



*Investor Presentation*  
*April 2018*

**COMSTOCK**  
**RESOURCES**

*NYSE:CRK*

*This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our current expectations or forecasts of future events. These statements include estimates of future natural gas and oil reserves, expected natural gas and oil production and future expenses, assumptions regarding future natural gas and oil prices, budgeted capital expenditures and other anticipated cash outflows, as well as statements concerning anticipated cash flow and liquidity, business strategy and other plans and objectives for future operations.*

*Our production forecasts are dependent upon many assumptions, including estimates of production decline rates from existing wells and the outcome of future drilling activity.*

*Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include the timing and extent of changes in market prices for oil and gas, operating risks, liquidity risks, including risks relating to our debt, political and regulatory developments and legislation, and other risk factors and known trends and uncertainties as described in our Annual Report on Form 10-K for fiscal year 2017 filed with the Securities and Exchange Commission. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in the forward-looking statements.*

# Recent Achievements

- Comstock's recent performance has put us in position to achieve a comprehensive refinancing of our balance sheet
- Last year, we successfully grew production and drilling prospect inventory with our high return Haynesville shale drilling program
  - Natural gas production *(pro forma for 2016 divestitures)* grew by 46% for 2017
  - Gas production was up 90% over the fourth quarter of 2016
  - Ended 2017 with 842 Haynesville and Bossier Shale drilling locations
- 2017 production growth drove higher oil & gas sales (↑ 49%), EBITDAX (↑ 103%) and cash flow (↑ \$120 million in 2017)
- Strong drilling results from 2017 capital program
  - 30 successful wells
  - Average IP Rate of 25 MMcf per day
  - Drove 27% growth in proved reserves
  - Achieved low finding costs of \$0.54 per Mcfe

# New Developments

We are now launching our comprehensive refinancing program with the following actions:

- 1** We have entered into a strategic partnership with Dallas businessman and Dallas Cowboys owner Jerry Jones including a \$75 million cash common stock investment at \$7.50 per share to make his investment company, Arkoma Drilling L.P., one of our largest shareholders
- 2** We have obtained commitments from Bank of Montreal, Bank of America, Deutsche Bank and Regions Financial for a new \$300 million traditional bank revolving credit facility
- 3** We have agreed to sell our Eagle Ford production while maintaining a significant interest in the property's future development through a new joint venture with the buyer, USG
- 4** We have commenced offers to retire all of our existing secured notes through a tender offer process open to all holders of the notes

# Refinancing Benefits

- **Our refinancing plan will eliminate all of our existing secured debt, clear our maturity runway and provide significant committed liquidity through a traditional bank revolver allowing the company to focus on operating the business**
- **Deleveraging transactions that will reduce our total leverage from 5.5x to 3.5x**
  - **Target net leverage of <3.0x by end of 2019**
- **Significantly improves the company's cost of capital and simplifies the capital structure**
- **Provides robust liquidity in support of our drilling program**
  - **Pro forma for the contemplated transactions, we will have cash and unused commitments in excess of \$200 million**
- **We expect to close all parts of our refinancing program by early May 2018**

# Sources and Uses

*(\$ in millions)*

<b>Sources</b>	<b>Total</b>
Asset Sale Proceeds	\$125
New Secured Revolver	136
New Senior Unsecured Notes	600
Offer for Convertible Second Lien PIK Notes	340
Cash Equity Investment	75
<b>Total Sources</b>	<b>\$1,276</b>

<b>Uses</b>	<b>Total</b>
Repurchase First Lien Secured Notes	\$743
Retire Convertible Second Lien PIK Notes due 2019	298
Retire Convertible Second Lien PIK Notes due 2020	194
Asset Sale Closing Adjustments	16
Estimated Transaction Expenses	25
<b>Total Uses</b>	<b>\$1,276</b>

*Note: Uses are inclusive of any accrued and unpaid interest from the applicable last interest payment date to 5/4/18.*

