

CENTENNIAL

*Core Oil
Delaware Basin Pure-Play*

EnerCom Denver

August 20, 2018



Important Information

Forward-Looking Statements

The information in this presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the development, production, gathering and sale of oil and natural gas. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures and the other risks described in our filings with the Securities and Exchange Commission. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

Use of Non-GAAP Financial Measures

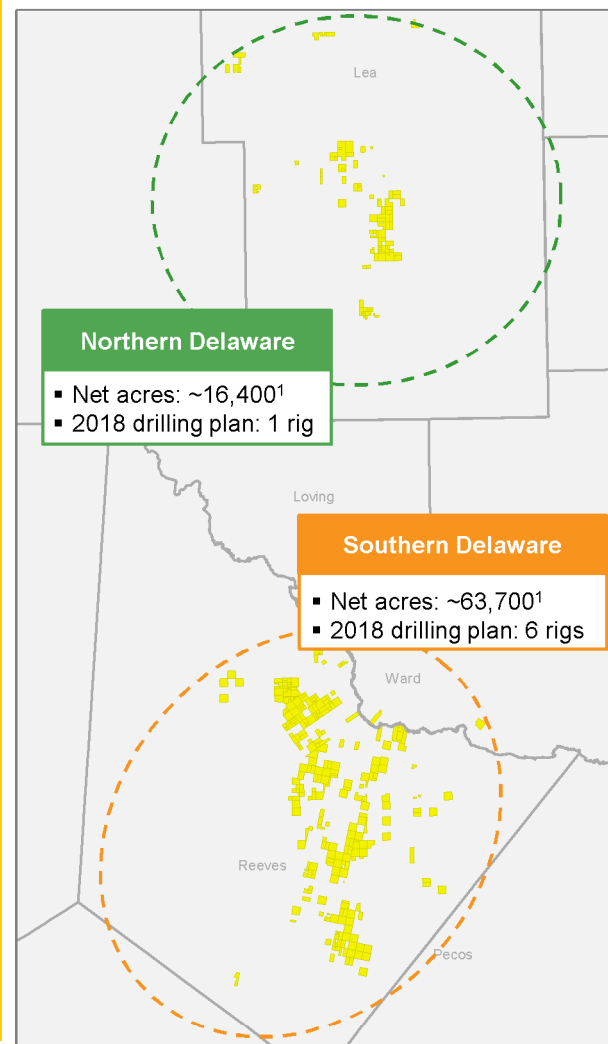
This presentation includes the non-GAAP financial measure, Adjusted EBITDAX. Please refer to slide 14 for a reconciliation of Adjusted EBITDAX to net income, the most comparable GAAP measure. We believe Adjusted EBITDAX is useful as it allows us to more effectively evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to financing methods or capital structure. We exclude the items listed in slide 14 from net income in arriving at Adjusted EBITDAX because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDAX should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDAX are significant components in understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure, as well as the historic cost of depreciable assets, none of which are components of Adjusted EBITDAX. Our presentation of Adjusted EBITDAX should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of Adjusted EBITDAX may not be comparable to other similarly titled measures of other companies.

Centennial Resource Development Overview

Company Overview

- **Large, contiguous acreage position located in oil-window of the Delaware Basin**
 - ~80,100 net acres
 - >90% operated
- **Maintaining competitive cost structure and capital efficiency**
 - For Q2 2018, delivered unit costs at or below the low-end of full-year guidance ranges; lowered unit costs for LOE, GP&T, Cash G&A and DD&A
 - Reported drilling and completions capital expenditures ~10% below first quarter levels²
- **Technical team continuing to deliver differentiated results**
 - Reported successful 3rd Bone Spring Sand result in Reeves County
 - Announced strong well results from multiple intervals in the Southern Delaware Basin, including most productive wells to date
- **Advantaged oil and gas infrastructure and takeaway position**
 - Executed firm sales agreement for a significant portion of crude oil production through 2024
 - Secured firm transportation and sales agreements for effectively all expected natural gas production through 2021
- **Best-in-class balance sheet provides significant financial flexibility**
 - Net Debt / Total Book Capitalization of 11% at 6/30/18
 - Net Debt / Q2 annualized EBITDAX of 0.6x
- **Unhedged WTI position delivering strong oil realizations relative to peers**

Asset Map



Note: Acreage map highlights current acreage position (shown pro forma for YTD A&D activity)

