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

# FORM 8-K

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**
**SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported): October 3, 2018**

**California Resources Corporation**
(Exact Name of Registrant as Specified in Charter)

| **Delaware** | **001-36478** | **46-5670947** |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| **9200 Oakdale Avenue, Suite 900**<br>**Los Angeles, California** | **91311** |
|---|---|
| (Address of Principal Executive Offices) | (Zip Code) |

**Registrant's Telephone Number, Including Area Code: (888) 848-4754**

**Not Applicable**
**(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

**Item 2.02 Results of Operations and Financial Condition.**

On October 3, 2018, California Resources Corporation (the "Company") issued a press release regarding its 2018 Analyst & Investor Day (the "Analyst Day Conference") that will be held later that day in New York, New York, for current and prospective research analysts and investors. The live presentation of the Analyst Day Conference is scheduled to begin at 8:30 a.m. EDT. During the presentation, representatives of the Company will review its investment strategy, performance, capital position and general market conditions. The Company will also provide preliminary third quarter and year-to-date 2018 financial and activity estimates.

All interested parties are invited to listen to the live webcast, which will be hosted on a webcast link located on the home page of the Investor Relations section of the Company's website at http://www.crc.com. Please visit the website to test your connection before the webcast. The webcast link will also include a link to a slide presentation that complements the discussions being held at the Analyst Day Conference, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information disclosed under this Item 2.02, including Exhibits 99.1 and 99.2 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit Number | Description of the Exhibits |
|---|---|
| 99.1 | Press release dated October 3, 2018 |
| 99.2 | CRC 2018 Analyst & Investor Day |

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**California Resources Corporation**

/s/ Roy Pineci

| | |
|---|---|
| Name: | Roy Pineci |
| Title: | Executive Vice President, Finance |

DATED: October 3, 2018

# NEWS RELEASE

**For Immediate Release**

## California Resources Corporation Hosts 2018 Analyst & Investor Day

*Company Details Strategic Approach to Deliver Long-Term, Value-Driven Growth and Issues Preliminary Third Quarter and Year-to-Date 2018 Financial and Activity Estimates*

**LOS ANGELES, CALIFORNIA - October 3, 2018 -** California Resources Corporation (NYSE: CRC) will host its 2018 Analyst & Investor Day today Wednesday, October 3, 2018 from 8:30 a.m. to approximately 11:45 a.m. EDT in New York, New York.

Todd A. Stevens, CRC's President and Chief Executive Officer, said, "CRC adheres to a strategic approach to deliver value-driven results throughout our assets and operations. Our diverse portfolio of conventional assets provide robust and competitive returns while our laser-focus on operational excellence captures synergies and efficiencies to drive margins across our core and growth areas. As we align our business with mid-cycle pricing, we remain committed to our strategic priority of a disciplined VCI-based capital allocation designed to accelerate value creation. We remain focused on thoughtfully developing our stacked pay reservoirs and leveraging our infrastructure to increase crude oil production and drive both margin expansion and cash flow to further strengthen our financial position. To drive shareholder value, CRC will continue to be guided by our core principle of living within cash flow, and will target 10% to 15% of discretionary cash annually toward ongoing balance sheet strengthening."

**CRC's Value-Driven Strategic Approach**

At this investor meeting, senior management will provide additional detail regarding CRC's strategic approach to deliver value-driven growth over the near and long term. Highlights of the Company's strategic priorities and value creation efforts include:

- Capturing the value of CRC's diverse portfolio of assets through value-driven production and deliberate delineation. CRC's deep operating knowledge and expertise and detailed life-of-field plans generate a strong pipeline of actionable projects and enhance its already substantial reserves inventory. CRC will also showcase 731 million BOE of proved reserves, based on 2018 mid-year estimates as audited by Ryder Scott. These reserves were 73% crude oil, consisting of 72% proved developed.

- Ensuring effective and disciplined capital allocation and attractive competitive returns by applying CRC's value creation index (VCI) on a fully burdened basis to prioritize our inventory of core, growth and workover opportunities. CRC's 2019 capital planning budget will allocate approximately 60% to drilling and completions in core and growth areas, 15% to workovers, 20% to facilities, and approximately 5% to exploration.

- Driving operational excellence through the application of technology, streamlined processes, consolidation and innovative approaches, as well as CRC's unique and differentiated midstream infrastructure, to enhance margin performance. The Company expects the combination of its world-class assets, disciplined capital allocation and operational excellence to deliver double-digit EBITDAX growth at $75 Brent.

- Strengthening the balance sheet by pursuing an “all of the above” approach to simplify CRC’s capital structure, reduce fixed charges, enhance financial metrics and reduce absolute levels of debt. The Company will continue to balance capital investment into high VCI projects and align with its deleveraging goals. Accordingly, CRC will target 10% to 15% of discretionary cash for further balance sheet strengthening.

**Preliminary Third Quarter and Year-to-Date 2018 Financial Results[1]**

In conjunction with this investor event, CRC also issued certain preliminary third quarter and year-to-date 2018 financial and activity estimates that it expects to report, including:

- Production of approximately 136 Mboe/day reflecting an oil mix of 62% for the third quarter of 2018 and approximately 131 Mboe/day reflecting an oil mix of 62% on a year-to-date basis, which are subject to final production sharing contract and other adjustments.

- Drilled approximately 90 gross wells, including approximately 55 CRC wells, for the third quarter of 2018 and approximately 250 gross wells, including approximately 150 CRC wells, on a year-to-date basis.

- Approximately $200 million of capital investment, including approximately $180 million of internally funded capital, for the third quarter of 2018 and approximately $550 million of capital investment year-to-date, including approximately $490 million of internally funded capital.

- Approximately $300 million[2] of adjusted EBITDAX for the third quarter of 2018 and over approximately $775 million[3] of adjusted EBITDAX on a year-to-date basis. Adjusting for settled hedges and cash-settled equity compensation during the same periods, the Company’s core adjusted EBITDAX performance estimates are expected to exceed $350 million[2] and $900 million[3], respectively.

CRC will provide detailed third quarter 2018 financial results and fourth quarter guidance on Thursday, November 1, 2018 when it plans to report full financial details for its quarter and year-to-date performance.

[1] The third quarter and year-to-date 2018 financial results are preliminary estimates. The company’s books and records for the applicable period are not yet finalized and actual results may differ, possibly substantially.

[2] Reconciliation of Adjusted EBITDAX to net income for Q3 2018: approximately $120 million of preliminary estimated net income; plus interest and debt expense, net of approximately $95 million and depreciation, depletion and amortization of approximately $130 million; partially offset by other non-cash items including an estimated derivative gain of approximately $50 million. Reconciliation of Adjusted EBITDAX to operating cash flow for Q3 2018: approximately $175 million of preliminary estimated net cash provided by operating activities plus cash interest of approximately $70 million and working capital changes and other adjustments of approximately $55 million. Core adjusted EBITDAX removes the transitory effects of settled hedges and the significant run-up in our stock price of approximately $50 million to $100 million.

[3] Reconciliation of Adjusted EBITDAX to net income for YTD 2018: approximately $65 million of preliminary estimated net income; plus interest and debt expense, net of approximately $280 million; depreciation, depletion and amortization of approximately $375 million; and over $60 million of other non-cash items. Reconciliation of Adjusted EBITDAX to operating cash flow for YTD18: approximately $400 million of preliminary estimated net cash provided by operating activities; plus cash interest of approximately $285 million; working capital changes of approximately $90 million; and other smaller adjustments. Core adjusted EBITDAX removes the transitory effects of settled hedges and the significant run-up in our stock price of approximately $175 million to $225 million.

**2018 Analyst & Investor Day Webcast Information**

Formal presentations from management will take place between 8:30 a.m. and 11:45 a.m. EDT, which will be available to the public via webcast. A link to the live audio webcast and accompanying presentations will be accessible from the Investor Relations section of CRC's website at www.crc.com. The event will be archived on CRC's Investor Relations page for replay shortly following the conclusion of the day's presentations. A digital replay of the conference call will be archived for approximately 12 months and available online on the Investor Relations page at www.crc.com.

**About California Resources Corporation**

California Resources Corporation is the largest oil and natural gas exploration and production company in California on a gross-operated basis. The Company operates its world-class resource base exclusively within the State of California, applying complementary and integrated infrastructure to gather, process and market its production. Using advanced technology, California Resources Corporation focuses on safely and responsibly supplying affordable energy for California by Californians.

**Forward-Looking Statements**

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

- financial position, liquidity, cash flows and results of operations
- business prospects
- transactions and projects
- operating costs
- Value Creation Index 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
- capital 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 CRC believes the assumptions or bases underlying its expectations are reasonable and makes 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 its financial flexibility
- insufficient cash flow to fund planned investments, debt repurchases or changes to our capital plan
- inability to enter 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 its products
- joint venture and acquisition activities and our ability to achieve expected synergies
- the recoverability of resources and unexpected geologic conditions
- changes in business strategy
- incorrect estimates of reserves and related future cash flows, and the inability to replace reserves
- 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 “Risk Factors” in CRC's Annual Report on Form 10-K available on its website at www.crc.com.

Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "goal," "intend," "likely," "may," "might," "plan," "potential," "preliminary,” “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 the Company undertakes 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.

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# CRC: VALUE-DRIVEN

## ANALYST & INVESTOR DAY

October 3, 2018 | New York City, New York

CALIFORNIA
RESOURCES CORPORATION

# Agenda

**Strategic Overview**
Todd Stevens, President and CEO

**Operating in California**
Charlie Weiss, EVP Public Affairs

**Conventional Delivers Strong Value**
Francisco Leon, EVP Corporate Development & Strategic Planning

**Driving Operational Excellence**
Shawn Kerns, EVP Operations and Engineering

**Value Driven Exploration & Development**
Darren Williams, EVP Operations and Geoscience

**Strengthening the Balance Sheet**
Mark Smith, Sr. EVP and CFO

**CRC Investment Proposition**
Todd Stevens, President and CEO

# 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 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:

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- inability to enter 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
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See the Investor Relations page at www.crc.com for important information about 3P reserves and other hydrocarbon resource quantities, organic finding and development (F&D) costs, organic recycle ratio calculations, original hydrocarbons in place, Value Creation Index (VCI), drilling locations and reconciliations of non-GAAP measures to the closest GAAP equivalent.

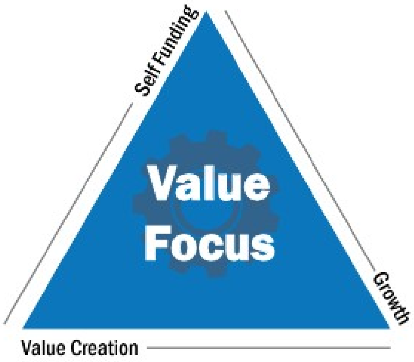
# CRC OVERVIEW VIDEO

See the Investor Relations page at www.crc.com to access this video.

# Five Main Takeaways

1. CRC is **well-positioned** to prosper in the mid-cycle environment as California's premier operator
2. Conventional delivers **strong & differentiated value**
3. The application of capital and technology will allow CRC to **grow its core** and **growth areas**, **improve efficiencies** and deliver **increased margins**
4. CRC has a **robust opportunity set** and significant remaining inventory potential
5. Continued **financial strengthening in 2019** with a portion of discretionary cash flow dedicated to debt reduction

# The VCI Difference Delivers Real Value




**Value Creation Index**

$$VCI = \frac{\text{PV10 pre-tax cash flows}}{\text{PV10 of investments}}$$

## Delivering Smart Growth and Real Value

- Value-directed investments
- Disciplined capital allocation
- Enhanced returns over full-cycle time frame
- Prioritization of projects and drives alignment of team
- Ahead of competitive landscape shifting to value

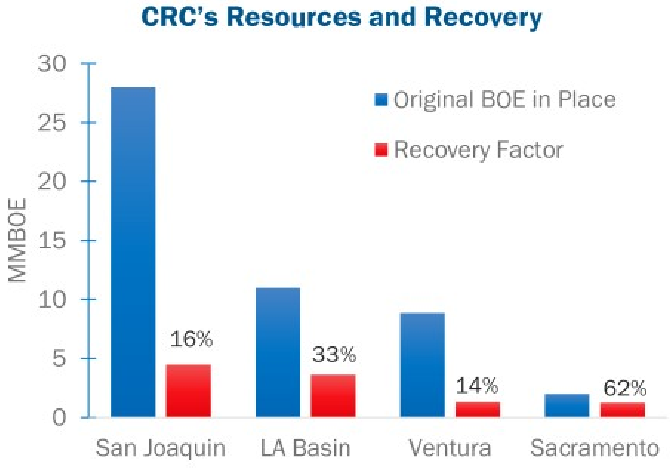
# CRC's Value-Driven Strategic Approach

| Capture Value of Portfolio | Ensure Effective Capital Allocation | Drive Operational Excellence | Strengthen Balance Sheet |
|---|---|---|---|
| • Pursue value-driven production<br>• Delineate future growth areas<br>• Enhance already substantial inventory<br>• Pursue strategic joint ventures | • Utilize VCI-based decision-making<br>• Optimize core operating area investment<br>• Enhance targeted growth area investment<br>• Pursue impactful capital workovers | • Streamline processes<br>• Apply technology<br>• Leverage sizeable infrastructure<br>• Drive strategic consolidation<br>• Employ new thinking and approaches | • Reinvest to grow cash flow<br>• Simplify capital structure<br>• Enhance credit metrics<br>• Pursue value-accretive M&A<br>• Reduce absolute level of debt |

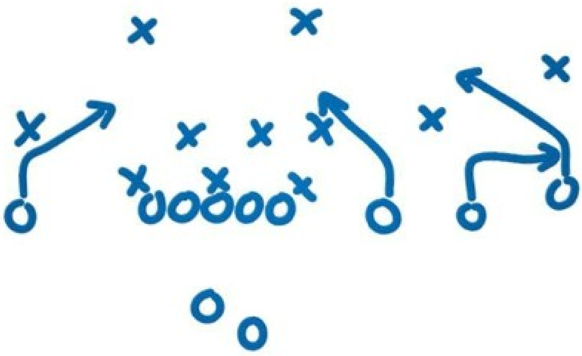
**Proven and pressure-tested strategic approach preserved value through the downturn and is set to drive significant value creation for years to come**

# World-Class Fields Delivering Value-Driven Growth

- **CRC has over 50 billion original BOE in place in four key basins**
  - 135 fields; 9 large fields each with over 1 billion original BOE in place
  - 10 billion BOE produced to date (20% recovery factor)
- **Focused on improving recovery**
  - Applying CRC "know-how" for efficient recovery
  - Utilizing repeatable techniques across fields and basins
- **Observed analogs guide development**
  - Utilizing proven, successful techniques
  - De-risking and accelerating reserve growth

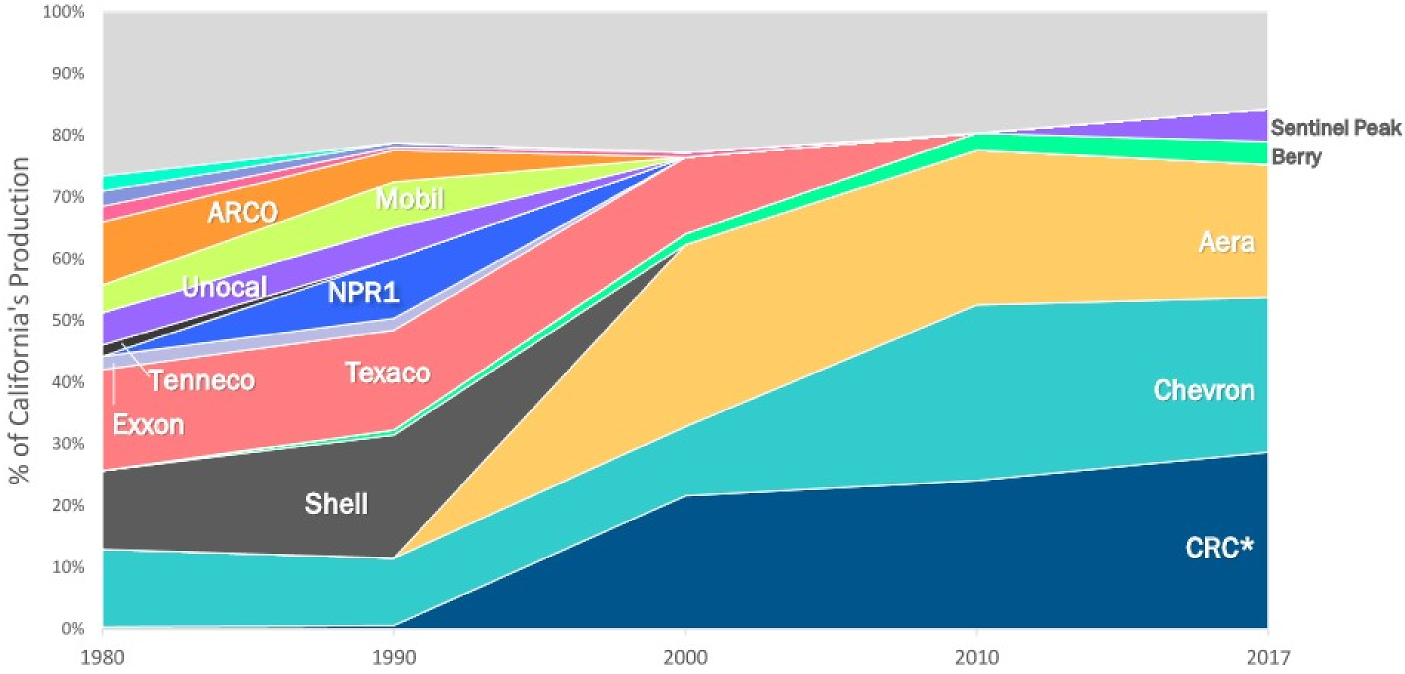


# CRC's Value-Driven Asset Playbook Delivers Results Through the Cycle



1. Optimize and **extend current assets** through comprehensive life of field plans
2. Apply **operating expertise** and **technical knowledge** to step out
3. Leverage infrastructure and **apply technology** to improve margins
4. Value-driven approach and **disciplined capital allocation** to manage portfolio
5. Grow resource potential via **exploration**, **acquisition** or **partnership**
6. Maximize **value** and **cash flow**

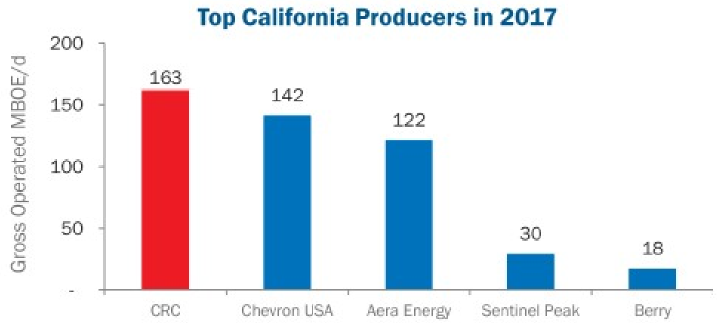
# Assets of a Major with Flexibility of an Independent

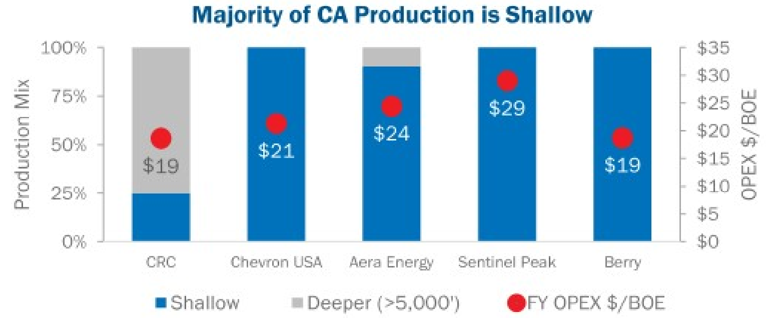


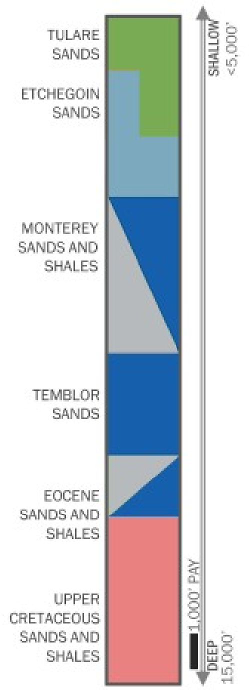

Source: DOGGR, in some cases predecessor volumes included

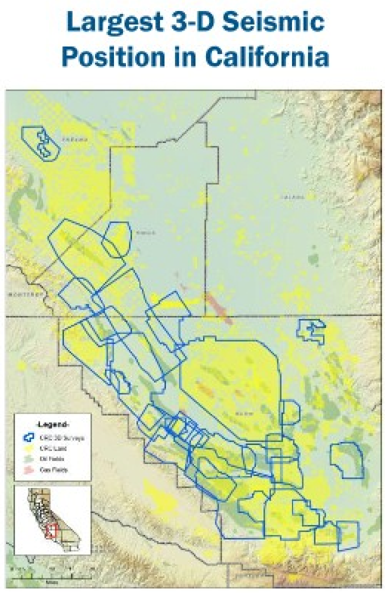
*CRC Production prior to 2014 is attributable to Occidental's California Business

# Leading Market Position with Deep Regional Insight




Source: DOGGR, Wood Mackenzie, Company Estimates

Note: Gross production data is average production in 2017. Opex data for CRC, Chevron, Aera, and Berry is from FY 2017, opex data for Sentinel Peak is from most recent available information which is FY 2016.

# Strength of Portfolio Allocation Strategy Supported by Diverse Assets

**SAN JOAQUIN BASIN**

**Greater Elk Hills – Flagship Asset**

| | |
|---|---|
| *Core operations with significant infrastructure* | Leverage technology to sustain and improve base |

**Thermal – Protecting Base Production**

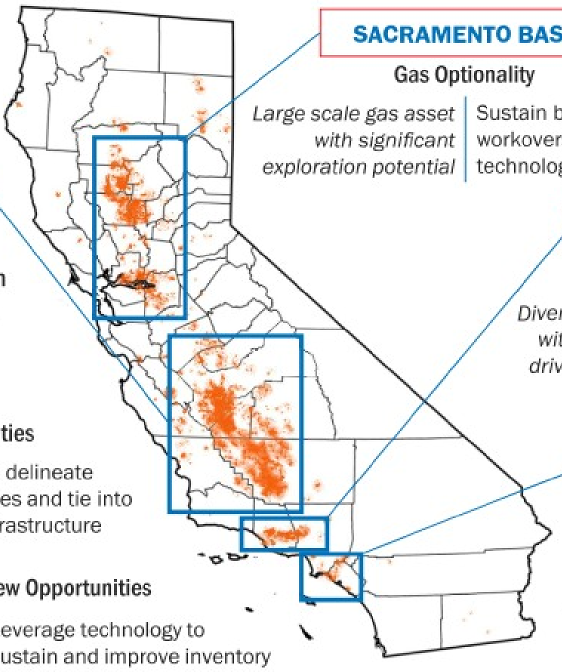
| | |
|---|---|
| *Stable, oily base with low-capital intensity projects* | Optimize steam injection and manage costs |

**South Valley – New Opportunities**

| | |
|---|---|
| *Close to core assets with analogous potential* | Step out to delineate opportunities and tie into existing infrastructure |

**Shales & Tight Sands – New Opportunities**

| | |
|---|---|
| *Future growth opportunities* | Leverage technology to sustain and improve inventory |



**SACRAMENTO BASIN**

**Gas Optionality**

| | |
|---|---|
| *Large scale gas asset with significant exploration potential* | Sustain base via low-cost workovers and use JVs and technology to grow |

**VENTURA BASIN**

**Growth and Exploration**

| | |
|---|---|
| *Diverse set of fields with a portfolio of drive mechanisms* | Lower costs and prove up new areas |

**LOS ANGELES BASIN**

**Steady High Margin Oil Assets**

| | |
|---|---|
| *High OOIP, low-risk waterfloods with repeatable success* | Tap bypassed sands with new technology for high payoffs |

# Enhanced Inventory Growth and Expanded 3P Position

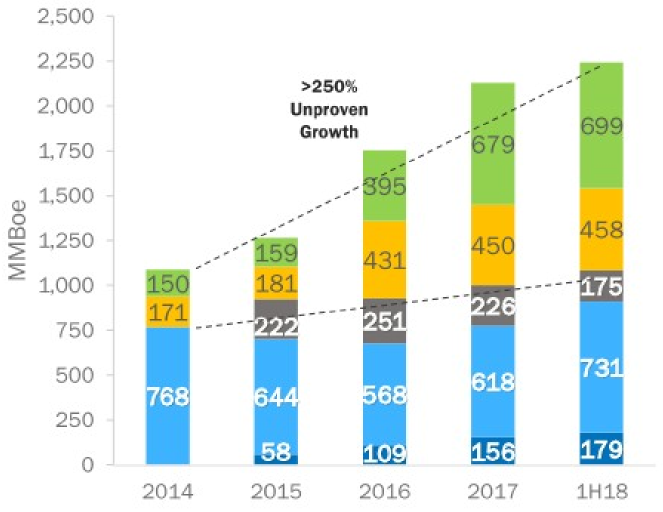
## First Half 2018 Highlights

- Mid-year reserves audited by Ryder Scott
- Proved reserves today only 5% lower despite 25% decrease in price from the Spin
- Life-of-field studies increased unproven resources
- Recent exploration success not included

## 2017 Highlights

- Organic F&D costs excluding price related revisions were **$6.82 per BOE** in 2017 and 3-year average of $4.84
- **Organic recycle ratio of 2.1x** in 2017 and 3-year average of 2.8x
- Comprehensive technical review of **40%** of fields
- Over **95%** of total proved reserves audited by Ryder Scott in the previous three years

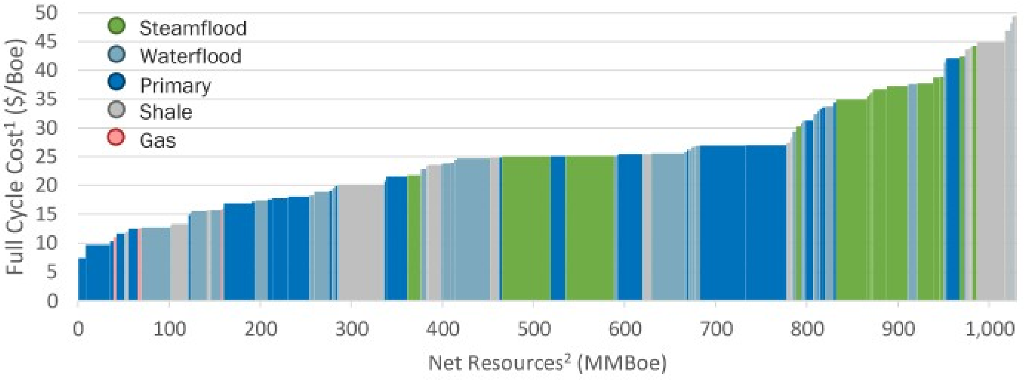
### Unproven Reserves[1] Growth

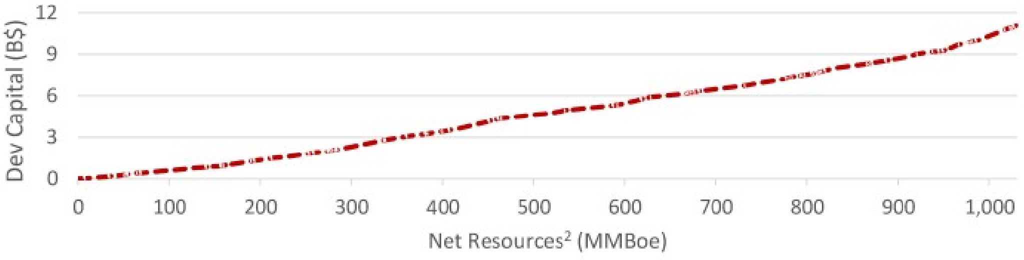



[1] See the Investor Relations page at www.crc.com for important information about 3P reserves and other hydrocarbon quantities.
[2] Reserve amounts uneconomic at SEC prices for the applicable year.
[3] Unproven reserves (probable and possible) utilize similar price assumptions as of 2014 ($101.30 Brent). Proven reserves utilize applicable SEC prices for all year-end periods. 1H18 proven reserves utilize $75 Brent.

