

March 4, 2020



Rosehill Resources Inc. Announces Preliminary 2019 Fourth Quarter Production, Operations Update, and 2019 Reserves

HOUSTON, March 04, 2020 (GLOBE NEWSWIRE) -- Rosehill Resources Inc. ("Rosehill" or the "Company") (NASDAQ: ROSE, ROSEW, ROSEU) today announced proved reserves as of December 31, 2019, preliminary fourth quarter 2019 average net production and provided an operational update.

Key Highlights:

- Preliminary average net production of approximately 22,100 barrels of oil equivalent per day ("BOEPD") (72% oil and 86% total liquids) for the fourth quarter of 2019, an increase of 7% compared to the third quarter of 2019 despite only three wells being placed online during the quarter
- Encouraging Northern Delaware production results from recent Wolfcamp B completions. The Z&T 20 A005 and B004 two-well pad achieved a combined IP30 of 2,198 BOEPD, or 240 BOEPD per 1,000 feet, and 51% oil
- Recently began flowback of the State Neal Lethco 1210 H001 two-mile lateral well in Southern Delaware with increasing oil production and closely managed choke levels to ensure optimized formation pressure and ultimate recovery
- Increased total liquidity to \$83 million as of December 31, 2019, driven by a decrease in borrowings under the Company's revolving credit facility. Total borrowings under the revolving credit facility were \$260 million as of December 31, 2019
- Projected settlement value for commodity derivatives portfolio of approximately \$100 million and mark-to-market value of approximately \$80 million, both as of March 3, 2020
- Increased proved reserves to 62.8 million barrels of crude oil equivalent ("MMBOE") (prepared by Netherland, Sewell & Associates, Inc.) as of December 31, 2019, up 30% from December 31, 2018
- Proved reserve additions of 23.0 MMBOE resulting in an organic reserve replacement ratio of over 300% (total of extensions, discoveries, and revisions, divided by estimated

annual production)

Management Comments

David French, Rosehill's President and Chief Executive Officer, commented, "As all of you know this has been a uniquely difficult energy market and smaller cap equities have been under pressure. Against that backdrop, we continue to focus on delivering strong results and navigating these challenges with a lean and disciplined business plan. Our proved reserve volumes rose substantially in 2019 driven by the quality of our well inventory and a sharp focus on optimizing all aspects of our business especially surface costs. These results underpin our 2020 free cash flow neutral or better development plan highlighted by a capital budget that is 90% directed to drilling and completion activities. This plan is financially supported by a hedge book covering 80% of estimated 2020 and 2021 oil production with floor pricing of approximately \$60 per barrel."

"We've wasted no time getting our 2020 plan started with drilling of six Northern Delaware wells, three of which were drilled in a Rosehill pad-record of 9.4 days, bringing our current DUC count to eight wells. Our completion teams have shown extraordinary progress as well with our most recent three-well pad averaging 7.5 stages per day, another company record, along with refinements to our fluid and proppant designs that are contributing to lower overall well cost. Other cost initiatives taking root include the release of nine generator sets since the fourth quarter of 2019, meaningfully reducing our reliance on local generated power. This initiative alone clips over \$2 million per year from our LOE, of which \$1 million is incremental to previous targets. In our Northern Delaware area, early production results of our Wolfcamp B two-well pad confirm our spacing design and open up the prospects of additional inventory from this very thick and over-pressured interval. Based on these results, we are evaluating additional Wolfcamp B wells to slot into this year's program. In Southern Delaware, we are closely managing the flowback of our recently completed State Neal Lethco H001 1210 well and plan to provide additional details once rates and pressures have stabilized. We will head back to the South in the second quarter after drilling and completing roughly a dozen of our Northern Delaware wells in the early part of the year. To reiterate, we know this is a challenging time for equity investors and the energy market. We will continue to monitor the broad environment and stand ready to adjust our plan and capital allocation as necessary. Rosehill's focus remains on repeatedly delivering results that stand out among market investment options."

Reserves

The Company's proved reserves increased 30% from December 31, 2018 to 62.8 MMBOE at December 31, 2019, consisting of 65% oil, 18% natural gas liquids ("NGLs") and 17% natural gas. Total PV-10 (a non-GAAP financial measure discussed below) as of December 31, 2019 was \$737 million, approximately flat compared to December 31, 2018, and determined at SEC pricing of \$55.85 per barrel of oil and \$2.58 per million British thermal units ("MMBTU") of natural gas, prior to adjusting for quality and basis differentials.

