
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): March 9, 2020

California Resources Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation)

001-36478

(Commission
File Number)

46-5670947

(IRS Employer
Identification No.)

27200 Tourney Road

Suite 200

Santa Clarita

California

(Address of Principal Executive Offices)

91355

(Zip Code)

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

N/A

(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:

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

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

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock

Trading Symbol(s)

CRC

Name of each exchange on which registered

New York Stock Exchange

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 ☐

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. ☐

Item 8.01 Other Events.

On March 9, 2020, California Resources Corporation (“CRC”) issued a press release announcing that it is reducing its capital investment due to recent changes in the commodity market to a level that maintains the mechanical integrity of its facilities to operate them in a safe and environmentally responsible manner. A copy of the press release is filed herewith as Exhibit 99.1.

Statements contained in Item 8.01 of this report and Exhibit 99.1 hereto that state CRC’s or its management’s expectations or predictions of the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act and the Exchange Act. It is important to note that the actual results of CRC could differ materially from those projected in such forward-looking statements. Factors that could affect the results include those mentioned in the documents that the Company has filed with the Securities and Exchange Commission (the “SEC”).

CRC undertakes no duty or obligation to publicly update or revise the information contained in Item 8.01 of this report and Exhibit 99.1 hereto, although CRC may do so from time to time in management’s discretion. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure including disclosure in the Investor Relations portion of CRC’s website.

Item 9.01 Financial Statements and Exhibits**(d) Exhibits**

Exhibit No.	Description
<u>99.1</u>	<u>Press release dated March 9, 2020.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: March 9, 2020

NEWS RELEASE

For immediate release

California Resources Corporation Reduces Capital to Mechanical Integrity Level

Santa Clarita, California March 9, 2020 - California Resources Corporation (NYSE: CRC) announced today it is reducing its capital investment due to recent changes in the commodity market to a level that maintains the mechanical integrity of its facilities to operate them in a safe and environmentally responsible manner. CRC has effectively ceased investment in its internally funded field development and growth projects until the company sees a higher degree of market clarity. The company was already on pace to invest less than \$35 million of internally funded capital in the first quarter. Additionally, CRC has monetized all of its crude oil hedge positions following the first quarter to enhance the company's flexibility in this volatile time period. These sales along with expected March hedge settlements are raising approximately \$76 million and monetizing the maximum spread in our put-spread hedge positions.

Todd Stevens, President and CEO of CRC, noted, "In response to the effects on global demand from the Coronavirus and proposed global supply increases, we are immediately reducing our capital investment to a level that maintains our operations in a safe and responsible manner. We have experienced this type of price drop previously and will implement our low-price playbook, just as we did in 2016. CRC plans to exercise strong financial discipline to aid liquidity. We plan to continue building our economically viable drilling inventory and designing the Elk Hills carbon capture and sequestration project and other ongoing sustainability projects. We believe these events are transitory in nature and have high confidence in the revenue generating potential of our low-decline assets."

Forward Looking Statement Disclosure

This release 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 future: financial position, liquidity, cash flows and results of operations; business prospects; transactions and projects; operating costs; operations and operational results including capital investment and expected VCI; and budgets.

Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. While we believe the assumptions or bases underlying our expectations are reasonable and make them in good faith, they almost

always vary from actual results, sometimes materially. Factors (but not necessarily all the factors) that could cause results to differ include the factors discussed in “Risk Factors” in our Annual Report on Form 10-K available on our website at www.crc.com.

Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "goal," "intend," "likely," "may," "might," "plan," "potential," "project," "seek," "should," "target," "will" or "would" and similar words that reflect the prospective nature of events or outcomes typically identify forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made and 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.

About California Resources Corporation

California Resources Corporation is an independent exploration and production company and the largest producer of oil and natural gas in California. 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.

CRC Contacts:

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