



## Bonanza Creek Provides an Operational Update and Announces First Quarter 2020 Conference Call

April 22, 2020

DENVER, April 22, 2020 (GLOBE NEWSWIRE) -- Bonanza Creek Energy, Inc. (NYSE: BCEI) ("Bonanza Creek" or the "Company") today issued preliminary first quarter 2020 results, provided an operational update for 2020, and announced the date of its first quarter 2020 earnings release and conference call.

Highlights include:

- First quarter 2020 estimated average sales volumes of 24.8 thousand barrels of oil equivalent per day ("MBoe/d"), with oil representing 54% of total volumes
- Total first quarter 2020 capital expenditures of approximately \$41 million, significantly below the original 2020 plan
- Lease operating expenses ("LOE") for the quarter are expected to be \$2.52 per boe, down 16% from the fourth quarter 2019, and down 15% from full year 2019
- Recurring cash general and administrative ("G&A") expenses, which excludes stock-based compensation and cash severance costs, are expected to be \$3.44 per boe, down 8% from full year 2019
- Rocky Mountain Infrastructure ("RMI") net effective cost of \$1.07 per boe, which is comprised of approximately \$1.78 per boe of RMI operating expense offset by \$0.71 per boe of RMI operating revenue from working interest partners
- The Company exited the quarter with over \$300 million of liquidity, \$59 million outstanding on its credit facility, and cash of approximately \$11 million

2020 operating plan update:

- Total 2020 capital expenditure guidance has been reduced to a range of \$60 to \$70 million
- The Company is lowering its recurring cash G&A guidance to a range of \$27 to \$29 million, down 13% from 2019
- The G&A reduction is a result of a combination of salary and headcount reductions and changes to Board compensation
- The Company is implementing approximately \$8 million in LOE and RMI operating expense savings compared to the original 2020 plan

Eric Greager, President and Chief Executive Officer of Bonanza Creek, commented, "Over the past two years we've focused on improving well performance and capital efficiency, and on increasing our margins. With the industry facing an unprecedented combination of excess supply and demand destruction, we have taken decisive action and reduced 2020 capex by over 70%. Combined with our hedge book, our business will generate significant free cash this year, and we expect to exit 2020 with an undrawn credit facility."

Greager continued, "Despite our relatively small size, our cost structure is among the lowest in the industry, and our margins are among the highest. We're grateful that our team remains healthy and productive, and we look forward to providing additional guidance with our earnings release in early May."

### Upcoming Events

The Company announced that it is scheduled to release its first quarter 2020 operating and financial results after market close on May 7, 2020 and will host a conference call to discuss these results the following morning, on Friday May 8, at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time). A live webcast and replay of this event will be available on the Investor Relations section of the Company's website at [www.bonanzacrk.com](http://www.bonanzacrk.com). Dial-in information for the conference call is included below.

| Type             | Phone Number | Passcode |
|------------------|--------------|----------|
| Live participant | 877-793-4362 | 4941578  |
| Replay           | 855-859-2056 | 4941578  |

### About Bonanza Creek Energy, Inc.

Bonanza Creek Energy, Inc. is an independent oil and natural gas company engaged in the acquisition, exploration, development, and production of oil and associated liquids-rich natural gas in the Rocky Mountain region of the United States. The Company's assets and operations are concentrated in rural, unincorporated Weld County within the Wattenberg Field, focused on the Niobrara and Codell formations. The Company's common shares are listed for trading on the NYSE under the symbol: "BCEI." For more information about the Company, please visit [www.bonanzacrk.com](http://www.bonanzacrk.com). Please note that the Company routinely posts important information about the Company under the Investor Relations section of its website.

