CALIFORNIA RESOURCES CORPORATION

VALUE-DRIVEN

Second Quarter 2019 Earnings Review
August 1, 2019

Todd Stevens | President & CEO

Mark Smith | Senior EVP & CFO

Forward Looking / Cautionary Statements – Certain Terms

This presentation contains forward-looking statements that involve risks and uncertainties that could materially affect our expected results of operations, liquidity, cash flows and business prospects. Such statements include those regarding our expectations as to our future:

- financial position, liquidity, cash flows and results of operations
- business prospects
- transactions and projects
- operating costs
- Value Creation Index (VCI) metrics, which are based on certain estimates including future production rates, costs and commodity prices
- operations and operational results including production, hedging and capital investment
- budgets and maintenance capital requirements
- reserves
- type curves
- expected synergies from acquisitions and joint ventures

Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. While we believe assumptions or bases underlying our expectations are reasonable and make them in good faith, they almost always vary from actual results, sometimes materially. We also believe third-party statements we cite are accurate but have not independently verified them and do not warrant their accuracy or completeness. Factors (but not necessarily all the factors) that could cause results to differ include:

- commodity price changes
- debt limitations on our financial flexibility
- insufficient cash flow to fund planned investments, debt repurchases or changes to our capital plan
- inability to enter desirable transactions, including acquisitions, asset sales and joint ventures
- legislative or regulatory changes, including those related to drilling, completion, well stimulation, operation, maintenance or abandonment of wells or facilities, managing energy, water, land, greenhouse gases or other emissions, protection of health, safety and the environment, or transportation, marketing and sale of our products
- joint ventures and acquisitions and our ability to achieve expected synergies
- the recoverability of resources and unexpected geologic conditions
- incorrect estimates of reserves and related future cash flows and the inability to replace reserves
- changes in business strategy
- PSC effects on production and unit production costs
- effect of stock price on costs associated with incentive compensation
- insufficient capital, including as a result of lender restrictions, unavailability of capital markets or inability to attract potential investors
- effects of hedging transactions
- equipment, service or labor price inflation or unavailability
- availability or timing of, or conditions imposed on, permits and approvals
- lower-than-expected production, reserves or resources from development projects, joint ventures or acquisitions, or higher-than-expected decline rates
- disruptions due to accidents, mechanical failures, transportation or storage constraints, natural disasters, labor difficulties, cyber attacks or other catastrophic events
- factors discussed in “Item 1A – Risk Factors” in our Annual Report on Form 10-K available on our website at crc.com.

Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "goal," "intend," "likely," "may," "might," "plan," "potential," "project," "seek," "should," "target, "will" or "would" and similar words that reflect the prospective nature of events or outcomes typically identify forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made and we undertake no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

See the Investor Relations page at www.crc.com for important information about 3P reserves and other hydrocarbon resource quantities, PV-10 and standardized measure, finding and development (F&D) costs, recycle ratio calculations, reserve replacement ratios, Value Creation Index (VCI), debt adjusted shares calculation, drilling locations and reconciliations of non-GAAP measures to the closest GAAP equivalent.

Key Highlights

	ACTIVITY	PRODUCTION	CAPITAL	Adj. EBITDA[3]
2nd Quarter 2019	**39 Total Wells Drilled[1]** Includes 37 CRC wells	**129 Mboe/d** 61% Oil	**$140 Million[2]** $124 million internally funded	**$255 Million** $1.2 billion LTM
First Half 2019	**99 Total Wells Drilled[1]** Includes 79 CRC wells	**131 Mboe/d** 63% Oil	**$278 Million[2]** $228 million internally funded	**$556 Million** $1.2 billion LTM

[1] Includes all wells drilled by CRC, including BSP and MIRA wells. Includes steam injectors and drilled but uncompleted wells, which would not be included in the SEC definition of wells drilled.
[2] Includes BSP and MIRA capital.
[3] See the Investor Relations page at www.crc.com for historical reconciliations to the closest GAAP measure and other important information.

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CRC's Value-Driven Strategic Approach

Capture Value of Portfolio

- Pursue value-driven production growth
- Delineate future growth areas
- Enhance already substantial inventory
- Pursue strategic joint ventures

Ensure Effective Capital Allocation

- Utilize VCI-based decision-making
- Optimize core operating area investment
- Enhance targeted growth area investment
- Pursue impactful capital workovers

Drive Operational Excellence

- Streamline processes
- Apply technology
- Leverage sizeable infrastructure
- Drive strategic consolidation
- Employ new thinking and approaches

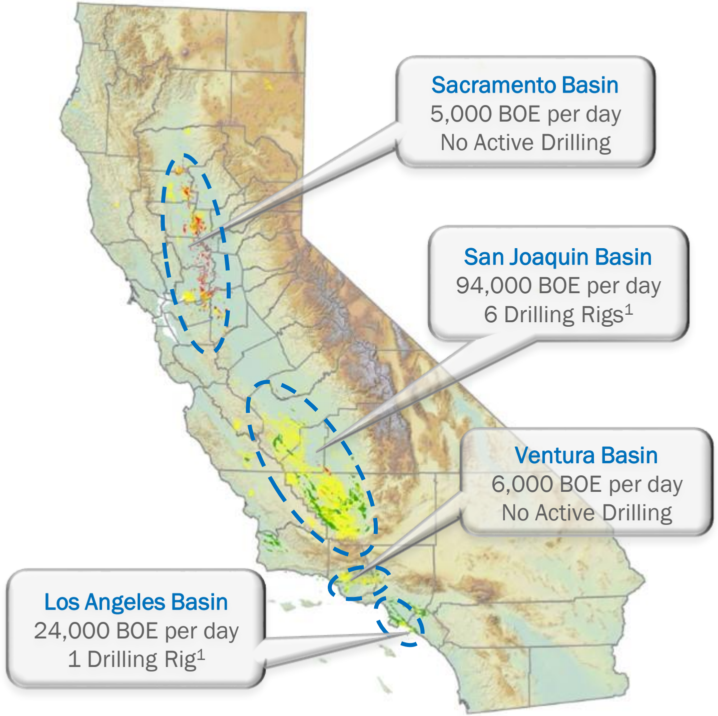
Strengthen Balance Sheet

- Reinvest to grow cash flow
- Simplify capital structure
- Enhance credit metrics
- Pursue value-accretive M&A
- Reduce absolute level of debt

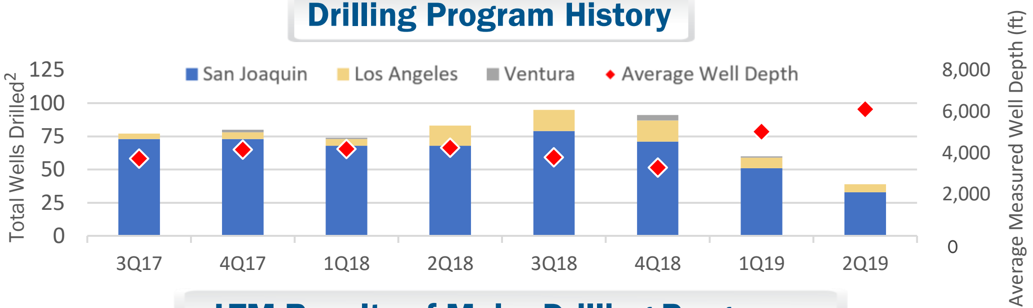
Proven and pressure-tested strategic approach preserved value through the downturn and is set to drive significant value creation for years to come

Development Activity Driving Growth

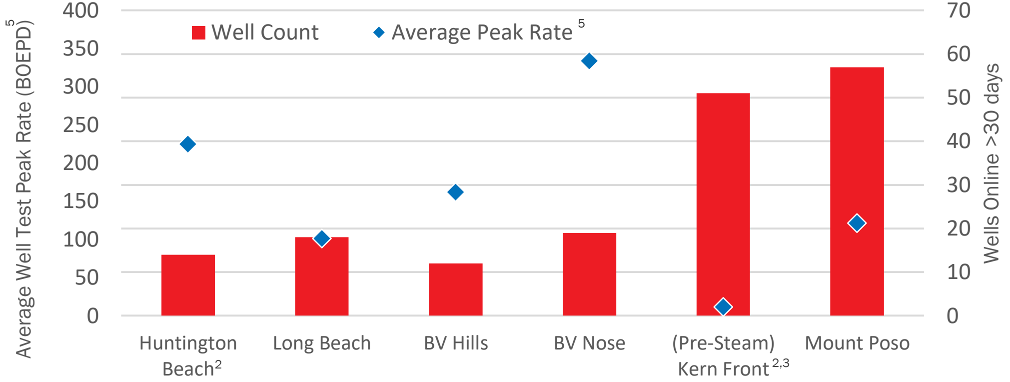
Q2 2019 Operations Results



Drilling Program History



LTM Results of Major Drilling Programs



	Huntington Beach	Long Beach	BV Hills	BV Nose	(Pre-Steam) Kern Front	Mount Poso
Average D&C Cost per well[4]	$3.3 MM	$1.7 MM	$2.1 MM	$3.8 MM	$0.5 MM	$0.7 MM
	Los Angeles Basin		San Joaquin Basin			

[1] Average CRC operated drilling rigs per quarter.
[2] Includes all wells drilled by CRC, including BSP and MIRA wells. Includes steam injectors and drilled but uncompleted wells, which would not be included in the SEC definition of wells drilled. [3] Kern Front wells are steamflood wells which have low IPs and then ramp up over a period of 12-24 months. [4] LTM drilling and completion costs may not be comparable to prior periods due to variances in project mix, well depth, horizontal length and other aspects. [5] Peak rate is the average highest well test rate for wells drilled in LTM.

