



J.P. Morgan 2018 Energy Conference
Tim Leach, Chairman & CEO

June 2018

Forward-Looking Statements and Other Disclaimers

No Offer or Solicitation

This presentation relates to a proposed business combination transaction (the “Transaction”) between RSP Permian, Inc. (“RSP” or “RSP”) and Concho Resources Inc. (“Concho” or “CXO”). This communication is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, in any jurisdiction, pursuant to the Transaction or otherwise, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information and Where to Find It

In connection with the Transaction, Concho filed with the U.S. Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 on April 20, 2018, that includes a preliminary joint proxy statement of RSP and Concho that also constitutes a preliminary prospectus of Concho. RSP and Concho will also file other documents with the SEC regarding the Transaction, including the definitive joint proxy statement/prospectus. The information in the preliminary joint proxy statement/prospectus is not complete and may be changed. The definitive joint proxy statement/prospectus will be sent to the stockholders of Concho and RSP. This document is not a substitute for the registration statement and preliminary joint proxy statement/prospectus filed with the SEC, including any amendments thereto, or any other documents that Concho or RSP may file with the SEC or send to stockholders of Concho or RSP in connection with the Transaction. **INVESTORS AND SECURITY HOLDERS OF RSP AND CONCHO ARE URGED TO READ THE REGISTRATION STATEMENT, THE PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS, THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE, AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION AND RELATED MATTERS.**

Investors and security holders are able to obtain free copies of the registration statement and the preliminary joint proxy statement/prospectus and all other documents filed or that will be filed with the SEC by Concho or RSP, including the definitive joint proxy statement/prospectus when it becomes available, through the website maintained by the SEC at www.sec.gov. Copies of documents filed with the SEC by RSP will be made available free of charge on RSP’s website at www.rsppermian.com, under the heading “SEC Filings,” or by contacting RSP’s Investor Relations Department by phone at 214-252-2700. Copies of documents filed with the SEC by Concho will be made available free of charge on Concho’s website at www.concho.com, under the heading “Investors,” or by contacting Concho’s Investor Relations Department by phone at 432-221-0477.

Participants in Solicitation

Concho, RSP and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Concho’s common stock and RSP’s common stock in respect to the Transaction.

Information regarding RSP’s directors and executive officers is contained in the Form 10-K/A filed with the SEC on April 30, 2018 and in the other documents filed after the date thereof by RSP with the SEC. You can obtain a free copy of this document at the SEC’s website at www.sec.gov or by accessing RSP’s website at www.rsppermian.com. Information regarding Concho’s executive officers and directors is contained in the proxy statement for Concho’s 2018 Annual Meeting of Stockholders filed with the SEC on April 5, 2018 and in the other documents filed after the date thereof by Concho with the SEC. You can obtain a free copy of this document at the SEC’s website at www.sec.gov or by accessing Concho’s website at www.concho.com under the heading “Investors.”

Investors may obtain additional information regarding the interests of those persons and other persons who may be deemed participants in the Transaction by reading the preliminary joint proxy statement/prospectus, including any amendments thereto, as well as the definitive joint proxy statement/prospectus when it becomes available. You may obtain free copies of these documents as described above.

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 communication that address activities, events or developments that Concho or RSP expects, believes or anticipates will or may occur in the future are forward-looking statements. Words such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “create,” “intend,” “could,” “may,” “foresee,” “plan,” “will,” “guidance,” “look,” “outlook,” “goal,” “future,” “assume,” “forecast,” “build,” “focus,” “work,” “continue” or the negative of such terms or other variations thereof and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements include, but are not limited to, statements regarding the Transaction, pro forma descriptions of the combined company and its operations, integration and transition plans, synergies, opportunities, production, strategies, well results, financial results and anticipated future performance. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication. These include the expected timing and likelihood of completion of the Transaction, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the Transaction that could reduce anticipated benefits or cause the parties to abandon the Transaction; the ability to successfully integrate the businesses; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the possibility that stockholders of Concho may not approve the issuance of new shares of common stock in the Transaction or that stockholders of RSP may not approve the merger agreement; the risk that the parties may not be able to satisfy the conditions to the Transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the Transaction; the risk that any announcements relating to the Transaction could have adverse effects on the market price of Concho’s common stock or RSP’s common stock; the risk that the Transaction and its announcement could have an adverse effect on the ability of Concho and RSP to retain customers and retain and hire key personnel and maintain relationships with their suppliers and customers and on their operating results and businesses generally; the risk the pending Transaction could distract management of both entities and they will incur substantial costs; the risk that problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected; the risk that the combined company may be unable to achieve synergies or it may take longer than expected to achieve those synergies and other important factors that could cause actual results to differ materially from those projected.



Forward-Looking Statements and Other Disclaimers (cont.)

Forward-Looking Statements and Cautionary Statements (cont.)

All such factors are difficult to predict and are beyond Concho's or RSP's control, including those detailed in Concho's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are available on its website at <http://www.concho.com> and on the SEC's website at <http://www.sec.gov>, and those detailed in RSP's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are available on RSP's website at <http://www.rsppermin.com> and on the SEC's website at <http://www.sec.gov>. All forward-looking statements are based on assumptions that Concho or RSP believe to be reasonable but that may not prove to be accurate. Any forward-looking statement speaks only as of the date on which such statement is made, and Concho and RSP 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. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

This presentation includes financial measures that are not in accordance with generally accepted accounting principles ("GAAP"), including EBITDAX. While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For definitions of such measures and reconciliations of EBITDAX to the nearest comparable measures in accordance with GAAP, please see the appendix.

The SEC requires oil and natural gas companies, in their filings with the SEC, to disclose proved reserves, which are those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs and under existing economic conditions (using the trailing 12-month average first-day-of-the-month prices), operating methods and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The SEC also permits the disclosure of separate estimates of probable or possible reserves that meet SEC definitions for such reserves; however, the Company currently does not disclose probable or possible reserves in its SEC filings.

In this presentation, proved reserves attributable to the Company at December 31, 2017 are estimated utilizing SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices of \$47.79 per Bbl of oil and \$2.98 per MMBtu of natural gas. The Company's estimate of its total proved reserves at December 31, 2017 is based on reports prepared by Cawley, Gillespie & Associates, Inc. and Netherland, Sewell & Associates, Inc., independent petroleum engineers. The Company may use the terms "unproved reserves," "resources" and similar phrases to describe estimates of potentially recoverable hydrocarbons that the SEC rules prohibit from being included in filings with the SEC. These are based on analogy to the Company's existing models applied to additional acres, additional zones and tighter spacing and are the Company's internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. These quantities may not constitute "reserves" within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System or SEC rules. Such estimates and identified drilling locations have not been fully risked by Company management and are inherently more speculative than proved reserves estimates. Actual locations drilled and quantities that may be ultimately recovered from the Company's interests could differ substantially from these estimates. There is no commitment by the Company to drill all of the drilling locations that have been attributed to these quantities. Factors affecting ultimate recovery include the scope of the Company's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals, actual drilling results, including geological and mechanical factors affecting recovery rates, and other factors. Such estimates may change significantly as development of the Company's oil and natural gas assets provide additional data. The Company's production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases or other factors that are beyond the Company's control.

