



# VALUE-DRIVEN

**Third Quarter 2019 Earnings Review**  
**November 4, 2019**

Todd Stevens | President & CEO

Mark Smith | Senior EVP & CFO

# Forward Looking / Cautionary Statements – Certain Terms

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
- Value Creation Index (VCI) metrics, which are based on certain estimates including future production rates, costs and commodity prices
- operations and operational results including production, hedging and capital investment
- budgets and maintenance capital requirements
- reserves
- 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 made 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 our capital plan, planned investments, debt repurchases and distributions to JV partners
- inability to enter into desirable transactions, including acquisitions, 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
- 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
- PSC effects on production and unit production costs
- effect of stock price on costs associated with incentive compensation
- insufficient capital, including as a result of lender restrictions, unavailability of capital markets or inability to attract potential investors
- 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
- disruptions due to accidents, mechanical failures, transportation or storage constraints, natural disasters, labor difficulties, cyber attacks or other catastrophic events
- factors discussed in "Item 1A – Risk Factors" in our Annual Report on Form 10-K available on our website at [crc.com](http://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 the Investor Relations page at [www.crc.com](http://www.crc.com) for important information about 3P reserves and other hydrocarbon resource quantities, PV-10 and standardized measure, finding and development (F&D) costs, recycle ratio calculations, reserve replacement ratios, Value Creation Index (VCI), debt adjusted shares calculation, drilling locations and reconciliations of non-GAAP measures to the closest GAAP equivalent.

# Key Highlights

3rd Quarter 2019

**91 Total Wells Drilled<sup>1</sup>**

Includes 35 internally funded wells



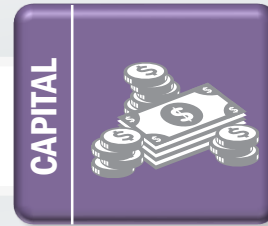
**128 Mboe/d**

62% Oil



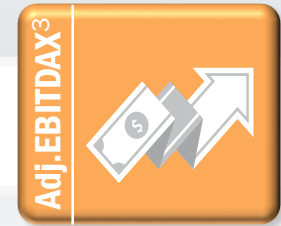
**\$188 Million<sup>2</sup>**

\$117 million internally funded



**\$278 Million**

\$1.1 billion LTM



First 9 Months 2019

**190 Total Wells Drilled<sup>1</sup>**

Includes 114 internally funded wells



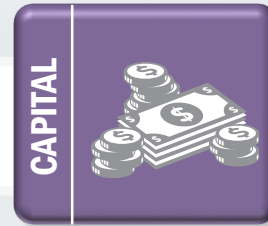
**130 Mboe/d**

62% Oil



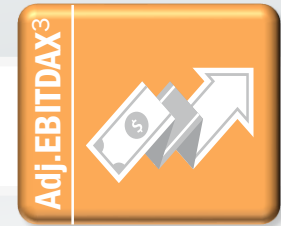
**\$466 Million<sup>2</sup>**

\$345 million internally funded



**\$834 Million**

\$1.1 billion LTM



<sup>1</sup> Includes all wells drilled by CRC, including BSP, MIRA and Alpine wells. Includes steam injectors and drilled but uncompleted wells, which would not be included in the SEC definition of wells drilled.

<sup>2</sup> Includes BSP, MIRA and Alpine capital.

<sup>3</sup> See the Investor Relations page at [www.crc.com](http://www.crc.com) for a reconciliation to the closest GAAP measure and other important information.

# CRC's Value-Driven Strategic Approach

## Capture Value of Portfolio

- Pursue value-driven production growth
- Delineate future growth areas
- Enhance already substantial inventory
- Pursue strategic joint ventures

## Ensure Effective Capital Allocation

- Utilize VCI-based decision making
- Optimize core operating area investment
- Enhance targeted growth area investment
- Pursue impactful capital workovers

## Drive Operational Excellence

- Streamline processes
- Apply technology
- Leverage sizeable infrastructure
- Drive strategic consolidation
- Employ new thinking and approaches

## Strengthen Balance Sheet

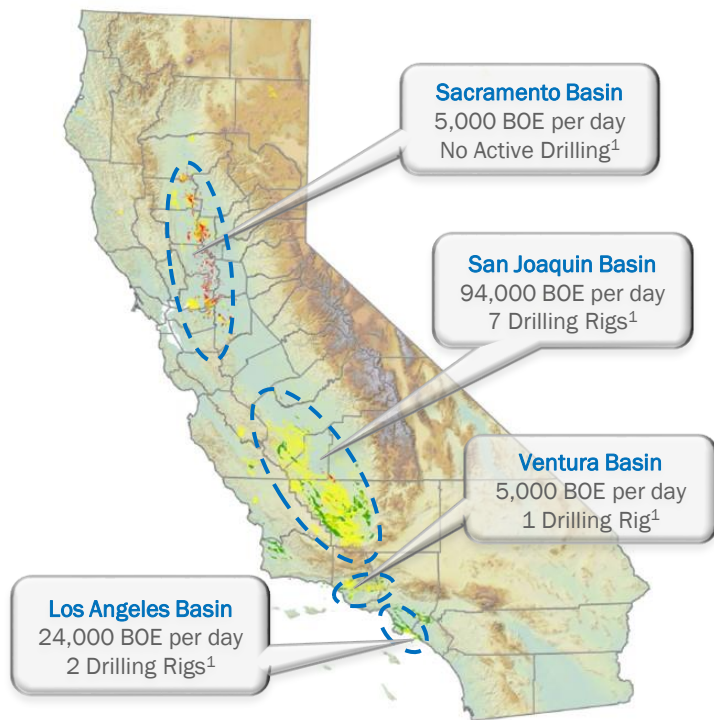
- Reinvest to grow cash flow
- Simplify capital structure
- Enhance credit metrics
- Pursue value-accretive M&A
- Reduce absolute level of debt



Proven and pressure-tested strategic approach preserved value through the downturn and is set to drive significant value creation for years to come

# Development Activity Driving Value

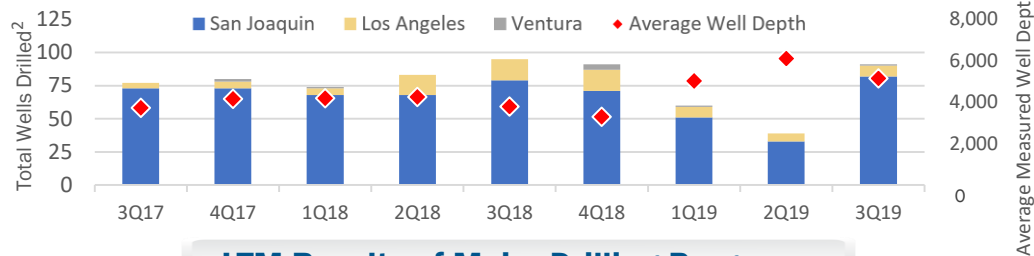
## Q3 2019 Operations Results



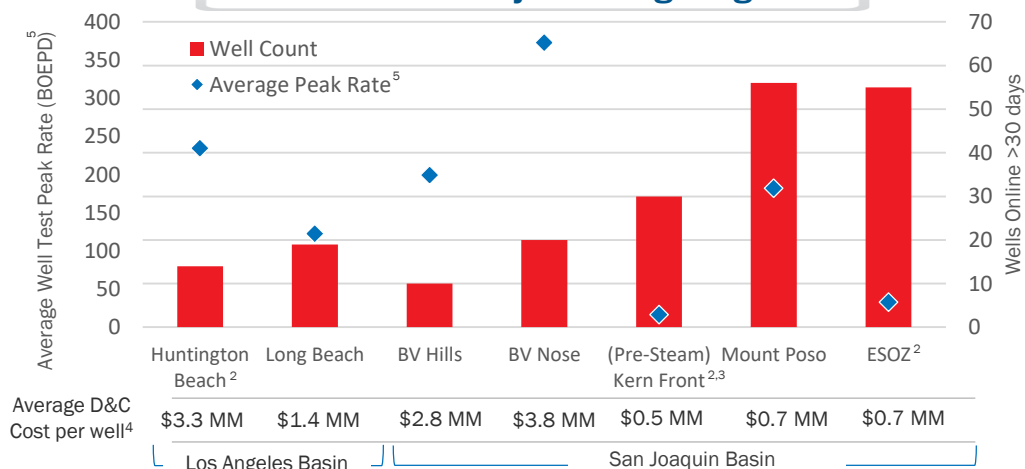
<sup>1</sup> Average CRC operated drilling rigs in the quarter.

<sup>2</sup> Includes all wells drilled by CRC, including BSP, MIRA and Alpine wells. Includes steam injectors and drilled but uncompleted wells, which would not be included in the SEC definition of wells drilled. <sup>3</sup> Kern Front wells are steamflood wells which have low IPs and then ramp up over a period of 12-24 months. <sup>4</sup> LTM drilling and completion costs may not be comparable to prior periods due to variances in project mix, well depth, horizontal length and other aspects. <sup>5</sup> Peak rate is the average of the highest well test rate for each well drilled in LTM.