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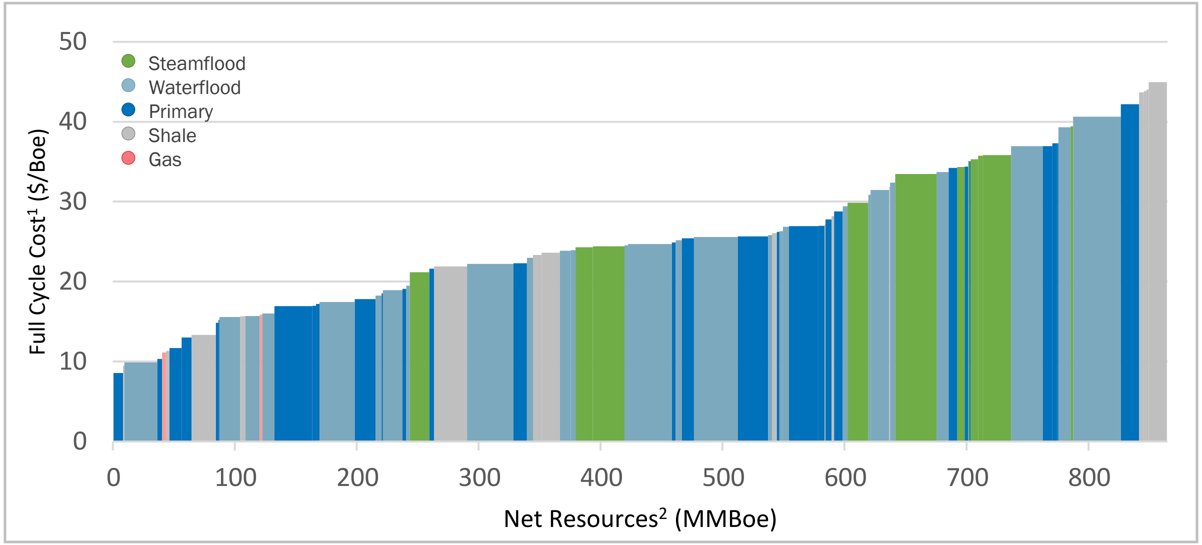
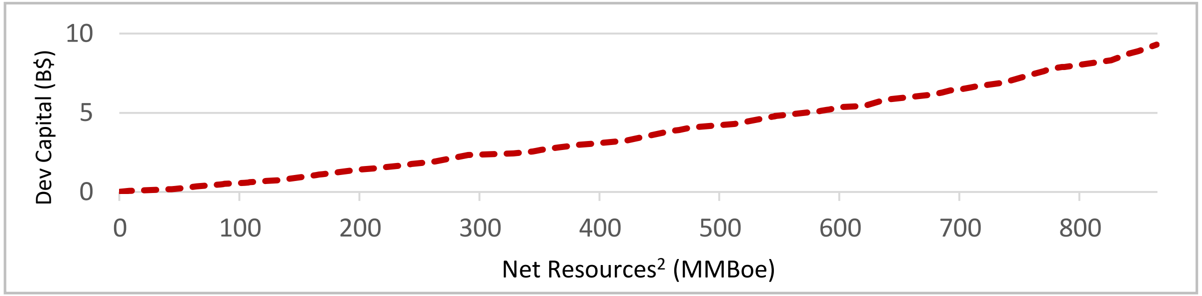
Unlocking Value with a Deep Inventory of Actionable Projects at $65 Brent

- **Fully burdened**, growth-focused portfolio
- Achieve a VCI of **1.3 or greater** at $65 Brent and $3.00 NYMEX
- Deliver **robust cash flow**
- Reflects all **recovery mechanisms** and **reserves types**
- Leverage existing infrastructure, while opportunistically **targeting new infrastructure investment**

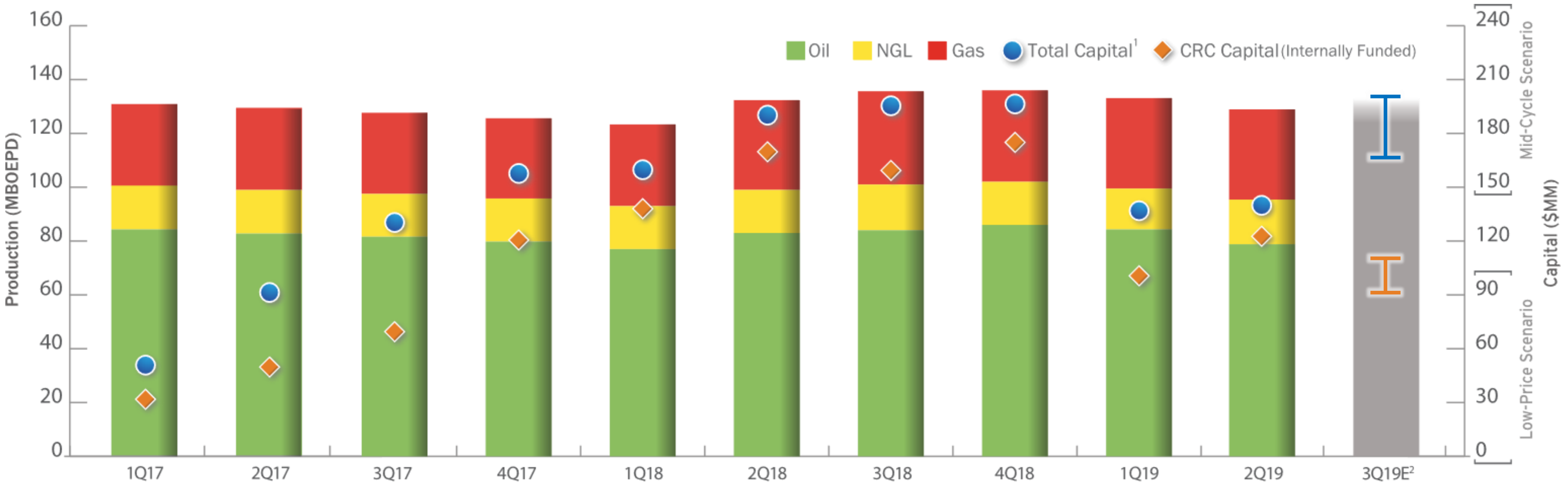
[1] Full cycle costs = operating costs + development costs + facility costs + field-level G&A + taxes other than on income.
[2] See the Investor Relations page at www.crc.com for details regarding 3P resources and other hydrocarbon resource quantities.





JVs Provide Additional Capital Flexibility

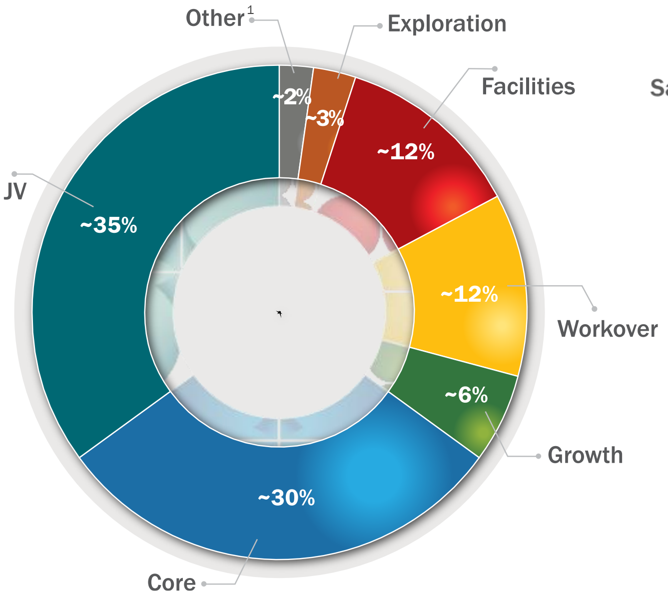
Net Production By Stream (MBOEPD)



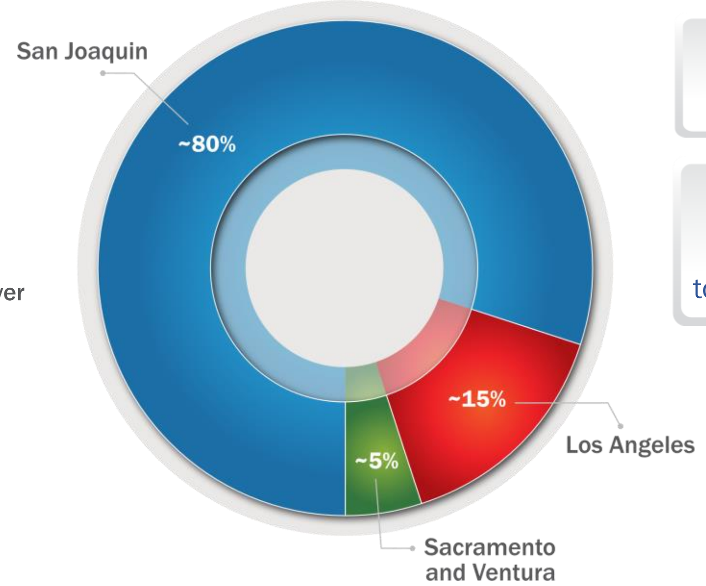
[1]Total Capital reflected in the graph includes the capital investment of internal CRC capital as well as JV partners BSP and MIRA. Our consolidated financial statements include BSP's investment and exclude MIRA's investment based on the accounting treatment of each venture.
[2]3Q19 capital guidance includes CRC, BSP, MIRA and Colony capital.