Cautionary Statements Regarding Resource

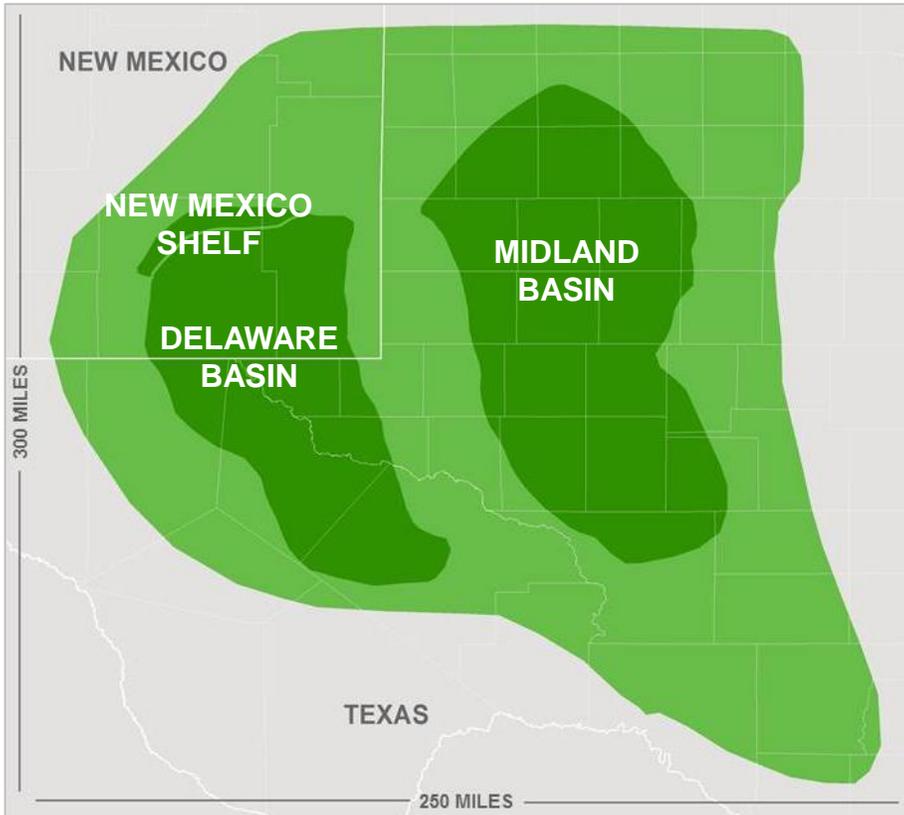
Concho may use the term "resource potential" and similar phrases to describe estimates of potentially recoverable hydrocarbons that SEC rules prohibit from being included in filings with the SEC. These are based on analogy to Concho's existing models applied to additional acres, additional zones and tighter spacing and are Concho's internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. These quantities may not constitute "reserves" within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System or SEC rules. Such estimates and identified drilling locations have not been fully risked by Concho management and are inherently more speculative than proved reserves estimates. Actual locations drilled and quantities that may be ultimately recovered from Concho's interests could differ substantially from these estimates. There is no commitment by Concho to drill all of the drilling locations that have been attributed to these quantities. Factors affecting ultimate recovery include the scope of Concho's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals, actual drilling results, including geological and mechanical factors affecting recovery rates, and other factors. Such estimates may change significantly as development of Concho's oil and natural gas assets provide additional data. Concho's production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases or other factors that are beyond Concho's control. Concho's use of the term "premium resource" refers to assets with the capacity to produce at an internal rate of return that is greater than thirty-five percent based on fifty-five dollar oil and three dollar gas.



Concho Resources

Strong Track Record of Creating Profitable Growth

The Permian Basin



The Permian Basin: Our home for 30+ years

- Home-field advantage with HQ in Midland, Texas

Our strategy focuses on:

- Building a great **team**
- Investing in high-margin **assets**
- Generating high-quality **returns**
- Maintaining a strong **balance sheet**

Our key levers for efficient growth are:

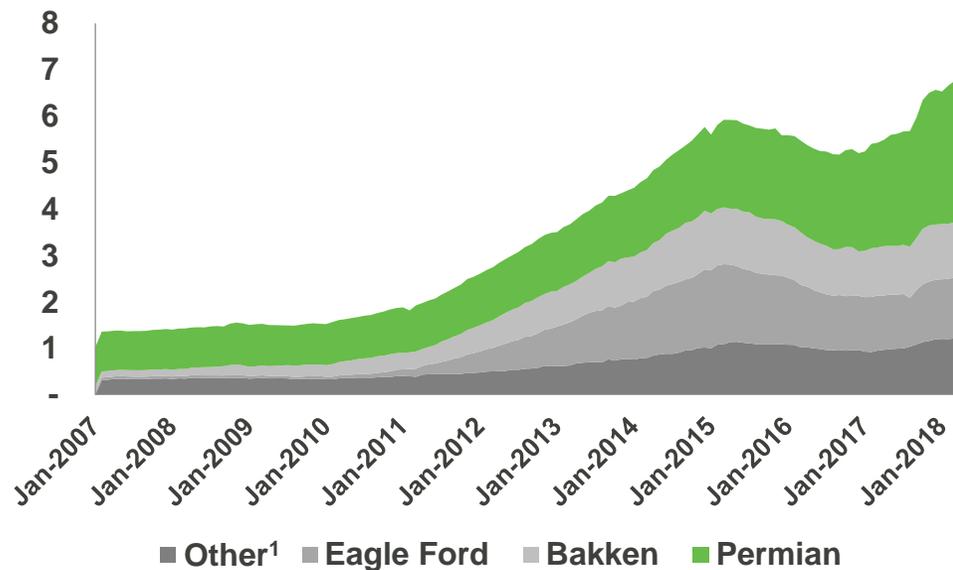
- Driving strong, consistent **execution**
- Prioritizing **capital discipline**
- Actively **managing the portfolio**
- Maintaining a **strong financial position**



U.S. Energy Independence on the Horizon

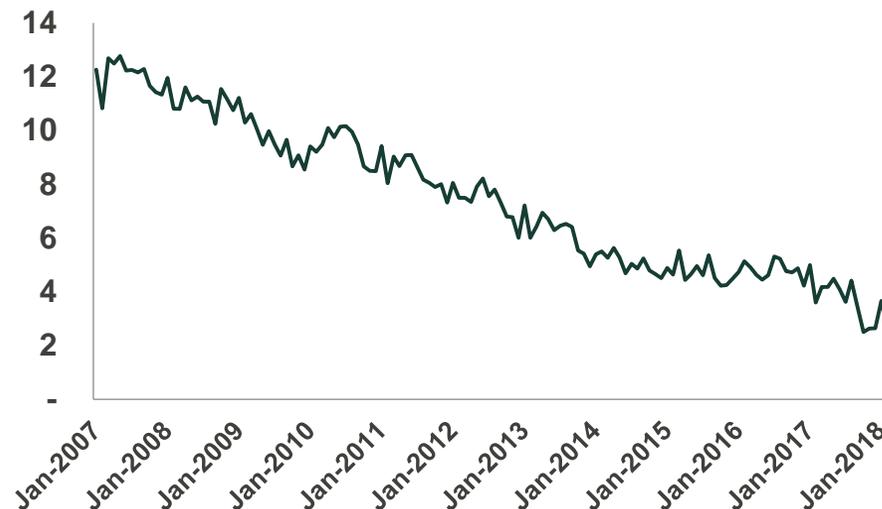
Innovation and New Technology Game Changers for U.S. Oil Growth

U.S. Lower 48 Oil Production (MMBopd)



- L48 oil production growth + ~6 MMBopd
- Permian accounts for 40% of that growth

U.S. Net Imports of Crude & Petroleum Products (MMBpd)



- Crude net imports ↓ ~80% over past 11 years
- L48 production exceeds U.S. crude net imports