# Unlocking Value with a Deep Inventory of Actionable Projects at $75 Brent

- **Fully burdened**, growth-focused portfolio
- Achieve a VCI of **1.3 or greater** at $75 Brent and $3.00 NYMEX
- Deliver **robust cash flow**
- Reflects all **recovery mechanisms** and **reserves types**
- Leverage existing infrastructure, while opportunistically **targeting new infrastructure investment**

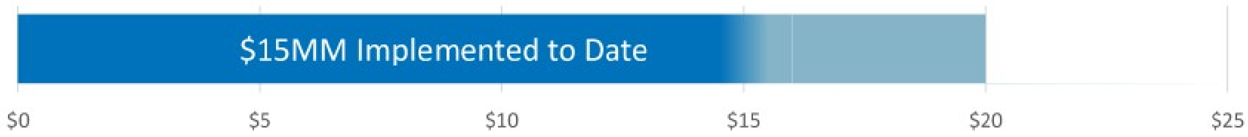


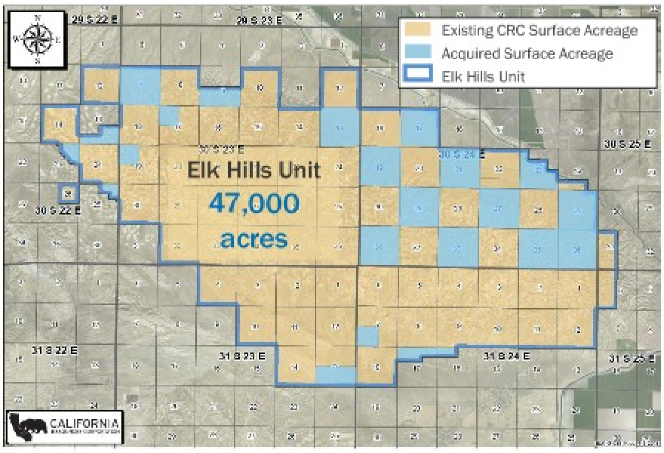

[1] Full cycle costs = operating costs + development costs + facility costs + field-level G&A + taxes other than on income.
[2] See the Investor Relations page at www.crc.com for details regarding net resources.

# Strategic Consolidation of Elk Hills Assets

## Estimated Annualized Elk Hills Synergies ($MM)



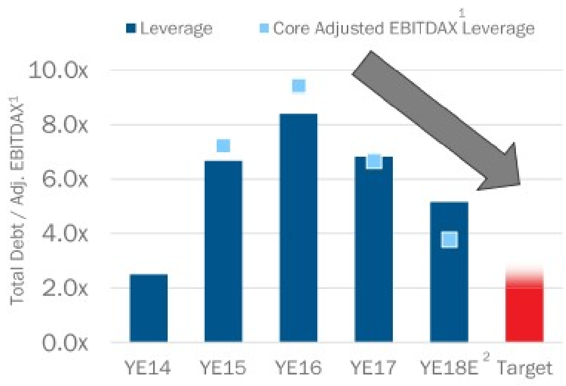

- CRC **acquired Chevron's non-operating working interest** ranging between 20% to 22% in different producing horizons within the Elk Hills field for total consideration of **$460MM in cash** and **2.85MM CRC shares of common stock**, closed early April using some of the Ares proceeds
- CRC now **owns Elk Hills Unit in fee simple**, holding 100% WI, NRI and surface lands
- Acquired **~10,000 surface fee acres**




**CRC now owns 100% WI & NRI in its largest field**

# Strengthening the Balance Sheet Remains a Priority

## Target 2x-3x Leverage Ratio



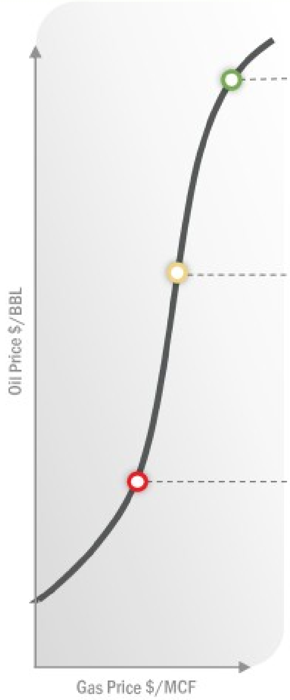

Simple Capital Structure ➡ Complicated Capital Structure ➡ Simplified Capital Structure

Continue to Employ
**ALL of the ABOVE** Approach

| Capital Markets Solutions | Disciplined Capital Investment | Asset Monetizations |
|---|---|---|
| Refinance and simplify capital structure | Target 10-15% of discretionary cash flow for balance sheet strengthening[3] | Joint ventures |
| Accretive acquisitions | Cash flow growth and support future reinvestment | Infrastructure |
| | | Producing assets |

[1]See the Investor Relations page at www.crc.com for a reconciliation to the closest GAAP measure and other important information. Core Adjusted EBITDAX excludes settled hedges and cash settled equity compensation costs.
[2]2018 annualized.
[3]Subject to limitations on debt repayment in finance agreements.

# Dynamic Capital Allocation Through Commodity Cycle




### High-Price Scenario

- Invest to accelerate production growth and explore/pilot new resources
- Add facilities (steam and water handling) to support pace of growth
- High cash generation
- VCI 1.3 floor to reinvest for value
- Accelerate balance sheet strengthening


### Mid-Cycle Scenario

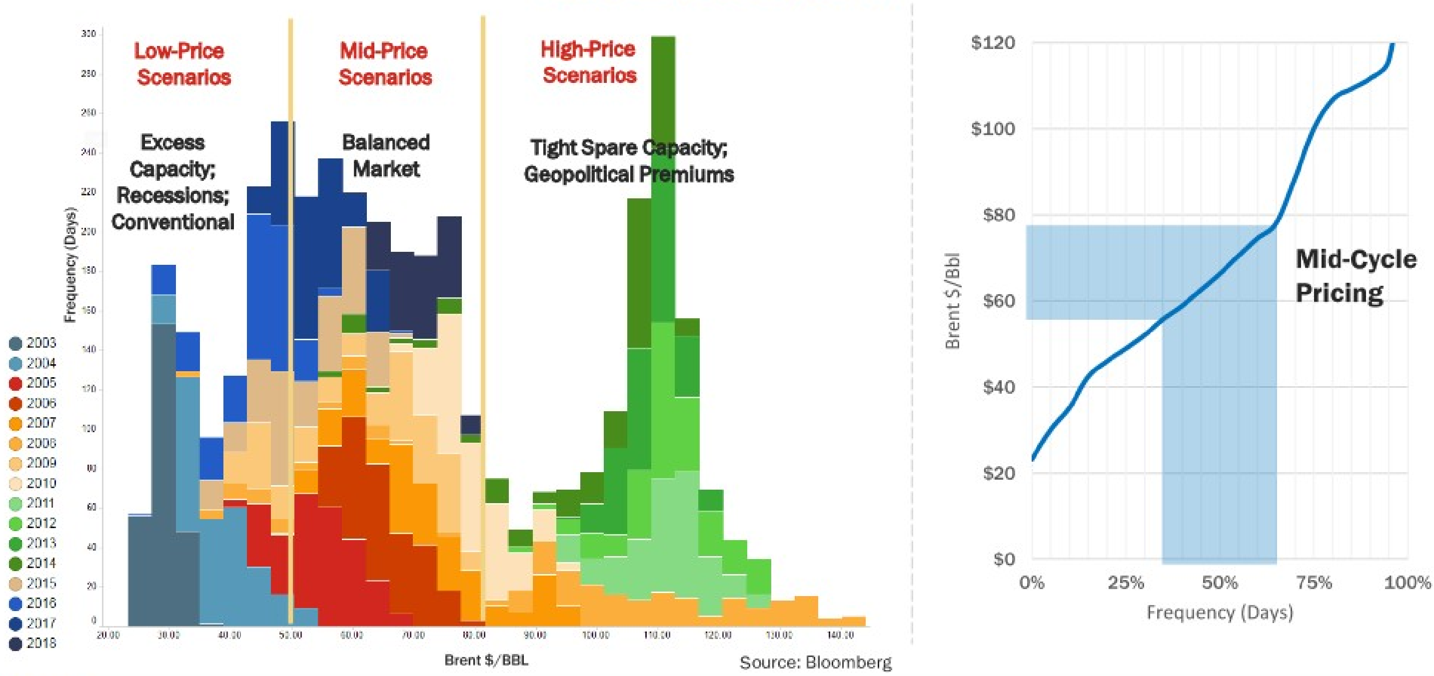
- Invest to grow cash flow
- Drill in high-graded portfolio (>1.5 VCI)
  - Oil to gas ratio for steamfloods (>5:1) - Selectively add steam generation facilities
  - EOR and IOR for long-term cash flow - Primary/shale for high IP impact
- Delineate future growth areas to unlock upside
- Target 10-15% of discretionary cash flow to balance sheet strengthening


### Low-Price Scenario

- Invest to protect base production
- Take advantage of existing facilities and prior capacity investments
  - Steamfloods and waterfloods - drill to fill
  - Workover existing wellbores for best investment
- Utilize excess equipment to reduce capital costs
- Engineering efforts focused on field surveillance to protect existing production

# Closely Monitoring Industry Fundamentals to Remain Proactive

**Brent Daily Price Frequency**



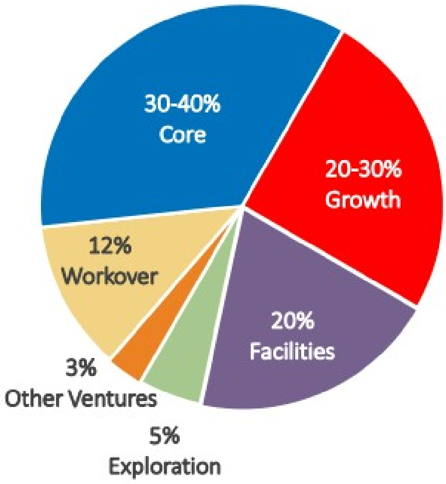
# Pressure Tested Through Cycle and Focused on Long-Term Value

## Disciplined Capital Plan Leverages Portfolio of Projects and Management Expertise

**Core Program**
Buena Vista
Elk Hills
Long Beach
Kern Front
Mount Poso

**Growth/Appraisal Program**
South Valley
Ventura
Other Thermal
Sacramento Valley
Kettleman

**2019 Expected Capital Allocation and Expected Outcomes**




Expect to
**Live Within Cash Flow**

Deliver
**Approx. Double-Digit**
EBITDAX Growth
(Production wedge of 70%+ Oil)

**~1.7+ Fully Burdened VCI**
**@ $75 Brent**
(Develop appraisal projects/ transfer reserves to proven)

# Creating Culture of Collaboration and Innovation

## Changing mindsets as OneCRC to Pull Value Forward

**CRC deploys its workforce to capture optimal long-term VALUE from our diverse assets**

### Pre-Spin

- Growth regardless of cost
- Cash cow for corporate parent with limited reinvestment
- Assets operated in isolation from each other
- Risk avoidance/minimizing downside

### Post-Spin

- Value-driven growth
- Maximize value and margin
- Doing things differently/ exposure to upside
- Life-of-field plans
- 360-degree approach to stakeholders: proactive community engagement

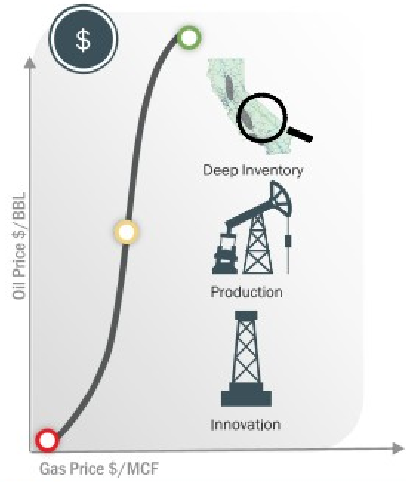
**Entrepreneurial People with Aligned Mission**

- Collaboration, safety and creativity driving innovation
- Flattening organization and empowering operators to manage assets maximizing margin and VCI
- Driving accountability for cost savings and process improvements
- Leveraging new and proven technology

# Investment Proposition: Delivering Smart Growth and Real Value

- Portfolio of world-class assets investable throughout the commodity cycle
- Robust inventory of high value growth projects
- Deep operational knowledge and technical expertise
- Integrated and complementary infrastructure
- Disciplined and effective capital allocation

**Effective capital allocation through cycle for smart growth**




**VALUE DRIVEN**

**Balance capital investment with financial strengthening efforts for best long-term value creation**

| Balance Sheet Goals | High VCI Projects |
| --- | --- |
| Reduce Debt | Core Operating Areas |
| Reduce Fixed Charges | Growth Prospects |
| Simplify Balance Sheet | Investing for the Future |

# OPERATING IN CALIFORNIA

Charlie Weiss, EVP Public Affairs

CALIFORNIA RESOURCES CORPORATION

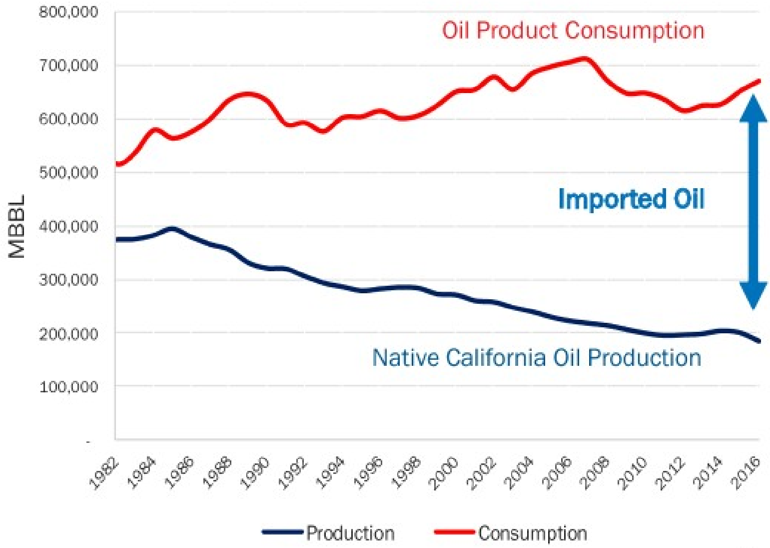
## Californians consume more gasoline than entire countries with populations four times larger

# California's Compelling Needs

- **World's 5th largest economy runs first and foremost on energy**
  - 330 billion miles driven annually
  - 34% of U.S. Port Traffic – with the busiest ports in the country
- **Wealthiest state but with highest poverty rate**
- **CRC is actively engaged in solving California's challenges**
  - California's operator of choice on State lands
  - First statewide Project Labor Agreement in California's oil and natural gas industry
  - Economic and social empowerment
  - State-of-the-art, integrated infrastructure
  - Employee-driven efficiency improvements
  - Enabling growth in renewables
  - Supplying treated water for drought relief
  - 2030 Sustainability Goals


**CRC supplies affordable, reliable energy that California needs**

# California's Growing Dependence on Imported Energy



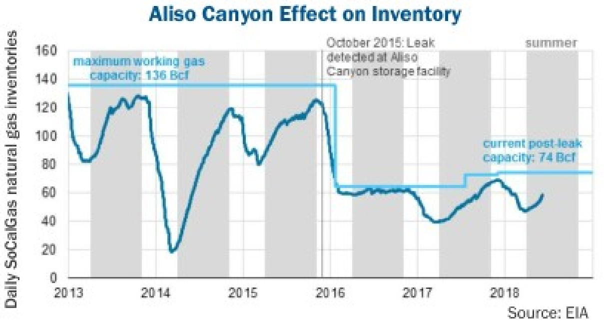

Source: EIA

**California oil imports from foreign countries and other states hit record levels in 2017**

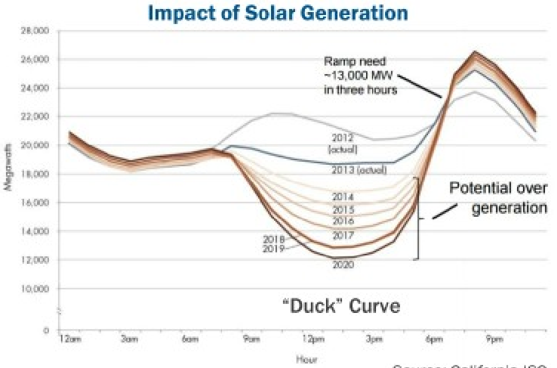
> **"Because as long as [California's] cars are moving... [we] are burning up gasoline that is being shipped from Iraq, from Russia, from Venezuela and all sorts of other places... so whatever we don't do from here, we're just going to get from somewhere else."**
>
> — California Gov. Jerry Brown, February 6, 2015

- Imported production **does not apply** California's safety, labor and environmental standards
- Local production **enhances energy security** and mitigates greenhouse gas emissions while **boosting California's economy** and supporting thousands of **local jobs**

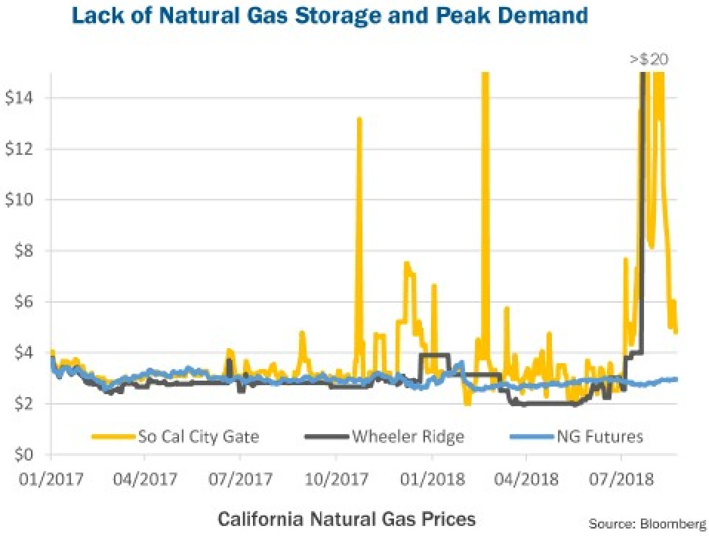
# California Policies Impact Natural Gas Prices




Source: EIA




Source: California ISO




Source: Bloomberg

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

## 2014-2017 Economic Contributions

- **$828 million**
  in California state, local and payroll taxes
- **$591 million**
  in revenues to the State Lands Commission
- **$719 million**
  to 20,000 mineral and surface owners

**CRC's operations in Long Beach have generated more than $4.7 billion in revenues for the city and state since 2003**





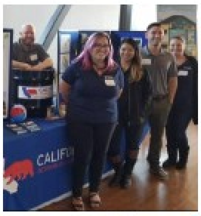
# Increasing Energy Literacy

- **California's ambitious goals and vibrant future require:**
  - Energy equality for disadvantaged communities
  - Resilience through diverse mix of affordable traditional and renewable energy
  - Responsible local energy production to supplant imports
  - Predictable permitting for infrastructure and economic growth
  - Sustained industrial jobs supporting working families

- **Outreach examples**
  - CRC's Powering California program
  - Sustainability Report and infographics
  - STEM education and job training programs

- **CRC coalition partners**
  - Workforce
  - Organized labor
  - Diverse communities
  - Non-profit organizations
  - Business and agricultural groups

Powering California



# CRC's Regulatory Strategy Advances California's Leading Standards

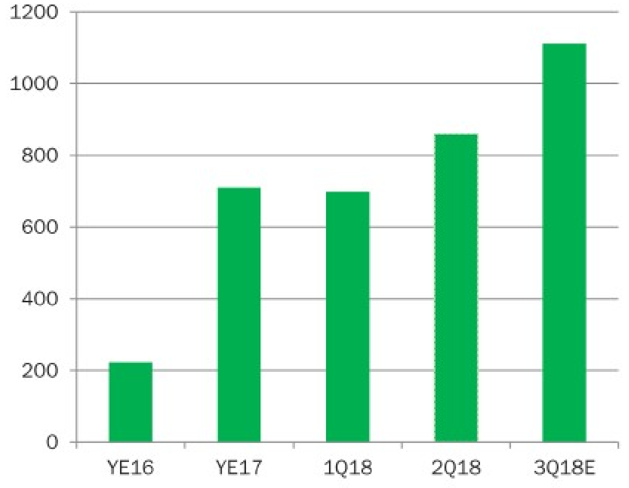
### CRC'S CONSISTENT REGULATORY STRATEGY

- ✓ Reflect Californians' values
- ✓ Solicit community input
- ✓ Advance community interests
- ✓ Build strategic alliances
- ✓ Educate and inform policy makers
- ✓ Sustain 90-day permit inventory per rig line
- ✓ Fulfill California's high standards
- ✓ Help achieve the state's long-term goals
- ✓ Contribute to vibrant future for all Californians

**Seasoned operator with proven local expertise**

### Growing Permit Inventory

(Permitted drilling rig days at end of period)



# REGULATORY VIDEO

See the Investor Relations page at www.crc.com to access this video.

# Reflecting Californians' Values

- **Institutional Shareholder Services**
  - Highest environmental rating (1 of 10)
  - High social rating (2 of 10)

- **Humanitarian Company of the Year**
  - American Red Cross, LA Region

- **Kern County named February 5 "CRC Day"**
  - 20 years of service and investment at Elk Hills

- **CRC and its workforce consistently give back to the community**

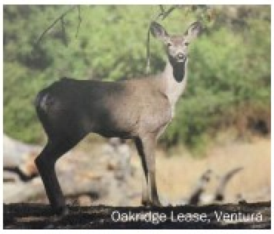






# CRC Positioned as California's Operator of Choice


THUMS Island Grissom, Long Beach


Oakridge Lease, Ventura


Sutter Buttes, Sacramento Basin


Bolsa Chica Reserve, Huntington Beach

- Proudly share state's **commitment to natural resources**
- Proven track record in **sensitive coastal**, **urban** and **agricultural settings**
- Design and maintain facilities with a **highly qualified workforce**, including the California Building and Construction Trades
- Workforce received **14 safety awards** from the National Safety Council for 2017
- Certified **wildlife habitat conservation programs** at Elk Hills, THUMS Islands and Huntington Beach

**CRC is recognized by national safety and environmental organizations**

# CRC Serves as Net Water Supplier in Drought-Ridden State

## Water Strategy Objectives

- Create long-term value from produced water
- Help farmers and communities solve a key challenge
- Minimize CRC's fresh water use in operations
- Reduce operating expenses
- Meet CRC's annual and 2030 water conservation goals

**Since 2015**

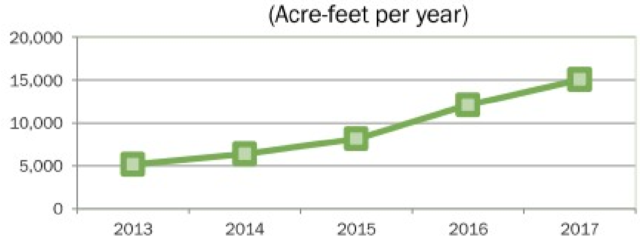
| Increased recycled or reclaimed produced water almost | Reduced water disposal by over | Reduced potable water use by nearly |
|---|---|---|
| ↑10% | ↓40% | ↓30% |

**Water: California's pressing need is also CRC's primary byproduct**

CRC delivered a company record 4.9 billion gallons of reclaimed water to agriculture in 2017, an 85% increase since 2015, preserving farmland and jobs

CRC's operations in Long Beach use recycled or non-fresh water for 99.5% of their total water use

**Reclaimed Water Delivered to Agriculture**
(Acre-feet per year)



## Four CRC Goals by Year End 2030

1. **Water:** Increase volume of recycled produced water by 30% above 2013 baseline
2. **Renewables:** Integrate renewables into oil and gas operations by adding 10 MW above 2013 baseline
3. **Methane:** Reduce methane emissions by 50% below 2013 baseline
4. **Carbon:** Design and permit a carbon capture and sequestration system at Elk Hills by 2030 that would, if permitted, funded and installed, reduce GHG emissions by 30% below 2013 baseline

### Key Conditions on All CRC Sustainability Goals

- Subject to liquidity
- Subject to securing funding and permits

# CONVENTIONAL DELIVERS STRONG RETURNS

Francisco Leon, EVP Corporate Development & Strategic Planning

CALIFORNIA RESOURCES CORPORATION

# Optimizing Portfolio Management to Drive Value

**Balanced portfolio** can be flexed through the changes in commodity cycle and optimized for oil to gas price ratio

Capital allocation focused towards **long-term value and cash flow growth**

Producing assets are **self-funding and low-decline**, delivering strong margins

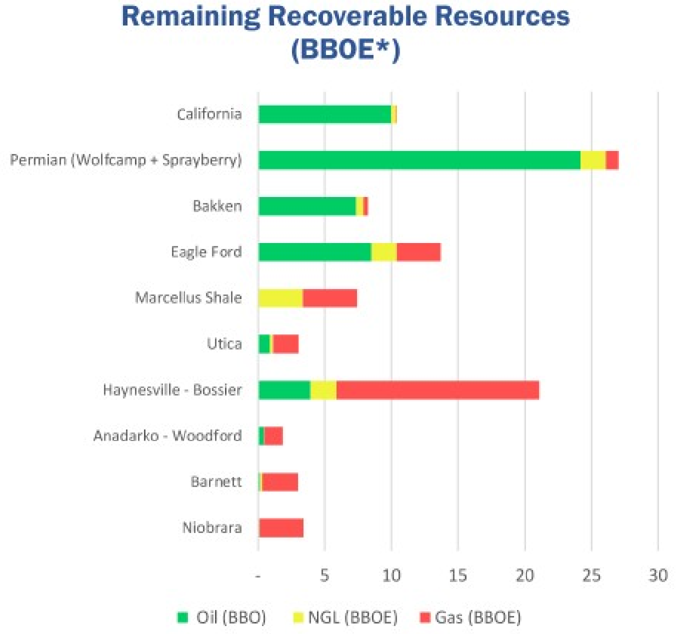
Inventory combines **low-risk infill development** with enhanced and improved oil recovery upside and high potential new growth assets

