CENTENNIAL

Core Oil
Delaware Basin Pure-Play

Bank of America Securities Global Energy Conference

November 12, 2020

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,” “goal,” “plan,” “target” 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, the COVID-19 pandemic and governmental responses thereto, 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 oil and gas 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 non-GAAP financial measures, such as Adjusted EBITDAX, free cash flow (deficit), net debt and net debt to last twelve months (“LTM”) EBITDAX. Please refer to slide 11 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 on slide 11 from net income (loss) 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.

Please refer to slide 12 for a reconciliation of free cash flow (deficit) to net cash provided by operating activities, the most comparable GAAP measure. We believe free cash flow (deficit) is a useful indicator of the Company’s ability to internally fund its exploration and development activities and to service or incur additional debt, without regard to the timing of settlement of either operating assets and liabilities or accounts payable related to capital expenditures. The Company believes that this measure, as so adjusted, presents a meaningful indicator of the Company’s actual sources and uses of capital associated with its operations conducted during the applicable period. Our computations of free cash flow (deficit) may not be comparable to other similarly titled measures of other companies. Free cash flow (deficit) should not be considered as an alternative to, or more meaningful than, cash provided by operating activities as determined in accordance with GAAP or as indicator of our operating performance or liquidity.

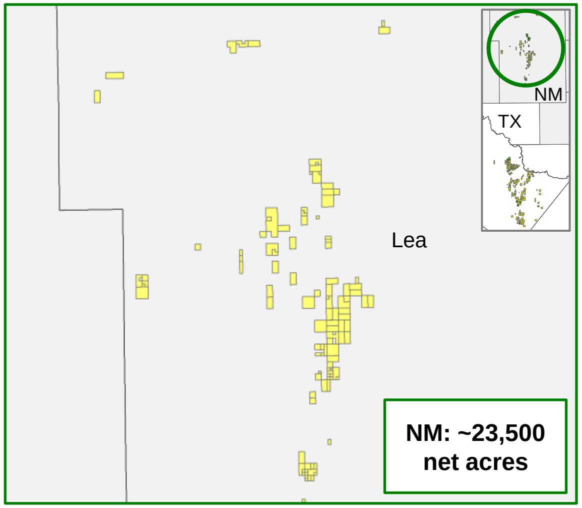
The Company defines net debt as the aggregate principal amount of the Company's notes outstanding minus cash and cash equivalents. The Company presents this metric to help evaluate its capital structure and financial leverage and believes that it is widely used by professional research analysts, including credit analysts, and others in the evaluation of total leverage.

The Company defines net debt to LTM EBITDAX as net debt (defined above) divided by Adjusted EBITDAX (reconciled on slide 11) for the prior twelve-month period. The Company presents this metric to show trends that investors may find useful in understanding the Company's ability to service its debt. This metric is widely used by professional research analysts, including credit analysts, in the valuation and comparison of companies in the oil and gas exploration and production industry.

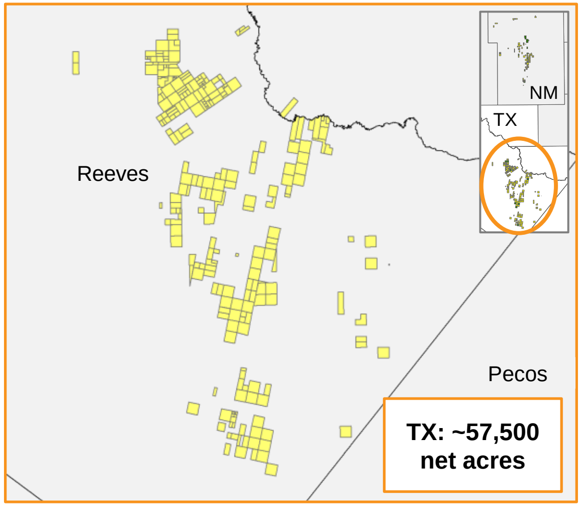
Centennial Resource Development – Permian Pure-Play

