



*“Low Carbon Intensity Fuel for Today and Net Zero Fuel for The Future”*

## **3Q21 Earnings Presentation**

November 11, 2021



*Presenters*

➤ **Mac McFarland**

➤ **Francisco Leon**

*President & Chief Executive  
Officer*

*EVP & Chief Financial  
Officer*



## Forward Looking / Cautionary Statements – Certain Terms

This report contains forward-looking statements, including statements relating to the manner in which CRC intends to conduct certain of its activities with respect to developing and implementing carbon capture and storage programs and related efforts based on management's current plans and expectations. These statements are not promises or guarantees of future conduct, performance or policy and involve risks and uncertainties that could materially affect our expected results of operations, liquidity, cash flows and business prospects. Such forward-looking statements include those regarding our expectations as to our future:

- energy transition initiatives
- financial position, liquidity, cash flows and results of operations
- business prospects
- transactions and projects
- operating costs
- operations and operational results including production, hedging and capital investment
- budgets and maintenance capital requirements
- reserves and reservoir characteristics
- type curves
- expected synergies from acquisitions and joint ventures

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. Therefore, the actual conduct of our activities, including development, implementation, or continuation of any carbon capture and storage programs or other initiatives or efforts discussed in this report or in the future in connection with updates issued regarding these programs, initiatives and efforts, may differ materially in the future. In addition, many of the assumptions and metrics used to create the forward-looking statements contained in this report and used in the process of creating this report continue to evolve and are highly likely to change over time. Moreover, the time frames used in the creation of these forward-looking statements are longer than those time frames customarily used in our disclosures issued under required regimes. Given the inherent uncertainty of the assumptions, metrics and timelines contained in this report, the materiality of our statements is inherently difficult to assess in advance, and we may not be able to anticipate whether or the degree to which we will be able to meet our plans, targets or goals in advance.

Factors (but not necessarily all the factors) that could cause results to differ include:

- our ability to execute our business plan post-emergence including our ability to finance and implement our carbon storage program
- our ability to recognize the benefits of business strategies and initiatives related to energy transition, including carbon capture and storage projects and other renewable energy efforts
- legislative or regulatory changes, including those related to (i) drilling, completion, well stimulation, operation, maintenance or abandonment of wells or facilities, (ii) managing energy, water, land, greenhouse gases (GHGs) or other emissions, (iii) protection of health, safety and the environment, (iv) tax credits, carbon credits or other incentives or (v) transportation, marketing and sale of our products
- global socio-demographic and economic trends and technological innovations
- the volatility of commodity prices and the potential for sustained low oil, natural gas and natural gas liquids prices
- impact of our recent emergence from bankruptcy on our business and relationships
- debt limitations on our financial flexibility
- insufficient cash flow to fund planned investments, interest payments on our debt, debt repurchases or changes to our capital plan
- insufficient capital or liquidity, including as a result of lender restrictions, unavailability of capital markets or inability to attract potential investors
- limitations on transportation or storage capacity and the need to shut-in wells
- inability to enter into desirable transactions including acquisitions, asset sales and joint ventures
- our ability to utilize our net operating loss carryforwards to reduce our income tax obligations
- joint ventures and acquisitions and our ability to achieve expected synergies
- the recoverability of resources and unexpected geologic conditions
- incorrect estimates of reserves and related future cash flows and the inability to replace reserves
- changes in business strategy
- changes in our dividend policy and our ability to declare future dividends
- our ability to achieve our Net Zero goals, including related initiatives and efforts, generally and under the expected time frames
- production-sharing contracts' effects on production and unit operating costs
- our ability to successfully gather and verify data regarding our environmental impacts and initiatives
- the compliance of various third parties with our policies and procedures and legal requirements as well as contracts we enter into in connection with our climate-related initiatives
- the effect of our stock price on costs associated with incentive compensation
- effects of hedging transactions
- 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, joint ventures or acquisitions, or higher-than-expected decline rates
- climate-related conditions and weather events
- disruptions due to accidents, mechanical failures, power outages, transportation or storage constraints, natural disasters, labor difficulties, cyber attacks or other catastrophic events
- pandemics, epidemics, outbreaks, or other public health events, such as the COVID-19
- other factors discussed in Item 1A, Risk Factors in CRCs Annual Report on Form 10-K and our other SEC filings available at [www.crc.com](http://www.crc.com).



## ➤ Forward Looking / Cautionary Statements – Certain Terms (Cont.)

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. You should not place undue reliance on any forward-looking statement, and should carefully review the risk considerations in this report and in our other filings and disclosures.

While certain matters discussed in this report and in other climate-related disclosures may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of our compliance with the U.S. federal securities laws and regulations, even if we use the word "material" or "materiality." This report also contains information from multiple third-party sources. This data may involve a number of assumptions and limitations, and CRC has not independently verified them and does not warrant the accuracy or completeness of such third-party data.

See the Investor Relations page at [www.crc.com](http://www.crc.com) for historical reconciliations of non-GAAP measures to the closest GAAP equivalent.



# Key Takeaways

STRONG OPERATIONAL PERFORMANCE  
**102 MBOE/D**

3Q21 NET PRODUCTION



GENERATED  
**\$328 MM**

OF FREE CASH FLOW<sup>1</sup>YTD

Raising the annual Free Cash Flow<sup>1</sup> guidance to \$460 to \$510 MM range

Declaring a Quarterly Dividend of \$0.17 per share driving increased shareholder returns; Expecting to end the year with >\$325 MM cash on hand<sup>2</sup>

Announcing a 2045 Full-Scope Net Zero Goal<sup>3</sup> further enhancing our ESG efforts

CTVI Update: Submitted a subsequent Class VI EPA Permit for 26R Reservoir for the remainder of the up to 40 MMT of CO<sub>2</sub> storage capacity

Solar Update: Progressing our partnership with SunPower on 24 MW of BTM solar projects at the Kern Front and North Shafter fields



## Other Highlights

- Issued 2020 Sustainability Update
- Increased 2021 guidance to reflect market conditions
- Sustained Operational Excellence & Safety Record



Note: MMT represents million metric tons, MW represents megawatts, BTM represents behind the meter. (1) Free Cash Flow is a non-GAAP measure. For all historical non-GAAP financial measures please see the Investor Relations page at www.crc.com for a reconciliation to the closest GAAP measure and other additional information. (2) After share repurchase program and dividend. Please see slide 23 for a description of expected liquidity changes in 4Q21. (3) CRC defines 2045 Full-Scope Net Zero Goal as achieving permanent storage of captured or removed carbon emissions in a volume equal to all of our Scope 1, 2, and 3 emissions by 2045.

