

Diamondback Energy, Inc.  
Form S-4  
September 13, 2018  
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As filed with the Securities and Exchange Commission on September 13, 2018

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM S-4**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**Diamondback Energy, Inc.**  
**(Exact Name of Registrant As Specified in Its Charter)**

**Delaware**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**1311**  
**(Primary Standard Industrial**  
**Classification Code Number)**

**45-4502447**  
**(I.R.S. Employer**  
**Identification Number)**

**500 West Texas**

**Suite 1200**

**Midland, Texas 79701**

**(432) 221-7400**

**(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)**

**Teresa L. Dick**

**Chief Financial Officer**

**9400 N. Broadway, Suite 700**

**Oklahoma City, Oklahoma 73114**

**(405) 463-6900**

**(Name, address, including zip code and telephone number, including area code, of agent for service)**

*Copies to:*

**Seth R. Molay, P.C.**

**John K. Molen**

**Andrew R. Brownstein**

**Akin Gump Strauss Hauer & Feld  
LLP**

**Vice President, General Counsel  
and Secretary**

**Mark Gordon**

**1700 Pacific Avenue, Suite 4100**

**Energren Corporation**

**Wachtell, Lipton, Rosen & Katz**

**Dallas, TX 75201**

**605 Richard Arrington Jr.  
Boulevard North**

**51 West 52nd Street**

**(214) 969-4780**

**Birmingham, AL 35203-2707**

**New York, NY 10019**

**(212) 403-1000**

**(205) 326-2700**

**Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.**

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  
Non-accelerated filer

Accelerated filer  
Smaller reporting company  
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE [to be revised as necessary]**

| Title of Each Class of<br>Securities to be Registered | Amount<br>to be<br>Registered(1) | Proposed                               | Proposed                                  | Amount of<br>Registration<br>Fee(3) |
|---|----------------------------------|--|---|-------------------------------------|
|   |                                  | Maximum<br>Offering Price<br>Per Share | Maximum<br>Aggregate<br>Offering Price(2) |                                     |
| Common stock, par value \$0.01 per share              | 63,991,645                       | N/A                                    | 7,111,893,549.11                          | 885,430.75                          |

- (1) Represents the maximum number of shares of common stock, par value \$0.01 per share, of Diamondback Energy, Inc. ( Diamondback common stock ) estimated to be issuable, or subject to options, restricted stock units ( RSUs ) and performance shares awards (collectively Energen equity awards ) of Energen Corporation ( Energen ) that may be assumed by Diamondback Energy, Inc. upon the completion of the merger with Energen described herein. The number of shares of Diamondback common stock being registered is calculated based on (a) the sum of (i) 97,482,138 shares of common stock, par value \$0.01 per share, of Energen ( Energen common stock ) outstanding as of September 5, 2018, which includes (A) 78,370 shares of Energen common stock held in trust to fund obligations under Energen s 1997 Deferred Compensation Plan and (B) 80 shares of Energen common stock reserved for issuance in exchange for legacy scrip issued in lieu of fractional shares of Energen common stock, (ii) 1,834,921 shares of Energen common stock underlying Energen equity awards outstanding as of September 5, 2018, (iii) 12,500 shares of Energen common stock estimated to be potentially issuable in connection with annual director grants in January 2019, (iv) 5,000 shares of Energen common stock estimated to be potentially issuable in connection with monthly deferrals of compensation prior to the merger closing pursuant to the Plan and (v) 500 shares of Energen common stock anticipated to be issued in order to fund existing obligations under the Plan, multiplied by (b) the exchange ratio of 0.6442 of a share of Diamondback common stock for each share of Energen common stock.
- (2) Calculated pursuant to Rule 457(f)(1) and Rule 457(c) under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee based on the average of the high and low prices for shares of Energen common stock as reported on the New York Stock Exchange on September 10, 2018 (\$71.595 per share), multiplied by 99,335,059 (which represents the estimated maximum number of shares of Energen common stock that may be exchanged or converted for the securities being registered). In accordance with Rule 416, this Registration Statement also covers an indeterminate number of additional shares of Energen securities as may be issuable as a result of stock splits, stock dividends or similar transactions.
- (3) The registration fee for the securities registered hereby has been calculated pursuant to Section 6(b) of the Securities Act of 1933, as amended, by multiplying the proposed maximum aggregate offering price for the securities by 0.0001245.

**The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. These securities may not be issued until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and does not constitute the solicitation of offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION, DATED SEPTEMBER 13, 2018**

**JOINT LETTER TO STOCKHOLDERS OF DIAMONDBACK ENERGY, INC.**

**AND SHAREHOLDERS OF ENERGEN CORPORATION**

**Dear Security Holders:**

Diamondback Energy, Inc., or Diamondback, and Energen Corporation, or Energen, have entered into a merger agreement (which, as it may be amended from time to time, we refer to as the merger agreement ) providing for the acquisition of Energen by Diamondback pursuant to a merger between a wholly owned subsidiary of Diamondback and Energen (which we refer to as the merger ). Diamondback stockholders as of the close of business on , 2018, the Diamondback record date, are invited to attend a special meeting of Diamondback stockholders on , 2018, at , Central Time, to consider and vote upon a proposal to approve the issuance of shares of Diamondback common stock in connection with the merger. Energen shareholders as of the close of business on the record date are invited to attend a special meeting of Energen shareholders at , Central Time, on , 2018, the Energen record date, to consider and vote upon a proposal to approve the merger agreement and a non-binding advisory proposal to approve certain compensation that may be paid or become payable to Energen s named executive officers that is based on or otherwise relates to the merger.

For Energen shareholders, if the merger is completed, you will be entitled to receive, for each issued and outstanding share of Energen common stock owned by you immediately prior to the effective time of the merger, 0.6442 of a share of Diamondback common stock, with cash in lieu of any fractional shares (which we refer to as the merger consideration ), with certain exceptions as further described in the joint proxy statement/prospectus accompanying this notice. The market value of the merger consideration will fluctuate with the price of Diamondback common stock. Based on the closing price of Diamondback common stock on August 13, 2018, the last trading day before the public announcement of the signing of the merger agreement, the value of the per share merger consideration payable to holders of Energen common stock upon completion of the merger was approximately \$84.95. Based on the closing price of Diamondback common stock on , 2018, the last practicable date before the date of the joint proxy statement/prospectus accompanying this notice, the value of the merger consideration payable to holders of Energen common stock upon completion of the merger was approximately \$ . We urge you to obtain current stock price quotations for Diamondback common stock and Energen common stock. Diamondback common stock is traded on The Nasdaq Global Select Market under the symbol FANG and Energen common stock is traded on the New York Stock Exchange under the symbol EGN.

**The Diamondback board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the issuance of shares of Diamondback common stock in connection with the merger, are fair to, and in the best interests of, Diamondback and its stockholders,**

**unanimously approved and declared advisable the merger agreement and the transactions contemplated by the merger agreement, including the issuance of shares of Diamondback common stock in connection with the merger and unanimously recommends that Diamondback stockholders vote FOR the issuance of shares of Diamondback common stock in connection with the merger.**

**The Energen board of directors has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Energen and the Energen shareholders, adopted and approved the merger agreement and the transactions contemplated thereby, including the merger, directed that the merger agreement be submitted to the Energen shareholders for approval and recommended that the Energen shareholders approve the merger agreement and the transactions contemplated thereby, including the merger. The Energen board**

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**unanimously recommends that Energen shareholders vote FOR the merger proposal and FOR the non-binding compensation advisory proposal.**

Diamondback and Energen will each hold a special meeting of their respective stockholders and shareholders to consider certain matters relating to the merger. Diamondback and Energen cannot complete the merger unless, among other things, Diamondback stockholders approve the issuance of shares of Diamondback common stock in connection with the merger and Energen shareholders approve the merger agreement.

Your vote is very important. To ensure your representation at your company's special meeting, complete and return the applicable enclosed proxy card or submit your proxy by phone or the Internet. Please vote promptly whether or not you expect to attend your company's special meeting. Submitting a proxy now will not prevent you from being able to vote in person at your company's special meeting.

The joint proxy statement/prospectus accompanying this notice is also being delivered to Energen shareholders as Diamondback's prospectus for its offering of shares of Diamondback common stock to Energen shareholders in connection with the merger.

The obligations of Diamondback and Energen to complete the merger are subject to the satisfaction or waiver of the conditions set forth in the merger agreement, a copy of which is included as part of the accompanying joint proxy statement/prospectus. The joint proxy statement/prospectus provides you with detailed information about the merger. It also contains or incorporates by references information about Diamondback and Energen and certain related matters. You are encouraged to read the joint proxy statement/prospectus carefully and in its entirety. **In particular, you should carefully read the section entitled Risk Factors beginning on page 43 of the joint proxy statement/prospectus for a discussion of risks you should consider in evaluating the merger and the issuance of shares of Diamondback common stock in connection with the merger and how they will affect you.**

Sincerely,

Sincerely,

Travis D. Stice

James T. McManus, II

Chief Executive Officer

Chairman, Chief Executive Officer and President

Diamondback Energy, Inc.

Energen Corporation

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying joint proxy statement/prospectus or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.**

The joint proxy statement/prospectus is dated \_\_\_\_\_, 2018 and is first being mailed to stockholders of Diamondback and shareholders of Energen on or about \_\_\_\_\_, 2018.

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON                      , 2018**

**AT**

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Diamondback Energy, Inc. will be held on                      , 2018, at                      , Central Time, at                      , to consider and vote on the following proposal:

to approve the issuance of shares of Diamondback common stock (which we refer to as the Diamondback issuance proposal ) in connection with the merger between a wholly owned subsidiary of Diamondback and Energen Corporation, or Energen, as contemplated by the Agreement and Plan of Merger, dated August 14, 2018 by and among Diamondback, Sidewinder Merger Sub Inc., a wholly owned subsidiary of Diamondback, and Energen (which, as it may be amended from time to time, we refer to as the merger agreement ).

Diamondback stockholder approval of the Diamondback issuance proposal is required to complete the merger. Diamondback will transact no other business at the Diamondback special meeting. The record date for the Diamondback special meeting has been set as                      , 2018. Only Diamondback stockholders of record as of the close of business on such record date are entitled to notice of, and to vote at, the Diamondback special meeting or any adjournments and postponements of the Diamondback special meeting. For additional information regarding the Diamondback special meeting, see the section entitled *Special Meeting of Diamondback Stockholders* beginning on page 58 of the joint proxy statement/prospectus accompanying this notice.

**The Diamondback board of directors unanimously recommends that you vote FOR the Diamondback issuance proposal.**

The Diamondback issuance proposal is described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully and in its entirety before you vote. A copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/prospectus.

**PLEASE VOTE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE DIAMONDBACK SPECIAL MEETING. IF YOU LATER DESIRE TO REVOKE OR CHANGE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS. FOR FURTHER INFORMATION CONCERNING THE PROPOSAL BEING VOTED UPON, USE OF THE PROXY AND OTHER RELATED MATTERS, YOU ARE URGED TO READ THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS.**

**Your vote is very important. Approval of the Diamondback issuance proposal by the Diamondback stockholders require the affirmative vote of a majority of votes cast by Diamondback stockholders present in person or by proxy at the Diamondback special meeting and entitled to vote on such proposal. Approval of the Diamondback issuance proposal is a condition to the merger. Diamondback stockholders are requested to complete, date, sign and return the enclosed proxy in the envelope provided, which requires no postage if**



**mailed in the United States, or to submit their votes by phone or the Internet. Simply follow the instructions provided on the enclosed proxy card. Abstentions, failure to submit a proxy or vote in person at the Diamondback special meeting and broker non-votes will not be counted as votes cast FOR or AGAINST the Diamondback issuance proposal and will have no effect on the proposal.**

BY ORDER OF THE BOARD OF DIRECTORS,

Steven E. West  
Chairman of the Board

Diamondback Energy, Inc.

, 2018

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**NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON                      , 2018**

**AT**

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Energen Corporation, or Energen, will be held on                      , 2018, at                      , Central Time, at                      , to consider and vote on the following proposals:

to approve the Agreement and Plan of Merger, dated August 14, 2018 (which, as it may be amended from time to time, we refer to as the merger agreement ), by and among Diamondback Energy, Inc., or Diamondback, Sidewinder Merger Sub Inc., a wholly owned subsidiary of Diamondback, and Energen (the merger proposal ); and

to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to Energen's named executive officers that is based on or otherwise relates to the merger contemplated by the merger agreement (the non-binding compensation advisory proposal ).

Energen shareholder approval of the merger proposal is required to complete the merger between a wholly owned subsidiary of Diamondback and Energen, as contemplated by the merger agreement. Energen shareholders will also be asked to approve the non-binding compensation advisory proposal, which is not a condition to the merger. Energen does not intend to transact any other business at the Energen special meeting. The record date for the Energen special meeting has been set as                      , 2018. Only Energen shareholders of record as of the close of business on such record date are entitled to notice of, and to vote at, the Energen special meeting or any adjournments and postponements of the Energen special meeting. For additional information regarding the Energen special meeting, see the section entitled *Special Meeting of Energen Shareholders* beginning on page 64 of the joint proxy statement/prospectus accompanying this notice.

**The Energen board of directors unanimously recommends that holders of Energen common stock vote FOR the merger proposal and FOR the non-binding compensation advisory proposal.**

The Energen shareholder proposals are described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully and in its entirety before you vote. A copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/prospectus.

**PLEASE VOTE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE ENERGEN SPECIAL MEETING. IF YOU LATER DESIRE TO REVOKE OR CHANGE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS. FOR FURTHER INFORMATION CONCERNING THE PROPOSALS BEING VOTED UPON, USE OF THE PROXY AND OTHER RELATED MATTERS, YOU ARE URGED TO READ THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS.**

**Your vote is very important. Approval of the merger proposal by the Energen shareholders is a condition to the merger and requires the affirmative vote of two-thirds of the outstanding shares of Energen common stock entitled to vote on the proposal. Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the shares of Energen common stock present in person or represented by proxy at the special meeting and entitled to vote on the proposal. Energen shareholders are requested to complete, date, sign and return the enclosed proxy in the envelope provided, which requires no postage if mailed in the United States, or to submit their votes by phone or the Internet. Simply follow the instructions provided on the enclosed proxy card. Abstentions or failure to submit a proxy or vote in person at the Energen special meeting will have the same effect as a vote **AGAINST** the merger proposal and the non-binding compensation advisory proposal. Broker non-votes will have the same effect as a vote **AGAINST** the merger proposal and will have no effect on the non-binding compensation advisory proposal.**

John K. Molen

Secretary

Energen Corporation

, 2018

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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about Diamondback Energy, Inc. (which we refer to as *Diamondback*) and Energen Corporation (which we refer to as *Energen*) from other documents that are not included in or delivered with this joint proxy statement/prospectus, including documents that Diamondback and Energen have filed with the U.S. Securities and Exchange Commission (which we refer to as the *SEC*). For a listing of documents incorporated by reference herein, see the sections entitled *Where You Can Find More Information* and *Information Incorporated by Reference*, each beginning on page 196. This information is available for you to review free of charge at the public reference room of the SEC located at 100 F Street, N.E., Washington, DC 20549, and through the SEC's website at [www.sec.gov](http://www.sec.gov).

You may request copies of this joint proxy statement/prospectus and any of the documents incorporated by reference herein or other information concerning Diamondback or Energen, without charge, upon written or oral request to the applicable company's principal executive offices. The respective addresses and phone numbers of such principal offices are listed below.

**For Diamondback Stockholders:**

Diamondback Energy, Inc.  
9400 N. Broadway, Suite 700  
Oklahoma City, Oklahoma 73114  
Attention: Corporate Secretary  
Telephone: (405) 463-6900

**For Energen Shareholders:**  
Energen Corporation.

605 Richard Arrington Jr. Boulevard North  
Birmingham, Alabama 35203  
Attention: Corporate Secretary  
Telephone: (205) 326-2700

**To obtain timely delivery of these documents before the Diamondback special meeting, Diamondback stockholders must request the information no later than \_\_\_\_\_, 2018 (which is five business days before the date of the Diamondback special meeting).**

**To obtain timely delivery of these documents before the Energen special meeting, Energen shareholders must request the information no later than \_\_\_\_\_, 2018 (which is five business days before the date of the Energen special meeting).**

**In addition, if you have questions about the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, contact MacKenzie Partners, Inc., the proxy solicitor for Diamondback, toll-free at (800) 322-2885 or, for brokers and banks, collect at (212) 929-5500, or Innisfree M&A Incorporated, the proxy solicitor for Energen, toll-free at (877) 456-3524 (from the U.S. and Canada) or (412) 232-3651 (from other locations). You will not be charged for any of these documents that you request.**

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by Diamondback (File No. 333- ), constitutes a prospectus of Diamondback under Section 5 of the Securities Act of 1933, as amended (which we refer to as the Securities Act ) with respect to the shares of common stock of Diamondback, par value \$0.01 per share (which we refer to as Diamondback common stock ), to be issued to Energen shareholders pursuant to the Agreement and Plan of Merger, dated August 14, 2018 (which, as it may be amended from time to time, we refer to as the merger agreement ), by and among Diamondback, Energen and Sidewinder Merger Sub Inc., which we refer to as Merger Sub.

This document also constitutes a notice of meeting and proxy statement of each of Diamondback and Energen under Section 14(a) of the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act ).

Diamondback has supplied all information contained or incorporated by reference herein relating to Diamondback, and Energen has supplied all information contained or incorporated by reference herein relating to Energen. Diamondback and Energen have both contributed to the information relating to the merger and the merger agreement contained in this joint proxy statement/prospectus.

You should rely only on the information contained in or incorporated by reference herein in connection with any vote, the giving or withholding of any proxy or any investment decision in connection with the merger agreement. Diamondback and Energen have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference herein. This joint proxy statement/prospectus is dated , 2018, and you should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than such date unless otherwise specifically provided herein. Further, you should not assume that the information incorporated by reference herein is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to the stockholders of Diamondback and shareholders of Energen, nor the issuance by Diamondback shares of Diamondback common stock pursuant to the merger agreement, will create any implication to the contrary.

All currency amounts referenced in this joint proxy statement/prospectus are in U.S. dollars.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS**

The following are answers to certain questions that you may have regarding the Diamondback and Energen special meetings. Diamondback and Energen urge you to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the annexes to, and the documents incorporated by reference in, this document.

**Q: Why am I receiving this joint proxy statement/prospectus?**

A. You are receiving this joint proxy statement/prospectus because Diamondback, Energen and Merger Sub have entered into the merger agreement, pursuant to which, on the terms and subject to the conditions included in the merger agreement, Diamondback has agreed to acquire Energen by means of a merger of Merger Sub with and into Energen, with Energen surviving the merger as a wholly owned subsidiary of Diamondback (which we refer to as the merger) and your vote is required in connection with the merger. The merger agreement, which governs the terms of the merger, is attached to this joint proxy statement/prospectus as Annex A.

*Diamondback.* The issuance of shares of common stock in connection with the merger must be approved by the Diamondback stockholders in accordance with the rules of The Nasdaq Global Select Market (which we refer to as Nasdaq) in order for the merger to be consummated. Diamondback is holding a special meeting of its stockholders (which we refer to as the Diamondback special meeting) to obtain that approval. Your vote is very important. We encourage you to submit a proxy to have your shares of Diamondback common stock voted as soon as possible.

*Energen.* The merger agreement must be approved by the Energen shareholders in accordance with the Alabama Business and Non-Profit Entity Code (which we refer to as the ABNEC), its charter and bylaws in order for the merger to be consummated. Energen is holding a special meeting of its shareholders (which we refer to as the Energen special meeting) to obtain that approval. Energen shareholders will also be asked to vote on a non-binding advisory proposal to approve certain compensation that may be paid or become payable to Energen's named executive officers that is based on or otherwise relates to the merger. Your vote is very important. We encourage you to submit a proxy to have your shares of Energen common stock voted as soon as possible.

**Q: When and where will the special meetings take place?**

A: *Diamondback.* The Diamondback special meeting will be held at \_\_\_\_\_, Central Time, on \_\_\_\_\_, 2018, at \_\_\_\_\_.

*Energen.* The Energen special meeting will be held at \_\_\_\_\_, Central Time, on \_\_\_\_\_, 2018, at \_\_\_\_\_.

**Q: What matters will be considered at the special meetings?**

A:

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*Diamondback.* The Diamondback stockholders are being asked to consider and vote on a proposal to approve the issuance of shares of Diamondback common stock in connection with the merger as contemplated by the merger agreement (which we refer to as the Diamondback issuance proposal ).