Concho's Proven Strategy Yields Unique Advantages

People, Assets, Returns and Balance Sheet

Execution Strength & Scale

Most active driller
in the Permian
Basin

~1,350

Horizontal wells
drilled in past 6
years – more than
any other operator

Depth of High-Quality Inventory

Prolific resource
capture across the
Permian Basin

~30 years

Premium resource
runway at current
development pace

Superior Capital Efficiency

ROR-driven &
strong portfolio
management track
record

20%

Three-year
production
CAGR outlook
within cash flow

Financial Strength

Low leverage
provides
substantial
flexibility

<1.5x

Target leverage
ratio

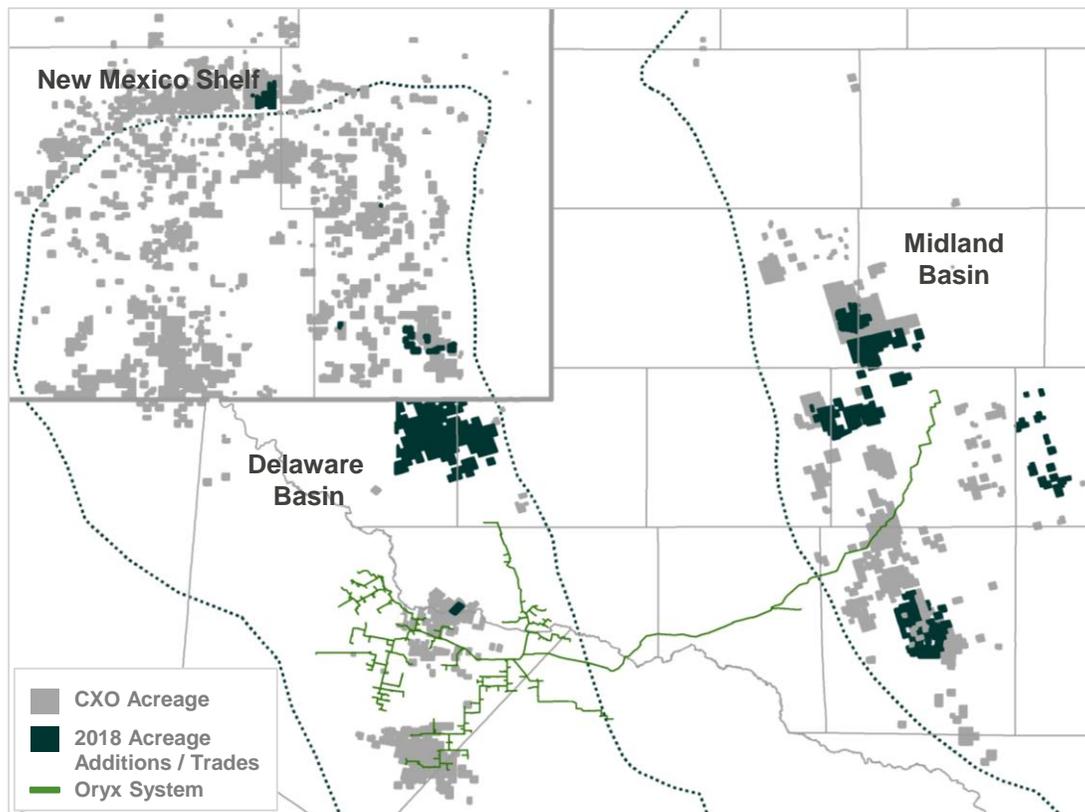
Note: Leverage ratio determined using total long-term debt and the non-GAAP measure EBITDAX. See appendix for definition of EBITDAX.



Portfolio Management

Executing on Efficient Growth While Building for the Future

Leadership Position in the Permian Basin



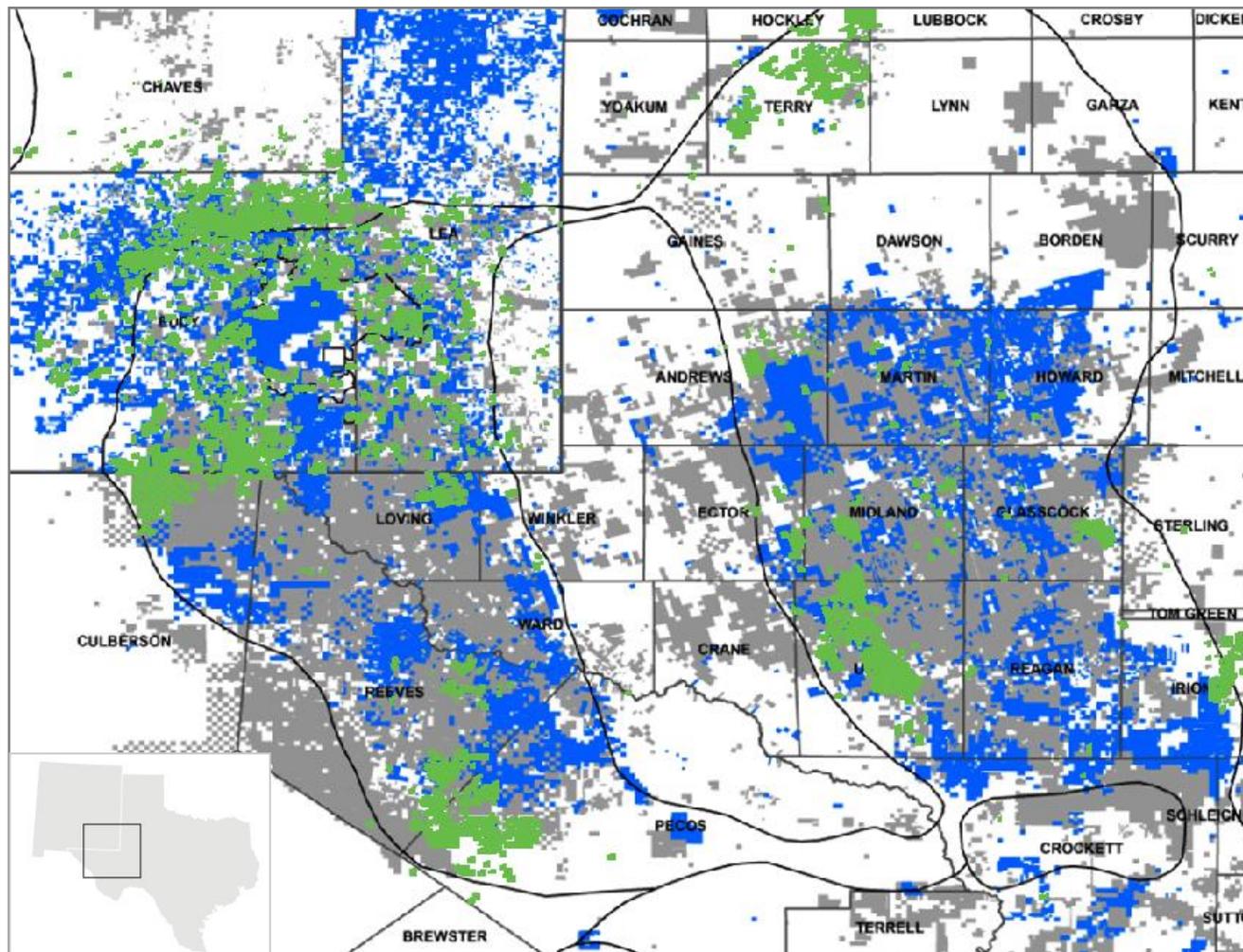
- ✓ **Consolidating the Permian**
 - › Entered into agreement to acquire RSPP
- ✓ **Enhancing Core Positions with Asset Trades**
 - › Completed key trade with large integrated oil company to enhance Midland Basin position
 - › Executed 5 trades in 1Q18
- ✓ **Monetizing Non-Core Leasehold**
 - › Divested non-core leasehold in Ward & Reeves Counties, Texas for ~\$280mm
 - › \$1.4bn in divestiture proceeds to date since January 2016
- ✓ **Realizing Value from Strategic Midstream Investment**
 - › \$157mm cash distribution from equity investment in Oryx

Note: Concho acreage as of December 31, 2017 pro forma for transactions announced to date other than RSPP acquisition; RSPP acreage as of December 31, 2017.