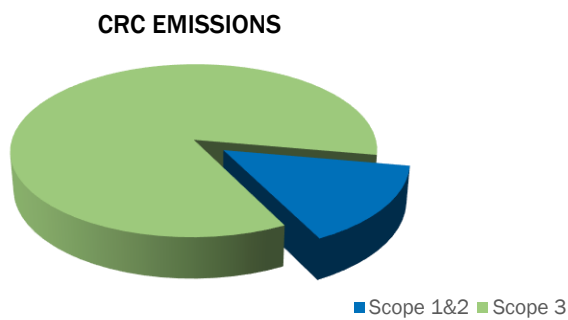
# CRC 2045 Full-Scope Net Zero Goal : Aligned with California's Climate Ambitions

## BUILDING ON A TRACK RECORD OF SAFE PERFORMANCE WITH A ROBUST AND TRANSPARENT ESG PLATFORM

- Strong safety and environmental record with commitment to ESG leadership
- Issued 3<sup>rd</sup> Sustainability Update outlining 2020 progress
- Received an 'A-' rating from CDP

## FOCUSING ON EMISSIONS REDUCING PROJECTS

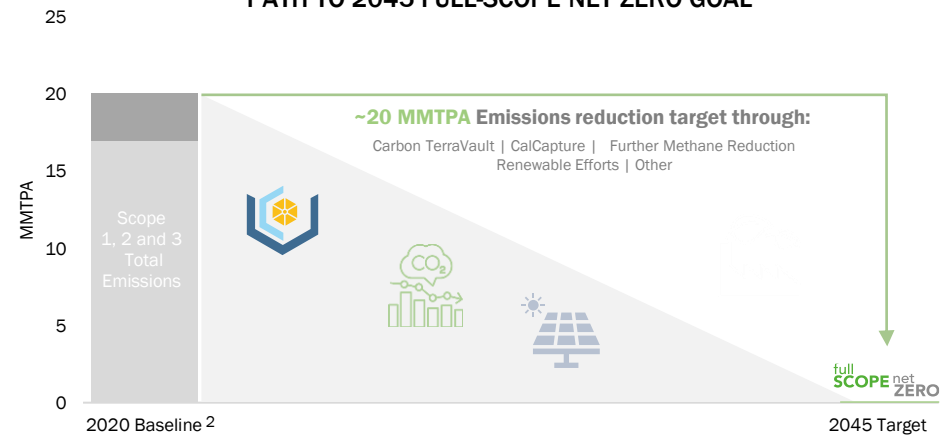
- Lowest carbon intensity of the top 100 producers in the US<sup>1</sup>
- Pursuing carbon management opportunities with an “all-of-the-above” strategy - CalCapture, Carbon TerraVault and other E&P emissions reduction projects
- Advancing both behind-the-meter and front-of-the-meter solar potential



## Announcing 2045 Full-Scope Net Zero Goal

- Planning to permanently store captured or removed carbon emissions equal to CRC's Scope 1, 2 and 3 emissions by 2045
- Aligned with State of California's 2045 Net Zero ambitions
- Carbon management projects provide line-of-sight progress
- California incentives provide potential to achieve targets economically

### PATH TO 2045 FULL-SCOPE NET ZERO GOAL



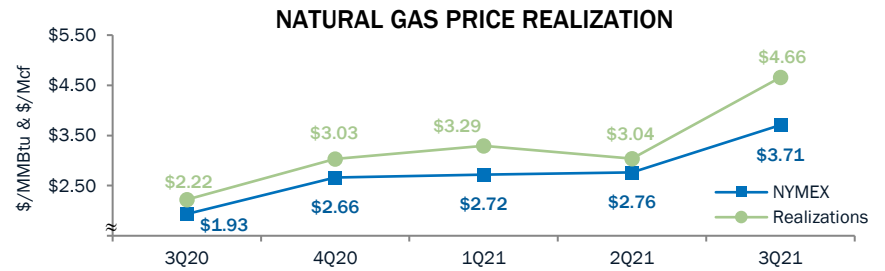
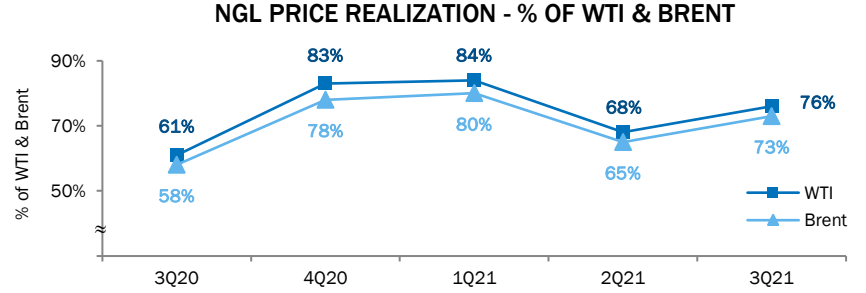
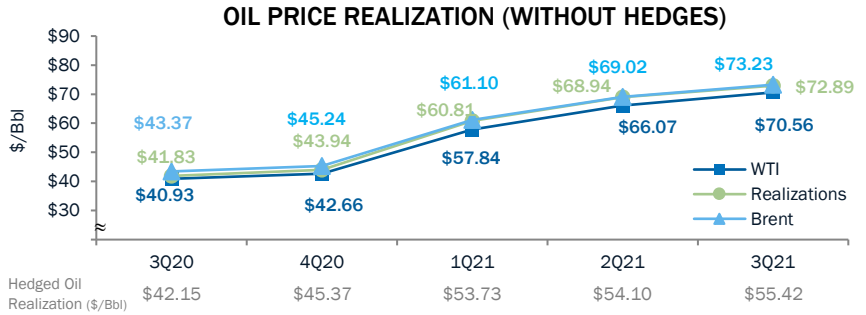
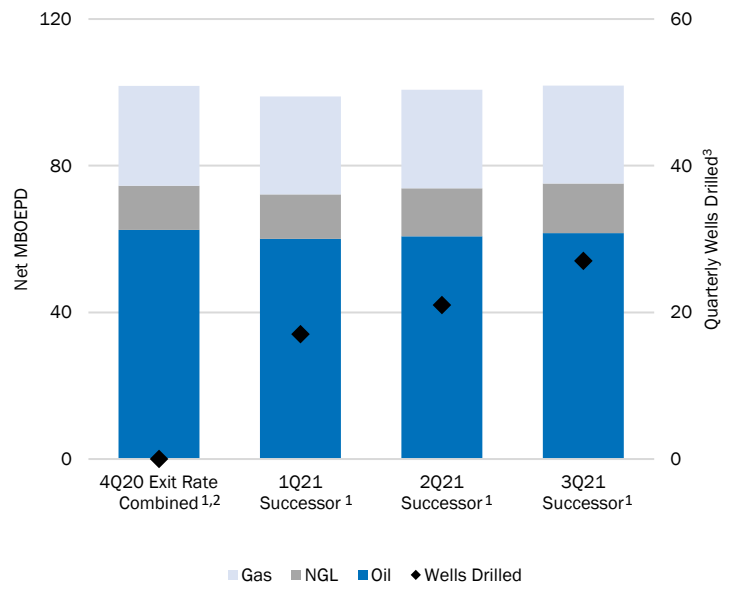
Note: MMT represents million metric tons. MMTPA represents million metric tons per annum. Source: Internal estimates (1) Source: Clean Air Task Force and Ceres June 2021 report: Benchmarking Methane and Other GHG Emissions of Oil & Natural Gas Production in the US; EPA; EIA. (2) Excludes emissions from Ventura operations.