Disciplined Capital Plan Leverages Project Portfolio

2019E Total Capital



2019E Internally Funded Development Capital By Basin



2019 Internally Funded Capital Program $350 to $385 Million

Expect to Align with Discretionary Cash Flow

JV Capital $175 to $225 Million
to invest in Core and Growth properties

Core Program

Buena Vista | Elk Hills
Wilmington
Kern Front | Mount Poso

[1]Other includes corporate, maintenance and occupational health, safety and environmental projects, seismic and other investments.

Accelerating Value and Derisking Inventory through JVs

BENEFIT STREET PARTNERS

Up to $250MM
- Total of $200MM funded to date

Focus on the San Joaquin and Los Angeles Basins

Feb 2017

CRC operates all wells

Investor funds project capital in exchange for a net profits interest (NPI) held through a JV
- Investor preferred interest is redeemed upon achieving target IRR
- CRC retains early termination options

MACQUARIE

Up to $300MM
- Current commitment of $140MM, with $122MM funded to date

Focus on four fields within the San Joaquin Basin
- Kern Front, Mt. Poso, Pleito Ranch, Wheeler Ridge

April 2017

CRC operates all wells

DrillCo-type structure where investor funds 100% of project capital for 90% working interest (WI) in wells drilled, with CRC carried on its 10% WI
- CRC interest increases to 75% upon investor achieving target IRR
- CRC retains an acceleration option

ColonyCapital

Up to $500MM
- Current commitment of $320MM

Focus on portions of the Elk Hills field within the San Joaquin Basin

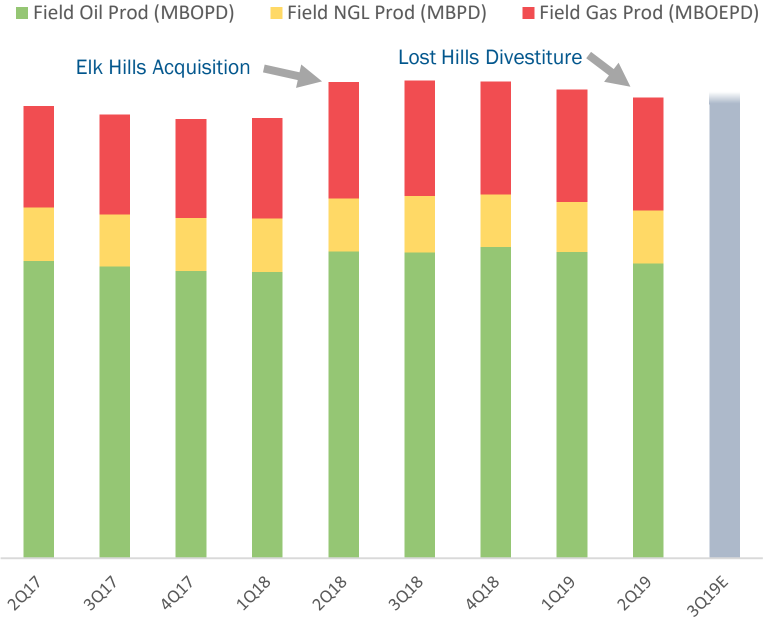
July 2019

CRC operates all wells

DrillCo-type structure where investor funds 100% of project capital for 90% WI in wells drilled, with CRC carried on its 10% WI
- CRC interest increases to 82.5% upon investor achieving target IRR

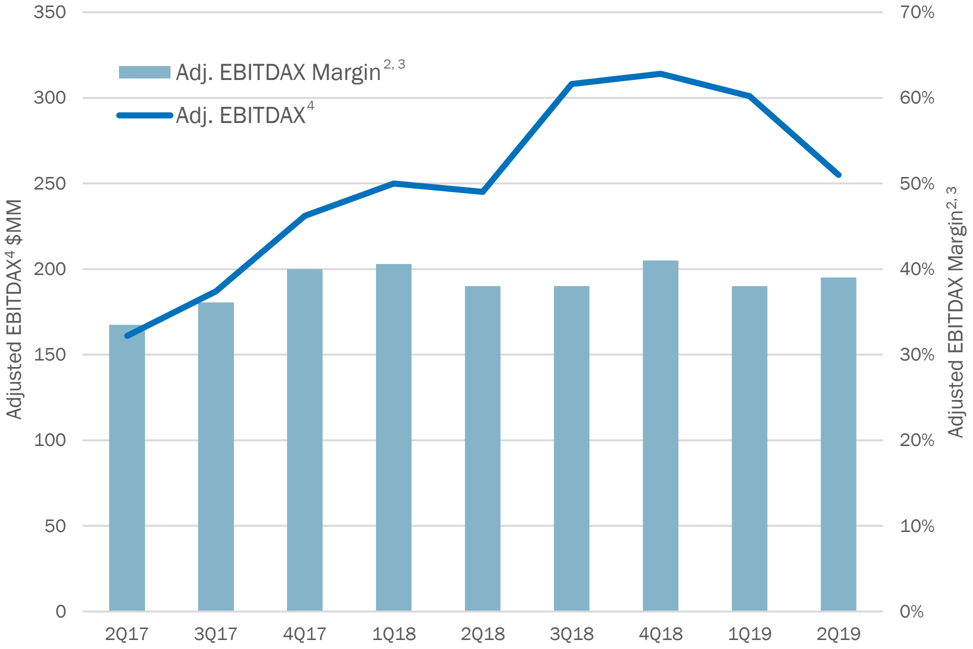
CRC Delivers Stable Production and Healthy Adjusted EBITDAX Margins

Field Production[1]



Strong oil production and Adjusted EBITDAX[4]

Adjusted EBITDAX[4] by Quarter



[1] Field Production includes gross production from the Wilmington field, which is subject to PSCs, and net production from all other assets.
[2] See Attachment 3 of the Earnings Release for the applicable periods for the calculation of Adj. EBITDAX Margin.
[3] Results for reporting periods beginning after January 1, 2018 are presented under the new revenue recognition accounting standard while prior periods are not adjusted and continue to be reported under accounting standards in effect for the applicable period.
[4] See the Investor Relations page at www.crc.com for a reconciliation of Adjusted EBITDAX to the closest GAAP measure and other important information.

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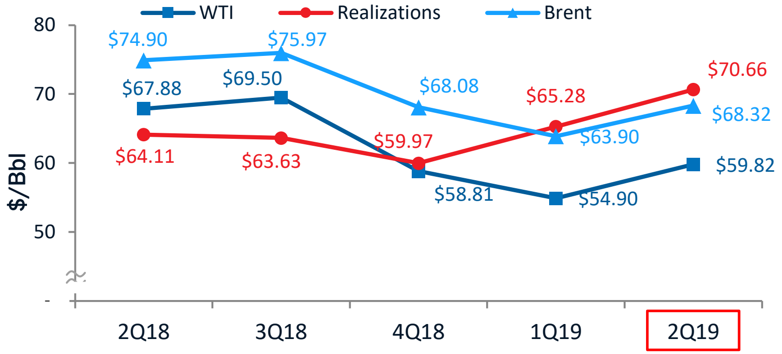
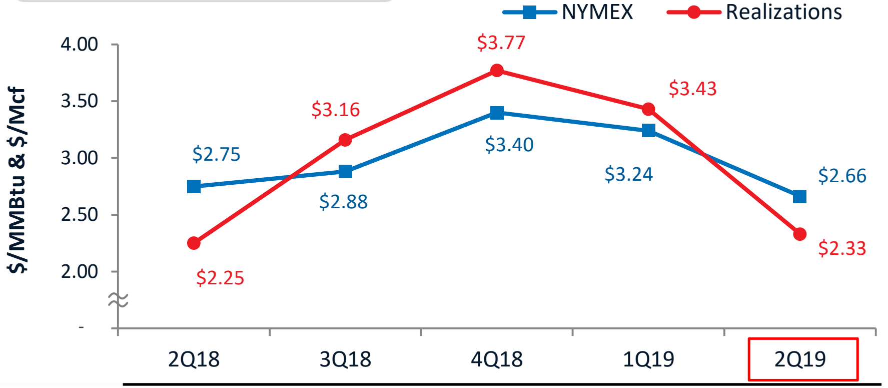
CRC Price Realizations – Strong Brent Realizations