## Drilling Program History



## LTM Results of Major Drilling Programs

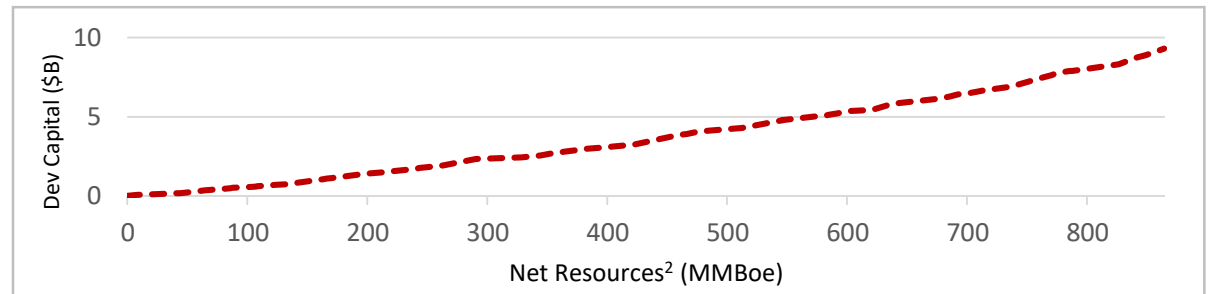
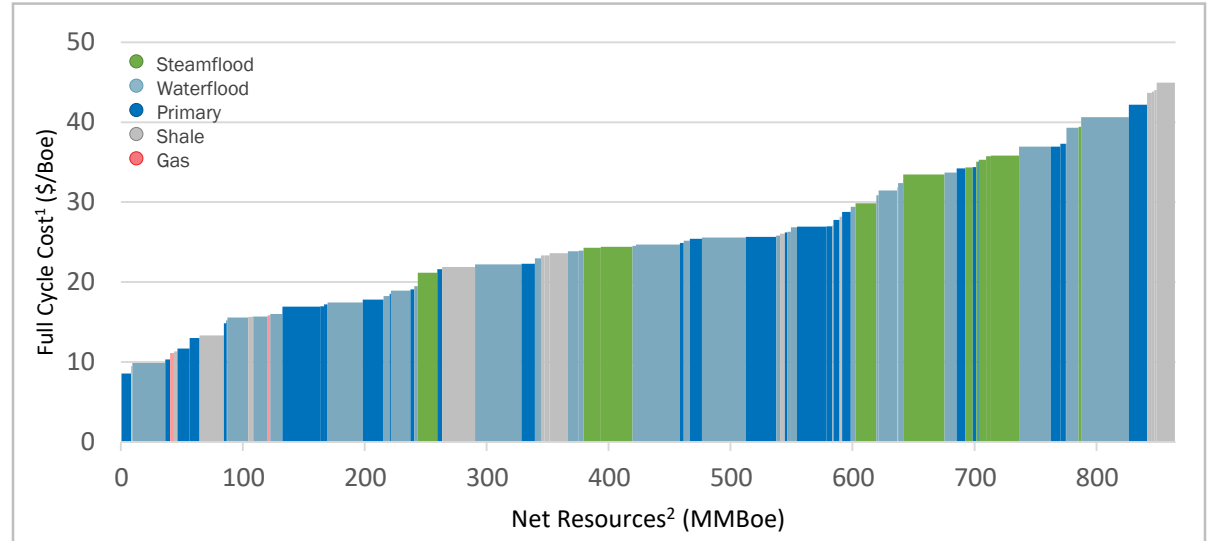


# Unlocking Value with a Deep Inventory of Actionable Projects at \$65 Brent

- Fully burdened, growth-focused portfolio
- Achieve a VCI of **1.3 or greater** at \$65 Brent and \$3.00 NYMEX
- Projects deliver **robust cash flow**
- Reflects all **recovery mechanisms** and **reserves types**
- Leverage existing infrastructure, while opportunistically **targeting new infrastructure investment**

<sup>1</sup> Full cycle costs = operating costs + development costs + facility costs + field-level G&A + taxes other than on income.

<sup>2</sup> See the Investor Relations page at [www.crc.com](http://www.crc.com) for details regarding net resources and other hydrocarbon resource quantities.

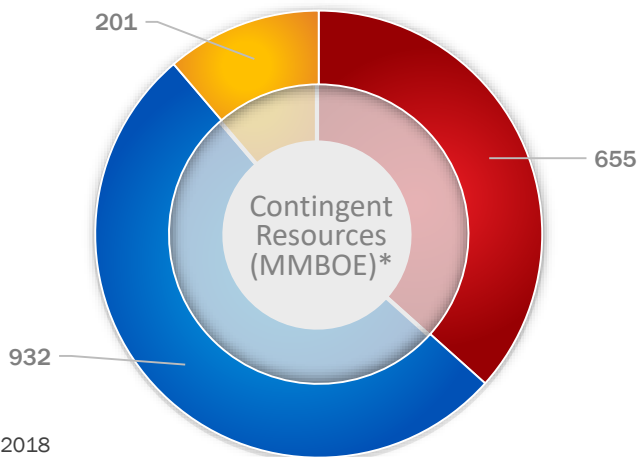


# Elk Hills Carbon Capture and Sequestration (CCS)

## California Energy Commission:

“The Project identified the Elk Hills Field as one of the premier CO<sub>2</sub> EOR and sequestration sites in the U.S. As described in this Appendix, analysis and study of the Elk Hills Field has confirmed that it is an optimal site for the safe and secure sequestration of CO<sub>2</sub>.”

- Report to the Legislature under AB 1925, App. F, page 29 (2010)



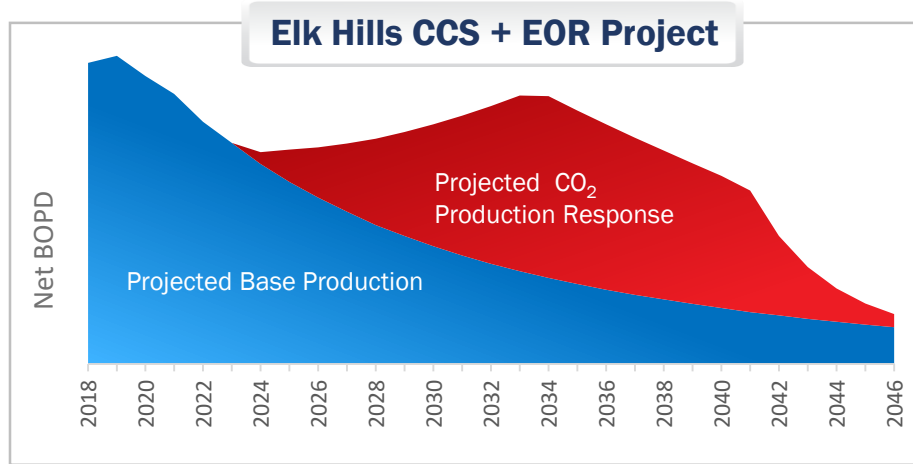
\*As of YE2018

■ CO<sub>2</sub> EOR ■ Technical ■ Econ Limit/5 Year Rule

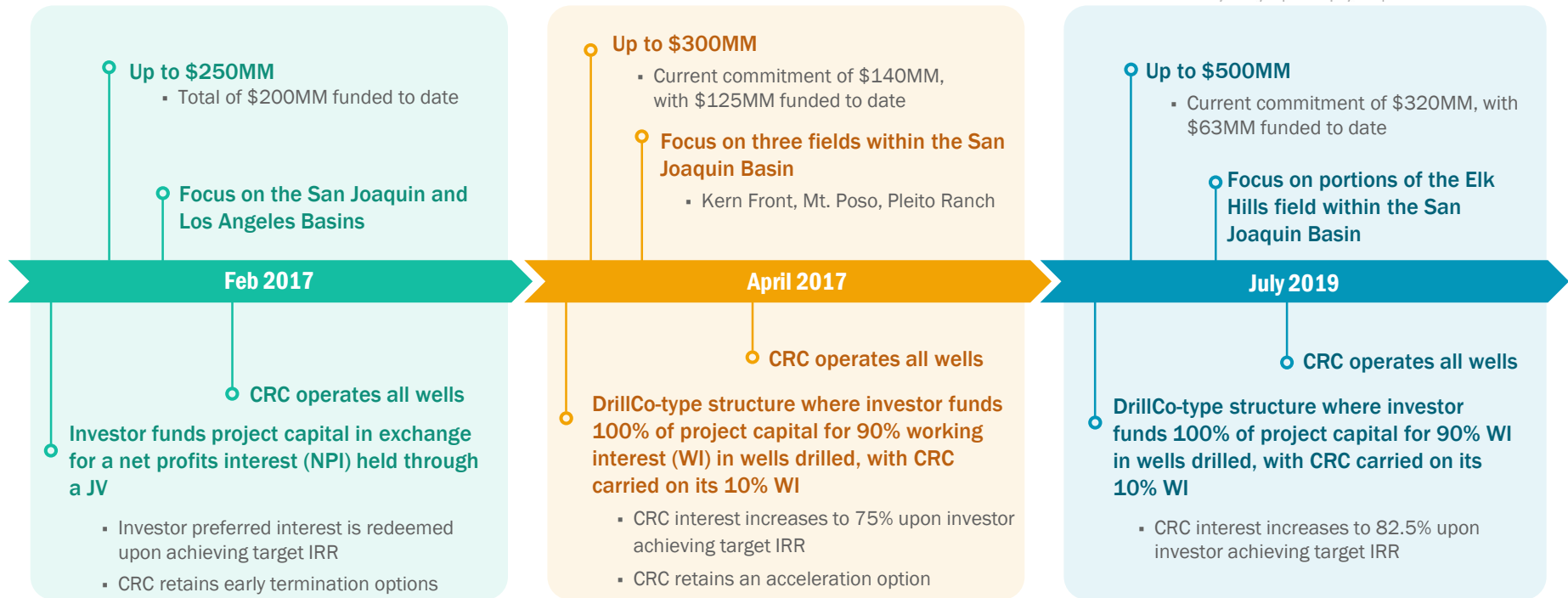


## CCS+EOR Project Elements

- Awarded Department of Energy grant on carbon capture FEED study to capture CO<sub>2</sub> produced at Elk Hills Power Plant
- Over 150 MMBOE of enhanced recovery from existing producing reservoirs in the first phase of CO<sub>2</sub> EOR at Elk Hills
- Potentially up to 655 MMBOE of enhanced recovery, including the surrounding areas
- Designing long-term carbon sequestration and monitoring
- Engaged with key regulatory agencies



