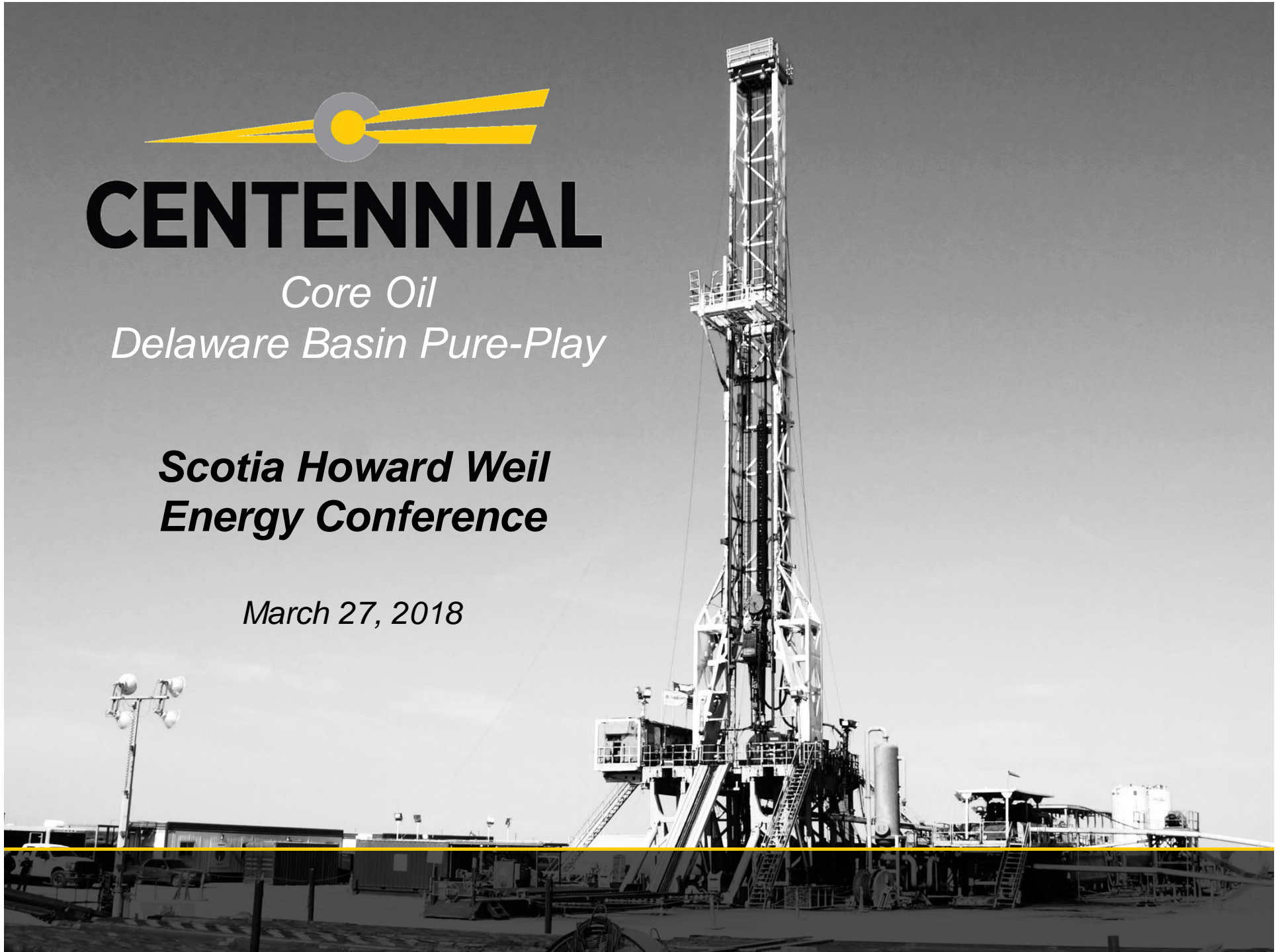


# CENTENNIAL

*Core Oil  
Delaware Basin Pure-Play*

***Scotia Howard Weil  
Energy Conference***

*March 27, 2018*



# Important Information

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## **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.

# 2017 Game Plan Review

*Delivering on our goals*

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- **Grow net oil production ~215% to 18,200 Bo/d in 2017 ✓**
  - *Exceeded high-end of oil production target (Actual: 19,161 Bo/d; 230%+ growth)*
- **Become mid-cap technical leader in G&G and well completion technology ✓**
  - *Comparative well results indicate this goal has been achieved*
- **Focus on GAAP returns and link employee compensation to returns of capital program ✓**
  - *Majority of compensation linked to reinvestment ROR on the capital program, including indirect costs*
- **Grow net oil production from ~5,700 Bo/d in 2016 to 60,000 by 2020 ✓**
  - *Raised 2020 oil target to 65,000 Bo/d*
- **Evaluate Bone Spring Shale prospectivity across acreage ✓**
  - *Completed two successful tests in the 3<sup>rd</sup> Bone Spring Sand and 3<sup>rd</sup> Bone Spring Carbonate*
- **Maintain one of the lowest net debt positions of all U.S. E&P companies ✓**
  - *8% Net Debt / Total Capitalization*
- **Maintain clear, easy to understand financials ✓**
  - *Extinguished public warrants and converted preferred shares*
- **Target \$50-\$70 million per year spend for acreage acquisitions ✓**
  - *Organically leased high-quality acreage in and around our position for ~\$55 million*
- **Achieve lowest unit costs among peers by 2018 – LOE and G&A**
  - *Ongoing; cash G&A per Boe expected to decrease ~25% in 2018*