- **Large, contiguous acreage position located in the oil-window of the Delaware Basin**
  - >80,000 net acres, <5% Federal exposure
  - >95% operated
  - >85% held by production
- **High quality asset base**
- **Proven operational execution**
- **Reducing cost structure**
  - >35% reduction in well costs vs. FY’19[1]
  - >35% reduction in LOE/Boe vs. Q3’19[2]
- **No near-term debt maturities**
- **Solid liquidity position**

Northern Delaware (NM) – Lea County



Southern Delaware (TX) – Reeves County



Note: Acreage statistics as of 9/30/20; does not include mineral or surface acreage positions; maps represent acreage position as of 12/31/19
(1) Based on updated well cost target mid-point of ~$800/ft vs FY 2019 average of ~$1,275/ft
(2) Based on Q3’20 LOE of $3.87/Boe vs Q3’19 LOE of $6.03/Boe

Centennial Resource Development Recent Highlights

- Generated free cash flow of ~$10.5mm during Q3'20, expect incremental FCF in Q4'20
- Organically increased liquidity by $17mm, or 6%[1], during Q3'20
  - Borrowing base reaffirmed at $700mm
  - Repaid $15mm of revolver borrowings
- Reduced operating expenses through several field-level initiatives
  - Q3'20 LOE per unit decreased by 7% vs Q2'20 and 36% vs Q3'19
- Lowered well cost target by 11% to ~$800 / ft.[2]
- Increased full-year production targets, while reducing total capital expenditure and unit cost guidance
- Resumed operational activity with solid results
- Added incremental oil and gas hedges primarily targeting FY 2021

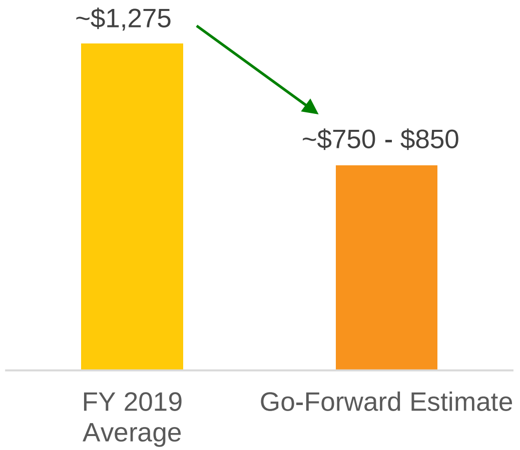
(1) Utilizes current letters of credit of ~$4.3mm (as of 11/2/20); letters of credit were ~$8.8mm as of 9/30/20
(2) Represents total completed well costs - including drilling, completion, facilities and flowback costs

Capital Efficiency Rate of Change

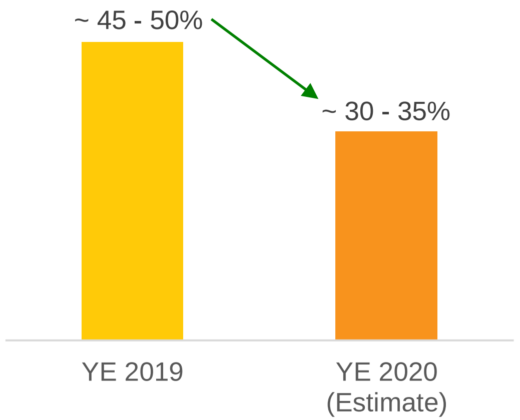
Operational Focus Items

- **Structural Improvement to D&C Cost**
  - Improvements in operational efficiency and adjustments to well design significantly lowered capital costs, irrespective of commodity price / deflationary environment
- **Re-setting of Corporate Decline Rate**
  - Shallowing corporate decline allows for a more stable production & cash flow base, requires less investment for growth and improves free cash flow outlook
- **Material Reduction in Operating Expenses**
  - LOE reductions driven by infrastructure investments, artificial lift improvements and efficiencies in field operations
- **Continued Well Productivity**
  - Recent Q3 completions continue to highlight the quality of the Centennial asset base and technical team