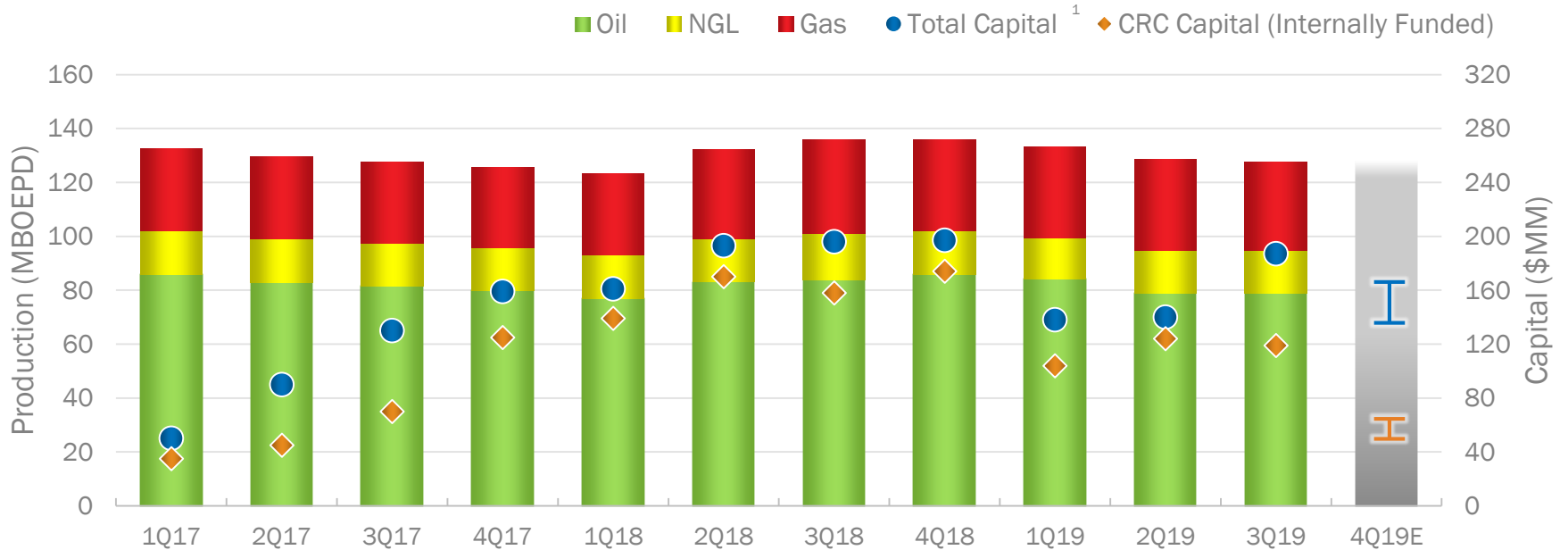
# Accelerating Value and Derisking Inventory through Development JVs





# JVs Provide Additional Capital Flexibility

## Net Production By Stream (MBOEPD)



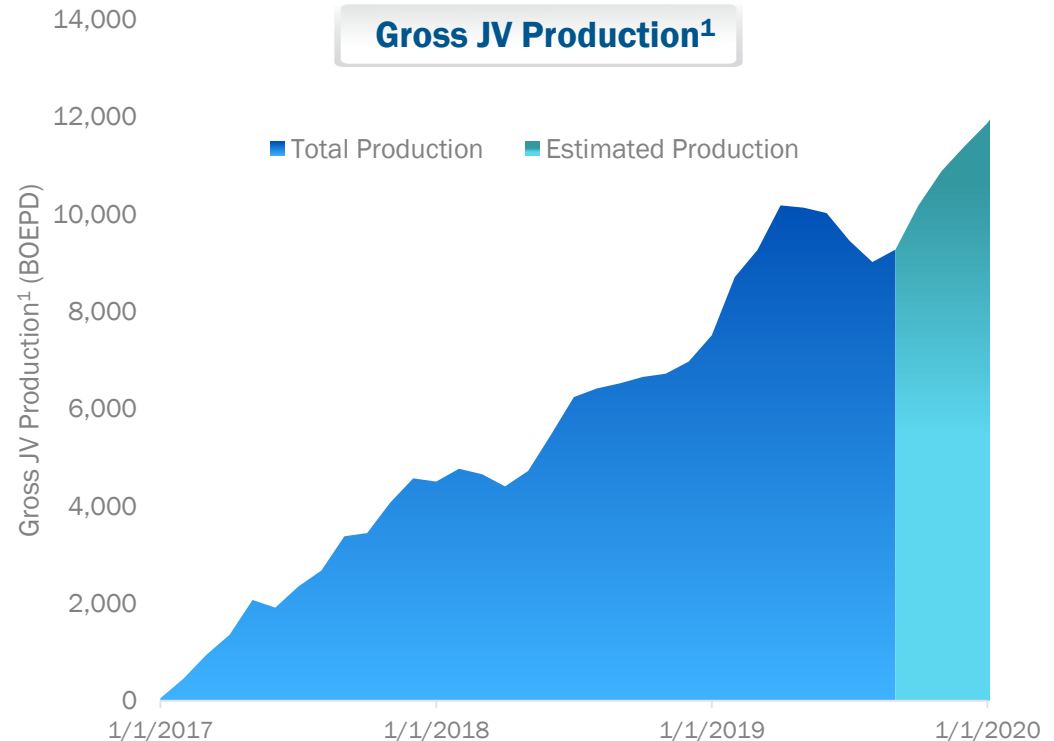
<sup>1</sup>Total Capital reflected in the graph includes the capital investment of internal CRC capital as well as JV partners BSP, MIRA, and Alpine. Our consolidated financial statements include BSP's investment and exclude MIRA's and Alpine's investment based on the accounting treatment of each venture.

# JVs Enhance CRC's Value

- Significant production growth through JV partnerships
- Enhance and de-risk reserves and bring development forward from unproved reserves
- Allows capital flexibility and consistent rig activity throughout commodity price changes
- Material cash flow and production increase upon reversion to CRC



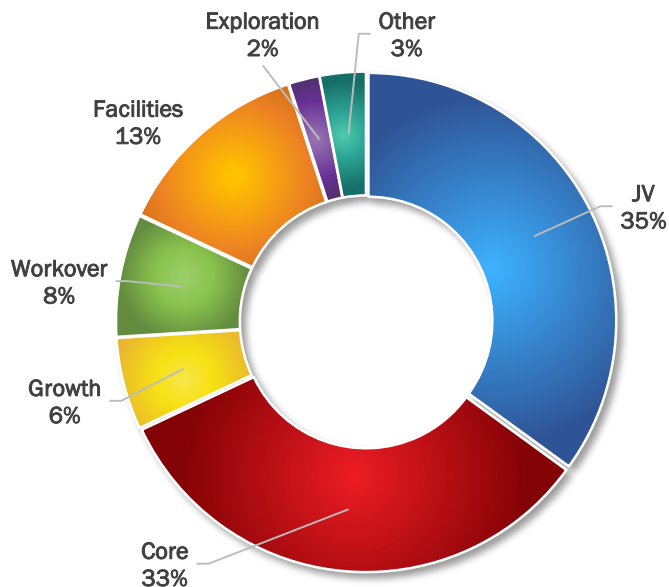
**JV investment to date of \$394MM, with \$272MM remaining from current development JV commitments.**



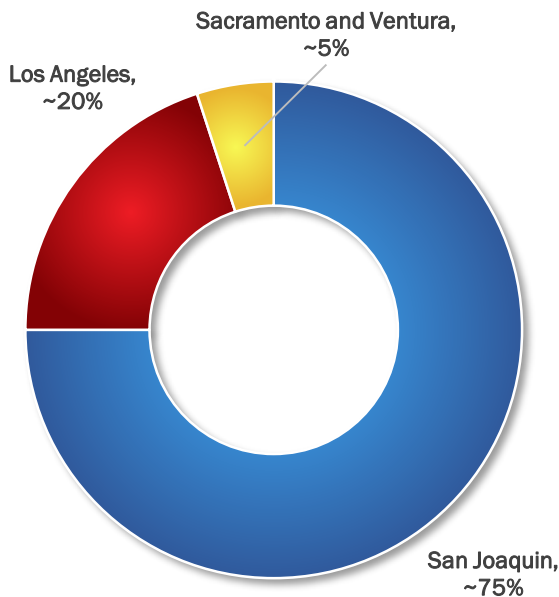
<sup>1</sup>Gross JV production includes BSP, MIRA, Alpine and Royale JV. Actual production through 9/30/19 and estimated production through 12/31/19.

# Disciplined Capital Plan Leverages Project Portfolio

2019E Total Capital



2019E Internally Funded Development Capital By Basin



2019 Internally Funded Capital Program  
\$385 to \$400 Million

Expect to Remain within Discretionary Cash Flow

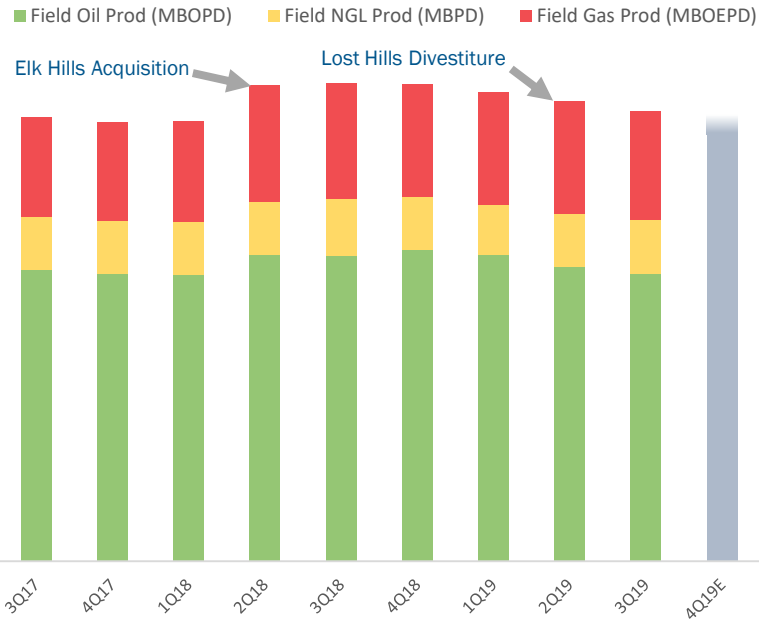
JV Capital  
\$200 to \$225 Million  
to invest in Core and Growth properties

