



TAPSTONE ENERGY

Tapstone Energy Announces Borrowing Base Increase to \$400 Million in Conjunction with Growth and Acquisition of Northwest Stack Assets

Oklahoma City, November 5, 2018 -- Tapstone Energy, LLC ("Tapstone" or the "Company") today announced that the borrowing base under its revolving credit facility was increased by its bank group from \$310 million to \$400 million during the recently concluded fall redetermination.

The increase in borrowing base is attributed to successful results in NW Stack and the Company's previously announced acquisition of assets from two undisclosed sellers in the NW Stack located in Blaine, Dewey and Major counties, Oklahoma. The acquisition closed on September 4, 2018 for a purchase price of approximately \$69 million, with an estimated final adjusted purchase price of approximately \$59 million. The acquisition was funded with \$50 million of new common equity and the remainder with revolver borrowings.

The acquired assets include 29 operated horizontal wells, net production of approximately 4,000 barrels of oil equivalent ("Boe") per day and approximately 50 future drilling locations. The transaction includes approximately 35,000 total net leasehold acres, of which approximately 25,000 net acres are held by production. The acquisition includes interests in a total of 172 wells. Both the producing and non-producing assets acquired are within Tapstone's existing NW Stack core development area.

Tapstone third quarter 2018 net production is estimated at 3% growth quarter-over-quarter, which includes partial quarter production from acquired and divested assets in the quarter. Acquired assets in NW Stack are estimated to have added approximately 1,300 Boe per day to third quarter production. Divested legacy assets are estimated to have reduced third quarter production by approximately 200 Boe per day, with further reductions caused by simultaneous operations and shut-in volumes in NW Stack due to infill drilling during the quarter. This deferred production as a result of simultaneous operations and shut-in volumes is estimated at approximately 1,350 Boe per day in the third quarter.

Tapstone's Chief Executive Officer, Steve C. Dixon, commented, "We are pleased to see continual growth in our borrowing base from our drilling activity and through bolt-on acquisitions – adding additional production and increasing our high-return, undeveloped well locations. We recently spud our first well on the newly acquired undeveloped leasehold and will continue to add the acquired locations into our drilling schedule. These acquired assets have substantial working interest overlap and operational synergies with Tapstone's existing NW Stack position. We are pleased to announce a \$50 million common equity contribution that allows Tapstone to pursue compelling growth opportunities while maintaining a strong balance sheet."

About Tapstone

Tapstone Energy is a growth-oriented, independent oil and natural gas company focused on the development and production of oil, natural gas, and NGLs in the Anadarko Basin in Oklahoma. The Company's core development area is located in the northwest continuation of the STACK play in the Anadarko Basin. The Company is focused on growing production, reserves and cash flow through the development of its extensive drilling inventory of operated horizontal drilling locations in the NW Stack, optimizing operational, drilling and completion techniques and maintaining a disciplined financial strategy to pursue the development of our acreage in the NW Stack. www.tapstoneenergy.com

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