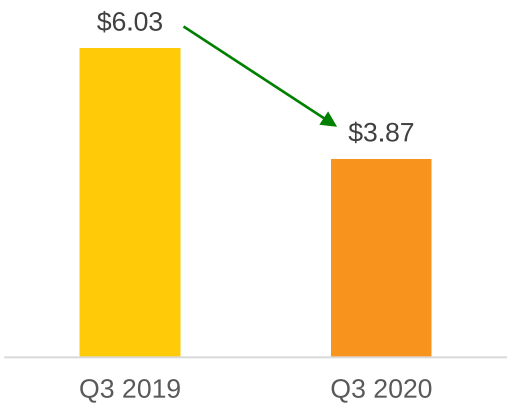
DC&F Cost / Lateral Foot[1]



Corporate Decline Rate



Lease Operating Expenses ($ / Boe)



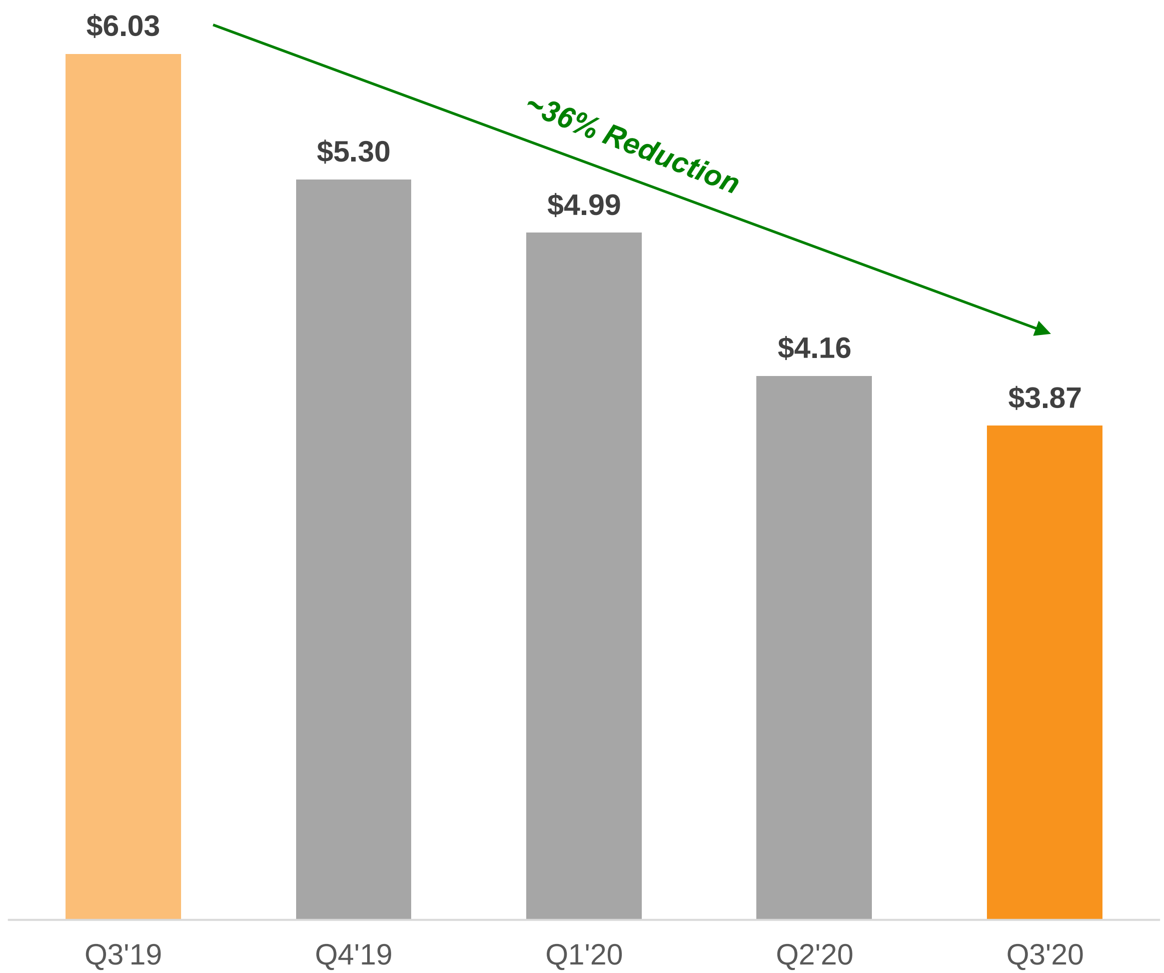
(1) Represents total completed well costs - including drilling, completion, facilities and flowback costs