Oil Price Realization (with Hedges)



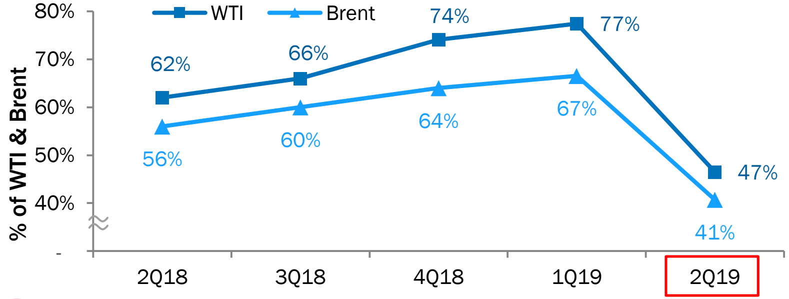
	2Q18	3Q18	4Q18	1Q19	2Q19
Realization % of WTI	**94%**	**92%**	**102%**	**119%**	**118%**

Gas Price Realization



	2Q18	3Q18	4Q18	1Q19	2Q19
Realization % of NYMEX	**82%**	**110%**	**111%**	**106%**	**88%**

NGL Price Realization - % of WTI & Brent



- California refinery demand for native crude continues to be strong and reduction in heavy waterborne crude has positively influenced differentials.
- Natural gas prices were impacted by temperate weather and excess local and national supply.
- NGL prices were impacted by excess supply locally and nationally as well as temperate weather in California.

CRC believes near-term crude oil realizations will remain strong

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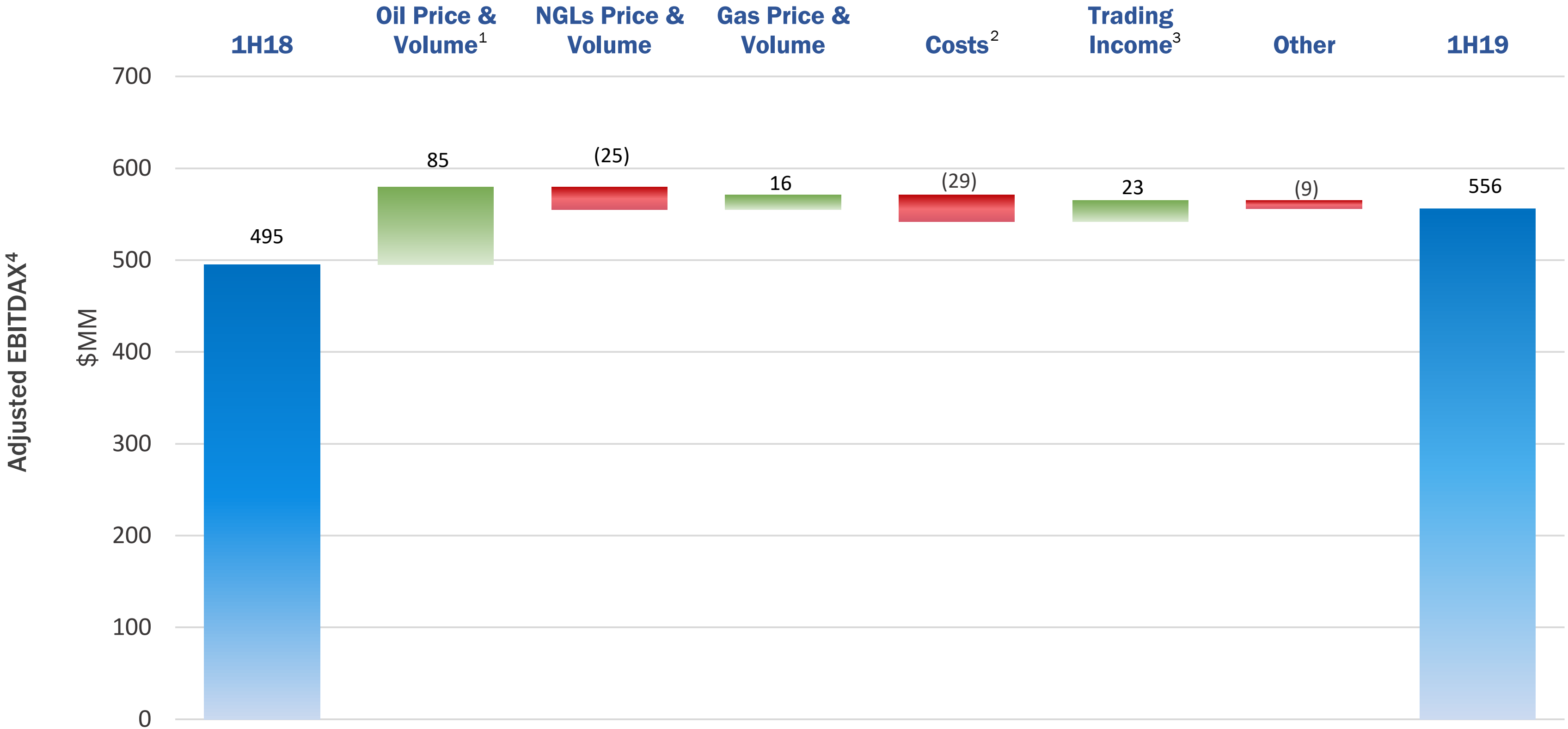
First Half 2019 Adj. EBITDAX – Benefited From Oil Price & Volume, Trading Income



[1] Includes the impact of settled hedges.
[2] Costs includes changes in operating expenses, general and administrative expenses and taxes.
[3] Trading income is seasonal in nature and is typically lower during milder weather.
[4] See the Investor Relations page at www.crc.com for historical reconciliations to the closest GAAP measure and other important information.

Second Quarter 2019 Results Comparison

	2Q18	1Q19	2Q19
Net (Loss) Income Attributable to Common Stock per Share – Diluted	$(1.70)	$(1.38)	$0.24
Adjusted Net (Loss) Income[1] per Share – Diluted	$(0.29)	$0.63	$(0.29)
Oil Production	83 MBbl/d	84 MBbl/d	79 MBbl/d
Total Production	134 MBoe/d	133 MBoe/d	129 MBoe/d
Realized Oil Price w/ Hedge ($/Bbl)	$64.11	$65.28	$70.66
Realized NGL Price ($/Bbl)	$42.13	$42.52	$27.82
Realized Natural Gas Price ($/Mcf)	$2.25	$3.43	$2.33
Net (Loss) Income Attributable to Common Stock	$(82) MM	$(67) MM	$12 MM
Adjusted EBITDAX[1]	$245 MM	$301 MM	$255 MM
Internally Funded Capital Investments	$170 MM	$104 MM	$124 MM
Cash Provided by Operating Activities	$34 MM	$158 MM	$114 MM

[1]See the Investor Relations page at www.crc.com for a reconciliation to the closest GAAP measure and other important information.

Quarterly Cost Comparison

	2Q18	1Q19	2Q19
Production costs ($/Boe)	$18.93	$19.46	$19.62
Production costs excluding PSC effects[1] ($/Boe)	$17.41	$18.01	$17.98
Taxes other than on income ($MM)	$37	$41	$36
Exploration expense ($MM)	$6	$10	$10
Interest expense ($MM)	$94	$100	$98

[1] See the Investor Relations page at www.crc.com for a reconciliation of production costs excluding PSC effects to the closest GAAP measure and other important information.

