

# RING ENERGY – A FRESH PERSPECTIVE ON A PROVEN STRATEGY

Formed in 2012, Ring Energy has aggressively sought to acquire low decline, long-life producing properties with highly economic future drilling opportunities. This included a transformational transaction in 2019 that essentially doubled production and reserves through the purchase of almost 50,000 gross acres of producing assets targeting the Northwest Shelf. The purchase firmly established Ring as a significant operator focused on the proven, high-quality, oil-rich, conventional San Andres reservoir in the Permian Basin.

With the onset of the COVID-19 pandemic and collapse of oil prices in March 2020, Ring acted quickly to ensure the health and safety of its employees, while also protecting the business by suspending all drilling activities, curtailing production, and reducing costs.



**Paul D. McKinney, Chairman and CEO**

"We are fortunate to have a first-class team of employees that excelled through one of the most difficult periods in the history of our industry," said Chairman and CEO Paul McKinney. "While many other E&P's entered financial restructuring, the hard work and tireless dedication of our employees was a key reason we survived the downturn and are in a solid position for long-term success as the economic backdrop continues to improve."

Recognizing a lack of investor appreciation of Ring's historical operating success and unique market position, in mid-2020, Ring's Board evaluated alternatives for increasing shareholder value and, led by Tim Rochford, Co-Founder and then Chairman, the Board decided a change in approach was needed. Paul McKinney joined Ring as Chairman and CEO on October 1, with more than 35 years of industry experience, including 23 years at Anadarko, six years at Apache and five years at Yuma Energy.

"Tim and his team did a great job assembling Ring's premier position of conventional assets in the Permian Basin," commented McKinney. "I truly appreciate Tim's ongoing support as we focus on providing a fresh perspective on the Company's proven strategy through the execution of targeted initiatives to further reduce operating costs, improve margins, and – most important – drive incremental free cash flow generation to build a stronger, sustainable financial foundation for the long-term benefit of our shareholders."

"Steering our efforts is a talented new executive leadership team, substantially all of whom I have worked with in the past," McKinney continued. "We have a shared vision of how to build an E&P business that can best succeed through the inherent cycles of the industry. We also utilize a non-hierarchical approach where the entire team provides input into the decision-making process. I have been pleased to see the positive impact of our close collaboration despite only having the team in place for eight months."

The financial markets have recognized the efforts of the new management team as Ring's stock price has risen from a low of \$0.43 per share in early November 2020 to \$3.00 per share recently.

McKinney and his team are focused on a number of strategic priorities to further leverage Ring's unique market position, while ensuring health, safety and environmental excellence and a strong commitment to Ring's employees and the communities in which it operates, all while maintaining financial discipline.

"I have always believed that a company's future success can only be achieved through the efforts of its employees," said McKinney. "A key priority for Ring is to attract and retain the best people, which is the primary reason we relocated our corporate headquarters in January to the metro-Houston area. The region is home to many of the best and brightest in the industry, and we are actively expanding our technical and financial teams to support the growth of the business."

McKinney continued, "The oil and gas business is fast-paced, with each day bringing new opportunities and challenges. To succeed in this environment, a culture that promotes open dialogue and trust is imperative to pursuing operational excellence with a sense of

urgency. It is through our culture that we apply advanced technologies that help reduce our cash operating costs and deliver low-cost, efficient execution of our drilling campaigns and work programs. It is our culture that encourages debate that ultimately identifies the highest risk-adjusted rate-of-return projects in our inventory. It is our culture that encourages all employees not to wait until tomorrow to get something done that can be done today. It is also our culture that creates the environment where every employee knows that safety is our first priority and that we will operate in an environmentally responsible manner respecting the opinions of the communities in which we work and operate."

In addition, Ring remains focused on divesting of non-core assets and pursuing strategic acquisitions that deliver attractive returns.

McKinney concluded, "Supported by a high-quality asset base with extensive potential, a proven business model designed to drive free cash flow generation, and a best-in-class and growing team of employees, I believe we have a great future ahead of us as we strive to take Ring to new heights." □

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