Realizing Significant Operational Cost Improvements

LOE Optimization Overview

- Transitioning more well-sites to electric power
  - Removal of generators, lowering equipment rental costs
- Ongoing transition from ESPs to more reliable gas lift
  - Lower failure rate, less workover expense and production downtime
- Continued optimization of CDEV's operated water disposal system
  - Additional electrification projects and lower dependency on trucked water volumes
- Increased water recycling
  - Reduction in produced water disposal volumes
- Increased chemical treatment efficiencies, combined with pricing decreases

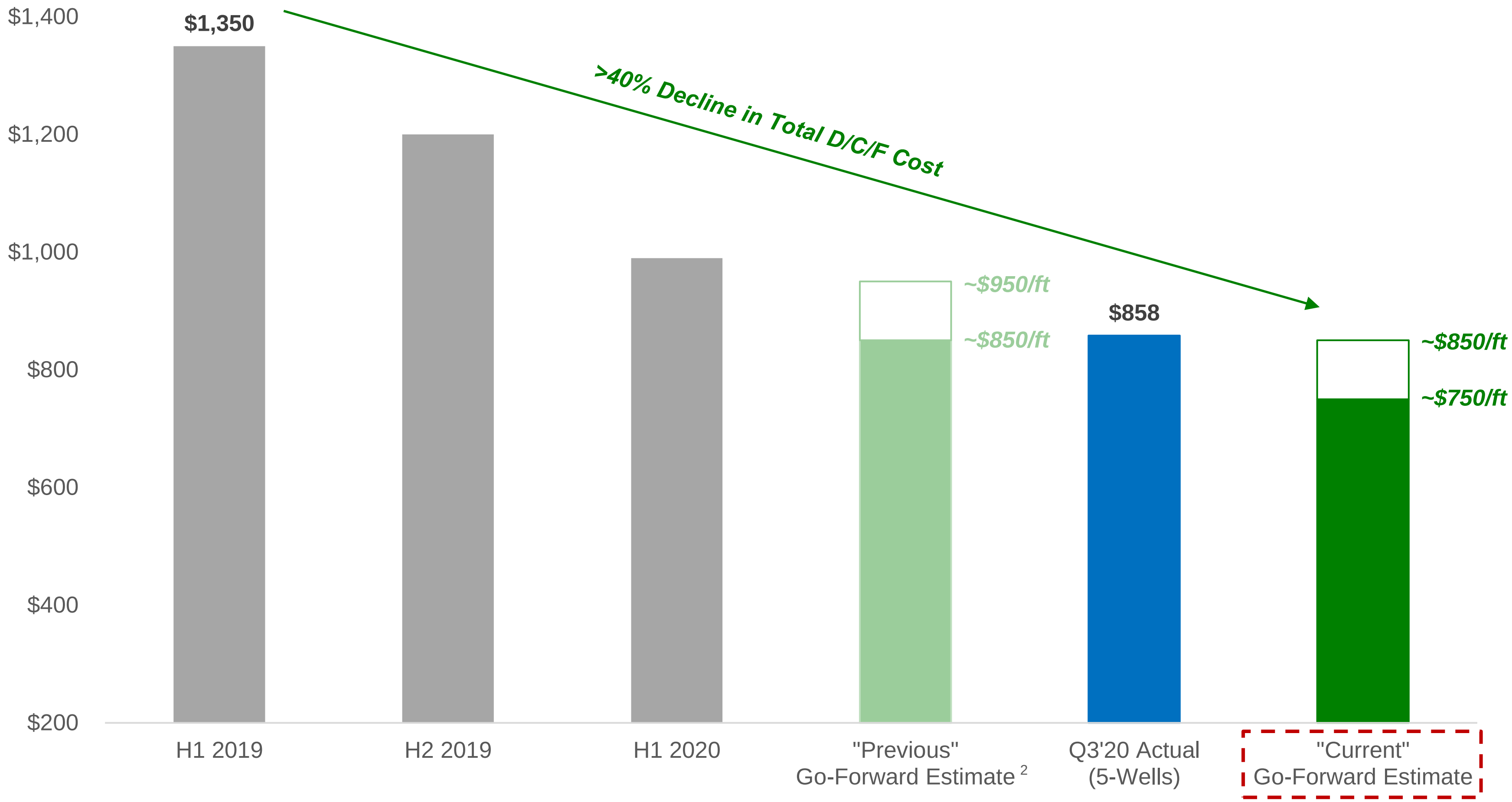
Historical LOE Unit Costs ($/Boe)