## Core Properties

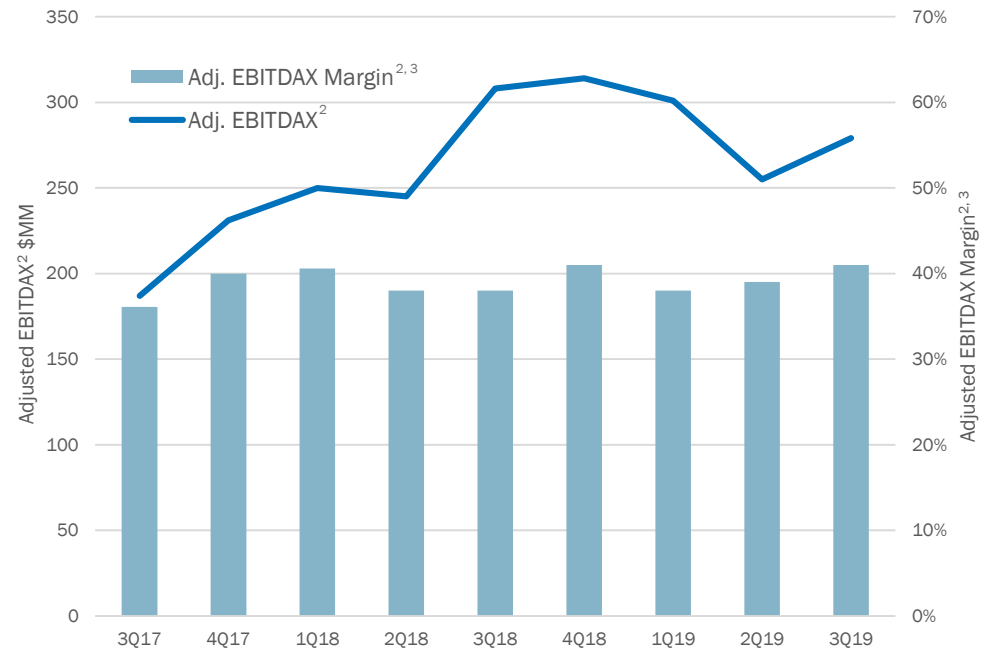
Buena Vista | Elk Hills  
Wilmington  
Kern Front | Mount Poso

# CRC Delivers Stable Production and Solid Adjusted EBITDAX Margins

## Field Production<sup>1</sup>



## Adjusted EBITDAX<sup>2</sup> by Quarter



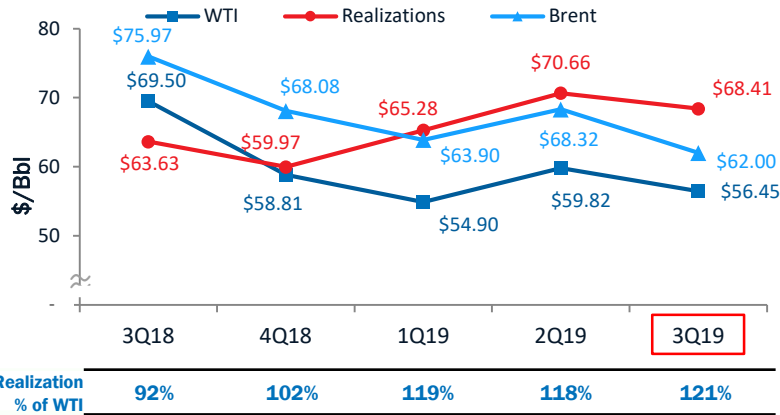
**Strong oil production and Adjusted EBITDAX<sup>2</sup>**

<sup>1</sup> Field Production includes gross production from the Wilmington field, which is subject to PSCs, and net production from all other assets.  
<sup>2</sup> See the Investor Relations page at [www.crc.com](http://www.crc.com) for a reconciliation to the closest GAAP measure and other important information.  
<sup>3</sup> Results for reporting periods beginning after January 1, 2018 are presented under the new revenue recognition accounting standard while prior periods are not adjusted and continue to be reported under accounting standards in effect for the applicable period.

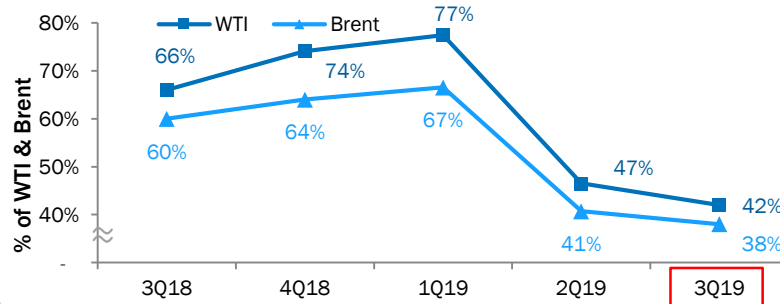


# CRC Price Realizations – Strong Brent Realizations

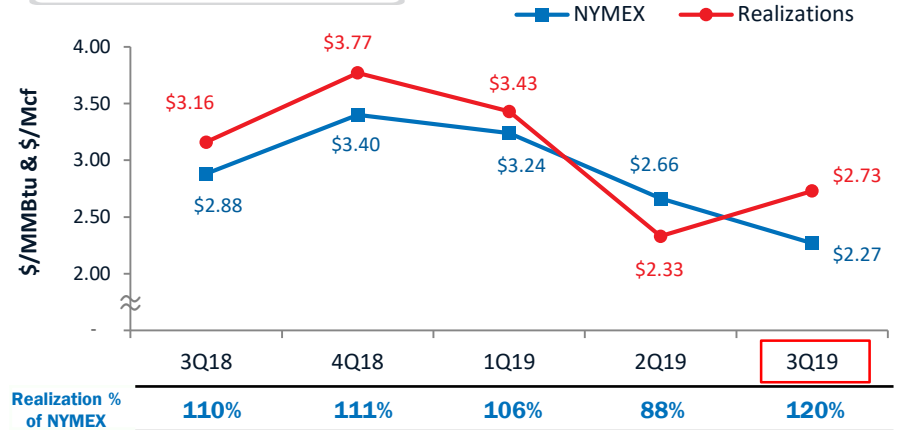
## Oil Price Realization (with Hedges)



## NGL Price Realization - % of WTI & Brent



## Gas Price Realization



- California refinery demand for native crude continues to be strong and reduction in heavy waterborne crude has positively influenced 2019 differentials.
- Natural gas prices continued to be impacted by temperate weather and excess local and national supply in the third quarter of 2019.
- NGL prices were impacted by excess supply locally and nationally, temperate weather in California as well as weaker demand due to refinery downtimes in the third quarter of 2019.



**CRC believes crude oil realizations will remain strong and NGL realizations will rebound.**

# 3Q18 to 3Q19 Adj. EBITDAX<sup>3</sup>



<sup>1</sup> Costs includes changes in operating expenses, general and administrative expenses and taxes.

<sup>2</sup> Trading income is seasonal in nature and is typically lower during milder weather.

<sup>3</sup> See the Investor Relations page at [www.crc.com](http://www.crc.com) for historical reconciliations to the closest GAAP measure and other important information.

# Third Quarter 2019 Results Comparison

	3Q18	2Q19	3Q19
Net Income Attributable to Common Stock per Share – Diluted	\$1.32	\$0.24	\$1.89
Adjusted Net Income (Loss) <sup>1</sup> per Share – Diluted	\$0.81	\$(0.29)	\$0.34
Oil Production	84 MBbl/d	79 MBbl/d	79 MBbl/d
Total Production	136 MBoe/d	129 MBoe/d	128 MBoe/d
Realized Oil Price w/ Hedge (\$/Bbl)	\$63.63	\$70.66	\$68.41
Realized NGL Price (\$/Bbl)	\$45.72	\$27.82	\$23.55
Realized Natural Gas Price (\$/Mcf)	\$3.16	\$2.33	\$2.73
Net Income Attributable to Common Stock	\$66 MM	\$12 MM	\$94 MM
Adjusted EBITDAX <sup>1</sup>	\$308 MM	\$255 MM	\$278 MM
Internally Funded Capital Investments	\$158 MM	\$124 MM	\$117 MM
Cash Provided by Operating Activities	\$159 MM	\$114 MM	\$268 MM

# Quarterly Cost Comparison

	3Q18	2Q19	3Q19
Production costs (\$/Boe)	\$18.92	\$19.62	\$18.82
Production costs excluding PSC effects <sup>1</sup> (\$/Boe)	\$17.55	\$17.98	\$17.44
Taxes other than on income (\$MM)	\$45	\$36	\$42
Exploration expense (\$MM)	\$4	\$10	\$5
Interest expense (\$MM)	\$95	\$98	\$95



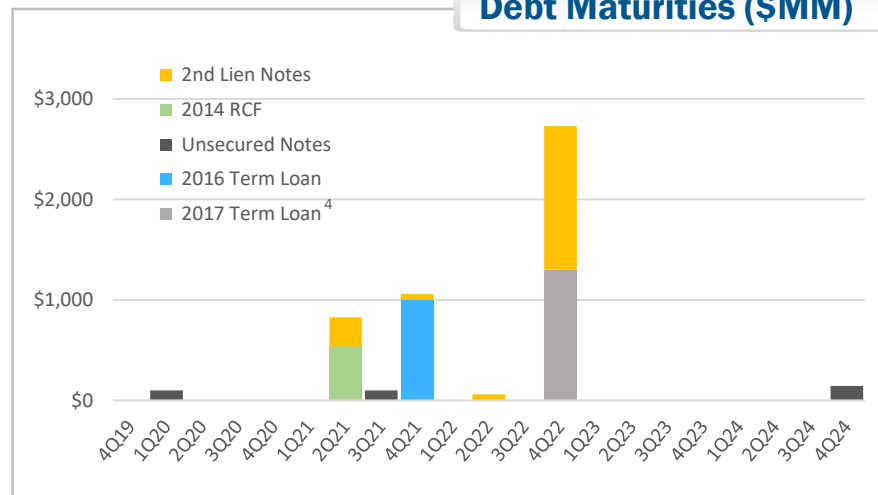
# Improving Debt Metrics

## Capitalization (\$MM)

1st Lien 2014 Revolving Credit Facility (RCF)	\$	514
1st Lien 2017 Term Loan		1,300
1st Lien 2016 Term Loan		1,000
2nd Lien Notes		1,838
Senior Unsecured Notes		344
<b>Total Debt</b>		<b>4,996</b>
Less cash <sup>1</sup>		(20)
<b>Net Debt</b>		<b>4,976</b>
Mezzanine Equity		789
Total Equity		(208)
<b>Total Net Capitalization</b>	<b>\$</b>	<b>5,558</b>

Total Debt / Total Net Capitalization	90%
Total Debt / LTM Adjusted EBITDAX <sup>2</sup>	4.4x
LTM Adjusted EBITDAX <sup>2</sup> / LTM Interest Expense	2.9x
PV-10 <sup>3</sup> / Total Debt	1.9x
Total Debt / Proved Reserves <sup>3</sup> (\$/Boe)	\$7.02
Total Debt / Proved Developed Reserves <sup>3</sup> (\$/Boe)	\$9.43
Total Debt / 3Q19 Production (\$/Boepd)	\$39,031

## Debt Maturities (\$MM)



**Total debt below \$5.0 billion after recent repurchases**

<sup>1</sup> Excludes \$2MM of restricted cash.

