



NYSE:CRK

4TH QUARTER 2019 RESULTS

FEBURARY 27, 2020

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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 2018 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.*
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2019 ACCOMPLISHMENTS

- Completed the \$2.2 billion acquisition of Covey Park Energy in July
 - *Added 249,000 net acres in the Haynesville shale with approximately 1,200 net drilling locations*
 - *Added 700+ MMcfe/day of production and 2.9 Tcfe of proved SEC reserves*
- Successfully integrated Covey Park operations in less than six months
 - *Met or exceeded acquisition goals, including reducing combined G&A from \$61 million to \$30 million, improving well costs and reducing G&T costs*
 - *Reconstituted senior management team with addition of four Covey Park VPs*
- Have industry leading operating cost structure post merger
- Strong drilling results from 2019 Haynesville/Bossier shale drilling program
 - *64 (46.5 net) successful operated wells drilled*
 - *61 (45.5 net) operated wells completed with an average IP Rate of 25 MMcf per day*
 - *37% growth in production (pro forma for acquisitions)*
- Completed bolt-on Haynesville acquisition for 4.5 million shares of common stock
 - *Acquired 3,155 net acres with 44 (12.7 net) undrilled locations*
 - *Added 76 Bcf of proved reserves*
- Grew proved reserve base at low all-in finding costs of 72¢ per Mcfe*
 - *SEC Proved reserves grew 125% to 5.4 Tcfe*
 - *SEC PV 10 Value grew by 85% to \$3.3 billion*

**Excluding price-related revisions*

4TH QUARTER HIGHLIGHTS

- Haynesville/Bossier shale drilling program continues to deliver
 - *Consistent results from a proven drilling program – Comstock and Covey Park have drilled and completed 217 operated wells since 2015 which have an average IP rate of 23 MMcf/day*
 - *Pro-Forma Haynesville shale production in the fourth quarter was up 37% from the fourth quarter in 2018*
 - *Current well costs (per lateral ft) down 20% from fourth quarter 2018 costs*
- Strong gas production growth in the quarter was offset by weaker natural gas prices
 - *Fourth Quarter Results –*
 - Oil and Gas Sales - \$309 million*
 - Adjusted EBITDAX - \$235 million*
 - Operating Cash Flow - \$188 million (66¢ per share)**
 - Adjusted Net Income - \$49 million (22¢ per share)**

* Fully diluted and excluding transaction costs, unrealized loss on hedges, interest and dividend accretion due to adjustment to carrying value of Covey Park debt and the Series A Preferred Stock.

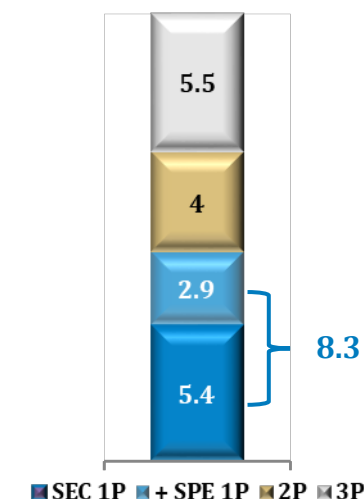
PROVED OIL & GAS RESERVES

	Oil <i>MBbls</i>	Gas <i>Bcf</i>	Total <i>Bcfe</i>
Proved Reserves as of 12/31/18	23,612	2,282.8	2,424.4
Production	(2,685)	(292.8)	(308.9)
Additions	259	315.3	316.8
Acquisitions	240	3,023.1	3,024.5
Divestitures	(58)	(49.5)	(49.9)
Price Revisions	(494)	(228.5)	(231.5)
Performance Revisions	(4,127)	291.1	266.6
Proved Reserves as of 12/31/19	16,747	5,341.5	5,442.0

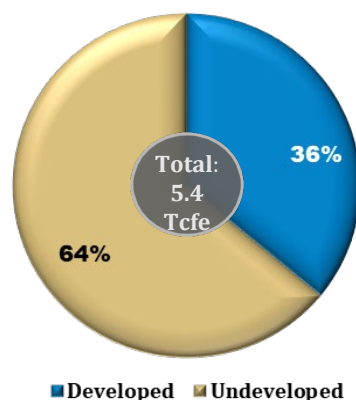
SEC PV 10 Value (million \$)