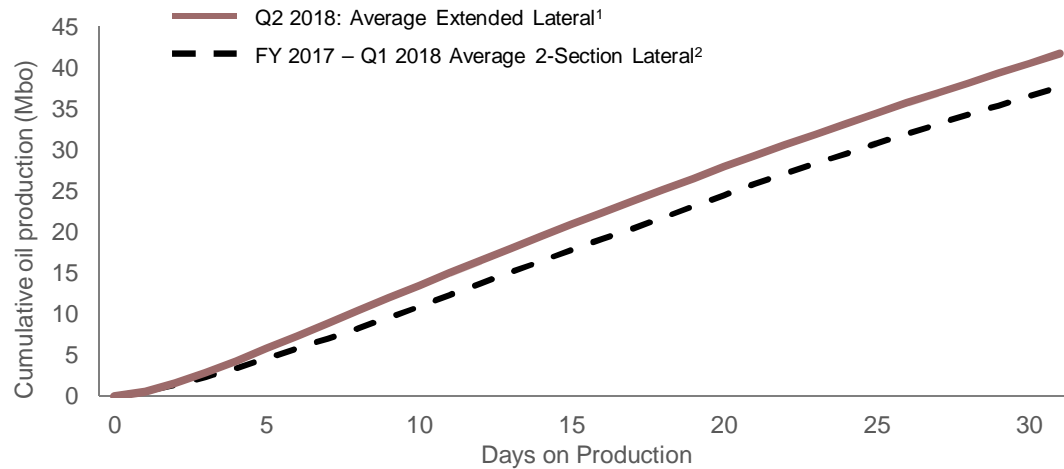
(1) Net acreage as of 12/31/17; pro forma for closed ~4,000 net acre Northern Delaware acquisition and ~8,600 net acre Southern Delaware divestiture

(2) Drilling and completion capital expenditures do not include well-level facilities costs

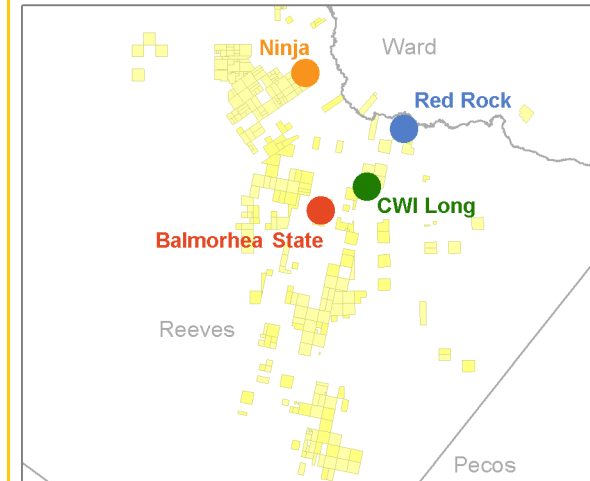
Q2 2018 Well Result Highlights

Executing on the transition to pad development

Well Productivity Review – Cumulative Oil Production (Mbo)



Pad Locator Map



Pad Overview and Statistics

	CWI Long (3-Well Pad)	Balmorhea State (3-Well Pad)	Red Rock (2-Well Pad)	Ninja (4-Well Pad)
Formation				
3rd Bone Spring Sand			●	
Upper Wolfcamp A	● ● ●	● ● ●	●	● ●
Lower Wolfcamp A				●
Wolfcamp B				
Wolfcamp C				●
Average Pad Statistics				
Lateral Length (ft.)	9,850	6,150	10,900	9,800
IP-30 (Boe/d) ³	2,445	1,337	1,423	1,878
% Oil ³	78%	77%	73%	58%

(1) Represents unnormalized average of Ninja 4-50 49 2H, Ninja 4-50 49 3H, Ninja 4-50 49 4H, Ninja 4-50 49 5H, Red Rock A Unit T09H, Red Rock A Unit U04H, CWI Long A U 31H, CWI Long B U40H, CWI Long C U49H and the normalized average of Balmorhea State G 8H, Balmorhea State H 9H, and Balmorhea State I 10H (normalized to 9,500')

(2) FY 2017 – Q1 2018 average only includes production from 2 section laterals, shown on a non-normalized basis