Well Cost Evolution

Lower Well Costs Driven by Higher Efficiencies & Structural Cost Reductions

DC&F Cost / Lateral Foot - Extended Lateral Average (1.5 & 2 Section)[1]



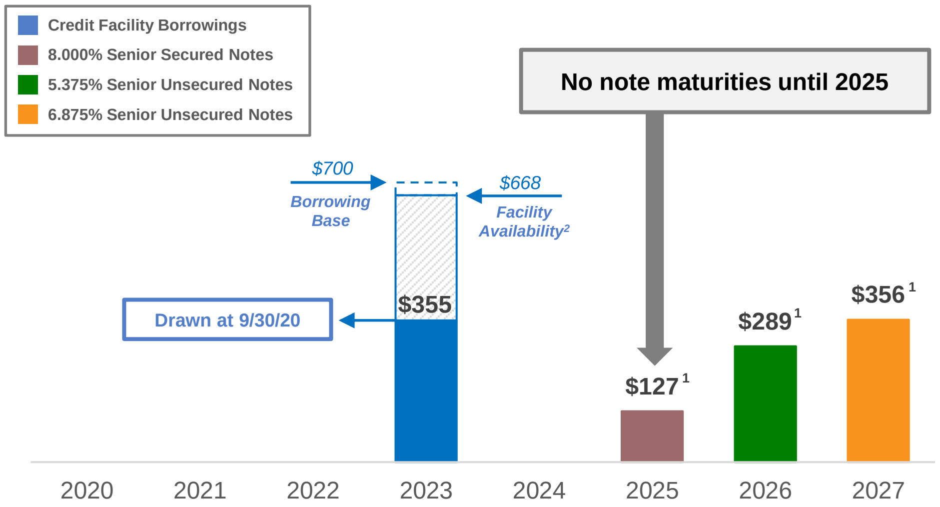
(1) Represents total completed well costs - including drilling, completion, facilities and flowback costs
(2) Originally published on August 3, 2020

Capital Structure and Liquidity Overview

Capital Structure Overview

- Organically increased liquidity by ~$17mm, or ~6%, during the quarter
  - Repaid $15mm of revolver borrowings during Q3
- Borrowing base reaffirmed at $700mm
- ~$314 million of liquidity at 9/30/20
- Leverage at 9/30/20:
  - 1st Lien Debt / LTM EBITDAX of 1.0x (vs. 2.75x covenant)
  - Net Debt / LTM EBITDAX of 3.2x
  - Net Debt / Total Book Capitalization of 29%

Debt Maturity Schedule ($ mm)