\$ 3,251.8

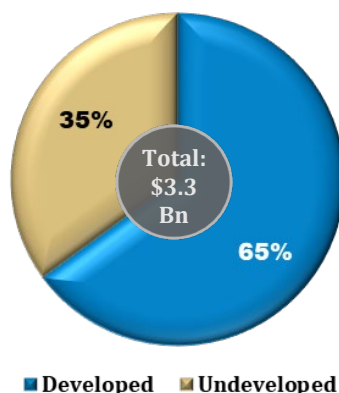
Total
Reserves
17.8 Tcfe



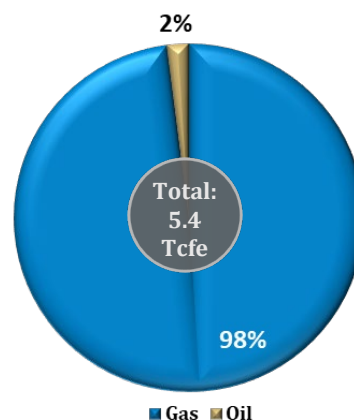
Reserves by Type



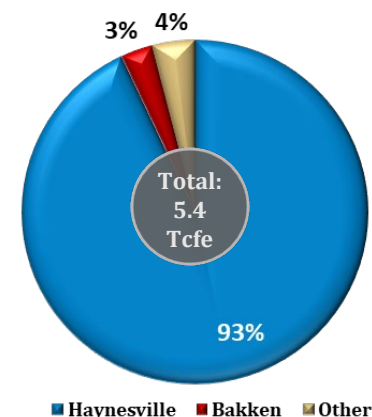
PV-10 by Type



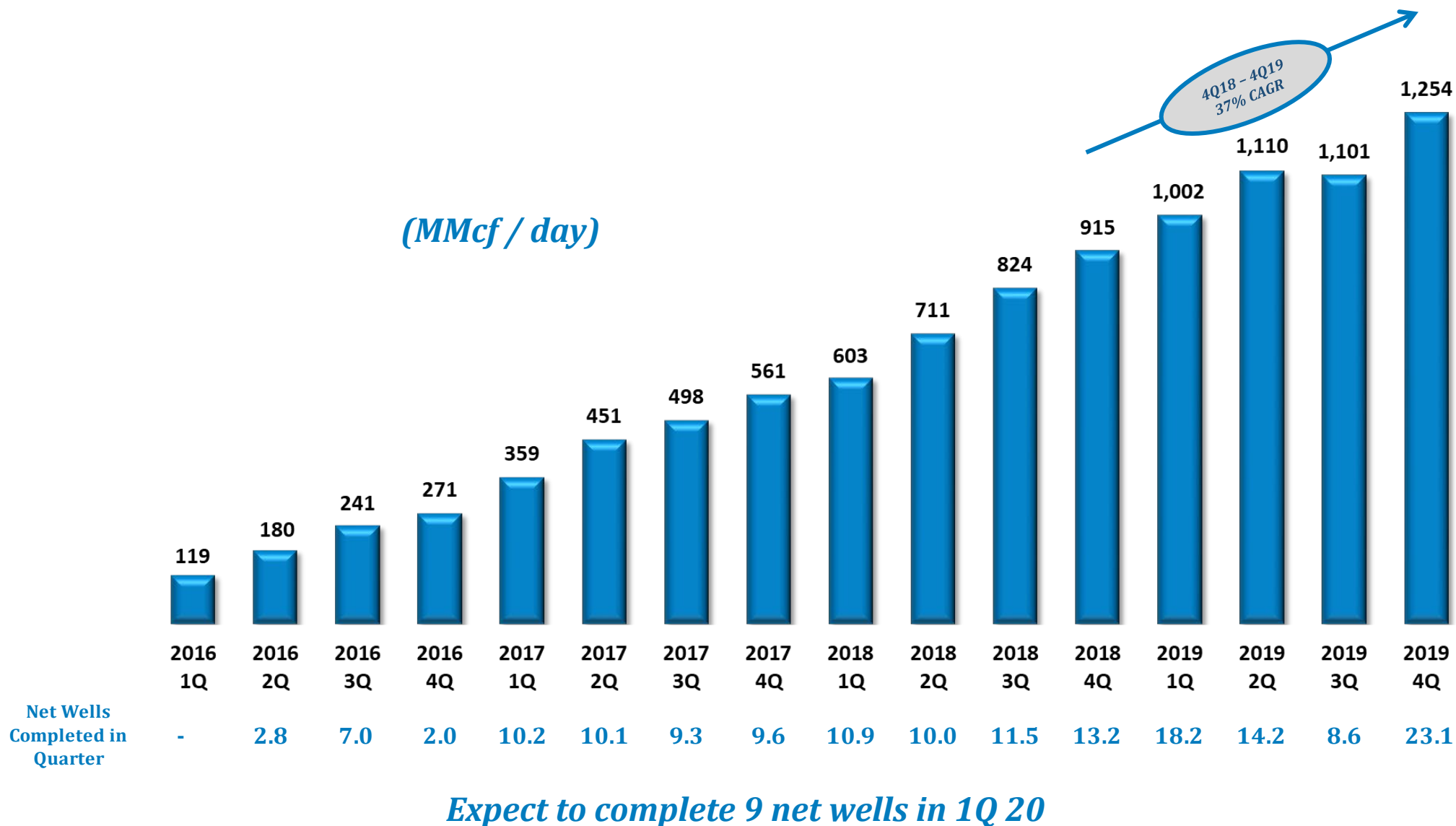
Reserves by Commodity



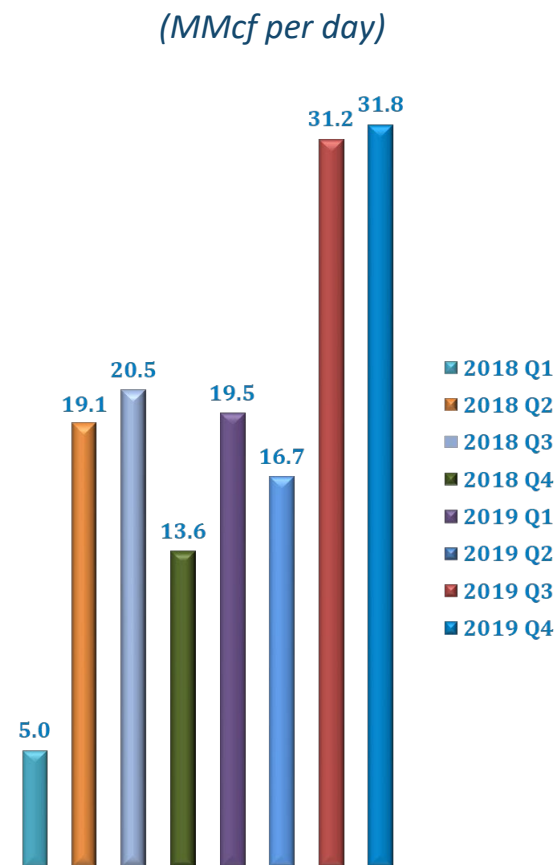
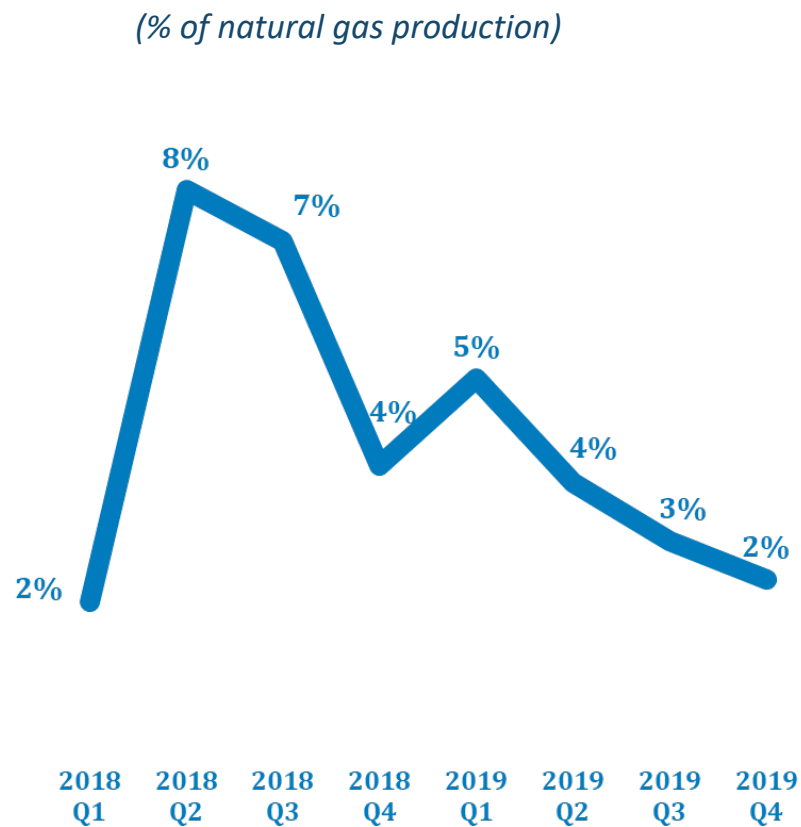
Reserves by Region



