



**RIATA ENERGY, INC. ANNOUNCES THAT TOM L. WARD AGREES TO ACQUIRE
SIGNIFICANT STAKE IN THE COMPANY AND BECOME CHAIRMAN AND CHIEF
EXECUTIVE OFFICER**

Amarillo, Texas, May 9, 2006 – Riata Energy, Inc. today announced that Tom L. Ward has entered into an agreement to purchase approximately 29 million shares of Common Stock from the Company’s founder, Malone Mitchell, 3rd and other existing shareholders for \$500 million at \$17.25 per share. Mr. Ward expects to retain 23.2 million shares after he transfers 5.8 million of the shares purchased to a family limited liability company. The purchase will make Mr. Ward the Company’s largest shareholder. At the closing of the purchase, he will join the Company as Chairman of the Board of Directors and Chief Executive Officer. Tom L. Ward, age 46, served as President, Chief Operating Officer and a director of Chesapeake Energy Corporation from its founding in 1989 until February 2006.

Mr. Mitchell will retain approximately 22 million shares and will continue to serve as President, Chief Operating Officer and as a member of the Board of Directors.

“Tom Ward co-founded Chesapeake in 1989 and helped grow the company into the second largest producer of U.S. natural gas,” said Mr. Mitchell. “I have known Tom for several years and I am extremely confident in his leadership abilities and his entrepreneurial skills. We are very pleased to have him join Riata.”

Mr. Ward added, “I feel fortunate to make an investment in Riata today, at this early stage of development. When I resigned from Chesapeake I believed that I would have a much longer transition time before getting back into the energy business; however, I have looked at a lot of different opportunities to purchase oil and gas assets in my career and this one is a highly attractive opportunity for me personally. Therefore, I knew that if I wanted to be involved I had to move now. I am very excited about this new venture and hope to communicate the story effectively as we develop our assets and look for other ways to enhance our investment.”

Mr. Ward will enter into a three-year employment agreement and Mr. Mitchell plans to enter into a similar agreement in the near future. The Company will also put in place a well participation program whereby Mr. Ward and Mr. Mitchell may invest in Company drilling comparable to the program at Chesapeake. A copy of the well participation plan and the employment agreement will be posted on the Company’s website at <http://www.riataenergy.net>. The well participation plan and the employment agreement have been approved by a special committee of the Board of Directors comprised of independent directors, as well as the Board of Directors. The transactions are subject to closing conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. Closing is expected to occur in approximately 30 days.

OPERATIONAL UPDATE SINCE RIATA ENERGY 144A COMMON STOCK OFFERING

Company Update:

- Total proved reserves increased to 309 Bcfe
- Production increased from 20 MMcfe/d to currently 30+ MMcfe/d

West Texas:

- Increased drilling locations to 750+, expanding inventory from 5 to 6 years
- Drilled 26 wells with 85% success rate in the first quarter
- Increased drilling from 5 to 8 rigs with plans to reach 12 rigs by mid-2006
- Increasing acreage position by ~30,000 acres
- Pinon Field
 - Increased producing wells to 185, with 22 wells drilled in Q1 2006
 - Increased proved/probable drilling locations to 680
 - Completed the acquisition of additional small interests in the Pinon field

Piceance:

- Conducting well-permitting process on Eastern acreage with 27 wells planned and 4 rigs running by year-end 2006

PetroSource:

- Completed acquisition of minority interests, bringing total ownership to 99%
- CO₂ production capacity has increased to 106 MMcfe/d; contractually committed proved CO₂ reserves of 914 Bcfe.
- Completed an acquisition in the Wasson field area, adding approximately 2 Bcfe of proved reserves and \$5MM in PV-10; initiating CO₂ injection project

Midstream:

- Grey Ranch plant is back on line, currently processing approximately 70 MMcfe/d (gross)
- Currently building additional capacity in Pinon field area

Drilling and Services:

- Operations remain strong with dayrates currently averaging \$16,100 / rig / day
- Demand continues to be strong with 100% utilization
- New deliveries
 - 6 drilling rigs and 6 pulling units received to date with expectations that 15 additional rigs will arrive on schedule; 1 may be delayed by 3-4 months
 - All divisions on track with expansion operations

Hedging Update:

- Implemented costless collar and swap hedging program for gas production consisting of:
 - 10 MMBtu/d production through 9/06 at \$6.00 - \$9.25/Mcf WAHA (\$7.79 - \$11.04 NYMEX adjusted for \$1.79 basis differential)
 - 10 MMBtu/d production from 10/06 to 2/07 at \$8.19/Mcf WAHA (\$9.98 NYMEX)
 - 10 MMBtu/d production from 7/06 to 9/06 at \$6.285/Mcf WAHA (\$7.28 NYMEX)

Riata Energy is an oil and natural gas Company with its principal focus on exploration and production. The Company also owns and operates drilling rigs and a related oil field services business operating under the Lariat Services Inc. brand name; gas gathering, marketing and processing facilities; and, through its subsidiary PetroSource Energy Company, CO₂ treating and transportation facilities and tertiary oil recovery operations. The Company has its exploration and production activities in West Texas where it has concentrated a large, focused acreage position, and more recently, it has expanded its operations into the Piceance Basin in northwestern Colorado.

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