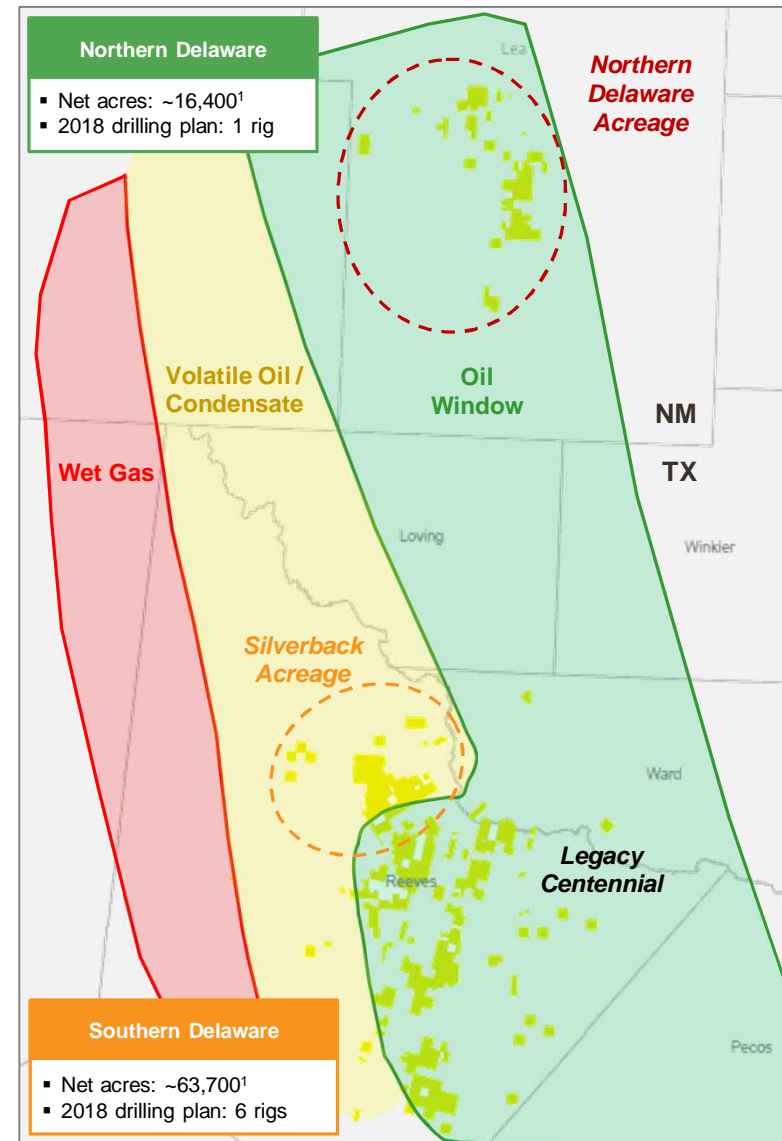
# Centennial 2018 Game Plan

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- Grow net oil production 85% to 35,500 Bo/d
- Grow net oil production from ~19,200 Bo/d in 2017 to 65,000 Bo/d in 2020
- Maintain mid-cap industry leadership position regarding oil shale G&G and well completion technology
- By YE18 determine extent of Bone Spring prospectivity on Reeves County acreage
- By YE18 generate top tier Lea County well results
- Maintain one of the lowest net debt positions of all U.S. E&P companies
- Target up to \$70mm for organic acreage acquisitions
- Generate competitive GAAP ROE's and ROCE's

# Acreage – Wolfcamp Hydrocarbon Phase Windows

- Large, contiguous positions located in oil-window of the Delaware Basin
  - ~80,100 net acres
  - >90% operated
- Legacy Centennial and Northern Delaware acreage
  - 44° oil gravity
  - ~1,750 GOR
- Silverback acreage
  - 49° oil gravity
  - ~6,500 GOR



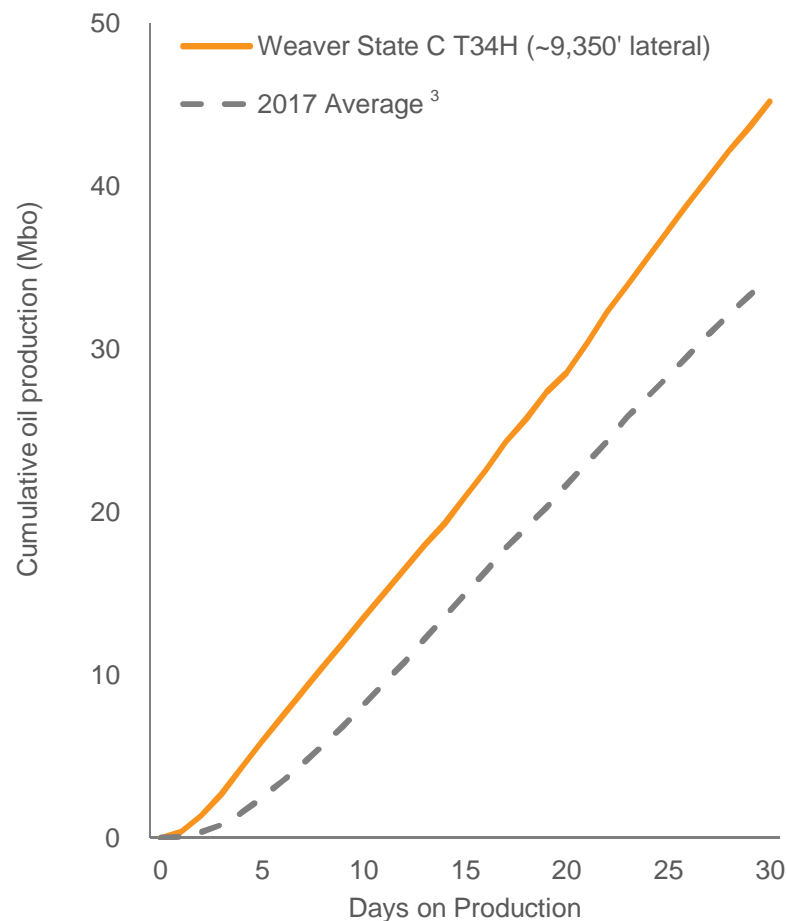
(1) Pro forma net acreage figure, adjusted for closed ~4,000 net acre Northern Delaware acquisition and closed ~8,600 net acre Southern Delaware divestiture