HAYNESVILLE/BOSSIER PRODUCTION



SHUT-IN PRODUCTION



Wells shut-in for pipeline curtailment or offset frac activity

Q4 2019 FINANCIAL RESULTS

\$ in millions except per share and unit amounts

	2018 Q4	2019 Q4	
<i>Oil Production (Mbbls)</i>	843	577	-32%
<i>Gas Production (MMcf)</i>	30,933	121,521	293%
<i>Production (MMcfe)</i>	35,987	124,980	247%
<i>Oil Price (Per Barrel)</i>	\$54.96	\$50.36	-8%
<i>Gas Price (Per Mcf)</i>	\$3.28	\$2.30	-30%
<i>Oil and Gas Sales ⁽¹⁾</i>	\$147.7	\$308.6	109%
<i>Lifting Costs</i>	27.9	69.2	148%
<i>General and Administrative</i>	8.1	6.5	-20%
<i>Depreciation, Depletion and Amort.</i>	36.1	111.8	210%
<i>Exploration</i>	-	-	
<i>Loss on Sale of Properties</i>	(0.1)	-	
<i>Operating Income before Taxes ⁽¹⁾</i>	\$75.7	\$121.0	
<i>Reported Net Income</i>	\$50.3	\$40.8	
<i>Interest Amortization on Senior Notes Valuation*</i>	-	4.1	
<i>Loss on Sale of Properties*</i>	(0.1)	-	
<i>Non-Cash Preferred Dividend*</i>	-	4.6	
<i>Unrealized Gains from Hedging*</i>	(13.6)	(0.4)	
<i>Adjusted Net Income</i>	\$36.6	\$49.1	
<i>Adjusted Net Income per Diluted Share</i>	\$0.35	\$0.22	
<i>Adjusted EBITDAX ⁽²⁾</i>	\$112.5	\$234.8	109%
<i>Cash Flow from Operations ⁽³⁾</i>	\$95.6	\$187.9	97%

* Net of Income Taxes

⁽¹⁾ Includes Realized Hedging Gains and Losses

⁽²⁾ Excludes Stock-based Compensation

⁽³⁾ Excludes Working Capital Changes

2019 FINANCIAL RESULTS

\$ in millions except per share and unit amounts

	2018	2019	
<i>Oil Production (Mbbls)</i>	1,672	2,685	61%
<i>Gas Production (MMcf)</i>	100,271	292,834	192%
<i>Production (MMcfe)</i>	110,301	308,944	180%
<i>Oil Price (Per Barrel)</i>	\$59.07	\$49.64	-16%
<i>Gas Price (Per Mcf)</i>	\$2.88	\$2.35	-18%
<i>Oil and Gas Sales ⁽¹⁾</i>	\$387.5	\$821.4	112%
<i>Lifting Costs</i>	79.1	187.8	137%
<i>General and Administrative</i>	27.1	29.2	8%
<i>Depreciation, Depletion and Amort.</i>	121.9	276.5	127%
<i>Exploration</i>	-	0.2	
<i>Loss on Sale of Properties</i>	35.2	-	
<i>Operating Income before Taxes ⁽¹⁾</i>	\$124.2	\$327.6	
<i>Reported Net Income</i>	(\$28.7)	\$74.5	
<i>Transaction Costs*</i>	\$2.9	31.9	
<i>Interest Amortization on Senior Notes Valuation</i>	\$29.2	7.1	
<i>July CP Hedge Settlements*</i>	-	3.5	
<i>Loss on Sale of Properties*</i>	\$35.3	-	
<i>Non-Cash Preferred Dividend*</i>	-	4.6	
<i>Unrealized (Gains) Losses from Hedging*</i>	(\$10.1)	0.7	
<i>Adjusted Net Income</i>	\$28.7	\$122.3	
<i>Adjusted Net Income per Diluted Share</i>	\$0.57	\$0.77	
<i>Adjusted EBITDAX ⁽²⁾</i>	\$287.1	\$613.6	114%
<i>Cash Flow from Operations ⁽³⁾</i>	\$209.3	\$468.3	124%

** Net of Income Taxes*

(1) Includes Realized Hedging Gains and Losses

(2) Excludes Stock-based Compensation and Adjusted for CP July Hedge Settlements

(3) Excludes Working Capital Changes and Adjusted for CP July Hedge Settlements

PRO FORMA OPERATING RESULTS

\$ in thousands except per share and unit amounts

	For the Year Ended December 31, 2019		
	Comstock	Covey Park ⁽²⁾	Pro Forma Combined
Gas production (MMcf)	292,834	141,610	434,444
Oil production (Mbbls)	2,685	22	2,707
Total production (MMcfe)	308,944	141,742	450,686
Natural gas sales	\$ 635,795	\$ 377,368	\$ 1,013,163
Natural gas hedging settlements ⁽¹⁾	52,297	12,687	64,984
Total natural gas including hedging	688,092	390,055	1,078,147
Oil sales	132,894	1,233	134,127
Oil hedging settlements ⁽¹⁾	387	-	387
Total oil including hedging	133,281	1,233	134,514
Total oil and gas sales including hedging	<u>\$ 821,373</u>	<u>\$ 391,288</u>	<u>\$ 1,212,661</u>
Average gas price (per Mcf)	\$ 2.17	\$ 2.66	\$ 2.33
Average gas price including hedging (per Mcf)	\$ 2.35	\$ 2.75	\$ 2.48
Average oil price (per barrel)	\$ 49.49	\$ 56.05	\$ 49.55
Average oil price including hedging (per barrel)	\$ 49.64	\$ 56.05	\$ 49.69
Average price (per Mcfe)	\$ 2.49	\$ 2.67	\$ 2.55
Average price including hedging (per Mcfe)	\$ 2.66	\$ 2.76	\$ 2.69
Production taxes	\$ 29,181	\$ 8,868	\$ 38,049
Gathering and transportation	\$ 71,303	\$ 35,188	\$ 106,491
Lease operating	\$ 87,283	\$ 37,043	\$ 124,326
Production taxes (per Mcfe)	\$ 0.09	\$ 0.06	\$ 0.08
Gathering and transportation (per Mcfe)	\$ 0.23	\$ 0.25	\$ 0.24
Lease operating (per Mcfe)	\$ 0.28	\$ 0.26	\$ 0.28

(1) Included in gain (loss) from derivative financial instruments in operating results

(2) Pro forma for an acquisition which completed on March 5, 2019

OIL and GAS HEDGING PROGRAM

Comstock targets having 50% to 60% of its future twelve months oil and gas production hedged

