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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐
Check the appropriate box:
☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☐ Definitive Proxy Statement
☒ Definitive Additional Materials
☐ Soliciting Material under §240.14a-12

CALIFORNIA RESOURCES CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
☒ No fee required.
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CRC Governance Update

April 2017

CALIFORNIA
RESOURCES CORPORATION

Forward Looking / Cautionary Statements

This presentation contains forward-looking statements that involve risks and uncertainties that could materially affect our expected results of operations, liquidity, cash flows and business prospects. Such statements include those regarding our expectations as to our future:

- financial position, liquidity, cash flows and results of operations
- business prospects
- transactions and projects
- operating costs
- operations and operational results including production, hedging, capital investment and expected VCI
- budgets and maintenance capital requirements
- reserves
- type curves

Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. While we believe assumptions or bases underlying our expectations are reasonable and make them in good faith, they almost always vary from actual results, sometimes materially. We also believe third- party statements we cite are accurate but have not independently verified them and do not warrant their accuracy or completeness. Factors (but not necessarily all the factors) that could cause results to differ include:

- commodity price changes
- debt limitations on our financial flexibility
- insufficient cash flow to fund planned investment
- inability to enter desirable transactions including asset sales and joint ventures
- legislative or regulatory changes, including those related to drilling, completion, well stimulation, operation, maintenance or abandonment of wells or facilities, managing energy, water, land, greenhouse gases or other emissions, protection of health, safety and the environment, or transportation, marketing and sale of our products
- unexpected geologic conditions
- changes in business strategy
- inability to replace reserves
- insufficient capital, including as a result of lender restrictions, unavailability of capital markets or inability to attract potential investors
- inability to enter efficient hedges
- equipment, service or labor price inflation or unavailability
- availability or timing of, or conditions imposed on, permits and approvals
- lower-than-expected production, reserves or resources from development projects or acquisitions or higher-than-expected decline rates
- disruptions due to accidents, mechanical failures, transportation constraints, natural disasters, labor difficulties, cyber attacks or other catastrophic events
- factors discussed in "Risk Factors" in our Annual Report on Form 10-K available on our website at crc.com.

Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "goal," "intend," "likely," "may," "might," "plan," "potential," "project," "seek," "should," "target, "will" or "would" and similar words that reflect the prospective nature of events or outcomes typically identify forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made and we undertake no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

See www.crc.com Investor Relations for important information about 3P reserves and other hydrocarbon resource quantities, finding and development costs, recycle ratio calculations, and drilling locations.

CRC Overview

Our Company

- CRC is an independent exploration and production (E&P) company focused on high-return assets in California
- CRC explores for, produces, gathers, processes and markets crude oil, natural gas and natural gas liquids
- Management has expertise in operating in sensitive environments and in a strict regulatory regime

Our History

- Spun-off from Occidental Petroleum on Nov. 30, 2014
- Created industry-leading California-focused E&P allowing CRC to reinvest substantially all cash flow after debt service to grow its business in the core areas of operation
- Enabled application of CRC's technical expertise in under-developed reservoirs and fields

Key Statistics

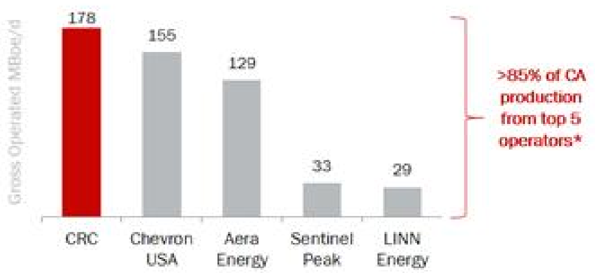
TICKER	CRC
Market Cap*	$619.8 MM USD
Enterprise Value*	$5.9 BN USD
Employees**	1,450
2016 Revenues	$1,547 MM
2016 Production	140 Mboe/d
2016 Adj. EBITDAX	$616 MM
2016 Operating Cash Flow	$130 MM

* Capital IQ, as of 3/15/2017
** As of end of 2016

Our vision is to be the premier company providing Californians with long-term ample, affordable and reliable energy exclusively from California resources