*Energen.* The Energen shareholders are being asked to consider and vote on:

a proposal to approve the merger agreement (which we refer to as the merger proposal ); and

a proposal to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to Energen s named executive officers that is based on or otherwise relates to the merger (which we refer to as the non-binding compensation advisory proposal ).



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**Q: Is my vote important?**

A: *Diamondback*. Yes. Your vote is very important. The merger cannot be completed unless the Diamondback issuance proposal is approved by the affirmative vote of a majority of votes cast by Diamondback stockholders present in person or by proxy at the Diamondback special meeting and entitled to vote on the proposal. Only Diamondback stockholders as of the close of business on the Diamondback record date are entitled to vote at the Diamondback special meeting. The board of directors of Diamondback (which we refer to as the Diamondback board or the Diamondback board of directors ) unanimously recommends that such Diamondback stockholders vote **FOR** the approval of the Diamondback issuance proposal.

*Energen*. Yes. Your vote is very important. The merger cannot be completed unless the merger proposal is approved by the affirmative vote of two-thirds of the outstanding shares of Energen common stock entitled to vote on the proposal. Only Energen shareholders as of the close of business on the Energen record date are entitled to vote at the Energen special meeting. Energen shareholders will also be asked to approve the non-binding compensation advisory proposal, which is not a condition to the merger. The board of directors of Energen (which we refer to as the Energen board or the Energen board of directors ) unanimously recommends that such Energen shareholders vote **FOR** the approval of the merger proposal and **FOR** the approval of the non-binding compensation advisory proposal.

**Q: If my shares of Diamondback and/or Energen common stock are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote those shares for me?**

A: If your shares are held through a broker, bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is your broker, bank or other nominee, and not you. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your broker, bank or other nominee. **If you hold your shares in street name, you must provide your broker, bank or other nominee with instructions on how to vote your shares.** Otherwise, your broker, bank or other nominee cannot vote your shares on any of the proposals to be considered at the Diamondback special meeting or the Energen special meeting, as applicable. A so called broker non-vote will result if your broker, bank or other nominee returns a proxy but does not provide instruction as to how shares should be voted on a particular matter.

*Diamondback Proposal*

Under the current Nasdaq rules, brokers, banks or other nominees do not have discretionary authority to vote on the Diamondback issuance proposal. Because the only proposals for consideration at the Diamondback special meeting are non-discretionary proposals, it is not expected that there will be any broker non-votes at the Diamondback special meeting. However, if there are any broker non-votes, they will have no effect on the Diamondback issuance proposal.

*Energen Proposals*

Under the current New York Stock Exchange (which we refer to as the NYSE ) rules, brokers, banks or other nominees do not have discretionary authority to vote on any of the proposals at the Energen special meeting. Because the only proposals for consideration at the Energen special meeting are nondiscretionary proposals, it is not expected that there will be any broker non-votes at the Energen special meeting. However, if there are any broker non-votes, they will have (i) the same effect as a vote **AGAINST** the merger proposal and (ii) no effect on the non-binding compensation advisory proposal.

**Q: What Diamondback stockholder vote is required for the approval of the Diamondback issuance proposal?**

A: Approval of the Diamondback issuance proposal requires the affirmative vote of a majority of votes cast by Diamondback stockholders present in person or by proxy at the Diamondback special meeting and entitled

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to vote on the proposal. Abstentions, failure to vote in person or by proxy and broker non-votes will not be counted as votes cast **FOR** or **AGAINST** such proposal and, as a result, will have no effect on the outcome of the vote on such proposal.

**Q: What Energen shareholder vote is required for the approval of the merger proposal and non-binding compensation advisory proposal?**

A: *The Energen merger proposal.* Approval of the merger proposal requires the affirmative vote of two-thirds of the outstanding shares of Energen common stock entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote **AGAINST** the proposal. Failure to vote on the merger proposal will have the same effect as a vote **AGAINST** the merger proposal.

*The Energen non-binding compensation advisory proposal.* Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the shares of Energen common stock present in person or represented by proxy at the Energen special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote **AGAINST** the proposal, and broker non-votes will have no effect on the outcome of the vote. As an advisory vote, this proposal is not binding upon Energen or the Energen board or Diamondback or the Diamondback board, and approval of this proposal is not a condition to completion of the merger.

**Q: Who will count the votes?**

A: The votes at the Diamondback special meeting will be counted by Computershare Trust Company, N.A., Diamondback's transfer agent which will serve as an independent inspector of elections. The votes at the Energen special meeting will be counted by Computershare Trust Company, N.A., Energen's transfer agent which will serve as an independent inspector of elections.

**Q: What will Energen shareholders receive if the merger is completed?**

A: As a result of the merger, each share of Energen common stock issued and outstanding immediately prior to the effective time of the merger (other than shares held in treasury by Energen, shares owned by Diamondback or Merger Sub and, in each case, not held on behalf of third parties (which we refer to collectively as the cancelled shares), or shares with respect to which dissenters' rights have been validly exercised in accordance with Alabama law (which we refer to as the dissenting shares)) will be converted into the right to receive 0.6442 of a share of Diamondback common stock (which we refer to as the exchange ratio), with cash in lieu of any fractional shares (which we refer to as the merger consideration). For information regarding the treatment of Energen equity awards, please see the Question and Answer directly below.

If you receive the merger consideration and would otherwise be entitled to receive a fractional share of Diamondback common stock, you will receive cash in lieu of such fractional share, and you will not be entitled to dividends, voting rights or any other rights in respect of such fractional share. For additional information regarding the merger consideration, see the sections entitled *The Merger Consideration to Energen Shareholders* and *The Merger Agreement Effect of the Merger on Capital Stock; Merger Consideration* beginning on pages 71 and 133, respectively.

**Q: What will holders of Energen equity awards receive in the merger?**

*A: Energen Options*

At the effective time of the merger, each option to purchase shares of Energen common stock that is outstanding immediately prior to the effective time of the merger shall be converted into a fully vested option to purchase (i) that number of whole shares of Diamondback common stock (rounded down to the nearest whole share) equal to the product of (A) the total number of shares of Energen common stock subject to such option immediately prior to the effective time of the merger multiplied by (B) the exchange

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ratio, (ii) at an exercise price per share of Diamondback common stock (rounded up to the nearest whole cent) equal to the quotient of (A) the exercise price per share of Energen common stock of such option immediately prior to the effective time divided by (B) the exchange ratio.

### *Energen SARs*

At the effective time of the merger, each outstanding stock appreciation right in respect of Energen common stock that is outstanding immediately prior to the effective time of the merger shall be converted into a fully vested stock appreciation right in respect of (i) that number of whole shares of Diamondback common stock (rounded down to the nearest whole share) equal to the product of (A) the total number of shares of Energen common stock subject to such stock appreciation right immediately prior to the effective time of the merger multiplied by (B) the exchange ratio, (ii) at an exercise price per share of Diamondback common stock (rounded up to the nearest whole cent) equal to the quotient of (A) the exercise price per share of Energen common stock of such stock appreciation right immediately prior to the effective time of the merger divided by (B) the exchange ratio.

### *Energen RSU Awards*

At the effective time of the merger, each outstanding time-vesting RSU award in respect of shares of Energen common stock that is outstanding immediately prior to the effective time of the merger shall be converted into an award of RSUs in respect of that number of whole shares of Diamondback common stock (rounded to the nearest whole share) equal to the product of (i) the total number of shares of Energen common stock subject to such time-vesting RSU award immediately prior to the effective time of the merger multiplied by (ii) the exchange ratio.

### *Accelerating Energen Performance Share Awards*

At the effective time of the merger, each performance share award in respect of shares of Energen common stock subject to a performance period scheduled to terminate on December 31, 2018 (each, an accelerating performance share award ) that is outstanding immediately prior to the effective time of the merger shall fully vest and shall be cancelled and converted automatically into the right to receive the merger consideration in respect of each share of Energen common stock underlying such accelerating performance share award, less applicable employment and withholding tax. The accelerating performance share awards will be deemed to be achieved at the greater of the target level and the actual level of performance as of the effective time of the merger, as determined by Energen's compensation committee prior to the effective time of the merger.

### *Rollover Energen Performance Share Awards*

At the effective time of the merger, each performance share award in respect of shares of Energen common stock that is outstanding immediately prior to the effective time of the merger (other than an accelerating performance share award) shall be converted into an award of RSUs in respect of that number of whole shares of Diamondback common stock (rounded to the nearest whole share) equal to the product of (i) the total number of shares of Energen common stock subject to such performance share award immediately prior to the effective time of the merger multiplied by (ii) the exchange ratio. The performance share awards will be deemed to be achieved at the greater of the target level and the actual level of performance as of the effective time of the merger, as determined by Energen's compensation committee prior to the effective time of the merger and will be subject solely to time-based vesting over the originally scheduled vesting period of the corresponding performance share awards.

For additional information regarding the treatment of Energen equity awards, see the section entitled *The Merger Agreement Treatment of Energen Equity Awards in the Merger* beginning on page 134.



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**Q: What equity stake will Energen shareholders hold in Diamondback immediately following the merger?**

A: Based on the number of issued and outstanding shares of Diamondback and Energen common stock as of September 11, 2018, and the exchange ratio of 0.6442 of a share of Diamondback common stock for each share of Energen common stock, holders of shares of Energen common stock as of immediately prior to the effective time of the merger would hold, in the aggregate, approximately 38% of the issued and outstanding shares of Diamondback common stock immediately following the effective time of the merger (without giving effect to any shares of Diamondback common stock held by Energen shareholders prior to the merger). The exact equity stake of Energen shareholders in Diamondback immediately following the effective time of the merger will depend on the number of shares of Diamondback common stock and Energen common stock issued and outstanding immediately prior to the effective time of the merger, as provided in the section entitled *The Merger Agreement Effect of the Merger on Capital Stock; Merger Consideration* beginning on page 133.

**Q: How do the Diamondback and Energen boards recommend that I vote?**

A: *Diamondback*. The Diamondback board unanimously recommends that Diamondback stockholders vote **FOR** the approval of the Diamondback issuance proposal. For additional information regarding how the Diamondback board recommends that Diamondback stockholders vote, see the section entitled *The Merger Recommendation of the Diamondback Board of Directors and Diamondback's Reasons for the Merger* beginning on page 76. *Energen*. The Energen board unanimously recommends that Energen shareholders vote **FOR** the approval of the merger proposal and **FOR** the approval of the non-binding compensation advisory proposal. For additional information regarding how the Energen board recommends that Energen shareholders vote, see the section entitled *The Merger Recommendation of the Energen Board of Directors and Energen's Reasons for the Merger* beginning on page 90.

**Q: Why are Energen shareholders being asked to vote on executive officer compensation?**

A: The SEC has adopted rules that require Energen to seek a non-binding advisory vote on certain compensation that may be paid or become payable to Energen's named executive officers that is based on or otherwise relates to the merger. For additional information regarding the non-binding compensation advisory proposal, see the section entitled *Energen Proposals Non-Binding Compensation Advisory Proposal* beginning on page 69. Energen urges its shareholders to read the section entitled *The Merger Interests of Energen Directors and Executive Officers in the Merger* beginning on page 123.

**Q: Who is entitled to vote at the special meeting?**

A: *Diamondback special meeting*. The Diamondback board has fixed \_\_\_\_\_, 2018 as the record date for the Diamondback special meeting (which we refer to as the Diamondback record date). All holders of record of shares of Diamondback common stock as of the close of business on the Diamondback record date are entitled to receive notice of, and to vote at, the Diamondback special meeting, provided that those shares remain outstanding

on the date of the Diamondback special meeting. As of the Diamondback record date, there were \_\_\_\_\_ shares of Diamondback common stock outstanding. Physical attendance at the Diamondback special meeting is not required to vote. Instructions on how to vote your shares without attending the Diamondback special meeting are provided in this section below.

*Energen special meeting.* The Energen board has fixed \_\_\_\_\_, 2018 as the record date for the Energen special meeting (which we refer to as the Energen record date ). All holders of record of shares of Energen common stock as of the close of business on the Energen record date are entitled to receive notice of, and to vote at, the Energen special meeting, provided that those shares remain outstanding on the date of the Energen special meeting. As of the Energen record date, there were \_\_\_\_\_ shares of Energen common stock outstanding. Physical attendance at the Energen special meeting is not required to vote. Instructions on how to vote your shares without attending the Energen special meeting are provided in this section below.



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**Q: How many votes do I have?**

A: *Diamondback stockholders.* Each Diamondback stockholder of record is entitled to one vote for each share of Diamondback common stock held of record by him or her as of the close of business on the Diamondback record date.

*Energen shareholders.* Each Energen shareholder of record is entitled to one vote for each share of Energen common stock held of record by him or her as of the close of business on the Energen record date.

**Q: What constitutes a quorum for the Diamondback and/or Energen special meetings?**

A: A quorum is the minimum number of stockholders necessary to hold a valid meeting.

*Quorum for Diamondback special meeting.* The presence at the Diamondback special meeting, in person or by proxy, of the holders of a majority of the outstanding shares of Diamondback common stock entitled to vote at the Diamondback special meeting constitutes a quorum. If you submit a properly executed proxy card, even if you do not vote for the proposal or vote to abstain in respect of the proposal, your shares of Diamondback common stock will be counted for purposes of determining whether a quorum is present for the transaction of business at the Diamondback special meeting. Broker non-votes will not be treated as present for purposes of determining the presence of a quorum at the Diamondback special meeting.

*Quorum for Energen special meeting.* The presence at the Energen special meeting, in person or by proxy, of the holders of a majority of the outstanding shares of Energen common stock entitled to vote at the Energen special meeting constitutes a quorum. If you submit a properly executed proxy card, even if you do not vote for one or both proposals or vote to abstain in respect of one or both proposals, your shares of Energen common stock will be counted for purposes of determining whether a quorum is present for the transaction of business at the Energen special meeting. Broker non-votes will not be treated as present for purposes of determining the presence of a quorum at the Energen special meeting.

**Q: What will happen to Energen as a result of the merger?**

A: If the merger is completed, Merger Sub will merge with and into Energen. As a result of the merger, the separate corporate existence of Merger Sub will cease, and Energen will continue as the surviving corporation in the merger and as a wholly owned subsidiary of Diamondback. Furthermore, shares of Energen common stock will no longer be publicly traded and will be delisted from the NYSE.

**Q: I own shares of Energen common stock. What will happen to those shares as a result of the merger?**

A: If the merger is completed, unless you exercise statutory dissenters' rights as further described under *The Merger Appraisal Rights/Dissenters' Rights in the Merger*, your shares of Energen common stock will be converted into the right to receive the merger consideration. All such shares of Energen common stock, when so

converted, will cease to be outstanding and will automatically be cancelled. Each holder of a share of Energen common stock that was outstanding immediately prior to the effective time of the merger will cease to have any rights with respect to shares of Energen common stock except the right to receive the merger consideration, any dividends or distributions made with respect to shares of Diamondback common stock with a record date after the effective time of the merger, and any cash to be paid in lieu of any fractional shares of Diamondback common stock, in each case to be issued or paid upon the exchange of any certificates or book-entry shares of Energen common stock for merger consideration. For additional information, see the sections entitled *The Merger Consideration to Energen Shareholders* and *The Merger Agreement Effect of the Merger on Capital Stock; Merger Consideration* beginning on page 71 and 133, respectively.

**Q: Where will the Diamondback common stock that Energen shareholders receive in the merger be publicly traded?**

A: Assuming the merger is completed, the shares of Diamondback common stock that Energen shareholders receive in the merger will be listed and traded on Nasdaq.

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**Q: What happens if the merger is not completed?**

A: If the merger proposal is not approved by Energen shareholders or if the Diamondback issuance proposal is not approved by Diamondback stockholders or if the merger is not completed for any other reason, Energen shareholders will not receive any merger consideration in connection with the merger, and their shares of Energen common stock will remain outstanding. Energen will remain an independent public company and Energen common stock will continue to be listed and traded on the NYSE. Additionally, if the merger proposal is not approved by Energen shareholders or if the merger is not completed for any other reason, Diamondback will not issue shares of Diamondback common stock to Energen shareholders, regardless of whether the Diamondback issuance proposal is approved. If the merger agreement is terminated under specified circumstances, either Energen or Diamondback (depending on the circumstances) may be required to pay the other party a termination fee or other termination-related payment. For a more detailed discussion of the termination fees, see *The Merger Agreement Termination* beginning on page 163.

**Q: What happens if the non-binding compensation advisory proposal is not approved by Energen shareholders?**

A: This vote is advisory and non-binding, and the merger is not conditioned or dependent upon the approval of the non-binding compensation advisory proposal by Energen shareholders. However, Energen and Diamondback value the opinions of Energen shareholders and Diamondback expects to consider the outcome of the vote, along with other relevant factors, when considering future executive compensation, assuming the merger is completed. Because the executive compensation to be paid in connection with the merger is based on the terms of the merger agreement as well as the contractual arrangements with Energen's named executive officers, such compensation will be payable, regardless of the outcome of this advisory vote, if the merger proposal is approved (subject only to the contractual conditions applicable thereto). However, Energen seeks the support of its shareholders and believes that shareholder support is appropriate because Energen has a comprehensive executive compensation program designed to link the compensation of its executives with Energen's performance and the interests of Energen shareholders.

**Q: What is a proxy and how can I vote my shares in person at the special meetings?**

A: A proxy is a legal designation of another person to vote the stock you own. *Diamondback*. Shares of Diamondback common stock held directly in your name as the stockholder of record as of the close of business on \_\_\_\_\_, 2018, the Diamondback record date, may be voted in person at the Diamondback special meeting. If you choose to attend the Diamondback special meeting, you will need to bring valid, government-issued photo identification. If you are a beneficial owner of Diamondback common stock but not the stockholder of record of such shares of Diamondback common stock, you will also need proof of stock ownership to be admitted to the Diamondback special meeting. A recent brokerage statement or a letter from a broker, bank or other nominee are examples of proof of ownership. Please note that if your shares are held in street name by a broker, bank or other nominee and you wish to vote at the Diamondback special meeting, you will not be permitted to vote in person unless you first obtain a legal proxy issued in your name from the record owner and present it to the inspector of election with your ballot at the Diamondback special meeting. To request a legal proxy, contact your broker, bank or other nominee holder of record. It is suggested you do so in a timely manner to ensure receipt of your legal proxy

prior to the Diamondback special meeting.

Failure to bring the appropriate documentation may delay your entry into or prevent you from attending the Diamondback special meeting. The doors to the meeting room will be closed promptly at the start of the meeting and stockholders may not be permitted to enter after that time.

*Energen.* Shares of Energen common stock held directly in your name as the shareholder of record as of the close of business on \_\_\_\_\_, 2018, the Energen record date, may be voted in person at the Energen special meeting. If you choose to attend the Energen special meeting, you will need to bring valid, government-issued photo identification. If you are a beneficial owner of Energen common stock but not the shareholder

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of record of such shares of Energen common stock, you will also need proof of stock ownership to be admitted to the Energen special meeting. A recent brokerage statement or a letter from a broker, bank or other nominee are examples of proof of ownership. Please note that if your shares are held in street name by a broker, bank or other nominee and you wish to vote at the Energen special meeting, you will not be permitted to vote in person unless you first obtain a legal proxy issued in your name from the record owner and present it to the inspector of election with your ballot at the Energen special meeting. To request a legal proxy, contact your broker, bank or other nominee holder of record. It is suggested you do so in a timely manner to ensure receipt of your legal proxy prior to the Energen special meeting.

Failure to bring the appropriate documentation may delay your entry into or prevent you from attending the Energen special meeting. The doors to the meeting room will be closed promptly at the start of the meeting and shareholders may not be permitted to enter after that time.

### **Q: How can I vote my shares without attending the special meetings?**

A: *Diamondback.* If you are a stockholder of record of Diamondback common stock as of the close of business on \_\_\_\_\_, 2018, the Diamondback record date, you can vote by proxy by phone, the Internet or mail by following the instructions provided in the enclosed proxy card. Please note that if you are a beneficial owner, you must vote by submitting voting instructions to your broker, bank or other nominee, or otherwise by following instructions provided by your broker, bank or other nominee. Phone and Internet voting may be available to beneficial owners. Please refer to the vote instruction form provided by your broker, bank or other nominee.