Period	Natural Gas (Mmbtu/d)				Crude Oil (Bbl/d)
	Swaps	Collars	3-Way Collars	Total	Collars
2020 1Q	476,938	100,549	110,000	687,487	4,857
2020 2Q	486,498	59,341	60,000	605,838	3,170
2020 3Q	483,839	9,783	60,000	553,621	2,963
2020 4Q	483,027	9,783	60,000	552,809	2,821
2020 FY	482,580	44,672	72,432	599,684	3,450
2021 1Q	182,271	-	-	182,271	-
2021 2Q	107,184	-	-	107,184	-
2021 3Q	100,000	-	-	100,000	-
2021 4Q	100,000	-	-	100,000	-
2021 FY¹	122,077	-	-	122,077	-
2022 FY²	30,000	-	-	30,000	-

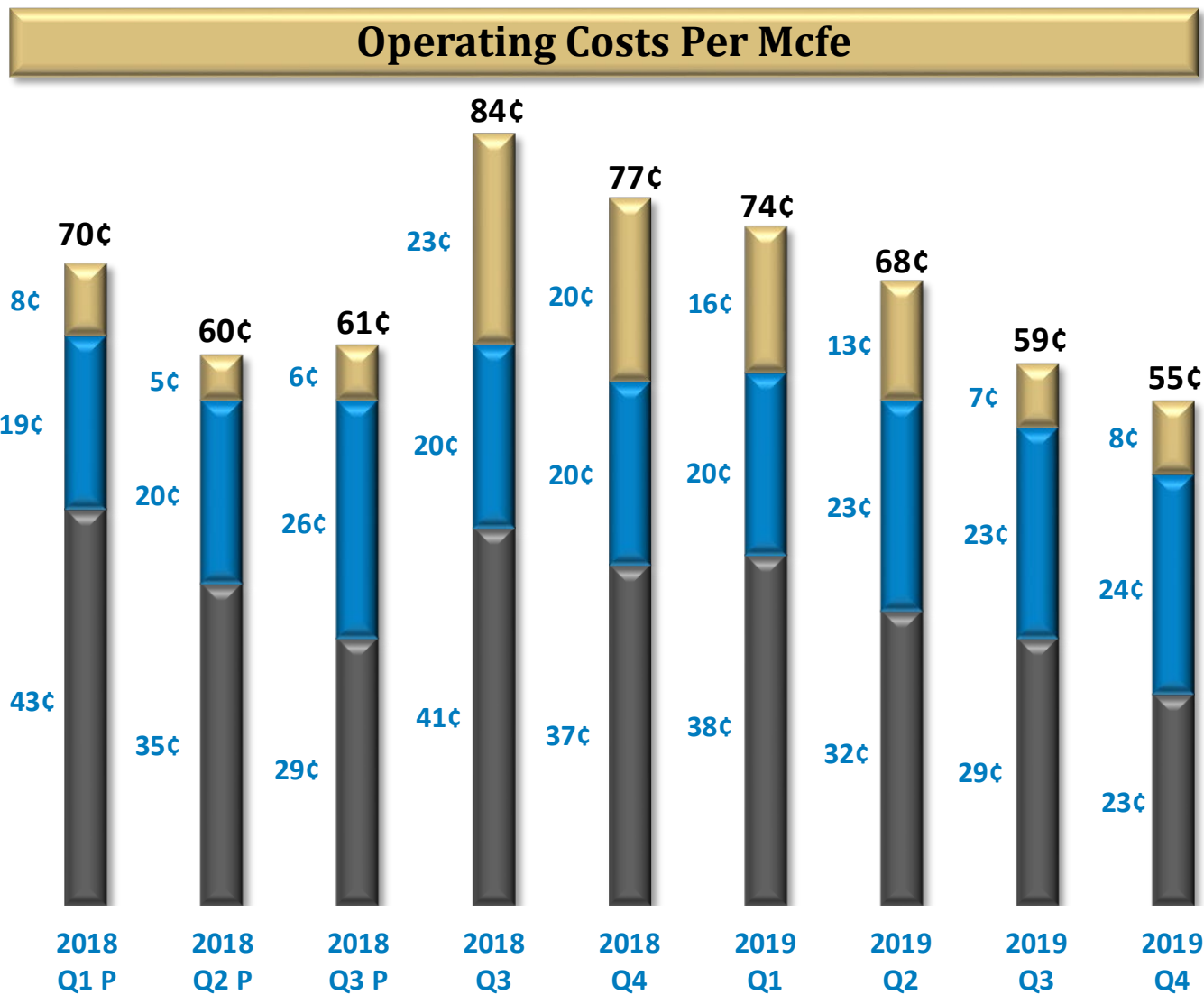
Period	Natural Gas (\$ MMbtu)				Crude Oil (\$ Bbl)
	Swaps	Collars	3-Way Collars	Total WAVG ³	Collars
2020 1Q	\$2.74	\$2.52 / \$3.89	\$2.35 / \$2.68 / \$2.97	\$2.70	\$47.04 / \$66.37
2020 2Q	\$2.67	\$2.38 / \$2.88	\$2.33 / \$2.63 / \$2.99	\$2.63	\$50.00 / \$64.56
2020 3Q	\$2.67	\$2.50 / \$3.05	\$2.33 / \$2.63 / \$2.99	\$2.66	\$49.15 / \$63.96
2020 4Q	\$2.66	\$2.50 / \$3.05	\$2.33 / \$2.63 / \$2.99	\$2.66	\$49.35 / \$63.83
2020 FY	\$2.68	\$2.47 / \$3.46	\$2.33 / \$2.65 / \$2.99	\$2.66	\$48.65 / \$64.92
2021 1Q	\$2.69	-	-	\$2.69	-
2021 2Q	\$2.71	-	-	\$2.71	-
2021 3Q	\$2.67	-	-	\$2.67	-
2021 4Q	\$2.67	-	-	\$2.67	-
2021 FY	\$2.69	-	-	\$2.69	-
2022 FY	\$2.81	-	-	\$2.81	-

(1) Comstock also sold natural gas swaptions of 195,000 mmbtu/d for calendar 2021 at an average strike price of \$2.52/mmbtu.

(2) Comstock also sold natural gas swaptions of 135,000 mmbtu/d for calendar 2022 at an average strike price of \$2.51/mmbtu.

(3) Calculated using the long put price for all two-way and three-way collars.