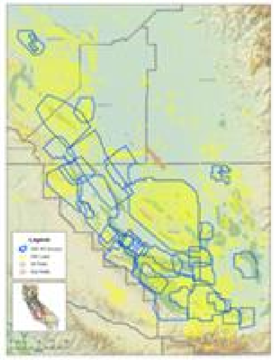
Focused on California

*Top California Producers in 2016**



*Source: DOGGR data (through November 2016), IHS, Wood Mackenzie, Company Estimates

Largest 3D Seismic Position in California



Focused Business Strategy

Disciplined Capital Allocation

- Grow NAV per share through exploration and development of under-developed resources
- Eliminate reliance on external capital through self-funding capital program
- Rigorously review projects to allocate capital efficiently
- Drive down costs to enhance project returns

Increased Exploration & Development to Unlock Resource Potential

- Aggressively apply modern technologies to develop assets in a responsible manner
- Utilize legacy knowledge and data to accelerate successful exploration program
- Capitalize on management team's local expertise with assets

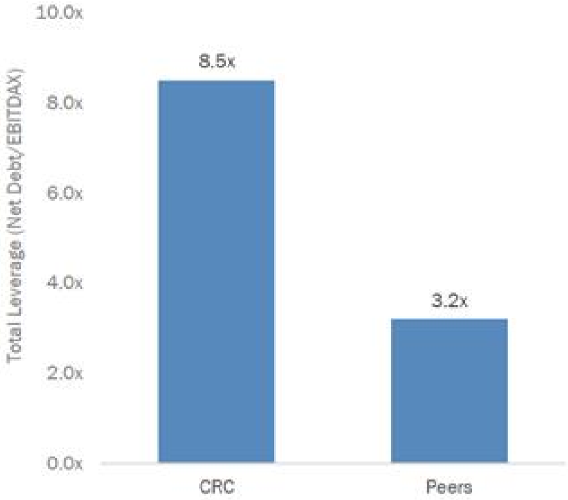
Proactive and Collaborative Approach to Safety and Environmental Protection

- Seek to benefit communities in which CRC operates
- Maintain frequent, constructive dialogue with local, regional and state representatives
- Be the operator of choice for California

Impact of Oil Prices & Debt Burden on Stock Price

Severe downturn in oil prices, combined with the significant leverage assumed from Occidental, has led to outsized pressure on stock price

Total Leverage (Net Debt/EBITDAX), 2016E[1]



CRC Equity Stock Performance

[1] Calculations of Adjusted EBITDAX and Net Debt (debt less cash) for the Peers have been made using publicly available data and may not be comparable across companies presented due to differences in methods used between companies or availability of specific elements

2016 Strategic Focus

CRC began 2017 poised to take advantage of the commodity price upswing

2016 Strategic Priorities	Performance on Strategic Priorities
Reduce overall leverage while minimizing dilution to shareholders	▪ Reduced outstanding debt nearly $1.5 billion, or over 20%, from 2015 peak at an incremental interest cost of $31 million per year ▪ Chose options to maximize deleveraging, minimize recurring cost to the income statement and minimize equity dilution
Focus on cash margins and controllable items such as efficiency, operating cost and overhead	▪ Reduced production costs $2.62/Boe or 14% since the spin-off ▪ Reduced capital cost of wells – 2016 program has 23% lower well costs compared to prior similar wells
Maintain base production focusing on higher margin, higher return, low decline crude oil projects	▪ 2016 production declined only 12.5% with only $31 million of Drilling & Completions and Workover Capital Investment
Fund capital needs within cash flow	▪ Generated $49 million of free cash flow after capital expenditures for 2016
Maintain exceptional health, safety and environmental practices	▪ CRC's exemplary health, safety and environmental performance in 2016 was recognized by the National Safety Council and the Wildlife Habitat Council

Post-Spin Transformation

CRC Focus	**Culture**	Silo / Separate	One CRC
	Regulatory Engagement	Reactive	Proactive
	Employee Engagement	Low	High
Financial Priorities	**Debt**	$7BN	$4BN
	Capital Efficiency	Low	High
	Annual Production Costs	$1.2BN	$750MM
Portfolio Management	**Maintenance Capital**	High	Low
	Product Focus	Rate	Value
	Actionable Inventory	Low	High
Strategic Flexibility	**Capital Flexibility**	Preservation	Acceleration
	Production Growth Trajectory	Decline	Growth
	Price Outlook	Trough	Peak