Capitalization and Liquidity ($ mm)

Capitalization	Actual 9/30/20
Cash and cash equivalents	$5.2
Revolving credit facility	$355.0
Senior Secured Notes[1]	$127.1
Senior Unsecured Notes[1]	$645.8
Total debt	$1,127.9
Book equity	$2,687.8
Total capitalization	$3,815.7
Credit statistics	
First Lien debt / LTM EBITDAX	1.0x
Net debt / LTM EBITDAX	3.2x
Net debt / book capitalization	29%
Liquidity ($ mm)	
Borrowing base	$700.0
Facility availability[2]	668.2
Less: Revolver borrowings	(355.0)
Less: Letters of credit[3]	(4.3)
Plus: Cash	5.2
Liquidity[4]	$314.1
Facility availability utilization	*53%*
Borrowing base utilization	*51%*

Note: Amounts may not sum due to rounding
(1) Reflects the aggregate principal amount
(2) Equal to total borrowing base adjusted for ~$32mm availability blocker
(3) Letters of credit ("LC") figure represents current amount outstanding (as of 11/2/20); letters of credit were ~$8.8mm as of 9/30/20
(4) Total liquidity calculation based on facility availability amount, not total borrowing base

Centennial 2.0: Final Thoughts

- High-Quality Asset Base
- Proven Operational Execution
- Sustained Well Cost Reductions
- Lower Unit Cost Structure
- Shallowing Corporate Decline Rate
- No Near-Term Debt Maturities
- Maintaining Solid Liquidity

Structural cost and operational improvements made year-to-date have improved capital efficiency and accelerated free cash flow profile

Appendix

Reconciliation of Adjusted EBITDAX to Net Income (Loss)

Adjusted EBITDAX reconciliation ($ thousands)[1]

	FY 2019				FY 2020		
($ in thousands, unless specified)	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net income (loss) attributable to Class A Common Stock	($8,112)	$17,877	($3,585)	$9,618	($547,983)	$5,330	($51,529)
Net income (loss) attributable to noncontrolling interest	(425)	1,125	(128)	44	(2,362)	0	0
Interest expense	10,160	14,437	15,246	16,148	16,421	17,371	17,718
Income tax expense (benefit)	(2,263)	5,928	1,393	739	(83,208)	(1,916)	0
Depreciation, depletion and amortization	96,558	112,114	112,720	122,851	101,258	93,020	89,444
Impairment and abandonment expenses	31,264	4,418	6,745	4,818	611,300	19,425	19,904
Gain on exchange of debt	0	0	0	0	0	(143,443)	0
Non-cash derivative (gain) loss	5,494	4,260	(9,740)	(4,108)	8,452	22,963	(32,518)
Stock-based compensation expense	5,884	6,076	7,357	6,998	5,892	4,270	4,772
Exploration and other expense	2,516	3,861	2,869	2,144	4,009	4,051	2,670
Workforce reduction severance payments	0	0	0	0	0	2,884	582
Transaction costs	0	0	0	0	0	476	0
(Gain) loss on sale of long-lived assets	2	(9)	22	842	(245)	2	(145)
Adjusted EBITDAX	$141,078	$170,087	$132,899	$160,094	$113,534	$24,433	$50,898

(1) Adjusted EBITDAX is a non-GAAP financial measure

Reconciliation of Free Cash Flow to Operating Cash Flow

Free Cash Flow (Deficit) reconciliation ($ thousands)[1]

	Three Months Ended September 30,	
($ in thousands)	2020	2019
Net cash provided by operating activities	$45,729	$104,681
Changes in working capital:		
Accounts receivable	($12,074)	$25,020
Prepaid and other assets	$2,866	$841
Accounts payable and other liabilities	($4,559)	($14,222)
Discretionary cash flow	$31,962	$116,320
Less: total capital expenditures incurred	($21,500)	($212,100)
Free cash flow (deficit)	$10,462	($95,780)

(1) Free cash flow is a non-GAAP financial measure