Riviera Resources, Inc.

Riviera Resources Announces Sale of Remaining Hugoton Properties, Including Jayhawk Plant, for $295 Million

August 28, 2019

HOUSTON, Aug. 28, 2019 (GLOBE NEWSWIRE) -- Riviera Resources, Inc. (OTCQX: RVRA) ("Riviera" or the "Company") announces it has signed a definitive agreement to sell its interest in properties located in the Hugoton Basin to an undisclosed buyer for a contract price of $295 million, subject to closing adjustments. This transaction represents a complete basin exit for the Company.

After closing the transaction, the Company will continue to own upstream assets in East Texas, North Louisiana, the Anadarko Basin and the Uinta Basin. Additionally, the company continues to grow its midstream business, Blue Mountain Midstream, LLC. Based on the closing price of the Company's common stock on August 23, 2019, the Hugoton transaction contract price represented approximately 45% of Riviera's market capitalization.

The Company's interest in properties to be sold consist of the following:

- Upstream properties of approximately 4,000 wells with second quarter net production of approximately 104 MMcfe/d
- Natural gas processing plants located in Grant County, Kansas, which include the Jayhawk natural gas processing plant with inlet capacity of 450 MMcf/d, current delivered volumes of approximately 260 MMcf/d, and the Satanta natural gas processing plant that is currently inactive.

David Rottino, President and Chief Executive Officer of Riviera commented, "I am pleased to announce this sale will complete our exit from the Hugoton Basin. Over the last 6 months we have strategically monetized our Hugoton Basin properties for over $405 million total through a series of three transactions, which include the monetization of a portion of our helium reserves through a VPP structure for approximately $82 million, and the sale of our interests in certain non-operated assets in the Hugoton Basin for approximately $31 million." Rottino continued, "The Company continues to focus on monetizing assets to unlock the sum of the parts value. Accomplishing a complete regional exit through these transactions not only highlights the value of our assets, but our capability to resourcefully maximize value given the current market environment, generating significant proceeds that we can use to return capital to shareholders."

The estimated net proceeds from the sale are expected to be added to cash on the Company's balance sheet. The Board and management will determine the use of proceeds, which consistent with past history may include a significant return of capital to shareholders.

While the Board has not made a final determination as to the use of proceeds from the sale of the Hugoton assets, options for returning capital to shareholders may include a one-time cash distribution. Pro-forma for the closing of this sale, the Company expects to eliminate any current and accumulated earnings and profits, and reasonably estimates that a cash distribution should not constitute a taxable dividend for U.S. federal and state income tax purposes. Rather, a cash distribution would generally constitute non-taxable return of capital, and a reduction to the tax basis of each recipient's ownership interest in the Company. Information regarding tax matters in this press release is for general information purposes only and does not constitute tax advice. Shareholders should consult with their tax advisors as to the specific U.S. federal and state, and non-U.S. tax consequences to such holder related to a return of capital distribution.

In addition to generating significant proceeds, exiting the Hugoton basin will allow the Company to significantly reduce general and administrative costs. Starting in the first quarter of 2020, Riviera expects to realize approximately $10 million of annualized general and administrative cost savings.

The buyer will assume the satisfaction of the Mayzure Notes secured by the limited term overriding royalty interest (the "Volumetric Production Payment" or "VPP" interests) in helium produced from certain of the Company's long-lived wells located in the Hugoton Basin.

The transaction is expected to close in the fourth quarter of 2019 with an effective date of July 1, 2019. This transaction is subject to satisfactory completion of customary title and environmental due diligence, as well as the satisfaction of closing conditions.

CIBC Griffis & Small acted as financial advisors and Kirkland & Ellis LLP as legal counsel during the transaction.

ABOUT RIVIERA RESOURCES

Riviera Resources, Inc. is an independent oil and natural gas company with a strategic focus on efficiently operating its mature low-decline assets, developing its growth-oriented assets, and returning capital to its stockholders. Riviera's properties are located in East Texas, North Louisiana, the Uinta Basin and Mid-Continent regions. Riviera also owns Blue Mountain Midstream LLC, a midstream company centered in the core of the Merge play in the Anadarko Basin.

Forward-Looking Statements

Statements made in this press release that are not historical facts are "forward-looking statements." These statements are based on certain assumptions and expectations made by the Company which reflect management's experience, estimates and perception of historical trends, current conditions, and anticipated future developments. These statements include, among others, statements regarding the closing of the sale of the Hugoton properties, any potential return of capital to shareholders, future general and administrative cost savings, our financial position, business strategy and other plans and objectives for future operations. 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 anticipated in the forward-

looking statements. These include risks relating to the Company's financial and operational performance and results, low or declining commodity prices and demand for oil, natural gas and natural gas liquids, ability to hedge future production, ability to replace reserves and efficiently develop current reserves, the capacity and utilization of midstream facilities and the regulatory environment. These and other important factors could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Please read "Risk Factors" in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events.

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