*Energen.* If you are a shareholder of record of Energen common stock as of the close of business on \_\_\_\_\_, 2018, the Energen record date, you can vote by proxy by phone, the Internet or mail by following the instructions provided in the enclosed proxy card. Please note that if you are a beneficial owner, you must vote by submitting voting instructions to your broker, bank or other nominee, or otherwise by following instructions provided by your broker, bank or other nominee. Phone and Internet voting may be available to beneficial owners. Please refer to the vote instruction form provided by your broker, bank or other nominee.

Energen shareholders who hold their shares as a participant in the Energen Corporation Employee Savings Plan can vote the shares of common stock held for their account through any of the proxy voting options set forth above. If you hold your shares as a participant in the Energen Corporation Employee Savings Plan, the proxy that you submit will provide your voting instructions to the plan trustee. If you do not submit a proxy, the plan trustee will vote your plan shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in that plan. To allow sufficient time for the Employee Savings Plan trustees to tabulate the vote of the plan shares, such shareholders' voting instructions must be received by 11:59 p.m., Central Time, on \_\_\_\_\_, 2018.

### **Q: What is the difference between holding shares as a holder of record and as a beneficial owner?**

A: *Diamondback.* If your shares of Diamondback common stock are registered directly in your name with Diamondback's transfer agent, Computershare Trust Company, N.A., you are considered the stockholder of record with respect to those shares, and access to proxy materials is being provided directly to you. If your shares are held in a stock brokerage account or by a broker, bank or other nominee, then you are considered the beneficial owner of those shares, which are considered to be held in street name. Access to proxy materials is being

provided to you by your broker, bank or other nominee who is considered the stockholder of record with respect to those shares.

*Energen.* If your shares of Energen common stock are registered directly in your name with Energen's transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares, and access to proxy materials is being provided directly to you. If your shares are held in a stock brokerage account or by a broker, bank or other nominee, then you are considered the beneficial owner of those shares, which are considered to be held in street name. Access to proxy materials is being provided to you by your broker, bank or other nominee who is considered the shareholder of record with respect to those shares.

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**Q: What should I do if I receive more than one set of voting materials?**

A: You may receive more than one set of voting materials relating to the Diamondback special meeting and/or the Energen special meeting if you hold shares of both Diamondback and Energen common stock or if you hold shares of Diamondback and/or Energen common stock in street name and also directly in your name as a holder of record or otherwise or if you hold shares of Diamondback and/or Energen common stock in more than one brokerage account.

*Direct holders (holders of record).* For shares of Diamondback and/or Energen common stock held directly, complete, sign, date and return each proxy card (or cast your vote by phone or the Internet as provided on each proxy card) or otherwise follow the voting instructions provided in this joint proxy statement/prospectus in order to ensure that all of your shares of Diamondback and/or Energen common stock are voted.

*Shares in street name.* For shares of Diamondback and/or Energen common stock held in street name through a broker, bank or other nominee, follow the instructions provided by your broker, bank or other nominee to vote your shares.

**Q: I hold shares of both Diamondback and Energen common stock. Do I need to vote separately for each company?**

A: Yes. You will need to separately follow the applicable procedures described in this joint proxy statement/prospectus both with respect to the voting of shares of Diamondback common stock and with respect to the voting of shares of Energen common stock in order to effectively vote the shares of common stock you hold in each company.

**Q: If a holder of shares gives a proxy, how will the shares of Diamondback or Energen common stock, as applicable, covered by the proxy be voted?**

A: If you provide a proxy, regardless of whether you provide that proxy by phone, the Internet or completing and returning the applicable enclosed proxy card, the individuals named on the enclosed proxy card will vote your shares of Diamondback common stock or your shares of Energen common stock, as applicable, in the way that you indicate when providing your proxy in respect of the shares of common stock you hold in such company. When completing the phone or Internet processes or the proxy card, you may specify whether your shares of Diamondback or Energen common stock, as applicable, should be voted for or against, or abstain from voting on, all, some or none of the specific items of business to come before the Diamondback special meeting or the Energen special meeting, as applicable.

**Q: How will my shares of common stock be voted if I return a blank proxy?**

A: *Diamondback.* If you sign, date and return your proxy and do not indicate how you want your shares of Diamondback common stock to be voted, then your shares of Diamondback common stock will be voted **FOR**

the approval of the Diamondback issuance proposal, in accordance with the recommendation of the Diamondback board.

*Energen*. If you sign, date and return your proxy and do not indicate how you want your shares of Energen common stock to be voted, then your shares of Energen common stock will be voted **FOR** the approval of the merger proposal and **FOR** the approval of the non-binding compensation advisory proposal, in accordance with the recommendation of the Energen board. Returning a blank proxy will preclude your ability to exercise dissenters' rights as further described under *The Merger Appraisal Rights/Dissenters' Rights in the Merger*.



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**Q: Can I change my vote after I have submitted my proxy?**

A: *Diamondback*. Yes. If you are a stockholder of record of Diamondback common stock as of the close of business on the Diamondback record date, whether you vote by phone, the Internet or mail, you can change or revoke your proxy before it is voted at the Diamondback special meeting in one of the following ways:

submit a new proxy card bearing a later date;

vote again by phone or the Internet at a later time;

give written notice of your revocation to Diamondback's corporate secretary at 9400 N. Broadway, Suite 700, Oklahoma City, Oklahoma 73114 stating that you are revoking your proxy; or

vote in person at the Diamondback special meeting. Please note that your *attendance* at the Diamondback special meeting will not alone serve to revoke your proxy.

If you are a beneficial owner of Diamondback common stock as of the close of business on the Diamondback record date, you must follow the instructions of your broker, bank or other nominee to revoke or change your voting instructions.

*Energen*. Yes. If you are a shareholder of record of Energen common stock as of the close of business on the Energen record date, whether you vote by phone, the Internet or mail, you can change or revoke your proxy before it is voted at the Energen special meeting in one of the following ways:

submit a new proxy card bearing a later date;

vote again by phone or the Internet at a later time;

give written notice of your revocation to Energen's corporate secretary at 605 Richard Arrington Jr. Boulevard North, Birmingham, Alabama 35203-2707 stating that you are revoking your proxy; or

vote in person at the Energen special meeting. Please note that your *attendance* at the Energen special meeting will not alone serve to revoke your proxy.

If you are a beneficial owner of Energen common stock as of the close of business on the Energen record date, you must follow the instructions of your broker, bank or other nominee to revoke or change your voting instructions.

**Q: Where can I find the voting results of the special meetings?**

A: Within four business days following certification of the final voting results, Diamondback and Energen each intend to file the final voting results of its special meeting with the SEC in a Current Report on Form 8-K.

**Q: If I do not favor the merger as a Diamondback stockholder or Energen shareholder, what are my rights?**

A: Under Delaware law, Diamondback stockholders are not entitled to appraisal rights in connection with the issuance of shares of Diamondback common stock as contemplated by the merger agreement. Diamondback stockholders may vote against the Diamondback issuance proposal if they do not favor the merger. Energen shareholders have dissenters' rights in connection with the merger. Under Alabama law, an Energen shareholder may dissent from the merger and receive the fair value of its common stock if such Energen shareholder follows the procedures under Alabama law. To perfect the dissenters' rights, the dissenting shareholder must follow precisely the required statutory procedures. If the merger is consummated, then to the extent the dissenting shareholder is successful in pursuing his or her dissenters' rights, the dissenting shareholder will be paid cash for his or her common stock, and such cash payment may be taxable income to such shareholder.

Please carefully review the information under the heading *The Merger Appraisal Rights/Dissenters' Rights in the Merger*.

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**Q: Are there any risks that I should consider as a Diamondback stockholder and/or Energen shareholder in deciding how to vote?**

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled *Risk Factors* beginning on page 43. You also should read and carefully consider the risk factors of Diamondback and Energen contained in the documents that are incorporated by reference in this joint proxy statement/prospectus.

**Q: What happens if I sell my shares before the special meetings?**

A: *Diamondback stockholders.* The record date for Diamondback stockholders entitled to vote at the Diamondback special meeting is earlier than the date of the Diamondback special meeting. If you transfer your shares of Diamondback common stock after the Diamondback record date but before the Diamondback special meeting, you will, unless special arrangements are made, retain your right to vote at the Diamondback special meeting. *Energen shareholders.* The record date for Energen shareholders entitled to vote at the Energen special meeting is earlier than the date of the Energen special meeting. If you transfer your shares of Energen common stock after the Energen record date but before the Energen special meeting, you will, unless special arrangements are made, retain your right to vote at the Energen special meeting but will have transferred the right to receive the merger consideration to the person to whom you transferred your shares of Energen common stock.

**Q: What are the material U.S. federal income tax consequences of the merger to Energen shareholders?**

A: Energen and Diamondback intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Code). It is a condition to Diamondback's obligation to complete the merger that Diamondback receive a written opinion from Akin Gump Strauss Hauer & Feld LLP (or another nationally recognized tax counsel reasonably acceptable to the parties) (which we refer to as Diamondback tax counsel) to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to Energen's obligation to complete the merger that Energen receive a written opinion from Wachtell, Lipton, Rosen & Katz (or another nationally recognized tax counsel reasonably acceptable to the parties) (which we refer to as Energen tax counsel) to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

If the merger so qualifies, then U.S. holders (as defined in the section entitled *Material U.S. Federal Income Tax Consequences of the Merger*) of shares of Energen common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon receipt of Diamondback common stock in exchange for Energen common stock in the merger (other than gain or loss, if any, with respect to any cash received in lieu of a fractional share of Diamondback common stock). The material U.S. federal income tax consequences of the merger are discussed in more detail in the section entitled *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 168. The discussion of the material U.S. federal income tax consequences contained in this joint proxy statement/prospectus is intended to provide only a general discussion and is not a complete analysis or description of all potential U.S. federal income tax consequences of the merger that may vary with, or are dependent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws or any U.S. federal tax

laws other than U.S. federal income tax laws.

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**TAX MATTERS ARE COMPLICATED AND THE TAX CONSEQUENCES OF THE MERGER WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO YOU IN YOUR PARTICULAR CIRCUMSTANCES.**

**Q: When is the merger expected to be completed?**

A: Diamondback and Energen are working to complete the merger as quickly as possible. Subject to the satisfaction or waiver of the conditions described in the section entitled *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 161, including the approval of the merger proposal by Energen shareholders at the Energen special meeting and the approval of the Diamondback issuance proposal by Diamondback stockholders at the Diamondback special meeting, the transaction is expected to be completed by the end of the fourth quarter of 2018. However, neither Diamondback nor Energen can predict the actual date on which the merger will be completed, nor can the parties assure that the merger will be completed, because completion is subject to conditions beyond either company's control.

**Q: If I am an Energen shareholder, how will I receive the merger consideration to which I am entitled?**

A: If you are a holder of certificates that represent eligible shares of Energen common stock (which we refer to as Energen common stock certificates), a notice advising you of the effectiveness of the merger and a letter of transmittal and instructions for the surrender of your Energen common stock certificates will be mailed to you as soon as practicable after the effective time of the merger. After receiving proper documentation from you, the exchange agent will send to you (i) a statement reflecting the aggregate whole number of shares of Diamondback common stock (which will be in uncertificated book-entry form) that you have a right to receive pursuant to the merger agreement and (ii) a check in the amount equal to the cash payable in lieu of any fractional shares of Diamondback common stock and dividends and other distributions on the shares of Diamondback common stock issuable to you as merger consideration.

If you are a holder of book-entry shares representing eligible shares of Energen common stock (which we refer to as Energen book-entry shares) which are held through the Depository Trust Company (which we refer to as DTC), the exchange agent will transmit to DTC or its nominees as soon as reasonably practicable on or after the closing date, the merger consideration, cash in lieu of any fractional shares of Diamondback common stock and any dividends and other distributions on the shares of Diamondback common stock issuable as merger consideration, in each case, that DTC has the right to receive.

If you are a holder of record of Energen book-entry shares which are not held through DTC, the exchange agent will deliver to you, as soon as practicable after the effective time of the merger, (i) a notice advising you of the effectiveness of the merger, (ii) a statement reflecting the aggregate whole number of shares of Diamondback common stock (which will be in uncertificated book-entry form) that you have a right to receive pursuant to the merger agreement and (iii) a check in the amount equal to the cash payable in lieu of any fractional shares of Diamondback common stock and dividends and other distributions on the shares of Diamondback common stock issuable to you as merger consideration.

No interest will be paid or accrued on any amount payable for shares of Energen common stock eligible to receive the merger consideration pursuant to the merger agreement.

For additional information on the exchange of Energen common stock for the merger consideration, see the section entitled *The Merger Agreement Payment for Securities; Exchange* beginning on page 135.

**Q: If I am a holder of Energen common stock certificates, do I need to send in my stock certificates at this time to receive the merger consideration?**

A: No. Please DO NOT send your Energen common stock certificates with your proxy card. You should carefully review and follow the instructions set forth in the letter of transmittal, which will be mailed to you, regarding the surrender of your stock certificates.

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**Q: If I am an Energen shareholder, will the shares of Diamondback common stock issued in the merger receive a dividend?**

A: After the completion of the merger, the shares of Diamondback common stock issued in connection with the merger will carry with them the right to receive the same dividends on shares of Diamondback common stock as the shares of Diamondback common stock held by all other holders of such shares for any dividend the record date for which occurs after the merger is completed.

For each of the first two quarter of 2018, Diamondback paid a dividend on the shares of Diamondback common stock, as described in greater detail in the section entitled *Comparative Per Share Market Price and Dividend Information Diamondback Market Price and Dividend Information* beginning on page 41. Prior to 2018, Diamondback did not pay dividends on its common stock. Any future Diamondback dividends will remain subject to approval by the Diamondback board and other considerations.

**Q: Who will solicit and pay the cost of soliciting proxies?**

A: *Diamondback.* Diamondback has retained MacKenzie Partners, Inc. (which we refer to as *MacKenzie Partners* ) to assist in the solicitation process. Diamondback will pay MacKenzie Partners a fee of approximately \$25,000, as well as reasonable and documented out-of-pocket expenses. Diamondback also has agreed to indemnify MacKenzie Partners against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

*Energen.* Energen has retained Innisfree M&A Incorporated (which we refer to as *Innisfree* ) to assist in the solicitation process. Energen will pay Innisfree a fee expected not to exceed \$25,000, as well as reasonable expenses. Energen also has agreed to indemnify Innisfree against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

**Q: What is householding ?**

A: To reduce the expense of delivering duplicate proxy materials to shareholders who may have more than one account holding a corporation's common stock but who share the same address, a corporation may adopt a procedure approved by the SEC called *householding*. Under this procedure, certain holders of record who have the same address and last name will receive only one copy of proxy materials until such time as one or more of these shareholders notifies such corporation that they want to receive separate copies. Neither Diamondback nor Energen has elected to institute householding in connection with the Diamondback special meeting or Energen special meeting.

**Q: What should I do now?**

A: You should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, and return your completed, signed and dated proxy card by mail in the enclosed postage-paid envelope or submit your

voting instructions by phone or the Internet as soon as possible so that your shares of Diamondback and/or Energen common stock will be voted in accordance with your instructions.



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**Q: Who can answer my questions about the Diamondback and/or Energen special meeting or the transactions contemplated by the merger agreement?**

A: *Diamondback stockholders.* If you have questions about the Diamondback special meeting or the information contained in this joint proxy statement/prospectus, or desire additional copies of this joint proxy statement/prospectus or additional proxies, contact Diamondback's proxy solicitor:

1407 Broadway, 27th Floor

New York, New York 10018

Diamondback@mackenziepartners.com

Call Collect: (212) 929-5500

Toll-Free: (800) 322-2885

*Energen shareholders.* If you have questions about the Energen special meeting or the information contained in this joint proxy statement/prospectus, or desire additional copies of this joint proxy statement/prospectus or additional proxies, contact Energen's proxy solicitor:

Innisfree M&A Incorporated

501 Madison Avenue, 20th floor

New York, New York 10022

Shareholders May Call Toll-Free:

(877) 456-3524 (from the U.S. and Canada); or

+1 (412) 232-3651 (from other locations).

**Q: Where can I find more information about Diamondback, Energen and the merger?**

A: You can find out more information about Diamondback, Energen and the merger by reading this joint proxy statement/prospectus and, with respect to Diamondback and Energen, from various sources described in the sections entitled *Where You Can Find More Information* and *Information Incorporated by Reference*, each beginning on page 196.



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**SUMMARY**

This summary highlights selected information included in this joint proxy statement/prospectus and does not contain all of the information that may be important to you. You should read this joint proxy statement/prospectus and its annexes carefully and in their entirety and the other documents to which Diamondback and Energen refer before you decide how to vote with respect to the proposals to be considered and voted on at the special meeting for your company. In addition, Diamondback and Energen incorporate by reference important business and financial information about Diamondback and Energen into this joint proxy statement/prospectus, as further described in the sections entitled *Where You Can Find More Information* and *Information Incorporated by Reference*, each beginning on page 196. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the sections entitled *Where You Can Find More Information* and *Information Incorporated by Reference*, each beginning on page 196. Each item in this summary includes a page reference directing you to a more complete description of that item in this joint proxy statement/prospectus.

**Information About the Companies (page 57)**

**Diamondback Energy, Inc.**

500 West Texas

Suite 1200

Midland, Texas 79701

Phone: (432) 221-7400

Diamondback Energy, Inc. was incorporated in Delaware on December 30, 2011. Based in Midland, Texas, Diamondback is an independent oil and natural gas company focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. Diamondback's activities are primarily directed at the horizontal development of the Wolfcamp and Spraberry formations in the Midland Basin and the Wolfcamp and Bone Spring formations in the Delaware Basin. Diamondback intends to continue to develop its reserves and increase production through development drilling and exploitation and exploration activities on its multi-year inventory of identified potential drilling locations and through acquisitions that meet its strategic and financial objectives, targeting oil-weighted reserves. Substantially all of its revenues are generated through the sale of oil, natural gas liquids and natural gas production.

**Energen Corporation**

605 Richard Arrington Jr. Boulevard North

Birmingham, Alabama 35203

Phone: (205) 326-2700

Energen is an oil and natural gas exploration and production company engaged in the exploration, development and production of oil, natural gas liquids and natural gas. Energen's operations are conducted through its subsidiary, Energen Resources Corporation (which we refer to as Energen Resources) and primarily occur within the Midland Basin, the Delaware Basin and the Central Basin Platform areas of the Permian Basin in west Texas and New Mexico.

Energen was incorporated in Alabama in 1978 in connection with a corporate reorganization which resulted in Energen becoming the parent company to a predecessor company of Energen Resources. Energen's corporate headquarters are based in Birmingham, Alabama.

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**Sidewinder Merger Sub Inc.**

c/o Diamondback Energy, Inc.

500 West Texas

Suite 1200

Midland, Texas 79701

Phone: (432) 221-7400

Sidewinder Merger Sub Inc., or Merger Sub, is a direct, wholly owned subsidiary of Diamondback. Upon the completion of the merger, Merger Sub will cease to exist. Merger Sub was incorporated in Alabama on August 14, 2018 for the sole purpose of effecting the merger.

**The Merger and the Merger Agreement (page 71)**

The terms and conditions of the merger are contained in the merger agreement, which is attached to this document as Annex A and is incorporated by reference herein in its entirety. Diamondback and Energen encourage you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the merger.

The Diamondback board of directors and the Energen board of directors each has unanimously approved and adopted the merger agreement and the transactions contemplated by the merger agreement. Pursuant to the terms and subject to the conditions included in the merger agreement, Diamondback has agreed to acquire Energen by means of a merger of Merger Sub with and into Energen, with Energen surviving the merger as a wholly owned subsidiary of Diamondback.

**Merger Consideration (page 133)**

As a result of the merger, each eligible share of Energen common stock (other than shares held in treasury by Energen, shares owned by Diamondback or Merger Sub and, in each case, not held on behalf of third parties (which we refer to collectively as the cancelled shares ), or shares with respect to which dissenters' rights have been validly exercised in accordance with Alabama law (which we refer to as the dissenting shares )) issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.6442 of a share of Diamondback common stock, with cash in lieu of any fractional shares (which we refer to as the merger consideration ).

Energen shareholders will not be entitled to receive any fractional shares of Diamondback common stock in the merger, and no Energen shareholders will be entitled to dividends, voting rights or any other rights in respect of any fractional shares of Diamondback common stock. Each holder of shares of Energen common stock exchanged pursuant to the merger who would otherwise have been entitled to receive a fraction of a share of Diamondback common stock (after taking into account all certificates and book-entry shares delivered by such holder) shall receive, in lieu thereof, cash (without interest) in an amount equal to the product of (i) such fractional part of a share of Diamondback common stock multiplied by (ii) the volume weighted average price of Diamondback common stock for the five consecutive trading days ending on the date that is two business days prior to the closing date as reported by The Wall Street Journal.