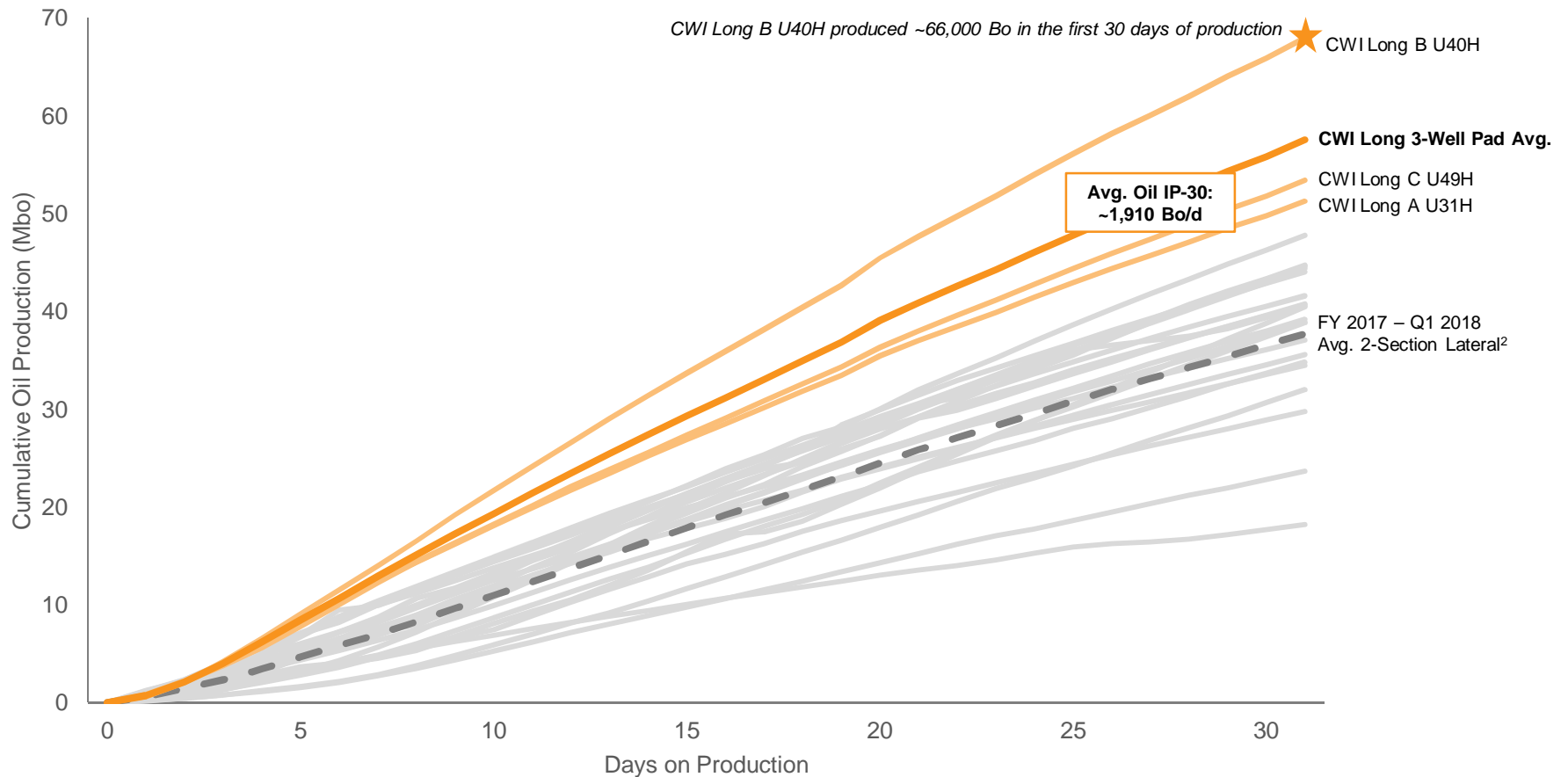
(3) IP-30 and % oil figures shown on a 2-stream basis

CWI Long 3-Well Pad Review

Most productive wells on CDEV acreage to date

Well Productivity Review – Cumulative Oil Production (Mbo)¹

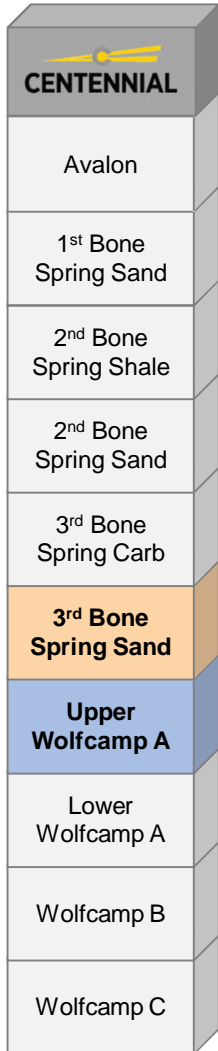
- Upper Wolfcamp A 3-well pad development with an average lateral length of ~9,850'
- CWI Long B U40H is the most productive well drilled on Centennial acreage to date



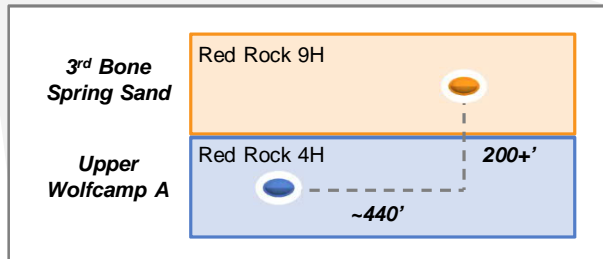
(1) CWI Long well results shown on a non-normalized basis
 (2) FY 2017 – Q1 2018 average only includes production from 2 section laterals, shown on a non-normalized basis; light gray lines represent individual well results contributing to the FY 2017 – Q1 2018 2-Section Lateral Average