2014: Significant Private-Company Ownership

Permian Basin – Ripe for Consolidation

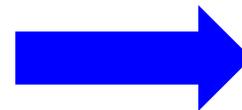


Permian Acreage Overview – 2014

- Permian Basin fragmented among public and private operators



Public



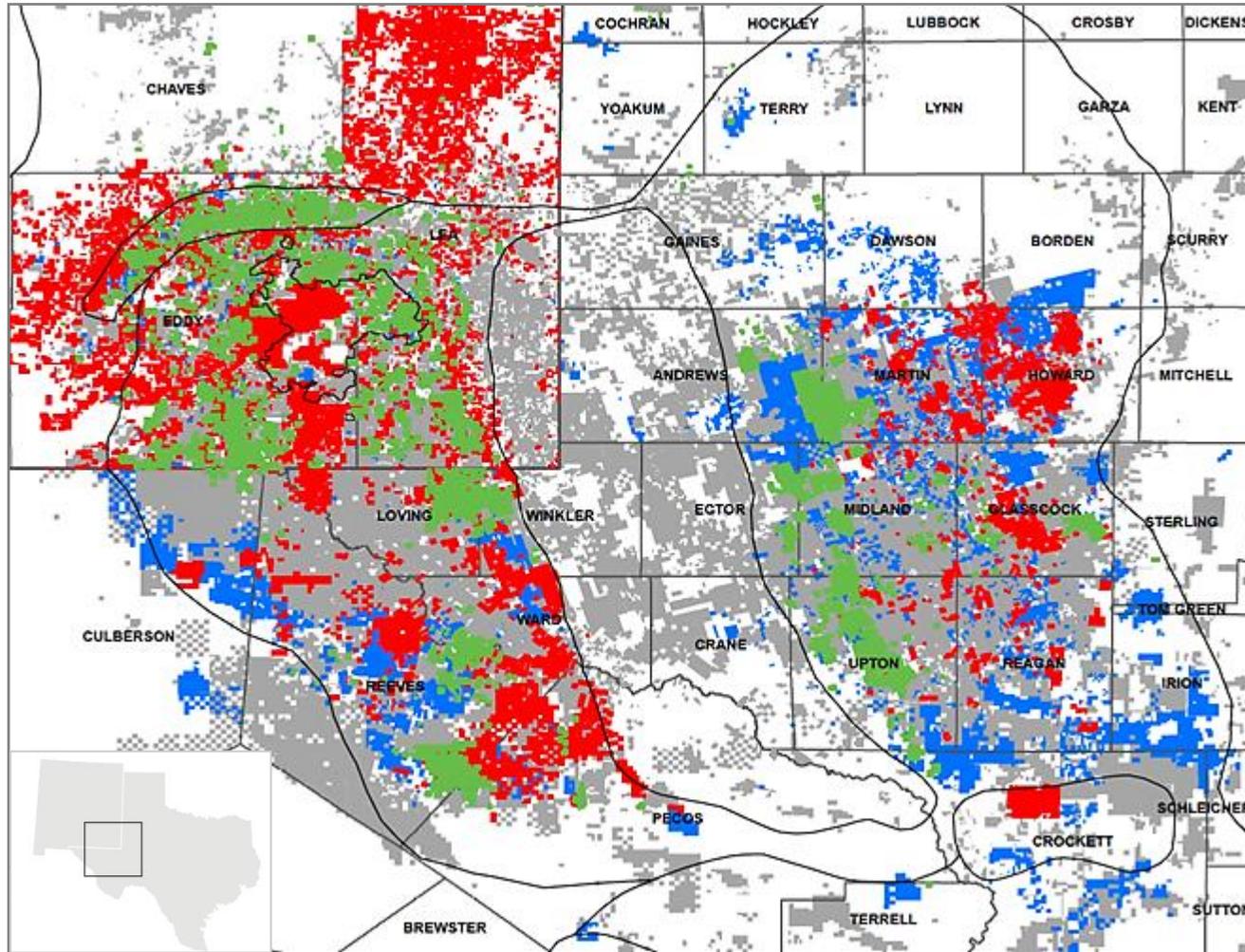
Private



CXO acreage position

Today

Public Companies Dominate Permian Basin M&A



Permian Acreage Overview – Today

- Over past 5 years public companies have looked to either establish or enhance a Permian position
- Strong industrial logic for in-basin consolidation



Public



Private



Private turned public



CXO acreage position

Note: Concho acreage as of December 31, 2017 pro forma for transactions announced to date.



The Playbook for In-Basin Consolidation

Building Value in the Permian Basin

Criteria

Enhances Premium Resource Base

Provides Significant Scale & Operational Synergies

Accretive to Key Per-Share Metrics

Reinforces Financial Position

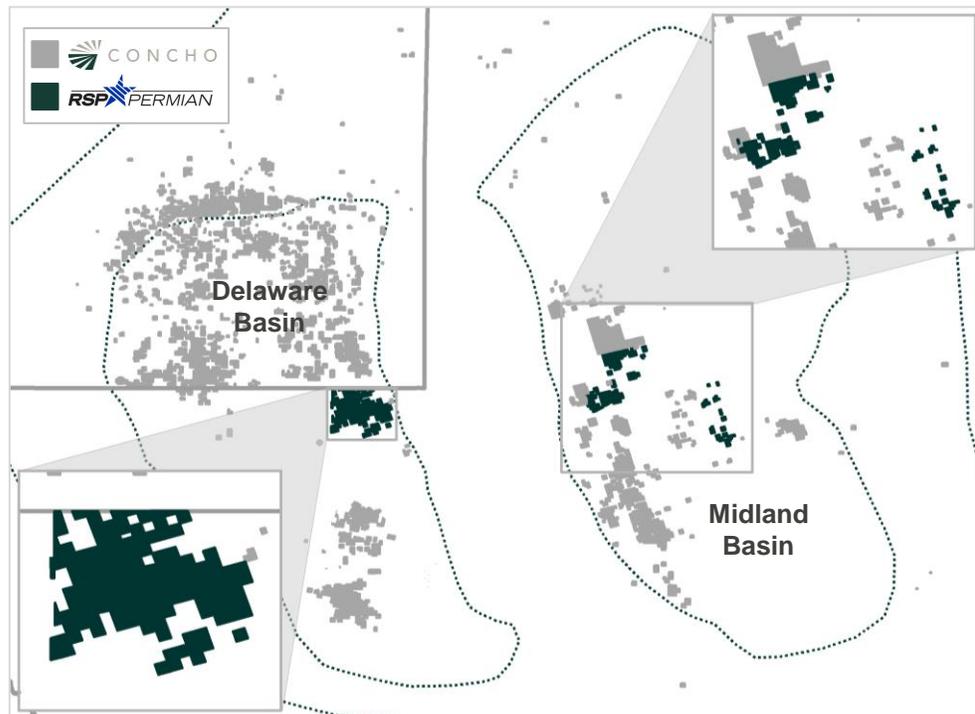


The RSP acquisition is consistent with our strategy, enhances our competitive advantages and strengthens our outlook for profitable growth and sustainable value creation

Announced Acquisition of RSP Permian

Creating the Largest Unconventional Shale Producer in the Permian Basin

Combined Position ~640,000 Net Acres



Transaction Overview

- Acquiring RSP in all-stock transaction for \$9.5bn, inclusive of RSP's \$1.5bn of net debt

Extends Track Record of Consolidating Core Acreage

- Contiguous bolt-on to existing core positions
- Immediately accretive before synergies
- Key value levers potentially unlock ~\$2bn in synergies

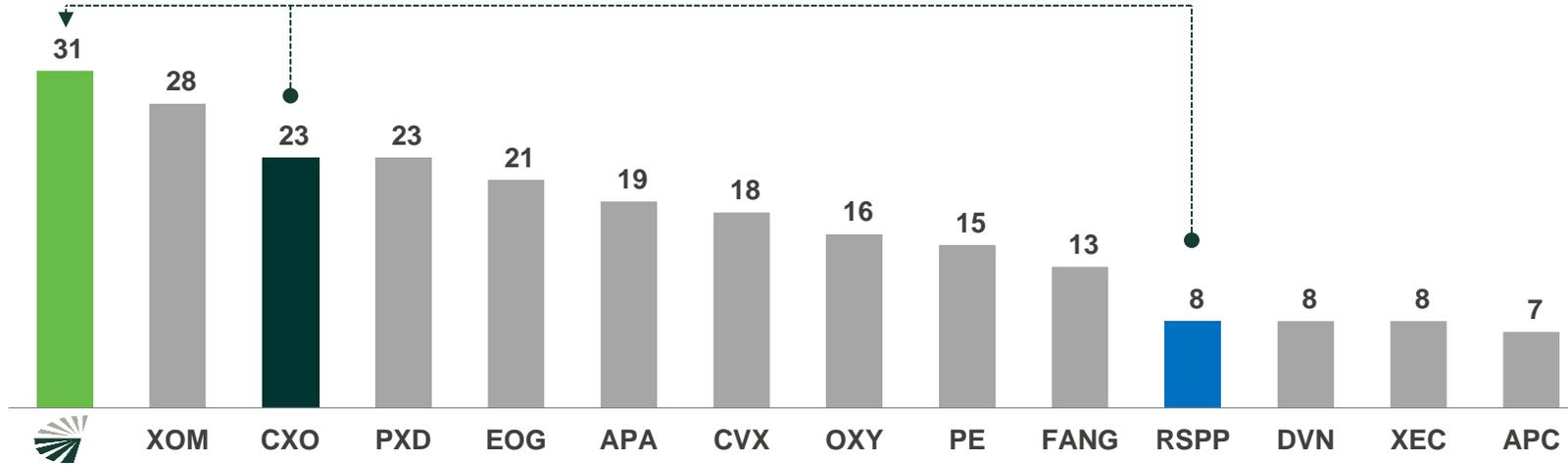
Transaction Timing Update

- CXO filed Form S-4, which includes preliminary proxy statements for both companies, April 20, 2018
- Early termination of Hart-Scott-Rodino granted April 27, 2018
- SEC review Form S-4
- Shareholder votes July 17, 2018
- Anticipate transaction closing 3Q18