# Initial 3<sup>rd</sup> Bone Spring Sand Result Outperforming

## Weaver State C T34H overview

- Represents Centennial's first 3<sup>rd</sup> Bone Spring Sand well utilizing latest completion technology in the Southern Delaware Basin
  - IP-30: 1,562 Bo/d (73% oil)
  - Peak daily oil rate: 1,932 Bo/d
- Preliminary analysis indicates a pre-tax IRR of over 100%, assuming a flat \$60 / Bbl oil price<sup>1</sup>
- 3<sup>rd</sup> Bone Spring Sand extends over a significant portion of Reeves County acreage position
- Plan to drill and complete a confirmation test later in 2018
  - If successful, will initiate a full-scale development program

## Weaver State C T34H performance vs. 2017 average<sup>2</sup>



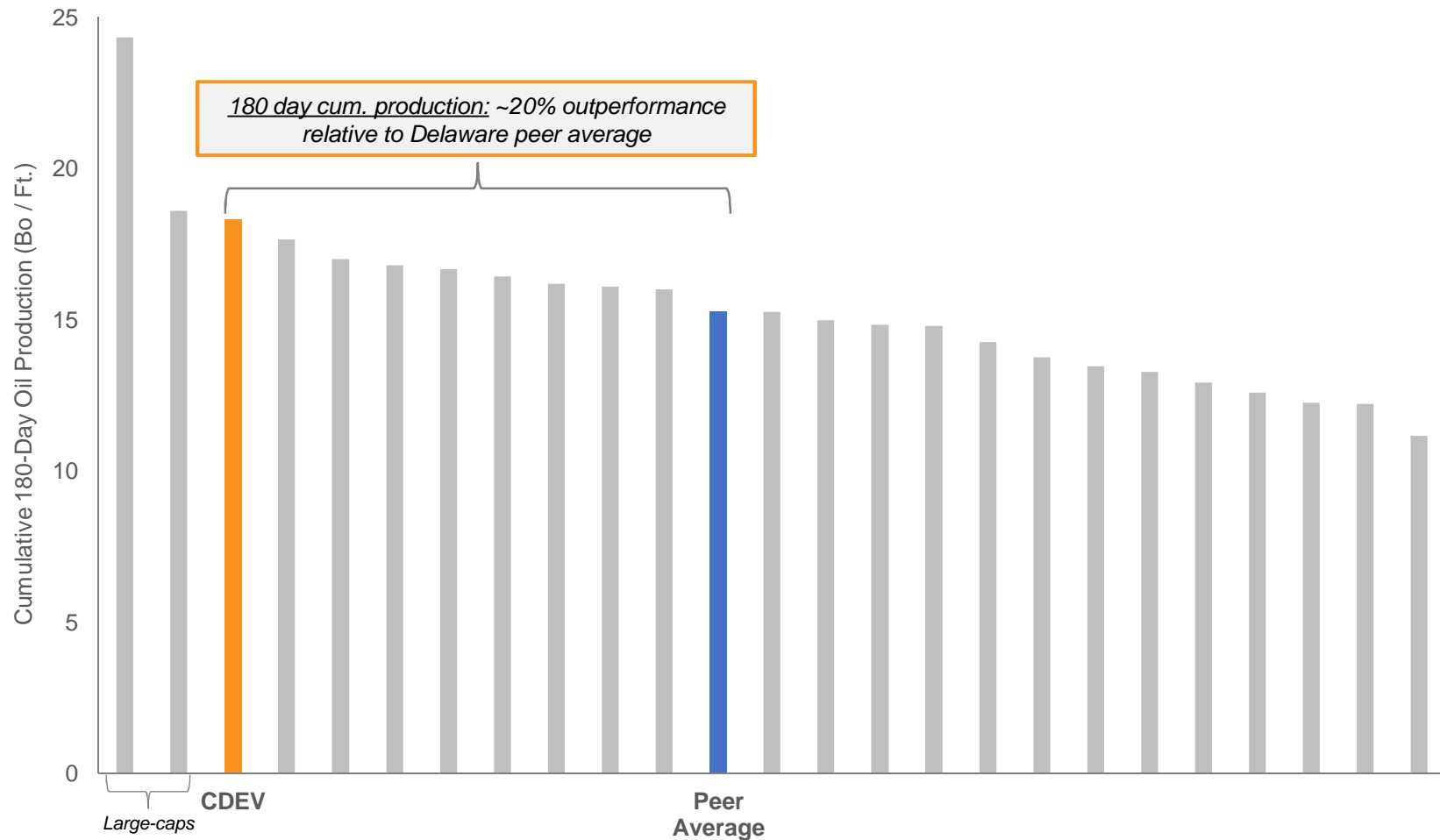
(1) Preliminary economics assume pre-tax IRR calculated using illustrative \$11mm well cost (inclusive of well-level facilities); \$60 / Bbl flat oil price and \$2.75 / MMBtu flat gas price  
(2) Cumulative well performance from Weaver State C T 34H shown on an unnormalized basis  
(3) 2017 average only includes production from two section laterals, normalized to 9,500'