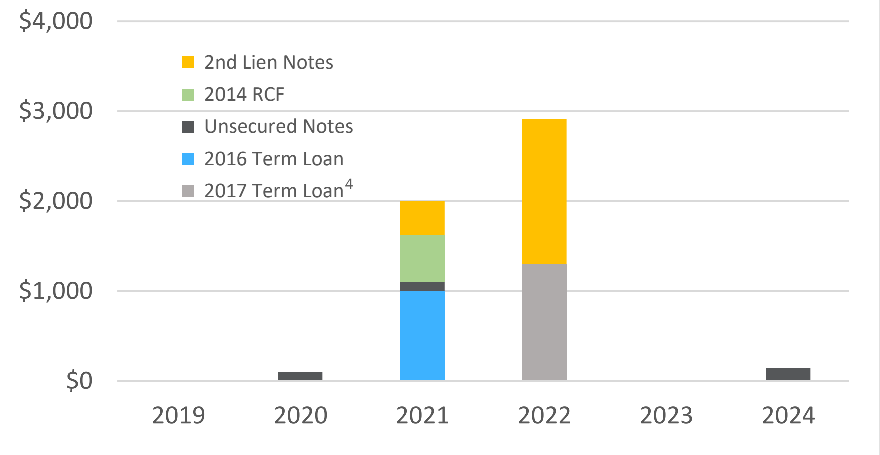
Improving Debt Metrics

Capitalization ($MM)

	6/30/2019
1st Lien 2014 Revolving Credit Facility (RCF)	$ 525
1st Lien 2017 Term Loan	1,300
1st Lien 2016 Term Loan	1,000
2nd Lien Notes	1,991
Senior Unsecured Notes	344
Total Debt	5,160
Less cash	(15)[1]
Total Net Debt	5,145
Mezzanine Equity	777
Total Equity	(279)
Total Net Capitalization	$ 5,643

Total Debt / Total Net Capitalization	91%
Total Debt / LTM Adjusted EBITDAX[2]	4.4x
LTM Adjusted EBITDAX[2] / LTM Interest Expense	3.0x
PV-10[3] / Total Debt	1.8x
Total Debt / Proved Reserves[3] ($/Boe)	$7.25
Total Debt / Proved Developed Reserves[3] ($/Boe)	$9.74
Total Debt / 2Q19 Production ($/Boepd)	$40,000

Debt Maturities ($MM)



[1] Excludes $12 MM of restricted cash.

[2] See the Investor Relations page at www.crc.com for historical reconciliations to the closest GAAP measure and other important information.

[3] Proved Reserves and PV-10 estimates are as of 12/31/18 and based on SEC18 prices of $71.75 Brent / $3.10 NYMEX. See the Investor Relations page at www.crc.com for details on how PV-10 is calculated.

[4] The 2017 Term Loan remains subject to a springing maturity in October 2021 related to the outstanding balance of the 2016 Term Loan.

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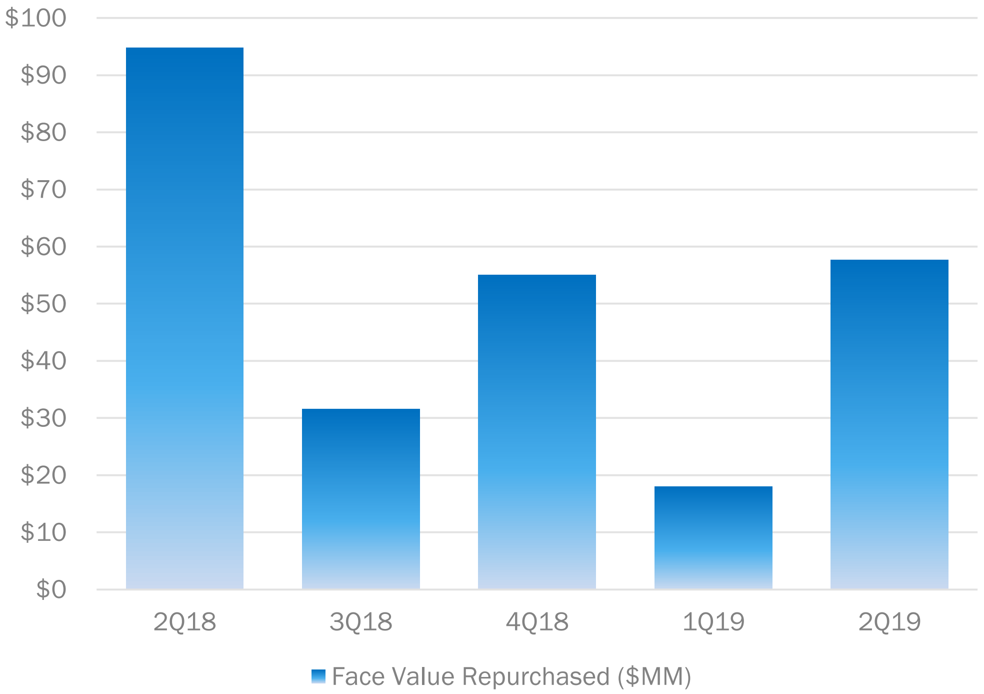
Debt Repurchases

- CRC has opportunistically **repurchased approximately $260MM** in face value of Second Lien Notes since issuance
- Received an **average discount of 16 percent** from the face value, for **a discount capture of over $40MM**
- Continue to **target 10-15% of discretionary cash flow** for balance sheet strengthening

Second Lien Note Repurchases



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Third Quarter 2019 Guidance

Anticipated Realizations Against the Prevailing Index Prices for 3Q19			
Oil	95%	to	100% of Brent
NGLs	36%	to	41% of Brent
Natural Gas	105%	to	115% of NYMEX
Production, Capital and Income Statement Guidance			
Production[1]	127	to	132 MBOEPD
Capital[2]	$165	to	$195 million
Production Costs[1]	$18.25	to	$19.75 per Boe
Adjusted G&A[1, 3]	$6.30	to	$6.70 per Boe
DD&A[1]	$9.85	to	$10.15 per Boe
Taxes other than on income	$41	to	$45 million
Exploration expense	$3	to	$8 million
Interest expense	$92	to	$97 million
Cash interest	$70	to	$75 million
Effective tax rate	--	to	--
Cash tax rate	--	to	--

[1]Ranges in the above table are based on average Q3 2019 Brent price of $65 per barrel. If based on average Q3 2019 Brent price of $70 per barrel, production guidance would range from 126 to 131 MBOEPD and production costs would range from $18.45 to $19.95 per BOE. [2]Capital guidance includes CRC, BSP, MIRA and Colony capital. For further detail on our Q3 2019 guidance, please see our latest Earnings Release. [3] See the Investor Relations page at www.crc.com for historical reconciliations to the closest GAAP measure and other important information.

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Opportunistically Built Oil Hedge Portfolio

Strategy

Protect cash flow, operating margins and capital investment program

Hedge program continues to target 50% of crude oil production and provides significant upside exposure to commodity price movement

		3Q19	4Q19	1Q20	2Q20
Purchased Puts	Barrels per Day	40,000	35,000	25,000	10,000
	Weighted Average Price per Barrel	$73.13	$75.71	$72.00	$70.00
Sold Puts	Barrels per Day	40,000	35,000	25,000	10,000
	Weighted Average Price per Barrel	$57.50	$60.00	$57.00	$55.00
Swaps	Barrels per Day	-	-	-	5,000[1]
	Weighted Average Price per Barrel	-	-	-	$70.05
Percentage of 2Q19 Oil Production Hedged Against Downside		**51%**	**44%**	**32%**	**19%**

Note: The BSP JV entered into crude oil derivatives that are included in our consolidated results but not in the above table. For further information please see Attachment 8 of our Q2 2019 Earnings Release.

[1]Counterparties have the option to increase swap volumes by up to 5,000 barrels per day at a weighted-average Brent price of $70.05 for the second quarter of 2020.