**Risk Factors (page 43)**

The merger and an investment in Diamondback common stock involve risks, some of which are related to the transactions contemplated by the merger agreement. You should carefully consider the information about these risks set forth under the section entitled *Risk Factors* beginning on page 43, together with the other information included or incorporated by reference in this joint proxy statement/prospectus, particularly the risk

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factors contained in Diamondback's and Energen's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings they make with the SEC. Energen shareholders should carefully consider the risks set out in that section before deciding how to vote with respect to the merger proposal and non-binding compensation advisory proposal to be considered and voted on at the Energen special meeting, and Diamondback stockholders should carefully consider the risks set out in that section before deciding how to vote with respect to the Diamondback issuance proposal to be considered and voted on at the Diamondback special meeting. For additional information, see the sections entitled *Where You Can Find More Information* and *Information Incorporated by Reference*, each beginning on page 196.

**Treatment of Energen Equity Awards (page 134)***Energen Options*

At the effective time of the merger, each option to purchase shares of Energen common stock that is outstanding immediately prior to the effective time of the merger shall be converted into a fully vested option to purchase (i) that number of whole shares of Diamondback common stock (rounded down to the nearest whole share) equal to the product of (A) the total number of shares of Energen common stock subject to such option immediately prior to the effective time of the merger multiplied by (B) the exchange ratio, (ii) at an exercise price per share of Diamondback common stock (rounded up to the nearest whole cent) equal to the quotient of (A) the exercise price per share of Energen common stock of such option immediately prior to the effective time divided by (B) the exchange ratio.

*Energen SARs*

At the effective time of the merger, each outstanding stock appreciation right in respect of Energen common stock that is outstanding immediately prior to the effective time of the merger shall be converted into a fully vested stock appreciation right in respect of (i) that number of whole shares of Diamondback common stock (rounded down to the nearest whole share) equal to the product of (A) the total number of shares of Energen common stock subject to such stock appreciation right immediately prior to the effective time of the merger multiplied by (B) the exchange ratio, (ii) at an exercise price per share of Diamondback common stock (rounded up to the nearest whole cent) equal to the quotient of (A) the exercise price per share of Energen common stock of such stock appreciation right immediately prior to the effective time of the merger divided by (B) the exchange ratio.

*Energen RSU Awards*

At the effective time of the merger, each outstanding time-vesting RSU award in respect of shares of Energen common stock that is outstanding immediately prior to the effective time of the merger shall be converted into an award of RSUs in respect of that number of whole shares of Diamondback common stock (rounded to the nearest whole share) equal to the product of (i) the total number of shares of Energen common stock subject to such time-vesting RSU award immediately prior to the effective time of the merger multiplied by (ii) the exchange ratio.

*Accelerating Energen Performance Share Awards*

At the effective time of the merger, each performance share award in respect of shares of Energen common stock subject to a performance period scheduled to terminate on December 31, 2018 (each, an accelerating performance share award) that is outstanding immediately prior to the effective time of the merger shall fully vest and shall be cancelled and converted automatically into the right to receive the merger consideration in respect of each share of Energen common stock underlying such accelerating performance share award, less





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applicable employment and withholding tax. The accelerating performance share awards will be deemed to be achieved at the greater of the target level and the actual level of performance as of the effective time of the merger, as determined by Energen's compensation committee prior to the effective time of the merger.

*Rollover Energen Performance Share Awards*

At the effective time of the merger, each performance share award in respect of shares of Energen common stock that is outstanding immediately prior to the effective time of the merger (other than an accelerating performance share award) shall be converted into an award of RSUs in respect of that number of whole shares of Diamondback common stock (rounded to the nearest whole share) equal to the product of (i) the total number of shares of Energen common stock subject to such performance share award immediately prior to the effective time of the merger multiplied by (ii) the exchange ratio. The performance share awards will be deemed to be achieved at the greater of the target level and the actual level of performance as of the effective time of the merger, as determined by Energen's compensation committee prior to the effective time of the merger and will be subject solely to time-based vesting over the originally scheduled vesting period of the corresponding performance share awards.

**Recommendation of the Diamondback Board of Directors and Diamondback's Reasons for the Merger**  
(page 76)

The Diamondback board unanimously recommends that you vote **FOR** the Diamondback issuance proposal. For the factors considered by the Diamondback board in reaching this decision and additional information on the recommendation of the Diamondback board, see the section entitled *The Merger Recommendation of the Diamondback Board of Directors and Diamondback's Reasons for the Merger* beginning on page 76.

**Recommendation of the Energen Board of Directors and Energen's Reasons for the Merger** (page 90)

The Energen board unanimously recommends that you vote **FOR** the merger proposal and **FOR** the non-binding compensation advisory proposal. For the factors considered by the Energen board in reaching this decision and additional information on the recommendation of the Energen board, see the section entitled *The Merger Recommendation of the Energen Board of Directors and Energen's Reasons for the Merger* beginning on page 90.

**Opinions of Financial Advisors** (page 80)

*Opinion of Citigroup Global Markets Inc., Diamondback's financial advisor*

In connection with the merger, Diamondback's financial advisor, Citigroup Global Markets Inc. (which we refer to as Citi), delivered a written opinion, dated August 14, 2018, to the Diamondback board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to Diamondback of the exchange ratio provided for pursuant to the merger agreement.

**The full text of Citi's written opinion, dated August 14, 2018, which describes the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached as Annex B to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. The description of Citi's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Citi's opinion. Citi's opinion was provided for the information of the Diamondback board of directors (in its capacity as such) in connection with its evaluation of the exchange ratio from a financial point of view to Diamondback and did not address any**

**other terms, aspects or implications of the merger. Citi expressed no view as to, and its opinion did not address, the underlying business decision of Diamondback to effect or enter into the merger, the relative merits of the merger as compared to any alternative business strategies that might**

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exist for Diamondback or the effect of any other transaction which Diamondback might engage in or consider. Citi's opinion is not intended to be and does not constitute a recommendation to any securityholder as to how such securityholder should vote or act on any matters relating to the proposed merger or otherwise. For further information, see the section of this joint proxy statement/prospectus entitled *The Merger Opinion of Citi, Diamondback's Financial Advisor* and Annex B.

*Opinion of J.P. Morgan, Energen's financial advisor*

The Energen board retained J.P. Morgan Securities LLC (which we refer to as J.P. Morgan) as financial advisor to Energen in connection with the merger. At the meeting of the Energen board on August 14, 2018, J.P. Morgan rendered its oral opinion to the Energen board that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the exchange ratio in the merger was fair, from a financial point of view, to the holders of Energen common stock. J.P. Morgan has confirmed its August 14, 2018 oral opinion by delivering its written opinion to the Energen board, dated August 14, 2018, that, as of such date, the exchange ratio in the merger was fair, from a financial point of view, to the holders of Energen common stock.

**The full text of the written opinion of J.P. Morgan dated August 14, 2018, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Energen's shareholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion was addressed to the Energen board (in its capacity as such) in connection with and for the purposes of its evaluation of the merger, was directed only to the exchange ratio in the merger and did not address any other aspect of the merger. J.P. Morgan expressed no opinion as to the fairness of any consideration to be paid in connection with the merger to the holders of any other class of securities, creditors or other constituencies of Energen or as to the underlying decision by Energen to engage in the merger. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. The opinion does not constitute a recommendation to any shareholder of Energen as to how such shareholder should vote with respect to the merger or any other matter. For a description of the opinion that the Energen board received from J.P. Morgan, see *The Merger Opinion of J.P. Morgan, Energen's Financial Advisor* and Annex C.**

*Opinion of TPH, Energen's financial advisor*

The Energen board engaged Tudor Pickering Holt & Co Advisors LP (which we refer to as TPH) to act as Energen's financial advisor in connection with the merger. On August 14, 2018, at a meeting of the Energen board held to evaluate the merger, TPH rendered its oral opinion, subsequently confirmed in writing, that, as of August 14, 2018 and based on and subject to the assumptions, limitations and qualifications set forth in the opinion and based on other matters as TPH considered relevant, the exchange ratio in the merger was fair, from a financial point of view, to the holders of the Eligible Shares (as defined under *The Merger Opinion of TPH, Energen's Financial Advisor*) of Energen.

**The full text of TPH's written opinion, dated August 14, 2018, is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference in its entirety. We encourage you to read the opinion carefully in its entirety for a description of, among other things, the assumptions made, procedures followed, factors considered and qualifications and limitations on the review undertaken. TPH's opinion was provided to the Energen board in connection with the board's consideration of the transactions, does not address any other aspect of the merger agreement or the transactions and does not constitute a recommendation as to how any holder of interests in Energen should vote with respect to the**



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**transactions or any other matter. For further information, see the section of this joint proxy statement/prospectus entitled *The Merger Opinion of TPH, Energen's Financial Advisor* and Annex D.**

**Special Meeting of Diamondback Stockholders (page 58)**

*Date, Time, Place and Purpose of the Diamondback Special Meeting*

The Diamondback special meeting will be held on \_\_\_\_\_, 2018, at \_\_\_\_\_, Central Time, at \_\_\_\_\_. The purpose of the Diamondback special meeting is to consider and vote on the Diamondback issuance proposal. Approval of the Diamondback issuance proposal by Diamondback stockholders is a condition to the obligation of Diamondback and Energen to complete the merger.

*Record Date and Outstanding Shares of Diamondback Common Stock*

Only holders of record of issued and outstanding shares of Diamondback common stock as of the close of business on \_\_\_\_\_, 2018 (which we refer to as the Diamondback record date), are entitled to notice of, and to vote at, the Diamondback special meeting or any adjournment or postponement of the Diamondback special meeting.

As of the close of business on the Diamondback record date, there were \_\_\_\_\_ shares of Diamondback common stock issued and outstanding and entitled to vote at the Diamondback special meeting. You may cast one vote for each share of Diamondback common stock that you held as of the close of business on the Diamondback record date.

A complete list of Diamondback stockholders entitled to vote at the Diamondback special meeting will be available for inspection at Diamondback's principal place of business during regular business hours for a period of no less than 10 days before the Diamondback special meeting and during the Diamondback special meeting at \_\_\_\_\_.

*Quorum; Abstentions and Broker Non-Votes*

A quorum of Diamondback stockholders is necessary for Diamondback to hold a valid meeting. The presence at the Diamondback special meeting, in person or by proxy, of the holders of a majority of the outstanding shares of Diamondback common stock entitled to vote at the Diamondback special meeting constitutes a quorum.

If you submit a properly executed proxy card, even if you do not vote for the proposal or vote to abstain in respect of the proposal, your shares of Diamondback common stock will be counted for purposes of determining whether a quorum is present for the transaction of business at the Diamondback special meeting. Diamondback common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee, and Diamondback common stock with respect to which the beneficial owner otherwise fails to vote, will not be considered present and entitled to vote at the Diamondback special meeting for the purpose of determining the presence of a quorum.

A broker non-vote will result if your broker, bank or other nominee returns a proxy but does not provide instruction as to how shares should be voted on a particular matter. It is not expected that there will be any broker non-votes at the Diamondback special meeting. However, if there are any broker non-votes, the shares will not be considered present and entitled to vote at the Diamondback special meeting for the purpose of determining the presence of a quorum.



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Executed but unvoted proxies will be voted in accordance with the recommendation of the Diamondback board.

### *Required Vote to Approve the Diamondback Issuance Proposal*

Approval of the Diamondback issuance proposal requires the affirmative vote of a majority of votes cast by Diamondback stockholders present in person or by proxy at the Diamondback special meeting and entitled to vote on this proposal. Abstentions, failure to vote in person or by proxy and broker non-votes will not be counted as votes cast **FOR** or **AGAINST** this proposal and, as a result, will have no effect on the outcome of the vote on this proposal.

The Diamondback issuance proposal is described in the section entitled *Diamondback Proposal* beginning on page 63.

### *Voting by Diamondback Directors and Executive Officers*

As of the Diamondback record date, Diamondback directors and executive officers, and their affiliates, as a group, owned and were entitled to vote \_\_\_\_\_ shares of Diamondback common stock, or approximately \_\_\_\_\_ % of the total outstanding shares of Diamondback common stock as of the Diamondback record date.

Diamondback currently expects that all of its directors and executive officers will vote their shares **FOR** the Diamondback issuance proposal.

### *Adjournment*

If a quorum is not present or if there are not sufficient votes for the approval of the Diamondback issuance proposal, Diamondback expects that the Diamondback special meeting will be adjourned by the chairman of the Diamondback special meeting to solicit additional proxies. At any subsequent reconvening of the Diamondback special meeting, all proxies will be voted in the same manner as the manner in which such proxies would have been voted at the original convening of the Diamondback special meeting, except for any proxies that have been validly revoked or withdrawn prior to the subsequent meeting.

## **Special Meeting of Energen Shareholders (page 64)**

### *Date, Time, Place and Purpose of the Energen Special Meeting*

The Energen special meeting will be held on \_\_\_\_\_, 2018, at \_\_\_\_\_, Central Time, at \_\_\_\_\_. The purpose of the Energen special meeting is to consider and vote on the merger proposal and the non-binding compensation advisory proposal. Approval of the merger proposal is a condition to the obligation of Energen and Diamondback to complete the merger. Approval of the non-binding compensation advisory proposal is not a condition to the obligation of either Energen or Diamondback to complete the merger.

### *Record Date and Outstanding Shares of Energen Common Stock*

Only holders of record of issued and outstanding shares of Energen common stock as of the close of business on \_\_\_\_\_, 2018 (which we refer to as the Energen record date) are entitled to notice of, and to vote at, the Energen special meeting or any adjournment or postponement of the Energen special meeting.

As of the close of business on the Energen record date, there were \_\_\_\_\_ shares of Energen common stock issued and outstanding and entitled to vote at the Energen special meeting. You may cast one vote for each share of Energen common stock that you held as of the close of business on the Energen record date.





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A complete list of Energen shareholders entitled to vote at the Energen special meeting will be available for inspection at Energen's principal office at 605 Richard Arrington Jr. Boulevard North, Birmingham, Alabama 35203-2707 during regular business hours beginning two business days after notice of the meeting is given and continuing through the Energen special meeting and during the Energen special meeting.

### *Quorum; Abstentions and Broker Non-Votes*

A quorum of Energen shareholders is necessary for Energen to hold a valid meeting. The presence of the holders of a majority of the outstanding shares of Energen common stock entitled to vote at the special meeting, present in person or represented by proxy, constitutes a quorum.

If you submit a properly executed proxy card, even if you do not vote for the proposal or vote to abstain in respect of the proposal, your shares of Energen common stock will be counted for purposes of determining whether a quorum is present for the transaction of business at the Energen special meeting. Energen common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee, and Energen common stock with respect to which the beneficial owner otherwise fails to vote, will not be considered present and entitled to vote at the Energen special meeting for the purpose of determining the presence of a quorum. A broker non-vote will result if your broker, bank or other nominee returns a proxy but does not provide instruction as to how shares should be voted on a particular matter. It is not expected that there will be any broker non-votes at the Energen special meeting. However, if there are any broker non-votes, the shares will not be considered present and entitled to vote at the Energen special meeting for the purpose of determining the presence of a quorum.

Executed but unvoted proxies will be voted in accordance with the recommendations of the Energen board.

### *Required Vote to Approve the Merger Proposal*

Approval of the merger proposal requires the affirmative vote of two-thirds of the outstanding shares of Energen common stock entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote **AGAINST** the merger proposal. Failure to vote on the merger proposal will also have the same effect as a vote **AGAINST** the merger proposal.

The merger proposal is described in the section entitled *Energen Proposals* beginning on page 69.

### *Required Vote to Approve the Non-Binding Compensation Advisory Proposal*

Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the shares of Energen common stock present in person or represented by proxy at the Energen special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote **AGAINST** the proposal, and broker non-votes will have no effect on the outcome of the vote.

The non-binding compensation advisory proposal is described in the section entitled *Energen Proposals* beginning on page 69.

### *Voting by Energen Directors and Executive Officers*

As of the Energen record date, Energen directors and executive officers, and their affiliates, as a group, owned and were entitled to vote \_\_\_\_\_ shares of Energen common stock, or approximately \_\_\_\_\_ % of the total outstanding shares of Energen common stock as of the Energen record date.



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Energen currently expects that all of its directors and executive officers will vote their shares **FOR** the merger proposal and **FOR** the non-binding compensation advisory proposal.

### *Adjournment*

If a quorum is not present or if there are not sufficient votes for the approval of the merger proposal, Energen expects that the Energen special meeting will be adjourned by the chairman of the meeting to solicit additional proxies in accordance with the merger agreement. At any subsequent reconvening of the Energen special meeting, all proxies will be voted in the same manner as the manner in which such proxies would have been voted at the original convening of the Energen special meeting, except for any proxies that have been validly revoked or withdrawn prior to the subsequent reconvening of the Energen special meeting.

### **Interests of Diamondback Directors and Executive Officers in the Merger (page 123)**

In considering the recommendation of the Diamondback board with respect to the Diamondback issuance proposal, Diamondback stockholders should be aware that the directors and executive officers of Diamondback have interests in the merger that may be different from, or in addition to, the interests of Diamondback stockholders generally. These interests are described in more detail in the section entitled *The Merger Interests of Diamondback Directors and Executive Officers in the Merger* beginning on page 123. The members of the Diamondback board were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement, in approving the merger agreement and in determining to recommend that Diamondback stockholders approve the Diamondback issuance proposal.

### **Board of Directors and Management of Diamondback Following Completion of the Merger (page 123)**

Upon closing of the merger, Diamondback's board and executive management will remain unchanged. Additionally, Diamondback will continue to be headquartered in Midland, Texas.

### **Interests of Energen Directors and Executive Officers in the Merger (page 123)**

In considering the recommendation of Energen's board of directors, Energen shareholders should be aware that the directors and executive officers of Energen have certain interests in the merger that may be different from, or in addition to, the interests of Energen shareholders generally. Energen's board of directors was aware of these interests and considered them, among other matters, in making its recommendation that Energen shareholders vote to approve the merger proposal.

These interests include:

Energen stock options and time-vesting RSU awards would convert, as of the effective time of the merger, into stock options and RSU awards of approximately equivalent value in respect of common stock of Diamondback;

Energen performance share awards with a performance period ending December 31, 2018 would vest upon the effective time of the merger (based on the greater of target and actual performance as of the effective time of the merger) and be settled for the merger consideration;

All other Energen performance share awards would convert, as of the effective time of the merger, into RSU awards in respect of common stock of Diamondback of approximately equivalent value (with the number of shares determined based on the greater of target and actual performance as of the effective time of the merger), which would be subject to time-based vesting in accordance with the vesting schedule of the underlying Energen performance share award;

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Annual incentives and other bonuses for 2018 would be paid in full at the earlier of the effective time of the merger and the time that they are normally paid, based on the greater of target and actual performance as of the effective time, and if an executive officer experienced a qualifying termination of employment during 2019, he would be entitled to a prorated annual incentive award at the target level for 2019;

Severance compensation agreements with Energen's executive officers provide for severance benefits upon a qualifying termination of employment; and

Energen's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement.

For a more complete description of these interests, see *The Merger Interests of Energen Directors and Executive Officers in the Merger*.

**Conditions to the Completion of the Merger (page 161)**

Each party's obligation to complete the merger is subject to the satisfaction or waiver of the following mutual conditions:

*Diamondback Stockholder Approval.* The Diamondback issuance proposal must have been approved by the affirmative vote of the holders of a majority of the votes cast at the Diamondback stockholders meeting in accordance with the rules and regulations of Nasdaq and the Diamondback organizational documents, as applicable.

*Energen Shareholder Approval.* The Energen merger proposal must have been approved by the affirmative vote of two-thirds of the outstanding shares of Energen common stock entitled to vote on the merger proposal, in accordance with the ABNEC and the Energen organizational documents.

*Regulatory Approval.* Any waiting period under the HSR Act applicable to the merger and the other transactions contemplated by the merger agreement must have expired or been terminated.

*No Injunctions or Restraints.* No governmental entity of the United States or any state thereof having jurisdiction over Diamondback, Energen or Merger Sub shall have issued any order, decree, ruling, injunction or other action that is in effect (whether temporary, preliminary or permanent) restraining, enjoining or otherwise prohibiting the consummation of the merger and no law that makes the consummation of the merger illegal or otherwise prohibited shall have been adopted after August 14, 2018.