<sup>2</sup> See the Investor Relations page at [www.crc.com](http://www.crc.com) for a reconciliation to the closest GAAP measure and other important information.

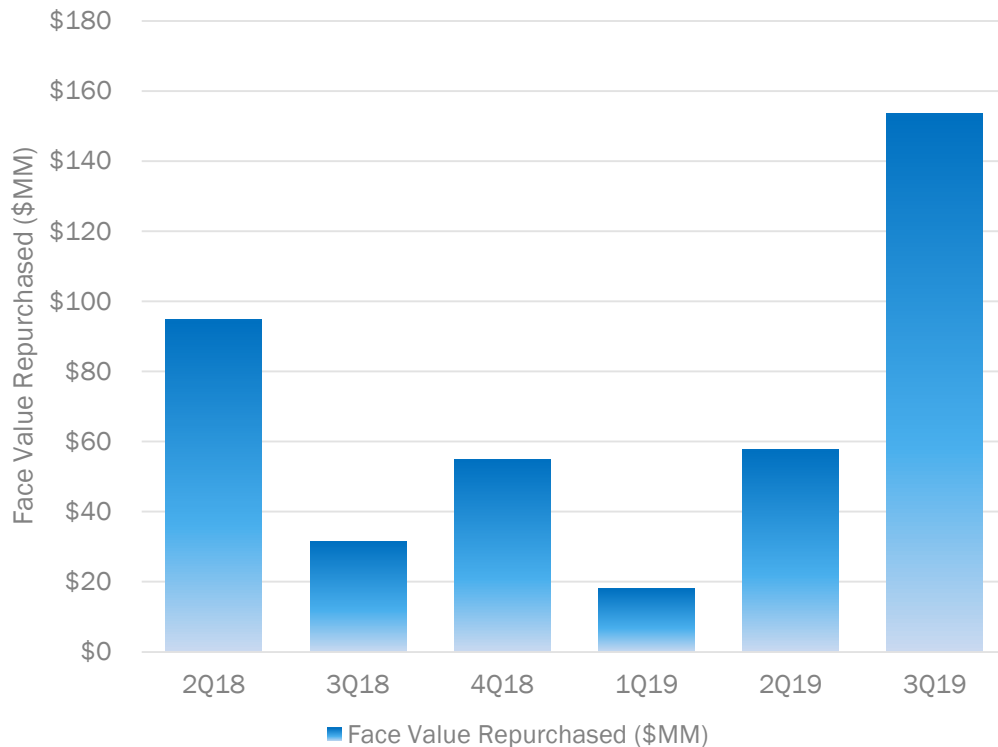
<sup>3</sup> Proved Reserves and PV-10 estimates are as of 12/31/18 and based on SEC18 prices of \$71.75 Brent / \$3.10 NYMEX. See the Investor Relations page at [www.crc.com](http://www.crc.com) for details on how PV-10 is calculated.

<sup>4</sup> The 2017 Term Loan is subject to a springing maturity in October 2021 related to the outstanding balance of the 2016 Term Loan.

# Debt Repurchases

- CRC has opportunistically **repurchased over \$410MM** in face value of Second Lien Notes since issuance including **\$153MM in the third quarter of 2019**
- Received an **average discount of 25 percent** from the face value, for a **discount capture of over \$100MM**
- Continue to **target 10-15% of discretionary cash flow** for balance sheet strengthening

## Second Lien Note Repurchases



# Fourth Quarter 2019 Guidance

## Anticipated Realizations Against the Prevailing Index Prices for 4Q19

Oil	96%	to	101% of Brent
NGLs	40%	to	45% of Brent
Natural Gas	110%	to	120% of NYMEX

## Production, Capital and Income Statement Guidance

Production <sup>1</sup>	124	to	129 MBOEPD
Capital <sup>2</sup>	\$135	to	\$165 million
Production Costs <sup>1</sup>	\$17.70	to	\$18.80 per Boe
Adjusted G&A <sup>1, 3</sup>	\$5.70	to	\$6.10 per Boe
DD&A <sup>1</sup>	\$10.15	to	\$10.45 per Boe
Taxes other than on income	\$38	to	\$42 million
Exploration expense	\$4	to	\$9 million
Interest expense	\$88	to	\$93 million
Cash interest	\$139	to	\$144 million
Effective tax rate	--	to	--
Cash tax rate	--	to	--

<sup>1</sup>Ranges in the above table are based on average Q4 2019 Brent price of \$60 per barrel. If based on average Q4 2019 Brent price of \$65 per barrel, production guidance would range from 123 to 128 MBOEPD and production costs would range from \$17.80 to \$18.90 per BOE.

<sup>2</sup>Capital guidance includes CRC, BSP, MIRA and Alpine capital. For further detail on our Q4 2019 guidance, please see our latest Earnings Release.

<sup>3</sup> See the Investor Relations page at [www.crc.com](http://www.crc.com) for historical reconciliations to the closest GAAP measure and other important information.

# Opportunistically Built Oil Hedge Portfolio

## Strategy

- **Protect cash flow, operating margins and capital investment program**
- **Hedge program targets up to 50% of crude oil production**

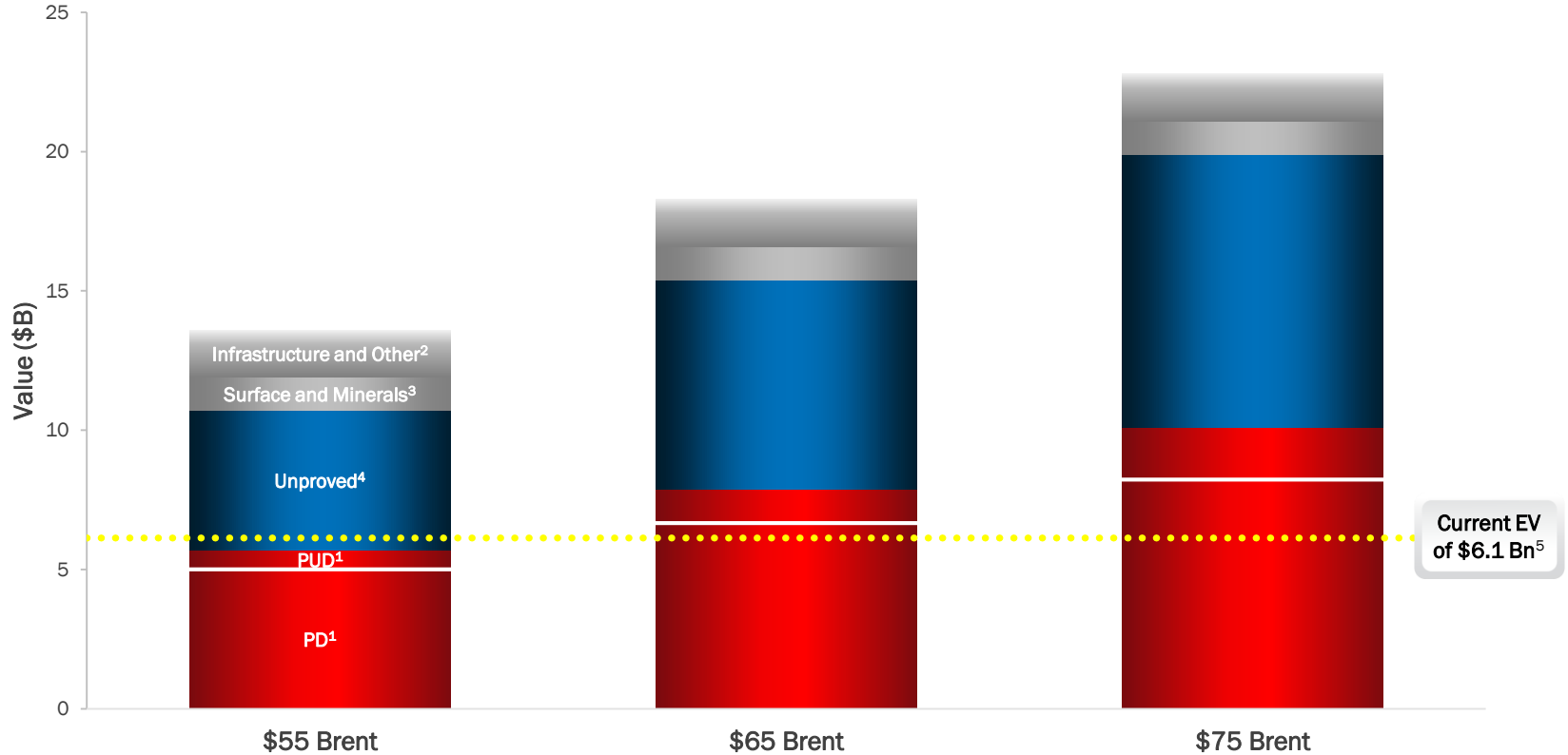


Hedge program preserves significant upside exposure to commodity price movement

		4Q19	1Q20	2Q20	3Q20	4Q20
<b>Purchased Puts</b>	Barrels per Day	35,000	30,000	15,000	10,000	5,000
	Weighted Average Price per Barrel	\$75.71	\$70.83	\$68.33	\$65.00	\$65.00
<b>Sold Puts</b>	Barrels per Day	35,000	30,000	15,000	10,000	5,000
	Weighted Average Price per Barrel	\$60.00	\$56.67	\$55.00	\$55.00	\$55.00
<b>Swaps</b>	Barrels per Day	-	-	5,000 <sup>1</sup>	-	-
	Weighted Average Price per Barrel	-	-	\$70.05	-	-
<b>Percentage Hedged Against 3Q19 Oil Production</b>		<b>44%</b>	<b>38%</b>	<b>25%</b>	<b>13%</b>	<b>6%</b>

Note: The BSP JV entered into crude oil derivatives that are included in our consolidated results but not in the above table. For further information please see Attachment 8 of our Q3 2019 Earnings Release.