LOW COST STRUCTURE



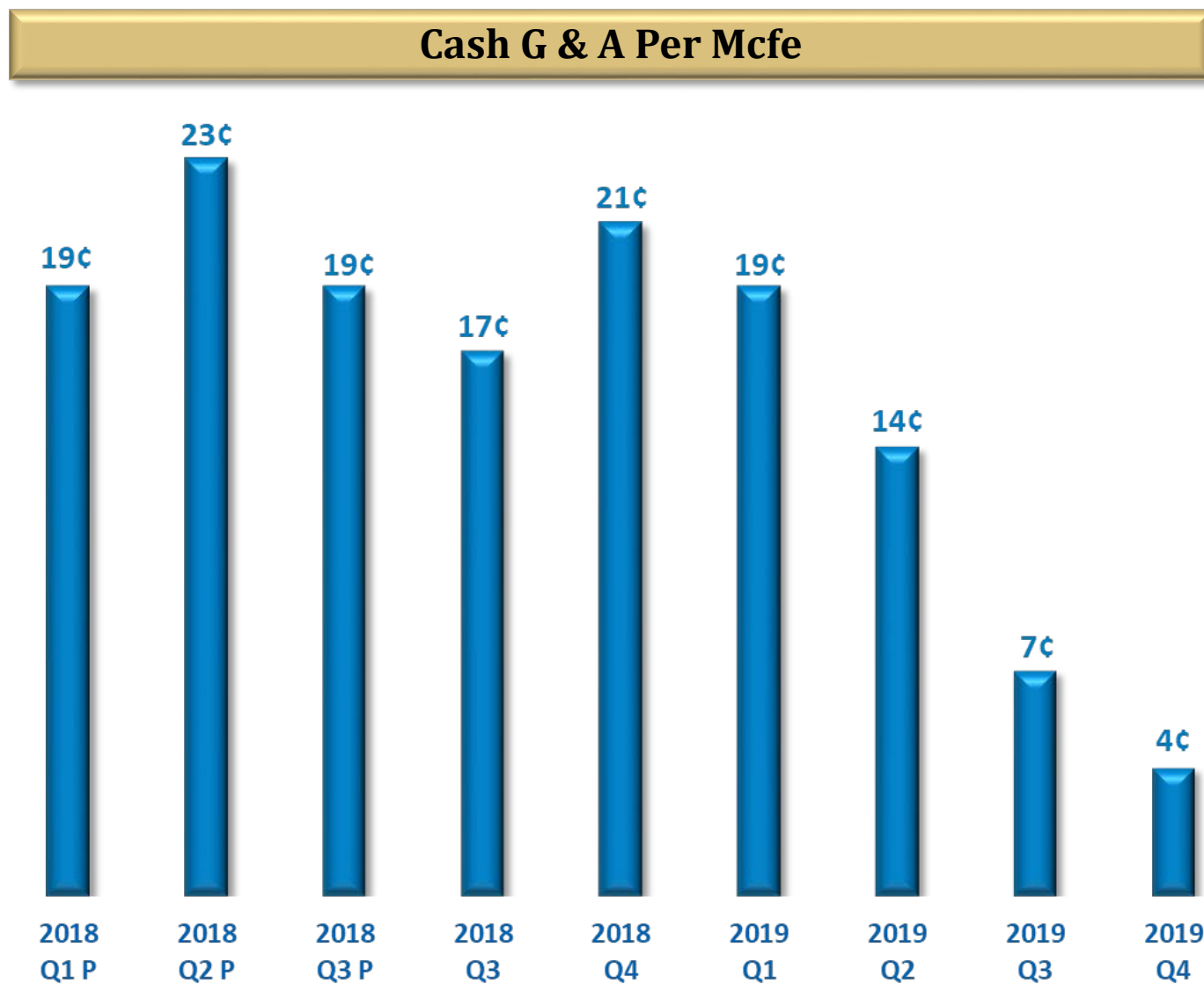
P – Predecessor (Before 8/14/18)

■ Production Taxes

■ Gathering

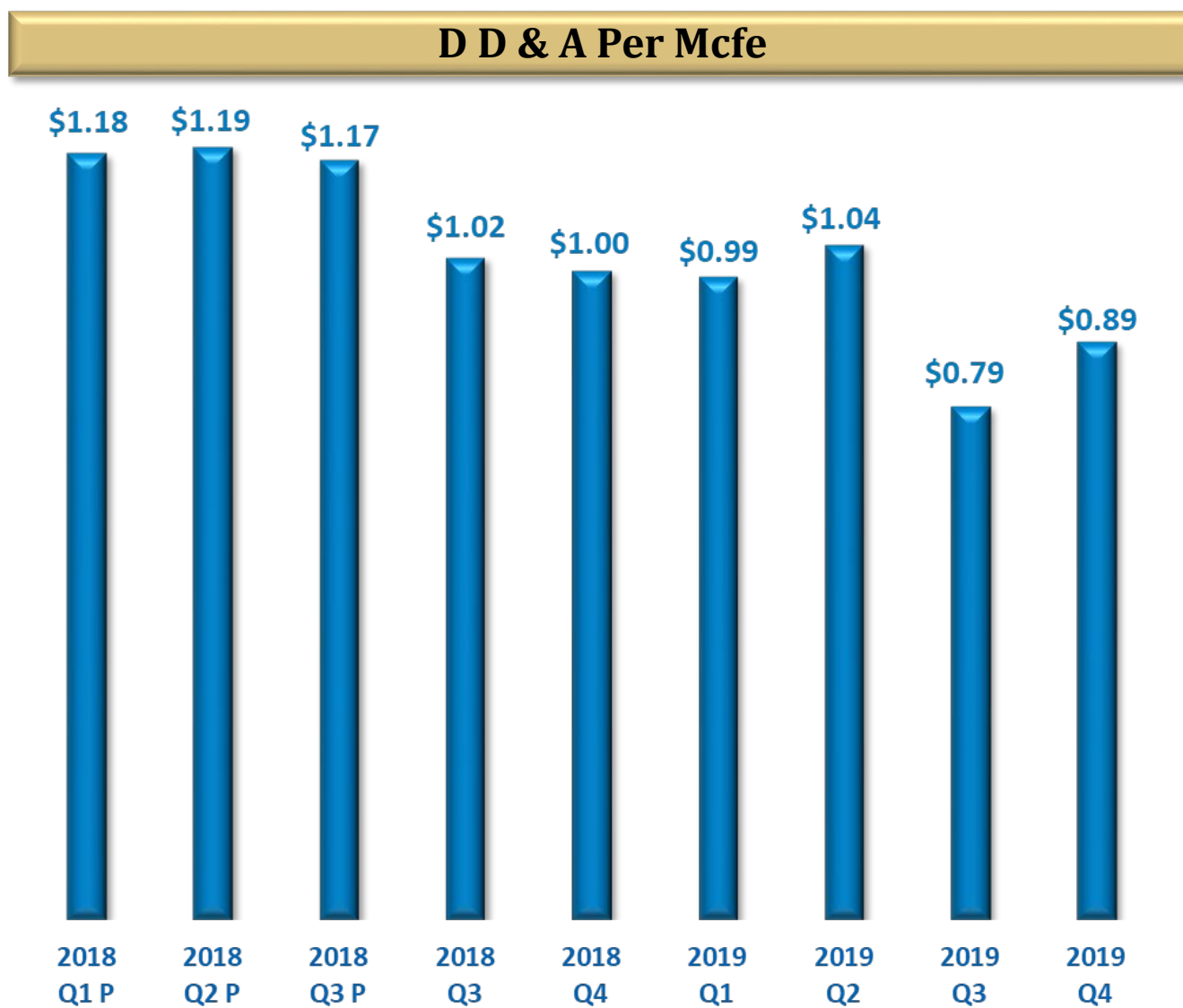
■ Lifting

LOW COST STRUCTURE



P – Predecessor (Before 8/14/18)