3Q21 Progress

# Stable Production Benefiting from Strong California Market Realizations

## MAINTAINING NET PRODUCTION YTD WITH LIMITED DRILLING ACTIVITY



Continued strength in commodities supporting strong cash flow generation with sustained production levels

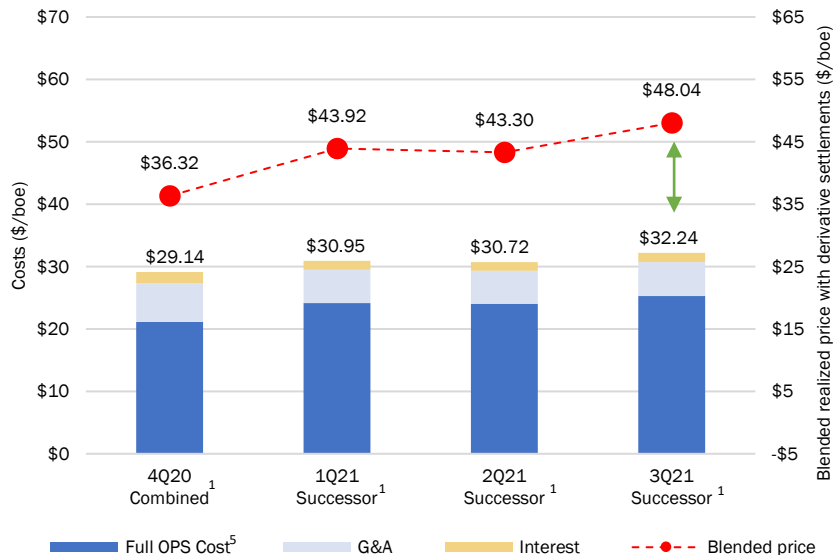
(1) Periods subsequent to October 31, 2020 (Successor period) and ending on or prior to October 31, 2020 (Predecessor period) are distinct reporting periods as a result of the adoption of fresh start accounting upon emergence from Chapter 11 bankruptcy and as such, 1Q21, 2Q21 and 3Q21 are not comparable to prior periods. Combined represents the combined successor and predecessor periods as defined in the 2020 10-K, Part II - Item 7 - Basis of Presentation. For further information, consult the 2020 10-K, Part II, Item 8 - Financial Statements and Supplementary Data, Note 3 Fresh Start Accounting. (2) No wells were drilled in 4Q20. (3) Includes steam injectors and drilled but uncompleted wells, which are not included in the SEC definition of wells drilled.





# Continued Focus on Cost Management

## MARGIN EXPANSION IN LIGHT OF RISING ENERGY COSTS



### Operating costs (\$/Boe)

	4Q20 <sup>1</sup> Combined (Non-GAAP)	1Q21 <sup>1</sup> Successor	2Q21 <sup>1</sup> Successor	3Q21 <sup>1</sup> Successor
Energy operating costs <sup>2</sup> (\$/Boe)	\$4.39	\$4.70	\$4.70	\$5.49
Gas processing costs (\$/Boe)	\$0.59	\$0.53	\$0.66	\$0.56
Non-energy operating costs <sup>2,3</sup> (\$/Boe)	\$12.44	\$13.10	\$13.12	\$14.23
<b>Operating costs (\$/Boe)</b>	<b>\$17.42</b>	<b>\$18.33</b>	<b>\$18.48</b>	<b>\$20.28</b>
Costs attributable to PSC-type contracts <sup>4</sup> (\$/Boe)	(\$1.13)	(\$1.61)	(\$1.73)	(\$1.84)
<b>Operating costs excluding effects of PSC-type contracts<sup>4</sup> (\$/Boe)</b>	<b>\$16.29</b>	<b>\$16.72</b>	<b>\$16.75</b>	<b>\$18.44</b>
Transportation + Taxes other than on income (\$/Boe)	\$3.70	\$5.81	\$5.58	\$5.02
G&A (\$/Boe)	\$6.23	\$5.36	\$5.25	\$5.44
Interest and debt expense, net (\$/Boe)	\$1.79	\$1.45	\$1.42	\$1.49



**Natural gas markets drove cost increases primarily in our electricity generation and, to a lesser extent, steamflood operations, which are more than offset by increased natural gas revenues**

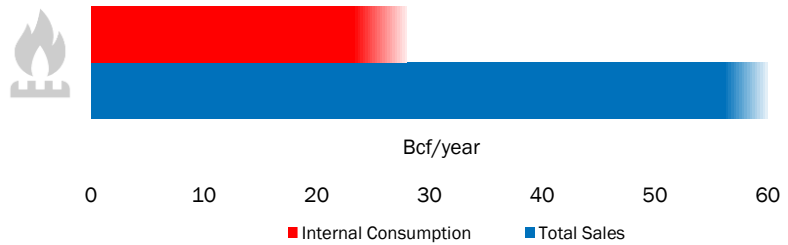
(1) Periods subsequent to October 31, 2020 (Successor period) and ending on or prior to October 31, 2020 (Predecessor period) are distinct reporting periods as a result of the adoption of fresh start accounting upon emergence from Chapter 11 bankruptcy and as such, 1Q21, 2Q21 and 3Q21 are not comparable to prior periods. Combined represents the combined successor and predecessor periods as defined in the 2020 10-K, Part II – Item 7 – Basis of Presentation. For further information, consult the 2020 10-K, Part II, Item 8 – Financial Statements and Supplementary Data, Note 3 Fresh Start Accounting. (2) Includes costs of \$1.37, \$1.45, \$1.31 and \$2.35 per Boe related to natural gas that is used to heat water for enhanced oil recovery in our steamflood operations for 4Q20, 1Q21, 2Q21 and 3Q21, respectively. (3) Energy operating costs consist of purchases of fuel gas used to generate electricity, purchased electricity and internal costs to produce electricity used in our operations. Non-energy operating costs equal total operating costs less energy operating costs and gas processing costs. Purchases of fuel gas to generate steam which is then used in our steamfloods is included in non-energy operating costs. (4) Represent non-GAAP measures. For all historical non-GAAP financial measures, please see the Investor Relations page at [www.crc.com](http://www.crc.com) for a reconciliation to the closest GAAP measure and other additional information. (5) Full OPS cost includes operating costs plus transportation costs, plus taxes other than on income.