*Effectiveness of the Registration Statement.* The registration statement, of which this joint proxy statement/prospectus forms a part, must have been declared effective by the SEC under the Securities Act and must not be the subject of any stop order or proceedings seeking a stop order.

*Nasdaq Listing.* The shares of Diamondback common stock issuable to Energen shareholders pursuant to the merger agreement must have been authorized for listing on Nasdaq, upon official notice of issuance. The obligations of Diamondback and Merger Sub to complete the merger are subject to the satisfaction or waiver of further conditions, including:

the accuracy of the representations and warranties of Energen contained in the merger agreement as of August 14, 2018 and as of the closing date (other than representations that by their terms speak specifically as of another date or period of time), subject to the materiality standards provided in the merger agreement;

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Energen having performed and complied with in all material respects all of its obligations under the merger agreement required to be performed or complied with at or prior to the effective time of the merger;

Diamondback having received a certificate of Energen signed by an executive officer of Energen, dated as of the closing date, confirming that the conditions set forth in the two bullets directly above have been satisfied; and

Diamondback having received an opinion from Diamondback tax counsel, in form and substance reasonably satisfactory to Diamondback, dated as of the closing date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

The obligation of Energen to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

the accuracy of the representations and warranties of Diamondback contained in the merger agreement as of August 14, 2018 and as of the closing date (other than representations that by their terms speak specifically as of another date or period of time), subject to the materiality standards provided in the merger agreement;

Diamondback and Merger Sub having performed and complied with in all material respects all of their respective obligations under the merger agreement required to be performed or complied with by them at or prior to the effective time of the merger;

Energen having received a certificate of Diamondback signed by an executive officer of Diamondback, dated as of the closing date, confirming that the conditions in the two bullets directly above have been satisfied; and

Energen having received an opinion from Energen tax counsel, in form and substance reasonably satisfactory to Energen, dated as of the closing date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

**No Solicitation** (page 150)

*No Solicitation by Diamondback*

Diamondback has agreed that, from and after August 14, 2018, Diamondback will, and will cause its subsidiaries, and its and their respective directors, officers and representatives to, immediately cease, and cause to be terminated, any solicitation, encouragement, discussion or negotiations that commenced prior to and were ongoing as of August 14, 2018 with respect to a Diamondback competing proposal (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Definitions of Competing Proposals* beginning on page 152).

Diamondback has also agreed that, from and after August 14, 2018 until the effective time of the merger or the termination of the merger agreement in accordance with the terms thereof, Diamondback will not, and will cause its affiliates and subsidiaries, and its and their respective directors and officers, and will cause its representatives not to, directly or indirectly:

initiate, solicit or knowingly encourage or knowingly facilitate any inquiries, proposals, or offers regarding, or the making of a Diamondback competing proposal;

engage in any discussions or negotiations with any person with respect to a Diamondback competing proposal;



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furnish any non-public information regarding Diamondback or its subsidiaries, or access to the properties, assets or employees of Diamondback or its subsidiaries, to any person in connection with or in response to a Diamondback competing proposal;

enter into any letter of intent or agreement in principle, or other agreement or commitment in respect of any proposal or offer that constitutes a Diamondback competing proposal (other than a confidentiality agreement in accordance with the merger agreement); or

resolve, agree or publicly propose to, or permit Diamondback or any of its subsidiaries or any of its or their representatives to agree or publicly propose to take any of the actions referred to in the bullets directly above.

Notwithstanding the agreements described above, prior to, but not after, the time the issuance proposal has been approved by Diamondback stockholders, Diamondback may engage in the first, second and third bullets directly above with any person if Diamondback receives a *bona fide* written Diamondback competing proposal that did not arise from a breach of the obligations described directly above and in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Definitions of Competing Proposals* beginning on page 152; provided, however, that:

no information that is prohibited from being furnished pursuant to the foregoing obligations may be furnished until Diamondback receives an executed confidentiality agreement from the person making such Diamondback competing proposal, subject to certain conditions; and

prior to taking any such actions, the Diamondback board of directors or any committee of the Diamondback board of directors determines in good faith, after consultation with Diamondback's financial advisor and outside legal counsel, that such Diamondback competing proposal is, or could reasonably be expected to lead to, a Diamondback superior proposal (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Diamondback: No Solicitation Exceptions* beginning on page 146).

Notwithstanding the agreements described above, prior to, but not after, the time the issuance proposal has been approved by Diamondback stockholders, Diamondback may seek clarification from (but not engage in negotiations with or provide non-public information to) any person that has made a Diamondback competing proposal solely to clarify and understand the terms and conditions of such proposal to provide adequate information for the Diamondback board of directors or any committee thereof to make an informed determination under the relevant provisions of the merger agreement.

*No Solicitation by Energen*

Energen has agreed that, from and after August 14, 2018, Energen will, and will cause its subsidiaries, and its and their respective directors, officers and representatives to, immediately cease, and cause to be terminated, any solicitation, encouragement, discussion or negotiations that commenced prior to and were ongoing as of August 14, 2018 with respect to an Energen competing proposal (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Definitions of Competing Proposals* beginning on page 152).

Energen has also agreed that, from and after August 14, 2018 until the effective time of the merger or the termination of the merger agreement in accordance with the terms thereof, Energen will not, and will cause its affiliates and subsidiaries, and its and their respective directors and officers, and will cause its representatives not to, directly or indirectly:

initiate, solicit or knowingly encourage or knowingly facilitate any inquiries, proposals, or offers regarding, or the making of an Energen competing proposal;

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engage in any discussions or negotiations with any person with respect to an Energen competing proposal;

furnish any non-public information regarding Energen or its subsidiaries, or access to the properties, assets or employees of Energen or its subsidiaries, to any person in connection with or in response to an Energen competing proposal;

enter into any letter of intent or agreement in principle, or other agreement or commitment in respect of any proposal or offer that constitutes an Energen competing proposal (other than a confidentiality agreement in accordance with the merger agreement); or

resolve, agree or publicly propose to, or permit Energen or any of its subsidiaries or any of its or their representatives to agree or publicly propose to take any of the actions referred to in the bullets directly above.

Notwithstanding the agreements described above, prior to, but not after, the time the merger proposal has been approved by Energen shareholders, Energen may engage in the first, second and third bullets directly above with any person if Energen receives a *bona fide* written Energen competing proposal that did not arise from a breach of the obligations described directly above and in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Definitions of Competing Proposals* beginning on page 152; provided, however, that:

no information that is prohibited from being furnished pursuant to the foregoing obligations may be furnished until Energen receives an executed confidentiality agreement, from the person making such Energen competing proposal, subject to certain conditions; and

prior to taking any such actions, the Energen board of directors or any committee of the Energen board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel, that such Energen competing proposal is, or could reasonably be expected to lead to, an Energen superior proposal (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Energen: No Solicitation Exceptions* beginning on page 147).

Notwithstanding the agreements described above, prior to, but not after, the time the merger proposal has been approved by Energen shareholders, Energen or any of its representatives may seek clarification from any person that has made an Energen competing proposal solely to clarify and understand the terms and conditions of such proposal to provide adequate information for Energen board of directors or any committee thereof to make an informed determination under the relevant provisions of the merger agreement.

**Changes of Recommendation (page 145)**

*Diamondback Restrictions on Changes of Recommendation*

Subject to certain exceptions described below, the Diamondback board of directors may not effect a Diamondback recommendation change (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Diamondback: Restrictions on Changes of Recommendation* beginning on page 148).

*Energen Restrictions on Changes of Recommendation*

Subject to certain exceptions described below, the Energen board of directors may not effect an Energen recommendation change (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Energen: Restrictions on Changes of Recommendation* beginning on page 148).

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*Diamondback: Permitted Changes of Recommendation and Permitted Termination to Enter into a Diamondback Superior Proposal*

Prior to, but not after, the time that the Diamondback issuance proposal has been approved by Diamondback stockholders, in response to a *bona fide* written Diamondback competing proposal from a third party that is conditioned upon the termination of the merger agreement or the failure of the transactions contemplated thereby to be consummated and that did not arise from a breach of the no solicitation obligations described above and in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation No Solicitation by Diamondback*, the Diamondback board of directors may effect a Diamondback recommendation change or terminate the merger agreement if:

the Diamondback board of directors determines in good faith, after consultation with Diamondback's financial advisor and outside legal counsel, that such Diamondback competing proposal is a Diamondback superior proposal (taking into account adjustment in terms and conditions of the merger proposed by Energen in response to such Diamondback competing proposal); and

Diamondback provides Energen written notice of such proposed action and the basis of such proposed action five business days in advance and complies with certain obligations, each as described in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Diamondback: Permitted Changes of Recommendation and Permitted Termination to Enter into a Diamondback Superior Proposal* beginning on page 148.

*Diamondback: Permitted Changes of Recommendation in Connection with Intervening Events*

Prior to, but not after, the time that the Diamondback issuance proposal has been approved by Diamondback stockholders, if a Diamondback intervening event (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Diamondback: Permitted Changes of Recommendation in Connection with Intervening Events* beginning on page 149) occurs or arises after August 14, 2018, Diamondback may effect a Diamondback recommendation change if:

the Diamondback board of directors determines in good faith, after consultation with Diamondback's financial advisor and outside legal counsel, that a Diamondback intervening event has occurred and that the failure to effect a Diamondback recommendation change in response to such Diamondback intervening event would be reasonably likely to be inconsistent with the fiduciary obligations owed by the Diamondback board of directors to the Diamondback stockholders under applicable law; and

Diamondback provides Energen written notice of such proposed action and the basis of such proposed action five business days in advance and complies with certain obligations, each as described in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation* beginning on page 145.

*Energen: Permitted Changes of Recommendation and Permitted Termination to Enter into an Energen Superior Proposal*

Prior to, but not after, the merger proposal has been approved by Energen shareholders, in response to a *bona fide* written Energen competing proposal from a third party that did not arise from a breach of the no solicitation obligations described above and in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation No Solicitation by Energen*, the Energen board of directors may effect an Energen recommendation change or terminate the merger agreement if:

the Energen board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel, that such Energen competing proposal is an Energen superior proposal (taking into account adjustment in terms and conditions of the merger proposed by Diamondback in response to such Energen competing proposal); and

Energen provides Diamondback written notice of such proposed action and the basis of such proposed action five business days in advance and complies with certain obligations, each as described in the

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section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Energen: Permitted Changes of Recommendation and Permitted Termination to Enter into an Energen Superior Proposal* beginning on page 150.

*Energen: Permitted Changes of Recommendation in Connection with Intervening Events*

Prior to, but not after, the time the merger proposal has been approved by Energen shareholders, in response to an Energen intervening event (as defined in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Energen: Permitted Changes of Recommendation in Connection with Intervening Events* beginning on page 151) that occurs or arises after August 14, 2018, Energen may effect an Energen recommendation change if:

the Energen board of directors determines in good faith, after consultation with its financial advisors and outside legal counsel, that an Energen intervening event has occurred and that failure to effect an Energen recommendation change in response to such Energen intervening event would be reasonably likely to be inconsistent with the fiduciary obligations owed by the Energen board of directors to the Energen shareholders under applicable law; and

Energen provides Diamondback written notice of such proposed action and the basis of such proposed action five business days in advance and complies with certain obligations, each as described in the section entitled *The Merger Agreement No Solicitation; Changes of Recommendation Energen: Permitted Changes of Recommendation in Connection with Intervening Events* beginning on page 151.

**Termination** (page 163)

Diamondback and Energen may terminate the merger agreement and abandon the merger at any time prior to the effective time of the merger by mutual written consent of Diamondback and Energen.

The merger agreement may also be terminated by either Diamondback or Energen at any time prior to the effective time of the merger in any of the following situations:

if any governmental entity of the United States or any state thereof having jurisdiction over any party has issued any order, decree, ruling or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of the merger and such order, decree, ruling or injunction or other action has become final and nonappealable, or if any law has been adopted that permanently makes the consummation of the merger illegal or otherwise permanently prohibited, so long as the terminating party has not failed to fulfill any material covenant or agreement under the merger agreement that has been the primary cause of or resulted in such order, decree, ruling or injunction or other action;

upon an end date termination event (as defined in the section entitled *The Merger Agreement Termination Termination Rights* beginning on page 163);

upon a Diamondback terminable breach event or Energen terminable breach event (as each term is defined in the section entitled *The Merger Agreement Termination Termination Rights* beginning on page 163); or

upon an Energen shareholder approval termination event or a Diamondback stockholder approval termination event (as each term is defined in the section entitled *The Merger Agreement Termination Termination Rights* beginning on page 163).

In addition, the merger agreement may be terminated by Diamondback:

if prior to, but not after, the time the merger proposal has been approved by Energen shareholders, the Energen board of directors or a committee of the Energen board of directors has effected an Energen recommendation change; or



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upon a Diamondback superior proposal termination event (as defined in the section entitled *The Merger Agreement Termination Termination Rights* beginning on page 163).

Further, the merger agreement may be terminated by Energen:

if prior to, but not after, the time the Diamondback issuance proposal has been approved by Diamondback stockholders, if the Diamondback board of directors or a committee of the Diamondback board of directors has effected a Diamondback recommendation change; or

upon an Energen superior proposal termination event (as defined in the section entitled *The Merger Agreement Termination Termination Rights* beginning on page 163).

**Expenses and Termination Fees** (page 164)

*Termination Fees Payable by Diamondback*

The merger agreement requires Diamondback to pay Energen a termination fee of \$400 million (which we refer to as the reverse termination fee ) if:

Energen terminates the merger agreement due to a Diamondback recommendation change;

Diamondback terminates the merger agreement due to a Diamondback superior proposal termination event;

(i) Diamondback or Energen terminates the merger agreement due to a Diamondback stockholder approval termination event or Energen terminates the merger agreement due to a Diamondback terminable breach event and such breach giving rise to such termination was a willful and material breach by Diamondback of a covenant or other agreement in the merger agreement, (ii) on or before the date of any such termination a Diamondback competing proposal shall have been publicly announced or disclosed prior to the Diamondback stockholders meeting and (iii) within 12 months after the date of such termination, Diamondback enters into a definitive agreement with respect to a Diamondback competing proposal or consummates any transaction meeting the parameters of a Diamondback competing proposal. For purposes of this paragraph, any reference in the definition of Diamondback competing proposal to 25% will be deemed to be a reference to more than 80%.

In no event will Diamondback be required to pay the reverse termination fee on more than one occasion.

*Termination Fees Payable by Energen*

The merger agreement requires Energen to pay Diamondback a termination fee of \$250 million (which we refer to as the termination fee ) if:

Diamondback terminates the merger agreement due to an Energen recommendation change;

Energen terminates the merger agreement due to an Energen superior proposal event;

(i) (A) Diamondback or Energen terminates the merger agreement due to an Energen shareholder approval termination event or (B) Diamondback terminates the merger agreement due to an Energen terminable breach event and such breach giving rise to such termination was a willful and material breach by Energen of a covenant or other agreement in the merger agreement, (ii) on or before the date of any such termination an Energen competing proposal shall have been publicly announced or disclosed prior to the Energen shareholders meeting and (iii) within 12 months after the date of such termination, Energen enters into a definitive agreement with respect to an Energen competing proposal or consummates any transaction meeting the parameters of an Energen competing proposal. For

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purposes of this paragraph, any reference in the definition of Energen competing proposal to 25% will be deemed to be a reference to more than 80%.

In no event will Energen be required to pay the termination fee on more than one occasion.

*Expenses*

If the merger agreement is terminated because of a failure of Energen's shareholders or Diamondback's stockholders to approve the proposals required to complete the merger, Energen and Diamondback, as applicable, may be required to reimburse the other party for its actual transaction expenses in an amount not to exceed \$40 million, in the case of Energen's expenses, and \$25 million, in the case of Diamondback's expenses. In no event will either party be entitled to receive more than one termination fee, net of any expense reimbursement.

**Appraisal Rights/Dissenters' Rights in the Merger (page 37)**

Appraisal rights, which are also sometimes known as dissenters' rights, are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined immediately prior to the effective time of the merger) in cash, instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction.

Under Delaware law, Diamondback stockholders are not entitled to appraisal rights in connection with the issuance of shares of Diamondback common stock as contemplated by the merger agreement. Diamondback stockholders may vote against the Diamondback issuance proposal if they do not favor the merger.

The holders of Energen common stock are entitled to dissenters' rights in the merger under the Alabama Business and Non-Profit Entity Code (which we refer to as ABNEC). An Energen shareholder wishing to exercise dissenters' rights must (1) not vote in favor of the merger, (2) deliver to Energen before the vote on the merger proposal is taken written notice of such shareholder's intent to demand payment for his or her shares under the dissenters' rights statute, (3) submit a payment demand to Energen following the merger within the time frame specified by a notice that Energen will provide to such shareholder who provided notification under clause (2), and (4) surrender the stock certificate to Energen that represents the shares subject to the appraisal. For more information, see *The Merger Appraisal Rights/Dissenters' Rights in the Merger*.

**Material U.S. Federal Income Tax Consequences of the Merger (page 168)**

Energen and Diamondback intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Diamondback's obligation to complete the merger that Diamondback receive a written opinion from Diamondback tax counsel to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to Energen's obligation to complete the merger that Energen receive a written opinion from Energen tax counsel to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

If the merger so qualifies, then U.S. holders (as defined in the section entitled *Material U.S. Federal Income Tax Consequences of the Merger*) of shares of Energen common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon receipt of Diamondback common stock in exchange for Energen common stock in the merger (other than gain or loss, if any, with respect to any cash received in lieu of a fractional share of Diamondback common stock). The material U.S. federal income tax consequences of the merger are discussed in more detail in the section entitled *Material U.S. Federal Income Tax Consequences*



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*of the Merger* beginning on page 168. The discussion of the material U.S. federal income tax consequences contained in this joint proxy statement/prospectus is intended to provide only a general discussion and is not a complete analysis or description of all potential U.S. federal income tax consequences of the merger that may vary with, or are dependent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws or any U.S. federal tax laws other than U.S. federal income tax laws.

TAX MATTERS ARE COMPLICATED AND THE TAX CONSEQUENCES OF THE MERGER WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES AS A RESULT OF THE MERGER TO YOU IN YOUR PARTICULAR CIRCUMSTANCES.

**Comparison of Rights of Stockholders of Diamondback and Shareholders of Energen (page 184)**

The rights of Energen shareholders who receive shares of Diamondback common stock in the merger will be governed by the Amended and Restated Certificate of Incorporation of Diamondback, as amended (which we refer to as the Diamondback certificate of incorporation ), and the Amended and Restated Bylaws of Diamondback, as amended (which we refer to as the Diamondback bylaws ), which are governed by Delaware law, rather than by the Restated Certificate of Incorporation of Energen, as amended (which we refer to as the Energen certificate of incorporation ), and the Bylaws of Energen, as amended (which we refer to as the Energen bylaws ), which are governed by Alabama law. As a result, Energen shareholders will have different rights once they become Diamondback stockholders due to the differences in the organizational documents of Energen and Diamondback and the differences between Alabama and Delaware law. The key differences are described in the section entitled *Comparison of Rights of Stockholders of Diamondback and Shareholders of Energen* beginning on page 184.