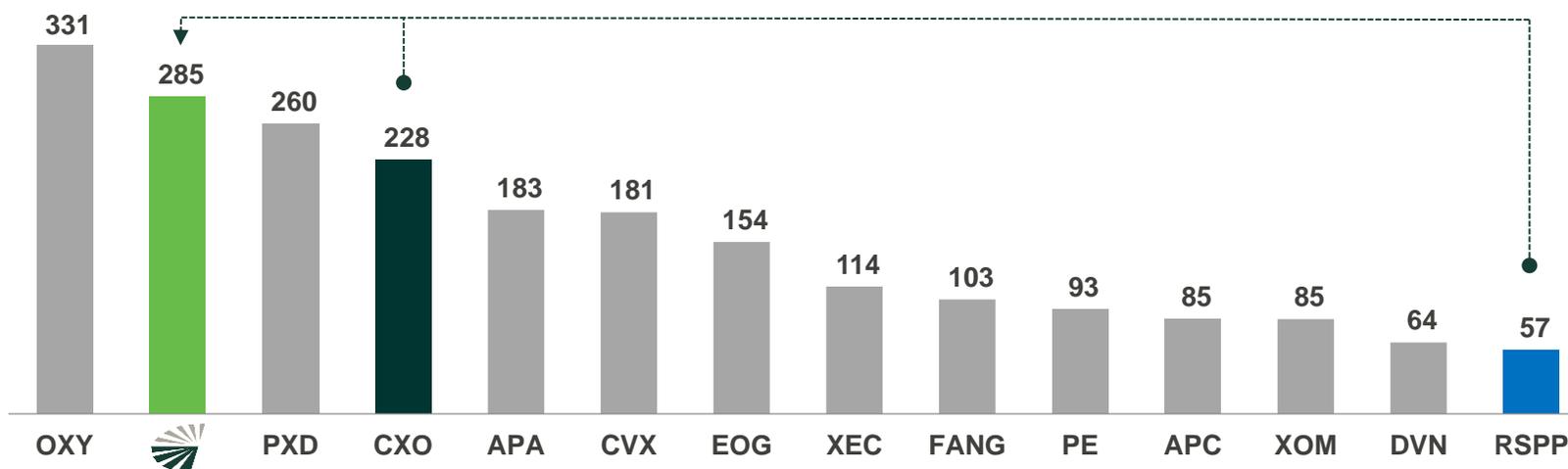
Increased Scale Creates Long-Term Competitive Advantage

Solidified and Strengthened Leading Position in the Permian Basin

Permian Rig Count



Permian Production¹ (MBoepd)



- ✓ Market share enhances supply chain and logistics advantages
- ✓ Financial capacity and execution strength to maximize value across a broader portfolio

Note: Rig count sourced from public filings and RigData as of 6/8/2018; production sourced from public filings and Evercore ISI.

Note: RSPP's 1Q18 production presented on a two-stream basis (production sourced from public filings).

¹Includes only Permian Basin production for 1Q18 or production based on FY17 if 1Q18 volumes were not disclosed.



Northern Midland Basin

Building a Super Block

Executing Our Consolidation Playbook Has Built a Super Block in the Core of the Midland Basin



Note: Concho acreage as of December 31, 2017 pro forma for transactions announced to date; RSP acreage as of December 31, 2017.

Operational Value Levers

Expands Value Proposition for All Shareholders

Key Value Levers...

- ✓ Long-lateral development
- ✓ Large-scale, multi-zone projects
- ✓ Shared infrastructure

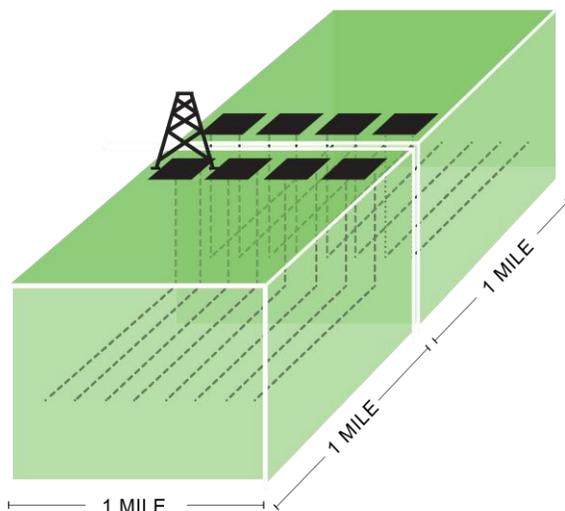
...Unlock Significant Value

- ✓ Lowers capital intensity
- ✓ Optimizes well performance & increases resource recovery
- ✓ Minimizes downtime
- ✓ Accelerates payout
- ✓ Increases NPV per drilling unit