Continued 3rd Bone Spring Sand Execution

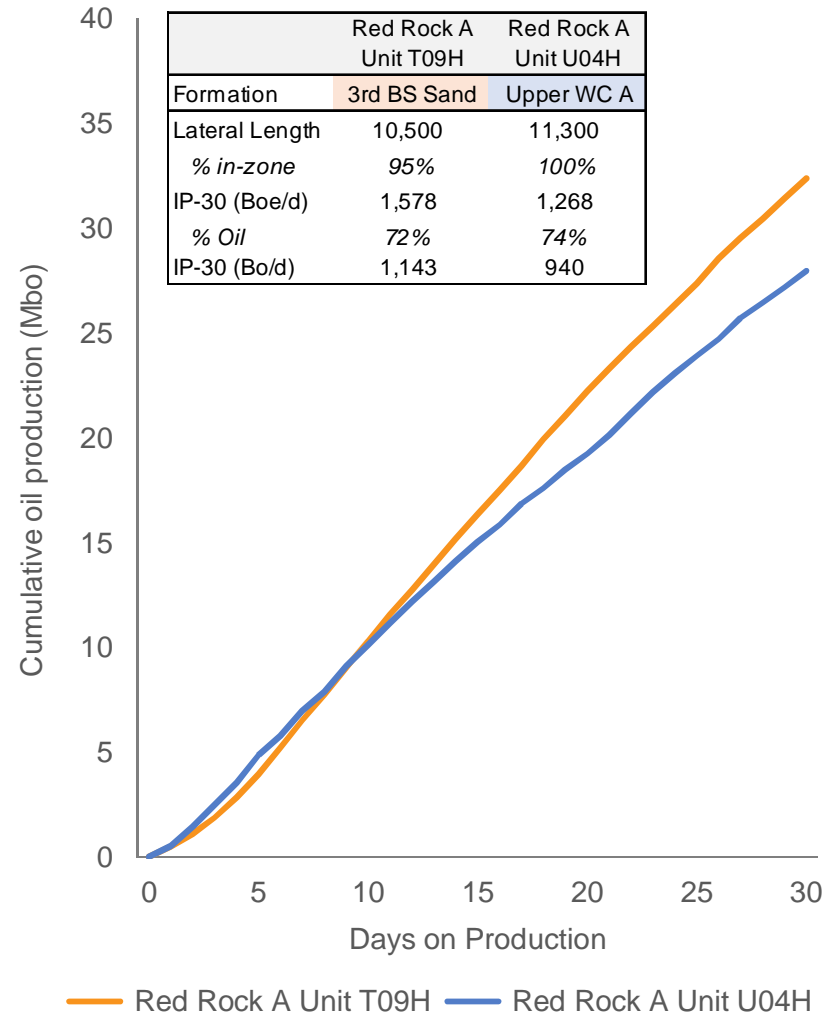
Red Rock A Unit T09H and U04H Test Overview



- Confirmation well in the 3rd Bone Spring Sand following the successful Weaver C T34H result from Q1 2018
- Initial co-development test of the Wolfcamp Upper A (Red Rock U04H) and 3rd Bone Spring Sand (Red Rock T09H)
 - 440' lateral spacing and 200' vertical spacing between wells
 - Wells drilled 95+% in-zone
- Initial production results in-line with FY 2017 extended lateral average and support larger scale development



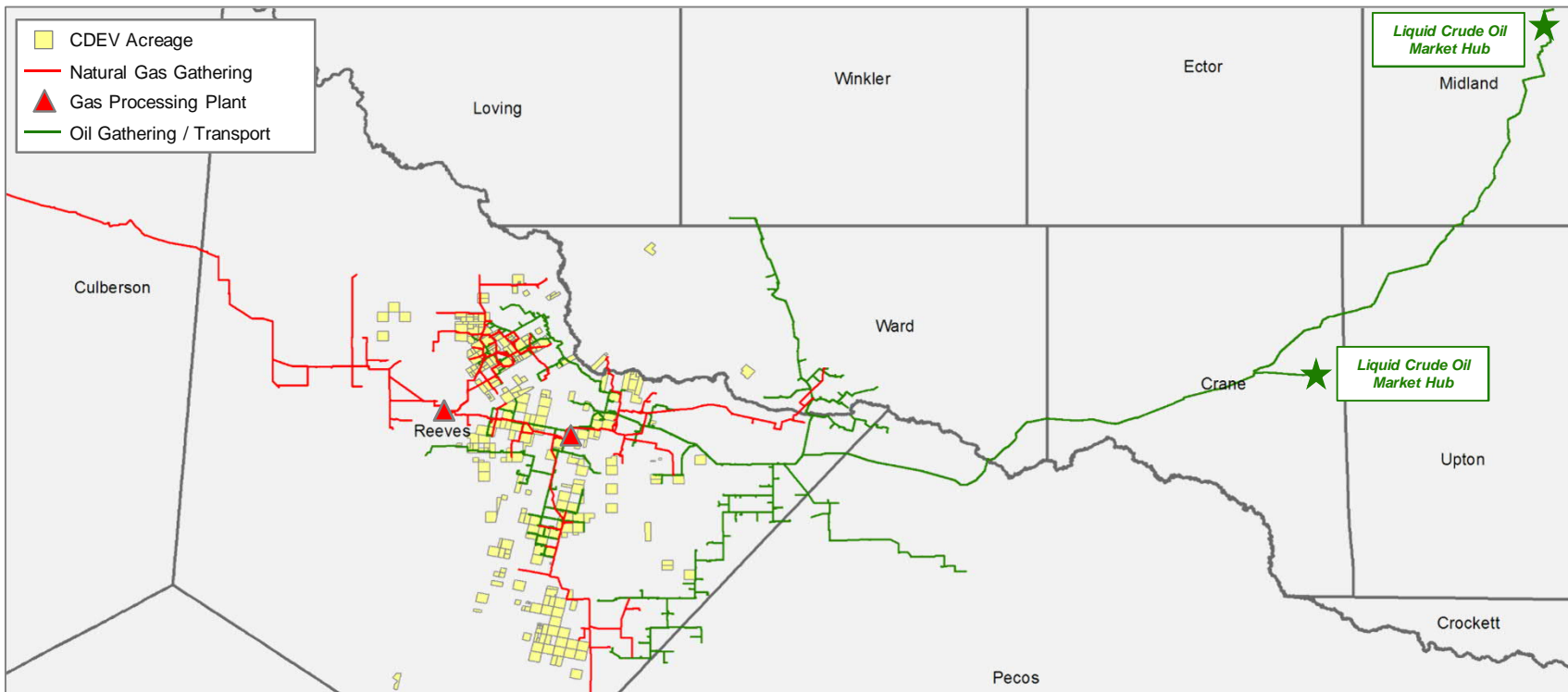
Cumulative Oil Production (Mbo)