# Current Enterprise Value Deeply Discounted



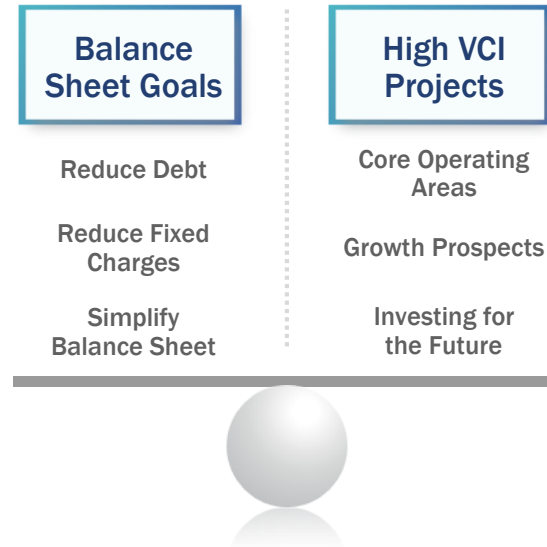
<sup>1-5</sup> See endnotes in the Appendix. See the Investor Relations page at [www.crc.com](http://www.crc.com) for important information about 3P reserves and other hydrocarbon quantities.

# Disciplined Execution on Highest Value Projects to Deliver Substantial Value

## VALUE DRIVEN



Balance capital investment with  
**Financial**  
**Strengthening Efforts**  
for best long-term value creation





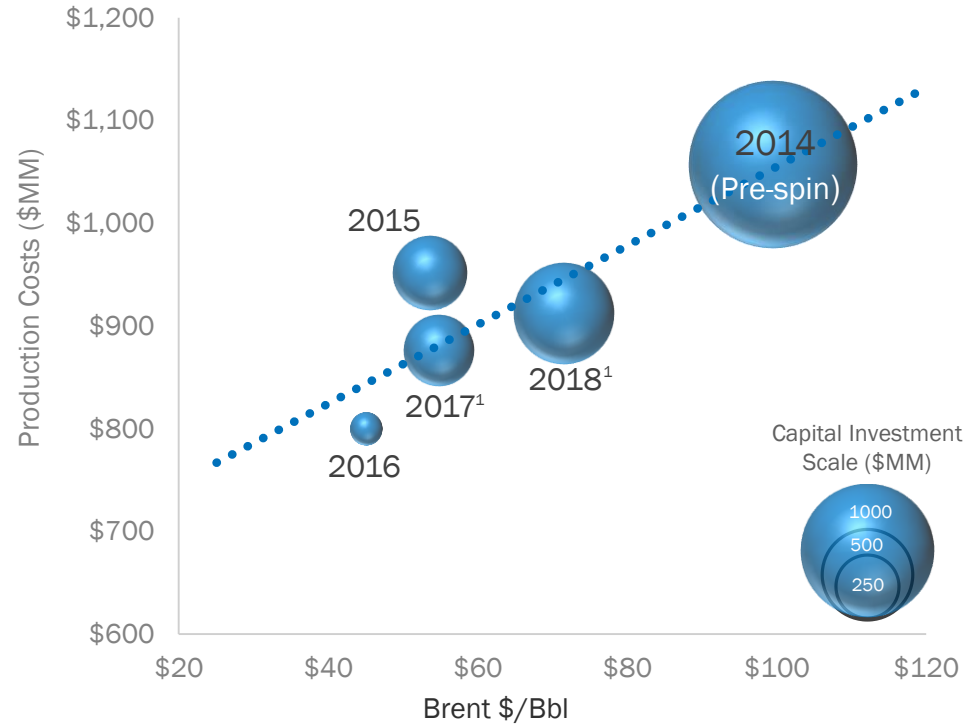
**CALIFORNIA**  
RESOURCES CORPORATION

# APPENDIX

# Demonstrated Experience Controlling Production Costs Through Price Cycle

- **Capital investment scales** with commodity price changes
- **Flexible operations** and **shallow base decline** allow for quick response to commodity price changes while **preserving value**
- **Consistently controlled production costs** throughout **price cycles**
- Production costs have been **as low as approximately \$15/boe** when commodity prices reached a **relative low point**

Annual Production Costs & Capital Investment<sup>1</sup>



<sup>1</sup>Includes JV Capital.



# CRC Significantly Undervalued

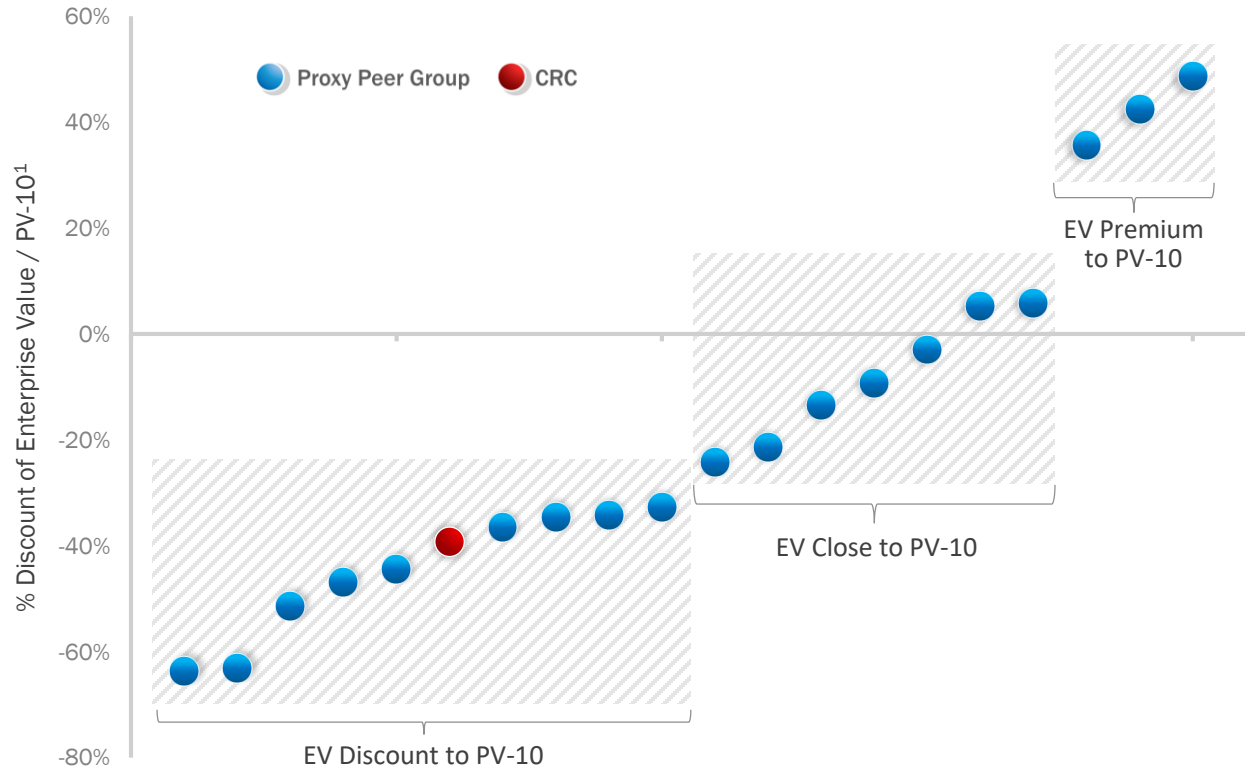
## EV Significantly Undervalued

- **CRC has a top quartile PV-10<sup>1</sup> value among Proxy peers, but is valued significantly below its peers' enterprise value.**
- **If CRC's discount from enterprise value matched the average of the Proxy peer group, -20%, implied CRC stock price would be \$48/share**

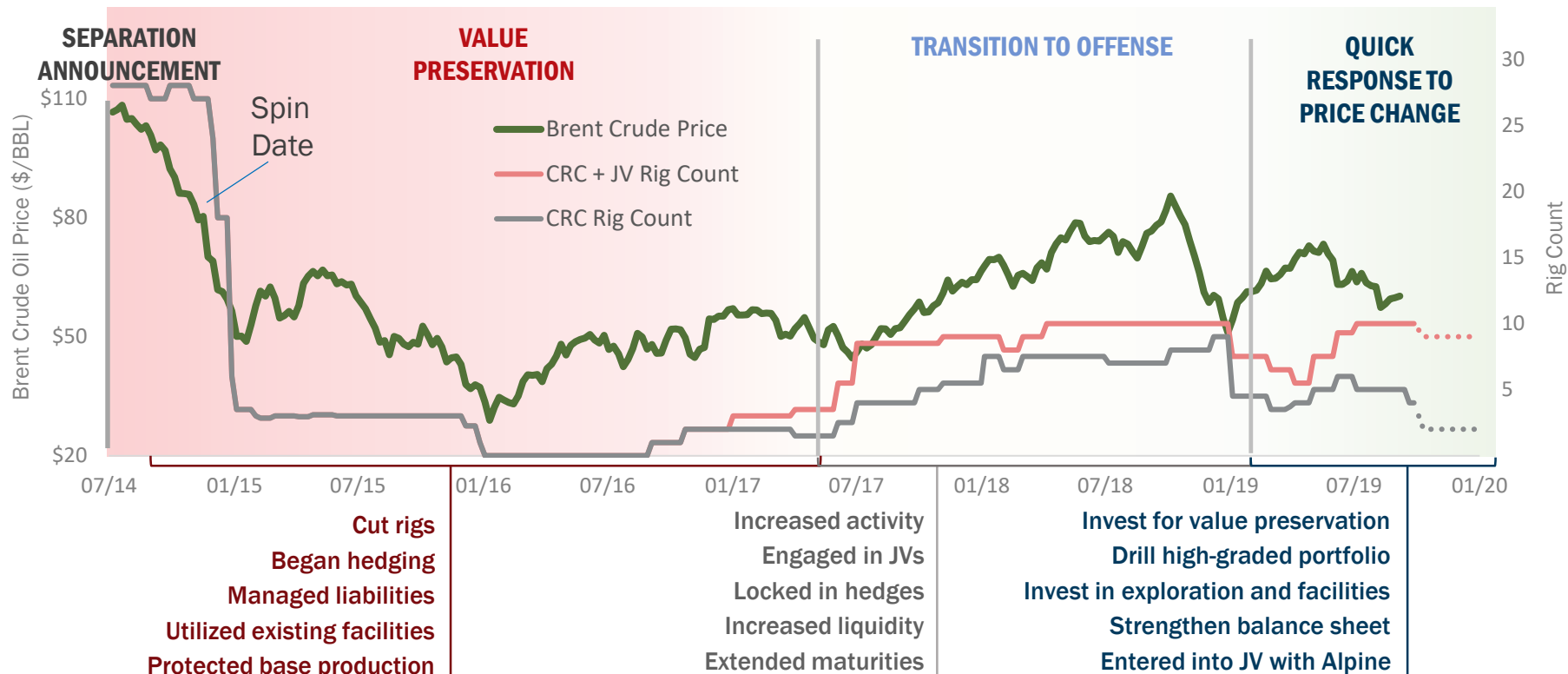


**CRC's enterprise value is significantly below its PV-10<sup>1</sup> value.**

<sup>1</sup>PV-10 values as disclosed in 4Q18 and effective 12/31/18 using 2018 SEC pricing: Brent \$71.75, WTI \$65.55, NYMEX \$3.10. Total debt and market capitalization as of 9/30/19. Note Proxy peers include: COG, CPE, CRZO, DNR, EPE, FANG, LPI, MTDR, MUR, OAS, PDCE, PE, QEP, RRC, SM, SWN, WLL, WPX, XEC.