## CRC Advantage

| California Resources Corporation | | Shale Peers |
|---|---|---|
| Increasing state demand and premium to WTI | Market | Midstream constraints. Realizations at large discount to WTI |
| **High** oil cut | Oil Cut | **Low** oil cut |
| High NRI across all fields | Royalty | Typical 2/8th royalty |
| **Low** production Decline | Decline | **High** production decline |
| PDP - driven acquisition with upside | A&D | Acquisition for undeveloped acreage |
| Self-funded growth & strong margins | Growth | Aggressive growth outspending cash flow |

**Portfolio type curve delivers true "bang for the buck"**

# World-Class Hydrocarbon Province with Significant Potential




*MCF:BOE = 20:1
Note: produced volumes source: DOGGR; Remaining Recoverable Resources Source: USGS

## California – a Top Oil Province

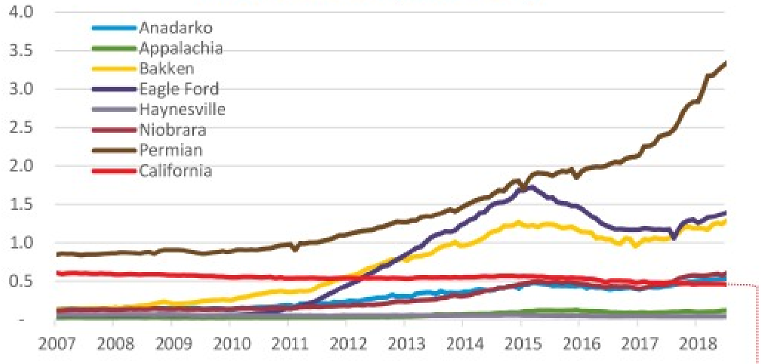
- **Five of the largest** conventional, onshore fields in the lower 48
  - Over **35 billion BOE produced** since 1876
  - Still **discovering the limits** of remaining potential
  - Over 10 billion BOE* in remaining recoverable resources

## CRC Advantage

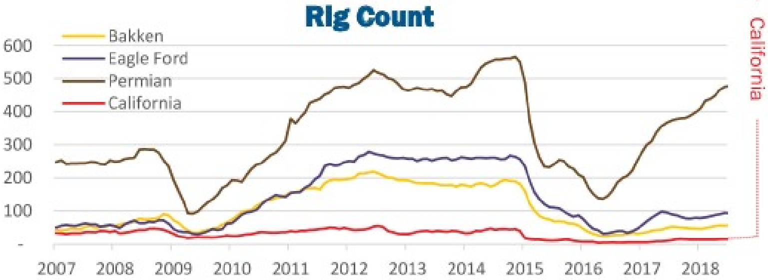
- Stacked pays provide **additional opportunity through value chain**
- Operating expertise to develop the **diverse opportunity set**
- Robust infrastructure turns disparate fields into **integrated plays**

# California Delivers More for Less

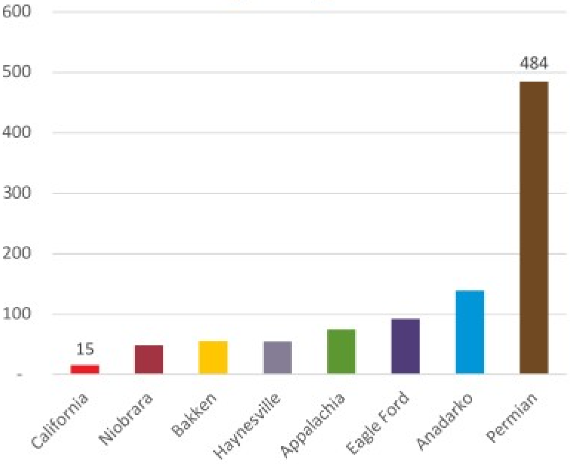
**Oil Production (MMBOPD)**




**Rig Count**




**August Rig Count**




**California's oil production requires less capital to maintain than other regions and is less affected by rig count**

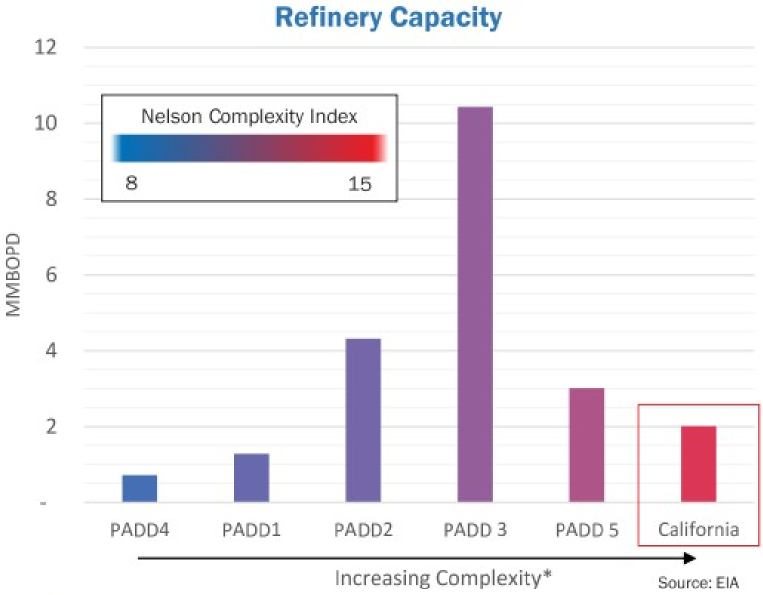
Source: Baker Hughes, EIA

# California Imports Waterborne With 100% CRC Brent Realization in 2Q18

**Brent based pricing + CRC's unconstrained market access provide meaningful pricing uplift**

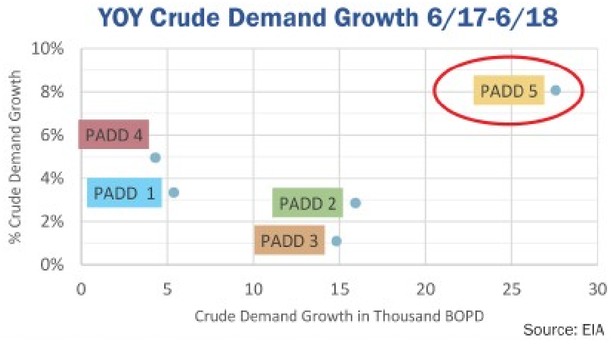

Source: Bloomberg / Argus as of 8/22/18

# California's Refineries Ready for IMO Reduced Sulfur Standards




**California's highly complex refineries are well prepared to address the IMO 2020 requirements**

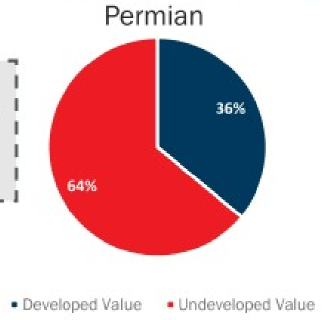
*Estimates using area EIA data as of 1/1/2018

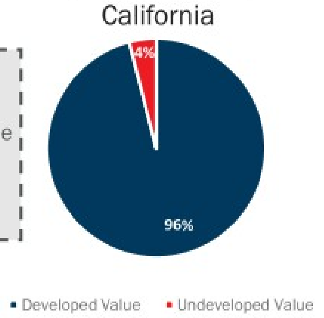
# California's Lower-Risk Value Proposition: Better All-In Value Creation

**Developed vs. Undeveloped Value Allocation**

Permian transactions rely on undeveloped results to succeed




California's acquisitions can immediately realize the value of significant development opportunities

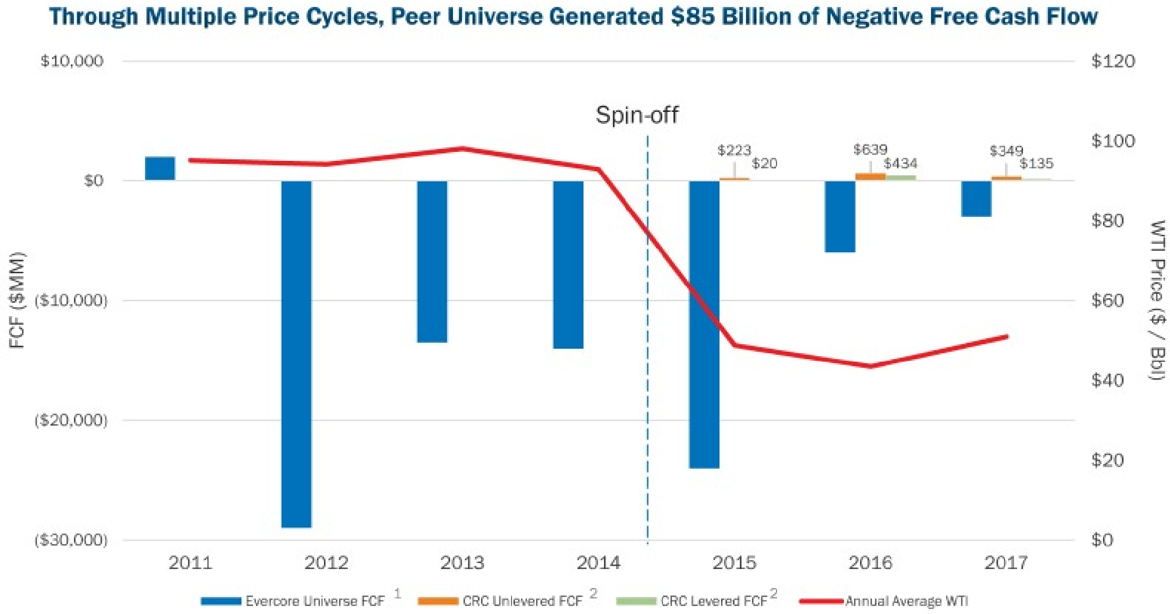



**Transaction Comparison**

| Buyer | Seller | Location | Deal Size ($MM) | $ / Flowing Boe |
|---|---|---|---|---|
| Diamondback | Energen | Delaware | $9,200 | $94,500 |
| Diamondback | Ajax Resources | Midland | $1,245 | $103,000 |
| Concho Resources | RSP Permian | Midland | $9,500 | $152,000 |
| Marathon | BC Operating | NM Delaware | $1,100 | $220,000 |
| **CRC** | **Chevron** | **Elk Hills** | **$511** | **$38,500** |

Source: PLS. Permian deals include transactions 2017 to present.

# CRC Remained Cash Flow Positive Through Downturn

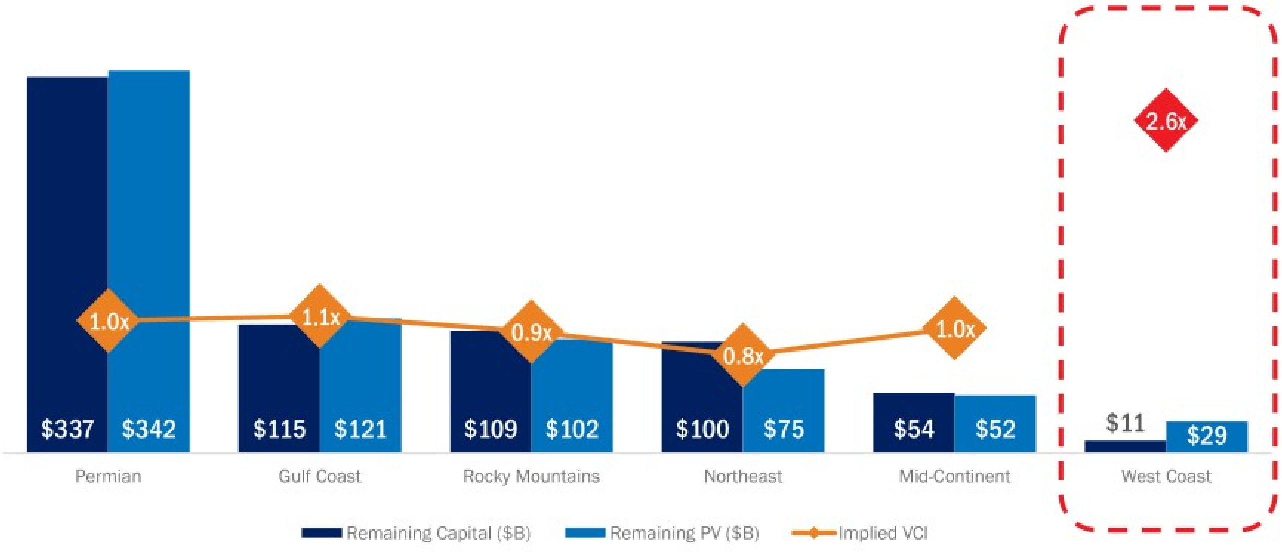



[1] Source: Evercore "Mind the (Perception) Gap" August 27, 2018. Evercore peer universe includes COP, OXY, EOG, CLR, MRO, APC, WLL, DVN, COG, APA, ECA, PXD, SWN, CXO, RRC, NFX, FANG, XEC, WPX, EGN, QEP, OAS, JAG, CHK, PE, HES, CPE, AR, EQT and NBL.

[2] CRC data from Capital IQ, excludes 2014 due to effects of spin-off. Unlevered FCF represents free cash flow less cash interest. Unlevered and levered FCF differ from free cash flow as reported by the company due to differences in the way Capital IQ calculates working capital adjustments and taxes. Free cash flow reported by the company is available in the Investor Relations section of www.crc.com.

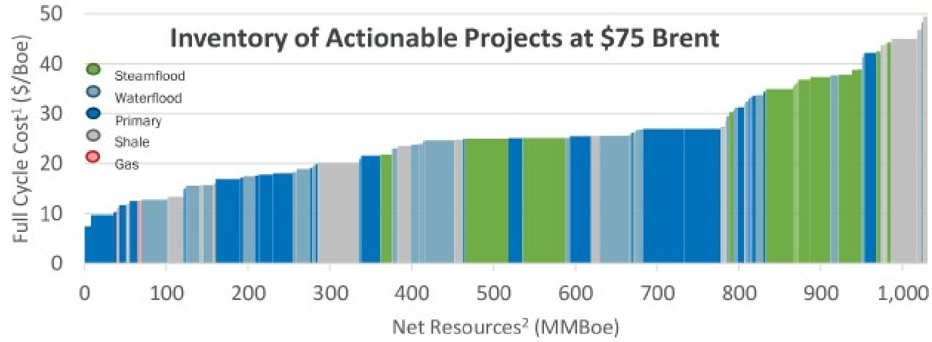
# California Creates Value with Biggest “Bang for the Buck”

**Only Region in the U.S. Delivering Real Value**




Source: Wood Mackenzie. Remaining PV is post tax. Price deck utilized is WTI US$67.00/BBL in 2018, US$63.00/BBL in 2019, US$59.00/BBL in 2020, US$58.00/BBL in 2021 and US$64.73/BBL in 2022 with long term price assumptions of $59.80/BBL. Implied VCI calculation based on Remaining PV/Remaining Capital.

# CRC Portfolio Strength Reflected in Actionable Project Pipeline




- Locations not captured as actionable include:
  - CRC shales and dry gas projects economic at higher gas market prices
  - Higher risk – i.e. exploration and contingent
  - Projects with facilities constrained by current capacity
- Actively pursuing joint ventures to accelerate development

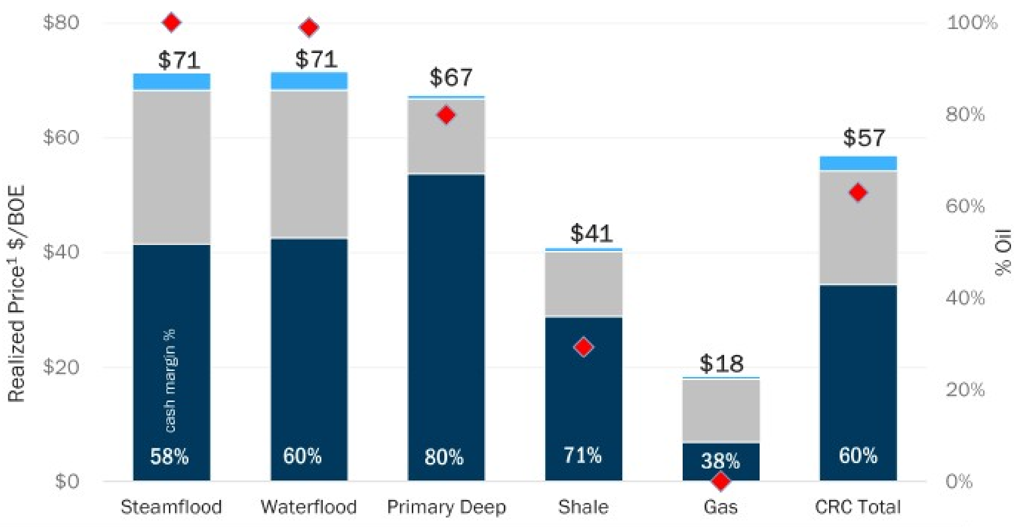
**Counts of Actionable Projects at $75 Brent + additional available locations**

*Colored sections represent well counts included in inventory chart above. Gray sections represent additional locations available*


[1] Full cycle costs = operating costs + development costs + facility costs + field-level G&A + taxes other than on income.
[2] See the Investor Relations page at www.crc.com for details regarding net resources.

**At current prices, 12 years of actionable inventory**

# CRC Generates Strong Cash Margins by Mechanism Type



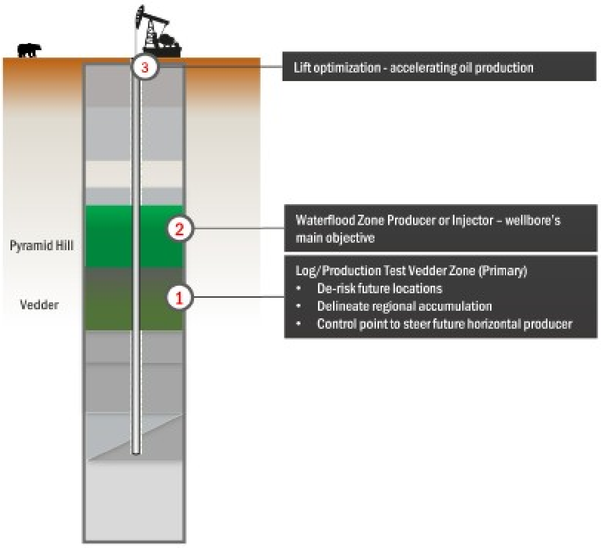

| | Steamflood | Waterflood | Primary Deep | Shale | Gas | CRC Total |
|---|---|---|---|---|---|---|
| Realized $/BOE as a % of BRENT | 95% | 95% | 90% | 54% | 24% | 76% |

- Realized $/BOE is based on unhedged oil and gas revenue/boe generated by CRC
- Improved cash margin from higher oil price, tighter differentials and by managing costs
- 2018 investments focused on oilier projects which will further enhance margins

[1] Based on current run rates for production expense, oil and gas G&A and taxes other than on income applied to $75 Brent and $3.00 NYMEX, assuming current realizations by recovery mechanism.

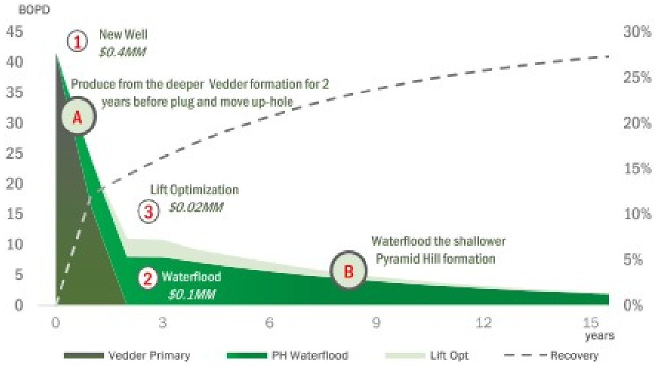
# Example Life Cycle of Wellbore with Stacked Reservoirs

### Workovers Enhance Life of Wellbores




**Not Restricted to a Single Zone**

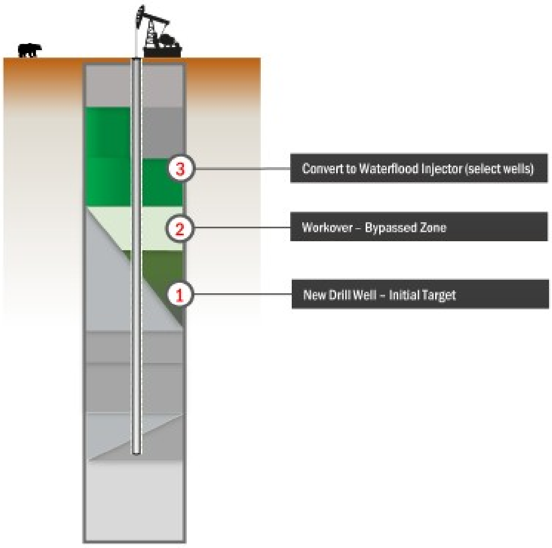
### Example of a Wellbore




| | NPV 10 ($MM) | IRR (%) | VCI |
|---|---|---|---|
| Drilling + Completion | 0.6 | >100% | 2.7 |
| Waterflood | 0.8 | >100% | 9.3 |
| Lift Optimization | 0.2 | >700% | 12.3 |
| Single Wellbore | 1. 6 | >900% | 4.5 |

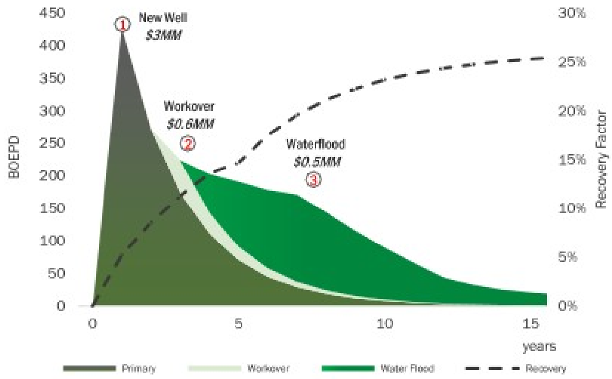
# Example Life Cycle of Wellbore with Multiple Recoveries

**Workovers Enhance Life of Wellbores**



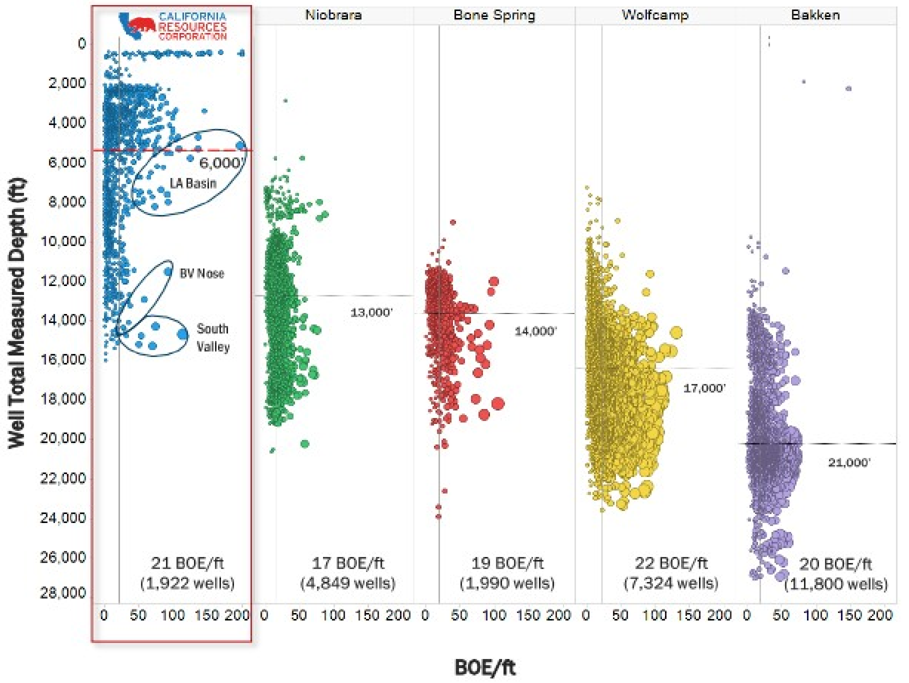

**Not Restricted to a Single Zone**

**Example of a Wellbore**




| | NPV 10 ($MM) | IRR (%) | VCI |
|---|---|---|---|
| Drilling & Equip | 11 | >100% | 3.4 |
| Workover | 3 | >100% | 6.5 |
| Waterflood | 6 | >1,000% | 21.5 |
| Single Wellbore | 20 | >100% | 4.8 |

# CRC's BOE Recovery per Foot Competes With Major Shale Plays




Normalizing estimated ultimate recovery (EUR) vs. measured depth shows CRC advantage

- Better recovery factors driven by low decline rate waterfloods and steamfloods
- Diverse reservoir portfolio provides optionality to drill deep large EUR producers with later life up-hole recompletions

**Historical focus:**

- Cheaper, simpler well designs (primarily vertical)
- Quality reservoirs that do not require complicated completions or long horizontal

**Future upside:**

- Tighter rock, horizontal drilling with new generation stimulation, increasing reservoir contact

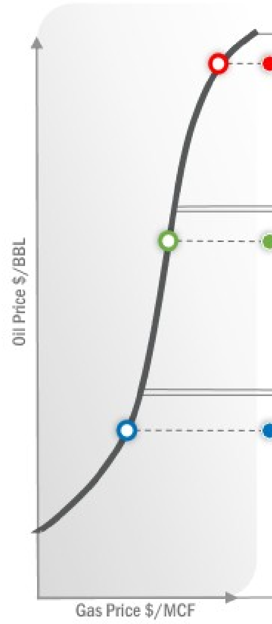
Notes:

Source: Wood Mackenzie data for Shale Play areas; Source: Internal estimates for CRC, taking all wells drilled since 2012. BOE calculated as Oil + 20:1 Gas.