**Listing of Diamondback Common Stock; Delisting and Deregistration of Energen Shares (page 128)**

If the merger is completed, the shares of Diamondback common stock to be issued in the merger will be listed for trading on Nasdaq, shares of Energen common stock will be delisted from the NYSE and deregistered under the Exchange Act, and Energen will no longer be required to file periodic reports with the SEC pursuant to the Exchange Act.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF DIAMONDBACK**

The following table presents selected historical consolidated financial data for Diamondback (1) as of and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013 and (2) as of and for the six months ended June 30, 2018 and 2017. The consolidated financial data for each of the years ended December 31, 2017, 2016 and 2015, and as of December 31, 2017 and 2016 have been derived from Diamondback's selected financial data and audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed on February 15, 2018, which is incorporated by reference herein in its entirety. The selected historical consolidated financial data of Diamondback for each of the years ended December 31, 2014 and 2013 and as of December 31, 2015, 2014 and 2013 have been derived from Diamondback's selected financial data and audited consolidated financial statements for such years, which have not been incorporated by reference herein. The selected historical consolidated financial data for the six months ended June 30, 2018 and 2017 and as of June 30, 2018 have been derived from Diamondback's unaudited consolidated financial data included in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 filed August 9, 2018, which is incorporated by reference herein in its entirety. The selected balance sheet data as of June 30, 2017 has been derived from Diamondback's unaudited consolidated financial statements as of June 30, 2017, which have not been incorporated by reference herein.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Diamondback nor does it include the effects of the merger. This summary should be read together with the other information contained in Diamondback's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes therein. For additional information, see the sections entitled "Where You Can Find More Information and Information Incorporated by Reference," in each case beginning on page 196.

|   | Six Months Ended June 30,             |            |              | Year Ended December 31,                  |            |            |            |
|---|---------------------------------------|------------|--------------|--|------------|------------|------------|
|   | 2018                                  | 2017       | 2017         | 2016                                     | 2015       | 2014       | 2013       |
|   | (In thousands, except per share data) |            |              | (In thousands, except per share amounts) |            |            |            |
| <b>Statements of Operations Data:</b>     |                                       |            |              |  |            |            |            |
| Total revenues                            | \$ 1,006,468                          | \$ 504,664 | \$ 1,205,111 | \$ 527,107                               | \$ 446,733 | \$ 495,718 | \$ 208,002 |
| Total costs and expenses                  | 457,519                               | 255,946    | 600,091      | 595,724                                  | 1,187,002  | 283,048    | 112,808    |
| Income (loss) from operations             | 548,949                               | 248,718    | 605,020      | (68,617)                                 | (740,269)  | 212,670    | 95,194     |
| Other income (expense)                    | (29,157)                              | 60,020     | (107,831)    | (96,099)                                 | (8,831)    | 92,286     | (8,853)    |
| Income (loss) before income taxes         | 519,792                               | 308,738    | 497,189      | (164,716)                                | (749,100)  | 304,956    | 86,341     |
| Provision for (benefit from) income taxes | 40,474                                | 3,536      | (19,568)     | 192                                      | (201,310)  | 108,985    | 31,754     |
| Net income (loss)                         | 479,318                               | 305,202    | 516,757      | (164,908)                                | (547,790)  | 195,971    | 54,587     |
| Less: Net income attributable to          | 97,360                                | 10,524     | 34,496       | 126                                      | 2,838      | 2,216      |            |

|                          |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
|--------------------------|----|---------|----|---------|----|---------|----|-----------|----|-----------|----|---------|----|--------|
| non-controlling interest |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| Net income (loss)        |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| attributable to          |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| Diamondback Energy,      |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| Inc.                     |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
|                          | \$ | 381,958 | \$ | 294,678 | \$ | 482,261 | \$ | (165,034) | \$ | (550,628) | \$ | 193,755 | \$ | 54,587 |
| Earnings per common      |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| share:                   |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| Basic                    | \$ | 3.87    | \$ | 3.08    | \$ | 4.95    | \$ | (2.20)    | \$ | (8.74)    | \$ | 3.67    | \$ | 1.30   |
| Diluted                  | \$ | 3.87    | \$ | 3.07    | \$ | 4.94    | \$ | (2.20)    | \$ | (8.74)    | \$ | 3.64    | \$ | 1.29   |
| Weighted average         |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| common shares            |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| outstanding:             |    |         |    |         |    |         |    |           |    |           |    |         |    |        |
| Basic                    |    | 98,584  |    | 95,665  |    | 97,458  |    | 75,077    |    | 63,019    |    | 52,826  |    | 42,015 |
| Diluted                  |    | 98,820  |    | 95,925  |    | 97,688  |    | 75,077    |    | 63,019    |    | 53,297  |    | 42,255 |

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|  | As of June 30, |           | 2017       | 2016         | As of December 31, |           | 2013      |
|--|----------------|-----------|------------|--------------|--------------------|-----------|-----------|
|  | 2018           | 2017      |            |              | 2015               | 2014      |           |
|  | (In thousands) |           |            |              | (In thousands)     |           |           |
| <b>Balance Sheet Data:</b>                         |                |           |            |              |                    |           |           |
| Cash and cash equivalents                          | \$ 113,927     | \$ 16,588 | \$ 112,446 | \$ 1,666,574 | \$ 20,115          | \$ 30,183 | \$ 15,555 |
| Net property and equipment                         | 8,343,044      | 6,508,747 | 7,343,617  | 3,390,857    | 2,597,625          | 2,791,807 | 1,446,337 |
| Total assets                                       | 8,954,395      | 6,783,809 | 7,770,985  | 5,349,680    | 2,750,719          | 3,095,481 | 1,521,614 |
| Current liabilities                                | 727,077        | 323,166   | 577,428    | 209,342      | 141,421            | 266,729   | 121,320   |
| Long-term debt                                     | 1,967,074      | 1,151,515 | 1,477,347  | 1,105,912    | 487,807            | 673,500   | 460,000   |
| Total stockholders / members equity <sup>(1)</sup> | 5,631,449      | 4,817,624 | 5,254,860  | 3,697,462    | 1,875,972          | 1,751,011 | 845,541   |
| Total equity                                       | 6,012,467      | 5,286,934 | 5,581,737  | 4,018,292    | 2,108,973          | 1,985,213 |           |

|   | Six Months Ended |             | 2017        | Year Ended December 31, |            | 2013        |
|---|------------------|-------------|-------------|-------------------------|------------|-------------|
|   | 2018             | 2017        |             | 2016                    | 2015       |             |
|   | June 30,         |             |             | December 31,            |            |             |
|   | (In thousands)   |             |             | (In thousands)          |            |             |
| <b>Other Financial Data:</b>                |                  |             |             |                         |            |             |
| Net cash provided by operating activities   | \$ 764,353       | \$ 394,431  | \$ 888,625  | \$ 332,080              | \$ 416,501 | \$ 356,389  |
| Net cash used in investing activities       | (1,198,594)      | (2,221,476) | (3,132,282) | (1,310,242)             | (895,050)  | (1,481,997) |
| Net cash provided by financing activities   | 435,722          | 177,059     | 689,529     | 2,624,621               | 468,481    | 1,140,236   |
| Consolidated Adjusted EBITDA <sup>(2)</sup> | \$ 710,913       | \$ 393,685  | \$ 928,039  | \$ 387,535              | \$ 449,245 | \$ 398,334  |
|   |                  |             |             |                         |            | \$ 157,604  |

(1) For the years ended December 31, 2017, 2016, 2015 and 2014, total stockholders' equity excludes \$326.9 million, \$320.8 million, \$233.0 million and \$234.2 million, respectively, of non-controlling interest related to Viper Energy Partners LP, one of Diamondback's subsidiaries (which we refer to as Viper). There was no equity related to non-controlling interest for the year ended December 31, 2013.

(2) Consolidated Adjusted EBITDA is a supplemental non-GAAP financial measure. For Diamondback's definition of Consolidated Adjusted EBITDA and a reconciliation of Consolidated Adjusted EBITDA to net income (loss) see *Non-GAAP Financial Measures* below.

**Non-GAAP Financial Measures**



*Reconciliation of Net Income (Loss) to Consolidated Adjusted EBITDA*

Consolidated Adjusted EBITDA (as defined below) is a supplemental non-GAAP financial measure that is used by Diamondback's management and external users of Diamondback's financial statements, such as industry analysts, investors, lenders and rating agencies.

For purposes of the Selected Historical Consolidated Financial Data of Diamondback, Consolidated Adjusted EBITDA is defined as net income (loss) plus non-cash (gain) loss on derivative instruments, net; interest expense, net; depreciation, depletion and amortization expense, impairment of oil and natural gas properties, non-cash equity-based compensation expense, capitalized equity-based compensation expense, asset retirement obligation accretion expense, income tax (benefit) provision and EBITDA attributable to non-controlling interest gain on revaluation of investment and loss on extinguishment of debt. Consolidated Adjusted EBITDA is not a measure of net income (loss) as determined by United States generally accepted

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accounting principles (which we refer to as GAAP). Diamondback's management believes Consolidated Adjusted EBITDA is useful because it allows it to more effectively evaluate Diamondback's operating performance and compare the results of Diamondback's operations from period to period without regard to Diamondback's financing methods or capital structure. Diamondback adds the items listed above to net income (loss) in arriving at Consolidated Adjusted EBITDA because these amounts can vary substantially from company to company within Diamondback's industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Consolidated Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of Diamondback's operating performance or liquidity. Certain items excluded from Consolidated Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Consolidated Adjusted EBITDA. Diamondback's computations of Consolidated Adjusted EBITDA may not be comparable to other similarly titled measure of other companies or to such measure in Diamondback's revolving credit facility or any of Diamondback's other contracts, including the indentures governing its outstanding senior notes. Diamondback has included a reconciliation of Consolidated Adjusted EBITDA to net income, the most directly comparable GAAP financial measure, below for the periods indicated:

|   | Six Months Ended June 30, |            |            | Year Ended December 31, |              |            |            |
|---|---------------------------|------------|------------|-------------------------|--------------|------------|------------|
|   | 2018                      | 2017       | 2017       | 2016                    | 2015         | 2014       | 2013       |
|   | (In thousands)            |            |            | (In thousands)          |              |            |            |
| <b>Net income (loss)</b>                            | \$ 479,318                | \$ 305,202 | \$ 516,757 | \$ (164,908)            | \$ (547,790) | \$ 195,971 | \$ 54,587  |
| Non-cash (gain) loss on derivative instruments, net | 13,705                    | (68,010)   | 84,240     | 26,522                  | 112,918      | (117,109)  | (5,346)    |
| Interest expense, net                               | 30,797                    | 20,470     | 40,554     | 40,684                  | 41,510       | 34,515     | 8,059      |
| Depreciation, depletion and amortization            | 245,083                   | 134,102    | 326,759    | 178,015                 | 217,697      | 170,005    | 66,597     |
| Impairment of oil and natural gas properties        |                           |            |            | 245,536                 | 814,798      |            |            |
| Non-cash equity-based compensation expense          | 18,091                    | 17,475     | 34,178     | 33,532                  | 24,572       | 14,253     | 2,724      |
| Capitalized equity-based compensation expense       | (4,990)                   | (4,244)    | (8,641)    | (7,079)                 | (6,043)      | (4,437)    | (972)      |
| Asset retirement obligation accretion expense       | 720                       | 673        | 1,391      | 1,064                   | 833          | 467        | 201        |
| Gain on revaluation of investment                   | (5,364)                   |            |            |                         |              |            |            |
| Loss on extinguishment of debt                      |                           |            |            | 33,134                  |              |            |            |
| Income tax (benefit) provision                      | 40,474                    | 3,536      | (19,568)   | 192                     | (201,310)    | 108,985    | 31,754     |
| <b>Consolidated Adjusted EBITDA</b>                 | \$ 817,834                | \$ 409,204 | \$ 928,039 | \$ 387,535              | \$ 449,245   | \$ 398,334 | \$ 157,604 |

|  |            |            |          |         |         |         |         |
|--|------------|------------|----------|---------|---------|---------|---------|
| Non Controlling Interest Adjustment                      | (106,921)  | (15,519)   | (47,631) | 843     | (7,940) | (4,316) |         |
| Adjusted EBITDA attributable to Diamondback Energy, Inc. | \$ 710,913 | \$ 393,685 | 928,039  | 387,535 | 449,245 | 398,334 | 157,604 |

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ENERGEN**

The following table sets forth Energen's selected consolidated historical financial information that has been derived from Energen's consolidated financial statements (1) as of and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013 and (2) as of and for the six months ended June 30, 2018 and June 30, 2017. The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Energen nor does it include the effects of the merger. You should read this financial information together with Energen's consolidated financial statements, the related notes and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its Annual Report on Form 10-K for the year ended December 31, 2017 filed on February 28, 2018, and Quarterly Reports on Form 10-Q for the quarter ended March 31, 2018 filed on May 9, 2018 and for the quarter ended June 30, 2018 filed on August 8, 2018, each of which is incorporated into this joint proxy statement/prospectus by reference. The selected statement of operations data and cash flow data for the years ended December 31, 2014 and 2013, and selected balance sheet data as of December 31, 2015, 2014 and 2013 have been derived from Energen's audited consolidated financial statements for such years, which have not been incorporated into this joint proxy statement/prospectus by reference. The selected historical consolidated financial data for the six months ended June 30, 2018 and 2017 and as of June 30, 2018 have been derived from Energen's unaudited consolidated financial data included in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, which is incorporated into this joint proxy statement/prospectus by reference. The selected balance sheet data as of June 30, 2017 has been derived from Energen's unaudited consolidated financial statements as of June 30, 2017, which have not been incorporated by reference herein. For additional information, see the sections entitled "Where You Can Find More Information" and "Information Incorporated by Reference," each beginning on page 196.

**Selected Financial and Common Stock Data**

|  | <b>As of and for the Six<br/>Months Ended</b> |                          | <b>As of and for the Years Ended December 31,</b> |              |              |              |              |
|--|---|--------------------------|---|--------------|--------------|--------------|--------------|
|  | (in thousands, except<br>per share amounts)   |                          | (in thousands, except per share amounts)          |              |              |              |              |
|  | <b>June 30,<br/>2018</b>                      | <b>June 30,<br/>2017</b> | <b>2017</b>                                       | <b>2016</b>  | <b>2015</b>  | <b>2014</b>  | <b>2013</b>  |
| <b>STATEMENT OF OPERATIONS</b>                                       |   |                          |   |              |              |              |              |
| Total revenues   | \$ 695,819                                    | \$ 497,745               | \$ 961,045  | \$ 532,889   | \$ 878,554   | \$ 1,679,213 | \$ 1,206,293 |
| Income (loss) from continuing operations                             | \$ 187,189                                    | \$ 62,884                | \$ 306,828  | \$ (167,513) | \$ (945,731) | \$ 99,643    | \$ 141,881   |
| Net income (loss)  | \$ 187,189                                    | \$ 62,884                | \$ 306,828  | \$ (167,513) | \$ (945,731) | \$ 568,032   | \$ 204,554   |
| Diluted earnings per average common share from continuing operations | \$ 1.91                                       | \$ 0.64                  | \$ 3.14   | \$ (1.77)    | \$ (12.43)   | \$ 1.36      | \$ 1.96      |
| Diluted earnings per average common share                            | \$ 1.91                                       | \$ 0.64                  | \$ 3.14   | \$ (1.77)    | \$ (12.43)   | \$ 7.75      | \$ 2.82      |
| <b>BALANCE SHEET</b>   |   |                          |   |              |              |              |              |
| Total property, plant and equipment, net                             | \$ 5,133,216                                  | \$ 4,558,984             | \$ 4,763,520                                      | \$ 4,061,552 | \$ 4,350,690 | \$ 5,199,137 | \$ 5,118,088 |

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|                           |              |              |              |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total assets              | \$ 5,462,012 | \$ 4,746,732 | \$ 5,033,895 | \$ 4,579,823 | \$ 4,611,156 | \$ 6,138,258 | \$ 6,622,212 |
| Long-term debt            | \$ 829,068   | \$ 659,158   | \$ 782,861   | \$ 527,443   | \$ 773,550   | \$ 1,038,563 | \$ 1,093,541 |
| Total shareholders equity | \$ 3,628,859 | \$ 3,187,742 | \$ 3,438,457 | \$ 3,120,602 | \$ 2,895,860 | \$ 3,414,604 | \$ 2,858,019 |

**COMMON STOCK**

**DATA**

|   |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|
| Cash dividends paid per common share      | \$       | \$       | \$       | \$       | \$ 0.08  | \$ 0.47  | \$ 0.58  |
| Diluted average common shares outstanding | 97,942   | 97,648   | 97,707   | 94,476   | 76,078   | 73,275   | 72,471   |
| Price range:                              |          |          |          |          |          |          |          |
| High                                      | \$ 74.07 | \$ 60.21 | \$ 60.21 | \$ 64.44 | \$ 77.12 | \$ 90.66 | \$ 89.92 |
| Low                                       | \$ 47.81 | \$ 46.25 | \$ 46.16 | \$ 20.76 | \$ 39.99 | \$ 53.78 | \$ 44.46 |
| Close                                     | \$ 72.82 | \$ 49.37 | \$ 57.57 | \$ 57.67 | \$ 40.99 | \$ 63.76 | \$ 70.75 |

**Table of Contents****Selected Historical Business Data**

|  | <b>As of and for the<br/>Six Months Ended</b><br>(in thousands, except<br>per unit data) |                          | <b>As of and for the Years Ended December 31,</b><br>(in thousands, except per unit data) |                    |                     |                     |                     |
|--|--|--------------------------|---|--------------------|---------------------|---------------------|---------------------|
|  | <b>June 30,<br/>2018</b>   | <b>June 30,<br/>2017</b> | <b>2017</b>   | <b>2016</b>        | <b>2015</b>         | <b>2014</b>         | <b>2013</b>         |
| <b>Oil, natural gas liquids and natural gas sales from continuing operations</b> |  |                          |   |                    |                     |                     |                     |
| Oil  | \$ 620,077   | \$ 329,371               | \$ 814,470  | \$ 521,017         | \$ 631,663          | \$ 988,868          | \$ 961,055          |
| Natural gas liquids  | \$ 76,184  | \$ 34,268                | \$ 98,298   | \$ 48,652          | \$ 48,856           | \$ 110,918          | \$ 91,407           |
| Natural gas  | \$ 33,172  | \$ 31,459                | \$ 74,670   | \$ 51,697          | \$ 82,742           | \$ 244,408          | \$ 203,855          |
| <b>Total</b>   | <b>\$ 729,433</b>  | <b>\$ 395,098</b>        | <b>\$ 987,438</b>   | <b>\$ 621,366</b>  | <b>\$ 763,261</b>   | <b>\$ 1,344,194</b> | <b>\$ 1,256,317</b> |
| <b>Open non-cash mark-to-market gains (losses) on derivative instruments</b>     |  |                          |   |                    |                     |                     |                     |
| Oil  | \$ 17,384  | \$ 89,125                | \$ (10,658)   | \$ (57,148)        | \$ (242,227)        | \$ 271,200          | \$ (43,261)         |
| Natural gas liquids  | \$ (8,817)   | \$ 11,617                | \$ (9,011)  | \$ (6,868)         | \$                  | \$ 287              | \$ (652)            |
| Natural gas  | \$ 253   | \$ 8,961                 | \$ 8,910  | \$ (7,174)         | \$ (39,525)         | \$ 43,958           | \$ (3,919)          |
| <b>Total</b>   | <b>\$ 8,820</b>  | <b>\$ 109,703</b>        | <b>\$ (10,759)</b>  | <b>\$ (71,190)</b> | <b>\$ (281,752)</b> | <b>\$ 315,445</b>   | <b>\$ (47,832)</b>  |
| <b>Closed gains (losses) on derivative instruments</b>                           |  |                          |   |                    |                     |                     |                     |
| Oil  | \$ (33,680)  | \$ (5,858)               | \$ (11,364)   | \$ (17,701)        | \$ 346,404          | \$ 4,377            | \$ (52,694)         |
| Natural gas liquids  | \$ (10,230)  | \$ (1,545)               | \$ (7,780)  | \$                 | \$                  | \$ 6,218            | \$ 10,795           |
| Natural gas  | \$ 1,476   | \$ 347                   | \$ 3,510  | \$ 414             | \$ 50,641           | \$ 8,979            | \$ 39,707           |
| <b>Total</b>   | <b>\$ (42,434)</b>   | <b>\$ (7,056)</b>        | <b>\$ (15,634)</b>  | <b>\$ (17,287)</b> | <b>\$ 397,045</b>   | <b>\$ 19,574</b>    | <b>\$ (2,192)</b>   |
| <b>Total revenues</b>  | <b>\$ 695,819</b>  | <b>\$ 497,745</b>        | <b>\$ 961,045</b>   | <b>\$ 532,889</b>  | <b>\$ 878,554</b>   | <b>\$ 1,679,213</b> | <b>\$ 1,206,293</b> |
| <b>Production volumes from continuing operations</b>                             |  |                          |   |                    |                     |                     |                     |
| Oil (MBbl)   | 10,148   | 7,098                    | 16,951  | 13,213             | 14,023              | 11,814              | 10,364              |
| Natural gas liquids<br>(MMgal)   | 146.7  | 85.3                     | 220.7   | 163.5              | 170.7               | 172.3               | 135.8               |
| Natural gas (MMcf)   | 21,480   | 13,326                   | 33,528  | 27,204             | 35,604              | 58,602              | 58,104              |
| <b>Production volumes<br/>from continuing<br/>operations (MBOE)</b>              | <b>17,220</b>  | <b>11,350</b>            | <b>27,794</b>   | <b>21,639</b>      | <b>24,022</b>       | <b>25,684</b>       | <b>23,281</b>       |
| <b>Total production<br/>volumes (MBOE)</b>                                       | <b>17,220</b>  | <b>11,350</b>            | <b>27,794</b>   | <b>21,639</b>      | <b>24,022</b>       | <b>25,849</b>       | <b>25,362</b>       |
| <b>Proved reserves</b>   |  |                          |   |                    |                     |                     |                     |
| Oil (MBbl)   | 274,346  | 228,322                  | 257,010   | 199,575            | 210,691             | 181,227             | 164,870             |