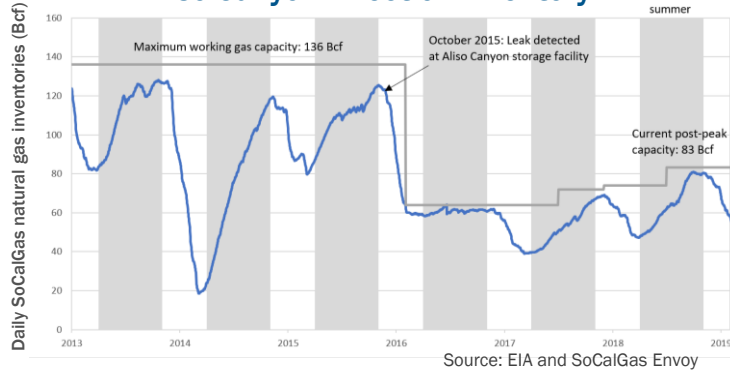


# Pressure Tested Through the Commodity Price Cycle and Focused on Long-Term Value

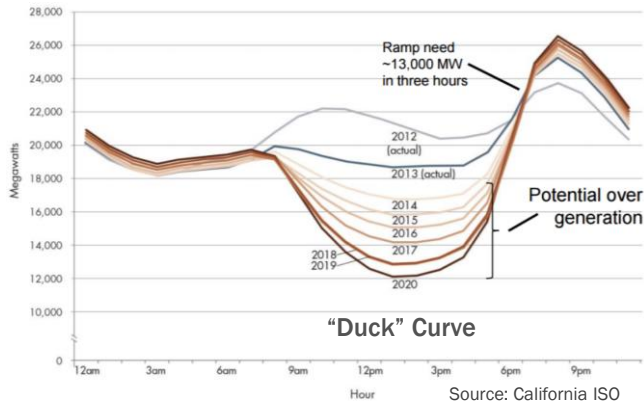


# California Policies Impact Natural Gas Prices

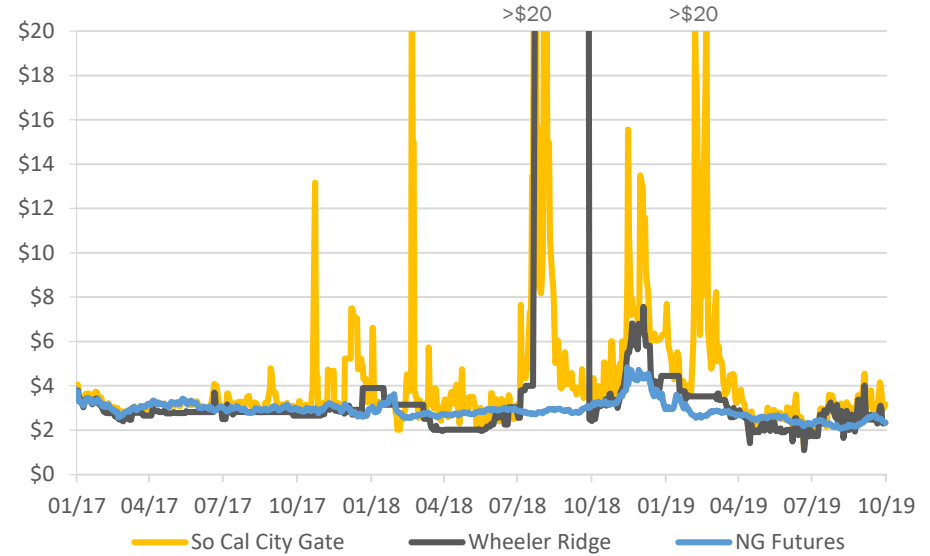
## Aliso Canyon Effect on Inventory



## Impact of Solar Generation



## Lack of Natural Gas Storage and Peak Demand



California Natural Gas Prices

Source: Bloomberg



Limited third-party storage, peak demand, and reliance on renewable sources have increased volatility in local natural gas prices

# CRC's Natural Gas Liquids Marketing

- CRC is the largest NGLs producer in California  
Approximately 16,000 bpd
- Breakdown of CRC's NGLs production:

**53%  
Propane**

- Approximately half sold locally and half exported to Mexico
- Dynamically adjust market mix to achieve highest net realization

**33%  
Butane**

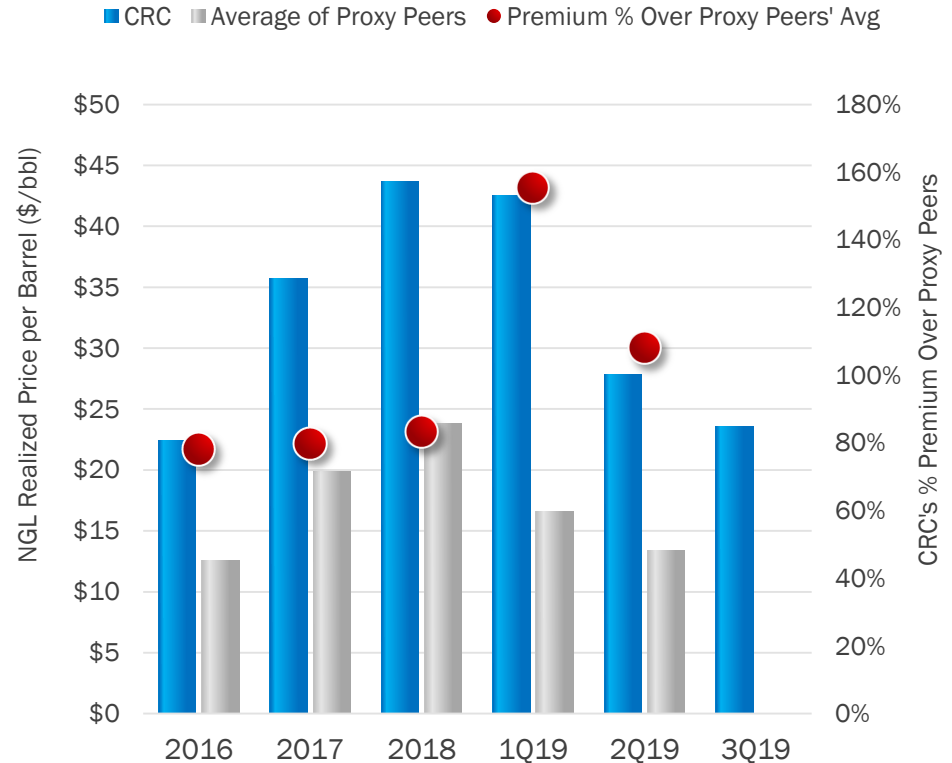
- 100% sold in the California market
- Infrastructure connected to multiple processing facilities
- California is a premium market for butane

**14%  
Natural Gasoline**

- 100% sold in the California market
- Minimize transportation costs and maximize net realization



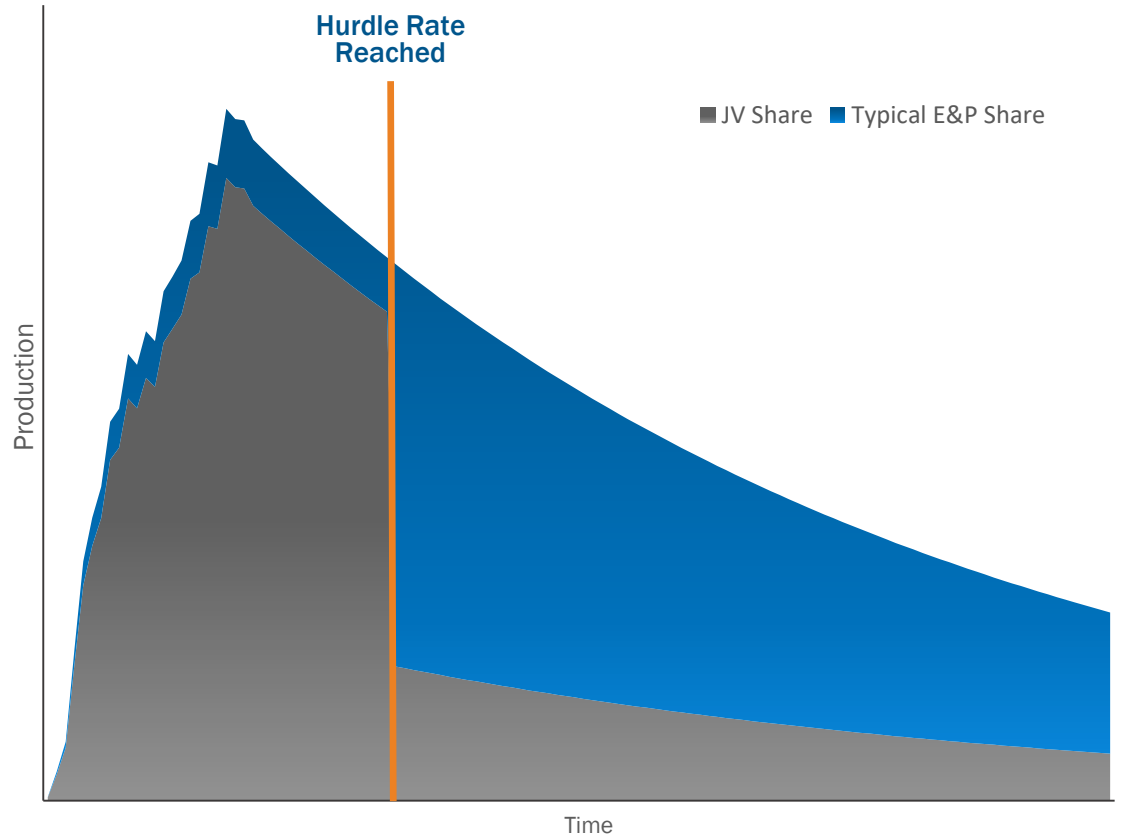
**CRC's NGLs trend with national prices, but trade at a premium due to market conditions in California and isolation from the larger national market.**



<sup>1</sup>Proxy peers with reported NGLs include: CRZO, FANG, GPOR, LPI, PDCE, PE, QEP, RRC, SM, SWN, WLL, WPX, XEC. All prices, including CRC's, are unhedged and current as reported in 2018 10-K and 1Q19 and 2Q19 10-Q filings.