Single-Zone Development Comparison

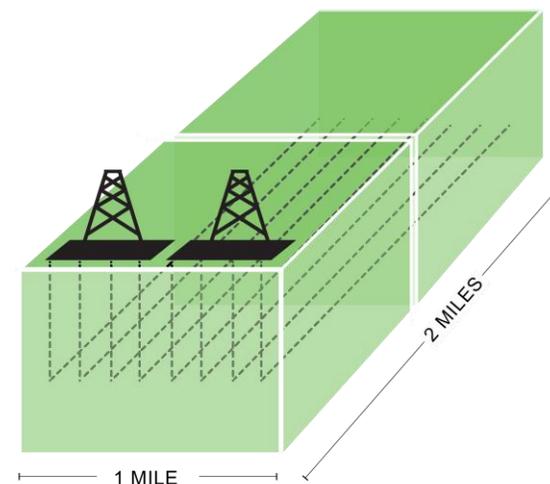
Small-Scale Development

- 16 wells (8, 2-well pads); 1-mile laterals
- 1-rig program



Large-Scale, Long-Lateral Development

- 8 wells (2, 4-well pads); 2-mile laterals
- 2-rig program



6% decrease in net investment

Accelerates payout to 1.7 years from 2.8 years

75% ROR vs. 67% ROR in small-scale scenario

Increases NPV by 45%

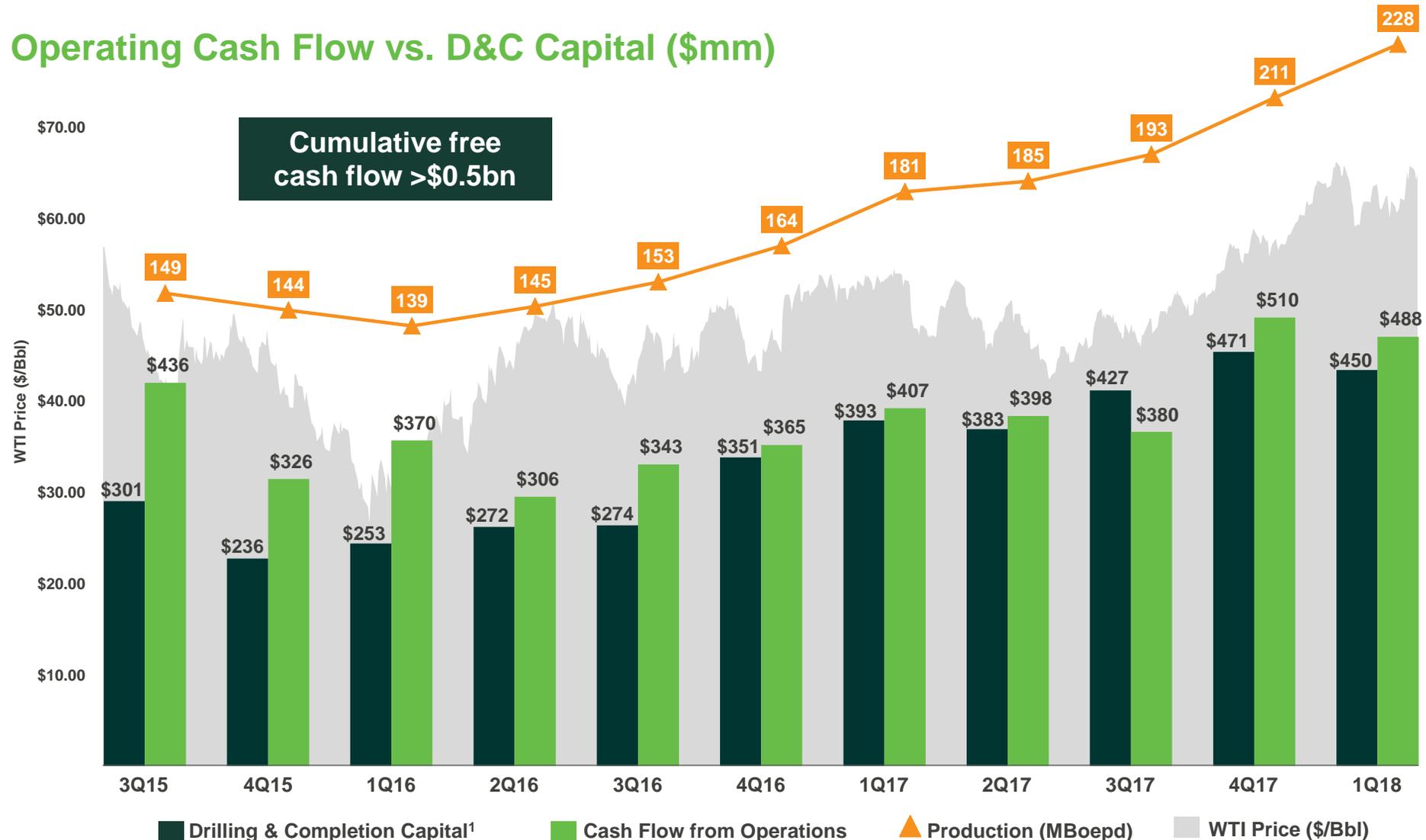
Combination of large-scale, long-lateral development and corporate level savings drive \$2bn of estimated transaction synergies



Prioritizing Capital Discipline

Differentiated Production Growth & Free Cash Flow

Operating Cash Flow vs. D&C Capital (\$mm)



High-Quality Assets & Disciplined Reinvestment Drives Free Cash Flow

¹D&C capital represents exploration and development costs incurred for oil and natural gas producing activities for each quarter shown. See appendix for a summary of costs incurred.

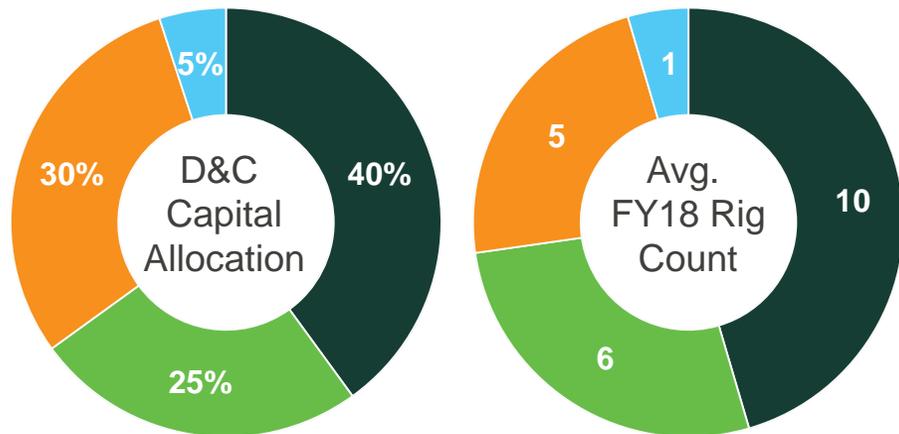


2018 Capital Program

Excludes RSPP

2018 Capital Program & Activity Overview

- Targeting midpoint of \$1.9bn - \$2.1bn capital program guidance¹
 - › ~93% for D&C activity and ~7% for other
- **Expect to generate 20% crude oil growth and 18%-20% total production growth**
 - › **Timing of large-scale projects to drive quarterly growth trajectory**
- Rigs and completion crews in place to execute on 2018 program



■ Northern Delaware Basin ■ Midland Basin
■ Southern Delaware Basin ■ New Mexico Shelf

Efficiencies

- ~80% multi-well pads
- ~65% large-scale projects
- Expect to drill ~260 gross wells
- Expect to complete ~11,000 gross stages

CXO Long-Term Outlook

2017-2020

20% total production CAGR within cash flow

Key Considerations

- Delivers free cash flow at low-to-mid \$50/Bbl WTI oil
- Cost inflation assumed; productivity gains not assumed
- Secured sand volumes and last-mile logistics



~50% of 2018 sand volumes to be sourced from local Permian mines

Note: Large-scale projects include 4 or more wells.

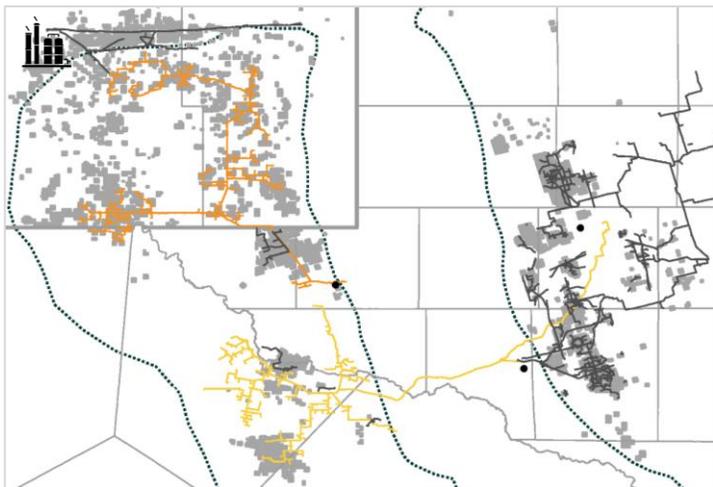
¹The Company's capital program guidance excludes acquisitions and is subject to change without notice depending upon a number of factors, including commodity prices and industry conditions.



