for investors because it is used internally and is accepted by the investment community as a means of measuring the Company's ability to fund its capital program. It is also used by professional research analysts in providing investment recommendations pertaining to companies in the oil and gas exploration and production industry.

**RING ENERGY, INC.**  
**NON-GAAP DISCLOSURE RECONCILIATION**

March 31,	March 31,
<u>2015</u>	<u>2014</u>

<b>NET INCOME (LOSS)</b>	(\$975,624)	\$1,163,689
Interest expense (Income)	(780)	(42,773)
Deferred Income taxes	(572,985)	683,436
Depreciation, depletion and amortization	3,654,298	1,530,196
Accretion expense	66,979	24,382
Share-based compensation	<u>654,688</u>	<u>659,468</u>
<b>ADJUSTED EBITDA</b>	<u>\$2,826,576</u>	<u>\$4,018,398</u>

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Source: Ring Energy, Inc.