



Approach Resources Inc. Announces Exchange Offer for Remaining 7.00% Senior Notes Due 2021

January 30, 2017

FORT WORTH, Texas, Jan. 30, 2017 (GLOBE NEWSWIRE) -- Approach Resources Inc. (NASDAQ:AREX) ("Approach" or the "Company") today announced the commencement of an offer ("Exchange Offer") to exchange newly issued shares of its common stock, par value \$0.01 per share ("Common Stock") for \$99,768,000 of outstanding 7.00% senior notes due 2021 ("Senior Notes").

Subject to the terms and conditions of the Exchange Offer, each holder of Senior Notes (each, a "Holder" and collectively, the "Holders") may tender all or a portion of such Holder's Senior Notes, in exchange for 276 shares of Common Stock per \$1,000 principal amount of Senior Notes (the "Exchange Ratio"). Assuming all currently outstanding Senior Notes are tendered for exchange and not validly withdrawn, the Company would issue 27,535,968 shares of Common Stock, or 25% of outstanding shares of Common Stock, assuming (and giving pro forma effect to) 100% participation in the Exchange Offer. Holders that tender their Senior Notes that are accepted for exchange will receive accrued and unpaid interest on such Senior Notes up to, but not including, the settlement date for the Exchange Offer.

The Exchange Offer will expire at 11:59 p.m., New York City time, on March 17, 2017, unless extended or earlier terminated by the Company (the "Expiration Date"). Holders who wish to participate in the Exchange Offer must validly tender, and not withdraw, all or a portion of their Senior Notes before the Expiration Date. Tenders of Senior Notes pursuant to the Exchange Offer may be withdrawn at any time until the Expiration Date.

Holders who do not tender, or who tender and validly withdraw, Senior Notes before the Expiration Date will continue to hold such Senior Notes subject to their current terms and conditions. The terms of the indenture governing the Senior Notes were amended, effective January 27, 2017, to eliminate most of the restrictive covenants, any obligation to make an offer to repurchase the Senior Notes upon a change of control or certain asset sales, and certain events of default provided for therein.

The consummation of the Exchange Offer is conditioned upon the satisfaction or waiver of the conditions set forth in the Offer to Exchange dated January 30, 2017, for the Senior Notes ("Offer to Exchange"). Subject to applicable law, the Company may amend, extend or terminate the Exchange Offer. The Common Stock to be issued in connection with the Exchange Offer will be listed on NASDAQ Global Select Market.

The terms of the Exchange Offer are set forth solely in the Offer to Exchange. If any person has questions regarding the terms of the Exchange Offer, please contact Approach Resources Inc., Investor Relations, at 817.989.9000. If any person has questions regarding the procedures for tendering Senior Notes in the Exchange Offer, please contact the information agent, Okapi Partners, at (855) 305-0856. The Exchange Offer is made only by, and pursuant to the terms set forth in, the Offer to Exchange and accompanying letter of transmittal, and the information in this news release is qualified in its entirety by reference to those documents.

About Approach Resources

Approach Resources Inc. is an independent energy company focused on the exploration, development, production and acquisition of unconventional oil and gas reserves in the Midland Basin of the greater Permian Basin in West Texas. For more information about the Company, please visit www.approachresources.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. Without limiting the generality of the foregoing, statements contained in this press release relating to consummation of the Follow-On Exchange Offer and effects thereof 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. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These risks, uncertainties, assumptions and other important factors include, but are not limited to (1) the inability to complete the Exchange Offer, (2) the failure to achieve 100% participation in the Exchange Offer, (3) a continued decline in commodities prices, (4) changes in applicable laws or regulations, and (5) other risks and uncertainties indicated from time to time in the definitive proxy statement filed with the SEC in connection with the Initial Exchange and Exchange Offer on December 13, 2016, including those under "Risk Factors" therein, and other documents filed or to be filed with the SEC by Approach. No assurances can be provided as to whether some, all or none of the Holders will validly tender, and not withdraw, their Notes in the Exchange Offer in exchange for shares of Common Stock. The Company's SEC filings are available on the Company's website at www.approachresources.com. Any forward-looking statement speaks only as of the date on which such statement is made 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.

NO OFFER OR SOLICITATION

THE COMMON STOCK WILL BE ISSUED PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), UNDER SECTION 3(A)(9) OF THE SECURITIES ACT. THE COMPANY HAS MADE NO ARRANGEMENTS FOR AND HAS NO UNDERSTANDING WITH ANY DEALER, SALESMAN OR OTHER PERSON REGARDING THE SOLICITATION OR RECOMMENDATION OF TENDERS HEREUNDER. ANY SUCH SOLICITATION OR RECOMMENDATION OF TENDERS BY PERSONS OTHER THAN THE COMPANY MUST NOT BE RELIED UPON BY YOU AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THIS PRESS RELEASE IS NEITHER AN OFFER TO PURCHASE NOR A SOLICITATION TO BUY ANY OF THE EXISTING SENIOR NOTES NOR IS IT A SOLICITATION FOR ACCEPTANCE OF THE FOLLOW-ON EXCHANGE OFFER. THE COMPANY IS MAKING THE FOLLOW-ON EXCHANGE OFFER ONLY BY, AND PURSUANT TO THE TERMS OF, THE OFFERS TO EXCHANGE AND LETTERS OF TRANSMITTAL. THE FOLLOW-ON EXCHANGE OFFER IS NOT BEING MADE IN ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE SECURITIES, BLUE SKY OR OTHER LAWS OF SUCH JURISDICTION. NONE OF THE COMPANY, ANY INFORMATION AGENT OR ANY EXCHANGE AGENT FOR THE FOLLOW-ON EXCHANGE OFFER MAKES ANY RECOMMENDATION IN CONNECTION WITH SUCH EXCHANGE OFFER. THIS ANNOUNCEMENT IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY ANY OF THESE SECURITIES AND SHALL NOT CONSTITUTE AN OFFER, SOLICITATION OR SALE IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS UNLAWFUL.

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Approach Resources Inc