*Well dots sized by oil expected ultimate recovery (MMBOE). Darker colors are newer wells; lighter colors are older wells.*

*Wolfcamp includes Midland and Delaware Basins.*

# Capital Allocation Provides Value Today and Over Long-Term




## Current CRC Contribution

### + Future Growth

Kettleman
Other Shales
Other Thermal
Sacramento
Exploration

1. 15% of total CRC oil production
2. 10% of total CRC BOE production
3. 5% of total CRC 3P reserves

### Near-Term Growth

South San Joaquin Valley
Near Field Exploration
Huntington Beach
Ventura

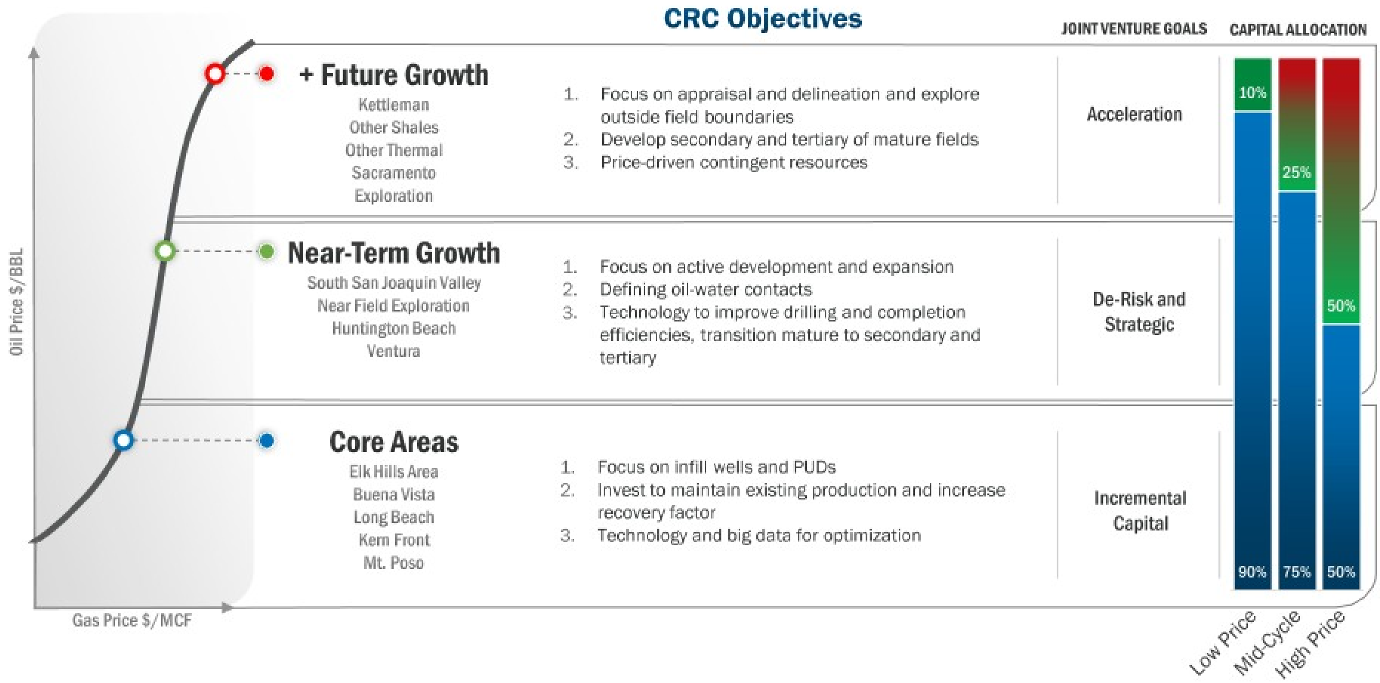
1. 15% of total CRC oil production
2. 15% of total CRC BOE production
3. 50% of total CRC 3P reserves

### Core Areas

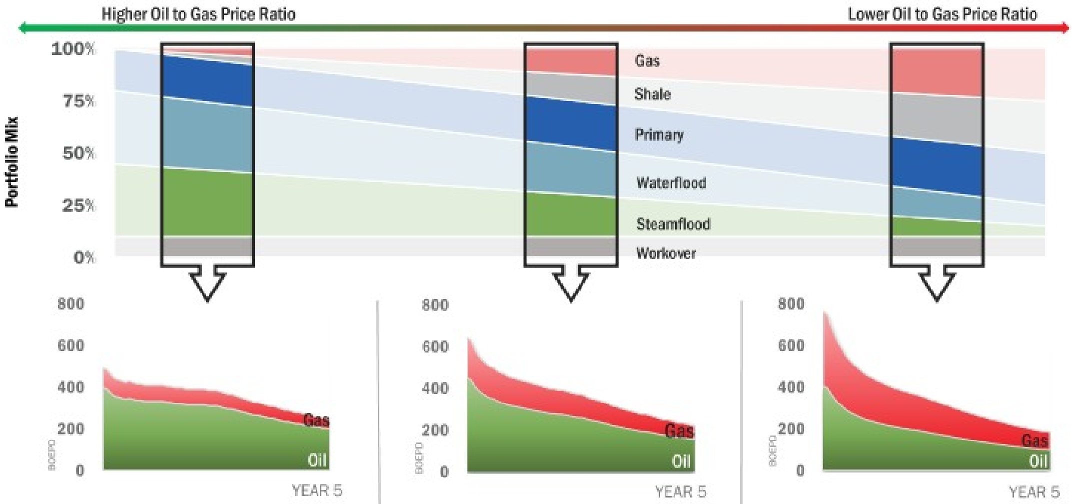
Elk Hills Area
Buena Vista
Long Beach
Kern Front
Mt. Poso

1. 70% of total CRC oil production
2. 75% of total CRC BOE production
3. 45% of total CRC 3P reserves
4. 85+% of total operating cash flow

# Disciplined Capital Allocation Through Price Cycle



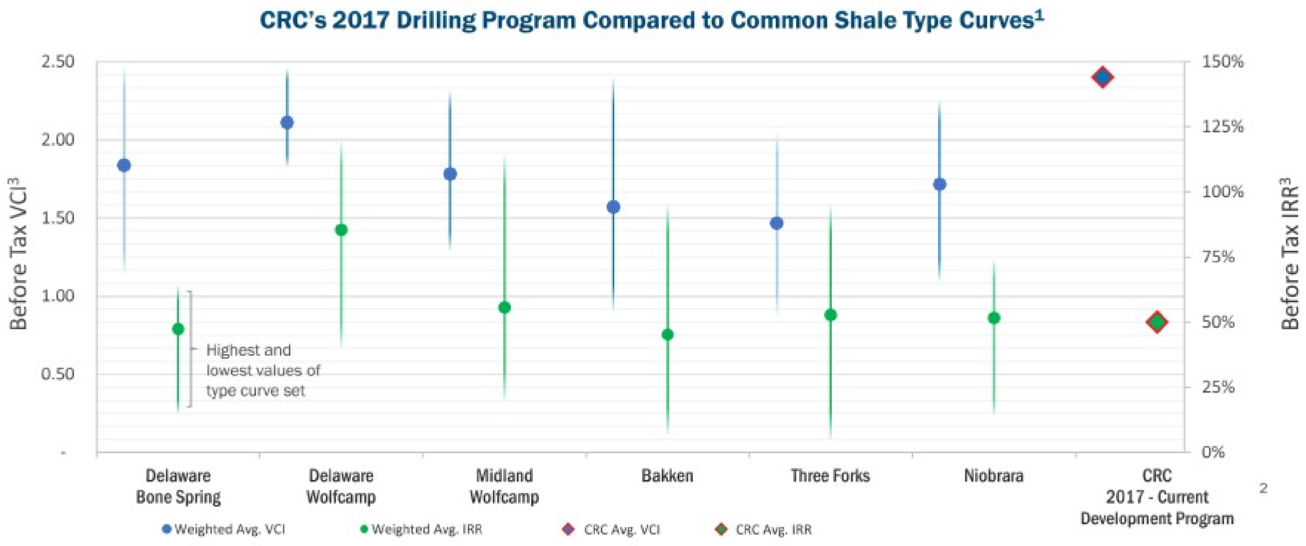
# CRC's Dynamic Portfolio Provides Flexibility




| | | | |
|---|---|---|---|
| **EUR (MBOE per $10MM)** | 1,385 | 1,265 | 1,060 |
| **% Oil** | 81% | 70% | 53% |
| **Development Cost/BOE** | $7.20 | $7.90 | $9.40 |
| **Recycle Ratio** | 3.9x | 3.3x | 2.5x |

For illustration of portfolio optionality based on normalized results per $10MM of investment and not guidance. See end note for details on type curves.
Prices for recycle ratio are $75 Brent and $3.00 NYMEX.

# CRC's Compelling Value Proposition Competes with Major Shale Plays

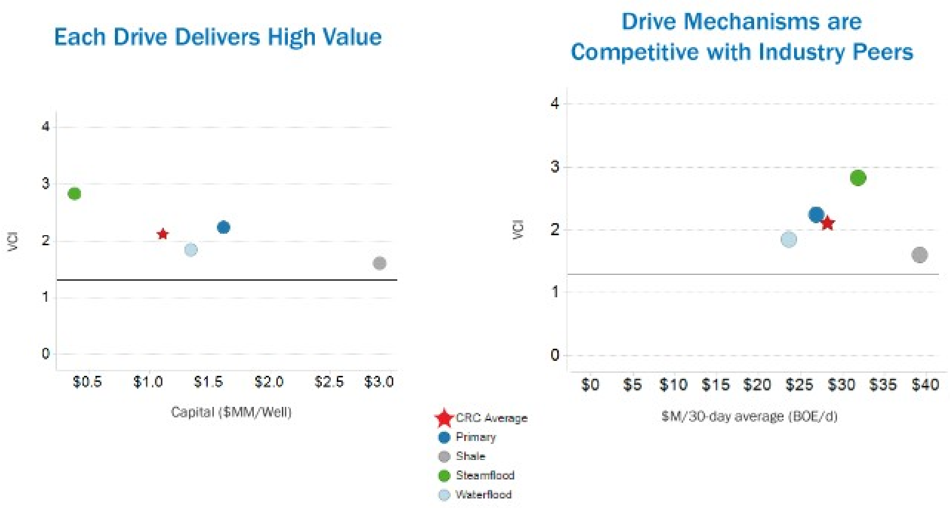



**CRC's capital programs create more value than the common shale type curves**

[1]External type curve economics from Wood Mackenzie's Key Play reports and Global Economic Model (GEM), CRC 2017 Drilling and capital workover economics based on internal estimates calculated using Wood Mackenzie's Key Play report price deck
[2]Drilling & capital workover program excludes facilities investment
[3]Excludes federal and state income taxes

# "Bang for the Buck" - Drilling Results Since January 2017

- **281 producers drilled** and online over last 18 months
- **VCI ~2.1**[1] for average portfolio program
- **High success** rate in both core & growth areas
  *~90% of wells with results above VCI 1.3*
- **~$30M BOE/d capital efficiency** on development




[1] $75/bbl Brent and $3/NYMEX

# Value-Driven

CRC **differentiated** conventional assets **compete favorably** versus the shale model, delivering attractive VCI-based returns and compelling value to shareholders

Our portfolio management approach to capital allocation is tailored for the asset base and cyclical nature of the commodity environment, providing for value-driven **optionality** and **flexibility**

CRC assets deliver great value, which translates to both **NPV growth** and benefits to near-term **financial performance**

Deep inventory of actionable projects that create **significant running room to drive growth** in the near and longer term

# DRIVING OPERATIONAL EXCELLENCE

Shawn Kerns, EVP Operations and Engineering

CALIFORNIA RESOURCES CORPORATION

# Unparalleled California Expertise

## Largest Operator in California

Operate **~12,000** wells across **135** fields

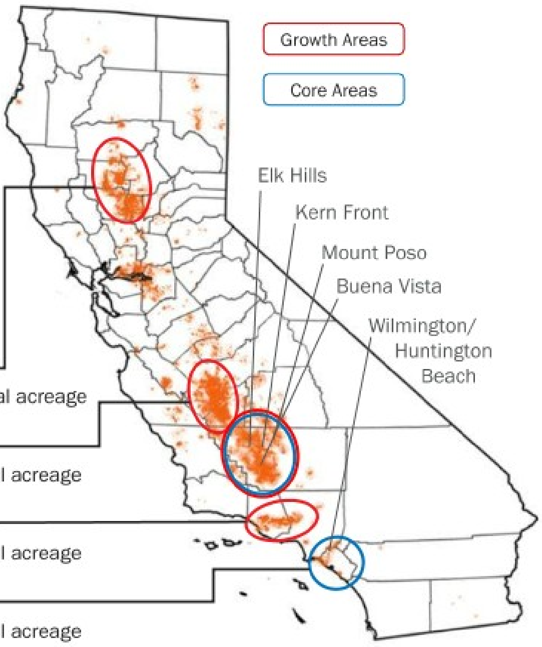
**CRC's experienced team built this position**

**#1** in **Sacramento Basin**
86% of basin production, 85% of basin mineral acreage

**#2** in **San Joaquin Basin**
26% of basin production, 60% of basin mineral acreage

**#1** in **Ventura Basin**
25% of basin production, 90% of basin mineral acreage

**#1** in **Los Angeles Basin**
52% of basin production, 65% of basin mineral acreage




Source: DOGGR

## Extensive Field Operations Experience

**Decades** of observed field behavior and demonstrated shallow base decline rates

**~ 20,000** net identified proven and unproven drilling locations in 2017

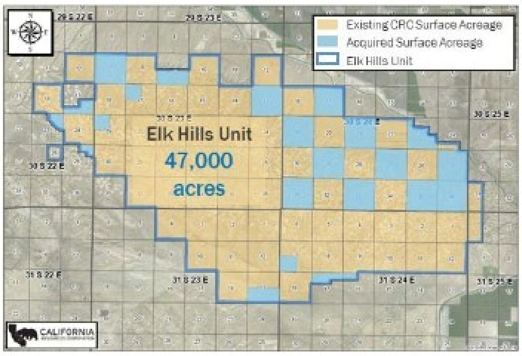
## Core Assets Provide Operational Leverage

Applying analog development to adjacent fields

Midstream infrastructure provides low cost advantage

# Elk Hills Flagship Asset in San Joaquin Basin

- **Large field with 100% NRI**
  - 10 billion original BOE in place within multiple reservoirs
  - Produces 60,000 BOE/d with annual 10% base decline
- **Infrastructure provides low-cost advantage**
  - On-site gas processing and liquids extraction
  - Large power plant reduces electricity costs by 75%
  - Various light crude blends desired by multiple customers
- **Large integrated business**
  - Stacked reservoirs with 280+ MMBOE proven reserves
  - Diverse development inventory
  - Proving ground for recovery techniques




**Elk Hills Reserves Comparable to Spin-off**

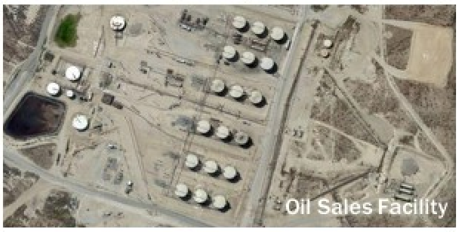

*at $75 Brent and $3.00 Nymex price

# ELK HILLS VIDEO

See the Investor Relations page at www.crc.com to access this video.

# Significant Synergies and Capital Benefits From Elk Hills Acquisition

- **Operations streamlining**
  - Gas compression consolidation
  - Tank battery consolidation, operations and chemicals
  - Shut down redundant sales equipment
- **Incremental revenue capture**
  - Oil processing facility consolidation
  - Additional liquids by processing off unit gas
  - New customers for gas and power
- **Capital efficiency examples**
  - Redeploy compression & gathering equipment to adjacent fields
  - Utilize Elk Hills plants to process incremental gas
  - Relocate cogen plant to Kern Front

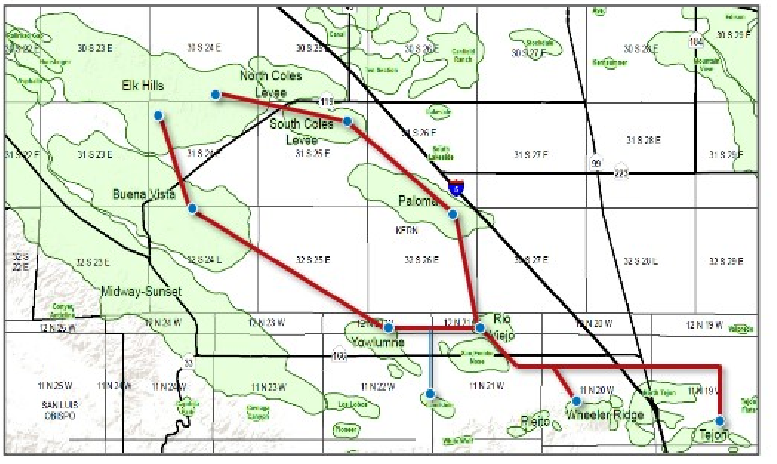

# Leveraging Infrastructure for Nearby Low-Cost Field Development

- **Coring up with Elk Hills**
  - Elk Hills serves as the hub
  - Power, pipelines, compression
  - Connecting fields and building out

- **Lower cost shared resources**
  - Central control facilities and automation
  - Optimized service provider utilization
  - Shared support staff across fields

- **Efficient step-out to new growth areas**
  - Dominant acreage position
  - Low development costs for bolt-ons
  - Discovering new resources through exploration

**Southern San Joaquin Valley Consolidation**




**900 Million BOE of 3P reserves***

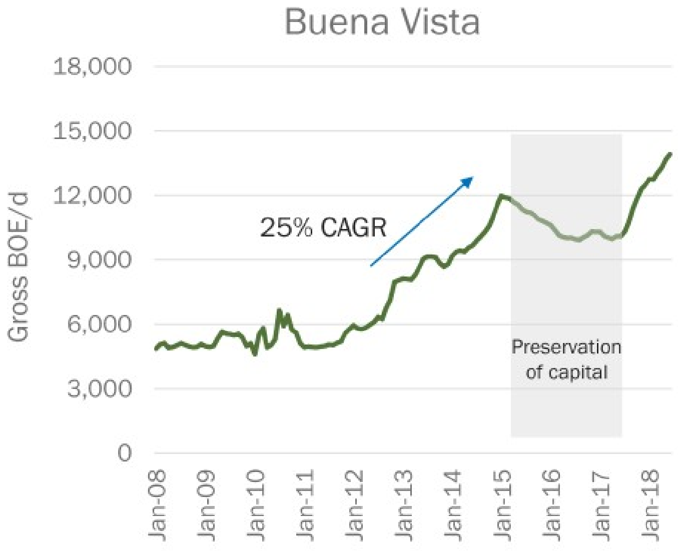
*1H18: 400 MMBOE proved, 270 MMBOE probable, 230 MMBOE possible

# Buena Vista Field – Applying our Asset Playbook to Adjacent Field

- **Large field adjacent to Elk Hills**
  - 7 billion original BOE in place, 10% Rf
  - Decades of production history, 10% annual base decline
  - 3P reserves of 245 MMBOE* with 650 locations

- **Analogous to Elk Hills**
  - Predictable recoveries
  - Extending the field boundaries
  - Applying new technology, such as horizontals

- **Integration with Elk Hills lowers F&D costs**
  - Gas processing at Elk Hills
  - Low-cost power and water handling
  - Shared overhead with Elk Hills




*1H18: 70 MMBOE proved, 65 MMBOE probable, 110 MMBOE possible

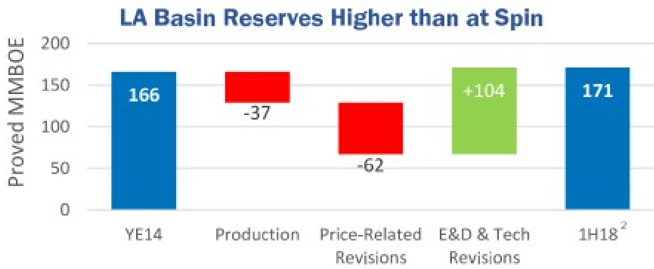
# LOS ANGELES BASIN VIDEO

See the Investor Relations page at www.crc.com to access this video.

# LA Basin – World-Class Wilmington Field

- **World-class waterflood**
  - 7 billion original BOE in place, 34% Rf
  - Partnership with State of California and City of Long Beach
- **Operational excellence**
  - Decades of operational experience
  - Low annual base decline of 8%
  - 640 identified locations
- **Big fields get bigger**
  - Targeting bypassed pay, exploring deeper potential
  - 280% organic RRR since Spin
  - LA Basin 3P reserves of 290 MMBOE[1]

**Small footprint to access vast resources**

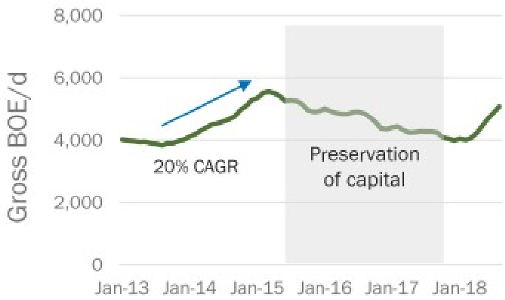

[1] 1H18: 170 MMBOE proved, 80 MMBOE probable, 40 MMBOE possible
[2] at $75 Brent and $3.00 Nymex price

# Renewed Investment in Analog Field

- **Large underdeveloped field**
  - 2 billion original BOE in place, 30% Rf
  - Waterflood, low annual base decline <8%
  - Acquired in 2013 w/ 94 surface acres
- **Wilmington is an analog**
  - Multiple stacked pay zones
  - Primary, waterflood and steamflood
  - 60 MMBOE 3P reserves*
- **2018 drilling delivering 50% better IP's than 2013-2015 program**
  - Building on prior appraisal program
  - Successful execution of horizontal wells
  - Average 2018 IP of ~250 bopd, VCI 2.5

**Deliver new value in fields drilled over decades**

Huntington Beach Onshore

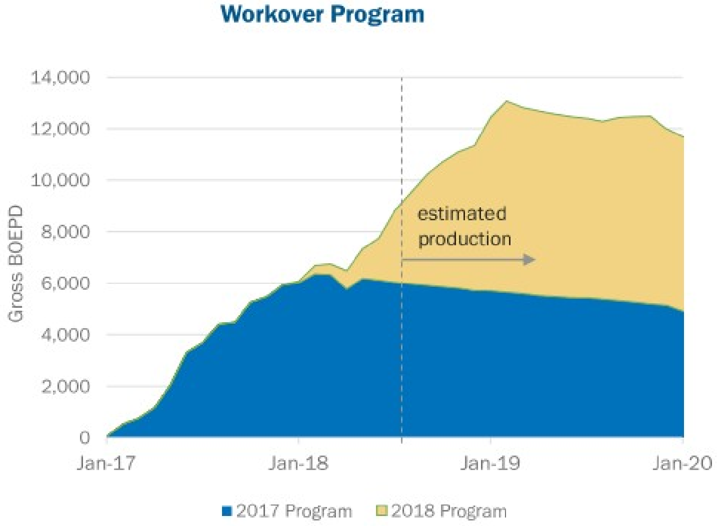



*1H18: 30 MMBOE proved, 15 MMBOE probable, 15 MMBOE possible

# Low-Cost Capital Workovers Deliver Value and Volume

- **Existing assets in multiple stacked pay zones**
  - 12,000 wellbores with pay behind pipe
  - CRC owned processing facilities
- **Low-risk, high-reward well work opportunities**
  - Adding pay behind pipe
  - Upgrading artificial lift equipment
  - Stimulation of existing zones
- **Currently operating 18 capital workover rigs**
  - Average cost $180,000 per job
  - Develops 3,500 BOEPD annually
  - 6.0 VCI

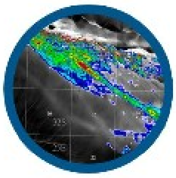
**Continuous drilling program leads to additional locations, approx. 4.4 million reservoir-ft behind pipe**



# Big Data and Advanced Analytics Applied Across Value Chain

### HSE
- INCIDENT PREDICTION and PREVENTION

### LAND
- COMPETITOR INTELLIGENCE
- LEASE MANAGEMENT



### SUBSURFACE
- SEISMIC ANALYSES
- WORKOVER IDENTIFICATION
- STIMULATION OPTIMIZATION
- WATERFLOOD OPTIMIZATION
- DIGITALOILFIELD

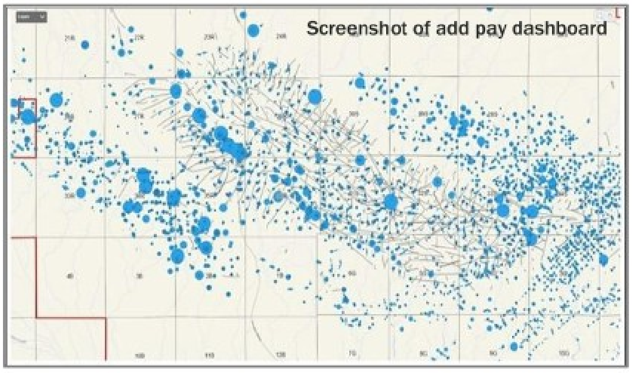
### OPERATIONS
- WELL TESTING
- DOWNTIME PREDICTION
- LIFT OPTIMIZATION
- WELL PERFORMANCE
- JOB SCHEDULING

### CORPORATE
- VENDOR SETUP
- SUPPLY CHAIN

# Proprietary "Add Pay" Tool

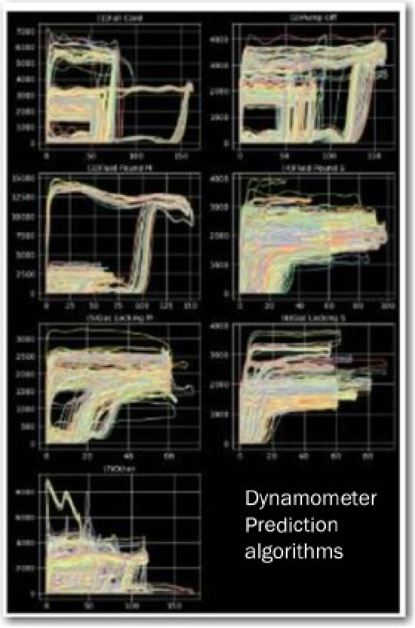
- **Automated tool identifies workover candidates**
  - Instant review of thousands of months of production data
  - Integrating machine learning tools with technical staff
  - Assist teams to high-grade opportunities
- **Reducing manpower intensive process**
  - Geologist and operations team review
  - Petrophysical evaluation
  - Offset comparison – results and reservoir properties
- **Prioritization of high value projects**
  - Ranking candidates across the 135 fields
  - Best projects funded first
  - High-grade already attractive investment metrics

**Ranking of behind pipe – add pay opportunities**



# Proprietary Well Downtime Prediction and Reduction Tool

- **CRC has a large inventory of wells on artificial lift**
  - >7,000 wells are manually reviewed monthly
  - Dynamometer cards measure lift efficiency
  - 3 million dynamometer cards generated each month
- **Improved well performance**
  - Preventative actions result in ~2% increase in uptime
  - ~1% increase in uplift
  - Early detection allows pre-job planning
- **Well downtime prediction reduces operating expense**
  - Based on 3,000 events/year
  - Estimated annual benefit of $9 million in cost savings

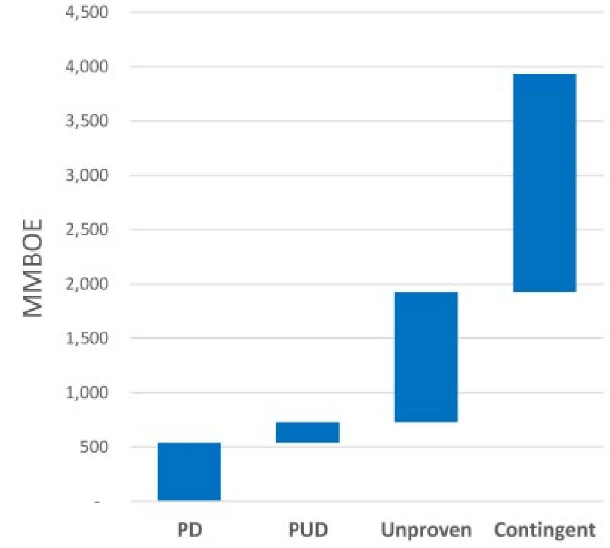


# Expanding Reserves Across the Recovery Value Chain

- **Proven ability to manage reserves during downturn**
  - Low base decline, resilient asset base
  - Targeted new reserve adds
- **Large resource base continues to grow**
  - Proven techniques in core fields
  - Executing our life-of-field plans
- **Opportunity for contingent resources**
  - Price affected reserves
  - Additional technical recovery processes

**Progressing a large inventory of identified locations through the value chain**

**Pipeline of Reserves and Resources**

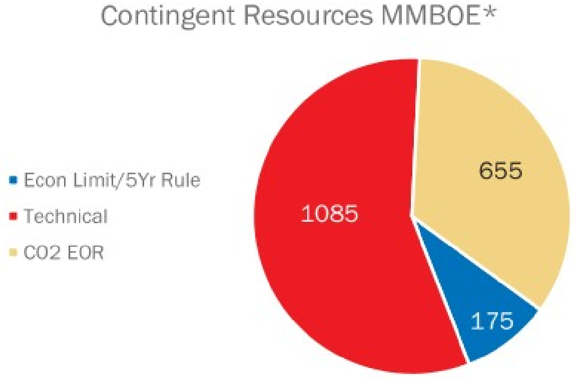



Note: Reserves as of 1H18. Unproven reserves and contingent resources utilize similar price assumptions as of 2014 ($101.30 Brent). Proven reserves utilize $75 Brent.

