February 22, 2022

Ring Energy Provides Operational and Financial Update

Reports Strong Fourth Quarter 2021 Sales and Commences 2022 Drilling Program Sooner Than Planned

THE WOODLANDS, Texas, Feb. 22, 2022 (GLOBE NEWSWIRE) -- Ring Energy, Inc. (NYSE American: REI) ("Ring" or the "Company") today provided an update concerning the Company's fourth quarter and full year 2021 sales volumes, further paydown of debt, commencement of the 2022 drilling program, and recently enhanced hedging position.

Key Highlights

- Grew fourth quarter 2021 sales volumes to 9,154 barrels of oil equivalent per day ("BOEPD") (85% oil), an 11% increase from the third quarter 2021, and resulting in full year 2021 sales volumes of 8,519 BOEPD (86% oil);
- Reduced borrowings by $5 million in the fourth quarter 2021 driven by further free cash flow generation, primarily due to the success of its 2021 development program and a continued improvement in crude oil and natural gas prices;
- Remained cash flow positive for the ninth consecutive quarter, marking over two years in a row of generating free cash flow;
- Performed 11 conversions from electrical submersible pumps to rod pumps ("CTR") in the second half of 2021, resulting in 25 CTRs for the full year 2021 (19 Northwest Shelf ("NWS") and six Central Basin Platform ("CBP")) and reducing long-term operating costs;
- Commenced Ring's 2022 drilling program in late January, successfully drilled its first two CBP wells and initiated completion operations; and
- Enhanced its hedge position to capitalize on the continued strong price environment and support the 2022 development program through the addition of 1,000 barrels of oil per day ("BOPD") at an average swap price of $84.61 per barrel for February through December 2022.

Paul D. McKinney, Chairman of the Board and Chief Executive Officer, commented, "We remain steadfastly focused on pursuing operational excellence, investing in high return projects, driving cash flow growth and strengthening our balance sheet. In the fourth quarter of 2021, we achieved sales volumes of more than 9,150 BOEPD, which was a material increase from the third quarter of 2021. During the fourth quarter, we further paid down debt by $5 million, which brings the total debt reduction by the Company to $85 million since the second quarter 2020. While we were reducing our debt, we also prudently invested our cash flow in 2021 into successfully drilling 11 wells and completing 13 wells to help maintain production. This disciplined capital spending approach has kept the Company generating free cash flow for over two years. The success of our 2021 drilling program supports our plans of running a continuous one-rig drilling program for the foreseeable future in 2022. We picked up a rig in late January, sooner than previously expected, to begin drilling in the CBP and expect to begin seeing production uplift from the new wells in the second quarter of 2022. The three horizontal 1.5 mile lateral wells we drilled in the CBP in 2021 have provided better-than-expected results and our 2022 drilling program will include additional wells there as well as in our premier NWS area."

McKinney continued, "Beginning January 1, 2022, nearly 60% of our low-priced hedges rolled off allowing for substantially higher revenue in 2022 assuming the current oil price environment continues. As we look to the future and our desire to lock in the cash flow to fund our capital program and debt repayment plans, we recently added 1,000 BOPD at an average swap price of $84.61 per barrel of oil for February through December 2022 to our existing hedge position. We are truly excited about 2022 and beyond. The current strong energy pricing environment, together with continued drilling success should allow us to increase operational cash flow significantly in 2022. In short, we continue to execute on our targeted strategy to further drive financial stability, improve the balance sheet and increase shareholder value."

On December 31, 2021, the Company had $290.0 million in borrowings on its revolving credit facility that has a current borrowing base of $350.0 million. Ring paid down $5.0 million of debt during the fourth quarter of 2021 and $23.0 million in the full year of 2021. Ring finished the year with approximately $2.4 million cash on hand, improving its liquidity to nearly $62 million. This marks the 6th consecutive quarter the Company has increased its liquidity.

About Ring Energy, Inc.

Ring Energy, Inc. is an oil and gas exploration, development, and production company with current operations focused on the conventional development of its Permian Basin assets in West Texas and New Mexico. For additional information, please visit 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, 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.

Contact Information

Al Petrie Advisors
Al Petrie, Senior Partner
Phone: 281-975-2146
Email: apetrie@ringenergy.com

Source: Ring Energy, Inc.