# Overall Delaware Basin Completion Benchmarking

Delaware Basin Oil Well Performance (180-Day Cumulative Production; Bo / ft.)

Data set: Over 2,000 Delaware Basin wells drilled since January 2015 (includes all formations)

Peer results

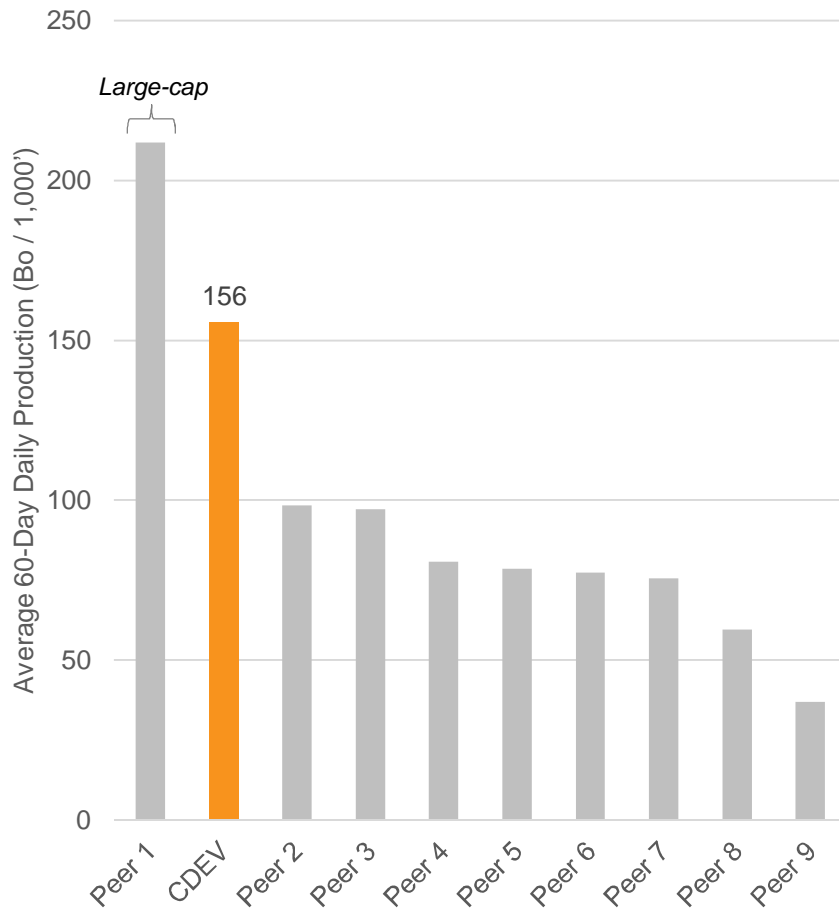


Source: RBC Equity Research, IHS, RBC Capital Markets Estimates  
 Note: Peers include APA, BHP, COP, CVX, CXO, DVN, EGN, EOG, FANG, JAG, LLEX, MRO, MTRD, NBL, OAS, OXY, PDCE, PE, REN, RSPP, WPX, XEC, XOM

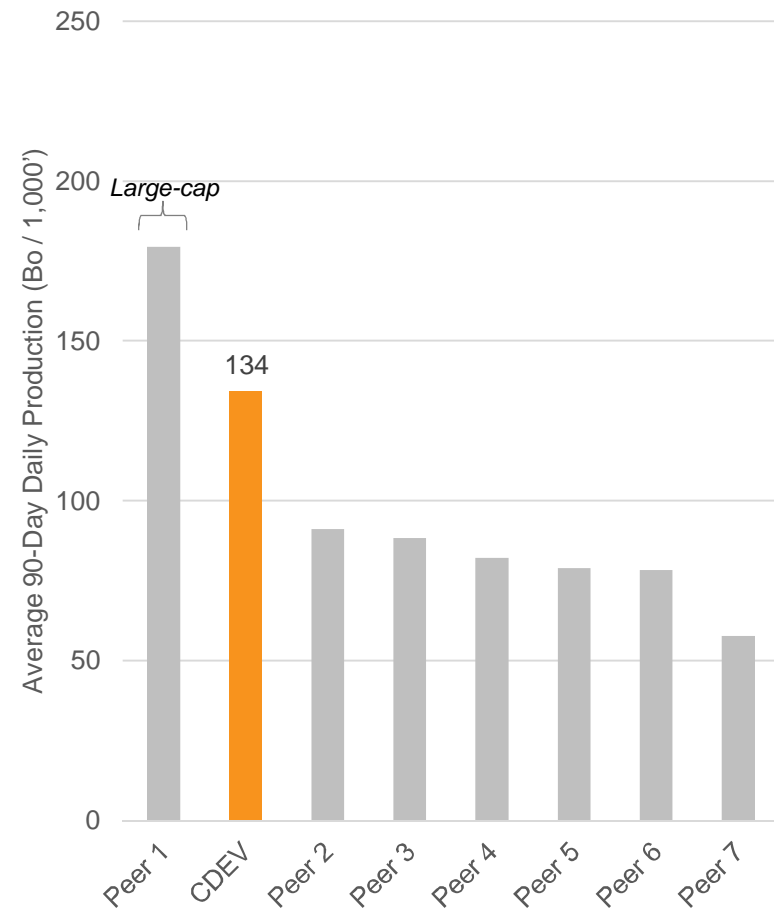
# Southern Delaware – 2017 Wolfcamp Completions