Midstream Strategy

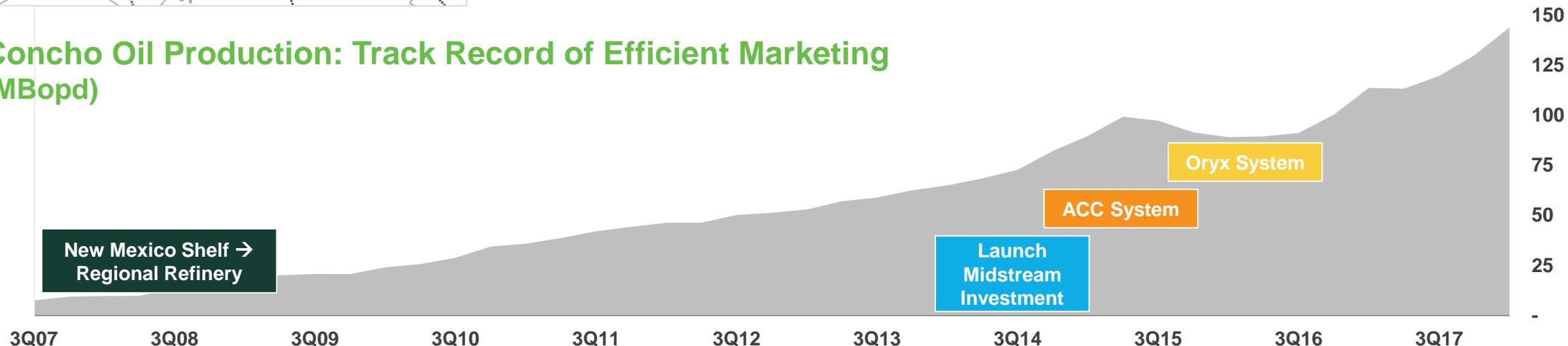
A Decade of Proactive Infrastructure Investment Ahead of Growth

Regional Gathering Systems



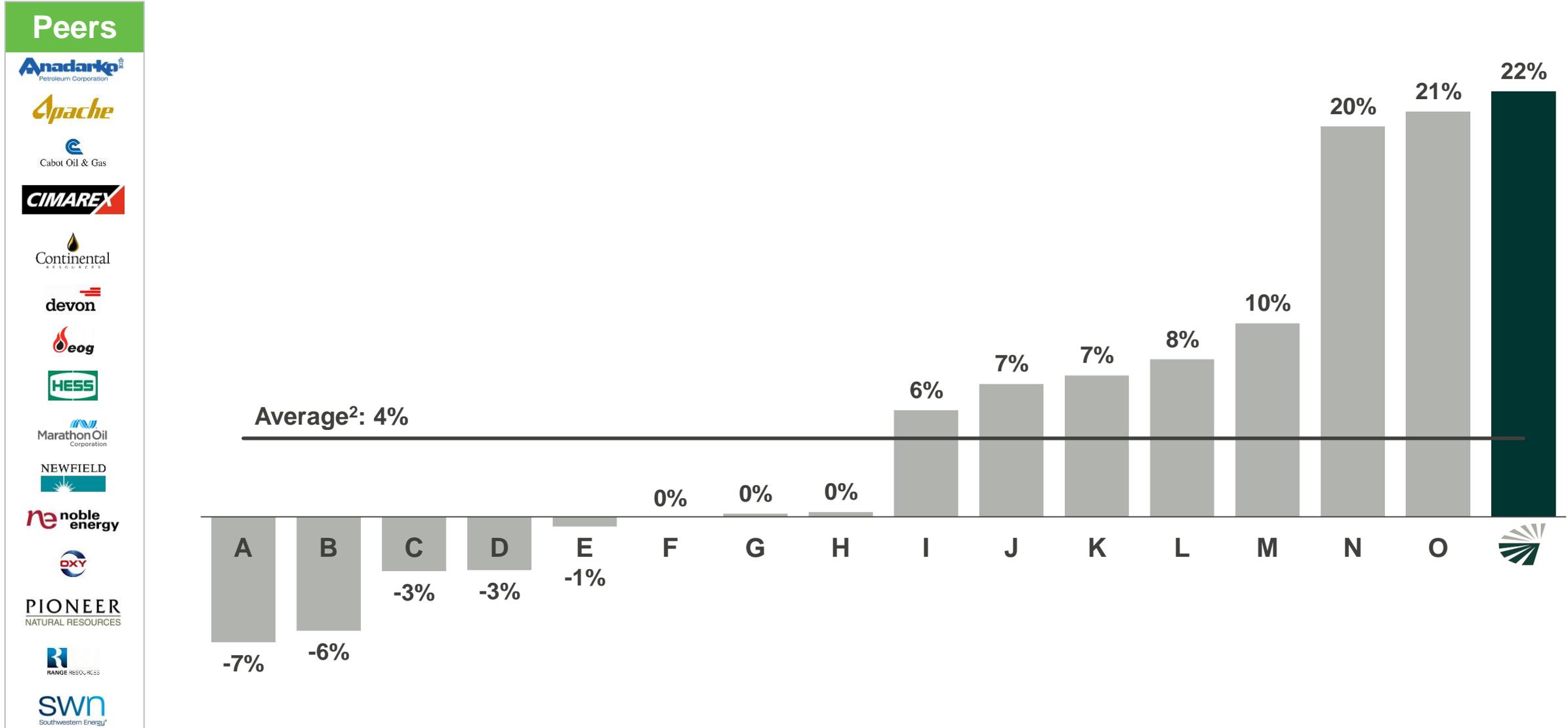
- › No production constraints and multiple options to secure flow assurance
- › Gathering systems move >85% of CXO crude to key intra-basin markets, with the balance primarily directed to regional refineries
- › Financial risk mitigation through Midland/Cushing basis hedges through 2020
- › Progressively diversifying price exposure with opportunity to use scale to anchor projects to facilitate FID

Concho Oil Production: Track Record of Efficient Marketing (MBopd)



Track Record of Peer-Leading Execution

10-Year Production Growth per Debt-Adjusted Share (CAGR)¹



Source: Bloomberg.

¹Reflects 10-year CAGR ending 3/31/2018.

²Average does not include CXO.



Key Investment Thesis

Concho's Value Proposition



Executing Clear, Cycle-Tested Strategy

- › Hire the best
- › Develop the best asset base
- › Rate of return driven
- › Prioritize financial strength



Disciplined Capital Allocation

- › Capital spending on high-return projects
- › Differentiated growth within cash flow
- › Robust long-term outlook



Industry-Leading Scale and Execution

- › Drive productivity gains
- › Control costs
- › Leverage new technology
- › Mitigate efficiency risks

Capital-Efficient Platform to Deliver Long-Term Growth & Value Creation





CONCHO

Appendix



Delivering Long-Term Differentiated Performance

Leading Permian Portfolio Positioned to Win

Running Our Playbook



Driving Strong, Consistent Execution

- Significant cost control and expanding cash margin
- ~\$9/Boe average PD F&D for last 2 years



Actively Managing the Portfolio

- \$1.4bn in divestiture proceeds since January 2016
- Enhancing core positions with asset trades



Prioritizing Capital Discipline

- ~\$0.5bn in cumulative free cash flow over past 11 quarters



Maintaining a Strong Financial Position

- ~\$950mm reduction in total debt since 2Q16

Enhancing Our Financial Strength

Long-Term Debt Profile (\$mm)



- › Lowered annual interest expense by ~\$90mm
- › Extended average maturity from 6 to 15 years
- › Reduced average coupon from 5.9% to 4.3%
- › Debt-to-TTM EBITDAX of 1.2x¹ at 3/31/2018

Reduced Leverage

+

Lowered Interest Expense

+

Improved Cost of Capital

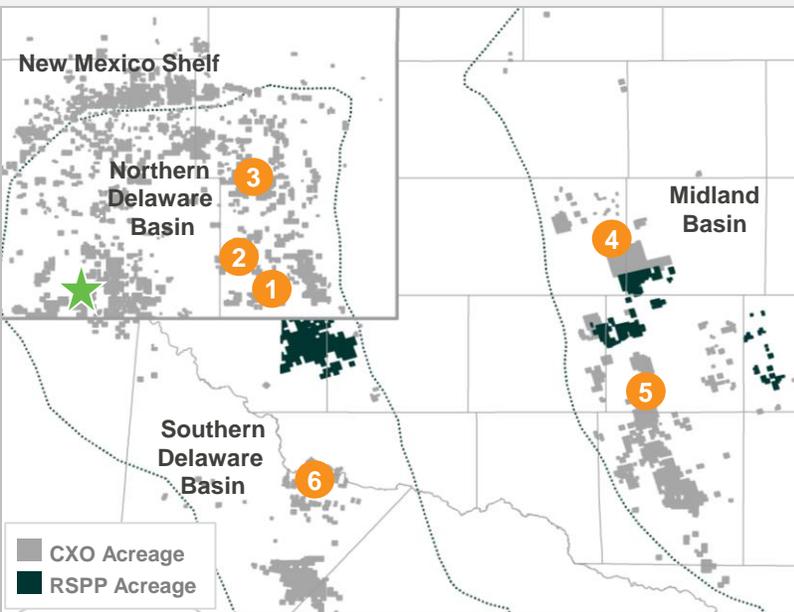
Note: Debt levels and related information regarding indebtedness do not include \$1.6 billion aggregate principal amount of Senior Notes due 2028 and Senior Notes due 2048, which are expected to be issued July 2, 2018, and do not reflect the effect of RSPB acquisition.