# Natural Gas Pricing Impact on Cost Structure Into YE21



## CRC IS NET LONG IN NATURAL GAS



Natural Gas Realized Pricing Cash Flow Sensitivity <sup>1</sup>	4Q21E +\$1 per mmcf Natural Gas Price	4Q21E -\$1 per mmcf Natural Gas Price
	Revenue (\$MM)	+\$15
Operating Costs (\$MM)	-\$7	+\$7
<b>Estimated Net Cash Flow Effect (\$MM)</b>	<b>+\$8</b>	<b>-\$8</b>

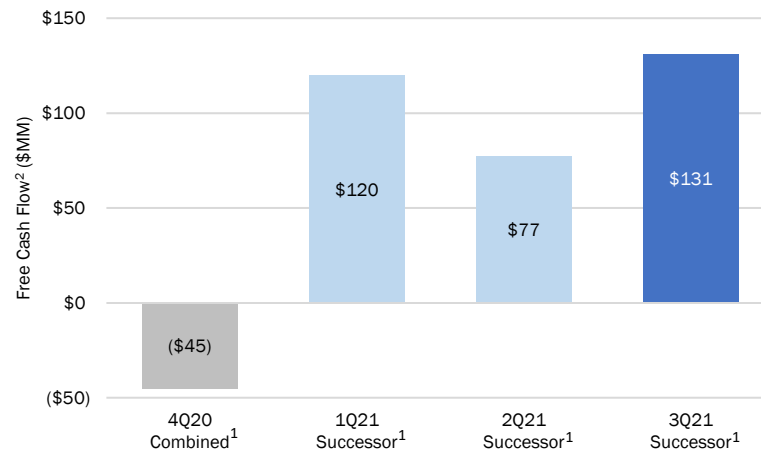


(1) Revenue and operating costs example assumes CRC's 3Q21 Natural Gas production of 160 mmcf/d and internal consumption of 74 mmcf/d, respectively.

# Third Quarter 2021 Earnings

	4Q20 <sup>1</sup> Combined	1Q21 <sup>1</sup> Successor	2Q21 <sup>1</sup> Successor	3Q21 <sup>1</sup> Successor	YTD
Adjusted Net Income <sup>2</sup> per Share - Diluted (\$/share)	—	\$1.22	\$0.94	\$1.83	
<b>Adjusted EBITDAX<sup>2</sup> (\$MM)</b>	<b>\$116</b>	<b>\$189</b>	<b>\$169</b>	<b>\$242</b>	<b>\$600</b>
Cash (Used in) Provided by Operating Activities (\$MM)	(\$35)	\$147	\$127	\$182	
Capital Investments (\$MM)	\$10	\$27	\$50	\$51	
<b>Free Cash Flow<sup>2</sup> (\$MM)</b>	<b>(\$45)</b>	<b>\$120</b>	<b>\$77</b>	<b>\$131</b>	<b>\$328</b>

## IMPROVING FREE CASH FLOW GENERATION CAPABILITY



**Highest YTD Free Cash Flow<sup>2</sup> results since CRC's inception**

(1) Periods subsequent to October 31, 2020 (Successor period) and ending on or prior to October 31, 2020 (Predecessor period) are distinct reporting periods as a result of the adoption of fresh start accounting upon emergence from Chapter 11 bankruptcy and as such, 1Q21, 2Q21 and 3Q21 are not comparable to prior periods. Combined represents the combined successor and predecessor periods as defined in the 2020 10-K, Part II – Item 7 – Basis of Presentation. For further information, consult the 2020 10-K, Part II, Item 8 – Financial Statements and Supplementary Data, Note 3 Fresh Start Accounting. (2) Free Cash Flow, Adj. Net Income and Adj. EBITDAX are non-GAAP measures. For all historical non-GAAP financial measures, please see the Investor Relations page at [www.crc.com](http://www.crc.com) for a reconciliation to the closest GAAP measure and other additional information.

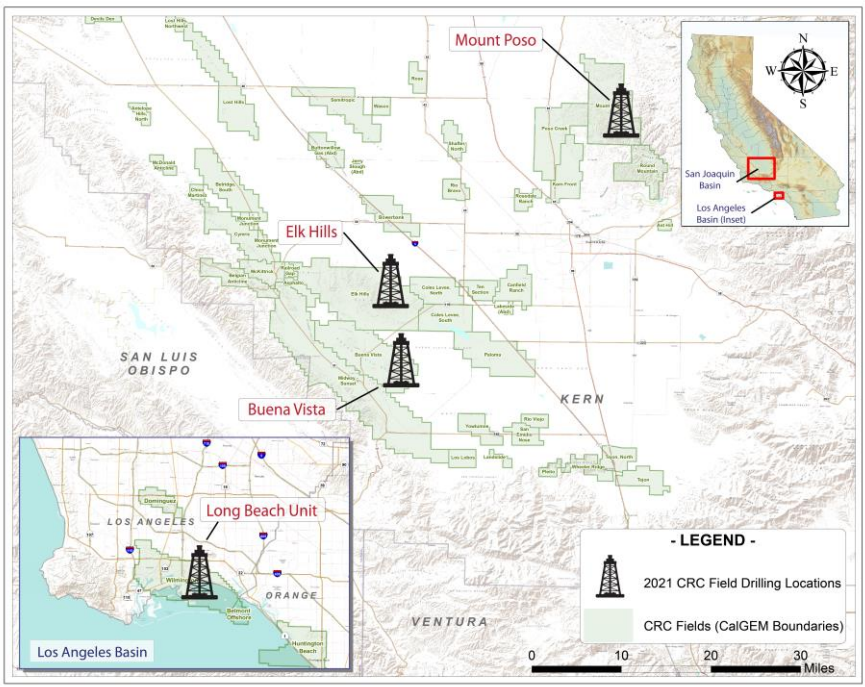


# Strong Asset Performance

## 2021 YTD DEVELOPMENT PERFORMANCE:

- 2 rigs running in San Joaquin basin + 1 rig added in Long Beach
  - YTD - 65 Wells Drilled | 58 Wells Online
- Post quarter end, added 4<sup>th</sup> rig in Buena Vista Shale
- Currently, ~90% of our drilling efforts are focused on high value, high margin horizontals

Est. **>90%** IRR<sup>1</sup>  
 of our YTD development program  
 demonstrates strong opportunities



Mount Poso	
Wells Drilled & Completed <sup>2</sup>	31
TMD (ft.)	2,667
Peak IP <sup>3</sup> (boepd)	100
Estimated IRR <sup>1</sup> (%)	129%

Elk Hills (ESOZ)	
Wells Drilled & Completed <sup>2</sup>	13
TMD (ft.)	4,670
Peak IP <sup>3</sup> (boepd)	62
Estimated IRR <sup>1</sup> (%)	152%

Long Beach	
Wells Drilled & Completed <sup>2</sup>	1
TMD (ft.)	4,065
Peak IP <sup>3</sup> (boepd)	43
Estimated IRR <sup>1</sup> (%)	90%

Buena Vista	
Wells Drilled & Completed <sup>2</sup>	20
TMD (ft.)	6,020
Peak IP <sup>3</sup> (boepd)	46
Estimated IRR <sup>1</sup> (%)	56%



Note: TMD represents total measured depth (1) IRR calculated using actual prices YTD, \$70 Brent for the remainder of 2021, \$65 Brent for 2022 onward and \$3.00 NYMEX. (2) As of September 30, 2021, there were 26 wells turned online at Mount Poso, 13 wells turned online at ESOZ and 19 wells turned online at Buena Vista. (3) Peak IP rate defined as highest production achieved during first 90 days of production.