Advantaged Southern Delaware Midstream Infrastructure

Extensive oil gathering and gas gathering / processing infrastructure across CDEV's Reeves County acreage position

- ✓ Essentially all Southern Delaware Basin crude oil production gathered on pipe
- ✓ Acreage dedications, no minimum volume commitments
- ✓ Oil infrastructure will provide 85,000 Bo/d of committed capacity and facilitate delivery into liquid market hubs in Midland or Crane
- ✓ Oil and gas in-field infrastructure provides sufficient capacity to support 2020 oil production target of 65,000 Bo/d

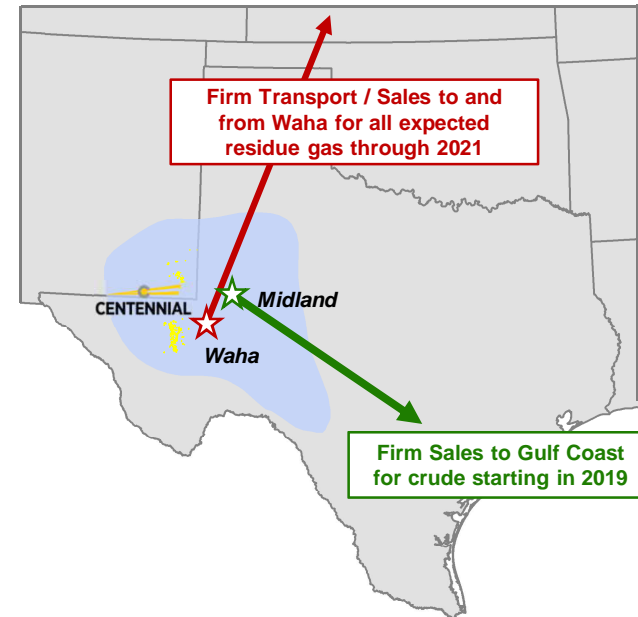


Maximizing flow assurance and diversifying price risk

Crude & Natural Gas Firm Transportation / Sales Overview

- Firm transportation / firm sales agreements in place for both crude oil and natural gas production
 - Entered into a firm sales agreement with a large diversified crude oil purchaser to transport 20,000 Bo/d in 2019 and 30,000 Bo/d from 2020 through 2024
 - Based off Midland pricing for 2019 and Brent-based pricing for 2020+
- Entered into firm transportation and sales agreements for 100% of expected gross residue natural gas production to the Waha Hub and out of the Permian Basin through the end of 2021