Strong Board Oversight

Board Leadership Structure

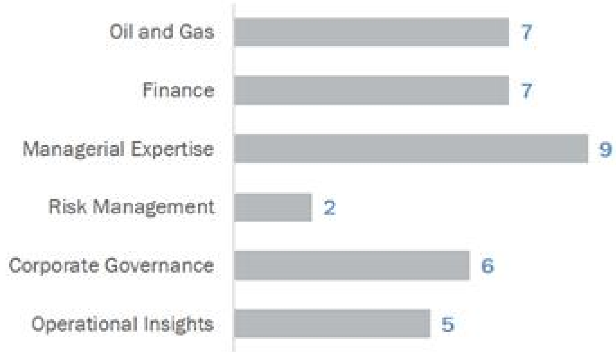
William Albrecht *Non-Executive Chairman*	+	Harold Korell *Lead Independent Director*	+	Todd Stevens *CEO & President*

- The Chair and Lead Independent Director lead the Board in its oversight role, enabling the CEO to focus on the company's business operations

Commitment to Maintaining a Balance of Skills & Qualifications to Oversee the Company

March 2017: Board appointed Harry McMahon to the Board, following Timothy Sloan's departure

- Investment banking experience brings deep insight into financial structuring matters and fashioning innovative strategic solutions
- Senior managerial roles give him valuable perspectives on maintaining ties between boards and management



Board is Committed to Governance Best Practices

As CRC matures as a public company, the Board will correspondingly enhance our governance profile based on shareholder feedback

Corporate Governance

- ✓ Separate Chairman and CEO Roles
- ✓ Independent Lead Director
- ✓ Majority Independent Board
- ✓ Independent Board Committees
- ✓ Regular Executive Sessions
- ✓ No Stockholder Rights Plan ("Poison Pill")
- ✓ Majority Vote Standard
- ✓ Annual Election of Directors Beginning in 2018

Compensation Governance

- ✓ Pay for Performance Alignment
- ✓ Clawback Policy
- ✓ Robust Stock Ownership Guidelines
- ✓ Retain Independent Advice
- ✓ No Individual Employment Agreements
- ✓ No Hedging or Pledging
- ✓ No Repricing of Stock Options
- ✓ Double-Trigger Change in Control Provisions

2016 CEO Compensation Package

Element	*Key Highlights*	*Description*
Base Salary	• **Reduced by 10%** during the severe downturn in commodity prices	• Established based on peer group market data as well as individual factors including experience and internal pay equity
Annual Incentive	• For 2016, the Compensation Committee adjusted the performance measures **to address and prioritize CRC's liquidity challenges and better match the company's near-term strategic goals**	See table and Strategic & Individual Objectives below
Long-Term Incentive	• **Grant date value significantly reduced compared to 2015 (from \$5MM to \$3.5MM)** based on industry conditions at the time and anticipated changes in competitive compensation levels among compensation peers • **Promotes executive retention & conserves shares** with limited pool and manages dilution	**Performance Incentive Awards (PIA): 50%** • 3 year performance period • Payout is 0% to 200% of grant target value • Metrics based on costs relative to industry peers[1] • Settled in cash to limit dilution and retain key executives **Restricted Stock Unit Awards (RSU): 50%** • Vest ratably over a 3 year period • Settled in shares

Annual Incentive measures:

Measure	Weighting
Liquidity (EBITDAX, interest, debt)	35%
Costs (production, G&A)	10%
Production	5%
Value Creation Index (VCI)	5%
Health, Safety & Environment	5%
Strategic and Individual Objectives	40%

Strategic & Individual Objectives
- Execution of objectives
- Stakeholder outreach
- Stockholder relations
- Regulatory approvals
- Debt management
- Succession planning and leadership development
- Risk management