LOW COST STRUCTURE



P – Predecessor (Before 8/14/18)

DRILLING PROGRAM

(\$ in millions)

	2019				2020			
	\$	Average Lateral (feet)	Gross Wells	WI Net Wells	\$	Average Lateral (feet)	Gross Wells	WI Net Wells
Haynesville/Bossier Shale:								
Completion of Wells Drilled in PY ⁽¹⁾	\$ 60.9	8,928			\$ 59.3	8,160		
Wells Drilled and Completed in CY	306.0	8,101	46	33.9	259.3	8,699	37	26.8
Wells Drilled in CY (not completed)	73.9	8,052	18	12.6	64.2	9,476	9	7.5
Non-operated and other	44.6				38.1			
	\$ 485.5		64	46.5	\$ 421.0		46	34.3
Bakken Shale	\$ 5.5				\$ -			
Eagle Ford Shale	19.6	8,925	4	2.2	-			
Total Drilling and Completion	\$ 510.6		68	48.7	\$ 421.0		46	34.3
(1) DUCs Carryover			15.0	11.6			18.0	12.6

BALANCE SHEET

Bank Credit Facility

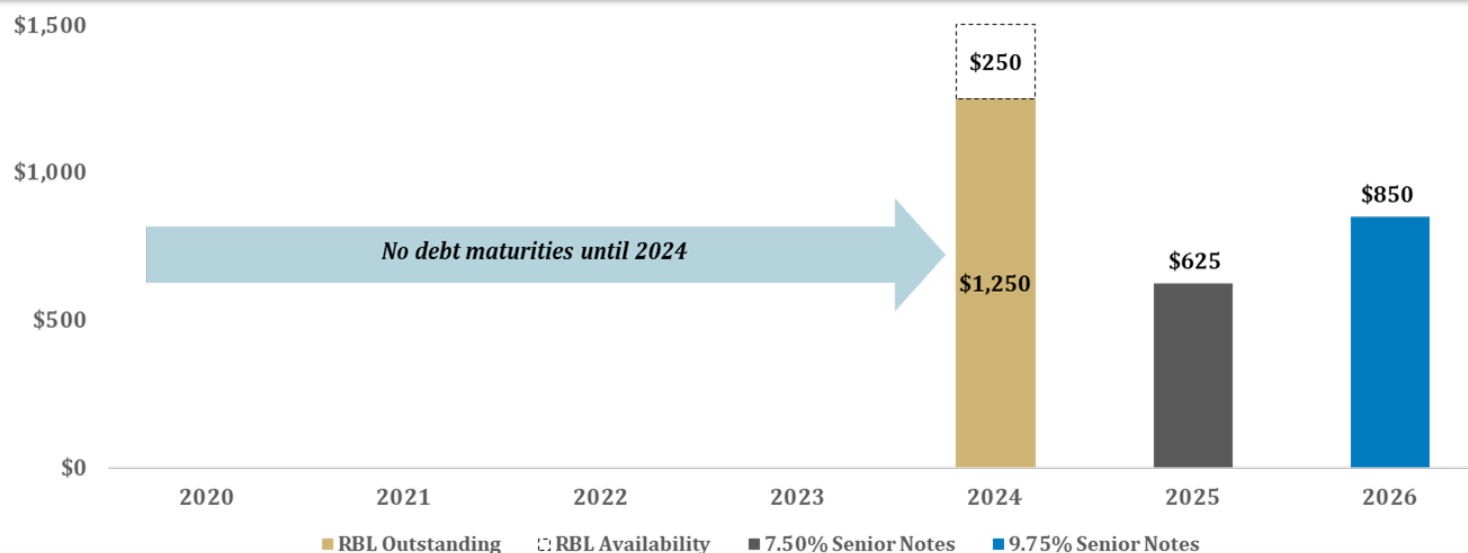
Senior Secured Revolving Credit Facility:

- \$1.575 MM borrowing base with \$1,500 elected commitment
- Maturity date July 16, 2024
- Pricing of L+175 to 275 bpts
- Key financial covenants:
 - Leverage Ratio < 4X, Current Ratio > 1.0

Capitalization

(\$ in millions)	12/31/2019
Cash and Cash Equivalents	\$19
Revolving Credit Facility	\$1,250
7.50% Senior Notes due 2025	625
9.75% Senior Notes due 2026	850
Total Debt	\$2,725
Preferred Equity (at face value)	\$385
Common Equity	\$1,143
Total Capitalization	\$4,253
Liquidity	\$269