# Maintenance Opportunities Support Strong Production Results

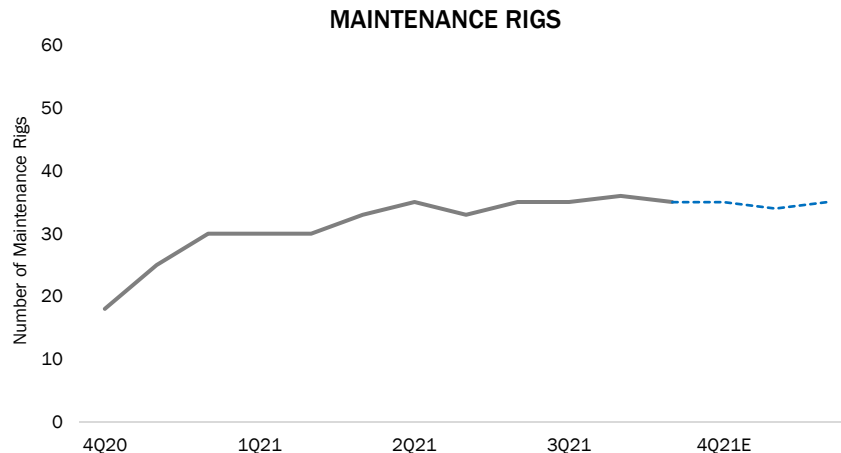
## STRONG FOCUS ON INCREMENTAL BARRELS THROUGH THE BACKLOG OF MAINTENANCE OPPORTUNITIES EXITING 2020

- ~90% of CRC's net active wells are on artificial lift
- Through rapid technical identification & commercial analysis, well remediation work was prioritized to bring the highest impact wells back online first
- Progressing on our program, which was initiated in the second quarter, shifting **2021 capital to downhole maintenance** projects providing efficiencies and faster payouts
- The incremental maintenance program sees an **IRR<sup>1</sup> of 200%+** on allocated capital with **approximately 430 jobs performed** through September 30, 2021
- We expect to continue with an appropriate level of maintenance rigs in the following quarters

As of 3Q21, CRC brought back

**~5 MBOEPD**

of gross PDP production from incremental shift in capital towards the backlog of maintenance opportunities



(1) Economics run at \$65 Brent, \$3.25 NYMEX

# Raising the Bar on Guidance

	PRIOR GUIDANCE	REVISED GUIDANCE
	FY 2021E <sup>1</sup>	FY 2021E <sup>1</sup>
<b>Net Total Production (Mboepd)<sup>2</sup></b>	97 – 100	<b>99 - 101</b>
Net Oil Production (Mboepd) <sup>2</sup>	60 – 62	Reaffirmed
Operating Costs (\$MM)	\$670 - \$695 \$18.36 - \$19.63 \$/boe	\$700 - \$720 \$18.99 - \$19.93 \$/boe
Capital Spend (\$MM)	\$170 - \$190 \$4.66 - \$5.37 \$/boe	\$180 - \$200 \$4.88 - \$5.53 \$/boe
G&A (\$MM) <sup>3</sup>	\$180 - \$190 \$4.98 - \$5.42 \$/boe	\$190 - \$200 \$5.15 - \$5.53 \$/boe
<b>Adjusted EBITDAX<sup>4</sup> (\$MM)</b>	<b>\$725 - \$825</b> \$19.86 - \$23.30 \$/boe	<b>\$840 - \$900</b> \$22.79 - \$24.91 \$/boe
<b>Free Cash Flow<sup>4</sup> (\$MM)</b>	<b>\$400 - \$500</b>	<b>\$460 - \$510</b>
<b>Free Cash Flow Yield<sup>4,5</sup></b>	<b>11% - 14%</b>	<b>13% - 15%</b>

## Guidance updated for:

### Strong Operational Performance

- Continued strong operational performance (horizontal program, maintenance program and workover opportunities)
- Acceleration of drilling rig planned for Q1 2022 and incremental workover opportunities

### Market Dynamics

- Above expectations increase in realized natural gas and NGLs prices raising costs, but CRC is net long in natural gas
- Higher electricity sales margin
- Higher natural gas trading margin

**~60%**

**Increase in corporate FCF Guidance since 2021 Strategy Day**

(1) Current guidance assumes strip pricing as of September 30, 2021. (2) 2021E production ranges subject to PSC effects. (3) G&A includes ~\$13MM in non-cash stock-based compensation expense. (4) Adj. EBITDAX, Free Cash Flow and Free Cash Flow Yield are non-GAAP measures. For all historical non-GAAP financial measures please see the Investor Relations page at [www.crc.com](http://www.crc.com) for a reconciliation to the closest GAAP measure and other additional information. Reconciliations of 2021E Adj. EBITDAX and Free Cash Flow to their nearest GAAP equivalent can be found on slides 24 to 25. (5) FCF Yield reflects FY 2021E Free Cash Flow divided by market capitalization as of October 27, 2021, calculated using 80.775 million shares.



# Initiating a Dividend & Accelerating Shareholder Returns while Maintaining Flexibility for Carbon Management Activities

## Share Repurchase Program

- Repurchased \$104 million YTD<sup>1</sup>, with a total share repurchase program of \$250 million
- Extended share repurchase program to 2Q22

## Dividends

- Initiating a dividend of \$0.17 per share for shareholders as of December 1, 2021 and payable on December 16, 2021
- Funded by Free Cash Flow<sup>2</sup>

## Additional Shareholder Initiatives

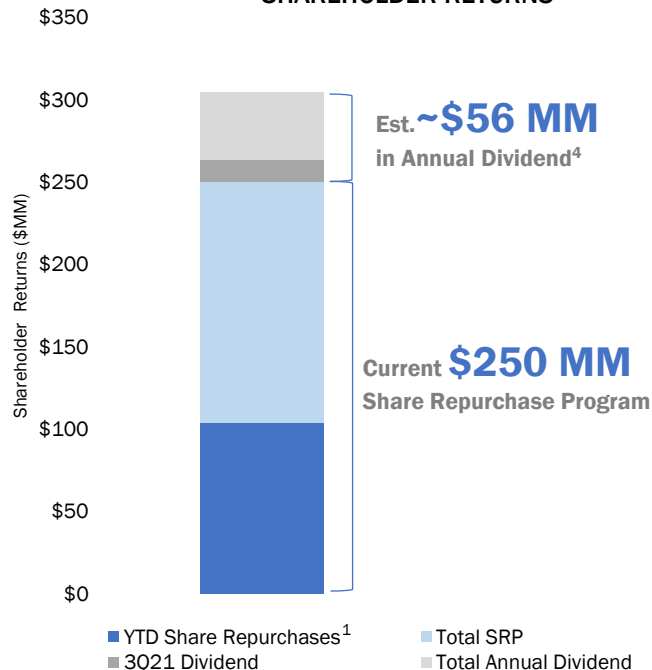
- Closely evaluating alternative shareholder friendly initiatives including:
- Variable dividends
  - Additional share repurchases