## 2017 Texas Wolfcamp Completions (Daily Average; Bo / 1,000')

### 60-Day Average



### 90-Day Average



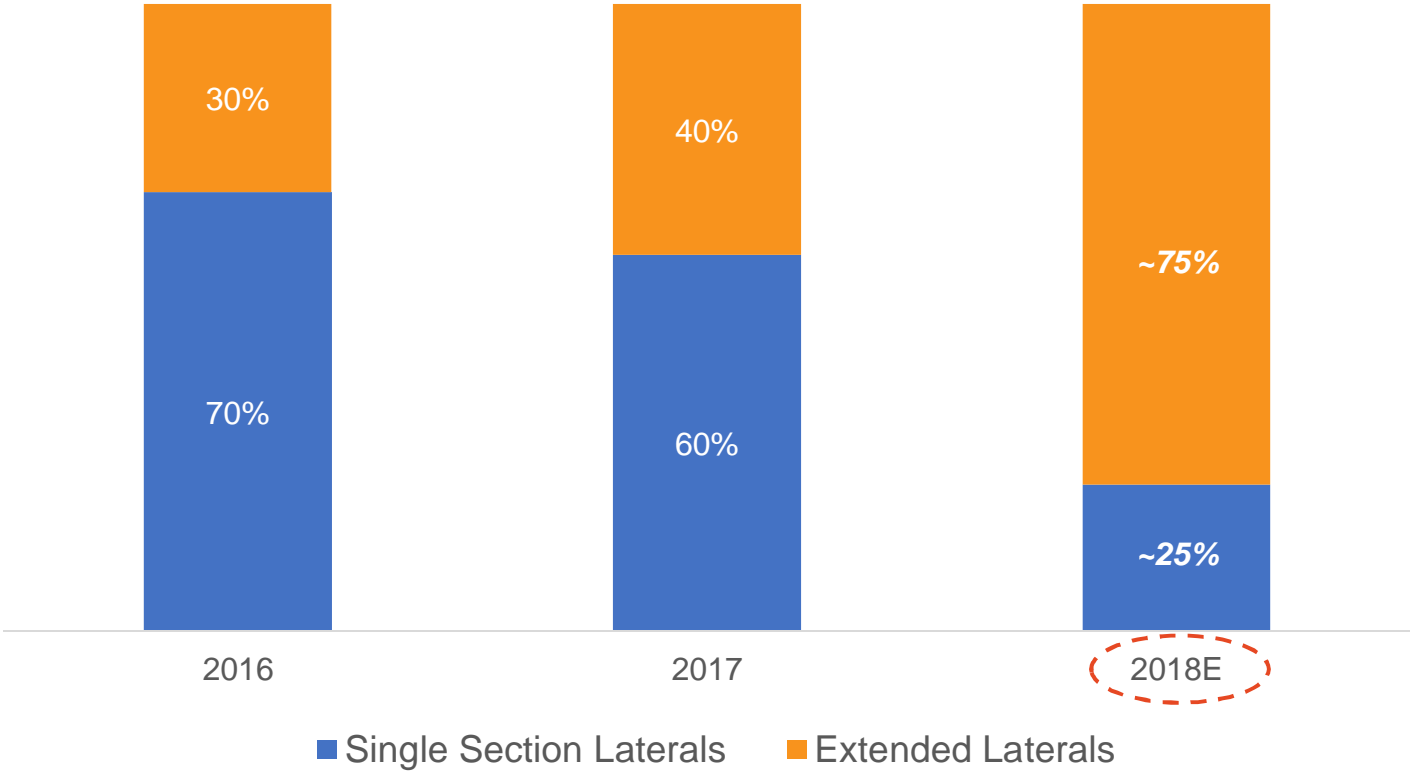
Source: Stifel Equity Research, DrillingInfo, Stifel Estimates  
 Note: Peer data represents weighted average results; peers include APC, CXO, EOG, FANG, HK, JAG, OXY, PDCE, PE, XEC – only includes peers with at least 10 data points



# 2018 Portfolio Shift to Extended Lateral Development

- Shift to extended laterals driven by significantly stronger returns versus single section wells
- 2018 average lateral length expected to increase ~30% year-over-year