Illustrative Takeaway Map

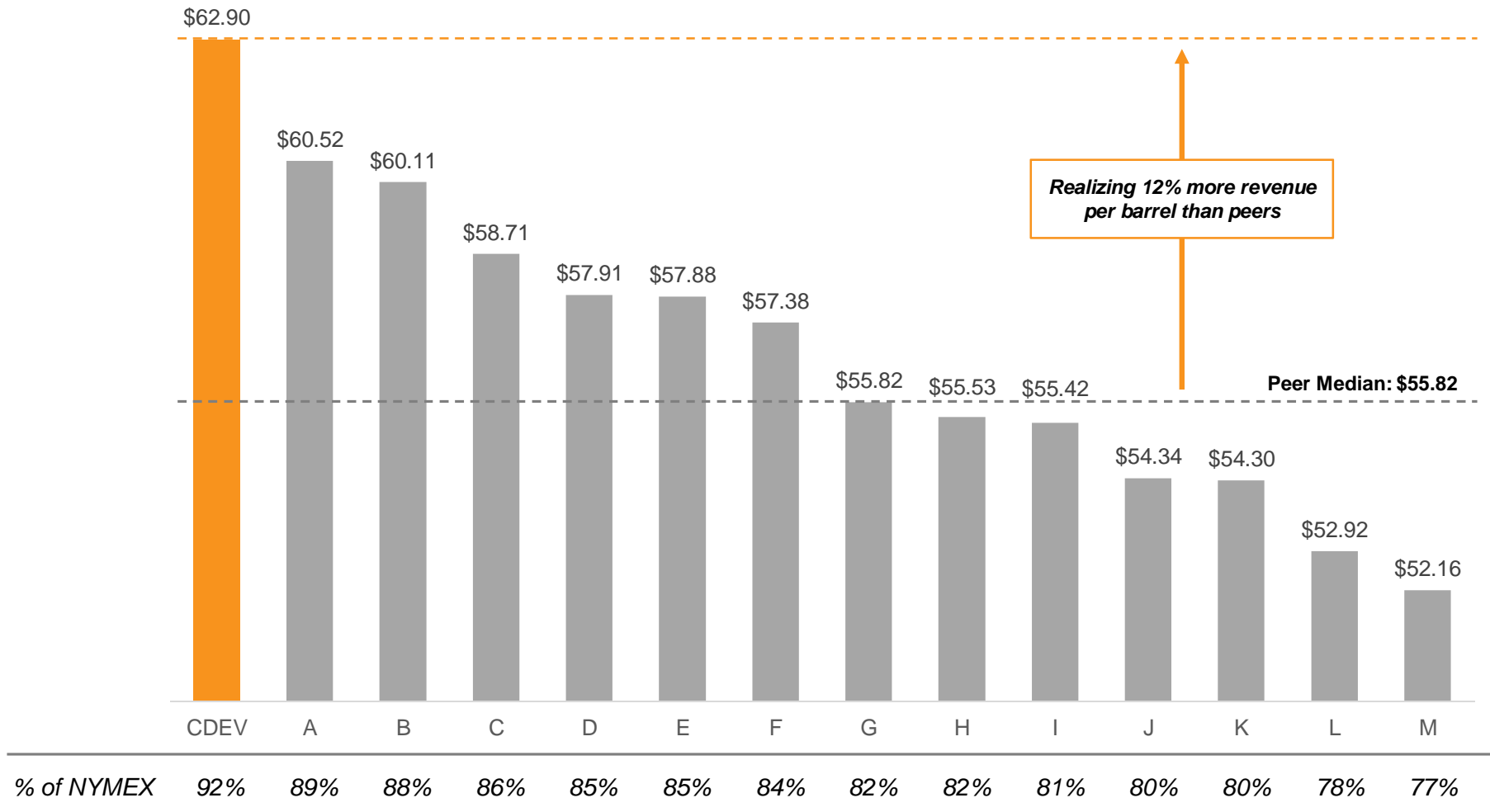


Midland – Cushing Basis Differential Hedge Portfolio

	FY 2018			FY 2019				FY 2019
	Q3	Q4	Bal 18	Q1	Q2	Q3	Q4	
<u>MidCush Basis Swaps</u>								
Total Volume (Bbl)	828,000	828,000	1,656,000	540,000	91,000	1,380,000	920,000	2,931,000
Daily Volume (Bbl/d)	9,000	9,000	9,000	6,000	1,000	15,000	10,000	8,030
Weighted Average Price (\$ / Bbl)	(\$2.38)	(\$2.38)	(\$2.38)	(\$5.34)	(\$10.00)	(\$9.03)	(\$4.24)	(\$6.88)

CDEV achieved superior oil realizations in Q2

Q2 2018 – Realized Oil Price (including the effect of derivative settlements) - \$ / Bbl

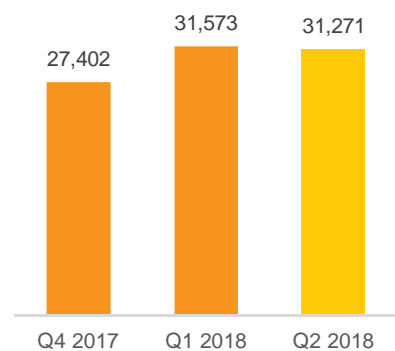


Source: Company filings and financials; all figures represent realized oil price including the effect of hedges for the three months ended June 30, 2018
 Note: Peers include CPE, CXO, EGN, FANG, JAG, LPI, MTDR, PE, PXD, QEP, SM, WPX and XEC

Q2 2018 Summary Results

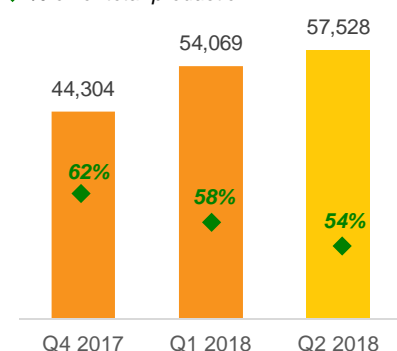
Production

Oil production (Bo/d)



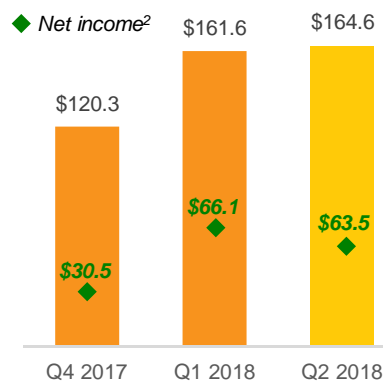
Oil equivalent production (Boe/d)