# Elk Hills $CO_2$ Project: Advancing Contingent Resources

## Many CRC fields suitable for additional EOR recovery techniques

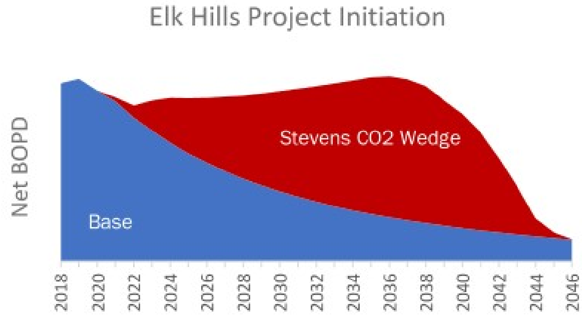
- Large resource, known production profiles
- Infrastructure largely in place
- Pilot responses confirm suitability




*As of 1H18

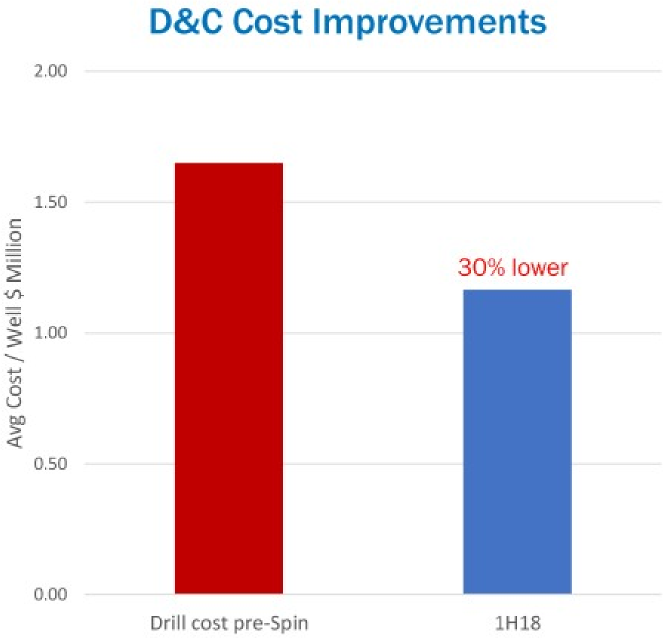
- **Project scope**
  - Utilizing 6 MMCF/day miscible gas from Elk Hills plant
  - Permits approved, injection begins 4Q18
  - Anticipated response time of 6 to 8 months

- **Dedicated team focused on full field project**
  - Evaluating various carbon capture technologies
  - Project scoping and economics



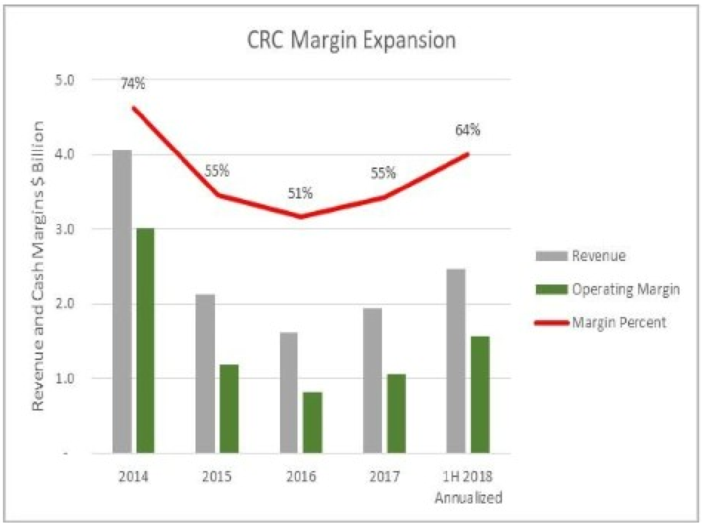
# Poised for Improved Capital Execution

- **CRC is #1 driller in California**
  - Preferred customer; 2/3rds of California rigs
  - Experienced - top driller by footage
  - Leader in deep drilling in state
- **Capital efficiency**
  - Reducing casing strings
  - Fit for purpose logging
  - Leveraging horizontal technology
- **Stability of program**
  - Market is stable, adequate supply of rigs
  - Focused optimization teams
  - No permitting constraints



# Focused Efforts Driving Margin and Cash Flow Performance

- **Focused on improving operations**
  - Annual operating costs reduced by $170 million since the Spin
  - Sustainable changes to capture margin expansion
  - Realizing 64% operating margin in 1H18
- **Field operations more empowered and efficient**
  - Sharing resources in optimized manner across state
  - Improved maintenance practices and vendor alignment
  - Streamlined operations with lower overhead costs
- **Energy and purchased fuel**
  - Expanded self-power to adjacent fields
  - Optimized steam injection resulting in lower fuel expense
  - Consolidation of operating equipment




Note: Cash margin = oil and gas revenues less production costs

## Driving Operational Excellence - Key Takeaways

- Coring up positions with large resources in place
- Driving operational efficiencies and applying new technology
- Capturing reserve growth opportunities across the recovery value chain
- Utilizing experience from analog fields to drive value creation

# VALUE-DRIVEN GROWTH

Darren Williams, EVP Operations and Geoscience

CALIFORNIA RESOURCES CORPORATION

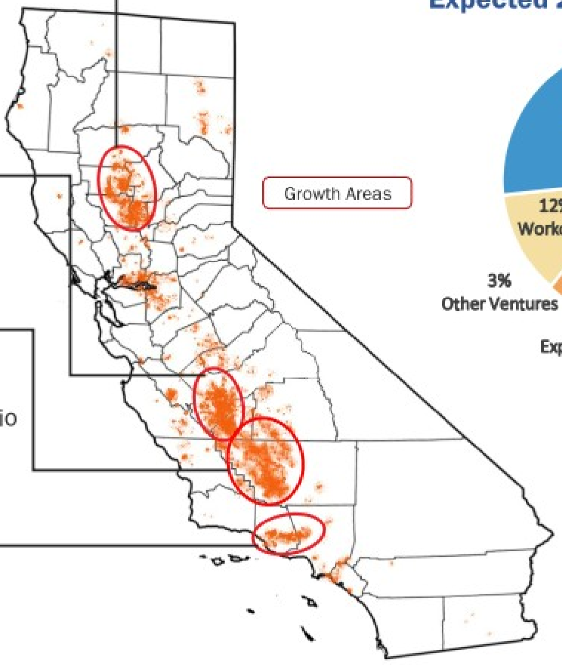
# Value-Driven Exploration and Development Growth

**Sacramento Basin**
- Gas optionality in exploration and development opportunities
- Multi-TCF impact exploration

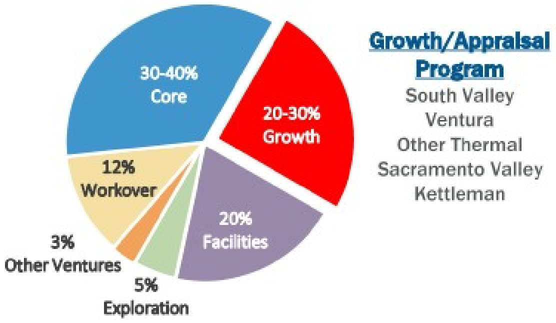
**Northern San Joaquin Basin**
- Kettleman North Dome
- Multi-BBOE unconventional shale potential

**Southern San Joaquin Basin**
- South Valley - major growth area leverages Elk Hills infrastructure
- Large conventional exploration portfolio
- Unconventional resources

**Ventura Basin**
- Oil-focused exploration and development opportunities
- Leverage South Mountain core asset




**Expected 2019 Capital Allocation**

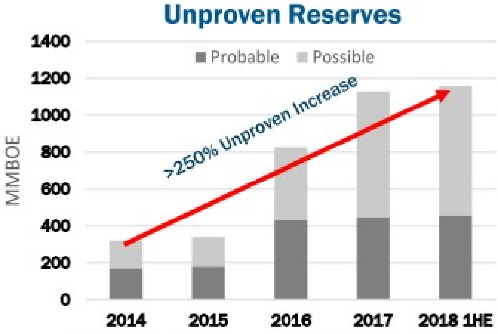


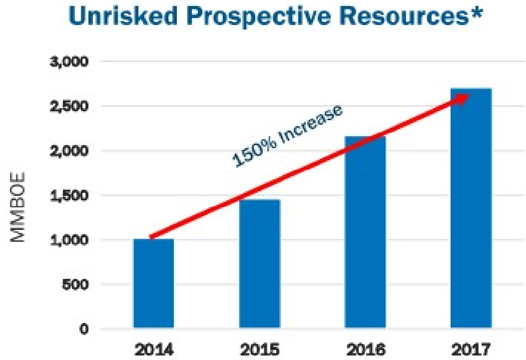

**Robust inventory of oil-focused, exploration & development opportunities with stacked reservoirs and midstream advantage**

# Significant Growth Potential of California's Prolific Hydrocarbon Basins

- **Super basins, giant fields, world-class hydrocarbon province**
  - Underexplored and underdeveloped; big fields get bigger
  - CRC holds ~2.3 MM net acres in prolific hydrocarbon basins
- **Identifying 3P resources through life-of-field evaluations**
  - Ground up re-evaluation of prioritized fields
  - Focus on field extension, underdeveloped reservoirs, EOR, application of technology
- **Unparalleled portfolio of low-risk, conventional exploration prospects in proven play trends**
  - > 150 prospects
  - > 2.5 billion BOE unrisked prospective resources*
  - Increased focused on new and emerging play concepts

**California's tectonics produce giant stacked pay fields**



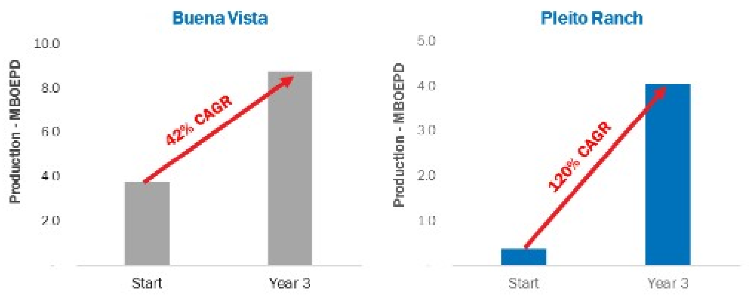




*See the Investor Relations page at www.crc.com for important information regarding 3P reserves and other hydrocarbon resources.

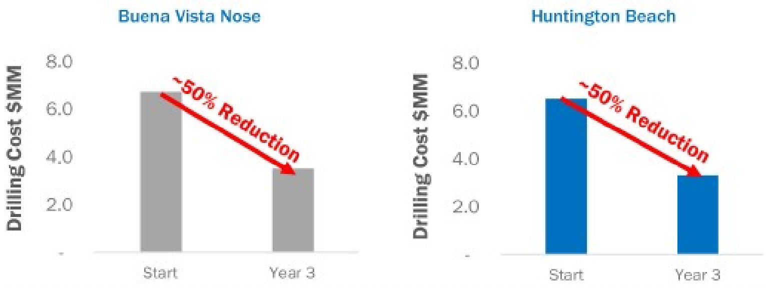
# Demonstrated Track Record of Operational Excellence and Growth

- **Delivering value-driven growth**
  - Consistently delivered growth projects across operated asset base
  - Multiple recovery mechanisms
- **Laser-focused**
  - Operate the analog and own the play
  - Continuous learning and risk-taking culture
  - Apply modern technology to reservoirs that may have produced for 70+ years
- **Leverage existing infrastructure**
  - Early monetization
  - Improved margins

**Production Growth**



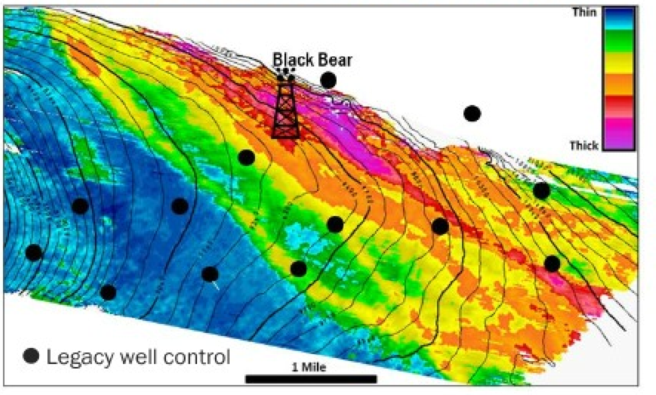

**Drilling Cost Improvement**



# Applying Modern Technology Drives New Growth

- **2012 exploration discovery on flanks of Buena Vista field**
  - Drilled 12 times between 1935 and 1984
  - No sustained oil production or identification of hydrocarbon accumulation
- **CRC acquired new 3D, applied modern drilling and completion techniques**
  - Initial 'Black Bear' exploration well flowed > 450 BOE/d
  - 'Grizzly Bear' appraisal well flowed > 1,200 BOE/d
- **Active field development with continuous improvement**
  - Well costs reduced by 50%
  - Leveraging Elk Hills operating synergies
  - Implementing waterflood & horizontal drilling to improve recoveries

**Pre-Drill Exploration Prospect Map with Reservoir Thickness and Depth Contours**




**CRC applies 3D seismic and modern drilling and completion techniques to unlock what others missed**

# Developing Entire Southern San Joaquin Basin into Core Area

- **Redevelopment, expansion and additional recovery in existing CRC operated fields**
  - Large fields with low recovery factors
  - >500 identified development locations
  - >150 MMBOE potential 3P reserves*
- **New field development project following recent exploration successes: Pleito Ranch**
  - Extension of CRC operated Pleito Ranch field
  - >90 identified development locations
  - >30 MMBOE discovered resources*
- **Delivering value-driven growth**
  - Apply technology, operating expertise and knowledge
  - Improved returns from leveraging existing infrastructure
  - Disciplined and deliberate investment into high graded portfolio

**Large Inventory of Development Projects**

| Field Area | Original MBOE in Place | Rf | Projects |
|---|---|---|---|
| Yowlumne | 900 | 13% | Workover, primary drilling, new reservoirs and EOR |
| Paloma | 1,000 | 14% | Workover, primary drilling and EOR |
| Coles Levee | 1,300 | 21% | Workover, primary drilling and EOR |
| Rio Viejo | 60 | 16% | Primary drilling, new reservoirs |
| Landslide | 70 | 23% | Workover, primary drilling and EOR |
| | | | |
| TOTAL | 3,330 | 18% | |

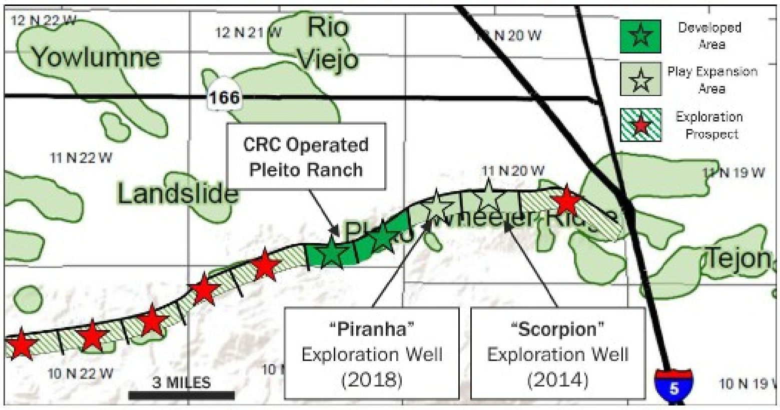
**Applying CRC asset playbook to substantial drilling inventory extends core Elk Hills operations and infrastructure**

*See the Investor Relations page at www.crc.com for important information regarding potential reserves, discovered resources and other hydrocarbon resources.

# Successful Exploration Layers On Even More Value

- **Commercially-focused and value-driven exploration program**
  - Successful project generated VCI > 2[1]
  - Deliberate play expansion delivers immediate, actionable development inventory to asset teams
  - Operational excellence from established operations
- **Active exploration program with industry-leading success rates**
  - 75% commercial success rate in South Valley area since drilling activity restarted in mid-year 2017
  - Targets proven reservoirs in established play trends
  - Play and risk drivers well understood by CRC
- **Significant running room and repeatability**
  - Portfolio of 20+ analog exploration prospects with 400 MMBOE net, unrisked resource potential

**Extension of Pleito Ranch Field Through Exploration**



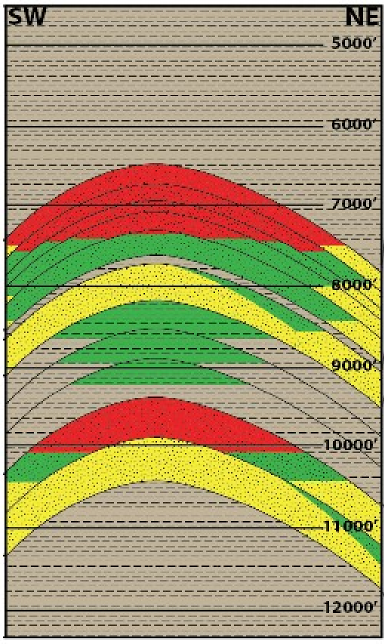

- 15-mile play trend
- CRC operated analog – Pleito Ranch
- Deliberate "discover & expand" approach
- Each successful prospect unlocks 20-50 well locations
- Mineral fee land enhances returns

[1] $75 Brent and $3/NYMEX

# Appraisal of Kettleman North Dome Unlocks Growth

- **Large producing field in Northern San Joaquin Basin**
  - 20+ square mile, 4-way closure with >4000' stacked reservoirs
  - 3.5–5.0 billion original BOE in place, recovery factor ~25%
- **Measured field appraisal**
  - Conducted field wide appraisal program
  - Utilizing seismic, newly acquired reservoir data to prioritize development plan
  - Applying technology and proprietary analyses to unlock resource potential
- **Multiple opportunities in proven reservoirs**
  - Workovers, primary field drilling, waterflood, horizontals
  - Deep exploration targets

**Kettleman Appraisal Summary**




| RESOURCE | STATUS and ACTIVITY |
|---|---|
| TEMBLOR | Multiple stacked sands<br>Completed workover and new drill program<br>Integrating advanced seismic analyses on proprietary 3D to identify bypassed pay |
| VAQUEROS | Unconventional sand potential<br>Future target evaluated through workovers and deep drilling |
| KREYENHAGEN | Unconventional shale reservoir<br>Workover, new vertical and horizontal drilling<br>30 day IP as high as 300 Bo/D from individual zones in vertical wells, multiple stacked productive zones confirmed |
| McADAMS | Multiple stacked sands, historically produced gas<br>Confirmed gas condensate and oil legs in Lower McAdams |

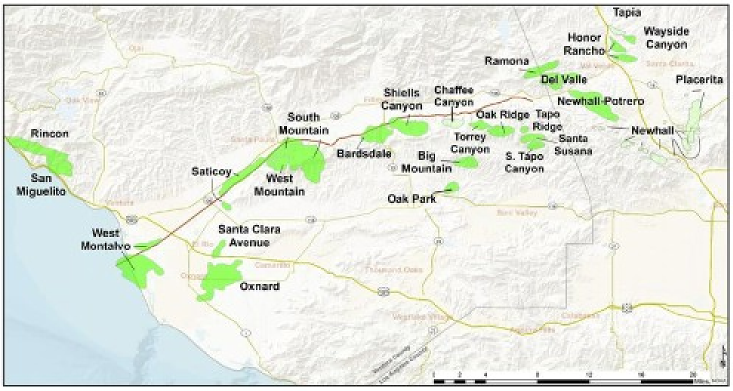
# VENTURA VIDEO

See the Investor Relations page at www.crc.com to access this video.

# Expanding CRC's Asset Playbook to Ventura Basin

- **Prolific basin with a long history, including the first commercial oil well in California**
  - Operate more than 20 fields
  - ~9 billion original BOE in place in CRC fields, Rf ~14%
  - ~250,000 net mineral acres (75% undeveloped)
- **2017 average net production of 6 MBOE/d (67% oil)**
  - Low decline asset, maintaining flat with limited capital
- **Portfolio of drive mechanisms**
  - Primary, new and redevelopment waterfloods and steamfloods
- **Building off exploration success**
  - Recent CRC exploration wells flowed > 1,000 BOE/d (80% oil) along Oakridge trend
- **Activity increasing in mid-cycle price environment**
  - Focus on development and exploration in core South Mountain asset and expand across basin

## CRC Operated Fields in the Ventura Basin

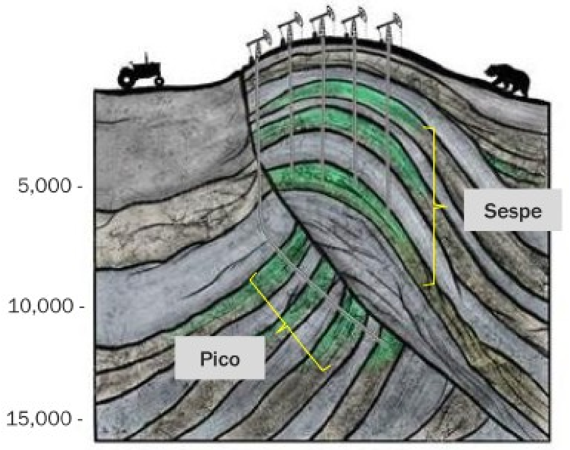



**CRC is the largest operator in the Ventura Basin**

# Exploration and Development of Core South Mountain Asset

- **Giant field and flagship asset in basin with > 2.5 billion original BOE in place**
  - CRC has consolidated land position and field ownership
- **>10,000' of underdeveloped and underexplored stacked oil pay**
  - >4,000' stacked pay in shallow Sespe sands
  - >350 Sespe infill locations identified with project VCI > 2[1]
  - >6,000' stacked pay in deep Pico sands
  - Infill drilling plus 2018 exploration success provides running room
- **Similar development project upside in analog producing fields within basin**
- **Exploration running room in portfolio of analog Pico prospects in Oakridge trend**
  - 15-20 mile play trend, applying deliberate "discover & expand" approach to develop play
  - 150 MMBOE unrisked resource potential

## Stacked Pay in the Ventura Basin

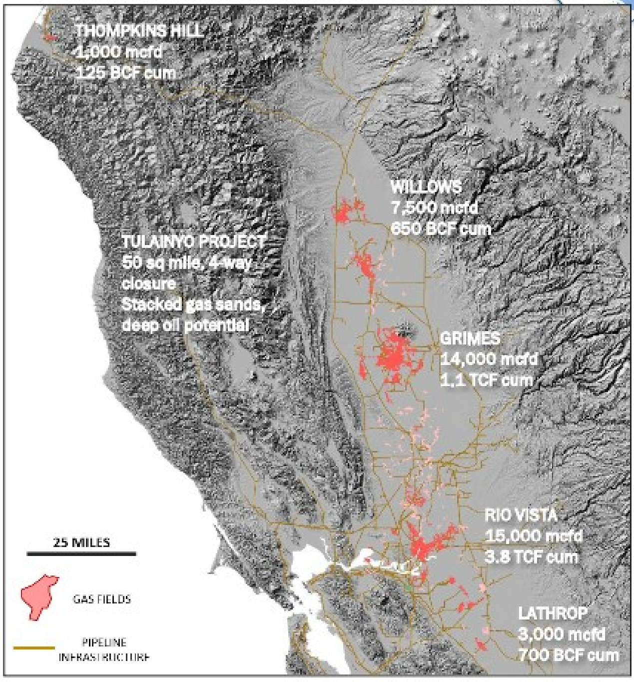



**10,000' of stacked pay delivers value-driven growth in the Elk Hills of the Ventura Basin.**

[1] $75 Brent and $3/NYMEX

# Sacramento Basin Provides Gas Optionality

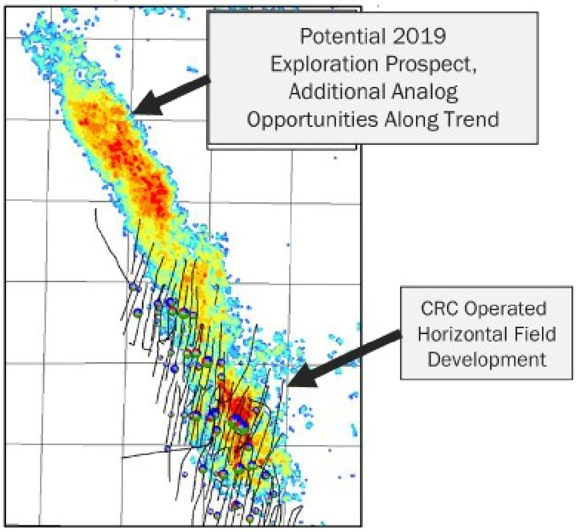
- **Prolific gas basin**
  - CRC is largest operator in basin, operates ~ 86% of production
  - 2017 average production of 33 MMCF/D
- **Rio Vista is core asset with > 5 TCF original gas in place**
  - > 10,000' of stacked sands, majority of activity to drill depths < 6,000'
  - Joint venture improves returns and increases activity and reserve bookings
- **Similar upside and JV potential in CRC operated Willows and Grimes analog fields**
- **Impact exploration potential**
  - Multi-TCF Tulainyo prospect plus analog, oil upside
  - 5-7 "Dempsey" analog prospects



# Conventional Exploration Program Keeps Growing

- **Value-driven, near field exploration program**
  - Program generates meaningful returns and has repeatable success
  - Unparalleled portfolio of > 150 prospects
  - >2.5 billion BOE unrisked prospective resources
- **Deliberate 'discover and expand' of established play trends**
  - 15-20 mile long play trends where we own the analog
  - Deliberate play expansion delivers immediate, actionable development inventory to asset teams
- **Exploring deeper in existing field areas**
  - Big fields get bigger
  - Targeting proven producing reservoirs in structural closures below existing CRC infrastructure
- **Application of advanced technology de-risks prospects**
  - Detailed reservoir characterization integrating log, core, 3D seismic and well performance

**Using Seismic Attributes to Identify and De-Risk Exploration Prospects**




Hydrocarbon probability map generated through pre-stack seismic inversion of proprietary CRC 3D and calibrated to producing wells

# Conventional Exploration Program Generates Real Value

- **9 well exploration program since mid-year 2017**
  - Delineation and expansion of proven play trends plus new impact play concepts
- **Reduced risk via joint ventures**
  - 7 exploration wells funded by partners[1]; $CRC total initial net investment ~$17MM
- **Meaningful value creation**
  - ~$4/share value, potential to increase further with additional appraisal
- **Repeatable recipe for success provided by analog prospects in CRC's unparalleled inventory**