More than **~35%** of FCF<sup>2,3</sup> Returned to Shareholders YTD



Expecting to end the year with **>\$325mm cash on hand<sup>5</sup>** preserving our ability to advance **Carbon Management** activities

## ANNOUNCED OVER \$300MM IN EXPECTED SHAREHOLDER RETURNS



(1) As of November 5, 2021. (2) Free Cash Flow is a non-GAAP measure. For all historical non-GAAP financial measures please see the Investor Relations page at www.crc.com for a reconciliation to the closest GAAP measure and other additional information. (3) Calculated as \$104MM of share repurchases as of November 5, 2021 and a \$14MM dividend payment on December 16, 2021, over YTD free cash flow of \$328MM. (4) Annualized amount subject to the Board of Directors approval of quarterly dividends and assumes payment of ~\$14 MM on 80.775 million shares. (5) After share repurchase program and dividend. Please see slide 23 for a description of expected liquidity changes in 4Q21.





➤ Closing Remarks





### Strong Core Performance

Provide stable, low carbon intensity oil and gas production

Efficient Operating Model

Prudent Investment and Prioritization of Best Projects



### Low Carbon Intensity Strategy

Progressing Carbon Management

Advancing Solar Opportunities

Announcing 2045 Full-Scope Net Zero Goal



### Improving Shareholder Returns

Extending Share Repurchase Program to 2Q 2022

Declaring Inaugural Dividend

STRONG FINANCIAL FOUNDATION | RESPONSIBLE CAPITAL STEWARDSHIP





## ➤ SUPPLEMENTAL MATERIALS

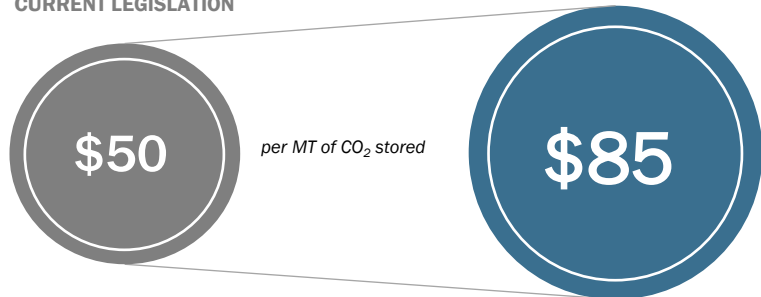
# Carbon Storage Support Continues to Gain Momentum Across Legislations

FEDERAL 45Q LEGISLATION

CALIFORNIA

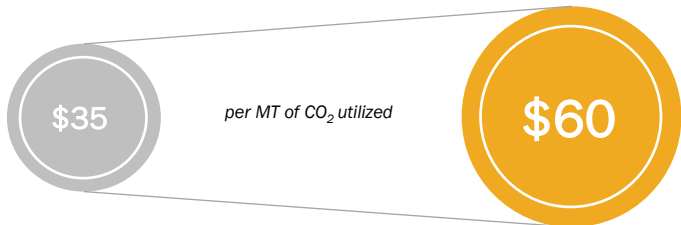
NEWLY PROPOSED LEGISLATION<sup>1</sup>

CURRENT LEGISLATION



&

&



Proposed legislation<sup>1</sup> includes: direct pay option + DAC<sup>5</sup> increases + select infrastructure programs and funding

CALIFORNIA HAS THE MOST SUPPORTIVE DOMESTIC REGULATORY POLICIES<sup>2</sup>



+



+



FEDERAL 45Q TAX CREDIT

CALIFORNIA LOW CARBON FUEL STANDARD (LCFS)

CALIFORNIA CAP & TRADE PROGRAM

- LCFS has been **adopted internationally in parts of Canada<sup>3</sup> and EU<sup>4</sup>, and domestically in OR, WA** with possible expansion to other states
- **Courts have upheld the LCFS** program several times
- CARB has expressed confidence in the program and **their intent to extend it beyond 2030**
- Market-based incentive framework expands: Recently passed **SB 596 requires CARB to develop a strategy for net zero cement by 2045** (including evaluating financial incentives to encourage the production and use of cement with low greenhouse gas intensity while minimizing and mitigating potential leakage for embedded emissions in imported cement)



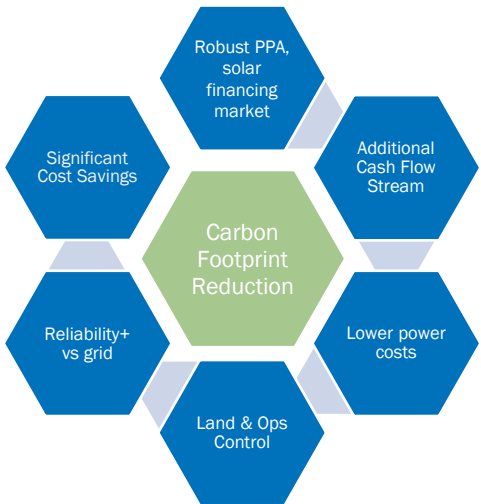
Note: MT represents metric ton. CARB represents California Air Resources Board. (1) H.R. 5376 (Build Back Better Act / Reconciliation / Social Policy Bill) which includes prevailing wage requirements and H.R. 3684 (Infrastructure Investment and Jobs Act). (2) Source: Database of State Incentives for Renewables & Efficiency (DSIRE) from the N.C. Clean Energy Technology Center. (3) Renewable and Low Carbon Fuel Requirements Regulation is an active program in British Columbia and Clean Fuel Standard (CFS) has been approved in Canada. (4) EU: Fuel Quality Directive (5) DAC: Direct Air Capture