SEC prices net of differentials were \$51.76 per barrel of oil and \$0.29 per MMBTU of natural gas. For 2019, SEC pricing for oil and natural gas decreased 15% and 17%, respectively, compared to 2018. The Company's additions to proved reserves in 2019 were achieved organically with no additions attributable to purchases.

The following table outlines the Company's proved reserves as of December 31, 2019:

Reserve Category	Oil (MBbls)	Gas (MMcf)	NGL (MBbls)	Total (MBoe)	PV-10 (in thousands)
Proved Developed	23,967	36,643	6,301	36,375	\$566,554
Proved Undeveloped	16,749	27,517	5,053	26,388	\$170,558
Total Proved	40,716	64,160	11,354	62,763	\$737,112

Note: PV-10 is a non-GAAP financial measure. See the "Non-GAAP Measure" disclosure below for additional information. Table may not total due to rounding.

About Rosehill Resources Inc.

Rosehill Resources Inc. is an independent oil and gas exploration company with assets positioned in the Delaware Basin portion of the Permian Basin. The Company's strategy includes the focused development of its multi-bench assets in the Northern Delaware Basin and the Southern Delaware Basin, as well as adding economic drilling inventory to support future growth.

Forward-Looking Statements

This communication includes certain statements that may constitute "forward-looking statements" for purposes of the federal securities laws. All statements, other than statements of historical fact included in this communication, regarding Rosehill's opportunities in the Delaware Basin, including inventory potential within the Wolfcamp B interval, strategy, future operations, expected drilling and completions activity, financial position, estimated results of operations, future earnings, future capital spending plans, expected gains from settling derivatives, prospects, plans and objectives of management are forward-looking statements. When used in this communication, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project," "guidance," "forecast" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

You should not place undue reliance on these forward-looking statements. Although the Company believes that the plans, intentions and expectations reflected in or suggested by the forward-looking statements in this communication are reasonable, no assurance can be given that these plans, intentions or expectations will be achieved or occur, and actual results could differ materially and adversely from those anticipated or implied by the forward-looking statements. Some factors that could cause actual results to differ include, but are not limited to, the Company's ability to realize the anticipated benefits of its drilling and completion activities, commodity price volatility, inflation, lack of availability of drilling and completion equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating oil and natural gas reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures and the other risks and uncertainties discussed under the section titled "Risk Factors" in the Company's Form 10-K, and in other public filings with the Securities and Exchange Commission (the "SEC") by the Company. The Company's SEC filings are available publicly on the SEC's website at www.sec.gov. These forward-looking statements are based on management's current expectations and assumptions about future

events and are based on currently available information as to the outcome and timing of future events. All forward-looking statements speak only as of the date of this communication. Except as otherwise required by applicable law, the Company disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this communication.

Non-GAAP Measure

PV-10 is a non-GAAP financial measure and represents the period-end present value of estimated future cash inflows from Rosehill's reserves, less future development and production costs, discounted at 10% per annum to reflect timing of future cash flows and using SEC pricing assumptions in effect at the end of the period. PV-10 differs from standardized measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes. Moreover, GAAP does not provide a measure of estimated future net cash flows for reserves other than proved reserves. PV-10 can be used within the industry and by creditors and securities analysts to evaluate estimated net cash flows from reserves on a more comparable basis. At this time, Rosehill is unable to provide a reconciliation of PV-10 to a standardized measure because Rosehill has not yet finalized its calculation of the effects of income taxes for the year ended December 31, 2019. Rosehill expects to include a full reconciliation of PV-10 as of December 31, 2019 to standardized measure in its Form 10-K for the year ended December 31, 2019. Neither PV-10 nor standardized measure represents an estimate of fair market value of Rosehill's oil and natural gas properties. Rosehill and others in the industry use PV-10 as a measure to compare the relative size and value of estimated reserves held by companies without regard to the specific tax characteristics of such entities. The estimates for proved reserves as of December 31, 2019 have been prepared by Netherland, Sewell & Associates, Inc., Rosehill's independent reserve engineers.

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Source: Rosehill Resources Inc.