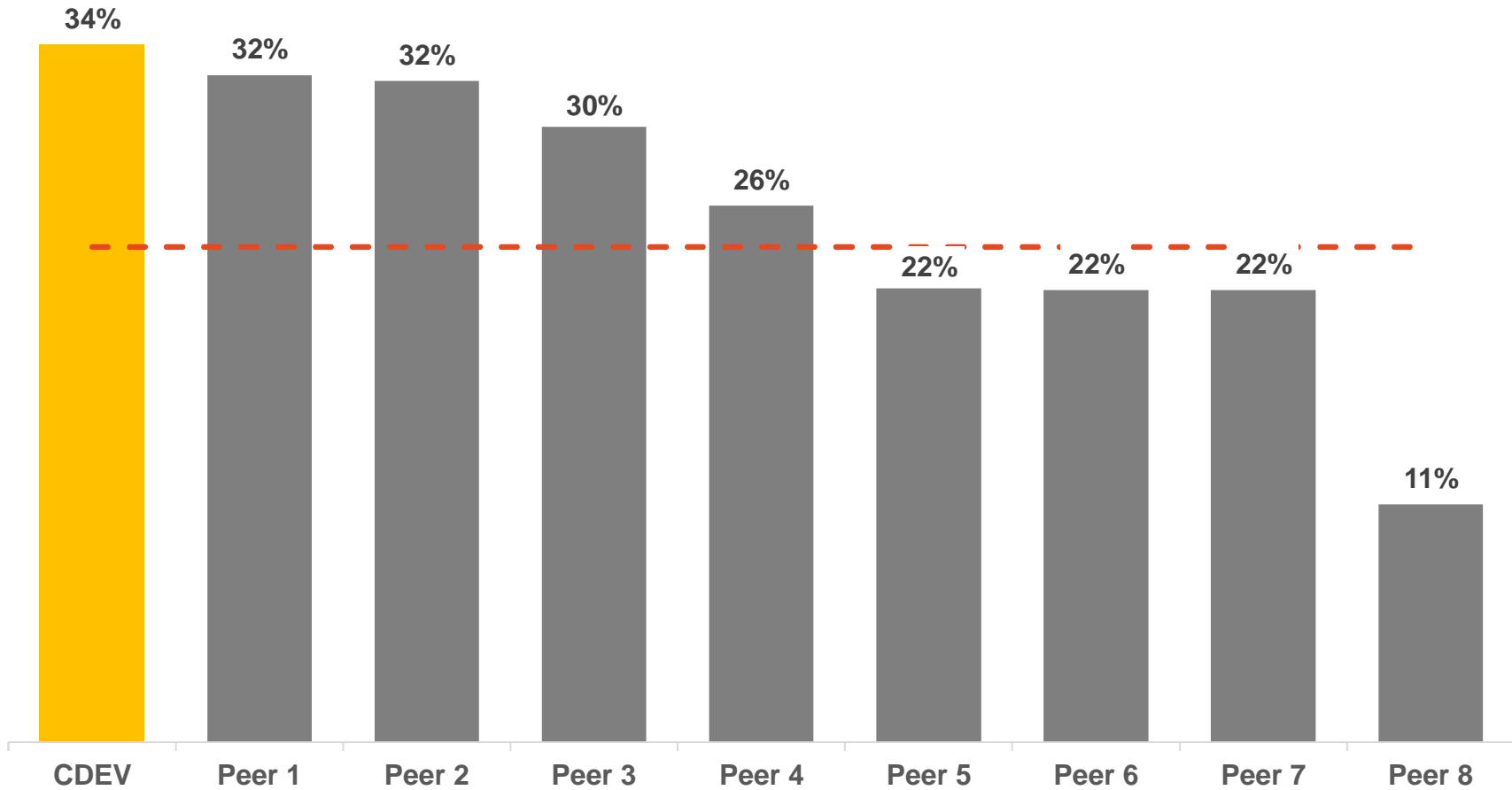
Portfolio weighting (based on wells brought on line)



Note: Extended laterals are defined as 1.5 and 2.0 section laterals, or 6,700' and 9,500', respectively