### Forward-Looking Statements

*This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are based on certain assumptions made by the Company based on management's experience, perception of historical trends and technical analyses, current conditions, anticipated future developments and other factors believed to be appropriate and reasonable by management. When used in this*

press release, the words “will,” “potential,” “believe,” “estimate,” “intend,” “expect,” “may,” “should,” “anticipate,” “could,” “plan,” “predict,” “project,” “profile,” “model” or their negatives, other similar expressions or the statements that include those words, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements include statements regarding development and completion expectations and strategy; decreasing operating and capital costs; impact of the Company’s reorganization; and 2020 guidance. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, that may cause actual results to differ materially from those implied or expressed by the forward-looking statements, including the following: changes in natural gas, oil and NGL prices; general economic conditions, including the performance of financial markets and interest rates; drilling results; shortages of oilfield equipment, services and personnel; operating risks such as unexpected drilling conditions; ability to acquire adequate supplies of water; risks related to derivative instruments; access to adequate gathering systems and pipeline take-away capacity; and pipeline and refining capacity constraints. Further information on such assumptions, risks and uncertainties is available in the Company’s SEC filings. We refer you to the discussion of risk factors in our Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 28, 2020, and other filings submitted by us to the Securities Exchange Commission. The Company’s SEC filings are available on the Company’s website at [www.bonanzacrk.com](http://www.bonanzacrk.com) and on the SEC’s website at [www.sec.gov](http://www.sec.gov). All of the forward-looking statements made in this press release are qualified by these cautionary statements. Any forward-looking statement speaks only as of the date on which such statement is made, including guidance, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

**For further information, please contact:**

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Schedule 1: Recurring Cash G&A  
 (in thousands, unaudited)

Recurring cash G&A is a supplemental non-GAAP financial measure that is used by management to provide only the cash portion of its G&A expense, which can be used to evaluate cost management and operating efficiency on a comparable basis from period to period. The Company refers to recurring cash G&A to provide typical recurring cash G&A costs that are planned for in a given period. Management believes recurring cash G&A provides external users of the Company’s consolidated financial statements, such as industry analysts, investors, lenders, and rating agencies, with additional information to assist in their analysis of the Company. The Company defines recurring cash G&A as GAAP general and administrative expense exclusive of the Company’s stock based compensation and one-time charges. Recurring cash G&A is not a fully inclusive measure of general and administrative expense as determined by GAAP.

The following table presents a reconciliation of the GAAP financial measure of general and administrative expense to the non-GAAP financial measure of recurring cash G&A.

|                                    | <b>Three Months<br/>Ended<br/>3/31/2020</b> | <b>Twelve Months<br/>Ended<br/>12/31/2019</b> |
|------------------------------------|---|---|
| General and administrative expense | \$9,981                                     | \$39,668                                      |
| Stock-based compensation           | (1,791)                                     | (6,886)                                       |
| Cash severance costs               | (413)                                       | (751)   |
| Recurring cash G&A                 | <b>\$7,777</b>                              | <b>\$32,031</b>                               |

Schedule 2: Rocky Mountain Infrastructure (“RMI”) Net Effective Cost  
 (in thousands, unaudited)

RMI net effective cost is a supplemental non-GAAP financial measure that is used by management to provide only the net cash impact the Company’s wholly owned subsidiary, Rocky Mountain Infrastructure, LLC, has on the Company’s consolidated financials. Management believes the net effective cost provides external users of the Company’s consolidated financial statements, such as industry analysts, investors, lenders, and rating agencies, with additional information to assist in their analysis of the Company. The Company defines the RMI net effective cost as GAAP RMI operating expense less revenue generated from working interest partners utilizing the RMI assets.

The following table presents a reconciliation of the GAAP financial measures of RMI operating expense and RMI working interest partner revenue to the non-GAAP financial measure of RMI net effective cost.

|                                      | <b>Three Months<br/>Ended<br/>3/31/2020</b> |
|--------------------------------------|---|
| RMI Operating Expense                | \$4,014                                     |
| RMI Working Interest Partner Revenue | (1,613)                                     |
| RMI Net Effective Cost               | <b>\$2,401</b>                              |