◆ % oil of total production

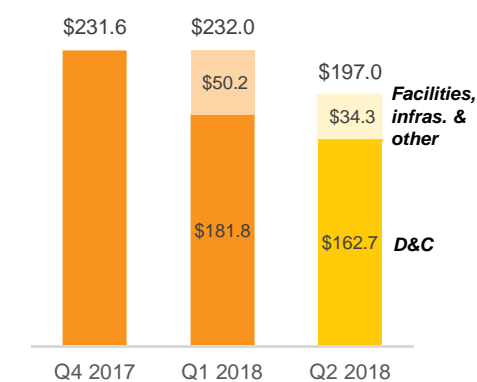


Cash flow / capital expenditures

Adjusted EBITDAX¹ (\$ mm)

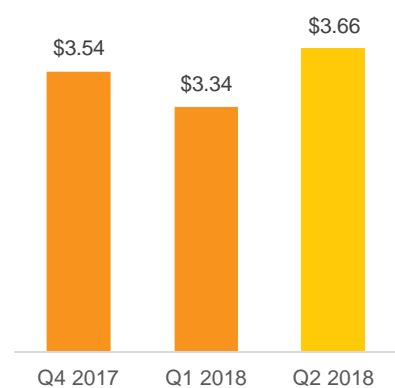


D&C capex (\$ mm)³

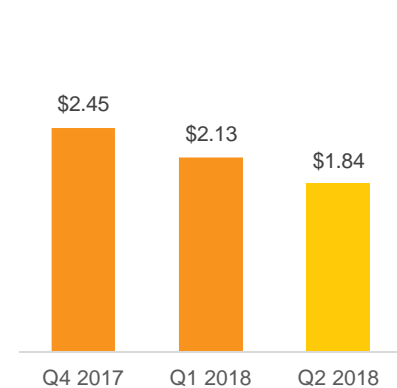


Unit cost overview

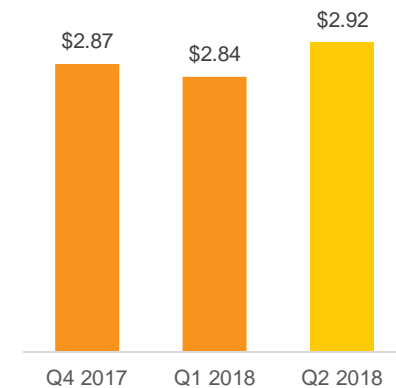
LOE (\$/Boe)



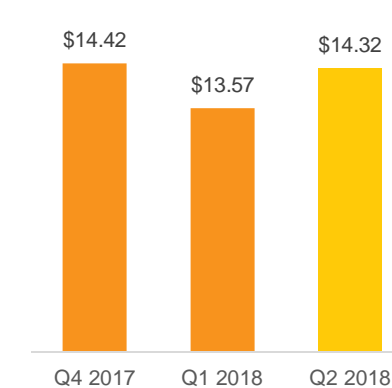
Cash G&A (\$/Boe)



GP&T (\$/Boe)



DD&A (\$/Boe)



(1) Adjusted EBITDAX is not presented in accordance with generally accepted accounting principles in the United States.
 (2) Net income attributable to common shareholders
 (3) D&C capex for Q4 2017 includes facilities, infrastructure and other

2018 Guidance Summary

Guidance summary

- Essentially all unit costs guided downward based on effective cost-control year-to-date
 - LOE declined 3% at the midpoint
 - GP&T declined 10% at the midpoint
 - DD&A declined 2% at the midpoint
 - Cash G&A declined 10% at this midpoint
- Moderate increase to total daily production guidance as a result of ethane recovery
- No changes made to oil production guidance, capital expenditure program or gross operated wells spud and completed

FY 2018 Guidance Update

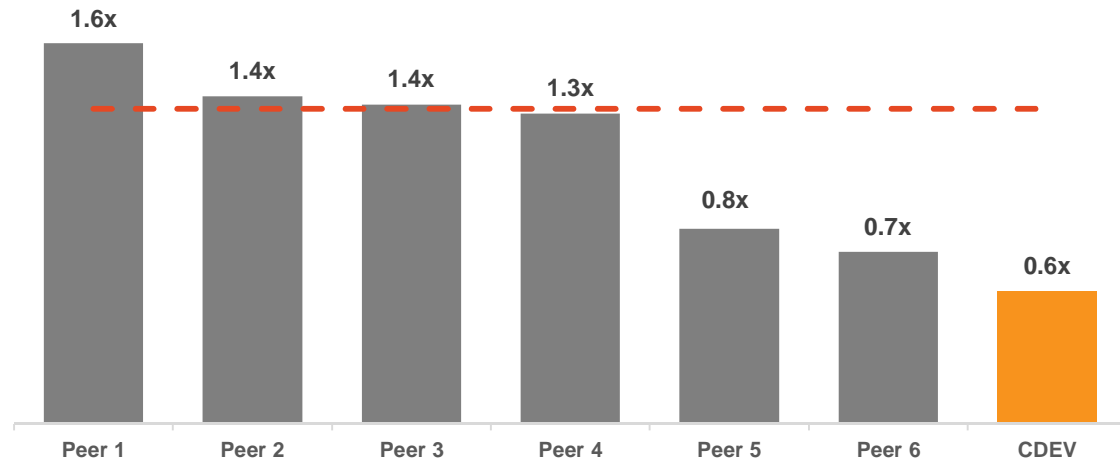
	FY 2018 Guidance	
Production		
Net Average Daily Production (Boe/d)	55,750	- 64,250
Net Average Daily Oil Production (Bo/d)	33,500	- 37,500
Production Costs (\$ / Boe)		
Lease Operating Expense	\$3.50	- \$4.10
Gathering, Processing & Transportation	\$2.85	- \$3.45
Depreciation, Depletion, Amortization	\$14.00	- \$15.50
Cash General and Administrative	\$2.00	- \$2.40
Non-cash Stock-based Compensation	\$0.90	- \$1.20
Severance and Ad Valorem Taxes (% of revenue)	6.0%	- 8.0%
Capital Expenditure Program (\$MM)		
Drilling & Completions	\$710	- \$820
Facilities, Infrastructure and Other	\$125	- \$160
Land	\$50	- \$70
Total Capital Expenditures	\$885	- \$1,050
Operated Drilling Program		
Wells Spud (Gross)	80	- 95
Wells Completed (Gross)	75	- 85

