



## **Amplify Energy Announces Receipt of Cash from Beta Decommissioning Trust Account and Strategic Investment in Bairoil Processing Facilities**

October 10, 2018

HOUSTON, Oct. 10, 2018 (GLOBE NEWSWIRE) -- Amplify Energy Corp. ("Amplify" or the "Company") (OTCQX: AMPY) announced today the receipt of approximately \$61.5 million from the Beta Decommissioning Trust account. This cash release to Amplify's balance sheet was made pursuant to an order of the U.S. Bankruptcy Court dated February 9, 2018, which allowed for the release of Beta cash subject to certain conditions that have since been satisfied. Following the cash release, Beta's decommissioning obligations are still fully supported by A-rated surety bonds and \$90 million of cash. This milestone represents a significant first step in better aligning the funding structure of the long-term Beta decommissioning liability with its ultimate duration.

Separately, the Company is pleased to announce that Amplify's board of directors has approved a \$37 million capital project to increase oil production at the Company's Bairoil CO<sub>2</sub> flood field in the Rockies by approximately 900 Boe/d (100% oil). This investment will expand CO<sub>2</sub> recycling capacity at the facility by approximately 60 MMcf/d, and, importantly, will allow the Company to bring currently shut-in wells back online. The Company anticipates that the expanded facility will be completed and operational by the fourth quarter 2019, and the estimated return on invested capital ("ROIC") will exceed 100% for the project. The expansion will also allow the Company to drill 4 additional wells in 2019 with projected IRR's of 30% (91% oil) at a \$60 flat WTI price. Further development opportunities exist with 59 additional drilling locations identified and a recent 3D seismic survey.

"We are very pleased to be able to announce the partial release of the funds held in trust and a significant investment in our Bairoil properties," said Ken Mariani, Amplify's President and Chief Executive Officer. "With this additional liquidity and our strong performance year-to-date, Amplify is well positioned to make further strategic investments and drive shareholder value and returns."

Amplify's current net debt of \$221 million as of October 9, 2018 is a reduction of \$195 million, or 47%, from the \$416 million of net debt outstanding at the Company's emergence from bankruptcy on May 4, 2017. As of October 9, 2018, Amplify had total debt of \$294 million under its revolving credit facility, with a current borrowing base of \$390 million. As such, Amplify's liquidity is currently \$167 million, consisting of \$73 million of cash on hand and available borrowing capacity of \$94 million (including the impact of \$2.4 million in outstanding letters of credit).

With Amplify's significant cash position and additional free cash flow generation, the Company's Board is working with management to determine the best use of these funds, which could include some combination of increased capital spending on the Company's oil-focused assets (offshore California and the Rockies), further reduction of debt and/or return of capital to shareholders.

### **About Amplify Energy**

Amplify Energy Corp. is an independent oil and natural gas company engaged in the acquisition, development, exploration and production of oil and natural gas properties. The Company's operations are focused in the Rockies, offshore California, East Texas / North Louisiana and South Texas. For more information, visit [www.amplifyenergy.com](http://www.amplifyenergy.com).

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that Amplify expects, believes or anticipates will or may occur in the future are forward-looking statements. Terminology such as "will," "would," "should," "could," "expect," "anticipate," "plan," "project," "intend," "estimate," "believe," "target," "continue," "potential," the negative of such terms or other comparable terminology are intended to identify forward-looking statements. Amplify believes that these statements are based on reasonable assumptions, but such assumptions may prove to be inaccurate. Such statements are also subject to a number of risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Amplify, which may cause Amplify's actual results to differ materially from those implied or expressed by the forward-looking statements. Please read the Company's filings with the Securities and Exchange Commission, including "Risk Factors" in its Annual Report on Form 10-K, and if applicable, its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and other public filings and press releases for a discussion of risks and uncertainties that could cause actual results to differ from those in such forward-looking statements. All forward-looking statements speak only as of the date of this press release. All forward-looking statements in this press release are qualified in their entirety by these cautionary statements. Amplify undertakes no obligation and does not intend to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

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