



Comstock Resources, Inc. Reports Second Quarter 2015 Financial and Operating Results

August 5, 2015

COMSTOCK RESOURCES, INC. REPORTS SECOND QUARTER 2015 FINANCIAL AND OPERATING RESULTS

FRISCO, TEXAS, August 5, 2015 - Comstock Resources, Inc. ("Comstock" or the "Company") (NYSE: CRK) today reported financial and operating results for the three months and six months ended June 30, 2015.

Financial Results for the Three Months and Six Months Ended June 30, 2015

Comstock reported a net loss of \$135.1 million or \$2.93 per share for the second quarter of 2015 as compared to net income of \$1.9 million or 4¢ per diluted share for the second quarter of 2014. The second quarter 2015 results include a loss related to the previously announced sale of the Company's Burleson County, Texas properties, which closed on July 22, 2015, of \$111.8 million (\$72.7 million after tax or \$1.58 per share), impairments on oil and gas properties and unevaluated leases of \$25.0 million (\$16.3 million after tax or 35¢ per share), unrealized hedging gains of \$0.6 million (\$0.4 million after tax or 1¢ per share) and a net gain on extinguishment of debt of \$7.3 million (\$4.7 million after tax or 10¢ per share). Financial results for the second quarter of 2014 included an unrealized loss from derivative financial instruments of \$5.8 million (\$3.8 million after tax or 8¢ per share) and an impairment of oil and gas properties of \$0.3 million (\$0.2 million after tax). Excluding these items from each quarter's results, the net loss for the second quarter of 2015 would have been \$51.2 million or \$1.11 per share as compared to net income of \$5.9 million or 12¢ per diluted share in the second quarter of 2014.

Comstock produced 924,000 barrels of oil and 11.1 billion cubic feet of natural gas or 16.6 billion cubic feet of natural gas equivalent ("Bcfe") in the second quarter of 2015. Oil production in the second quarter of 2015, which averaged 10,200 barrels of oil per day, declined 17% from the 12,200 barrels per day produced in the second quarter of 2014. The lower oil volumes reflect normal declines due to the cessation of oil directed drilling activity in 2015 due to low oil prices. Natural gas production in the second quarter of 2015 grew by 10% from natural gas production of 10.1 billion cubic feet in the second quarter of 2014 and 35% from 8.2 billion cubic feet in the first quarter of 2015 due to the Haynesville shale drilling program which was restarted in early 2015.

Oil and natural gas prices declined substantially during the second quarter of 2015. Comstock's average realized natural gas price decreased 46% to \$2.37 per Mcf in the second quarter of 2015 as compared to \$4.42 per Mcf realized in the second quarter of 2014. The Company's average realized oil price declined by 43% to \$55.34 per barrel in the second quarter of 2015 as compared to \$96.27 per barrel, including realized hedging losses, in the second quarter of 2014. As a result of lower realized prices, oil and gas sales declined by 49% to \$77.3 million as compared to 2014's second quarter sales (including realized losses from hedging) of \$151.7 million. Operating cash flow (before changes in working capital accounts) of \$15.0 million for the second quarter of 2015 also declined from operating cash flow of \$107.5 million for the second quarter of 2014. EBITDAX, or earnings before interest, taxes, depreciation, depletion, amortization, exploration expense and other noncash expenses, was \$47.7 million in the second quarter of 2015 as compared to EBITDAX of \$121.3 million in the second quarter of 2014.

Comstock reported a net loss of \$213.6 million or \$4.64 per share for the first six months of 2015 as compared to net income of \$3.1 million or 6¢ per diluted share for the first six months of 2014. The 2015 results include the loss on sale of oil and gas properties of \$111.8 million (\$72.7 million after tax or \$1.58 per share), impairments on oil and gas properties and unevaluated leases of \$65.9 million (\$42.8 million after tax or 93¢ per share), drilling rig termination fees of \$1.8 million (\$1.2 million after tax or 2¢ per share), an unrealized gain from derivative financial instruments of \$0.6 million (\$0.4 million after tax or 1¢ per share) and a net gain on extinguishment of debt of \$4.5 million (\$2.9 million after tax or 6¢ per share). Financial results for the six months ended June 30, 2014 included an unrealized loss from derivative financial instruments of \$9.5 million (\$6.2 million after tax or 13¢ per share) and an impairment of oil and gas properties of \$0.3 million (\$0.2 million after tax). Excluding these items from each period's results, the net loss for the first six months of 2015 would have been \$100.2 million or \$2.18 per share as compared to net income from continuing operations of \$9.5 million or 19¢ per diluted share in the first six months of 2014.

Comstock produced 1,960,000 barrels of oil and 19.3 billion cubic feet of natural gas or 31.0 Bcfe in the first six months of 2015. Oil production in the six months ended June 30, 2015, which averaged 10,800 barrels of oil per day, decreased 4% from oil production in the first six months of 2014 of 11,300 barrels of oil per day. Natural gas production in the first six months of 2015 decreased by 9% from natural gas production of 21.1 billion cubic feet in the first six months of 2014.