# Pro Forma Balance Sheet

<i>(\$ in millions)</i>	<i>As of 12/31/17</i>	<i>Pro Forma</i>
Cash and cash equivalents	\$61	\$61
Revolving Credit Facility	-	\$136
10% First Lien Secured Notes	\$697	-
Convertible Second Lien PIK Notes ( <i>All Interest PIK</i> )	\$472	-
Unsecured Senior Notes	\$26	\$626
<b>Total Debt</b> ( <i>at face amount</i> )	<b>\$1,195</b>	<b>\$762</b>
2018E EBITDAX <sup>(1)</sup>	\$217	\$217
Secured Debt / 2018E EBITDAX	5.4x	0.6x
Total Debt / 2018E EBITDAX	5.5x	3.5x
Available Credit Line	\$50	\$164
Available Interest PIK	\$75	-
<b>Total Liquidity</b>	<b>\$186</b>	<b>\$225</b>

(1) Management forecast using consensus pricing and after for Eagle Ford sale. Inclusive of \$9.4mm from Eagle Ford operations in Q1 2018

# New Bank Revolver

## Traditional bank revolving credit facility

- **Total commitments of \$300 million from Bank of Montreal (lead arranger), Bank of America, Deutsche Bank and Regions Financial**
- **Secured by first lien on company assets**
- **4-year term**
- **Pricing grid of LIBOR + 275 to 375 bps (based on utilization)**
- **Facility could be upsized in the future (indicated current notional borrowing base of \$375 million)**

# Offers for Existing Notes

## Offer to retire any and all \$483 million Convertible Second Lien PIK Notes

- Value of \$1,000 in cash and common stock per \$1,000 principal amount of existing notes (assuming price of \$7.50 per share)
- \$295 million 7.75% Convertible Second Lien PIK Notes due 2019
  - \$347.50 in cash and 87 shares per \$1,000 principal amount
- \$187 million 9.50% Convertible Second Lien PIK Notes due 2020
  - \$250 in cash and 100 shares per \$1,000 principal amount
- Aggregate consideration (including accrued and unpaid interest) of \$152 million in cash and 45.3 million shares, which were all previously authorized and reserved for issuance upon conversion of the existing notes
- Offer expires on April 27, 2018

## Tender offer for any and all \$697 million 10% First Lien Notes due 2020

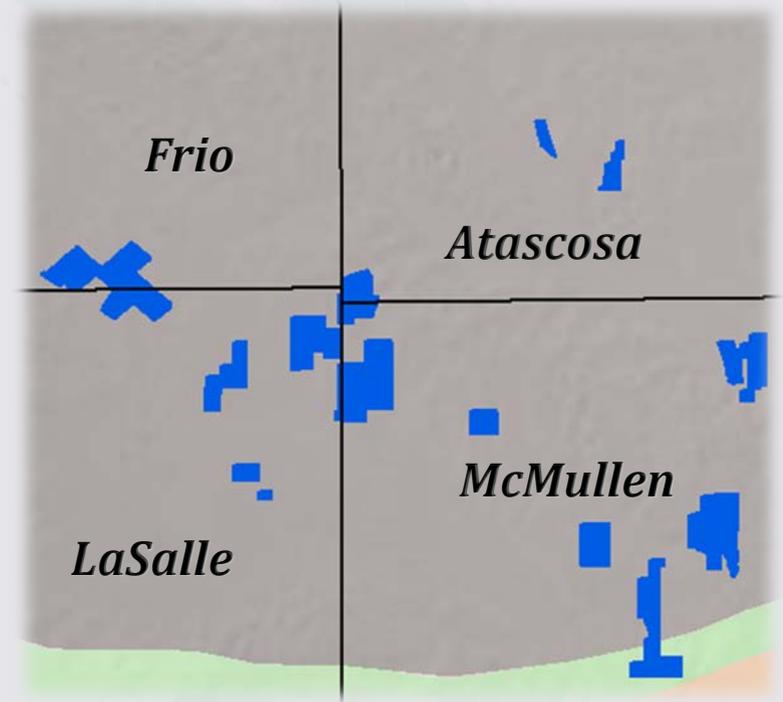
- \$1,052.50 in cash per \$1,000 principal amount
- Early tender deadline of April 13, 2018

