SandRidge Energy, Inc. Announces $1 Billion Mississippian Joint Venture

December 22, 2011 3:07 PM ET

OKLAHOMA CITY, Dec. 22, 2011 /PRNewswire/ -- SandRidge Energy, Inc. ("SandRidge") (NYSE: SD) announced today that it has entered into a Joint Venture ("JV") with a subsidiary of Repsol YPF, S.A., a leading international energy company based in Madrid, Spain. Under the agreement, SandRidge will sell an approximate 25% non-operated working interest, or 250,000 net acres, in the Extension Mississippian play located in Western Kansas and an approximate 16% non-operated working interest, or 113,636 net acres, in its Original Mississippian play.

The 363,636 net acres in total will be sold to Repsol for an aggregate transaction value of $1 Billion. Repsol will pay $250 million in cash at closing and the remainder in the form of a drilling carry. In addition to paying for its working interest share of development costs, Repsol will pay an amount equal to 200% of its working interest to fund a portion of SandRidge's cost of development until the additional $750 million drilling carry obligation is satisfied. Based on current drilling expectations, SandRidge anticipates the drilling carry obligation to be satisfied within three years. The JV will exclude all wells and acreage within the associated spacing units spudded prior to January 1, 2012 and all wells and acreage associated with SandRidge Mississippian Trust I. The transaction is expected to close in the first quarter and is subject to certain closing conditions.

Tom Ward, Chairman and CEO, stated, "We are excited to announce this Joint Venture with Repsol, a global energy leader, and we are pleased that they share our confidence in the development potential of this vast Mississippian oil play. We compare the scope of this play to the Bakken and believe it will be transformational for the Mid-Continent region of the United States. SandRidge has led the way in developing the Mississippian Play and has now drilled more than 195 horizontal wells, representing nearly half of all the horizontal wells drilled in the play to date. As a result of the drilling carry and its lower working interest, SandRidge's 2012 CapEx is expected to decline to $1.6 Billion from a previous budget of $1.8 Billion. This JV with Repsol puts us on a clear path to bridge the 2012 funding gap with non-debt capital and to execute our three year plan to triple EBITDA and double oil production while lowering our debt to EBITDA ratio.

SandRidge was advised by Tudor, Pickering, Holt & Co. and Vinson & Elkins, LLP.

On Friday, December 23, 2011 at 8:00am CST, SandRidge will host a conference call to discuss the joint venture. A presentation has been posted to SandRidge's website to accompany the conference call and can be accessed at SandRidge's website www.sandridgeenergy.com, under Investor Relations/Events. The telephone number to access the conference call from within the U.S. is 800-299-9086 and from outside the U.S. is +1-617-786-2903. The pass code for the call is 49579487. An audio replay of the call will be available from December 23, 2011 until 11:59pm CST on January 23, 2012. The number to access the conference call replay from within the U.S. is 888-286-8010 and from outside the U.S. is +1-617-801-6888. The pass code for the replay is 76935525.

A live audio webcast of the conference call will also be available via SandRidge's website, www.sandridgeenergy.com, under Investor Relations/Events and the accompanying presentation will be available under Investor Relations/Presentations. Both the webcast and the presentation will be archived on the company's website for 30 days.

About SandRidge Energy

SandRidge Energy, Inc. is an oil and natural gas company headquartered in Oklahoma City, Oklahoma, with its principal focus on exploration and production. SandRidge and its subsidiaries also own and operate gas gathering and processing facilities and CO2 treating and transportation facilities and conduct marketing and tertiary oil recovery operations. In addition, Lariat Services, Inc., a wholly-owned subsidiary of SandRidge, owns and operates a drilling rig and related oil field services business. SandRidge focuses its exploration and production activities in the Permian Basin, Mid-Continent, West Texas Overthrust, Gulf Coast and Gulf of Mexico. For more information, please visit SandRidge's website at www.sandridgeenergy.com.

About Repsol

Repsol is a leading international energy company with current operations in more than 30 countries and many years of experience in the energy sector. It is one of the world's largest private oil companies and is the largest energy company in Latin America. It is the leader in refining and marketing in Spain and Argentina and the third largest private LPG distribution company in the world.

Repsol is headquartered in Spain with over 40,000 employees worldwide. For more information, please visit Repsol's website at www.repsol.com.

Forward-Looking Statements

Except for historical information contained herein, the statements in this release are forward-looking. Forward-looking statements are based on assumptions and beliefs that we believe to be reasonable; however, assumed facts almost always vary from actual results and the differences between assumed facts and actual results can be material depending upon the circumstances. Our forward-looking statements, whether written or oral, are expressly qualified by these cautionary statements and any other cautionary statements that may accompany those statements. The forward-looking statements involve risks and uncertainties that affect our operations, capital expenditures, financial performance, and other factors as discussed in our filings with the Securities and Exchange Commission. Among the factors that could cause results to differ materially are those risks discussed in the periodic reports we file with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2010. You are urged to carefully review and consider the cautionary statements and other disclosures made in those filings, specifically those under the heading "Risk Factors." In addition, we undertake no obligation to update or revise any forward-looking statements to reflect events or circumstances occurring after the date of this release.

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