SIGNED SEVEN JVs

**Multiple Small Joint Ventures**

**$200+MM[2,3] PV10 from Initial Net Investment of ~$17MM**

**Fully-Burdened VCI of 1.8[2,4]**

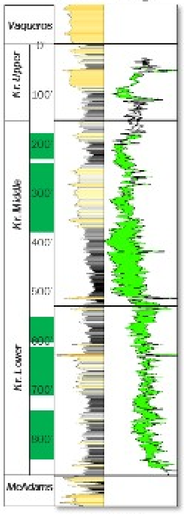
**Commercial Success >50%**

[1] Partner WI funding varied by well; [2] $75 Brent and $3/NYMEX; [3] Net P50 $NPV_{10}$ = Sum [P50 type curve $NPV_{10}$ x NRI] for development locations; [4] VCI = 1+ [net P50 $NPV_{10}$] / [$PV_{10}$ exploration and development capital]

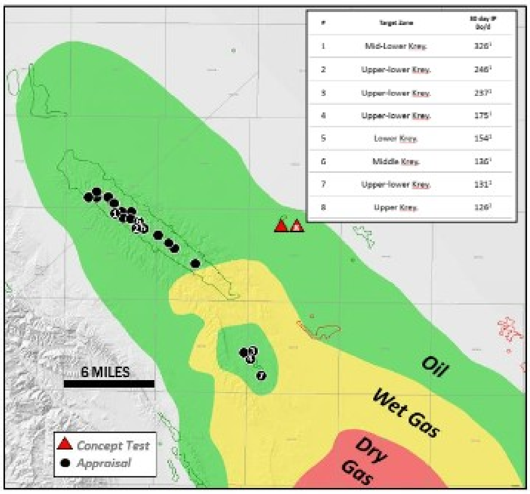
# Upside Through Shale Reservoir Development in California

- **Industry activity in California focused on conventional reservoirs and plays**
- **World-class source rocks with unconventional shale development potential**
  - Kreyenhagen, Moreno and Lower Monterey
  - 300,000+ net acre position
  - >2 billion BOE unrisked prospective resources
- **Unconventional shale resource potential**
  - Black shale with reservoir properties consistent with other U.S. resource plays
  - Barnett, Woodford, Marcellus analogs
- **Strategic data acquisition, technology application**
  - Recent data acquisition in tail of operated well
  - Utilizing proprietary 3D seismic to characterize reservoir

## Kreyenhagen Play Fairway and Producing Wells




TYPE LOG




| # | Target Zone | 30 day IP bo/d |
|---|---|---|
| 1 | Mid-Lower Krey. | 326[1] |
| 2 | Upper-lower Krey. | 246[1] |
| 3 | Upper-lower Krey. | 237[1] |
| 4 | Upper-lower Krey. | 175[1] |
| 5 | Lower Krey. | 154[2] |
| 6 | Middle Krey. | 136[1] |
| 7 | Upper-lower Krey. | 131[2] |
| 8 | Upper Krey. | 126[2] |

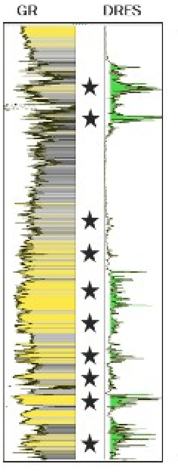
[1]Vertical well completion
[2]24-hour IP

Proven producing reservoir intervals

# Hybrid Play Development in California

- **Emerging/developing play concepts**
  - Integrating reservoir characterization approaches from successful lower 48 resource plays to California reservoirs
- **Hybrid/low permeability resource plays**
  - Multiple stacked benches
  - Direct charge focus, close proximity to major source kitchens
  - Permian, Granite Wash, Bakken analogs
- **Dominating, contiguous 45,000 - 100,000+ net acre position in multiple emerging play concepts**
- **Deliberate data acquisition, technology application and play delineation strategy**
  - Use of proprietary 3D seismic for reservoir characterization and variability

## Low Permeability Resource Play Targets




- 5000' gross interval
- Multiple zones of interest 50-250+' gross thickness
- Proprietary 3D seismic
- Good hydrocarbon shows
- Productive in vertical wells

★ Zones of interest

**Applying technology and resource play learnings to identify resource play targets in California**

# Multiple Assets Provide CRC with Significant Value-Driven Growth Potential

| | | |
|---|---|---|
| **DEVELOPMENT** | Oil-focused development of existing producing assets<br>Multiple recovery mechanisms<br>Leveraging CRC operating expertise and infrastructure | **1.1+* BBOE** unproven reserves |
| **CONVENTIONAL EXPLORATION** | Near-field program targeting proven reservoirs<br>Commercial success rates > 50% | **2.5+ BBOE** prospective resources |
| **RESOURCE PLAYS** | Prospective shale resources<br>Multiple emerging hybrid play concepts | **2.0+ BBOE** prospective resources |

* Unproven reserves as of YE17

# CONTINUED FINANCIAL STRENGTHENING INTO 2019


Mark Smith, Sr. EVP & CFO

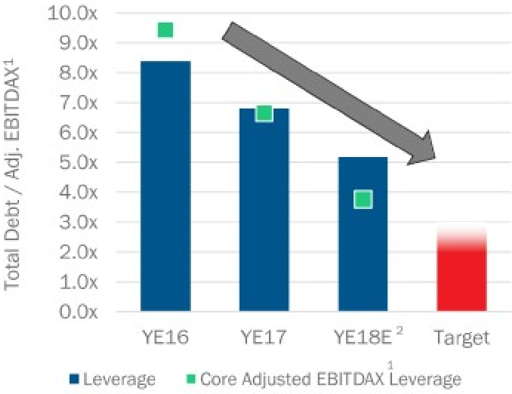
CALIFORNIA RESOURCES CORPORATION

# Strengthening and Simplifying the Balance Sheet Remains a Priority

## Remain committed to debt reduction with a goal of:

- Returning to a simplified balance sheet
- Targeting a near investment grade balance sheet
- 2x-3x target leverage ratio

## Continue on path of debt reduction to increase flexibility and remain healthy through the cycle

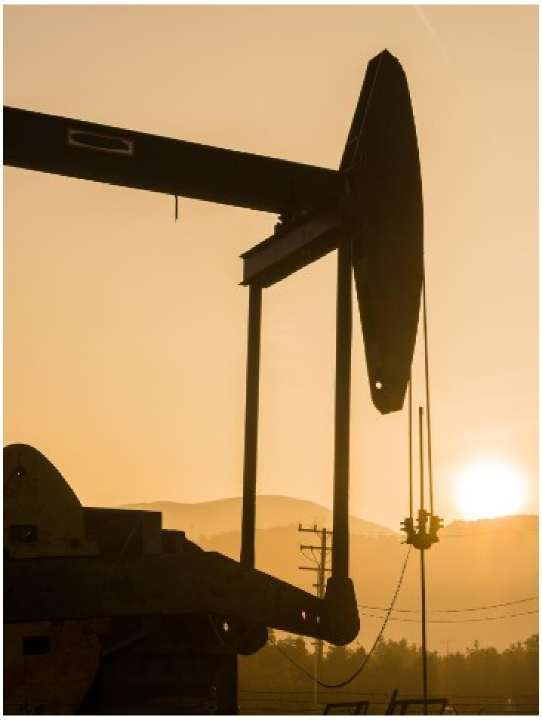



| Current | Target |
|---|---|
| Revolving Credit Facility | Revolving Credit Facility |
| 1L 2017 TL | Senior Unsecured Notes |
| 1L 2016 TL | **Total Debt** |
| 2L Notes | |
| Senior Unsecured Notes | |
| **Total Debt** | |

[1]See the Investor Relations page at www.crc.com for a reconciliation to the closest GAAP measure and other important information. Core Adjusted EBITDAX excludes settled hedges and cash settled equity compensation costs.
[2]2018 annualized.

# Gaining Momentum with Preliminary Strong Third Quarter 2018 Performance

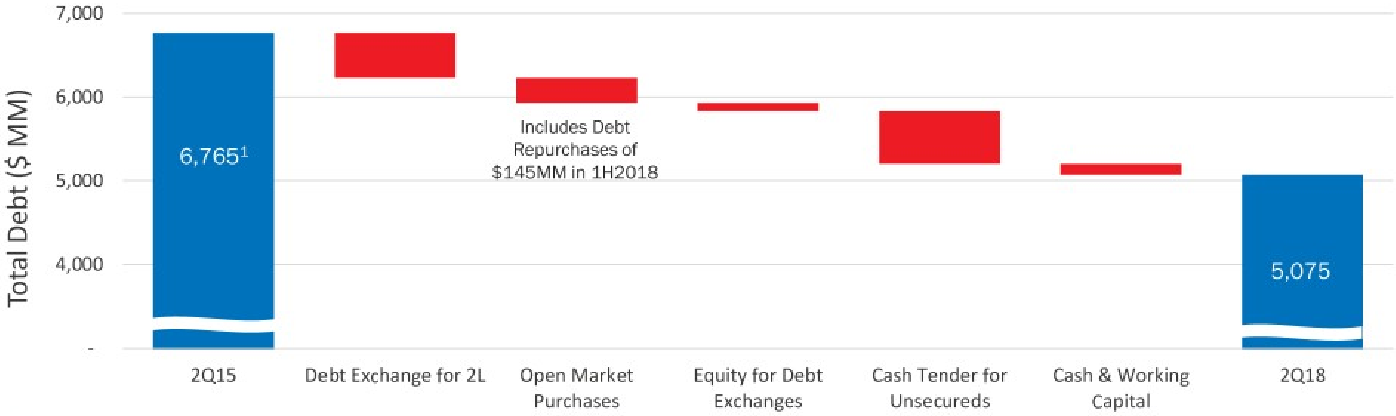
| Preliminary 3Q18 Estimate | | Preliminary YTD18 Estimate |
|---|---|---|
| **~90 Gross Wells Drilled[1]**<br>Includes ~55 CRC wells | ACTIVITY | **~250 Gross Wells Drilled[1]**<br>Includes ~150 CRC wells |
| **~136 Mboe/d[2]**<br>62% Oil | PRODUCTION | **~131 Mboe/d[2]**<br>62% Oil |
| **~$200 Million**<br>~$180 million internally funded | CAPITAL | **~$550+ Million**<br>~$490 million internally funded |
| **~$300+Million**<br>~$350+ million Core Adjusted EBITDAX[3] | Adj. EBITDAX[4] | **~$775+Million**<br>~$900+ million Core Adjusted EBITDAX[3] |



[1] Includes JV and non-operated wells.
[2] Subject to final determination of PSC effects in light of higher oil prices in the quarter.
[3] Excludes settled hedges of $31MM in Q1, $68MM in Q2 and an estimated $74MM in Q3 and cash-settled equity compensation of $4MM in Q1, $24MM in Q2 and an estimated $11MM in Q3. See the Investor Relations page at www.crc.com for historical reconciliations to the closest GAAP measure and other important information.
Note: The foregoing amounts are preliminary estimates. The company's books and records for the applicable periods are not yet finalized and actual results may differ, possibly substantially.

# Significant Reduction in Total Debt from Post-Spin Peak

**Chose options to maximize deleveraging and minimize recurring cost to the income statement on a per share basis. Continue to seek opportunistic transactions that reduce overall debt and fixed charges.**




| | | | | | | Total |
|---|---|---|---|---|---|---|
| Total Debt Reduction | $535 million | $298 million | $102 million | $625 million | $130 million | $1,690 million |

[1] Represents mid-second quarter 2015 peak debt.

# Goal: Simplification of the Balance Sheet

## Capitalization ($MM)

| | | 6/30/2018 |
|---|---|---|
| 1st Lien 2014 Revolving Credit Facility (RCF) | $ | 277 |
| 1st Lien 2017 Term Loan | | 1,300 |
| 1st Lien 2016 Term Loan | | 1,000 |
| 2nd Lien Notes | | 2,153 |
| Senior Unsecured Notes | | 345 |
| Total Debt | | 5,075 |
| Less cash[1] | | (19) |
| Total Net Debt | | 5,056 |
| Mezzanine Equity | | 735 |
| Equity | | (645)[2] |
| Total Net Capitalization | $ | 5,146 |

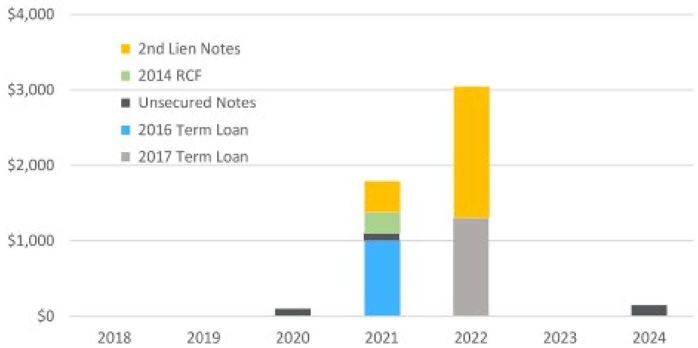
| | |
|---|---|
| Total Debt / Total Net Capitalization | 99% |
| Total Debt / LTM Adjusted EBITDAX[3] | 5.1x |
| LTM Adjusted EBITDAX[3] / LTM Interest Expense | 2.8x |
| PV-10[4] / Total Debt | 1.0x |
| Total Debt / Proved Reserves[5] ($/Boe) | $7.44 |
| Total Debt / Proved Developed Reserves[5] ($/Boe) | $10.42 |
| Total Debt / 2Q18 Production ($/Boepd) | $37,873 |

[1] Excludes $23MM of restricted cash.
[2] Includes $144 million of noncontrolling interest equity for BSP and Ares.
[3] LTM Adjusted EBITDAX includes a +$85 million adjustment as a result of the Elk Hills transaction.
[4] PV-10 includes an estimate of the Elk Hills reserves acquired at SEC 2017 pricing. See the Investor Relations page at www.crc.com for details on this calculation.
[5] Reserves include an estimate of the Elk Hills reserves acquired at SEC 2017 pricing.

## Recent Highlights

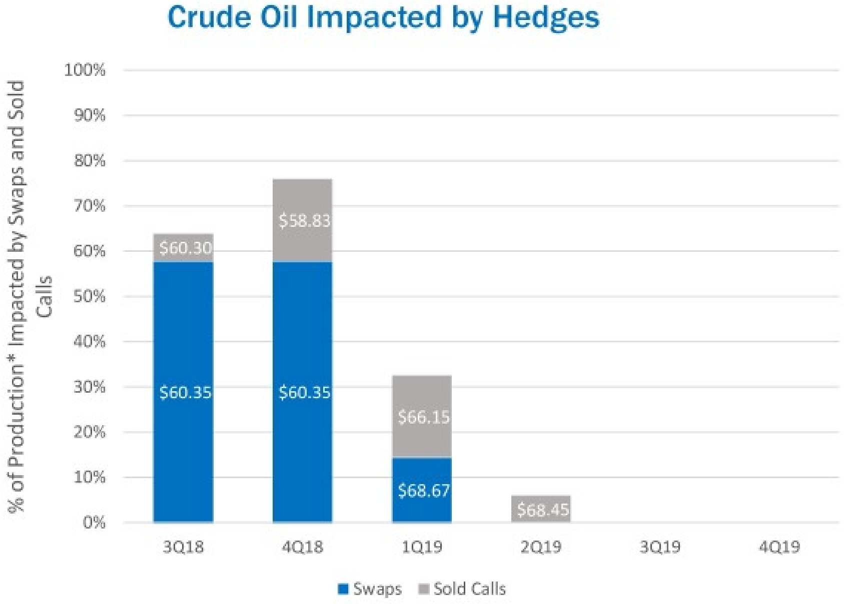
- Received 8th Amendment to repurchase $300 million in 2L notes and senior notes at any discount
- Repurchased face value of $97 MM of 2nd Lien Notes and $50 MM of senior notes in 1H18 for $119 MM in cash
- Purchased LIBOR interest caps which cap a notional $1.3B of floating rate debt at one-month LIBOR of 2.75% through May, 2021
- Recent S&P upgrade on 2L notes to B- from CCC+

## Debt Maturities ($MM)



# Opportunistic Hedging Program Captures More Upside Exposure in 2019

- Hedging program originally **protected near-term funding** of capital program and financial covenants with **minimum liquidity impact**
- Current program built to provide **protection of downside** with "puts" and "put-spreads" **and not limit exposure to the upside**




*Based on 2Q18 production of 83,000 bopd.
Note: For current hedge positions, see slide 110 in Appendix.

# Strategic Development Joint Ventures

**$550 Million**
Total Potential JV Capital → **Portfolio Flexibility and Optionality**

**$200 Million**
Invested Through Q2 2018 → **Enables High Margin Production Growth**

**~3.5-4.0 MBoe/d**
Gross Peak Production per $100 MM of Development Capital → **Accelerate Value**

**>12 MMBoe**
Potential Targeted Reserves per $100 MM of Development Capital → **De-Risk Inventory**

## Reversion Estimates

# Summary of Mid-Year 2018 Reserves Changes

**96%**
**Half-Year Proven Organic Reserves Replacement**
(excl. price-related revisions – unaudited)

**731 MMBOE**
**Proved Reserves Up 18% from YE 2017**

**<$10/BOE F&D Cost[1]**

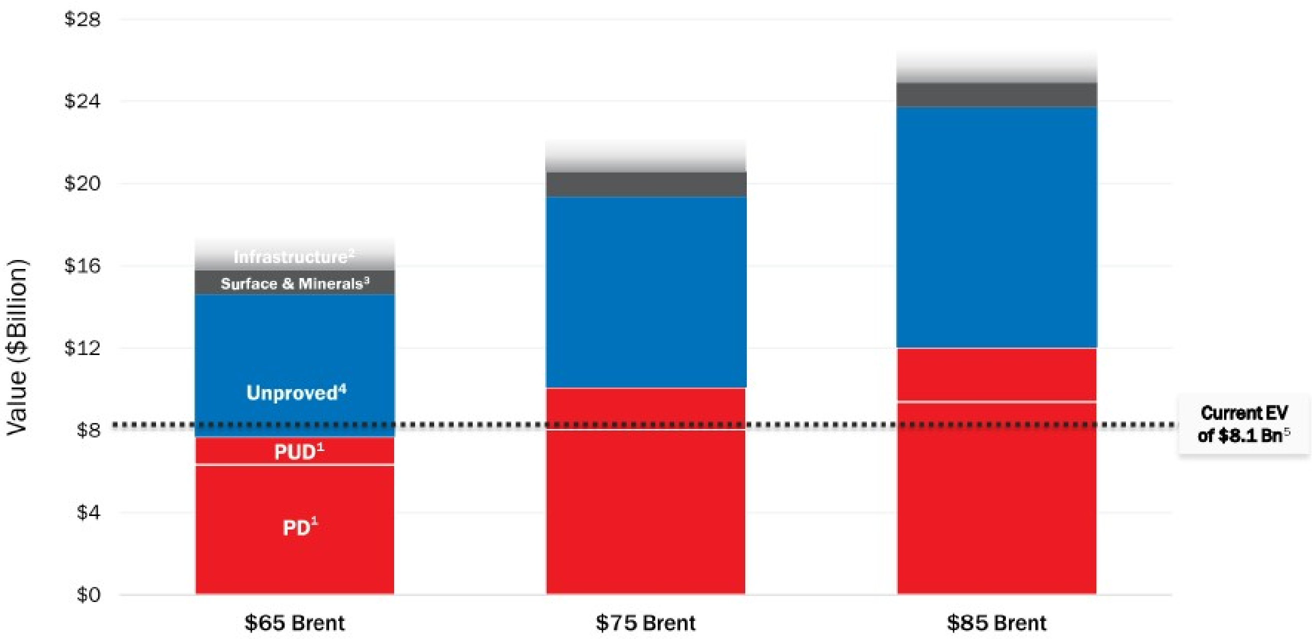
**15 Year R/P**

## CRC Reserves Changes (Net MMBOE)

| Reserve Category | YE 2017 Balance | Price Related Revision | 1H 2018 Production | Changes[2] | Acq & Div | July 2018 Balance | 1P RRR[3] (Excl Price) | Proved R/P | YE 17 Gross Well Count | YE 18 Gross Well Count |
|---|---|---|---|---|---|---|---|---|---|---|
| PD | 440 | 40 | (23) | 25 | 46 | 528 | | | 9,695 | 10,097 |
| PUD | 178 | 10 | 0 | (2) | 18 | 203 | | | 1,691 | 1,546 |
| **Proved[4]** | **618** | **50** | **(23)** | **23** | **64** | **731** | **96%** | **15** | **11,386** | **11,643** |

[1] Organic F&D including the effect of the Elk Hills acquisition.
[2] Includes transfers, revisions, exploration and development and improved recovery. 58 MMBOE "Technical" proven reserves in contingent replacement due to economics and/or 5-year rule limitations.
[3] RRR refers to organic reserves replacement ratio.
[4] Proved reserves at $75 Brent / $3 Nymex.

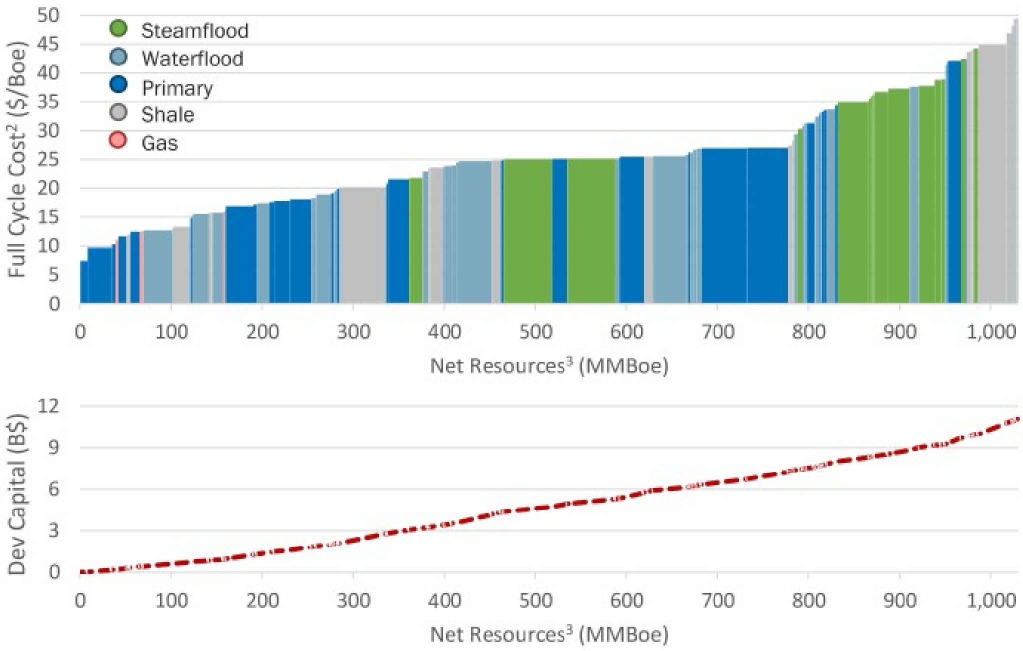
# Current Enterprise Value Deeply Discounted




[1-5] See endnotes in the Appendix.
See the Investor Relations page at www.crc.com for important information about 3P reserves and other hydrocarbon quantities.

# Unlocking Value with Deep Inventory of Actionable Projects at $75 Brent

- **Fully burdened**, growth-focused portfolio
- Achieve a VCI[1] of **1.3 or greater** at $75 Brent and $3.00 NYMEX
- Deliver **robust cash flow**
- Reflects all **recovery mechanisms** and **reserves types**
- Leverage existing infrastructure, while opportunistically **targeting new infrastructure investment**




[1] VCI is calculated by dividing the net present value of the project's expected pre-tax cash flow over its life by the net present value of the investments, each using a 10% discount rate.
[2] Full cycle costs = operating costs + development costs + facility costs + field-level G&A + taxes other than on income.
[3] See the Investor Relations page at www.crc.com for details regarding net resources.

# 2018 Capital Investment Program Aligned with Mid-Cycle Pricing

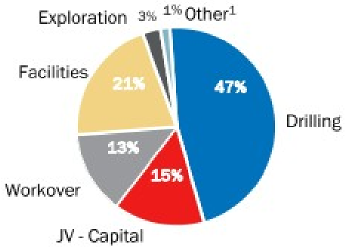
## Production Enhancement Plans for 2018

- CRC 2018 capital plan directed to oil-weighted projects in core fields: Elk Hills, Wilmington, Kern Front, Huntington Beach, and continued delineation of Buena Vista, Ventura and Southern San Joaquin Areas
- JV capital focused in the San Joaquin basin and Huntington Beach

**Dynamic plan that can be scaled up or down based on expected cash flows**

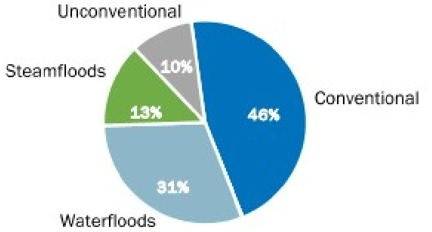
**2018E Total Capital Plan Including JVs**

**Approx. $650 to $700 million**



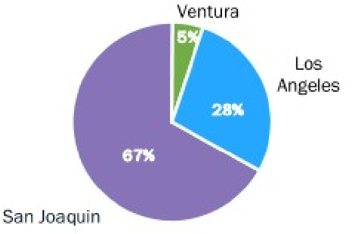

**2018E Internally Funded Development Capital By Drive**

**Approx. $405 million**




**2018E Internally Funded Development Capital By Basin**

**Approx. $405 million**




[1]Other includes maintenance and occupational health, safety and environmental projects, seismic, and other investments.