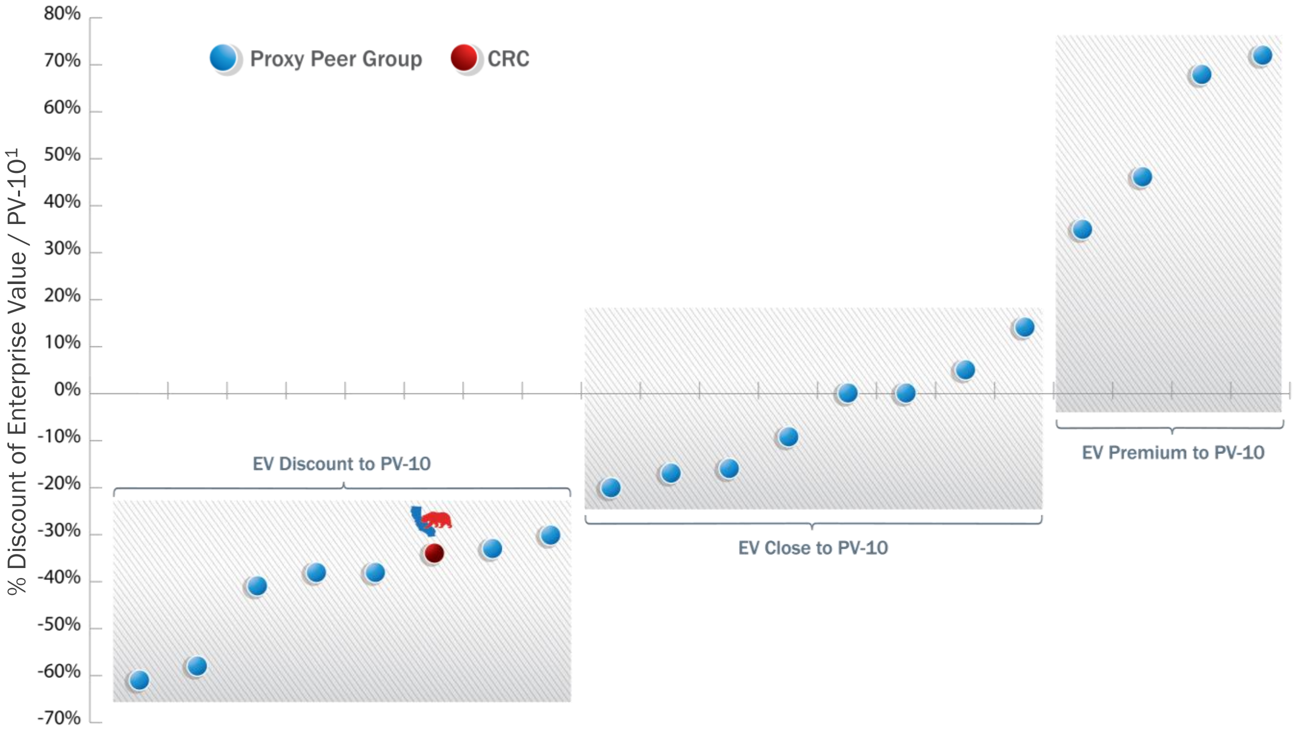
CRC Significantly Undervalued

EV Significantly Undervalued

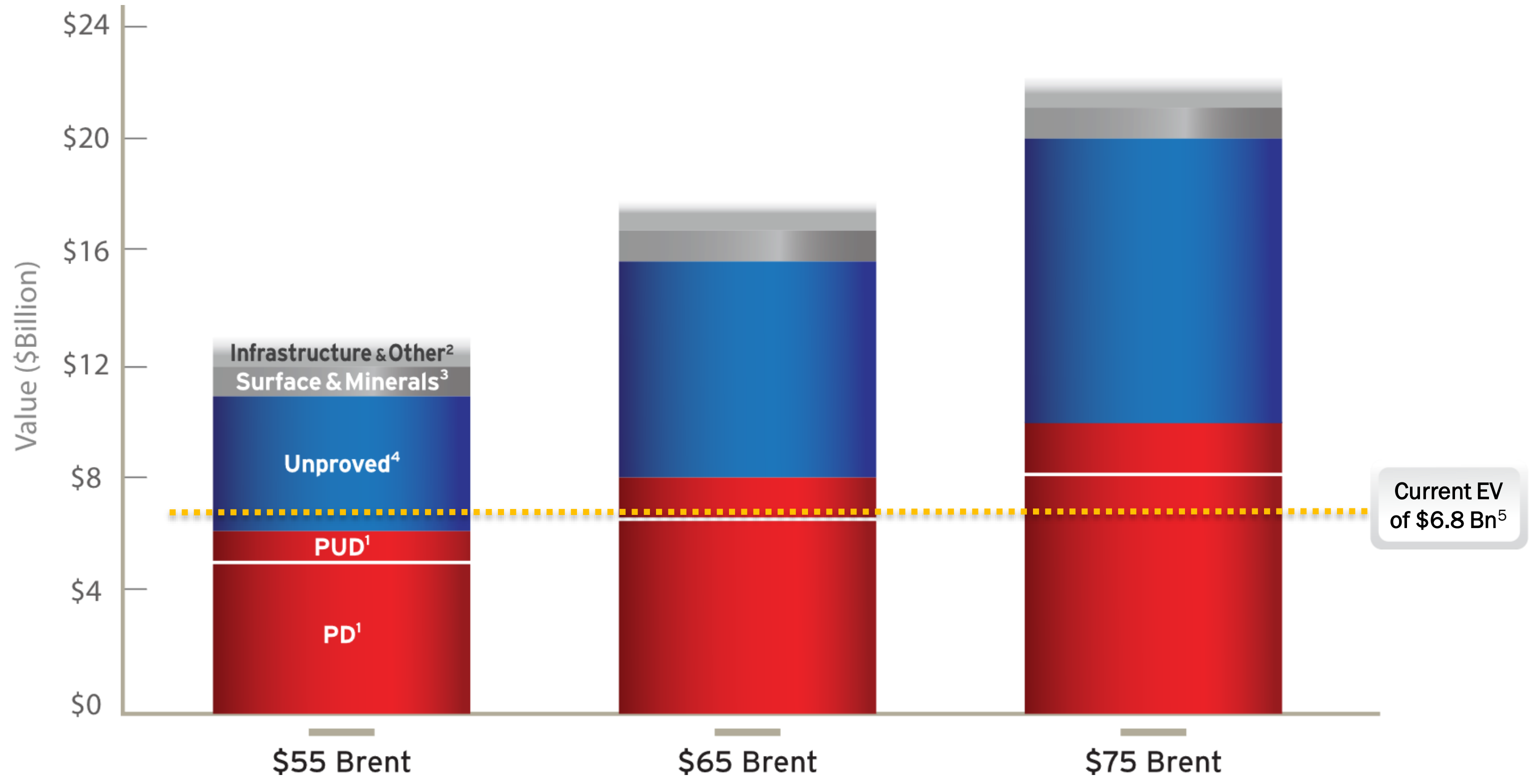
CRC has a top PV-10[1] value among Proxy peers, but is undervalued by enterprise value.

CRC's market cap and fair value of debt are significantly below the PV-10[1] value of our assets.

[1]PV-10 values as disclosed in 4Q18 and effective 12/31/18 using 2018 SEC pricing: Brent $71.75, WTI $65.55, NYMEX $3.10. Total debt and market capitalization as of 6/30/19. Note Proxy peers include: COG, CPE, CRZO, DNR, EPE, FANG, LPI, MTDR, MUR, OAS, PDCE, PE, QEP, RRC, SM, SWN, WLL, WPX, XEC.



Current Enterprise Value Deeply Discounted



[1-5] See endnotes in the Appendix. See the Investor Relations page at www.crc.com for important information about 3P reserves and other hydrocarbon quantities.

Disciplined Execution on Highest Value Projects to Deliver Substantial Value

VALUE DRIVEN

- Portfolio of world-class assets investable throughout the commodity cycle
- Robust inventory of high value growth projects
- Deep operational knowledge and technical expertise
- Integrated and complementary infrastructure
- Disciplined and effective capital allocation

Balance capital investment with **Financial Strengthening Efforts** for best long-term value creation

Balance Sheet Goals	High VCI Projects
Reduce Debt	Core Operating Areas
Reduce Fixed Charges	Growth Prospects
Simplify Balance Sheet	Investing for the Future

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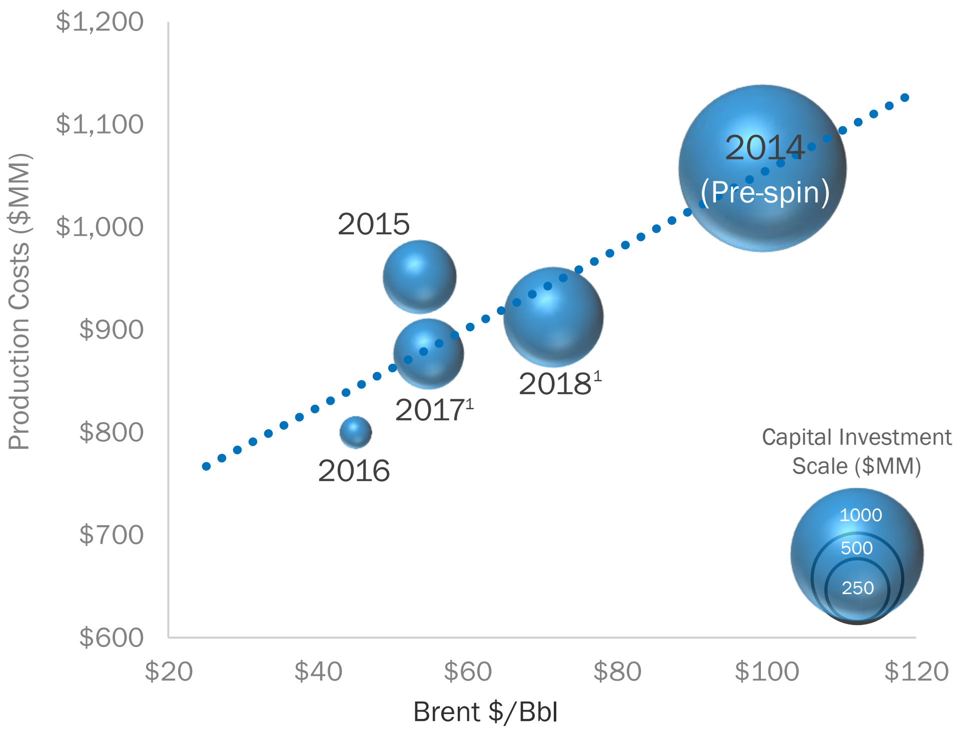
APPENDIX