# Strengthening Solar Capability

## SELF SUPPLY

### BEHIND THE METER UPDATE :

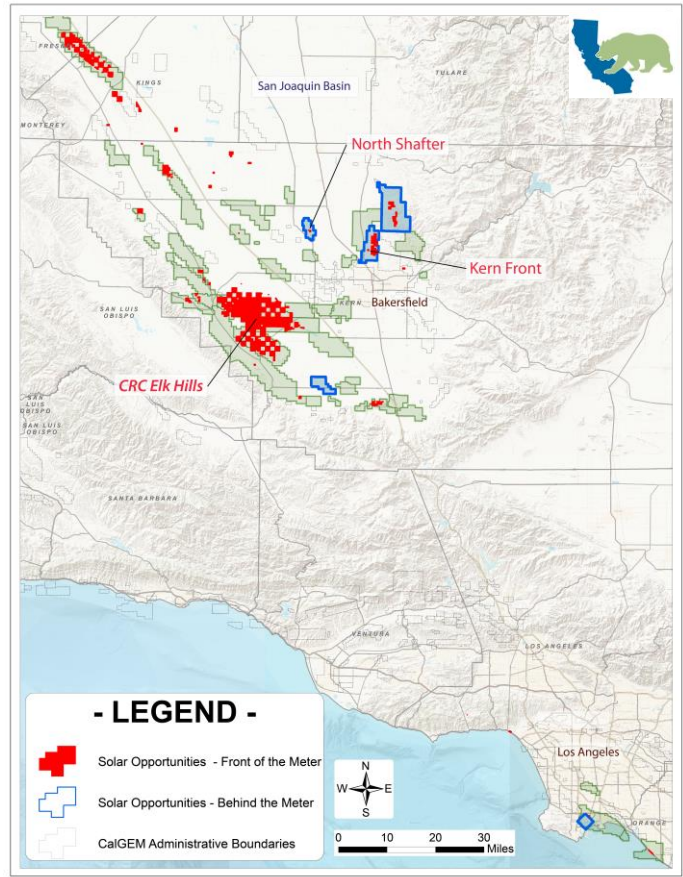
- Progressing our partnership with SunPower on **24 MW of BTM solar projects at the Kern Front and North Shafter fields**. This is in addition to the previously announced 12 MW project at Mount Poso and advances projects on a total of 36 MW, of the up to previously announced 45 MW BTM target



## GRID SUPPLY

### FRONT OF THE METER UPDATE:

- CRC has identified over 5,000 acres suitable for utility scale development presents future value for CRC and investors
  - Potential for **300 to 1,000 MW with core 3 projects identified**
- Interconnection **request applications for up to 650 MW Solar plus Battery Energy Storage Systems verified and validated by CAISO and included in Cluster 14 phase 1<sup>1</sup> study** which is expected to utilize up to 2,500 acres of CRC-owned lands
- Potential to further reduce CO<sub>2</sub> emissions while adding further commercial opportunity



Note: BTM represents behind the meter. MW represents megawatts. Source: Internal estimates (1) CAISO Cluster 14 Phase 1 study report expected Q3, 2022.

# Hedging Program Protects Cash Flow



## STRATEGY

CRC hedging strategy typically utilizes a mixture of Puts, Collars and Swaps to protect cash flow and to ensure CRC's ability to live within cash flow, and is also aligned with CRC's RBL requirements

## HEDGE CONTRACT SETTLEMENTS EXPECTED TO SIGNIFICANTLY DECREASE IN 2022 & 2023<sup>2</sup>

	1Q21	2Q21	3Q21	4Q21E	2021E	1H22E	2H22E	2022E	2023E
Hedge Contract Settlements <sup>3</sup> (\$MM)	(\$39)	(\$82)	(\$99)	(\$83)	(\$303)	(\$132)	(\$103)	(\$235)	(\$102)

\* 2022 and 2023 estimated losses associated with legacy hedges that were required by our RBL lenders in October 2020.

## OIL HEDGE PROTECTION<sup>1</sup> as of September 30, 2021

	4Q21	1Q22	2Q22	3Q22	4Q22	FY23	
SOLD CALLS	Barrels per Day	37,037	35,347	35,343	34,380	25,167	14,790
	Weighted-Average Price per Barrel	\$60.75	\$60.37	\$60.63	\$60.76	\$57.82	\$58.01
PURCHASED PUTS	Barrels per Day	35,820	56,814	57,850	57,855	43,121	14,790
	Weighted-Average Price per Barrel	\$40.19	\$48.29	\$48.98	\$49.48	\$50.05	\$40.00
SOLD PUTS	Barrels per Day	14,193	28,336	22,507	27,475	19,302	—
	Weighted-Average Price per Barrel	\$32.00	\$38.06	\$40.00	\$38.84	\$39.44	—
SWAPS	Barrels per Day	13,922	12,369	10,669	10,476	17,263	10,101
	Weighted-Average Price per Barrel	\$54.86	\$54.38	\$54.12	\$53.97	\$58.79	\$55.69



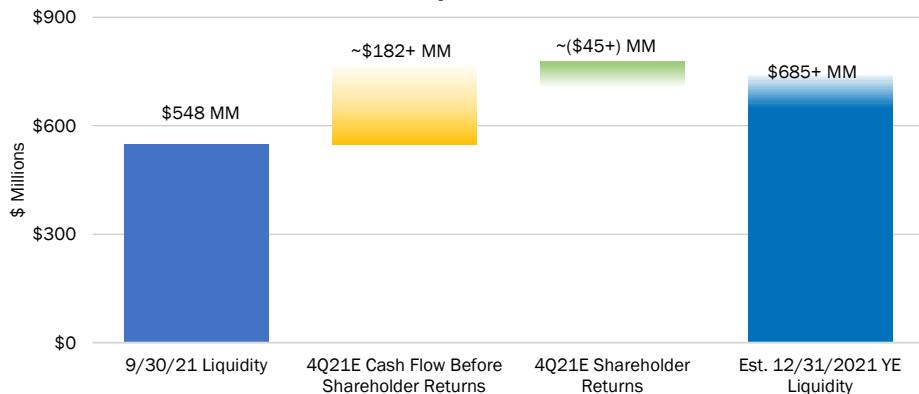
(1) Hedges are based on weighted-average Brent prices per barrel. (2) Assumes commodity pricing remains at the similar levels as of September 30, 2021. (3) Represents estimated net cash settlement payments for derivative contracts as of 9/30/2021, except 1Q21, 2Q21 and 3Q21 which are actuals for the three months ended March 31, 2021, June 30, 2021 and September 30, 2021, respectively.