# Peer-Leading Growth

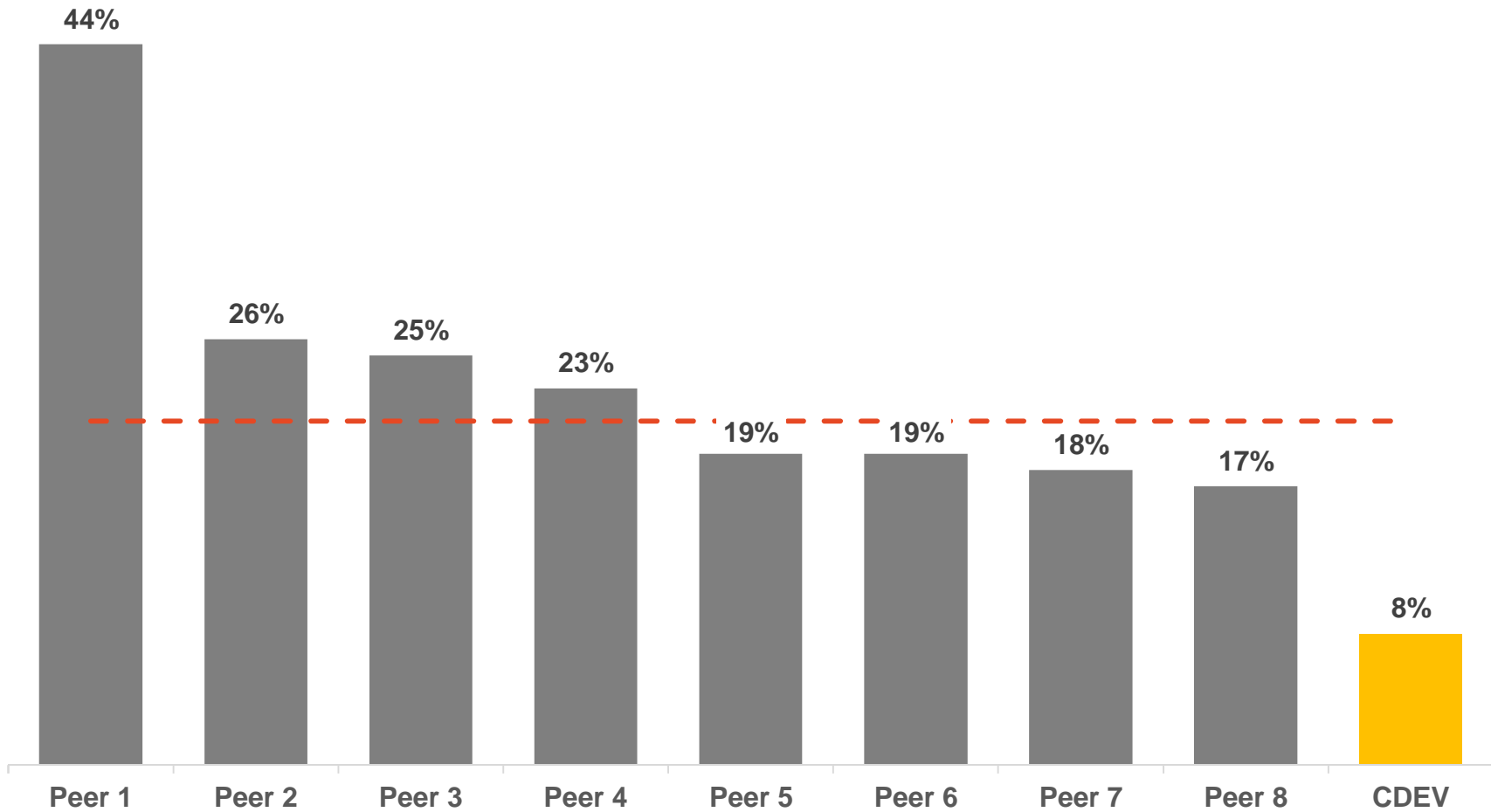
Production Per Debt-Adjusted Share Growth (2017-21E CAGR)<sup>1</sup>



Note: Peer group includes: CPE, CXO, EGN, FANG, JAG, LPI, PE, and RSPP; dotted line represents median and excludes CDEV  
(1) Source: Credit Suisse Equity Research (estimates as of March 26, 2018)

# Low Leverage Profile

Net Debt / Total Capitalization<sup>1</sup>



Note: Peer group includes: CPE, CXO, EGN, FANG, JAG, LPI, PE, and RSPP; dotted line represents median and excludes CDEV  
(1) Source: Company filings; pro forma for capital markets and A&D activity

# Active Portfolio Management

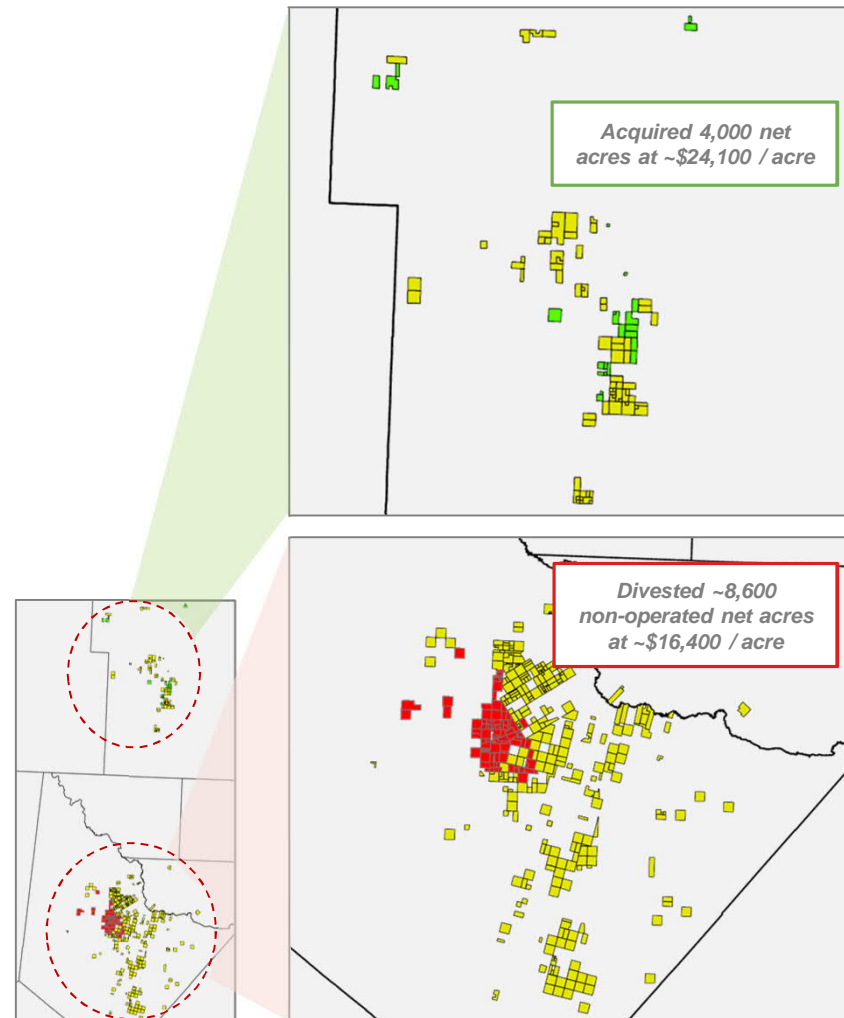
## Transaction overview

	N. Delaware acquisition	S. Delaware divestiture
Closing date:	Feb-18	Mar-18
Transaction value (\$ mm)	\$94.7	\$140.7
Net acreage	~4,000	~8,600
<i>Working interest %</i>	95%	32%
Valuation (\$ / acre) <sup>1</sup>	\$24,100	\$16,400