Demonstrated Experience Controlling Production Costs Through Price Cycle

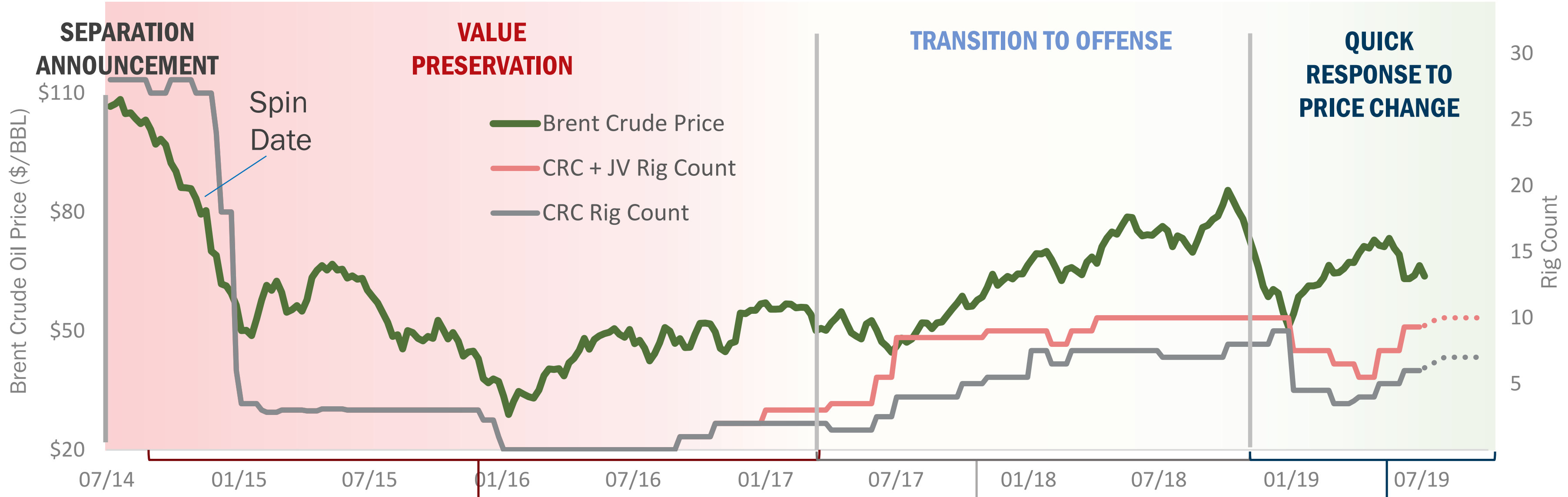
- **Capital investment scales** with commodity price changes
- **Flexible operations** and **shallow base decline** allow for quick response to commodity price changes while **preserving value**
- **Consistently controlled production costs** throughout **price cycles**
- Production costs have been **as low as approximately $15/boe when commodity prices reached a relative low point**

Annual Production Costs & Capital Investment[1]



[1]Includes JV Capital.

Pressure Tested Through Cycle and Focused on Long-Term Value



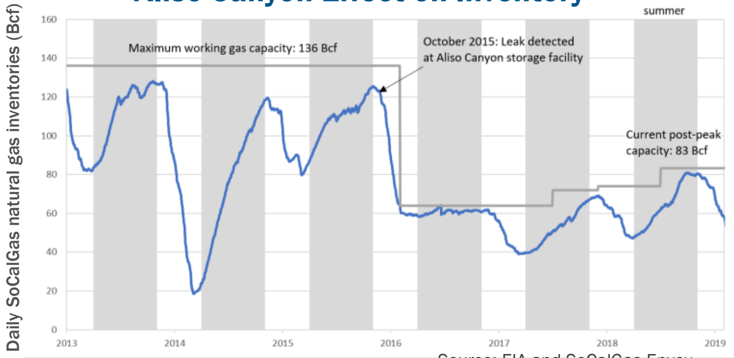
Cut rigs
Began hedging
Managed liabilities
Utilized existing facilities
Protected base production

Increased activity
Engaged in JVs
Locked in hedges
Increased liquidity
Extended maturities

Invest for value preservation
Drill high-graded portfolio
Invest in exploration and facilities
Strengthen balance sheet
Enter new JV with Colony

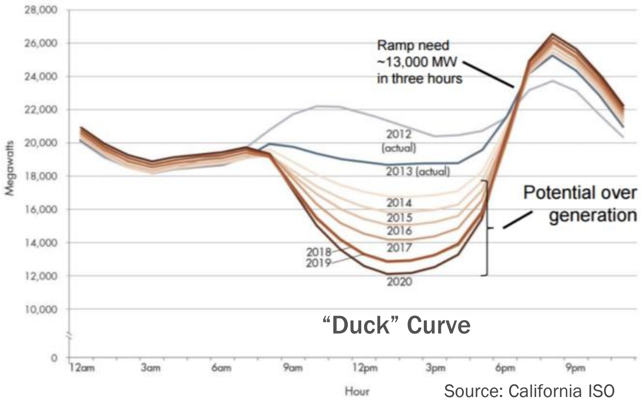
California Policies Impact Natural Gas Prices

Aliso Canyon Effect on Inventory



Source: EIA and SoCalGas Envoy

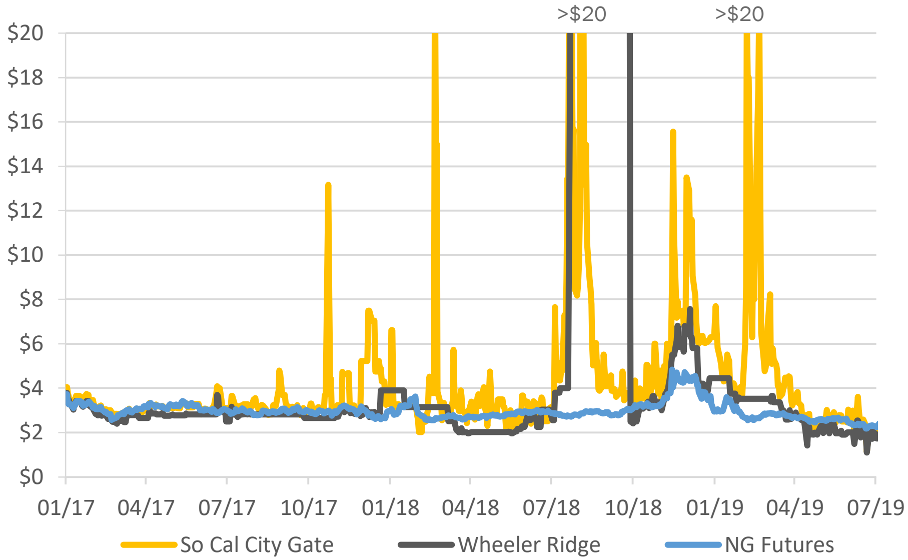
Impact of Solar Generation



"Duck" Curve

Source: California ISO

Lack of Natural Gas Storage and Peak Demand



California Natural Gas Prices

Source: Bloomberg

Limited third-party storage, peak demand, and reliance on renewable sources have increased volatility in local natural gas prices

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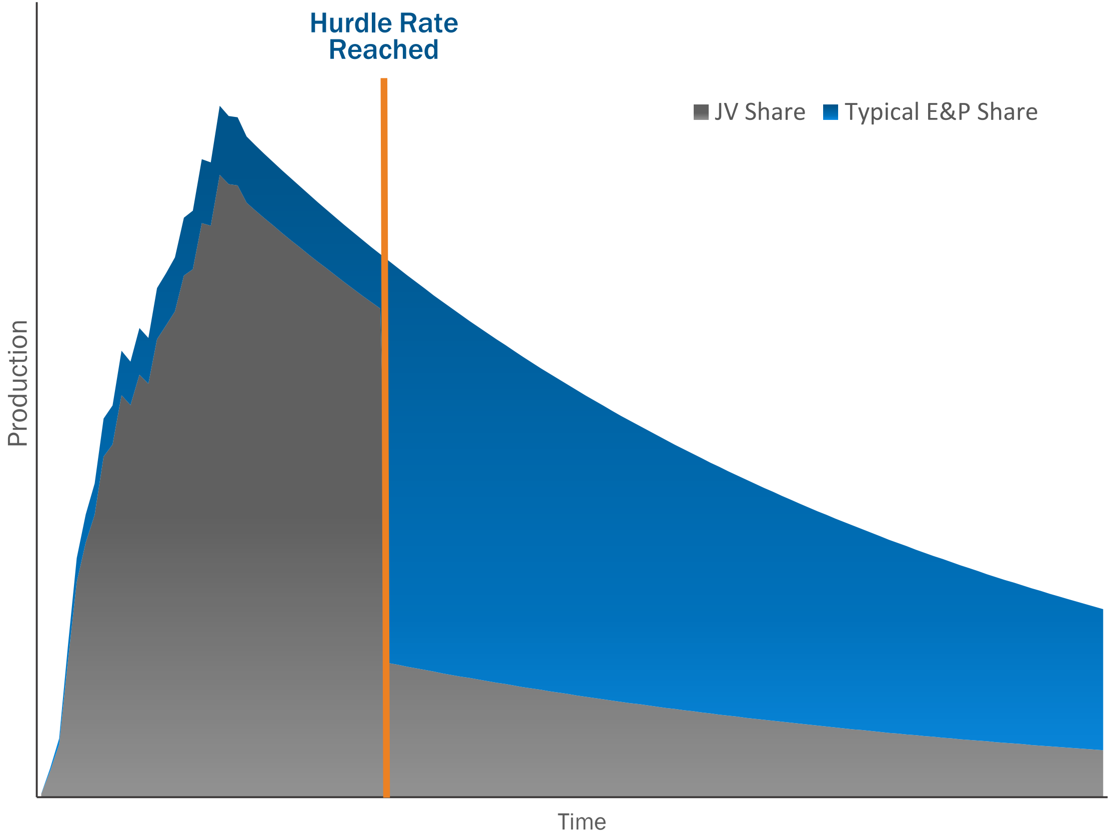
Typical DrillCo JV Structure

