CENTENNIAL

Mark's Conclusions from Recent Global Oil Data and 2Q US E&P Earnings Calls

Barclays CEO Energy-Power Conference
September 4, 2018

Important Information

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What We Said at Last Year's Barclays Conference

- 2018 oil price would be higher than 2017 due to tightening supply / demand
- Shale completion technical improvements will slow considerably
- 2018 US oil production would be powerful but less than the then consensus forecasts of 1.4 – 1.6 MMBD

Global Oil Supply / Demand

Overall

- Global supply / demand still very tight
- System likely to tighten further in 2019
- Global surplus capacity ~1.5 MMBD in 100 MMBD system – very small cushion

US Supply

- Majority of 2Q US E&P's exceeded capex with essentially no concomitant FY oil increase – efficiencies degrading
- Initial FY 2018 US oil growth estimates of 1.4 – 1.6 MMBD likely won't be achieved
- 2019 consensus US oil growth estimates have decreased

Centennial's 2Q Position

- One of the few:
  - To not increase FY capex while maintaining oil guidance
  - To lower essentially every FY unit cost category
  - Permian mid-caps to have both oil and gas takeaway problems essentially solved
- Lowest mid-cap debt profile
- Last 18 months – some of the best wells in the Southern Delaware Basin
- One of the highest debt adjusted growth rates – next few years

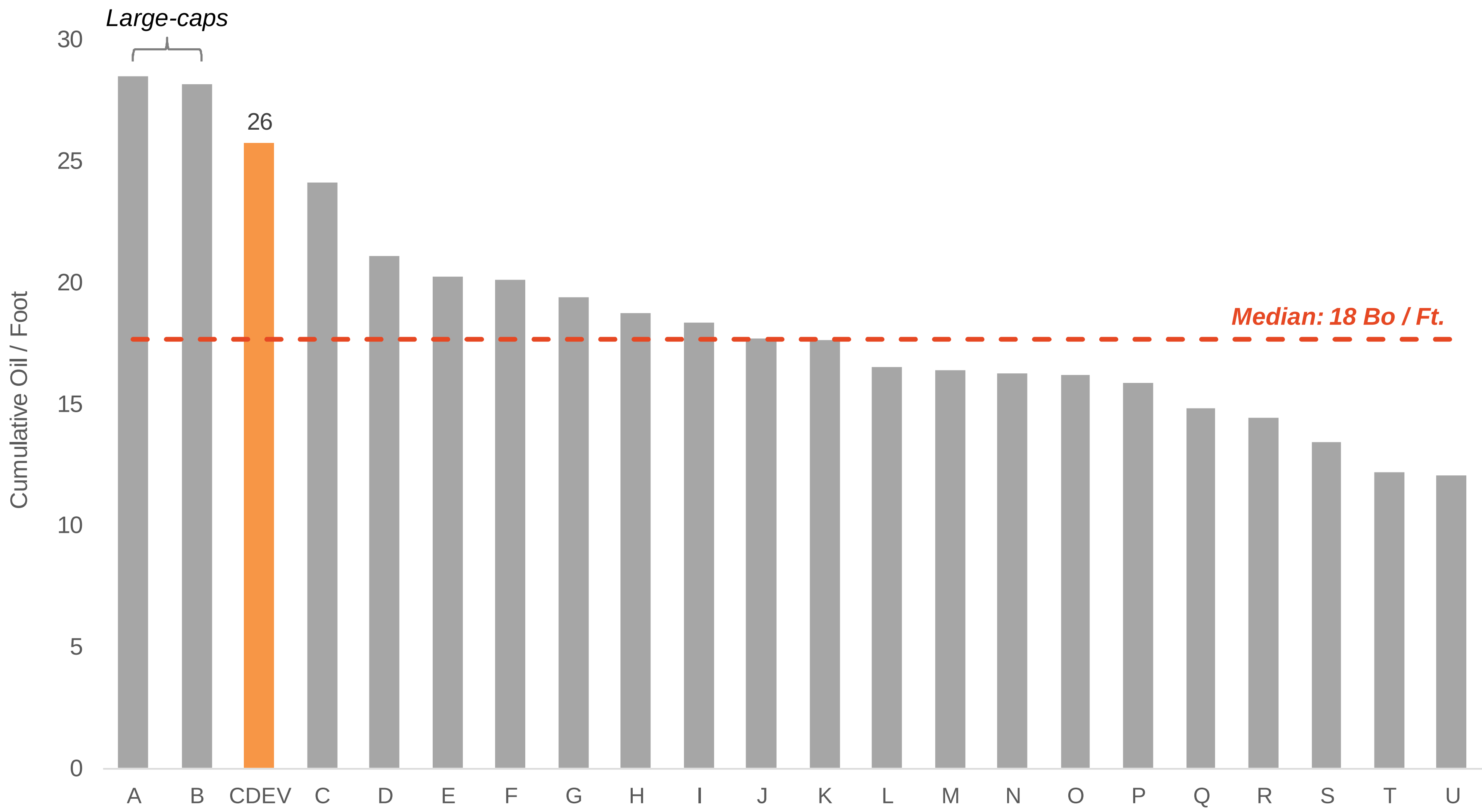
Flow Assurance For Both Oil & Natural Gas

- ~100% of expected residue gas under firm transportation or firm sales agreements to Waha and out of the Basin through 2021
- On September 4th, announced an additional crude oil firm sales agreement with large purchaser
  - 20,000 Bo/d in Q1'19 and increasing on a quarterly basis
  - 40,000 Bo/d in Q1'20 and increasing gradually to 75,000 Bo/d in Q1'23
  - 2019 pricing based off MEH
  - Beginning in 2020, diversified pricing tied to three separate benchmarks
- In total, secured takeaway for >50,000 Bo/d in 2019 through firm sales agreements
  - Represents ~70% of FY 2019 consensus oil estimate (adjusted for gross volumes)
  - Existing agreements in-place with other major purchasers for remainder of 2019 oil volumes

Note: All volume amounts represent "gross" volumes

Texas Delaware Basin Well Productivity

Average Oil Well Performance Since 2017 (9-Month Cumulative Oil Production; Bo / ft.)



Source for all data: IHS
Peer group includes: APA, APC, BHP, CRZO, CVX, CXO, EGN, EOG, FANG, JAG, MTDR, NBL, OAS, OXY, PDCE, PE, RDSA, REN, RSPP, WPX and XEC
Note: Includes Culberson, Loving, Pecos, Reeves, Ward and Winkler Counties; excludes public operators with 4 or less wells; excludes wells with laterals under 3,000 ft.

What About GAAP Earnings?

- Expect ~7% GAAP ROCE and ROE this year
- At $75 WTI, expect ~14% GAAP ROCE and ~17% GAAP ROE in 2020
- Objective – within two years have competitive GAAP returns with other non-energy industry groups