

California Resources Corporation

FEIN: 46-5670947

Tax Information Provided Pursuant to U.S. Treas. Reg. Sec. 1.1273-2(f)(9):

Issue Price Disclosure

On September 24, 2014, California Resources Corporation (the “Issuer”) and certain lenders (the “Lenders”) entered into a credit agreement (the “Credit Agreement”), that provided for a term loan with a principal amount of \$1 billion (the “Old Term Loan”) and a revolving loan with commitments up to \$2.0 billion (the “Old Revolving Loan” and together with the Old Term Loan the “Old Loans”). On November 17, 2017, the Issuer and the Lenders entered into the Seventh Amendment to the Credit Agreement (the “Amendment”). The Amendment, *inter alia*, effectively increased the margin on the Old Revolving Loans by more than 25 basis points. As a result of the Amendment, for U.S. federal income tax purposes, the Old Revolving Loans were deemed to be retired and reissued for a new revolving loan (the “New Revolving Loan”).

Pursuant to U.S. Treasury Regulation Section 1.1273-2(f)(9), CRC determined that the New Revolving Loan is traded on an established market within the meaning of U.S. Treasury Regulation Section 1.1273-2. Accordingly, the issue price of the New Revolving Loan is equal to the fair market value as determined on the deemed issue date (November 17, 2017). Based on the information reasonably available to CRC, the “issue price” of the New Revolving Loan, within the meaning of U.S. Treasury Regulation Section 1.1273-2(b), is 95% of par value.

As provided by the Regulations, the above determination is binding upon all Lenders unless such Lender explicitly discloses, in accordance with the requirements of the Regulation, that its determination is different from CRC’s determination. A Lender’s disclosure must be made on a timely filed federal income tax return for the taxable year that includes the acquisition date of the New Revolving Loan.

There can be no assurance that the IRS will not take a different position from ours or that any such position would be sustained.

This notice is only intended to fulfill CRC’s notification obligation under the Regulations and does not constitute tax advice. Lenders are encouraged to obtain independent tax advice to determine the implications of this notification to them.