



NEWS RELEASE

Concho Resources Inc. Provides Update to 2020 Capital Program

3/17/2020

MIDLAND, Texas--(BUSINESS WIRE)-- Within the context of a dynamic environment and a substantial decrease in oil and natural gas prices, **Concho Resources Inc. (NYSE: CXO)** is prioritizing its strong balance sheet and capital returns to shareholders. The Company has reduced its 2020 capital program to approximately \$2 billion from the \$2.6 to \$2.8 billion range previously announced. The revised capital range is approximately 25% lower than the Company's prior capital spending expectations for the year.

Tim Leach, Chairman and Chief Executive Officer, commented, "Concho is well positioned to weather the turmoil in the oil markets due to our high-quality asset base, low cost structure, strong balance sheet and large, uncomplicated hedge book. While our hedge position minimizes the volatility of our cash flow over the near term, we are quickly adjusting our activity to ensure we execute a capital allocation strategy that creates value for our shareholders over the long term. We will continue to focus on improving our cost structure. Additionally, we will monitor and be responsive to market conditions and have flexibility to lower our spending further. In this environment, our priorities are protecting our balance sheet and the dividend, generating free cash flow and preserving our flexibility and opportunity set."

With conditions evolving, Concho will continuously review its plans, make necessary adjustments and plan to provide a detailed update to the Company's operational and financial outlook in its first-quarter 2020 earnings materials.

Hedge Position Provides Substantial Cash Flow Stability

Concho enters into commodity derivatives to manage its exposure to commodity price fluctuations. For 2020,

Concho has crude oil swap contracts covering approximately 132 MBopd and 22 MBopd at weighted average prices of \$57 per Bbl WTI and \$60 per Bbl Brent, respectively. The Company also has crude oil swaps for 2021, covering approximately 59 MBopd at a weighted average price of \$52 per Bbl WTI.

Strong Financial Position

Concho maintains a strong financial position with investment-grade credit ratings and substantial liquidity. At December 31, 2019, Concho had long-term debt of \$4 billion, with no outstanding debt maturities until January 2025. Additionally, at December 31, 2019, the Company had cash of approximately \$70 million and no debt outstanding under its credit facility, resulting in approximately \$2.1 billion of liquidity.

Concho Resources Inc.

Concho Resources (NYSE: CXO) is one of the largest unconventional shale producers in the Permian Basin, with operations focused on safely and efficiently developing oil and natural gas resources. We are working today to deliver a better tomorrow for our shareholders, people and communities. For more information about Concho, visit **www.concho.com**.

Forward-Looking Statements and Cautionary Statements

The foregoing contains “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 press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. The words “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “could,” “may,” “enable,” “strategy,” “intend,” “positioned,” “foresee,” “plan,” “will,” “guidance,” “outlook,” “goal” or other similar expressions that convey the uncertainty of future events or outcomes are intended to identify forward-looking statements, which generally are not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking. These statements are based on certain assumptions and analyses made by the Company based on management’s experience, expectations and perception of historical trends, current conditions, current plans, anticipated future developments, expected financings and other factors believed to be appropriate. Forward-looking statements are not guarantees of performance. Although the Company believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include the risk factors and

other information discussed or referenced in the Company's most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes 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. Information on Concho's website is not part of this press release.

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INVESTOR RELATIONS

Megan P. Hays

Vice President of Investor Relations & Public Affairs

432.685.2533

MEDIA

Mary T. Starnes

Manager of Public Affairs & Corporate Responsibility Strategy

432.221.0477

Source: Concho Resources Inc.