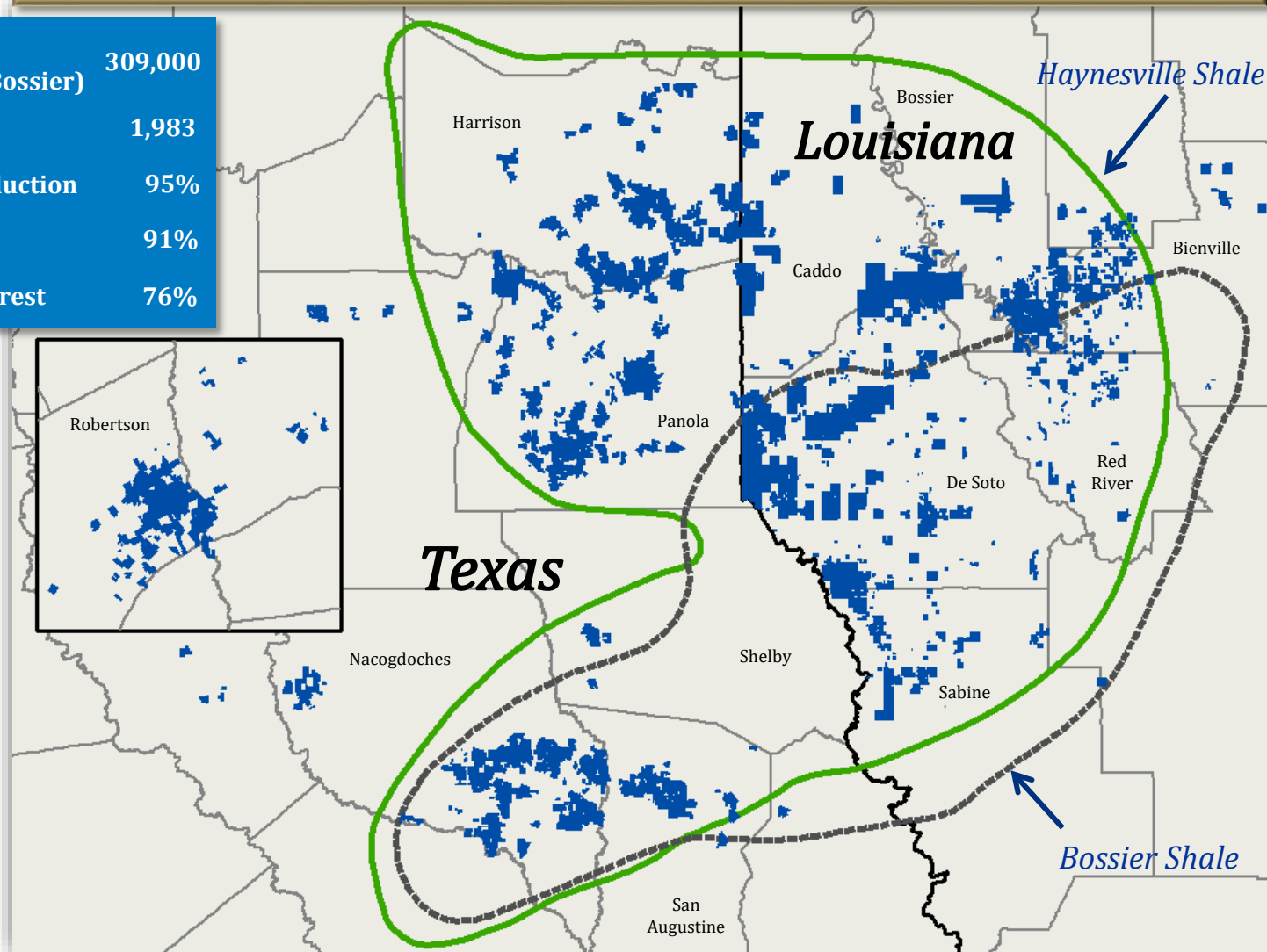
Debt Maturity Profile



ACREAGE

Drilled 217 operated wells with average IP rate of 23 MMcf/d

Net Acres (Haynesville / Bossier)	309,000
Net Locations	1,983
% Held-by-Production	95%
% Operated	91%
% Working Interest	76%



HAYNESVILLE/BOSSIER INVENTORY

Extensive inventory of drilling opportunities in the Haynesville and Bossier shales

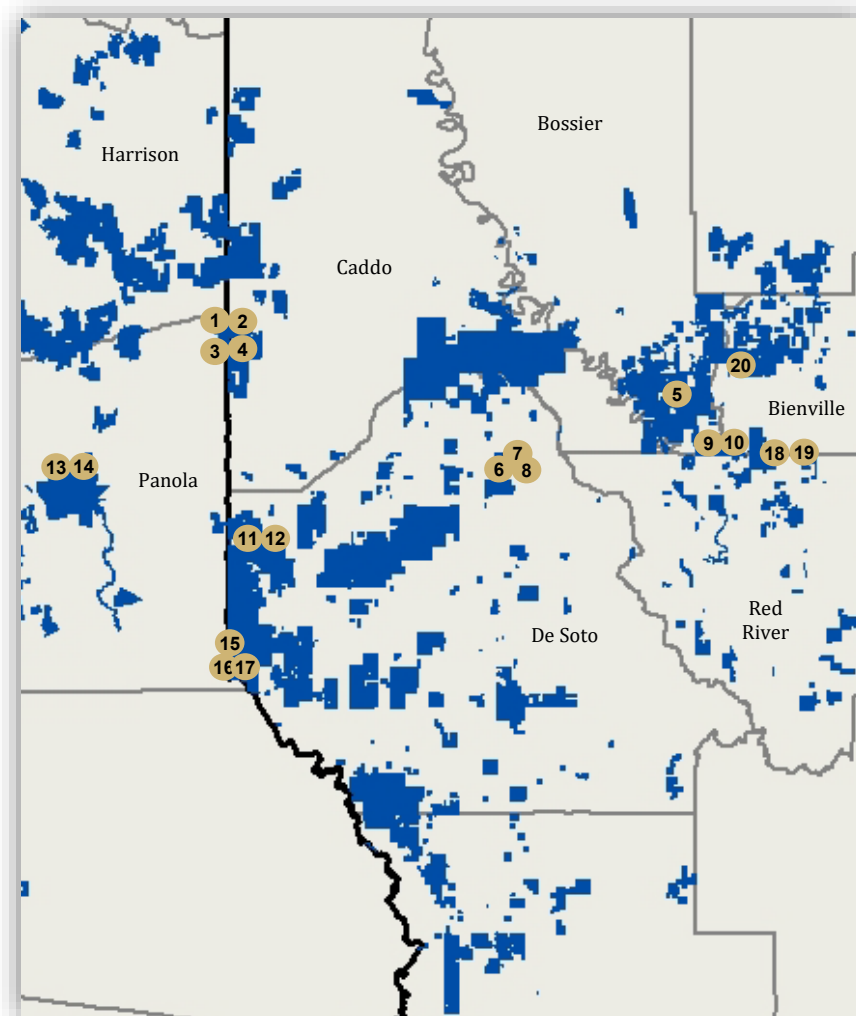
	Operated		Haynesville Non-Operated		Total	
	(Gross)	(Net)	(Gross)	(Net)	(Gross)	(Net)
up to 5,000 ft.	373	289.2	660	85.9	1,033	375.1
5,000 ft. to 8,000 ft.	559	416.8	121	17.2	680	434.0
> 8,000 ft.	515	375.3	204	24.7	719	400.1
	1,447	1,081.3	985	127.8	2,432	1,209.1

	Operated		Mid-Bossier Non-Operated		Total	
	(Gross)	(Net)	(Gross)	(Net)	(Gross)	(Net)
up to 5,000 ft.	212	156.6	312	33.8	524	190.3
5,000 ft. to 8,000 ft.	377	287.7	72	7.4	449	295.1
> 8,000 ft.	359	283.2	82	5.7	441	288.8
	948	727.4	466	46.9	1,414	774.3
	2,395	1,808.7	1,451	174.7	3,846	1,983.4