- **Based on recent industry JV deals, a typical DrillCo structure is**
  - Partner pays 80-100% Capital
  - Partner receives 80-100% Working Interest in wells drilled
  - Typical hurdle rate:
    - 10% - 20% IRR
  - Partner’s working interest if hurdle rate is achieved:
    - 5% - 25%

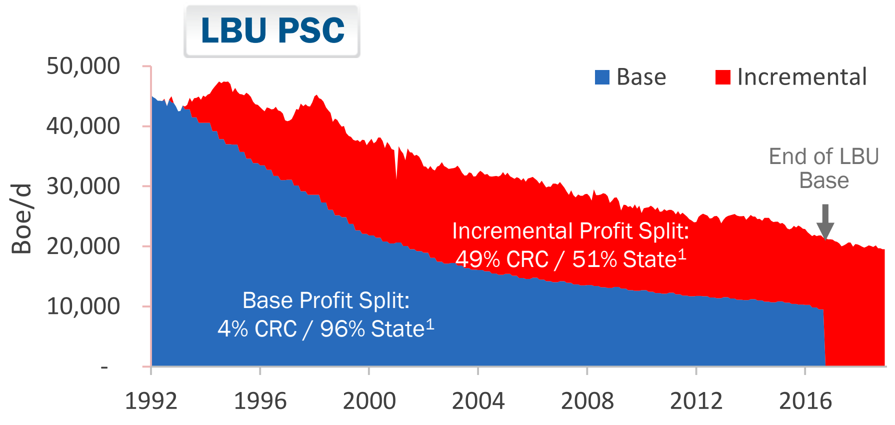


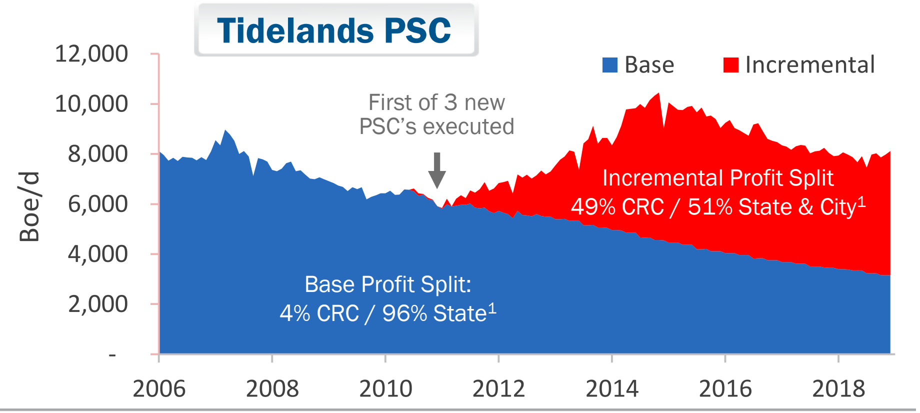
Midstream Joint Venture

Summary of Deal	
Partner	▪ Affiliate of Ares Management (Ares)
Contributed Assets	▪ Elk Hills power plant, gas processing assets and related non-borrowing base infrastructure owned by CRC
Midstream JV Capitalization	▪ Class A common interests (voting) owned 50% by Ares and 50% by California Resources Elk Hills (CREH) ▪ Class B preferred interests ("Preferred") owned 100% by Ares ▪ Class C common interests (distributing) owned 95.25% by CREH and 4.75% by Ares
Distribution to Partners	▪ Preferred interests to receive preferred distributions of 13.5% per annum on the $750 MM contributed amount ▪ 9.5% cash pay and 4.0% PIK to be deferred for the first three years ▪ Deferred distributions are interest bearing and repaid over two years following the deferral period ▪ Remaining cash after Preferred distributions to be distributed pro rata to Class C interests
Exit Provisions	▪ Prior to end of 5 or 7.5 years, CRC may redeem Preferred at variable amounts that include make whole premiums ▪ At end of 5 years, CRC may elect to either redeem or extend to 7.5 years ▪ At 7.5 years, if not redeemed by CRC, Preferred can monetize the JV
Board	▪ Board of Managers consists of three CRC representatives and three representatives from Ares

Wilmington Field – Production Sharing Contracts

- Over 90% of CRC's Long Beach production is covered under **Production Sharing Contracts (PSCs)** with the State and the City of Long Beach
- CRC's net production decreases when prices rise and increases when prices decline
- "Base" rate/profit is defined in contracts
  - State/City receive most of base profit
  - CRC receives remainder
- "Incremental" rate/profit is everything greater than the Base
- Per the provisions of the contract, the Base of the LBU PSC ended in 4Q 2016





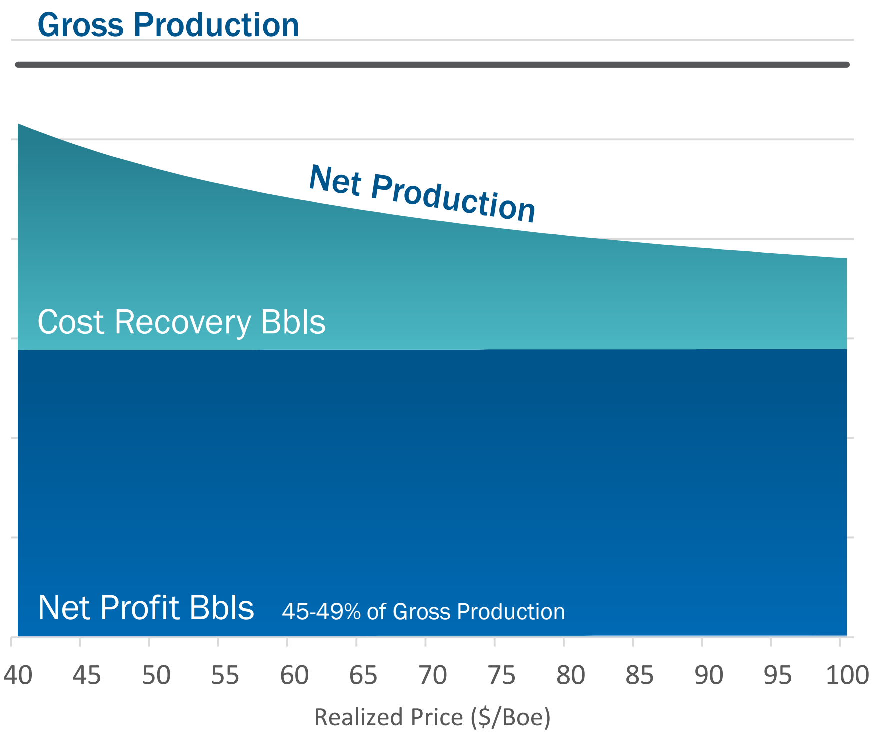
[1]Average profit split %.

Wilmington Production Sharing Contracts

- **Over 25% of CRC's oil production is subject to Production Sharing Contracts**
- **PSC Mechanics**
  - CRC pays our partners' share of the Operating and Capital Cost
  - CRC recovers our partners' portion of the cost in barrels
  - CRC receives 45-49% of the gross production as "Profit Barrels"
- **As prices rise, fewer barrels are required to recover our partners' portion of the cost**

Higher oil prices result in higher cash flow, but lower net production

Effect of Oil Price on Net Production



End Notes

From Slide 20

[1] CRC estimate of reserves value as of December 31, 2018. Includes field-level operating expenses, G&A and taxes other than on income. Assumes $3.00/MMBTU NYMEX in all cases.

[2] Reflects the value of facilities and midstream assets, excluding assets owned by the Ares JV, at 50% of estimated replacement value. This discount is estimated to exceed the burden on reserves that would be incurred if assets were monetized. Does not include value of extensive seismic library.

[3] Surface & Mineral reflects the estimated value of undeveloped surface and mineral acreage held in fee.

[4] Unproved reserves are comprised of risked probable and possible reserves as of December 31, 2018.

[5] Calculated using June 30, 2019 debt at par and a market cap as of 7/30/2019. Includes non-controlling interests reported as mezzanine and permanent equity as of June 30, 2019.

See the Investor Relations page at www.crc.com for important information about 3P reserves and other hydrocarbon resource quantities, PV-10 and standardized measure, finding and development (F&D) costs, recycle ratio calculations, reserve replacement ratios, Value Creation Index (VCI), debt adjusted shares calculation, drilling locations and reconciliations of non-GAAP measures to the closest GAAP equivalent.