## ➤ Hedging Program Changes Since June 30, 2021

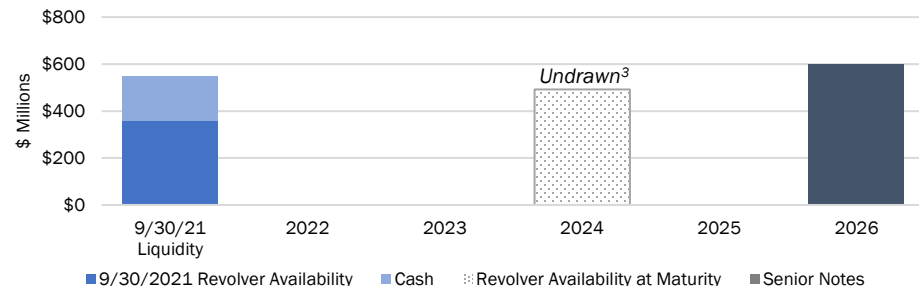
		Downside Protection (Swaps + Purchased Puts)	Ceiling (Sold Calls)
4Q 2021	Barrels per Day	2,000	—
	Weighted Avg. Price per Barrel	\$68.30	—
1Q 2022	Barrels per Day	22,967	—
	Weighted Avg. Price per Barrel	\$61.40	—
2Q 2022	Barrels per Day	24,507	—
	Weighted Avg. Price per Barrel	\$61.71	—
3Q 2022	Barrels per Day	26,475	1,000
	Weighted Avg. Price per Barrel	\$61.88	\$73.65
4Q 2022	Barrels per Day	27,922	1,000
	Weighted Avg. Price per Barrel	\$63.10	\$71.00
FY 2023	Barrels per Day	3,171	—
	Weighted Avg. Price per Barrel	\$63.42	—

# Maintaining Balance Sheet Strength, Liquidity, and Financial Flexibility

## ESTIMATED LIQUIDITY ROLL FORWARD<sup>1</sup>



## NO SIGNIFICANT MATURITIES UNTIL 2026



## 9/30/21 DEBT SNAPSHOT

(\$ in millions)

Revolving Credit Facility (RCF)	\$ 0
7.125% Senior Notes	600
<b>Face Value of Debt</b>	<b>\$ 600</b>
Less Available Cash	(189)
<b>Net Debt</b>	<b>\$ 411</b>

## MULTIPLES DEMONSTRATE FLEXIBILITY

(\$ in millions)

RCF Borrowing Base	\$ 1,200
2021E Free Cash Flow <sup>2</sup>	\$460 – \$510
YE 2021E Net Debt <sup>1,2</sup> / 2021E Adjusted EBITDAX <sup>2</sup>	0.2x – 0.3x
2021E Adjusted EBITDAX <sup>2</sup> / 2021E Interest & Debt Expense, net	15.3x – 18.0x

(1) Liquidity at 9/30/21 calculated as cash of \$189 million and \$492 million capacity on CRC's Revolving Credit Facility less \$133 million in outstanding letters of credit. Estimated YE 2021 liquidity assumes \$492 million capacity on CRC's Revolving Credit Facility less \$133 million in outstanding letters of credit. 4Q21 estimated cash flow before shareholder returns reflects revised Free Cash Flow guidance less YTD21 free cash flow of ~\$330 million as well as estimated proceeds that are expected to be realized in 4Q21 from previously announced transactions. 4Q21 estimated shareholder returns includes the dividend payment based on 80.775 million shares outstanding and estimated share repurchases during 4Q21 which are subject to company discretion. (2) Adj. EBITDAX, Net Debt and Free Cash Flow are non-GAAP measures. For all historical non-GAAP financial measures please see the Investor Relations page at [www.crc.com](http://www.crc.com) for a reconciliation to the closest GAAP measure and other additional information. Reconciliations of 2021E Adj. EBITDAX, Net Debt and Free Cash Flow to their nearest GAAP equivalent can be found in the Supplemental Materials on slides 24 to 25. (3) Undrawn revolver as of September 30, 2021.



## Adjusted EBITDAX Reconciliation

We define adjusted EBITDAX as earnings before interest expense; income taxes; depreciation, depletion and amortization; exploration expense; other unusual, infrequent and out-of-period items; and other non-cash items. We believe this measure provides useful information in assessing our financial condition, results of operations and cash flows and is widely used by the industry, the investment community and our lenders. Although this is a non-GAAP measure, the amounts included in the calculation were computed in accordance with GAAP. Certain items excluded from this non-GAAP measure are significant components in understanding and assessing our financial performance, such as our cost of capital and tax structure, as well as depreciation, depletion and amortization of our assets. This measure should be read in conjunction with the information contained in our financial statements prepared in accordance with GAAP. A version of Adjusted EBITDAX is a material component of certain of our financial covenants under our Revolving Credit Facility and is provided in addition to, and not as an alternative for, income and liquidity measures calculated in accordance with GAAP. The following table represents a reconciliation of the GAAP financial measures of net income and net cash provided by operating activities to the non-GAAP financial measure of adjusted EBITDAX.

(\$ millions)	FY 2021 Estimated		(\$ millions)	FY 2021 Estimated	
	Low	High		Low	High
Net income	\$180	\$200	Net cash provided by operating activities	\$660	\$690
Interest and debt expense, net	50	55	Cash Interest	30	35
Depreciation, depletion and amortization	210	220	Exploration expenditures	5	10
Exploration expense	5	10	Working capital changes	145	165
Unusual, infrequent and other items	330	340	<u>Estimated Adjusted EBITDAX</u>	<u>\$840</u>	<u>\$900</u>
Other non-cash items					
Accretion expense	50	55			
Stock-settled compensation	10	15			
Post-retirement medical and pension	5	5			
<u>Estimated Adjusted EBITDAX</u>	<u>\$840</u>	<u>\$900</u>			



Note: Management is not providing guidance on income taxes, acquisitions or divestitures or any other unusual or infrequent events at this time.



# Leverage Ratio & Free Cash Flow Reconciliation

## Leverage Ratio and Net Debt

We calculate the leverage ratio by dividing net debt by adjusted EBITDAX for the applicable period. We define net debt as the face value of our debt less available cash. We believe the leverage ratio is an important metric of the operational and financial health of our Company and is useful to investors as an indicator of our ability to incur additional debt and to service our existing debt. The following table presents a reconciliation of our leverage ratio. The leverage ratio is a supplemental measure of our performance that is not required by or presented in accordance with U.S. generally accepted accounting principles (“GAAP”).

## Free Cash Flow

Management uses free cash flow, which is defined by us as net cash provided by operating activities after our internal capital investment, as a measure of liquidity. The table at right presents a reconciliation of net cash provided by operating activities to free cash flow.

	3Q 2021E	
	Low	High
<i>(\$ in millions)</i>		
Face value of debt	\$600	\$600
Available cash	(189)	(189)
<b>Net Debt as of September 30, 2021</b>	<b>\$411</b>	<b>\$411</b>
2021E Adjusted EBITDAX	\$900	\$820
<b>3Q21E Leverage Ratio</b>	<b>0.46x</b>	<b>0.50x</b>

	FY 2021E	
	Low	High
<i>(\$ in millions)</i>		
Face value of debt	\$600	\$600
Estimated available cash <sup>1</sup>	(390)	(325)
<b>Estimated Net Debt as of December 31, 2021</b>	<b>\$210</b>	<b>\$275</b>
2021E Adjusted EBITDAX	\$900	\$840
<b>2021E Leverage Ratio</b>	<b>0.23x</b>	<b>0.33x</b>

	FY 2021E	
	Low	High
<i>(\$ in millions)</i>		
Net cash provided by operating activities	\$660	\$690
Capital Investment	(200)	(180)
<b>Estimated Free Cash Flow</b>	<b>\$460</b>	<b>\$510</b>



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