# Targeting Double-Digit EBITDAX Growth

Targeting **10-15% discretionary cash flow** for balance sheet strengthening[1]

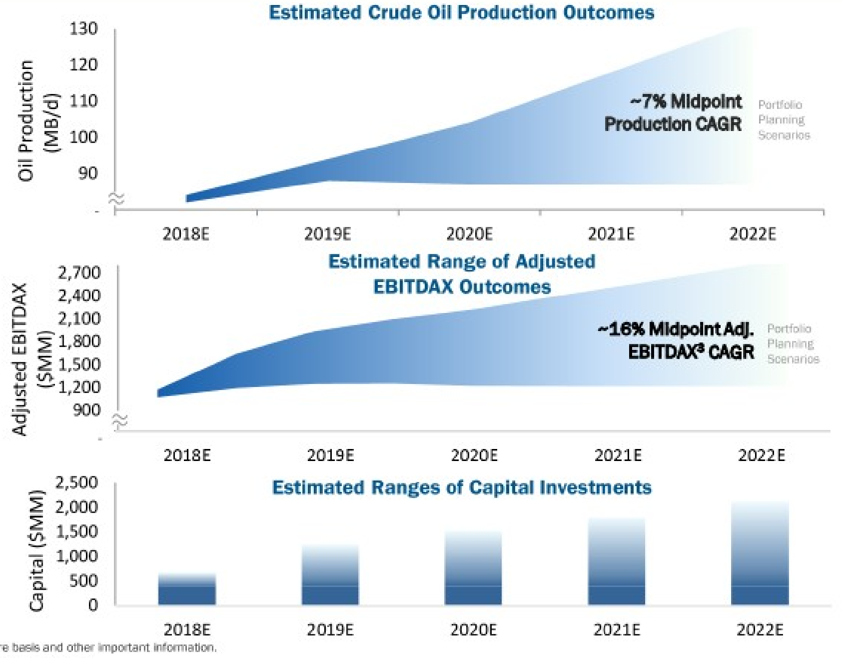
Combined with **mid-cycle commodity prices**, CRC is positioned for growth in:

- Cash flow
- Production
- Reserves

in total and on a **debt-adjusted per share basis**[2]

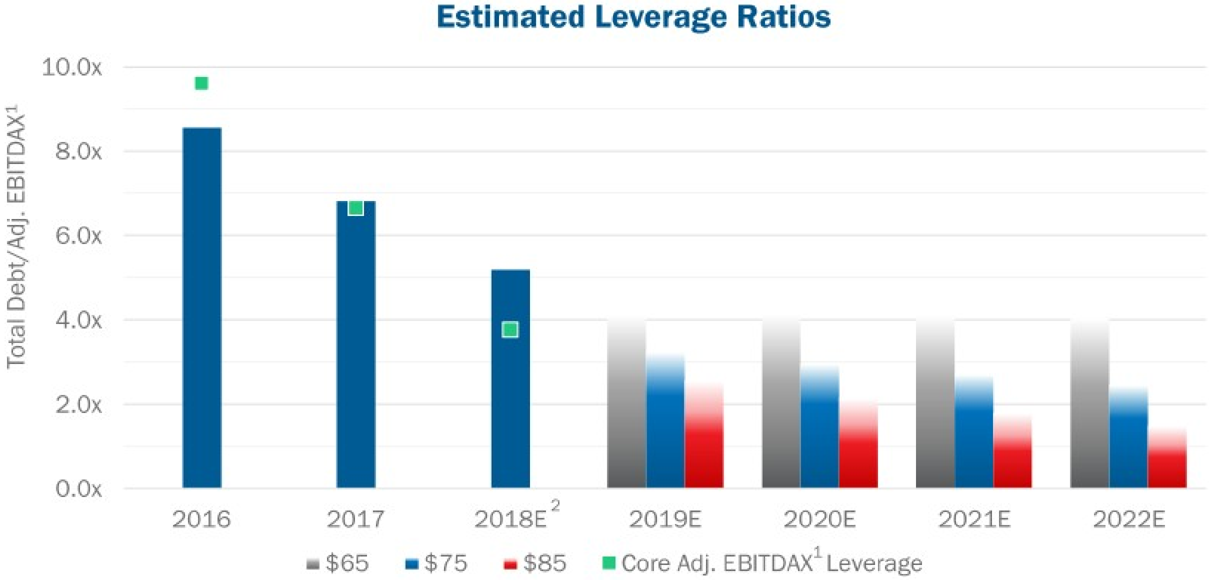
**Capital focused on oil projects that provide**

**Increasing Margins** + **Low Decline Rates** = **Compounding Cash Flow**



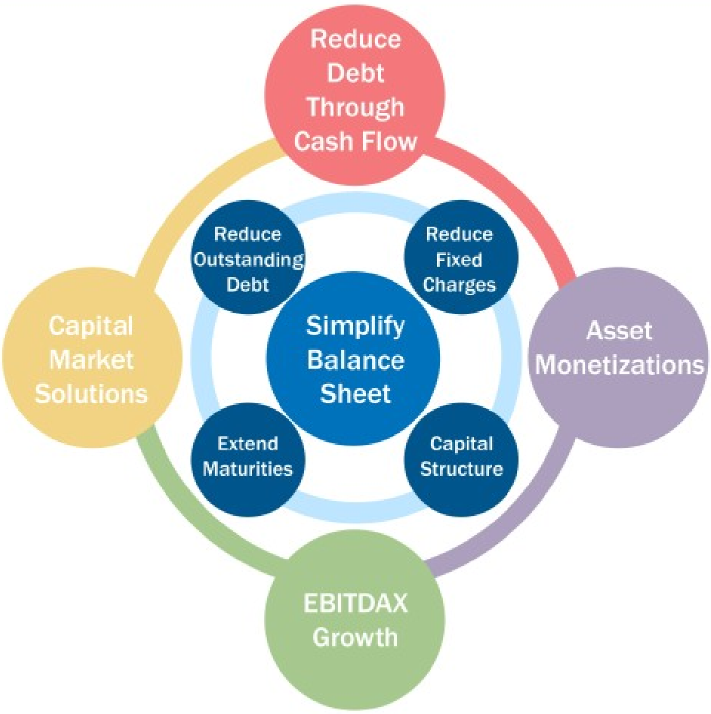

[1]Subject to limitations on debt repayment in finance agreements
[2]See the Investor Relations page at www.crc.com for a description of the calculation of the debt-adjusted per share basis and other important information.
[3]See the Investor Relations page at www.crc.com for a reconciliation to the closest GAAP measure and other important information.
Note: Scenarios assume flat pricing from $65 to $85 Brent and $3.00 to $3.10 NYMEX gas, respectively. Assumes varying lease operating costs within historical ranges depending on the commodity prices of the planning scenario outcomes. Ranges of portfolio planning scenario outcomes assume development of a variety of combinations of steamflood, waterflood, conventional and unconventional projects in our inventory and reflect estimates of geologic, development and permitting risk. Targeting 10-15% of discretionary cash flow for balance sheet strengthening, remaining discretionary cash flow to be reinvested in business in 2019 and beyond for each scenario.

# Continuous Efforts Provide Pathway to Reasonable Leverage




[1]See the Investor Relations page at www.crc.com for a reconciliation to the closest GAAP measure and other important information. Core Adjusted EBITDAX excludes settled hedges and cash settled equity compensation costs.
[2]2Q18 annualized.
Note: Targeting 10-15% of discretionary cash flow for balance sheet strengthening, remaining discretionary cash flow to be reinvested in business in 2019 and beyond for each scenario.

# All of the Above Approach to Simplify Balance Sheet



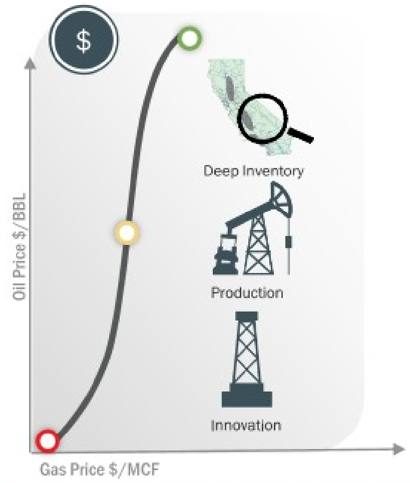
# Five Main Takeaways

1. CRC is **well-positioned** to prosper in the mid-cycle environment as California's premier operator
2. Conventional delivers **strong & differentiated value**
3. The application of capital and technology will allow CRC to **grow its core** and **growth areas**, **improve efficiencies** and deliver **increased margins**
4. CRC has a **robust opportunity set** and significant remaining inventory potential
5. Continued **financial strengthening in 2019** with a portion of discretionary cash flow dedicated to debt reduction

# Investment Proposition: Delivering Smart Growth and Real Value

| | | | | |
|---|---|---|---|---|
| **Portfolio of world-class assets investable throughout the commodity cycle** | **Robust inventory of high value growth projects** | **Deep operational knowledge and technical expertise** | **Integrated and complementary infrastructure** | **Disciplined and effective capital allocation** |

**Effective capital allocation through cycle for smart growth**




# VALUE DRIVEN

**Balance capital investment with financial strengthening efforts for best long-term value creation**

| Balance Sheet Goals | High VCI Projects |
|---|---|
| Reduce Debt | Core Operating Areas |
| Reduce Fixed Charges | Growth Prospects |
| Simplify Balance Sheet | Investing for the Future |

# APPENDIX

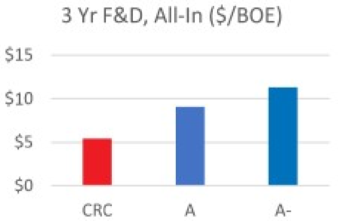
# Investment Grade Assets with a Non-Investment Grade Balance Sheet

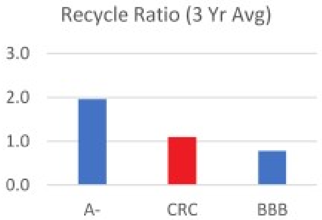
**2017 Operational Metrics[1]**

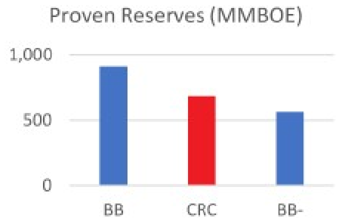
**CCC+**

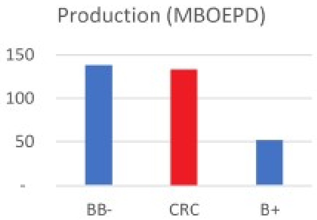
CRC's S&P Corporate Family Rating

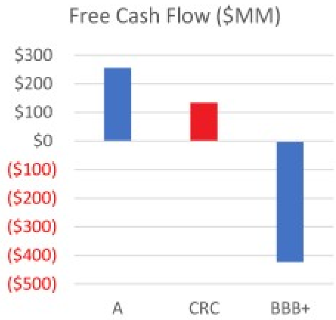
**2017 Financial Metrics[1]**

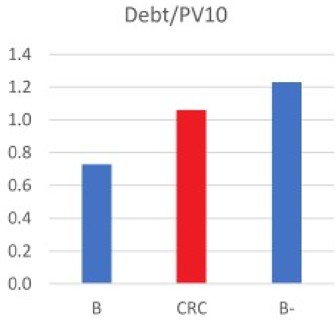



**CRC's operations and finances are comparable to peers with higher credit agency ratings**

Source: CapIQ; Comparison Peers include APA, APC, AR, CHK, CLR, COP, CRK, CRZO, CXO, DNR, DVN, ECR, EGN, EQT, FANG, GPOR, HES, HK, KOS, LPI, MRO, MTDR, MUR, NBL, OAS, OXY, PDCE, PXD, QEP, RRC, RSPP, SM, SRCI, SWN, UNT, UPL, WLL, WRD and XEC.

[1]F&D, recycle ratio and free cash flow are based on information provided by CapIQ and differ in certain respects from organic F&D, organic recycle ratio and free cash flow reported by the company and available in the Investor Relations section of www.crc.com.

# Opportunistically Built Oil Hedge Portfolio

## Strategy

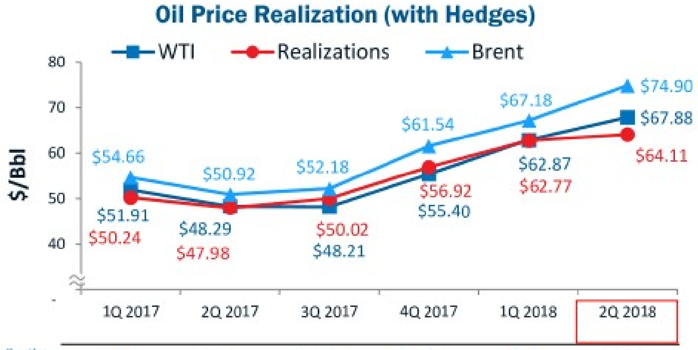
Protect cash flow, operating margins and capital investment program

**Target hedges on 50% of crude oil production**

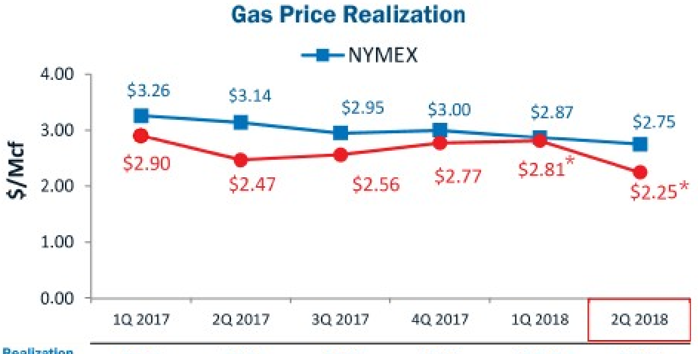
| | | 3Q18 | 4Q18 | 1Q19 | 2Q19 | 3Q19 | 4Q19 | FY20 | FY21 |
|---|---|---|---|---|---|---|---|---|---|
| **Sold Calls** | Barrels per Day | 5,000 | 15,000 | 15,000 | 5,000 | - | - | - | - |
| | Weighted Average Ceiling Price per Barrel | $60.30 | $58.83 | $66.15 | $68.45 | - | - | - | - |
| **Purchased Calls** | Barrels per Day | - | - | 2,000 | - | - | - | - | - |
| | Weighted Average Ceiling Price per Barrel | - | - | $71.00 | - | - | - | - | - |
| **Purchased Puts** | Barrels per Day | 5,000 | - | 38,000 | 40,000 | 40,000 | 35,000 | 2,500 | - |
| | Weighted Average Floor Price per Barrel | $65.00 | - | $65.66 | $69.75 | $73.13 | $75.71 | $75.00 | - |
| **Sold Puts** | Barrels per Day | 24,000 | 19,000 | 40,000 | 35,000 | 40,000 | 35,000 | 2,500 | - |
| | Weighted Average Floor Price per Barrel | $46.04 | $45.00 | $51.88 | $55.71 | $57.50 | $60.00 | $60.00 | - |
| **Swaps** | Barrels per Day | 48,000 | 48,000 | 12,000 | - | - | - | - | - |
| | Weighted Average Price per Barrel | $60.35 | $60.35 | $68.67 | - | - | - | - | - |
| | **Percentage of 2Q 2018 Oil Production Hedged Against Downside** | **64%** | **58%** | **60%** | **48%** | **48%** | **42%** | **3%** | **0%** |

As of October 2018, assumes counterparty options are exercised.

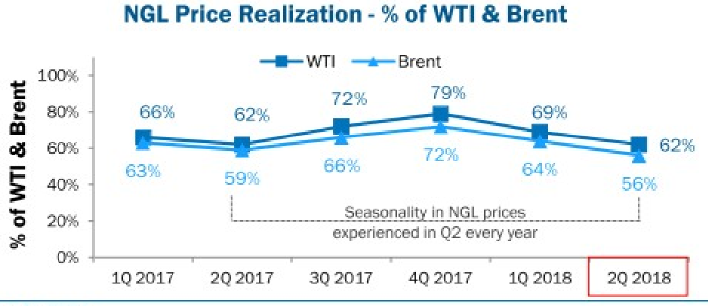
# CRC – Price Realizations




| Realization % of WTI | 97% | 99% | 104% | 103% | 100% | 94% |
|---|---|---|---|---|---|---|




| Realization % of NYMEX | 89 % | 79% | 87% | 92% | 98%* | 82%* |
|---|---|---|---|---|---|---|



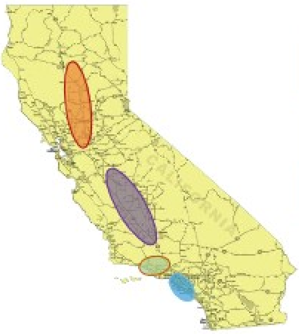

- California refinery demand for native crude continues to be strong and reduction in heavy waterborne crude has positively influenced differentials.
- Natural gas prices impacted by continued limits on 3rd party storage.
- NGL prices have been supported by lower inventories and export markets.

**CRC believes near-term crude oil differentials will remain strong**

*See Attachment 6 of the 2Q18 Earnings Release for information regarding the effects of an accounting change on realized natural gas prices.

# Diverse Assets with Flexible Development Opportunities

- World-class resource base positioned to grow
- Utilizing current prices[1], 1H18 PV-10 of proved reserves of $10.5 BN



| Basin | 1H18 Net Proved Reserves[1] (MMBOE) | 2Q18 Avg. Net Production (MBOE/d) | 2Q18 % Oil Production | 2Q18 Net Mineral Acreage (million acres) | Year-End 2017 Identified Gross Drilling Locations[2] | Drive Mechanisms | Competitive Advantage |
|---|---|---|---|---|---|---|---|
| CALIFORNIA | 731 | 134 | 62 | ~2.3 | 33,870 | | **Portfolio Flexibility** |
| **San Joaquin** | 494 | 98 | 58 | 1.5 | 25,190 | | **Big fields get bigger, substantial infrastructure in place** |
| **Los Angeles** | 171 | 25 | 100 | <0.1 | 1,950 | | **World class waterfloods, cash flow positive** |
| **Ventura** | 51 | 6 | 67 | 0.2 | 4,310 | | **Upside from the application of technology** |
| **Sacramento** | 15 | 5 | 0 | 0.5 | 2,420 | | **Large, scalable** |

**Drive Mechanisms:** Conventional Unconventional Steamflood Waterflood Gas

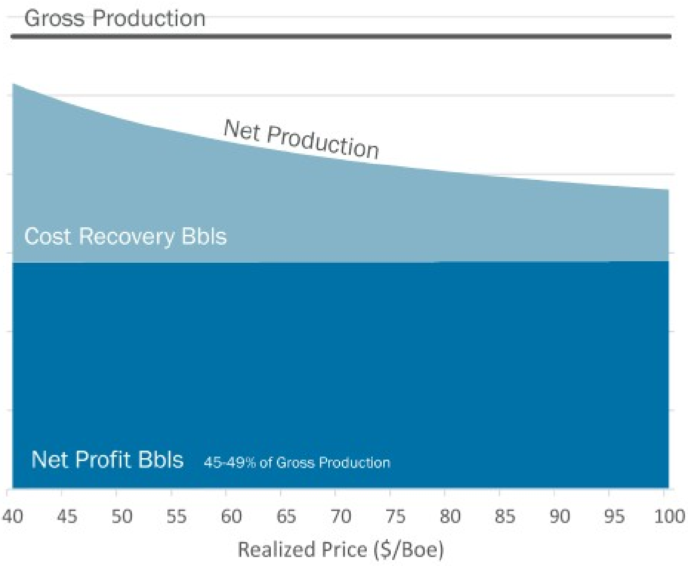
[1] Assumes a flat $75 Brent crude price deck and $3.00 NYMEX natural gas and utilizes current costs.
[2] Drilling locations exclude 6,400 gross exploration locations related to unconventional reservoirs.

# Wilmington Production Sharing Contracts

- Over **25%** of CRC's oil production is subject to Production Sharing Contracts (PSC)
- PSC Mechanics
  - CRC **pays partners' share** of the Operating and Capital Cost
  - CRC **recovers 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 partners' portion of the cost

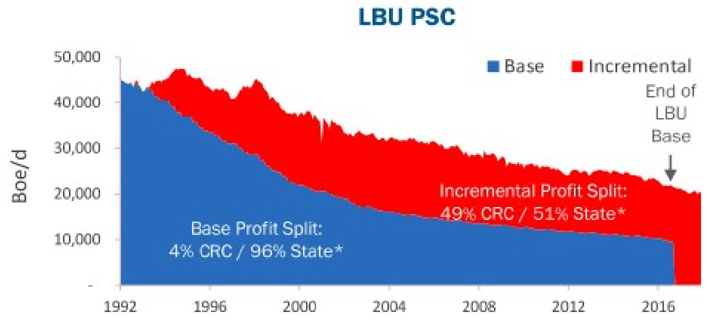
**Higher oil prices result in higher cash flow, but lower reported net production**

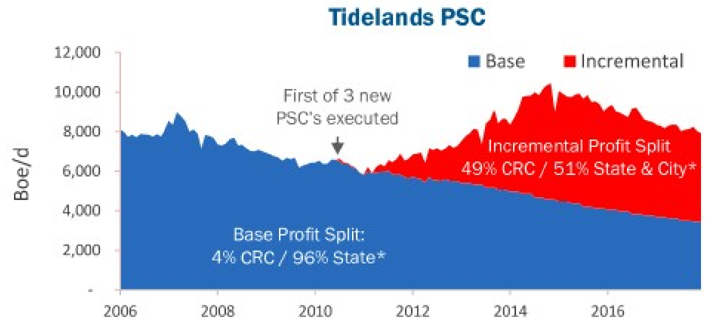
**Effect of Oil Price on Net Production**



# Wilmington Production Sharing Contract

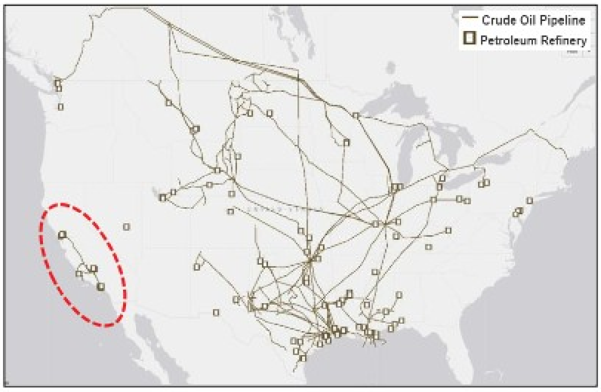
- Over **90%** of CRC's Long Beach production is covered under Production Sharing Contracts (PSCs) with the State and the City of Long Beach
- CRC's net production **decreases when prices rise** and **increases when prices decline**
- "Base" rate/profit are **defined in contracts**
  - State/City receive 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 4Q16**



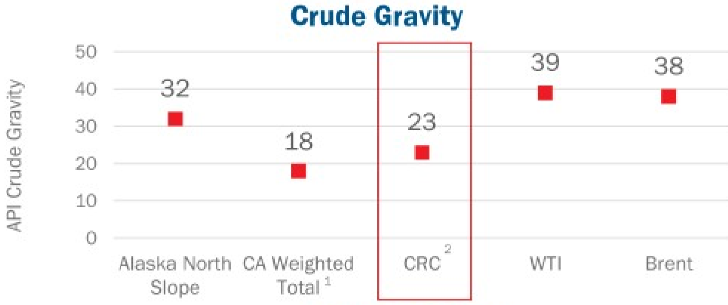



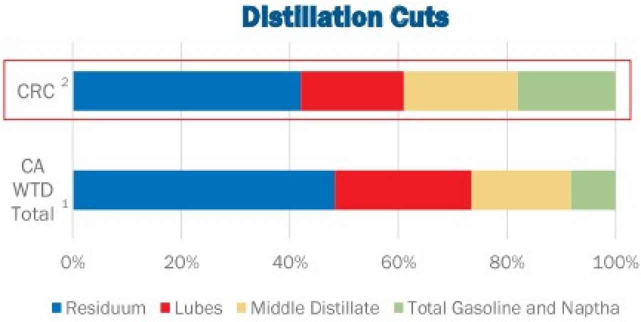

*Average profit split %.

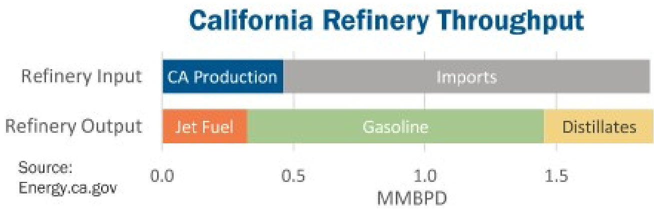
# CRC Production Presents Favorable Crude Qualities and Distillation Cuts




Source: EIA Energy Mapping System




[1] CA Weighted Total is a composite of crude quality produced from Midway Sunset, Kern River, Elk Hills, Wilmington, Lost Hills, Ventura, Belridge, San Ardo, Inglewood, Huntington Beach, Long Beach and Mt Poso; Source: Energy.ca.gov
[2] CRC is a composite of crude quality produced from Elk Hills, THUMS, Huntington Beach, Lost Hills and Mt Poso; Source: internal estimates

# Attractive California Natural Gas Market Complements Strong Oil Position

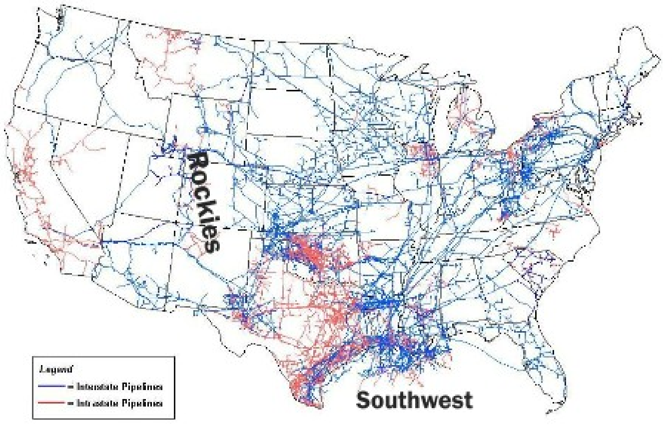
- **CRC produced ~196,000 Mcf/d in Q218**
  - 3% of California's 2016 demand, 34% of native supply
- **Ability to service markets throughout California**
  - 80% sold to Southern California markets via SoCal Gas, Kern and Mojave
  - 20% sold to Northern California market via PG&E and other direct markets
- **CRC's Elk Hills Power Plant consumes ~80,000 Mcf/d**

**California Sources of Gas**

| Production | Bcfd | % |
|---|---|---|
| California | 0.6 | 10% |
| Canada | 0.95 | 15% |
| Southwest | 2.4 | 39% |
| Rocky Mountains | 2.2 | 36% |
| Total | 6.1 | 100% |

Source: SoCal Gas

U.S. Natural Gas Pipeline Network, 2009

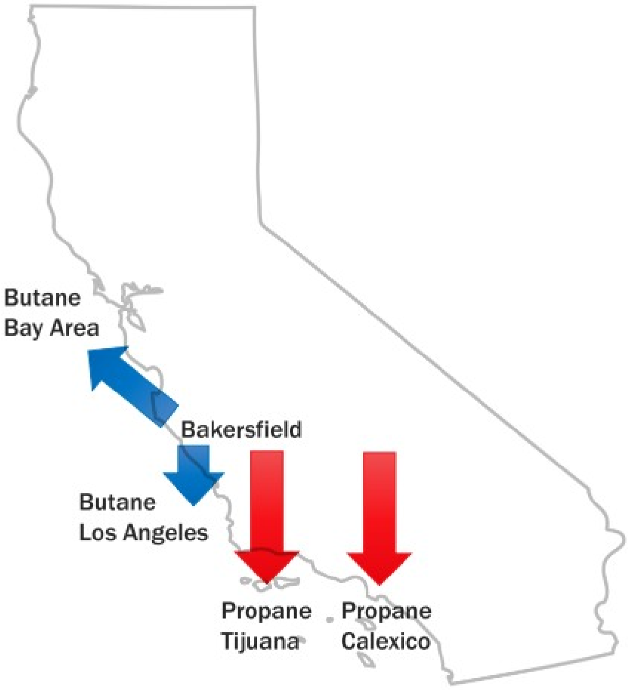



Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System

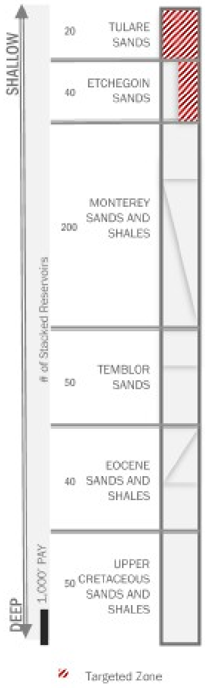
**CRC's assets and infrastructure provide flexible access to key markets throughout California and ensure CRC receives the best price for its gas**