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|                            |                |                |                |                |                |                |                |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Natural gas liquids (MBbl) | 96,864         | 65,814         | 90,779         | 58,046         | 71,713         | 73,463         | 63,011         |
| Natural gas (MMcf)         | 621,690        | 405,089        | 577,489        | 352,248        | 433,904        | 707,926        | 719,725        |
| <b>Total (MBOE)</b>        | <b>474,825</b> | <b>361,651</b> | <b>444,038</b> | <b>316,329</b> | <b>354,722</b> | <b>372,678</b> | <b>347,835</b> |

**Costs per BOE from continuing operations**

|  |            |            |              |            |              |              |              |
|--|------------|------------|--------------|------------|--------------|--------------|--------------|
| Oil, natural gas liquids and natural gas production expenses | \$ 6.42    | \$ 7.51    | \$ 6.61      | \$ 7.94    | \$ 9.51      | \$ 10.68     | \$ 11.06     |
| Production and ad valorem taxes                              | \$ 2.75    | \$ 2.29    | \$ 2.14      | \$ 1.98    | \$ 2.39      | \$ 3.97      | \$ 4.04      |
| Depreciation, depletion and amortization                     | \$ 15.00   | \$ 19.49   | \$ 17.39     | \$ 20.70   | \$ 24.72     | \$ 21.36     | \$ 19.45     |
| Exploration expense  | \$ 0.14    | \$ 0.50    | \$ 0.36      | \$ 0.25    | \$ 0.62      | \$ 1.09      | \$ 0.60      |
| General and administrative expense                           | \$ 2.57    | \$ 3.56    | \$ 3.05      | \$ 4.42    | \$ 6.21      | \$ 4.75      | \$ 4.89      |
| Capital expenditures (including acquisitions)                | \$ 594,922 | \$ 720,246 | \$ 1,189,342 | \$ 582,898 | \$ 1,114,808 | \$ 1,451,951 | \$ 1,120,753 |

**Table of Contents****SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The following summary unaudited pro forma condensed combined balance sheet data gives effect to the proposed merger as if it had occurred on June 30, 2018, while the unaudited pro forma condensed combined statement of operations data for the year ended December 31, 2017 and the six months ended June 30, 2018 is presented as if the merger had occurred on January 1, 2017. The following summary unaudited pro forma condensed combined financial information has been prepared for illustrative purposes only and is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the merger occurred as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled *Risk Factors* beginning on page 43. The following summary unaudited pro forma condensed combined financial information should be read in conjunction with the section titled *Unaudited Pro Forma Condensed Combined Financial Statements* beginning on page 171 and the related notes.

|  | <b>Six<br/>Months<br/>Ended<br/>June 30, 2018</b>   | <b>Year Ended<br/>December 31,<br/>2017</b> |
|--|---|---|
|  | <b>(in thousands, except<br/>per share amounts)</b> |   |
| <b>Pro Forma Statements of Condensed Combined Operations Data:</b> |   |   |
| Total revenues   | \$ 1,736,293  | \$ 2,195,726                                |
| Net income attributable to Diamondback Energy, Inc.                | \$ 571,251  | \$ 873,317                                  |
| Earnings per share, basic  | \$ 3.54   | \$ 5.45                                     |
| Earnings per share, diluted  | \$ 3.53   | \$ 5.44                                     |

|   | <b>As of<br/>June 30,<br/>2018<br/>(in<br/>thousands)</b> |
|---|---|
| <b>Pro Forma Condensed Combined Balance Sheet Data:</b> |   |
| Cash and cash equivalents                               | \$ 115,115  |
| Total assets  | \$ 18,946,338   |
| Long-term debt  | \$ 2,805,074  |
| Stockholder's equity                                    | \$ 13,153,401   |



**Table of Contents****SUMMARY PRO FORMA OIL, NATURAL GAS AND NGL RESERVE INFORMATION**

The following tables present the estimated pro forma combined net proved developed and undeveloped oil, natural gas and NGL reserves as of December 31, 2017. The pro forma reserve information set forth below gives effect to the merger as if the merger had been completed on January 1, 2017. The following summary pro forma reserve information has been prepared for illustrative purposes only and is not intended to be a projection of future results of the combined company. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled *Risk Factors* beginning on page 43. The summary pro forma reserve information should be read in conjunction with the section titled *Unaudited Pro Forma Condensed Combined Financial Statements* beginning on page 171 and the related notes included in this joint proxy statement/prospectus.

|                                     | Year Ended December 31, 2017 |                       |                                      |
|-------------------------------------|------------------------------|-----------------------|--------------------------------------|
|                                     | Diamondback<br>Historical    | Energen<br>Historical | Diamondback<br>Pro Forma<br>Combined |
| <b>Proved Developed Reserves:</b>   |                              |                       |                                      |
| Oil (MBbls)                         | 141,246                      | 143,907               | 285,153                              |
| Natural Gas Liquids (MBbls)         | 35,412                       | 52,882                | 88,294                               |
| Natural Gas (MMcf)                  | 190,740                      | 342,616               | 533,356                              |
| <b>Proved Undeveloped Reserves:</b> |                              |                       |                                      |
| Oil (MBbls)                         | 91,935                       | 113,103               | 205,038                              |
| Natural Gas Liquids (MBbls)         | 19,198                       | 37,897                | 57,095                               |
| Natural Gas (MMcf)                  | 94,629                       | 234,873               | 329,502                              |

|                             | Year Ended December 31, 2017 |                       |                                      |
|-----------------------------|------------------------------|-----------------------|--------------------------------------|
|                             | Diamondback<br>Historical    | Energen<br>Historical | Diamondback<br>Pro Forma<br>Combined |
| <b>Production:</b>          |                              |                       |                                      |
| Oil (MBbls)                 | 21,417                       | 16,951                | 38,368                               |
| Natural Gas Liquids (MBbls) | 4,056                        | 5,255                 | 9,311                                |
| Natural Gas (MMcf)          | 20,660                       | 33,528                | 54,188                               |

|                             | Six Months Ended June 30, 2018 |                       |                                      |
|-----------------------------|--------------------------------|-----------------------|--------------------------------------|
|                             | Diamondback<br>Historical      | Energen<br>Historical | Diamondback<br>Pro Forma<br>Combined |
| <b>Production:</b>          |                                |                       |                                      |
| Oil (MBbls)                 | 14,278                         | 10,148                | 24,426                               |
| Natural Gas Liquids (MBbls) | 2,883                          | 3,492                 | 6,375                                |
| Natural Gas (MMcf)          | 13,913                         | 21,480                | 35,393                               |



**Table of Contents****COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The following table presents Diamondback's and Energen's historical and pro forma per share data for the year ended December 31, 2017 and as of and for the six months ended June 30, 2018. The pro forma per share data for the year ended December 31, 2017 and as of and for the six months ended June 30, 2018 is presented as if the merger had been completed on January 1, 2017. Except for the historical information for the year ended December 31, 2017, the information provided in the table below is unaudited. This information should be read together with the historical consolidated financial statements and related notes of Diamondback and Energen, filed by each with the SEC, and incorporated by reference in this joint proxy statement/prospectus, and with the unaudited pro forma condensed combined financial statements included in the section entitled *Unaudited Pro Forma Condensed Combined Financial Statements* beginning on page 171.

|  | <b>For the Year Ended<br/>December 31,<br/>2017</b> | <b>As of and for<br/>the<br/>Six Months Ended<br/>June 30, 2018</b> |
|--|---|---|
| <b>Diamondback</b>   |   |   |
| Net income attributable to common stockholders (per basic share)   | \$ 4.95   | \$ 3.87   |
| Net income attributable to common stockholders (per diluted share) | \$ 4.94   | \$ 3.87   |
| Cash dividends declared per share                                  |   | \$ 0.25   |
| Net book value per share   |   | \$ 57.10  |
| <b>Energen</b>   |   |   |
| Net income attributable to common shareholders (per basic share)   | \$ 3.16   | \$ 1.92   |
| Net income attributable to common shareholders (per diluted share) | \$ 3.14   | \$ 1.91   |
| Cash dividends declared per share                                  |   |   |
| Net book value per share   |   | \$ 36.03  |
| <b>Pro Forma Condensed Combined (Unaudited)</b>                    |   |   |
| Net income attributable to common stockholders (per basic share)   | \$ 5.45   | \$ 3.54   |
| Net income attributable to common stockholders (per diluted share) | \$ 5.44   | \$ 3.53   |
| Cash dividends declared per share                                  |   | \$ 0.25   |
| Net book value per share   |   | \$ 79.06  |
| <b>Equivalent Energen</b>  |   |   |
| Net income attributable to common shareholders (per basic share)   | \$ 3.47   | \$ 2.28   |
| Net income attributable to common shareholders (per diluted share) | \$ 3.47   | \$ 2.28   |
| Cash dividends declared per share                                  |   |   |
| Net book value per share   |   | \$ 50.93  |



**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Diamondback Market Price and Dividend Information**

Diamondback common stock is listed on The Nasdaq Global Select Market under the symbol FANG. The following table sets forth the high and low prices per share for Diamondback common stock for the periods indicated and the cash dividends per share declared with respect to Diamondback common stock in the periods indicated, in each case rounded to the nearest whole cent. Diamondback's fiscal year ends on December 31. Diamondback commenced the payment of dividends beginning with the first quarter of 2018.

|  | <b>High (\$)</b> | <b>Low (\$)</b> | <b>Dividend (\$)</b> |
|--|------------------|-----------------|----------------------|
| <b>2016:</b>                               |                  |                 |                      |
| First Quarter                              | 79.87            | 55.48           |                      |
| Second Quarter                             | 96.01            | 73.12           |                      |
| Third Quarter                              | 99.69            | 83.90           |                      |
| Fourth Quarter                             | 113.23           | 88.74           |                      |
| <b>2017:</b>                               |                  |                 |                      |
| First Quarter                              | 114.00           | 96.05           |                      |
| Second Quarter                             | 108.17           | 83.22           |                      |
| Third Quarter                              | 98.36            | 82.77           |                      |
| Fourth Quarter                             | 127.45           | 95.69           |                      |
| <b>2018:</b>                               |                  |                 |                      |
| First Quarter                              | 134.6            | 105.66          | 0.125                |
| Second Quarter                             | 138.14           | 107.78          | 0.125                |
| Third Quarter (through September 12, 2018) | 138.25           | 111.31          | *                    |

\* The Diamondback board has not made any determinations with respect to dividends for the third quarter of 2018.

**Energien Market Price and Dividend Information**

Energien common stock is listed on the NYSE under the symbol EGN. The following table sets forth the high and low prices per share for Energien common stock for the periods indicated and the cash dividends per share declared with respect to Energien common stock in the periods indicated, in each case rounded to the nearest whole cent. Energien's fiscal year ends on December 31.

|                | <b>High (\$)</b> | <b>Low (\$)</b> | <b>Dividend (\$)</b> |
|----------------|------------------|-----------------|----------------------|
| <b>2016:</b>   |                  |                 |                      |
| First Quarter  | 42.76            | 20.76           |                      |
| Second Quarter | 51.27            | 34.03           |                      |
| Third Quarter  | 60.00            | 43.70           |                      |
| Fourth Quarter | 64.44            | 47.88           |                      |
| <b>2017:</b>   |                  |                 |                      |
| First Quarter  | 60.21            | 47.95           |                      |

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|  |       |       |
|--|-------|-------|
| Second Quarter                             | 58.96 | 46.25 |
| Third Quarter                              | 55.22 | 46.16 |
| Fourth Quarter                             | 58.96 | 48.59 |
| <b>2018:</b>                               |       |       |
| First Quarter                              | 63.29 | 47.81 |
| Second Quarter                             | 74.07 | 60.00 |
| Third Quarter (through September 12, 2018) | 79.73 | 70.31 |

**Table of Contents****Comparison of Diamondback and Energen Market Prices and Implied Share Value of the Stock Consideration**

The following table sets forth the closing sale price per share of Diamondback common stock and Energen common stock as reported on Nasdaq and the NYSE, respectively, on August 13, 2018, the last trading day prior to the public announcement of the merger, and on \_\_\_\_\_, 2018, the last practicable trading day prior to the mailing of this joint proxy statement/prospectus. The table also shows the estimated implied value of the merger consideration proposed for each share of Energen common stock as of the same two dates. This implied value was calculated by multiplying the closing price of a share of Diamondback common stock on the relevant date by the exchange ratio of 0.6442 of a share of Diamondback common stock for each share of Energen common stock.

|                 | <b>Diamondback<br/>Common Stock</b> | <b>Energen Common<br/>Stock</b> | <b>Implied Per Share<br/>Value of Merger<br/>Consideration</b> |
|-----------------|-------------------------------------|---------------------------------|--|
| August 13, 2018 | \$ 131.87                           | \$ 71.36                        | \$ 84.95   |
| _____, 2018     | \$                                  | \$                              | \$   |

Holders of Diamondback and Energen common stock are encouraged to obtain current market quotations for Diamondback common stock and Energen common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference herein. No assurance can be given concerning the market price of Diamondback common stock before or after the effective date of the merger. For additional information, see the sections entitled *Where You Can Find More Information* and *Information Incorporated by Reference*, each beginning on page 196.

**Table of Contents****RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 55, Energen shareholders should carefully consider the following risks before deciding how to vote with respect to the merger proposal and the non-binding compensation advisory proposal to be considered and voted on at the Energen special meeting, and Diamondback stockholders should carefully consider the following risks before deciding how to vote with respect to the Diamondback issuance proposal to be considered and voted on at the Diamondback special meeting. In addition, Energen shareholders and Diamondback stockholders should also read and consider the risks associated with each of the businesses of Energen and Diamondback because these risks will also affect the combined company. These risks can be found in Diamondback's and Energen's Annual Reports on Form 10-K for the year ended December 31, 2017, their subsequent reports on Form 10-Q and other documents they file with the SEC, in each case incorporated by reference into this joint proxy statement/prospectus. Energen shareholders and Diamondback stockholders should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. For additional information, see the sections entitled **Where You Can Find More Information** and **Information Incorporated by Reference**, each beginning on page 196.*

**Risk Factors Relating to the Merger**

**Because the exchange ratio is fixed and because the market price of Diamondback common stock will fluctuate, Energen shareholders cannot be certain of the precise value of the merger consideration they will receive in the merger.**

If the merger is completed, at the effective time of the merger, each issued and outstanding eligible share of Energen common stock will be converted into the right to receive the merger consideration. The exchange ratio for the merger consideration is fixed at 0.6442 of a share of Diamondback common stock for each share of Energen common stock (with certain exceptions described in this joint proxy statement/prospectus), and there will be no adjustment to the merger consideration for changes in the market price of Diamondback common stock or Energen common stock prior to the completion of the merger.

If the merger is completed, there will be a time lapse between each of the date of this joint proxy statement/prospectus, the dates on which Energen shareholders vote to approve the Energen merger proposal and Diamondback stockholders vote to approve the Diamondback issuance proposal, and the date on which Energen shareholders entitled to receive the merger consideration actually receive the merger consideration. The market value of shares of Diamondback common stock will fluctuate, possibly materially, during and after these periods as a result of a variety of factors, including general market and economic conditions, changes in Diamondback's businesses, operations and prospects and regulatory considerations. Such factors are difficult to predict and in many cases are beyond the control of Diamondback and Energen. The actual value of any merger consideration received by Energen shareholders at the completion of the merger will depend on the market value of the shares of Diamondback common stock at that time. Consequently, at the time Energen shareholders must decide whether to approve the merger proposal, they will not know the actual market value of any merger consideration they will receive when the merger is completed. For additional information about the merger consideration, see the sections entitled **The Merger Consideration to Energen Shareholders** and **The Merger Agreement Effect of the Merger on Capital Stock; Merger Consideration** beginning on pages 71 and 133, respectively.





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**The merger may not be completed and the merger agreement may be terminated in accordance with its terms. Failure to complete the merger could negatively impact the price of shares of Diamondback common stock and the price of shares of Energen common stock, as well as Diamondback's and Energen's respective future businesses and financial results.**

The merger is subject to a number of conditions that must be satisfied, including the approval by Diamondback stockholders of the share issuance proposal and approval by Energen shareholders of the merger agreement proposal, or waived, in each case prior to the completion of the merger. These conditions are described in the section entitled *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 161. These conditions to the completion of the merger, some of which are beyond the control of Diamondback and Energen, may not be satisfied or waived in a timely manner or at all, and, accordingly, the merger may be delayed or may not be completed.

The merger agreement may be terminated by either Diamondback or Energen if the merger is not completed by March 31, 2019 or, at either party's discretion if the only conditions to closing that have not been satisfied or waived by that date are those related to the termination or expiration of any waiting period under the HSR Act or the adoption of an antitrust law prohibiting the merger June 30, 2019, except that this right to terminate the merger agreement will not be available to any party whose failure to fulfill any material covenant or agreement under the merger agreement is the primary cause of or resulted in the failure of the transactions to be consummated on or before that date. Diamondback and Energen can also mutually decide to terminate the merger agreement at any time, before or after stockholder approval. In addition, Diamondback and Energen may elect to terminate the merger agreement in certain other circumstances as further detailed in the section entitled *The Merger Agreement Termination* beginning on page 163.

If the transactions contemplated by the merger agreement are not completed for any reason, Diamondback's and Energen's respective ongoing businesses and financial results may be adversely affected and, without realizing any of the benefits of having completed the transactions, Diamondback and Energen will be subject to a number of risks, including the following:

Diamondback and Energen will be required to pay their respective costs relating to the transactions, which are substantial, such as legal, accounting, financial advisory and printing fees, whether or not the transactions are completed;

time and resources committed by Diamondback's and Energen's management to matters relating to the transactions could otherwise have been devoted to pursuing other beneficial opportunities;

Diamondback and Energen may experience negative reactions from financial markets, including negative impacts on the prices of their common stock, including to the extent that the current market price reflects a market assumption that the transactions will be completed;

Diamondback and Energen may experience negative reactions from employees, customers or vendors; and

Since the merger agreement restricts the conduct of Energen's and Diamondback's business prior to completion of the merger, Energen and Diamondback may not have been able to take certain actions during

the pendency of the merger that would have benefitted it as an independent company and the opportunity to take such actions may no longer be available. For a description of the restrictive covenants to which Diamondback and Energen are subject, see the section entitled *The Merger Agreement Interim Operations of Energen and Diamondback Pending the Merger* beginning on page 141.

If the merger agreement is terminated and Energen's board of directors seeks another merger or business combination, Energen may not be able to find a party willing to offer equivalent or more attractive consideration than the consideration Diamondback has agreed to provide in the merger, or that such other merger or business combination is completed. If the merger agreement is terminated under specified circumstances, Diamondback

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may be required to pay Energen a termination fee of \$400 million, and Energen may be required to pay Diamondback a termination fee of \$250 million. If the merger agreement is terminated because of a failure of Energen's shareholders or Diamondback's stockholders to approve the proposals required to complete the merger, Energen and Diamondback, as applicable, may be required to reimburse the other party for its actual transaction expenses in an amount not to exceed \$40 million, in the case of Energen's expenses, and \$25 million, in the case of Diamondback's expenses. For a description of these circumstances, see the section entitled *The Merger Agreement Termination* beginning on page 163. In addition, any delay in completing the merger may significantly reduce the synergies and other benefits that Diamondback and Energen expect to achieve if they successfully complete the merger within the expected timeframe and integrate their respective businesses.

**Current Energen and Diamondback stockholders will have a reduced ownership and voting interest in Diamondback after the merger compared to their current ownership in the separate companies and will exercise less influence over management.**

Currently, Energen shareholders have the right to vote in the election of the Energen board of directors and on other matters requiring shareholder approval under Alabama law and the Energen certificate of incorporation and bylaws. Diamondback stockholders have the right to vote in the election of the Diamondback board of directors and on other matters requiring stockholder approval under Delaware law and the Diamondback certificate of incorporation and bylaws. Based on the number of issued and outstanding shares of Diamondback and Energen common stock as of September 11, 2018, and the exchange ratio, immediately after the merger is completed, it is expected that, on a fully-diluted basis, current Diamondback stockholders will collectively own approximately 62%, and current Energen shareholders will collectively own approximately 38%, of the outstanding shares of Diamondback common stock (without giving effect to any shares of Diamondback common stock held by Energen shareholders prior to the merger). As a result of the merger, current Energen shareholders and current Diamondback stockholders will own a smaller percentage of the combined company than they currently own of Energen and Diamondback, respectively, and as a result will have less influence on the management and policies of Diamondback post-merger than they now have on the management and policies of Energen and Diamondback, respectively.