## Portfolio Management rationale

- Divest non-operated acreage and acquire operated acreage in core area; enhance operational control
- Expand contiguous acreage footprint in New Mexico
  - ~30% increase in Lea County net acres
- Transactions generate net cash to CDEV, to be deployed into drilling program and/or other bolt-on opportunities
- Acquisition and divestiture transacted at valuations in line with other recent Delaware deals

## Asset map

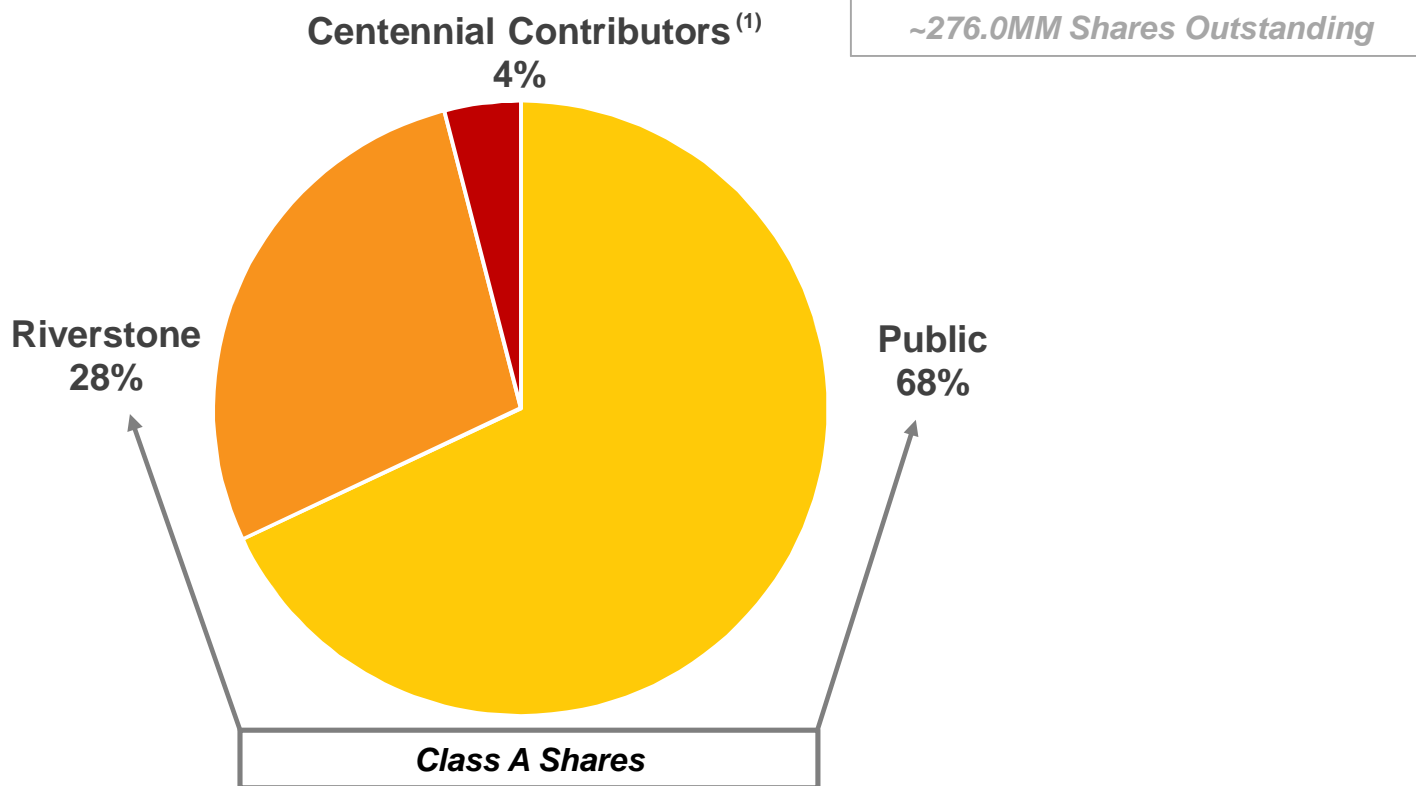


(1) Valuation based on total purchase price divided by total net acreage; unadjusted for PDP production

# Current Share Structure

- ~264 million Class A Common shares
- ~12 million Class C Common shares
- ~8 million Warrants

## Ownership Summary (excluding warrants)



(1) Represents CRD, NGP Follow-On and Celerio, collectively

# Centennial Summary

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- Unhedged, oil weighted Delaware Basin pure-play
- Quality acreage position
- One of the highest debt-adjusted oil growth CAGR
- Best mid-cap shale development technical team
- Conservative management
- Very low debt
- Focus on GAAP ROE's / ROCE's