Goodrich Petroleum Announces Capital Expenditure Budget And 2018 Guidance

HOUSTON, Dec. 20, 2017 /PRNewswire/ -- Goodrich Petroleum Corporation (NYSE American: GDP) today announced a preliminary capital expenditure budget for 2018 of $65 - 75 million, with 100% of the budget allocated to its core Haynesville Shale acreage position in the Bethany-Longstreet and Thorn Lake areas of Caddo, DeSoto and Red River Parishes, Louisiana. The Company anticipates drilling 16 gross (6.5 net) horizontal wells for the year, with a blended net average lateral length of approximately 9,000 feet. The budget currently contemplates that the Company would operate approximately 85% of its net wells for the year. The preliminary capital expenditure budget is subject to quarterly review and approval by the Company's board of directors.

Based on the preliminary budget, the Company expects to grow production by 130 – 145% versus 2017 to a range of approximately 28.3 – 30.3 Bcfe, or an average of 77,000 – 83,000 Mcfe per day for the year. Natural gas is expected to comprise approximately 95% of total production.

Cash margin is expected to expand in 2018 as unit costs decrease with the growth in volumes, and the Company is issuing a guidance range for the following cash costs per Mcfe of production for 2018:

Basis:	
Natural Gas - Henry Hub Pricing Per Mcf Less:	$0.12 – 0.15
Crude Oil – LLS Pricing Per Barrel Less:	$2.00 – 2.25
	Mcfe
Lease Operating Expense ("LOE")	$0.30 – 0.40
Taxes	$0.07 – 0.11
Transportation	$0.30 – 0.40
G&A (Cash)	$0.40 – 0.50

The Company has hedged approximately 40 - 42% of its expected natural gas volumes for the year at a blended average price of $3.02 and approximately 50 - 55% of expected crude oil volumes for the year at $51.08.

EBITDA is expected to grow by more than 200% versus 2017 and year-end 2018 net debt to EBITDA is expected to be less than 1.5 times.

Operational Update

The Company is currently fracking its Franks 25&24 No. 1 (69% WI) well, a 10,000 foot lateral in the Bethany-Longstreet field of DeSoto Parish, Louisiana, with plans to zipper frac its Wurtsbaugh 25&24 No. 2 & 3 (55% WI) wells upon completion of the Franks well. Both Wurtsbaugh wells are approximately 7,500 foot laterals. All three wells are expected to come online in early January.

The Company is currently drilling its Cason-Dickson 14&23 No. 1 & 2 (92% WI) wells in Red River Parish, Louisiana. The Cason-Dickson wells are planned as 10,000 foot laterals and expected to be fracked in February.

OTHER INFORMATION

In this press release, the Company refers to several non-US GAAP financial measures, including Pro Forma Adjusted EBITDA and DCF. Management believes Pro Forma Adjusted EBITDA and DCF are good financial indicators of the Company's performance and ability to internally generate operating funds. DCF should not be considered an alternative to net cash provided by operating activities, as defined by US GAAP. Pro Forma Adjusted EBITDA should not be considered an alternative to net loss, as defined by US GAAP. Management believes that these non-US GAAP financial measures provide useful information to investors because they are monitored and used by Company management and widely used by professional research analysts in the valuation and investment recommendations of companies within the oil and gas exploration and production industry.

Initial production rates are subject to decline over time and should not be regarded as reflective of sustained production levels. In particular, production from horizontal drilling in shale oil and natural gas resource plays and tight natural gas plays that are stimulated with extensive pressure fracturing are typically characterized by significant early declines in production rates.

Unless otherwise stated, oil production volumes include condensate.

Certain statements in this news release regarding future expectations and plans for future activities may be regarded as "forward looking statements" within the meaning of the Securities Litigation Reform Act. They are subject to various risks, such as financial market conditions, changes in commodities prices and costs of drilling and completion, operating hazards, drilling risks, and the inherent uncertainties in interpreting engineering data relating to underground accumulations of oil and gas, as well as other risks discussed in detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and other subsequent filings with the Securities and Exchange Commission. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Goodrich Petroleum is an independent oil and natural gas exploration and production company listed on the NYSE American under the symbol "GDP".

SOURCE Goodrich Petroleum Corporation

For further information: Robert C. Turnham, President, (713) 780-9494
