

Approach Resources Inc. Reports Temporary Curtailment of Production Due to Third-Party Facility Power Failure

May 23, 2013 8:50 AM ET

FORT WORTH, Texas--(BUSINESS WIRE)--May. 23, 2013-- Approach Resources Inc. (**NASDAQ: AREX**) (“Approach” or the “Company”) today reported that its production has been curtailed due to a power outage at the Phillips 66 Sweeny, Texas refinery. The Company’s NGLs currently flow to the Sweeny refinery and fractionation complex through DCP Midstream’s processing plants in the Ozona, Texas area and through Chevron Pipe Line Company’s EZ Pipeline.

Power has been restored to affected fractionation units at the Sweeny complex. We estimate that production of approximately 5.2 MBoe/d has been curtailed since May 11, 2013, due to downtime caused by the power outage, and we expect a full return to service by the end of this week. Before the curtailment, the Company’s production for second quarter 2013 was averaging approximately 9.7 MBoe/d. As a result of the curtailment, the Company expects second quarter 2013 production to range from 8.7 MBoe/d to 9.1 MBoe/d, compared to prior guidance of 9.3 MBoe/d to 9.6 MBoe/d.

DCP Midstream’s Sand Hills pipeline is expected to begin providing market access for NGLs from the Permian Basin to Mont Belvieu by the end of second quarter 2013. As noted above, the Company currently sells its natural gas and NGLs to DCP Midstream. The Company expects that DCP’s Sand Hills pipeline will improve the reliability of the Permian to Gulf Coast NGL network and mitigate future curtailments by providing additional takeaway capacity from the region.

Approach Resources Inc. is an independent oil and gas company with core operations, production and reserves located in the Permian Basin in West Texas. The Company targets multiple oil and liquids-rich formations in the Permian Basin, where the Company operates approximately 148,000 net acres. 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 and Cautionary 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, forward-looking statements contained in this press release specifically include the production volumes curtailed, return to service, production guidance for second quarter 2013 and opening of the Sand Hills NGL pipeline. 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. Further information on such assumptions, risks and uncertainties is available in the Company’s Securities and Exchange Commission (“SEC”) filings. 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.

Source: Approach Resources Inc.

Approach Resources Inc.
Megan P. Hays, 817.989.9000
Manager, Investor Relations & Corporate Communications