



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

November 4, 2015

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

**FRISCO, TEXAS, November 4, 2015** - Comstock Resources, Inc. ("Comstock" or the "Company") (NYSE: CRK) today reported financial and operating results for the three months and nine months ended September 30, 2015.

#### *Financial Results for the Three Months and Nine Months Ended September 30, 2015*

Low oil and natural gas prices continue to adversely impact the Company's financial results and have resulted in a significant impairment of the Company's producing properties being recorded this quarter. Comstock reported a net loss of \$545.0 million, or \$11.81 per share, for the third quarter of 2015 as compared to a net loss of \$1.9 million, or 4¢ per share, for the third quarter of 2014. The third quarter 2015 results include a charge to impair certain producing oil and gas properties and unevaluated leases of \$549.8 million, recognition of a valuation allowance on deferred tax assets primarily resulting from the large impairment provision of \$189.4 million, an unrealized gain from derivative financial instruments of \$0.7 million and a net gain on extinguishment of debt of \$51.1 million. Financial results for the third quarter of 2014 included an unrealized gain from derivative financial instruments of \$12.4 million and exploratory dry hole costs of \$11.4 million. Excluding these items from each quarter's results, the net loss for the third quarter of 2015 would have been \$48.9 million, or \$1.06 per share, as compared to a net loss of \$2.2 million, or 5¢ per share, in the third quarter of 2014.

On July 22, 2015, Comstock closed the previously announced sale of its Bureson County, Texas properties and received net proceeds of \$103 million. A portion of the proceeds were used to retire debt through purchases of the Company's notes on the open market. As of September 30, 2015, Comstock had repurchased \$100.9 million of face value of bonds at a purchase price of \$37.8 million.

Comstock produced 13.5 billion cubic feet of natural gas and 635,000 barrels of oil, or 17.3 billion cubic feet of natural gas equivalent ("Bcfe"), in the third quarter of 2015. Natural gas production in the third quarter of 2015 grew by 40% from 9.6 billion cubic feet in the third quarter of 2014 and by 22% from 11.1 billion cubic feet in the second quarter of 2015 due primarily to the resumption of the Haynesville shale drilling program in early 2015. Haynesville gas production has increased by 119% compared to the first quarter of 2015. Oil production in the third quarter of 2015 averaged 6,903 barrels of oil per day compared to 12,228 barrels per day in the third quarter of 2014. The decrease in oil production is due to the sale of the Company's Bureson County, Texas properties and the absence of drilling in the South Texas Eagle Ford.

Oil and natural gas prices have declined substantially in 2015. Comstock's average realized natural gas price, including realized hedging gains, decreased 34% to \$2.53 per Mcf in the third quarter of 2015 as compared to \$3.85 per Mcf realized in the third quarter of 2014. The Company's average realized oil price declined by 54% to \$43.63 per barrel in the third quarter of 2015 as compared to \$95.59 per barrel, including realized hedging gains or losses, in the third quarter of 2014. As a result of lower realized prices, oil and gas sales (including realized losses from hedging) declined by 57% to \$61.8 million as compared to 2014's third quarter sales of \$144.6 million. Operating cash flow (before changes in working capital accounts) of \$4.5 million for the third quarter of 2015 also declined from operating cash flow of \$100.5 million for the third quarter of 2014. EBITDAX, or earnings before interest, taxes, depreciation, depletion, amortization, exploration expense and other noncash expenses, was \$36.0 million in the third quarter of 2015 as compared to EBITDAX of \$114.4 million in the third quarter of 2014.

Comstock reported a net loss of \$758.6 million, or \$16.45 per share, for the first nine months of 2015 as compared to net income of \$1.2 million, or 2¢ per diluted share, for the first nine months of 2014. The 2015 results include a loss on sale of oil and gas properties of \$111.8 million, impairments on oil and gas properties and unevaluated leases of \$615.7 million, the valuation allowance on deferred tax assets of \$189.4 million, drilling rig termination fees of \$1.7 million, an unrealized gain from derivative financial instruments of \$1.3 million and a net gain on extinguishment of debt of \$55.6 million. Financial results for the nine months ended September 30, 2014 included an unrealized gain from derivative financial instruments of \$2.9 million, an exploration charge of \$11.4 million, and an impairment of oil and gas properties of \$0.3 million. Excluding these items from each period's results, the net loss for the first nine months of 2015 would have been \$145.7 million, or \$3.16 per share, as compared to net income of \$5.1 million, or 10¢ per diluted share, in the first nine months of 2014.

Comstock produced 32.7 billion cubic feet of natural gas and 2.6 million barrels of oil, or 48.3 Bcfe, in the first nine months of 2015. Oil production in the nine months ended September 30, 2015 averaged 9,500 barrels of oil per day, and natural gas production averaged 120 Mmcf per day.

Comstock's average realized natural gas price, including realized hedging gains, decreased 43% to \$2.47 per Mcf in the first nine months of 2015 as compared to \$4.34 per Mcf realized in the first nine months of 2014. The Company's average realized oil price decreased by 50% to \$48.08 per barrel in the first nine months of 2015 as compared to \$95.71 per barrel, including realized hedging losses, in the first nine months of 2014. Oil and gas sales (including realized gains or losses from hedging) in the nine months ended September 30, 2015 of \$205.6 million decreased by 53% as compared to \$436.9 million in the nine months ended September 30, 2014. Operating cash flow (before changes in working capital accounts) decreased 87% to \$39.5 million for the first nine months of 2015 as compared to \$305.8 million of operating cash flow from continuing operations for the first nine months of 2014. EBITDAX decreased 64% to \$123.5 million in the first nine months of 2015 from EBITDAX of \$346.0 million in the first nine months of 2014.

## 2015 Drilling Results

Comstock reported the results to date of its 2015 drilling program. During the first nine months of 2015, Comstock spent \$199.9 million on its development and exploration activities and \$9.3 million on acreage and other acquisition costs. Capital expenditures for the third quarter of 2015 were \$32.6 million as compared to the \$123.1 million spent in the first quarter of 2015 and \$53.5 million in the second quarter of 2015.

During the first nine months of 2015, Comstock drilled eight Haynesville shale wells (7.6 net), and had one Haynesville shale well (1.0 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 which were sold in July 2015.

Comstock has completed all of its Haynesville shale wells using the Company's enhanced completion design. The average initial production rate of the first eight wells of the program was 24 million cubic feet ("MMcf") per day. Three of these wells located in DeSoto Parish, Louisiana have been completed since the Company's last report. The Ramsey 7-18 #1 well was drilled to a total vertical depth of 11,127 feet with a 7,124 foot lateral. This well has been tested with an initial production rate of 23 MMcf per day. The second well, the Holmes 29-32 #1 was drilled to a total vertical depth of 11,371 feet with a 7,102 foot lateral. This well has been tested with an initial production rate of 28 MMcf per day. The third well, the Gamble 4-33 #1 was drilled to a total vertical depth of 11,520 feet with a 7,547 foot lateral. This well has been tested with an initial production rate of 24 MMcf per day.

### Other

Comstock has planned a conference call for 10:00 a.m. Central Time on November 4, 2015 to discuss the operational and financial results for the third quarter of 2015. Investors wishing to participate should visit the Company's website at [www.comstockresources.com](http://www.comstockresources.com) for a live web cast or dial 866-300-8761 (international dial-in use 412-455-6227) and provide access code 48643656 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](http://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 November 4, 2015 and will continue until 10:59 p.m. November 11, 2015. To hear the replay, call 855-859-2056 (404-537-3406 if calling from outside the US). The conference call access code is 48643656.

***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 3Q 2015 Financial Tables](#)

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