



Diamondback Energy, Inc. Accelerates Capital Return to Stockholders and Initiates Share Repurchase Program

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MIDLAND, Texas, Sept. 16, 2021 (GLOBE NEWSWIRE) -- Diamondback Energy, Inc. (NASDAQ: FANG) ("Diamondback" or the "Company") today announced that it has accelerated its plans to return 50% of Free Cash Flow to stockholders to the fourth quarter of 2021, and the Board of Directors has approved an up to \$2.0 billion share repurchase program to complement this return commitment.

"Diamondback is accelerating its previously announced capital return program due to continued strong operational performance and improved capital efficiency, a supportive macro backdrop and increasing financial strength. Our plan to return 50% of Free Cash Flow quarterly through our base dividend and other return mechanisms will now begin in the fourth quarter of 2021. The remaining Free Cash Flow, as well as asset sale proceeds, will be earmarked for further debt reduction. We expect the previously announced sale of our North Dakota assets to close in the next few weeks, timing dependent on final government approval. The net proceeds from that sale, along with cash on hand, will be used to pay off the remaining \$650 million in outstanding callable debt in our capital structure," stated Travis Stice, Chief Executive Officer of Diamondback.

Mr. Stice continued, "Diamondback's Board has approved a \$2.0 billion share repurchase program to complement the acceleration of our capital return program. While our consistent and growing base dividend remains our primary means of returning capital, we plan to opportunistically repurchase shares of our common stock with the remaining Free Cash Flow allocated to our stockholders when we expect the return on that repurchase to be well in excess of our cost of capital at mid-cycle commodity prices, which is the case today. We will cease repurchasing our common stock and return excess Free Cash Flow to our stockholders in the form of a variable dividend when we expect the return on that repurchase to be less than our cost of capital at mid-cycle commodity prices. As stated previously, we intend to be flexible on returning capital through the method our Board believes presents the best return to our stockholders at that time. While the form of return may be flexible, we remain committed to consistently returning Free Cash Flow to stockholders."

Stock Repurchase Program

On September 15, 2021, Diamondback's Board of Directors authorized the Company to acquire up to \$2.0 billion of common stock, effective immediately.

The Company intends to purchase stock under the repurchase program opportunistically with funds from cash generated from operations and liquidity events such as the sale of assets. This repurchase program may be suspended from time to time, modified, extended or discontinued by the Board of Directors at any time. Purchases under the repurchase program may be made from time to time in open market or privately negotiated transactions in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, including under a 10b5-1 plan that may be implemented by the Company, and will be subject to market conditions, applicable legal requirements, contractual obligations and other factors. Any stock purchased as part of this program will no longer be outstanding and will be available for future issuances by the Company.

About Diamondback Energy, Inc.

Diamondback is an independent oil and natural gas company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves primarily in the Permian Basin in West Texas. For more information, please visit www.diamondbackenergy.com.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than historical facts, that address activities that Diamondback assumes, plans, expects, believes, intends or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events, including the current industry and macroeconomic conditions, commodity price volatility, production levels, the impact of the recent presidential and congressional elections on energy and environmental policies and regulations, any other potential regulatory actions, the impact and duration of the COVID-19 pandemic, acquisitions and sales of assets, future dividends and stock repurchases, production, drilling and capital expenditure plans, severe weather conditions, impact of impairment charges and effects of hedging arrangements. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the management of Diamondback. Information concerning these risks and other factors can be found in Diamondback's filings with the Securities and Exchange Commission ("SEC"), including its reports on Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the SEC's web site at <http://www.sec.gov>. Diamondback undertakes no obligation to update or revise any forward-looking statement.

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