# Typical DrillCo JV Structure

- Based on recent industry JV deals, a typical DrillCo structure is
  - Partner pays 80-100% Capital
  - Partner receives 80-100% Working Interest in wells drilled
  - Typical hurdle rate:
    - 10% - 20% IRR
  - Partner's working interest if hurdle rate is achieved:
    - 5% - 25%



# Midstream Joint Venture

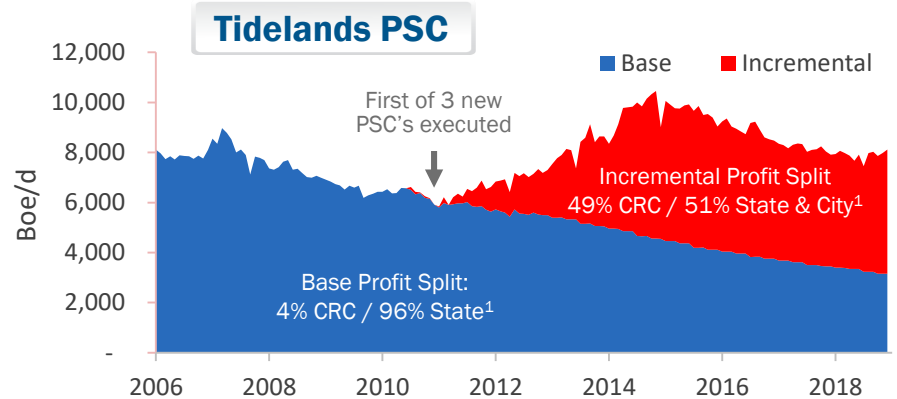
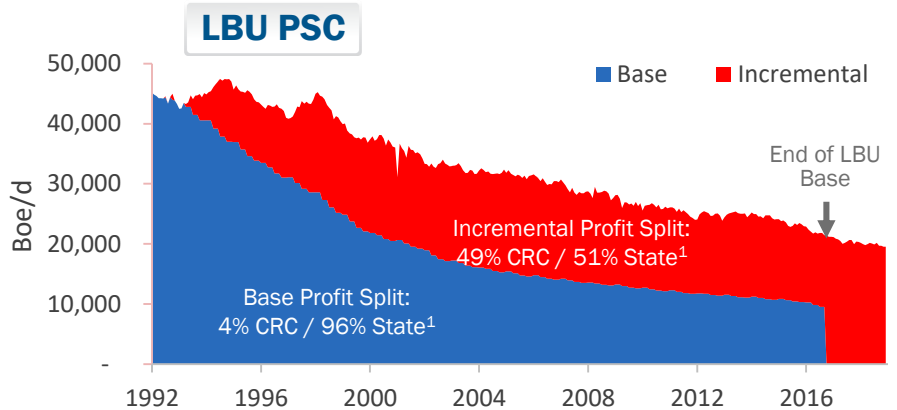
## Summary of Deal

<b>Partner</b>	<ul style="list-style-type: none"><li>▪ Affiliate of Ares Management (Ares)</li></ul>
<b>Contributed Assets</b>	<ul style="list-style-type: none"><li>▪ Elk Hills power plant, gas processing assets and related non-borrowing base infrastructure owned by CRC</li></ul>
<b>Midstream JV Capitalization</b>	<ul style="list-style-type: none"><li>▪ Class A common interests (voting) owned 50% by Ares and 50% by California Resources Elk Hills (CREH)</li><li>▪ Class B preferred interests (“Preferred”) owned 100% by Ares</li><li>▪ Class C common interests (distributing) owned 95.25% by CREH and 4.75% by Ares</li></ul>
<b>Distribution to Partners</b>	<ul style="list-style-type: none"><li>▪ Preferred interests to receive preferred distributions of 13.5% per annum on the \$750 MM contributed amount</li><li>▪ 9.5% cash pay and 4.0% PIK to be deferred for the first three years</li><li>▪ Deferred distributions are interest bearing and repaid over two years following the deferral period</li><li>▪ Remaining cash after Preferred distributions to be distributed pro rata to Class C interests</li></ul>
<b>Exit Provisions</b>	<ul style="list-style-type: none"><li>▪ Prior to end of 5 or 7.5 years, CRC may redeem Preferred at variable amounts that include make whole premiums</li><li>▪ At end of 5 years, CRC may elect to either redeem or extend to 7.5 years</li><li>▪ At 7.5 years, if not redeemed by CRC, Preferred can monetize the JV</li></ul>
<b>Board</b>	<ul style="list-style-type: none"><li>▪ Board of Managers consists of three CRC representatives and three representatives from Ares</li></ul>



# Wilmington Field – Production Sharing Contracts

- Over 90% of CRC's Long Beach production is covered under **Production Sharing Contracts (PSCs)** with the State and the City of Long Beach
- CRC's net production decreases when prices rise and increases when prices decline
- "Base" rate/profit is defined in contracts
  - State/City receive most of base profit
  - CRC receives remainder
- "Incremental" rate/profit is everything greater than the Base
- Per the provisions of the contract, the Base of the LBU PSC ended in 4Q 2016



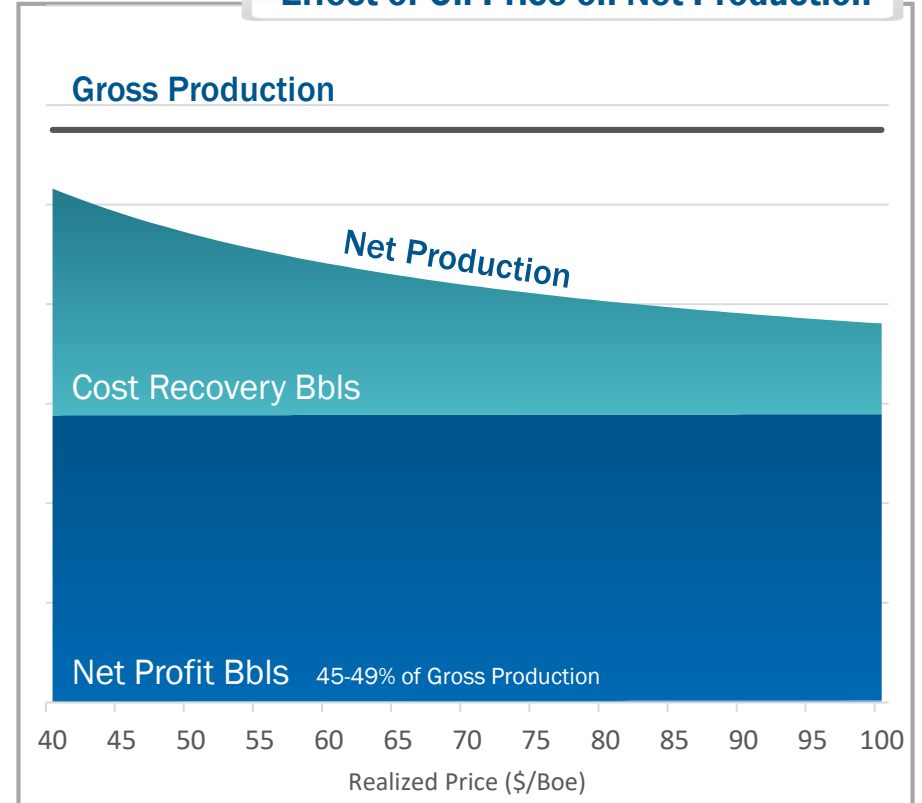
# Wilmington Production Sharing Contracts

- Over 25% of CRC's oil production is subject to Production Sharing Contracts
- PSC Mechanics
  - CRC pays our partners' share of the Operating and Capital Cost
  - CRC recovers our partners' portion of the cost in barrels
  - CRC receives 45-49% of the gross production as "Profit Barrels"
- As prices rise, fewer barrels are required to recover our partners' portion of the cost



**Higher oil prices result in higher cash flow, but lower net production**

## Effect of Oil Price on Net Production





# End Notes

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From Slide 21

- <sup>1</sup> CRC estimate of reserves value as of December 31, 2018. Includes field-level operating expenses, G&A and taxes other than on income. Assumes \$3.00/MMBTU NYMEX in all cases.
- <sup>2</sup> Reflects the value of facilities and midstream assets, excluding assets owned by the Ares JV, at 50% of estimated replacement value. This discount is estimated to exceed the burden on reserves that would be incurred if assets were monetized. Does not include value of extensive seismic library.
- <sup>3</sup> Surface & Mineral reflects the estimated value of undeveloped surface and mineral acreage held in fee.
- <sup>4</sup> Unproved reserves are comprised of risked probable and possible reserves as of December 31, 2018.
- <sup>5</sup> Calculated using September 30, 2019 debt at par and a market cap as of 10/31/2019. Includes non-controlling interests reported as mezzanine and permanent equity as of September 30, 2019.

See the Investor Relations page at [www.crc.com](http://www.crc.com) for important information about 3P reserves and other hydrocarbon resource quantities, PV-10 and standardized measure, finding and development (F&D) costs, recycle ratio calculations, reserve replacement ratios, Value Creation Index (VCI), debt adjusted shares calculation, drilling locations and reconciliations of non-GAAP measures to the closest GAAP equivalent.