[1] Industry metrics peers based on companies with similar asset and operating cost characteristics to CRC, rather than similar size as used for compensation benchmarking purposes. This set of peer companies selected are: Anadarko Petroleum, Canadian Natural Resources, Cenovus Energy, Chevron, ConocoPhillips, Denbury Resources., Exxon Mobil, Hess Corporation, Husky Energy, Imperial Oil, Marathon Oil, Occidental Petroleum, Royal Dutch Shell, and Suncor Energy

Peer Group Selection

2014 Peer Group		2015 & 2016 Peer Group
Market Cap Revenue	→	Enterprise Value Asset Value Equity Market Cap Scope of Operations

Why the 2014 Peer Group was not appropriate

- Occidental selected peer companies for CRC in 2014 prior to the finalization of the spin-off terms and the severe downturn in oil prices
- CRC's expected market capitalization and revenue used to determine comparable peer companies were significantly higher than the actual market capitalization and revenue realized following the spin-off.
- This resulted in compensation targets that were higher than the peer group used in 2015 and 2016 by CRC's Compensation Committee.

Why the 2016 Peer Group is more accurate

- Because of our highly leveraged balance sheet and oil fields that by nature have higher operating costs, the sustained depressed oil price environment has had a larger impact on our stock price compared to other oil and gas companies
- Companies with similar equity market capitalization tend to be much smaller in size, scope, and complexity than CRC due to our depressed equity market capitalization
- The Compensation Committee does not believe executives at these smaller companies face comparable responsibilities and challenges
- Adding total capitalization and scope of operations helps identify companies that have similar balance sheet challenges and the level of operational complexity that together better match CRC

Peer Group Companies

*2014 Peer Group**

Company	Enterprise Value	Assets (Most Recent Quarter)	Equity Market Cap
EOG Resources	53,029	34,763	49,206
Apache Corp	37,498	55,952	24,822
Devon Energy Corp	39,924	50,637	25,320
Pioneer Natural Resources	24,371	14,909	22,720
Marathon Oil Corp	24,465	35,983	18,803
Continental Resources Inc	22,400	15,076	16,427
Noble Energy Inc	21,938	22,518	16,950
Chesapeake Energy Corp	22,734	40,751	10,896
Southwestern Energy Co	16,520	14,925	9,601
Concho Resources	15,786	11,752	12,177
Cabot Oil & Gas Corp	13,713	5,438	11,982
Range Resources Corp	11,273	8,705	8,200
Whiting Petroleum Corp	11,210	13,993	5,651
Cimarex Energy Co	10,702	8,708	9,608
Newfield Exploration Co	7,353	9,580	4,475
Denbury Resources Inc	6,485	12,728	2,937
QEP Resources Inc	4,829	9,287	3,771
WPX Energy Inc	4,546	8,778	2,198
California Resources Corp	9,107	12,429	2,761
Percentile Rank	21%	40%	4%

* Data as of Feb 2015

*2015 & 2016 Peer Group***

Company	Enterprise Value	Assets (Most Recent Quarter)	Equity Market Cap
Concho Resources Inc	17,416	11,800	13,806
Cabot Oil & Gas Corp	13,945	5,438	12,214
Whiting Petroleum Corp	11,869	14,020	6,319
Range Resources Corp	11,863	8,747	8,790
Cimarex Energy Co	11,176	8,725	10,082
Murphy Oil Corp	9,640	16,742	8,293
Newfield Exploration Co	8,587	9,598	5,709
EP Energy Corp	7,141	10,219	2,565
Denbury Resources Inc	6,148	12,728	2,600
Energen Corp	5,860	6,138	4,823
SM Energy Co	5,282	6,517	3,486
QEP Resources Inc	4,773	9,287	3,660
Oasis Petroleum Inc	4,634	5,938	1,980
WPX Energy Inc	4,444	8,798	2,237
Parsley Energy	2,365	2,051	1,738
California Resources Corp	9,281	12,497	2,935
Percentile Rank	62%	84%	31%