# Equity Investment/ Strategic Partnership

- **Arkoma Drilling LP, which is owned by Dallas businessman and Dallas Cowboys owner Jerry Jones, will make a \$75 million investment in Comstock common stock at \$7.50 per share**
  - **Arkoma will acquire a 14% interest in Comstock, becoming one of its largest shareholders and will provide Comstock with a nationally recognized partner for future acquisitions/consolidation**
- **In addition, Arkoma and Comstock will enter into a two year joint venture through which Arkoma may participate in drilling wells proposed by Comstock in the Haynesville, Bossier and Eagle Ford shale**
- **Comstock will receive a 20% carried interest for projects that Arkoma participates in**
- **Arkoma will only earn an interest in the well bore for projects they participate in and will not have rights to any related acreage**
- **Comstock will offer a minimum of \$75 million in opportunities in the first 12 months and \$100 million in the second 12 months**
- **This joint venture allows Comstock to grow production faster, hold acreage and pursue acquisitions that it could not otherwise make**
- **Accretive drilling program will increase capital efficiency, lead to lower service costs and greater efficiencies and will allow Comstock to increase its drilling prospect inventory**

# Eagle Ford Shale Sale and New JV

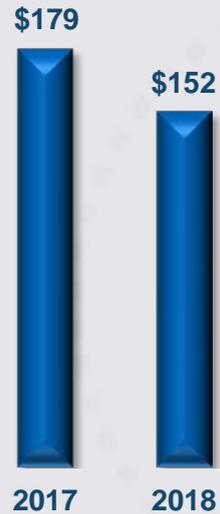
- Sale of 191 producing wells and 80 acre proration units to USG Energy Producer Holdings, LLC for \$125 million
- Comstock retains all undeveloped acreage (8,700 net acres) with 218 drilling locations
- Comstock and USG will form a joint development venture on the ~23,000 net acres
  - Comstock contributes 45% interest in 218 drilling locations to USG
  - USG contributes 50% of 108 infill drilling locations
  - USG contributes 50% of the economics of refrac operations on the 191 producing wells
  - Comstock and USG will start a one rig drilling program in the third quarter of 2018



# 2018 Drilling Program

(\$ in millions)

## Capital Expenditures



## Net Wells Drilled



## Haynesville/Bossier Shale:

Drilling and Completion \$ 95.9  
 Completion of 2017 Wells 19.7  
 ReFrac (7) 31.6  
 Eagleford Shale 4.8

## Total Capital Expenditures

	2018	
	Gross Wells	WI Net Wells
Drilling and Completion	31	10.0
Completion of 2017 Wells	7	1.9
ReFrac (7)		
<b>Total Capital Expenditures</b>	<b>\$ 152.0</b>	<b>38</b>

## Lateral Lengths:

5,000	6
7,500	9
10,000	23
	<b>38</b>

## Average Lateral Length



*Use of Drilling Ventures Allows Strong Production Growth Within Operating Cash Flow*

# 2018 Outlook

- **Comstock's high return Haynesville Shale assets provide opportunities for continued growth in 2018**
  - **Comstock's enhanced completion design has transformed the Haynesville shale into one of North America's highest return natural gas basins**
  - **Comstock's acreage position provides a strong foundation with over 800 locations, underpinning the Company's future growth**
  - **Haynesville drilling program will create ~30% production growth in 2018 and will be funded primarily with operating cash flow**
- **Comstock's already low cost structure is expected to continue to improve as the low cost Haynesville shale production continues to grow**
  - **Operating costs per Mcfe in 2017 have decreased by 31% and DD&A per Mcfe was down 32% and will continue to improve**
- **Maintain strong balance sheet following refinancing**
  - **Strong liquidity will support near-term drilling program with no incremental capital needs**
  - **Targeting net leverage ratio of <3.0x by end of 2019**