## CRC Natural Gas Liquids Marketing

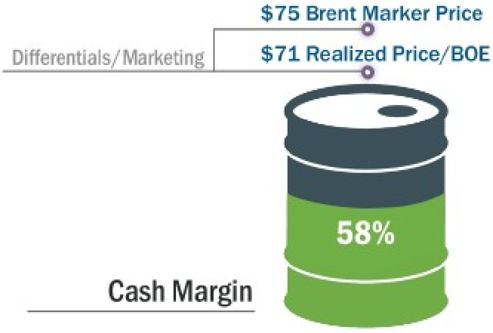
- Largest NGL producer in CA ~17,000 Bbls/d
- Breakdown of NGL production:
  - Propane – 53%
  - Butane – 31%
  - Natural Gasoline – 16%
- ~65% of the propane is sold into the Mexican market
  - Balance sold locally
- Normal and Iso Butane moves to LA and San Francisco Bay area refiners for motor gasoline production
- Natural gasoline used in:
  - Crude Diluent
  - Ethanol Denaturant
  - Motor Gasoline Blending



# Steamflood Overview

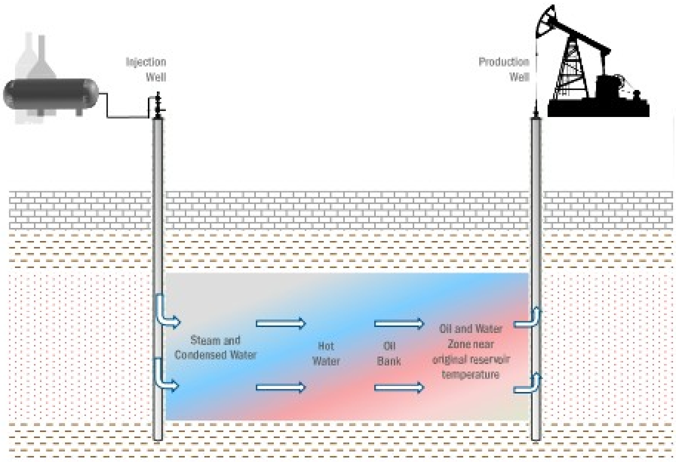



- Steam injection contributes to over **1.2 MMBO/d of production worldwide**
- Thermal techniques account for over **40%** of US EOR production; **95% of these are in California**
- Up to **75%** of the oil-in-place **can be recovered**
- Characterized by **low risk** and **stable/low decline**



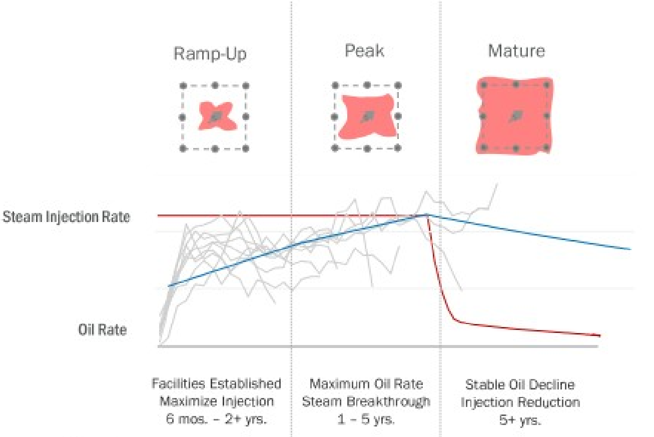

**19% of CRC 2017 production from steamfloods**

# Steamflood – Single Pattern Mechanics



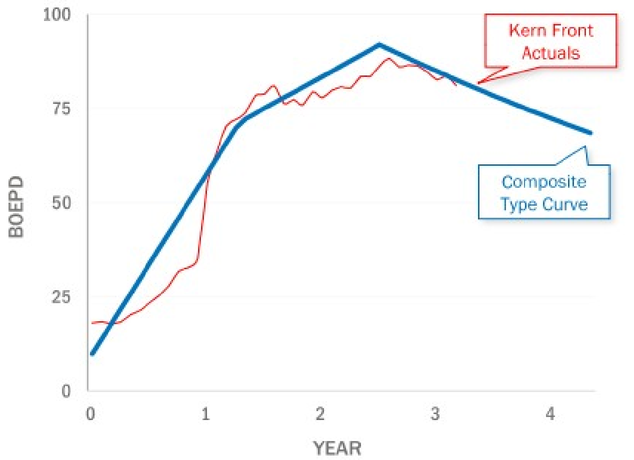

**Heat reduces viscosity of oil and increases its mobility**

**Up-front steam costs scale with gas price**




| Operating Expense | $20/BBL | $15/BBL | $10/BBL |
|---|---|---|---|

# Greenfield Steamflood Type Pattern

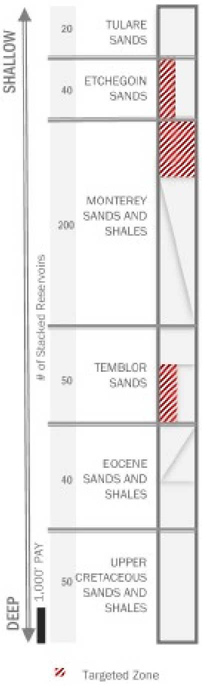



| PARAMETERS PER PATTERN | Operating Expense/bbl | Capital Cost * | Total EUR (MBO) | Peak Rate (BOPD) | D&C (days) | Royalty |
|---|---|---|---|---|---|---|
| | $10-20 | $2.8MM | 270 | 90 | 15 | 10% |

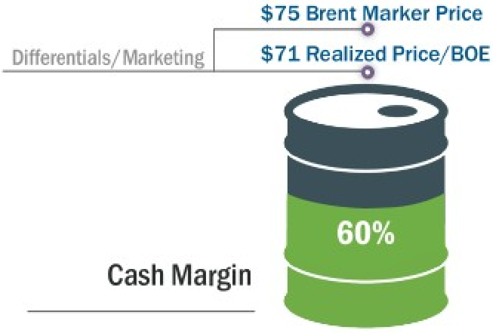

| | | $NYMEX | | |
|---|---|---|---|---|
| | VCI | $3.5 | $3 | $2.5 |
| $ BRENT | $65 | 1.9 | 2.0 | 2.1 |
| | $75 | 2.5 | 2.6 | 2.7 |
| | $85 | 3.1 | 3.2 | 3.3 |

- Information is for a steamflood pattern assuming 3 producers per 1 injector and fully burdened with new steam generator infrastructure costs of $900K per pattern. At low prices, new steam generation infrastructure is not added to the project.
- See endnotes for details.

# Waterflood Overview

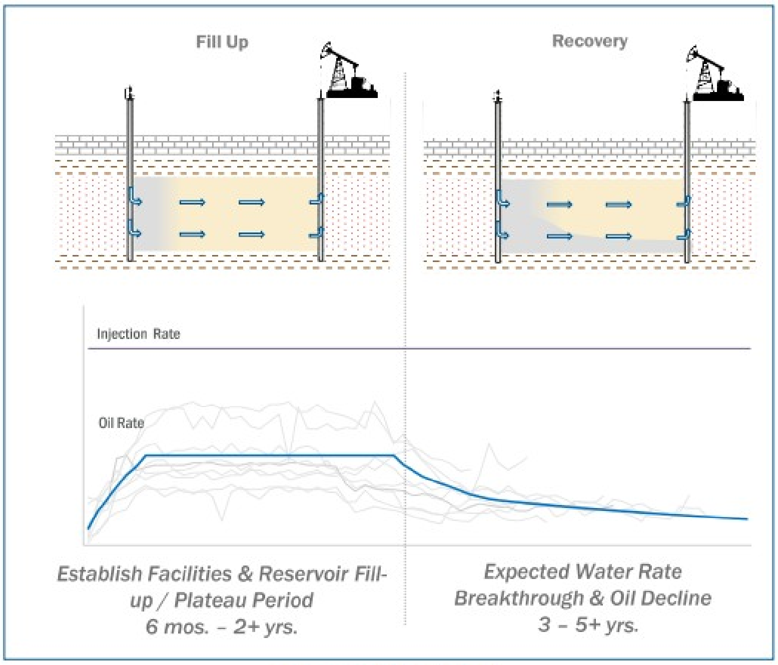



- Water-flooding techniques are the **most commonly used** EOR production methods
- 20 – 40% of the oil-in-place **can be recovered**
- The oil rate decline for waterfloods is generally **~10%**
- Low capital intensity and robust margins make it an **attractive investment at low prices**
- Many existing wells in CRC fields can be converted to injectors, **maximizing effectiveness and value without drilling new wells**

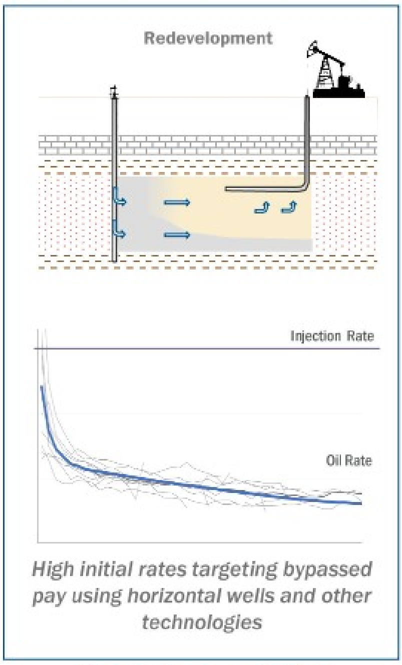



**30% of CRC 2017 production from waterfloods**

# Waterflood – Single Pattern Mechanics

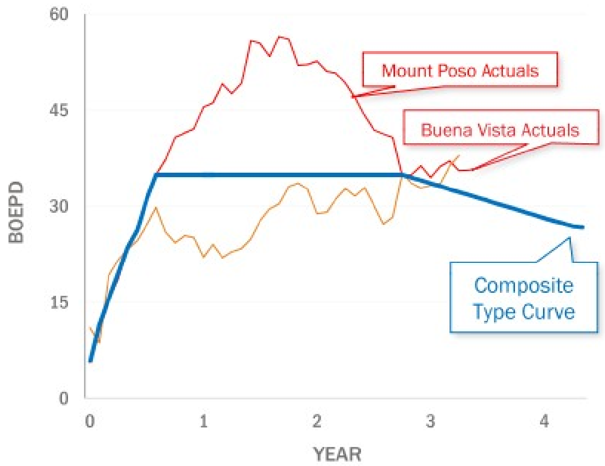



**New Pattern Well**




**Redevelopment Well**

# Waterflood – New Pattern Composite Type Well




PARAMETERS PER PATTERN

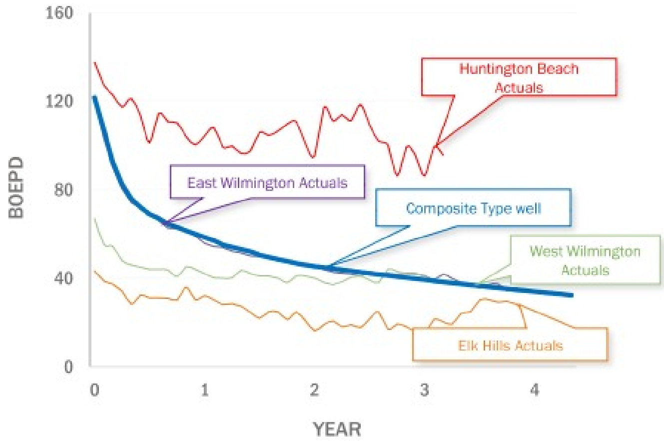
| Operating Expense/bbl | Capital Cost * | Total EUR (MBO) | Peak Rate (BOPD) | Drilling Time (days) | Royalty |
|---|---|---|---|---|---|
| $19/BOE | $1.2MM | 190 | 35 | 10 | 12.5% |


EUR

| $ BRENT / VCI | 165 | 190 | 215 |
|---|---|---|---|
| $65 | 2.2 | 2.6 | 2.9 |
| $75 | 2.8 | 3.2 | 3.7 |
| $85 | 3.3 | 3.8 | 4.4 |

* Capital cost is fully burdened with facilities, injectors and tie-ins. Assumes 5-spot pattern with a 1:1 producer to injector ratio. See endnote for details.

# Waterflood – Redevelopment Type Well



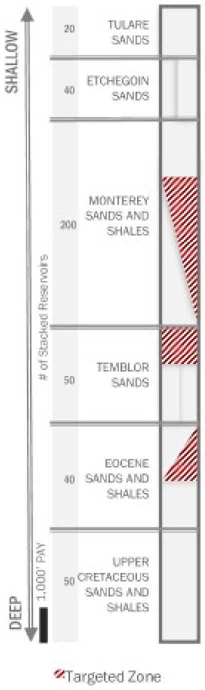

PARAMETERS PER PATTERN

| Operating Expense/bbl | Capital Cost * | Total EUR (MBO) | Peak Rate (BOPD) | Drilling Time (days) | Royalty |
|---|---|---|---|---|---|
| $19/BOE | $1.8MM | 165 | 120 | 14 | PSC** |

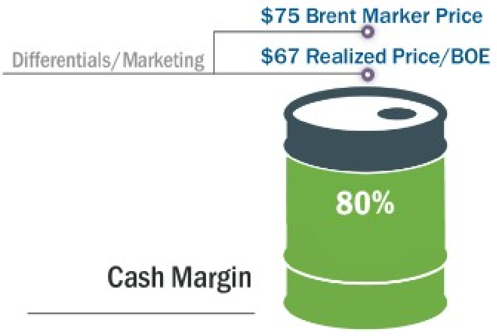

| VCI | EUR 140 | EUR 165 | EUR 190 |
|---|---|---|---|
| $ BRENT $65 | 1.9 | 2.3 | 2.6 |
| $ BRENT $75 | 2.4 | 2.9 | 3.3 |
| $ BRENT $85 | 2.8 | 3.4 | 4.0 |

* Capital cost is fully burdened with facilities, injectors and tie-ins.
** A majority of locations are subject to PSCs, which have a 49% NPI. For NPV calculation, this can be modeled as 49% WI/NRI. For Production Rate, Net/Gross ratio is typically 75% when including cost recovery barrels. See endnote for details.

# Deeper Horizons Primary Overview

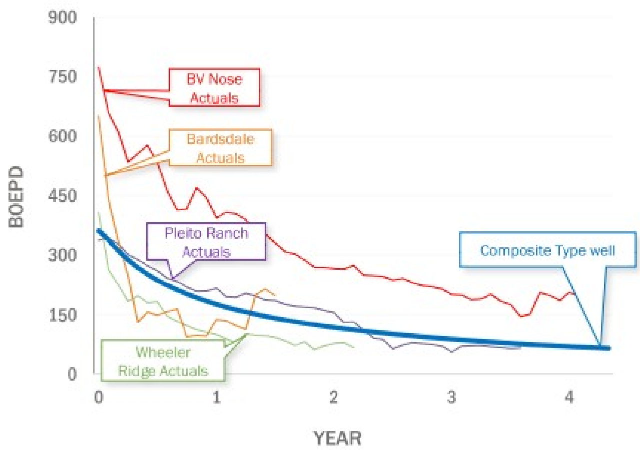



- CRC experiences **repeatable success** in deeper (>10,000 ft.) producing horizons and projects with high IPs
- Generally characterized by sandstones with **shallower declines** as compared with non-California shale wells
- Natural flow followed by conversion to **artificial lift**
- Many primary fields have stacked reservoirs, allowing access to **multiple zones** using the **same wellbore**
- In addition to deeper primary, CRC also targets projects in medium/shallower zones with **scalable costs** and similar economics.




**17% of CRC 2017 production from primary**

# Primary Type Well – Deeper Horizons



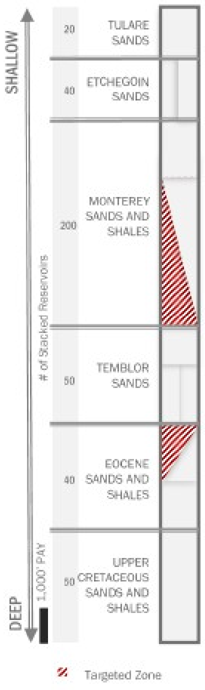

PARAMETERS PER PATTERN

| Operating Expense/bbl | Capital Cost * | Total EUR (MBO) | Peak Rate (BOPD) | Drilling Time (days) | Royalty |
|---|---|---|---|---|---|
| $10/BOE | $5.0MM | 430 | 360 | 30 | 12% |

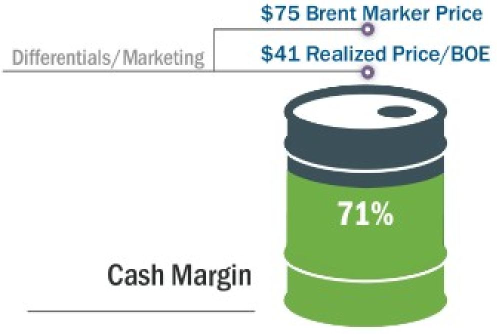

| | | EUR | |
|---|---|---|---|
| VCI | 400 | 430 | 460 |
| $ BRENT $65 | 2.2 | 2.3 | 2.5 |
| $75 | 2.6 | 2.8 | 3.0 |
| $85 | 3.1 | 3.2 | 3.6 |

* Capital cost includes drilling, completion, and tie-ins.
Does not include 450 shallow (<5,000 ft) locations with costs under $1.5 MM/well and with similar economics.
See endnote for details.

# California Shale Overview

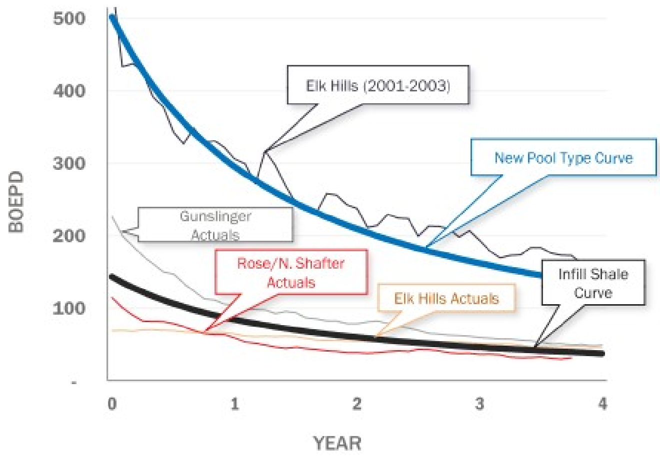



- Upper Monterey Shale Reservoirs (Infill): naturally fractured, low permeability reservoirs. Produce from conventional structural and stratigraphic traps containing hydrocarbons migrated from source kitchen. **Successful commercial developments** with **>30%** of CRC's total production coming from these type of reservoirs.
- Lower Monterey, Kreyenhagen, and Moreno Shale Reservoirs (New Pool): **prolific source rocks** that have generated the majority of the hydrocarbons produced from fields across California. Potential California resource play opportunity with reservoir properties similar to other successful Lower 48 resource plays. **Near-term focus** on the Kreyenhagen reservoirs in our Kettleman North Dome field.
- Initial portfolio of **50 high-graded locations** in the near-term growth plan that cover **both types of shales**.




**34% of CRC 2017 production from shale**

# California Shale Type Well

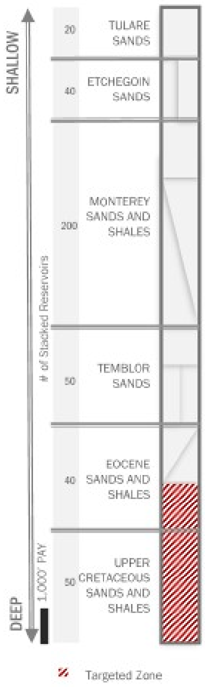



| | Operating Expense/bbl | Capital Cost * | Total EUR (MBO) | Peak Rate (BOPD) | Drilling Time (days) | Average Royalty |
|---|---|---|---|---|---|---|
| New Pool | $10/BOE | $5.0MM | 765 | 500 | 30 | 13% |
| Infill | $8/BOE | $2.5MM | 220 | 143 | 20 | 13% |

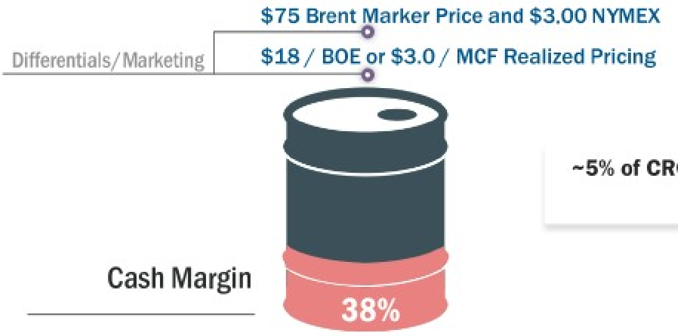

| VCI | | Infill | New Pool |
|---|---|---|---|
| $ BRENT | $65 | 1.5 | 2.2 |
| | $75 | 1.7 | 2.6 |
| | $85 | 2.0 | 2.9 |

*Capital cost includes drilling, completion, and tie-ins. See endnote for details.

# Sacramento Basin – Gas Overview




- CRC is the **largest gas producer in California**
- Operates **85% of the gas production** in the **Sacramento Basin**
- Gas production is a **natural hedge** to rising steam and electrical energy costs
- At current prices, CRC **pursues capital workovers in the Sacramento Basin**. New wells have been funded with JV/farmout capital
- Provides **significant optionality** at higher gas prices for a state that **imports 90% of its natural gas**




**~5% of CRC 2017 production from the Sacramento Basin**

# CRC's Executive Management Team

**Todd A Stevens**
**President and CEO**

Mr. Stevens was selected to lead CRC in July 2014. Previously, he served for 20 years with Occidental Petroleum as VP of Corporate Development, Oxy Oil & Gas VP – California Operations, and Occidental VP – Acquisition and Corporate Finance. He holds an MBA from USC and bachelor of science degree in engineering management from the United States Military Academy, West Point.

**Mark D Smith**
**Sr EVP and CFO**

Prior to joining CRC in his current role in 2014, he served as Sr. VP and CFO of Ultra Petroleum Corp. Mr. Smith has held VP and Business Development positions with Constellation Energy Investments and J.M. Huber Energy, and served as CFO of Gulf Liquids Inc. He also served as Managing Director, Investment Banking at Nesbitt Burns Securities Inc. Holds an MBA from Oklahoma City University and a bachelor of science degree in petroleum engineering from University of Oklahoma.

**Charlie Weiss**
**EVP – Public Affairs**

Prior to joining CRC, Mr. Weiss served as VP Health, Environment and Safety of Oxy from 2007-2014, and held various legal positions from 1988-2007 including VP & General Counsel of Oxy's shared-services subsidiary, head of Oxy's litigation group, and partner at Latham & Watkins in Los Angeles. Mr. Weiss received a bachelor of science in engineering degree in chemical engineering from Princeton University and a juris doctorate degree from the University of Michigan Law School. He is a lifetime member of the American Institute of Chemical Engineers and a member of the State Bars of California and Texas.

**Shawn M Kerns**
**EVP – Operations and Engineering**

Mr. Kerns' career with CRC and Oxy spans over 25 years in operations, development and engineering. He most recently served as EVP of Corporate Development for CRC. Previous to this, he served as General Manager of Oxy's Vintage Production California subsidiary, General Manager and Asset Development Manager of Elk Hills, and in planning, reservoir management and operations leadership roles at Oxy Qatar. Mr. Kerns holds a bachelor of science degree in electrical and communications engineering from University of Oklahoma.

**Darren Williams**
**EVP – Operations and Geoscience**

Mr. Williams has broad experience in both conventional and unconventional exploration programs. Prior to joining CRC in 2014, Mr. Williams served as Africa Exploration Manager and President of Marathon Upstream Gabon Limited at Marathon Oil Corp. Previously he served as Oklahoma Subsurface Manager and Gulf of Mexico Exploration and Appraisal Manager. Mr. Williams holds a master of science degree from University of London and a bachelor of science degree from University of Leicester, UK.

# CRC's Executive Management Team

**Roy Pineci**
**EVP – Finance**

Prior to this role, Mr. Pineci was Vice President and Controller of Occidental, overseeing its finance and accounting functions. Previously, he served as Senior Vice President, Occidental Oil and Gas, as well as Vice President, Internal Audit for Occidental. Before joining Occidental in 2006, Mr. Pineci was a partner with KPMG LLP and Andersen LLP. He has over 20 years of experience in the public accounting industry. Mr. Pineci graduated from Coe College and holds a B.S. in Business Administration/Accounting. He is a member of the American Institute of Certified Public Accountants and the California Society of CPAs.

**Michael Preston**
**EVP – General Counsel**

Mr. Preston previously served as VP & General Counsel of Occidental Oil & Gas, overseeing its worldwide legal team. Before joining Occidental in 1997, Mr. Preston practiced at Sullivan & Cromwell in Los Angeles, Melbourne and London. He has over 25 years of experience in the legal industry. Mr. Preston received a Bachelor of Arts degree in Political Science from the University of California at Los Angeles in 1987 and his Juris Doctorate degree from Loyola Marymount University in California in 1990.

**Francisco Leon**
**EVP – Corporate Development & Strategic Planning**

Mr. Leon was previously VP of Corporate Planning. Prior to that he was Director of Corporate Development and M&A for Occidental where he led various business development initiatives in North and South America and the Middle East. Prior to joining Oxy, Mr. Leon was a financial analyst for Petrie Parkman's investment banking division. Mr. Leon received a bi-national Bachelor of Arts degree in International Business from San Diego State and CETYS Universidad in Mexico and an MBA from the University of Texas – Austin.

**Scott Espenshade**
**SVP– Investor Relations & Land**

Prior to joining the company in 2014, Mr. Espenshade was VP Investor Relations – Americas for BHP Billiton, Director, Corporate Development and Investor Relations for Swift Energy Company and VP Economics for the Independent Petroleum Association of America. Mr. Espenshade holds an MBA from Texas A&M University and a bachelor of science degree in Mineral Economics from Pennsylvania State University.

# End Notes

From Slide 100

[1] CRC estimate of reserves value as of December 31, 2017, including reserves acquired in the Elk Hills transaction at the indicated Brent prices. Includes field-level operating expenses, G&A and taxes other than on income. Assumes $3.00/MMBTU NYMEX in all cases.

[2] Reflects the value of facilities and midstream assets at 50% of estimated replacement value. This discount is estimated to exceed the burden on reserves that would be incurred if assets were monetized. Excludes the value of the assets monetized in the Ares transaction.

[3] Surface & Mineral reflect the estimated value of undeveloped surface and mineral acreage held in fee.

[4] Unproved reserves are comprised of risked probable and possible reserves as of December 31, 2017.

[5] Calculated using June 30, 2018 debt at par and a market cap as of 9/26/2018. Includes non-controlling interests reported as mezzanine and permanent equity as of June 30, 2018.

Type Curve Note: Each field-specific type well curve represents an average of the historical results of multiple projects over the prior four-year time period. Drive mechanism type curves are the weighted average of the field-specific curves related to the projects chosen for our near-term growth plan. Type curves represent management's estimates of future results and are subject to project selection and other variables. Our type well curves are prepared for purposes of modeling overall results of our near-term growth program and are not useful for purpose of benchmarking any individual well or pattern performance. Actual results are expected to vary depending on which projects are specifically developed.

See the Investor Relations page at www.crc.com for important information about 3P reserves and other hydrocarbon resource quantities, organic finding and development (F&D) costs, organic recycle ratio calculations, organic reserves replacement ratios, original hydrocarbons in place, Value Creation Index (VCI), drilling locations and reconciliations of non-GAAP measures to the closest GAAP equivalent.