April 4, 2018

Midstates Petroleum Announces Agreement for Sale of Anadarko Basin Producing Properties for $58 Million

TULSA, Okla.--(BUSINESS WIRE)-- Midstates Petroleum Company, Inc. (“Midstates” or the “Company”) (NYSE: MPO) today announced that it has executed a Purchase and Sale Agreement (“PSA”) with an undisclosed buyer for the sale of its Anadarko Basin producing properties located in the Texas panhandle and western Oklahoma for total consideration of $58 million, subject to standard closing and post-closing adjustments. These divested properties had fourth quarter 2017 net production of approximately 3,900 barrels of oil equivalent (“Boe”) per day and year-end 2017 proved developed PV-10 at SEC pricing of approximately $53 million. The transaction price represents a forward adjusted EBITDA multiple of 4.6x, which is accretive to the Company’s current adjusted EBITDA multiple of 2.6x.

In anticipation of the sale of these assets, Midstates completed a reduction-in-force in January 2018 to align our staffing levels with current activity, reducing adjusted cash G&A expense by $3 - $5 million annually.

David Sambrooks, President and Chief Executive Officer, commented, “The sale of our Anadarko Basin properties aligns perfectly with our strategy to focus our activity, reduce costs, generate substantial free cash flow and improve liquidity for maximum optionality. We are pleased to monetize these assets and generate significant cash to further strengthen our balance sheet, while retaining the upside optionality of our NW STACK position. As we look to the future, we will continue to focus on improving margins and increasing operational efficiencies in our Mississippian Lime assets.”

Upon closing, proceeds from the sale will be used to pay down a portion of the outstanding borrowings under the Company’s revolving credit facility and for general corporate purposes. Following the closing of this sale, Midstates will evaluate a range of options to make best use of its liquidity and free cash flow, including the possibility of M&A transactions, stock repurchases, or dividends to stockholders. The transaction has an effective date of January 1, 2018 and is expected to close in the second quarter of 2018, subject to customary closing conditions.

SunTrust Robinson Humphrey acted as advisor to the Company on this transaction.

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 that are not statements of historical fact, including statements regarding the Company’s strategy, future operations, financial position, estimated revenues and losses, projected costs, resource potential, drilling locations, prospects and plans and objectives of management, are considered forward-looking statements. Without limiting the generality of the foregoing, these statements are based on certain assumptions made by the Company based on management's experience, expectations and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Although the Company believes that its plans, intentions and expectations reflected in or suggested by the forward-looking statements made in this press release are reasonable, the Company gives no assurance that these plans, intentions or expectations will be achieved when anticipated or at all. Moreover, such statements are subject to a number of factors, 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 factors include, but are not limited to variations in the market demand for, and prices of, oil and natural gas; uncertainties about the Company’s estimated quantities of oil and natural gas reserves, resource potential and drilling locations; the adequacy of the Company’s capital resources and liquidity; general economic and business conditions; weather-related downtime; failure to realize expected value creation from property acquisitions; uncertainties about the Company’s ability to replace reserves and economically develop its current reserves; risks related to the concentration of the Company’s operations; drilling results; and potential financial losses or earnings reductions from the Company’s commodity derivative positions.

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.

About Midstates Petroleum Company, Inc.

Midstates Petroleum Company, Inc. is an independent exploration and production company focused on the application of modern drilling and completion techniques in oil and liquids-rich basins in the onshore U.S. The Company's operations are currently focused on the oilfield in the Mississippian Lime play in Oklahoma.

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