Comstock's average realized natural gas price decreased 47% to \$2.43 per Mcf in the first six months of 2015 as compared to \$4.57 per Mcf realized in the first six months of 2014. The Company's average realized oil price decreased by 48% to \$49.53 per barrel in the first six months of 2015 as compared to \$95.78 per barrel, including realized hedging losses, in the first six months of 2014. Oil and gas sales (including realized gains or losses from hedging) in the six months ended June 30, 2015 of \$143.8 million decreased by 51% as compared to the six months ended June 30, 2014 sales of \$292.3 million. Operating cash flow (before changes in working capital accounts) decreased 83% to \$35.0 million for the first six months of 2015 as compared with operating cash flow from continuing operations of \$205.3 million for the first six months of 2014. EBITDAX decreased 62% to \$87.5 million in the first six months of 2015 from EBITDAX from continuing operations of \$231.6 million in the first six months of 2014.

2015 Drilling Results

Comstock reported the results to date of its 2015 drilling program. During the first six months of 2015, Comstock spent \$169.3 million on its development and exploration activities and \$7.3 million on acreage and other acquisition costs. Capital expenditures for the second quarter of 2015 decreased to \$53.5 million as compared to the \$123.1 million spent in the first quarter of 2015.

During the first six months of 2015, Comstock drilled five (4.9 net) Haynesville shale wells, and had one Haynesville shale well (0.9 net) in the process of drilling. The Company also completed four horizontal Eagle Ford shale wells (2.2 net) in South Texas which were drilled in 2014. In addition, the Company also drilled four wells (4.0 net) and completed eight wells on its Burleson County, Texas properties.

Comstock has completed all of its Haynesville shale wells using the Company's enhanced completion design. The average initial production rate of the first five wells of the program was 23 million cubic feet ("MMcf") per day. Three of these wells have been completed since our last report. The Boggess 5-8 #1 well in DeSoto Parish, Louisiana was drilled to a total vertical depth of 11,306 feet with a 7,430 foot lateral. This well has been tested with an initial production rate of 21 MMcf per day. The second well, the Horn 8-17 #2 in DeSoto Parish, Louisiana, was drilled to a total vertical depth of 11,216 feet with a 7,400 foot lateral. This well has been tested with an initial production rate of 21 MMcf per day. The third well, the Harrison 30-19 #1 in DeSoto Parish, Louisiana, was drilled to a total vertical depth of 11,405 feet with a 7,437 foot lateral. This well has been tested with an initial production rate of 24 MMcf per day. Production from the first five extended lateral wells has trended above the expected production for our average 15.6 billion cubic feet type curve.

Several offset Haynesville shale wells have benefited by the recent fracture treatments applied to the four new extended lateral wells. Comstock routinely shuts-in producing wells offset to a newly drilled well prior to a frac to prevent any interference with fracture operations by offset production. After these offset wells were returned to production, the Company has seen a significant improvement in the offset producing wells. Seven offset wells that were shut-in prior to the new well frac treatments saw a combined improvement of 15 MMcf per day. The Company is currently monitoring this offset well production improvement in order to evaluate the long-term benefit to the total reserves to be recovered for these wells.

The Company also announced results for its second re-frac of a Haynesville shale well during the first quarter of 2015. Following the re-frac, the Bagley A #4 well in DeSoto Parish, Louisiana had an initial production rate of 3 MMcf per day, a six fold increase from the 0.5 MMcf per day before the re-frac.

Other

Comstock has planned a conference call for 10:00 a.m. Central Time on August 5, 2015, to discuss the operational and financial results for the second quarter of 2015. Investors wishing to participate should visit the Company's website at www.comstockresources.com for a live web cast or dial 866-300-8761 (international dial-in use 412-455-6227) and provide access code 82237942 when prompted. If you are unable to participate in the original conference call, a web replay will be available approximately 24 hours following the completion of the call on Comstock's website at www.comstockresources.com. The web replay will be available for approximately one week. A replay of the conference call will be available beginning at 1:00 p.m. CT August 5, 2015 and will continue until 10:59 p.m. August 12, 2015. To hear the replay, call 855-859-2056 (404-537-3406 if calling from outside the US). The conference call access code is 82237942.

This press release may contain "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described herein. Although the Company believes the expectations in such statements to be reasonable, there can be no assurance that such expectations will prove to be correct.

Comstock Resources, Inc. is an independent energy company based in Frisco, Texas and is engaged in oil and gas acquisitions, exploration and development primarily in Texas and Louisiana. The Company's stock is traded on the New York Stock Exchange under the symbol CRK.

[CRK 2Q 2015 Financials](#)

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