** Data as of Mar 2015

Character, Responsibility, Commitment

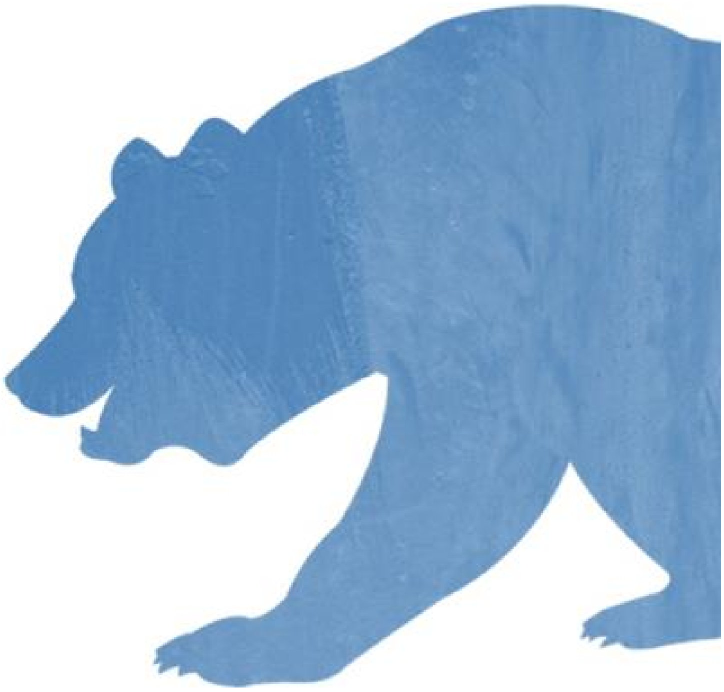
CRC is committed to socially responsible business practices

Community Outreach	▪ CRC supports thousands of vendors, suppliers and jobs by investing over $2 billion annually into California's economy ▪ Active and constructive participant in California's development of legislation, regulation and energy policy
Health & Safety	▪ CRC works actively to reduce hazards in our operations by setting consistent expectations in job planning and contractor selection, empowering and training our workforce as safety leaders, and supporting them with safe work practices, technology and rigorous maintenance and asset integrity programs ▪ CRC's 2015 Illness Incident Rate (IIR) of 0.54 was less than one-sixth the 2014 average IIR for private industry as reported by the Bureau of Labor Statistics
Conservation & Environmental Protection	▪ Apply advanced production technologies and control systems, as well as innovative environmental safeguards and conservation measures ▪ Promote conservation of water, habitat and energy in all of our operations

Conclusion

- Management executed on strategic priorities and significantly reduced leverage by cutting debt and enhancing margins
- The Board took action to shape the annual incentive plan around the strategic priorities
- The Board aligned CEO pay and performance by:
  - Reducing base salary by 10% during the severe industry downturn
  - Reducing grant date value by 30% of 2015 levels for 2016
- The Board ensures skills and experiences are balanced and match the needs of the company
- The Board is committed to corporate and compensation governance best practices

APPENDIX



Select Market Commentary

Independent Sell-side coverage from recent reports:

"So far, CRC owns the title of the worst-timed oil spin out in history (from Oxy with a $6bn ton of debt, on the Monday of Thanksgiving 2014's most bearish OPEC meeting in history). CRC made remarkable progress in 2016, containing spending, restructuring debt, preserving the asset base, managing declining production." – **Wolfe Research (February 16, 2017)**

"CRC remains highly dependent on oil prices, with any weakness likely disruptive to the stability of the credit. While lower oil prices are a risk, we believe exposure to the credit is warranted given its outsized yield, improving credit profile at current strip prices and upside to higher prices... CRC's objective is to align cash flow with capital spending in 2017. Our model shows leverage gradually declining during the year with higher EBITDA and term loan amortization."
– **Wells Fargo (February 17, 2017)**

"After industry's steepest two-year drop in spending, 2017 budget up 4x... In total, 2016 capital spending of $75 million was down 80% y/y, and an even more stunning 96% from 2014 levels... The initial 2017 budget is $300 million – after a change to the credit agreement abolished investment caps – up 300% in percentage terms, though of course that's after the meltdown of the prior two years... We would not be surprised to see spending exceed this budget, bearing in mind our above-consensus oil price forecast." – **Raymond James (February 16, 2017)**