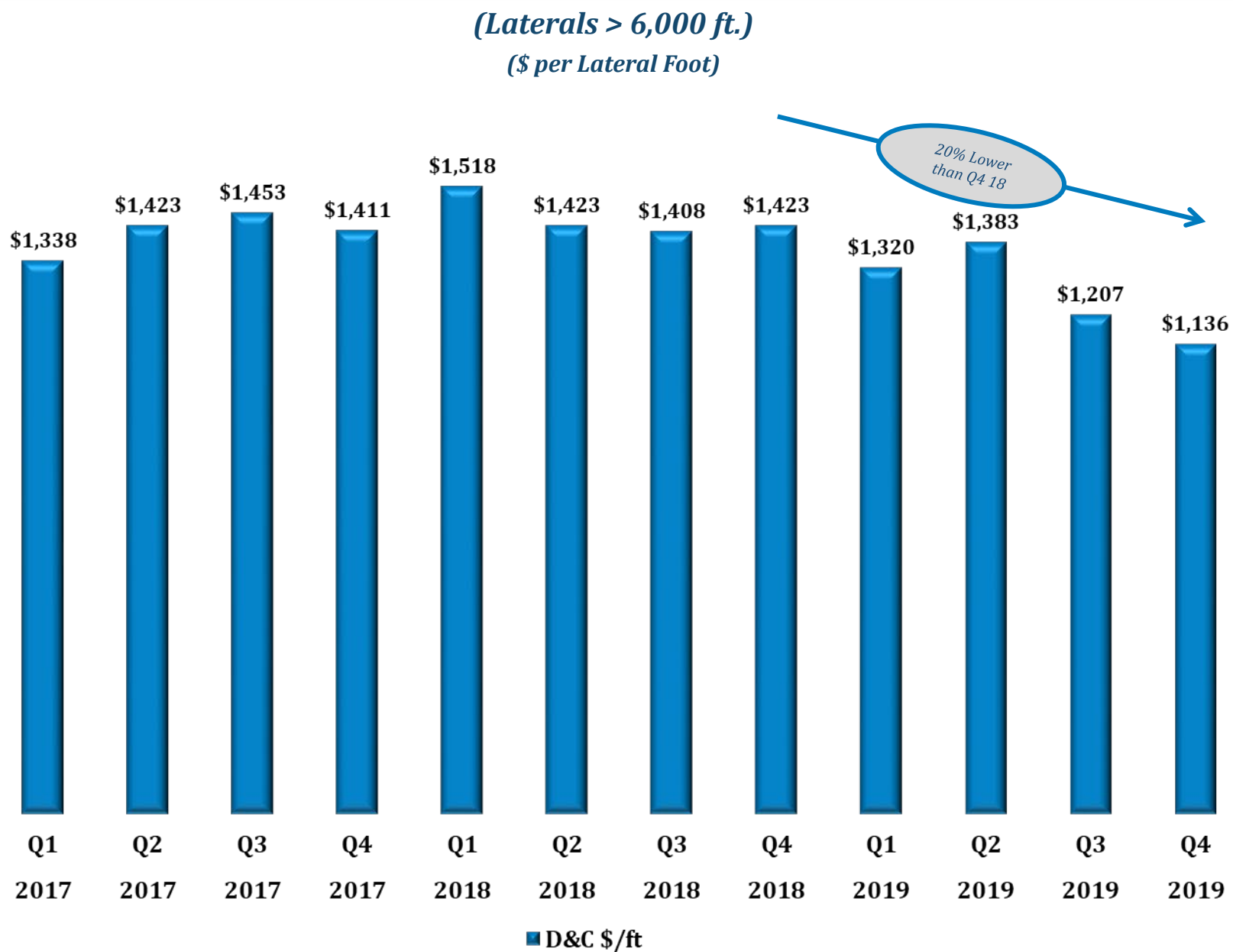
4TH QUARTER DRILLING RESULTS

Completed 20 operated wells (average lateral length of 6,926 ft.)
with average IP rate of 24 Mmcf/d

	Well Name	LL (feet)	TTS	IP (MMCF/d)
1	QUERBES 20-17 #1	5,279	11/01/2019	21
2	QUERBES 20-17 #2	5,361	11/01/2019	22
3	QUERBES 20-17 #3	9,824	11/03/2019	26
4	QUERBES 20-17 #4	9,702	11/03/2019	27
5	GEORGE MILLS 1-12 #1	9,761	11/08/2019	45
6	PERKINS 3-10 #1	9,572	11/12/2019	26
7	ROBERSON 10-3 #1	7,162	11/13/2019	22
8	ROBERSON 10-3 #2	7,041	11/13/2019	21
9	CPG 33-15-10 #1	4,337	11/23/2019	29
10	CPG 33-15-10 #2	4,448	11/23/2019	28
11	BAGLEY 4 #2	4,497	11/26/2019	15
12	BAGLEY 4 #3	4,512	11/26/2019	18
13	CGU #1	10,191	12/18/2019	19
14	CGU #2	9,545	12/18/2019	18
15	MATTHEWS 17-8 #1	5,392	12/21/2019	19
16	MATTHEWS 17-8 #2	5,353	12/21/2019	19
17	MATTHEWS 17-8 #3	7,504	12/21/2019	23
18	BRP 4-14-9 #1	4,662	01/06/2020	30
19	BRP 4-14-9 #2	4,662	01/06/2020	26
20	SUSTAINABLE FORESTS 27-34 #1	9,717	01/13/2020	20
		6,926		24



IMPROVING D&C COSTS



2020 OUTLOOK

- Focused on free cash flow generation and managing through low natural gas price environment
- Haynesville drilling program generates economic returns even with low natural gas prices
- Comstock has industry leading low cost structure and well economics
- Drilling program driving 6%-8% pro-forma production growth in 2020
- Conservative 2020 operating plan internally funded
 - *Prioritizing free cash flow generation in 2020 over production growth*
 - *Hedging next 12 months production to protect drilling returns*
 - *Adequate Liquidity of \$269 million*

2020 GUIDANCE

Guidance	FY 2020
Production (Mmcfe/d)	1,250 - 1,450
% Natural Gas	97% - 99%
Capital Expenditures (\$MM)	\$400 - \$450
Expenses (\$/Mcf)	
Lease Operating	\$0.23 - \$0.27
Gathering & Transportation	\$0.23 - \$0.27
Production Taxes	\$0.06 - \$0.08
DD&A	\$0.85 - \$0.95
Cash G&A	\$0.05 - \$0.07