**The merger is subject to the receipt of approvals, consents or clearances from regulatory authorities that may impose conditions that could have an adverse effect on Diamondback or Energen or, if not obtained, could prevent completion of the transactions.**

Completion of the merger is conditioned upon the receipt of certain governmental approvals. Although each party has agreed to use their respective reasonable best efforts to obtain the requisite governmental approvals, there can be no assurance that these approvals will be obtained and that the other conditions to completing the merger will be satisfied. In addition, the governmental authorities from which the regulatory approvals are required may impose conditions on the completion of the merger or require changes to the terms of the merger or other agreements to be entered into in connection with the merger agreement. Under the terms of the merger agreement, Diamondback has agreed to take any and all action necessary to obtain these governmental approvals; however Diamondback does not have to agree to any action that would reasonably be expected to have a material adverse effect on the post-closing business, financial condition or operations of Diamondback and its subsidiaries (including Energen and its subsidiaries), taken as a whole. The actions that Diamondback may be required to take include, among others, disposing of assets, categories of assets or businesses, or holding assets, categories of assets or businesses separately, terminating existing relationships, contractual rights or obligations, terminating any venture or other arrangement, creating new relationships, contractual rights or obligations and making other changes or restructurings. These actions may adversely affect the business of Diamondback and its subsidiaries, including, post-merger, Energen. Diamondback and Energen cannot provide any assurance that these approvals will be obtained or that there will not be any adverse consequences to Diamondback's or Energen's business resulting from the failure to obtain these

governmental approvals or from conditions that could be imposed in connection with obtaining these governmental approvals, including divestitures or other operating restrictions upon Diamondback, Energen, or their subsidiaries.

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Completion of the merger is also conditioned upon the authorization for listing of Diamondback common stock to be issued in connection with the merger on Nasdaq. Although Diamondback has agreed take all action necessary to obtain the requisite stock exchange approval, there can be no assurance that such approval will be obtained and that the other conditions to completing the merger will be satisfied.

Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying or impeding consummation of the transaction or of imposing additional costs or limitations on Diamondback or Energen following completion of the merger, any of which might have an adverse effect on Diamondback or Energen following completion of the merger and may diminish the anticipated benefits of the merger. For additional information about the regulatory approvals process, see *The Merger Regulatory Approvals*.

### **Diamondback and Energen will be subject to business uncertainties while the merger is pending, which could adversely affect their respective businesses.**

In connection with the pendency of the merger, it is possible that certain persons with whom Diamondback and Energen have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with Diamondback or Energen, as the case may be, as a result of the merger, which could negatively affect Diamondback's or Energen's revenues, earnings and cash flows, as well as the market price of Diamondback's or Energen's respective common stock, regardless of whether the merger is completed.

Under the terms of the merger agreement, each of Diamondback and Energen are subject to certain restrictions on the conduct of its business prior to the effective time, which may adversely affect its ability to execute certain of its business strategies. Restrictions on Energen include, among other things, the ability to issue capital stock, modify or enter into material contracts in certain cases, acquire or dispose of assets, hire or terminate certain key employees, incur indebtedness, incur encumbrances or incur capital expenditures. Restrictions on Diamondback include, among other things, the ability to issue capital stock and, if the acquisition could reasonably be expected to have an adverse effect on the consummation of the merger, the ability to acquire other businesses. Such limitations could negatively affect Diamondback's or Energen's businesses and operations prior to the completion of the transactions. For a description of the restrictive covenants to which Diamondback and Energen are subject, see the section entitled *The Merger Agreement Interim Operations of Energen and Diamondback Pending the Merger* beginning on page 141.

### **The merger agreement contains provisions that limit Energen's and Diamondback's ability to pursue alternatives to the merger, could discourage a potential competing acquiror of Energen or Diamondback from making a favorable alternative transaction proposal and, in specified circumstances, could require Energen or Diamondback to pay the other party a termination fee.**

The merger agreement contains certain provisions that restrict Energen's and Diamondback's ability to initiate, solicit or knowingly encourage or knowingly facilitate any inquiries, proposals, or offers regarding, or the making of a competing proposal, engage in any discussions or negotiations with respect to a competing proposal or furnish any non-public information or access to its assets to any person in connection with a competing proposal, or enter into any letter of intent or agreement in principle concerning a competing proposal. Further, even if the Energen board or the Diamondback board changes, withdraws, modifies, or qualifies its recommendation with respect to the merger agreement proposal or the share issuance proposal, as applicable, unless the merger agreement has been terminated in accordance with its terms, both parties will still be required to submit the merger agreement proposal and the share issuance proposal, as applicable, to a vote at its special meeting. In addition, the other party generally has an opportunity to offer to modify the terms of the transactions contemplated by the merger agreement in response to any third-party alternative transaction proposal before a party's board of directors may change, withdraw, modify, or

qualify its recommendation with respect to the merger agreement proposal or the share issuance proposal, as applicable. In some circumstances, upon

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termination of the merger agreement, Energen or Diamondback will be required to pay a termination fee of \$250 million or \$400 million, respectively, to the other party.

These provisions could discourage a potential third-party acquiror or merger partner that might have an interest in acquiring all or a significant portion of Energen or Diamondback or pursuing an alternative transaction with either entity from considering or proposing such a transaction. In Energen's case, the provisions could discourage a potential third-party acquiror or merger partner that was prepared to pay consideration with a higher per share price than the per share price proposed to be received in the merger, or might result in a potential third-party acquiror or merger partner proposing to pay a lower per share price than it might otherwise have proposed to pay because of the added expense of the termination fee that is payable in certain circumstances.

For additional information, see the sections entitled *The Merger Agreement No Solicitation; Changes of Recommendation* and *The Merger Agreement Termination*.

### **Uncertainties associated with the merger may cause a loss of management personnel and other key employees, which could adversely affect the future business and operations of the combined company.**

Whether or not the merger is completed, the announcement and pendency of the merger could disrupt the businesses of Diamondback or Energen. Diamondback and Energen are dependent on the experience and industry knowledge of their senior management and other key employees to execute their business plans. Diamondback's success after the merger will depend in part upon the ability of Diamondback and Energen to retain key management personnel and other key employees in advance of the merger, and of the combined company's ability to do so following the merger. Current and prospective employees of Diamondback and Energen may experience uncertainty about their roles within the combined company following the merger, which may have an adverse effect on the current ability of each of Diamondback and Energen to attract or retain key management and other key personnel or the ability of the combined company to do so following the merger.

No assurance can be given that the combined company will be able to attract or retain key management personnel and other key employees of Diamondback and Energen to the same extent that such companies have previously been able to attract or retain employees. In addition, following the merger, Diamondback might not be able to locate suitable replacements for any such key employees who leave Diamondback or Energen or offer employment to potential replacements on satisfactory terms.

### **Directors and executive officers of Energen may have interests in the merger that are different from, or in addition to, the interests of Energen's shareholders.**

Energen's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Energen shareholders generally. The Energen board was aware of and considered these interests, among other matters, during its deliberations on the merits of the merger and in deciding to approve the terms of the merger and to recommend that Energen shareholders vote for the approval of the merger agreement. These interests include, among others, the treatment of outstanding equity and equity-based awards



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pursuant to the merger agreement, potential severance and other benefits upon a qualifying termination in connection with the merger, and rights to ongoing indemnification and insurance coverage. These interests are described in more detail in the section entitled *The Merger Interests of Energen Directors and Executive Officers in the Merger* beginning on page 123.

**Diamondback and Energen will incur significant transaction and merger-related costs in connection with the merger, which may be in excess of those anticipated by Diamondback or Energen.**

Each of Diamondback and Energen has incurred and expects to continue to incur a number of non-recurring costs associated with the merger, many of which are payable regardless of whether or not the merger is completed. These fees and costs have been, and will continue to be, substantial. These costs include, among others, employee retention costs, fees paid to legal, accounting and financial advisors, severance and benefit costs, fees related to regulatory filings and notices, filing fees and printing and mailing fees. Diamondback and Energen will also incur transaction fees and costs related to the integration of the companies, which may be substantial. Moreover, each company may incur additional unanticipated expenses in connection with the merger and the integration, including costs associated with any stockholder litigation related to the merger.

The costs described above, as well as other unanticipated costs and expenses, could have an adverse effect on the financial condition and operating results of Diamondback, Energen or, following the completion of the merger, the combined company.

**Completion of the merger may trigger change in control or other provisions in certain agreements to which Energen is a party.**

The completion of the transactions may trigger change in control or other provisions in certain agreements to which Energen is a party. For a description of the treatment of Energen's indebtedness in the merger, see *Diamondback expects to assume substantial indebtedness in connection with the merger, which combined with Diamondback's current debt may limit its financial flexibility and adversely affect its financial results* and *The Merger Treatment of Indebtedness* beginning on pages 48 and 129, respectively. If Diamondback and Energen are unable to negotiate waivers of the change in control and other provisions in certain other agreements, the counterparties to those agreements may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if Diamondback and Energen are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to Energen.

**Diamondback expects to assume substantial indebtedness in connection with the merger, which combined with Diamondback's current debt may limit its financial flexibility and adversely affect its financial results.**

Under the merger agreement, Diamondback has agreed to assume Energen's outstanding debt, which as of August 14, 2018 was approximately \$830 million and consisted of amounts outstanding under Energen's notes and existing credit facility. As of June 30, 2018, Diamondback had total long-term debt of approximately \$1.6 billion, consisting of amounts outstanding under its senior unsecured credit facility and its senior unsecured notes. Viper Energy Partners LLC, a subsidiary of Diamondback (which we refer to as Viper OpCo), had approximately \$350 million in outstanding borrowings under its revolving credit facility.

Diamondback continues to review the treatment of its and Energen's existing indebtedness and Diamondback may seek to repay, refinance, repurchase, redeem, exchange or otherwise terminate its or Energen's existing indebtedness prior to, in connection with or following the completion of the merger. If Diamondback does seek to refinance its or Energen's existing indebtedness, there can be no guarantee that Diamondback would be able to execute the refinancing

on favorable terms or at all. Assuming Diamondback does not repay, repurchase, redeem, exchange or otherwise terminate any of its or Energen's existing

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indebtedness, immediately following the completion of the merger, Diamondback is expected to have outstanding indebtedness of approximately \$2.8 billion, based on Diamondback's and Viper OpCo's outstanding indebtedness as of June 30, 2018 and the outstanding indebtedness of Energen as of August 14, 2018. Additionally, Diamondback is not restricted under the merger agreement from incurring additional debt, which Diamondback may do to fund its current operations, capital expenditures, planned or new acquisitions, or for any other purpose.

Any increase in Diamondback's indebtedness could have adverse effects on its financial condition and results of operations, including:

increasing the difficulty of Diamondback to satisfy its obligations with respect to its debt obligations, including any repurchase obligations that may arise thereunder;

diverting a significant portion Diamondback's cash flows to service its indebtedness, which could reduce the funds available to it for operations and other purposes;

increasing Diamondback's vulnerability to general adverse economic and industry conditions;

placing Diamondback at a competitive disadvantage compared to its competitors that are less leveraged and, therefore, may be able to take advantage of opportunities that Diamondback would be unable to pursue due to its indebtedness;

limiting Diamondback's ability to access the capital markets to raise capital on favorable terms;

impairing Diamondback's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate or other purposes; and

increasing Diamondback's vulnerability to interest rate increases, as its borrowings under its revolving credit facility are at variable interest rates.

A high level of indebtedness increases the risk that Diamondback may default on its debt obligations, including those it is assuming from Energen. Diamondback's ability to meet its debt obligations and to reduce its level of indebtedness depends on its future performance. Diamondback's future performance depends on many factors independent of the merger, some of which are beyond its control, such as general economic conditions and oil and natural gas prices. Diamondback may not be able to generate sufficient cash flows to pay the interest on its debt, and future working capital, borrowings or equity financing may not be available to pay or refinance such debt.

**Investigations regarding the merger could result in one or more lawsuits against the Energen board and/or Energen, and other lawsuits may be filed against Energen, Diamondback and/or their respective boards challenging the merger. An adverse ruling in any such lawsuit may prevent the merger from being completed.**

Following the public announcement of the merger, investigations were launched by several law firms generally regarding whether the Energen board failed to satisfy its duties to its shareholders, including whether the board adequately pursued alternatives to the acquisition and whether the board obtained the best price possible for Energen shares of common stock. While no litigation has been filed to date, there is a possibility that one or more of these investigations could result in a lawsuit against the Energen board and/or Energen. Any such lawsuit could seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the merger agreement already implemented and to otherwise enjoin the parties from consummating the merger, in addition to other fees and costs.

**Diamondback and Energen may be targets of securities class action and derivative lawsuits which could result in substantial costs and may delay or prevent the merger from being completed.**

Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into merger agreements. Even if the lawsuits are without merit, defending against these claims can result

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in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on Diamondback's and Energen's respective liquidity and financial condition. Any such lawsuit could also seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the merger agreement already implemented and to otherwise enjoin the parties from consummating the merger. If a plaintiff is successful in obtaining an injunction prohibiting completion of the merger, then that injunction may delay or prevent the merger from being completed, which may adversely affect Diamondback's and Energen's respective business, financial position and results of operation.

One of the conditions to the closing of the merger is that no injunction by any court or other tribunal of competent jurisdiction has been entered and continues to be in effect and no law has been adopted or is effective, in either case that prohibits or makes illegal the closing of the merger. Consequently, if a lawsuit is filed and a plaintiff is successful in obtaining an injunction prohibiting completion of the merger, then that injunction may delay or prevent the merger from being completed within the expected timeframe or at all, which may adversely affect Diamondback's and Energen's respective business, financial position and results of operations.

**After the merger is completed, Energen shareholders will become shareholders of a Delaware corporation and have their rights as shareholders governed by Diamondback's organizational documents and Delaware law.**

The rights of Energen shareholders are currently governed by Energen's organizational documents and Alabama law. Upon consummation of the merger, Energen shareholders will receive Diamondback common stock that will be governed by Diamondback's organizational documents and Delaware law. As a result, there will be differences between the rights currently enjoyed by Energen shareholders and the rights of Energen shareholders post-merger. For a detailed discussion of the differences between rights as shareholders of Energen and rights as a stockholder of Diamondback, see the section entitled *Comparison of Rights of Stockholders of Diamondback and Shareholders of Energen* beginning on page 184.

### **Risk Factors Relating to Diamondback Following the Merger**

**The integration of Energen into Diamondback may not be as successful as anticipated, and Diamondback may not achieve the intended benefits or do so within the intended timeframe.**

The merger involves numerous operational, strategic, financial, accounting, legal, tax and other risks, including potential liabilities associated with the acquired business. Difficulties in integrating Energen into Diamondback, and Diamondback's ability to manage the combined company, may result in the combined company performing differently than expected, in operational challenges or in the delay or failure to realize anticipated expense-related efficiencies, and could have an adverse effect on the financial condition, results of operations or cash flows on Diamondback. Potential difficulties that may be encountered in the integration process include, among other factors:

the inability to successfully integrate the businesses of Energen into Diamondback, operationally and culturally;

complexities associated with managing the larger, more complex, integrated business;

complexities resulting from the different accounting methods of Diamondback and Energen;

not realizing anticipated operating synergies;

integrating personnel from the two companies and the loss of key employees;

potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the merger;

integrating relationships with customers, vendors and business partners;

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performance shortfalls at one or both of the companies as a result of the diversion of management's attention caused by completing the merger and integrating Energen's operations into Diamondback; and

the disruption of, or the loss of momentum in, each company's ongoing business or inconsistencies in standards, controls, procedures and policies.

Additionally, the success of the merger will depend, in part, on Diamondback's ability to realize the anticipated benefits and cost savings from combining Diamondback's and Energen's businesses, including operational and other synergies that Diamondback believes the combined company will achieve, discussed in more detail under the heading *The Merger Recommendation of the Diamondback Board of Directors and Diamondback's Reasons for the Merger*. The anticipated benefits and cost savings of the merger may not be realized fully or at all, may take longer to realize than expected or could have other adverse effects that Diamondback does not currently foresee.

**Diamondback's results may suffer if it does not effectively manage its expanded operations following the merger.**

Following completion of the merger, the size of the business of Diamondback will increase significantly beyond the current size of Diamondback's existing business. Diamondback's future success will depend, in part, on its ability to manage this expanded business, which poses numerous risks and uncertainties, including the need to integrate the operations and business of Energen into its existing business in an efficient and timely manner, to combine systems and management controls and to integrate relationships with customers, vendors and business partners. Failure to successfully manage the combined company may have an adverse effect on Diamondback's financial condition, results of operations or cash flows.

**The unaudited pro forma financial statements are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger.**

The unaudited pro forma financial statements contained in this joint proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger. The actual financial positions and results of operations of the combined company following the merger may be different, possibly materially, from the unaudited pro forma financial statements included in this joint proxy statement/prospectus for several reasons. The unaudited pro forma financial statements have been derived from the historical financial statements of Diamondback and Energen and certain adjustments and assumptions have been made regarding the combined company after giving effect to the merger. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the unaudited pro forma financial statements do not reflect all costs that are expected to be incurred by the combined company in connection with the merger. For example, the impact of any incremental costs incurred in integrating the two companies is not reflected in the unaudited pro forma financial statements. Additionally, the unaudited pro forma financial statements do not reflect the effect of any potential divestitures that may occur prior to or subsequent to the completion of the merger. Other factors may affect the combined company's financial conditions or results of operations following the merger as well. As a result, the actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these unaudited pro forma financial statements. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of Diamondback's common stock following the merger. For additional information, see the section entitled *Unaudited Pro Forma Condensed Combined Financial Statements* beginning on page 171.





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**Sales of substantial amounts of Diamondback common stock in the open market, by former Energen shareholders or otherwise, could depress Diamondback's stock price.**

Former Energen shareholders and current Diamondback stockholders may not wish to continue to invest in the additional operations of the combined company, or for other reasons may wish to dispose of some or all of their interests in the combined company, and as a result may seek to sell their shares of Diamondback common stock. Shares of Diamondback common stock that are issued to current holders of Energen common stock in the merger will be freely tradable by such stockholders without restrictions or further registration under the Securities Act of 1933 (which we refer to as the Securities Act), provided, however, that any stockholders who are affiliates of Diamondback will be subject to the resale restrictions of Rule 144 under the Securities Act. These sales (or the perception that these sales may occur), coupled with the increase in the outstanding number of shares of Diamondback common stock, may affect the market for, and the market price of, Diamondback common stock in an adverse manner. Based on the number of shares of Energen common stock outstanding as of September 5, 2018, and the number of outstanding Energen equity awards currently estimated to be payable in Diamondback common stock following the merger, Diamondback expects to issue up to approximately 63,991,645 shares of Diamondback common stock to Energen shareholders in the merger. As of the date of this joint proxy statement/prospectus, Diamondback had approximately \_\_\_\_\_ shares of common stock outstanding and approximately \_\_\_\_\_ shares of common stock subject to outstanding options and other rights to purchase or acquire its shares.

If the merger is completed and stockholders of Diamondback, including former Energen shareholders, sell substantial amounts of Diamondback common stock in the public market following the closing of the merger, the market price of Diamondback common stock may decrease. These sales might also make it more difficult for Diamondback to raise capital by selling equity or equity-related securities at a time and price that it otherwise would deem appropriate.

**The market price of Diamondback common stock will continue to fluctuate after the merger, and may decline if the benefits of the merger do not meet the expectations of financial analysts.**

Upon completion of the merger, holders of Energen common stock will become holders of shares of Diamondback common stock. The market price of Diamondback common stock may fluctuate significantly following completion of the merger, including if Diamondback does not achieve the perceived benefits of the merger as rapidly, or to the extent anticipated by, financial analysts or the effect of the merger on Diamondback's financial results is not consistent with the expectations of financial analysts. If the price of Diamondback's common stock decreases after the merger, holders of Energen common stock will lose some or all of the value of their investment in Diamondback common stock. In addition, the stock market has experienced significant price and volume fluctuations in recent times which, if they continue to occur, could have a material adverse effect on the market for, or liquidity of, the Diamondback common stock, regardless of Diamondback's