Unit cost guidance reduced

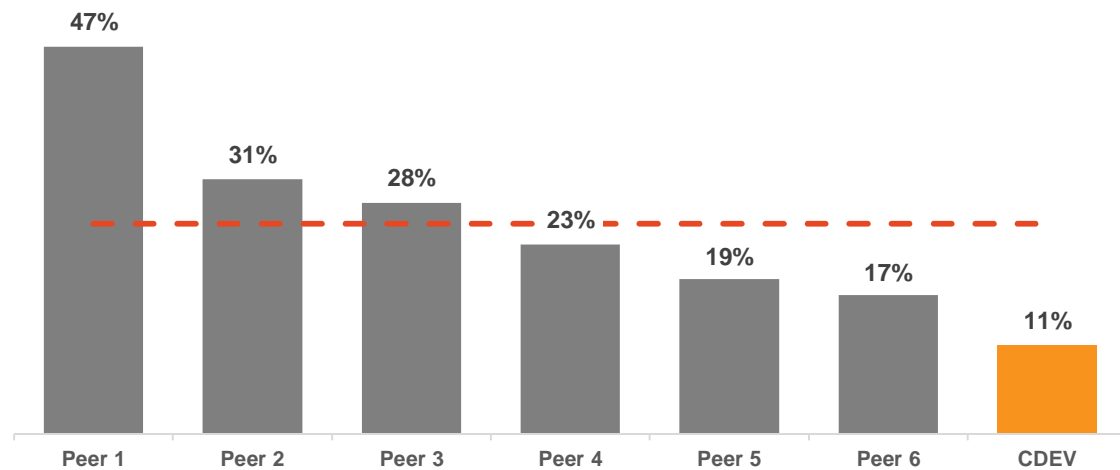
Lowest Leverage Profile

- Maintaining conservative leverage profile
- Moody's Corporate Rating upgraded on 8/16/18 to B1 from B2
- Liquidity of \$612mm as of 6/30/18
 - \$30mm drawn under Revolving Credit Facility
 - \$600mm elected commitment (\$800mm borrowing base)

Net Debt / LQA EBITDAX^{1,2}



Net Debt / Total Capitalization¹



Source: Company filings and consensus estimates

Note: Peer group includes: CPE, EGN, FANG, JAG, LPI, and PE; dotted line represents median and excludes CDEV

(1) As of 6/30/18; pro forma for capital markets and A&D activity (FANG and EGN shown separately)

(2) LQA represents last quarter annualized

Summary



Large, contiguous acreage position in oil-window of the Northern & Southern Delaware Basin

Unhedged on oil - delivering strong oil realizations relative to peers

Top-tier mid-cap shale development technical team

Advantaged oil and gas infrastructure and takeaway position

Very low debt

Focus on GAAP ROE's / ROCE's

Reconciliation of Adjusted EBITDAX to Net Income

Adjusted EBITDAX reconciliation (\$ thousands)¹

	Q2 2017	Q1 2018	Q2 2018
	3 months ended June 30, 2017	3 months ended March 31, 2018	3 months ended June 30, 2018
Adjusted EBITDAX reconciliation to net income:			
Net income attributable to Class A Common Stock	\$20,762	\$66,090	\$63,541
Net income attributable to noncontrolling interest	2,436	4,682	3,941
Interest expense	707	5,813	5,791
Income tax expense	9,069	19,137	19,940
Depreciation, depletion and amortization	34,300	66,010	74,946
Impairment and abandonment expenses	-	-	1,784
Non-cash portion of derivative gain	(2,256)	(7,482)	(11,534)
Stock-based compensation expense	2,558	3,952	4,166
Exploration expense	1,289	3,447	1,867
Transaction costs	457	-	-
(Gain) loss on sale of oil and natural gas properties	(7,191)	(15)	141
Adjusted EBITDAX	\$62,131	\$161,634	\$164,583

(1) Adjusted EBITDAX is not presented in accordance with generally accepted accounting principles in the United States