¹Leverage ratio determined using total long-term debt and the non-GAAP measure EBITDAX. Trailing-twelve-months EBITDAX is a non-GAAP measure. See appendix for definition and reconciliation to GAAP measure.



1Q18 Asset Highlights

Scaling Development to Maximize Returns & Recoveries



Northern Delaware Basin

- Added 12 horizontal wells
 - › **Record** avg. lateral length 8,544'
 - › **Record** avg. 30-day peak rate: 1,993 Boepd (74% oil)
 - › Avg. 60-day peak rate: 1,900 Boepd (73% oil)
- ★ Delineating lower 2nd Bone Spring in Eddy County, NM; added two wells with an avg. 30-day peak rate of 2,457 Boepd (74% oil) per well



Midland Basin

- Added 20 horizontal wells (avg. lateral length 10,156')
 - › Avg. 30-day peak rate: 1,156 Boepd (85% oil)
 - › Avg. 60-day peak rate: 1,114 Boepd (84% oil)



Southern Delaware Basin

- Added 21 horizontal wells (avg. lateral length 9,204')
 - › **Record** avg. 30-day peak rate: 2,070 Boepd (73% oil)
 - › Avg. 60-day peak rate: 1,787 Boepd (73% oil)



New Mexico Shelf

- Added 4 horizontal wells (one extended lateral)
 - › **Record** avg. lateral length 5,360'
 - › Avg. 60-day peak rate: 415 Boepd (85% oil)

Key Projects – 2018 & 2019

- | | |
|---|--|
| 1 Dominator 20+ well multi-zone project | 4 Mabee 240A 10+ well multi-zone project |
| 2 Eider 10+ well Avalon project | 5 Windham TXL 10+ well multi-zone project |
| 3 Little Bear 8+ well multi-zone project | 6 Whatcha Want 6+ well multi-zone project |

Note: Concho acreage as of December 31, 2017 pro forma for transactions announced to date other than RSPP acquisition; RSPP acreage as of December 31, 2017.
 Note: Well results represent wells with >30 days of production data in 1Q18.



Reconciliation of Net Income to EBITDAX (Unaudited)

EBITDAX (as defined below) is presented herein and reconciled from the GAAP measure of net income because of its wide acceptance by the investment community as a financial indicator.

The Company defines EBITDAX as net income, plus (1) exploration and abandonments expense, (2) depreciation, depletion and amortization expense, (3) accretion of discount on asset retirement obligations expense, (4) non-cash stock-based compensation expense, (5) (gain) loss on derivatives, (6) net cash receipts from (payments on) derivatives, (7) gain on disposition of assets, net, (8) interest expense, (9) gain on equity method investment distribution and (10) federal and state income tax expense (benefit). EBITDAX is not a measure of net income or cash flows as determined by GAAP.

The Company's EBITDAX measure provides additional information which may be used to better understand the Company's operations. EBITDAX is one of several metrics that the Company uses as a supplemental financial measurement in the evaluation of its business and should not be considered as an alternative to, or more meaningful than, net income as an indicator of operating performance. Certain items excluded from 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 and depletable assets. EBITDAX, as used by the Company, may not be comparable to similarly titled measures reported by other companies. The Company believes that EBITDAX is a widely followed measure of operating performance and is one of many metrics used by the Company's management team and by other users of the Company's consolidated financial statements. For example, EBITDAX can be used to assess the Company's operating performance and return on capital in comparison to other independent exploration and production companies without regard to financial or capital structure, and to assess the financial performance of the Company's assets and the Company without regard to capital structure or historical cost basis.

The following table provides a reconciliation of the GAAP measure of net income to EBITDAX (non-GAAP) for the periods indicated:

(in millions)	Twelve Months Ended March 31,	
	2018	
Net Income	\$	1,141
Exploration and abandonments		62
Depreciation, depletion and amortization		1,180
Accretion of discount on asset retirement obligations		8
Non-cash stock-based compensation		65
(Gain) loss on derivatives		447
Net cash receipts from (payments on) derivatives		(61)
Gain on disposition of assets, net		(747)
Interest expense		136
Loss on extinguishment of debt		66
Gain on equity method investment distribution		(103)
Income tax expense (benefit)		(192)
EBITDAX	\$	2,002



Reconciliation of Net Cash Provided by Operating Activities to EBITDAX (Unaudited)

EBITDAX is presented herein and reconciled to the GAAP measure of net cash provided by operating activities because the Company believes EBITDAX is a widely accepted financial indicator of a company's ability to internally fund exploration and development activities and to service or incur debt without regard to financial or capital structure. EBITDAX should not be considered an alternative to net cash provided by operating activities, as defined by GAAP.

The following table provides a reconciliation of the GAAP measure of net cash provided by operating activities to EBITDAX (non-GAAP) for the period presented:

(in millions)	Twelve Months Ended	
	March 31,	
	2018	
Net cash provided by operating activities	\$	1,776
Exploration and abandonments		31
Cash income tax benefit		(12)
Interest expense		136
Changes in working capital		76
Other		(5)
EBITDAX	\$	2,002

Costs Incurred (Unaudited)

The following table summarizes costs incurred for oil and natural gas producing activities for the periods indicated:

(in millions)	Three Months Ended										
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Property Acquisition Costs:											
Proved	\$ -	\$ 2	\$ 162	\$ 12	\$ 127	\$ 725	\$ 1	\$ 4	\$ 252	\$ (2)	\$ 57
Unproved	13	40	472	87	306	982	14	19	139	10	162
Exploration	243	296	252	238	235	189	177	165	170	149	202
Development	207	175	175	145	158	162	97	107	83	87	99
Total Costs Incurred	\$ 463	\$ 513	\$ 1,061	\$ 482	\$ 826	\$ 2,058	\$ 289	\$ 295	\$ 644	\$ 244	\$ 520



Hedge Position

**REMAINING 2018
OIL HEDGES
112 MBopd**

The table below provides data associated with the Company's derivatives at May 1, 2018, for the periods indicated:

	2018				2019	2020
	Second	Third	Fourth	Total	Total	Total
Oil Price Swaps¹:						
Volume (Bbl)	11,453,170	10,155,318	9,075,007	30,683,495	30,011,500	10,228,000
Price per Bbl	\$ 54.50	\$ 54.29	\$ 53.73	\$ 54.20	\$ 53.49	\$ 55.24
Oil Basis Swaps²:						
Volume (Bbl)	9,492,000	8,465,000	7,757,000	25,714,000	28,619,500	10,980,000
Price per Bbl	\$ (0.81)	\$ (0.85)	\$ (0.89)	\$ (0.85)	\$ (1.17)	\$ (0.08)
Natural Gas Price Swaps³:						
Volume (MMBtu)	18,179,000	19,420,000	18,458,000	56,057,000	28,790,992	7,320,000
Price per MMBtu	\$ 3.03	\$ 3.01	\$ 3.00	\$ 3.01	\$ 2.81	\$ 2.70

**Updated as of
May 1, 2018**

¹ The index prices for the oil price swaps are based on the New York Mercantile Exchange (NYMEX) – West Texas Intermediate (WTI) monthly average futures price.

² The basis differential price is between Midland – WTI and Cushing – WTI.

³ The index prices for the natural gas price swaps are based on the NYMEX – Henry Hub last trading day futures price.



2018 Operational & Financial Outlook

Excludes RSP

	2018 Guidance
Production	
Total production growth	18% - 20%
Crude oil production growth	20%
Price realizations, excluding commodity derivatives	
Crude oil (per Bbl) (Relative to NYMEX - WTI)	(\$1.50) - (\$2.00)
Natural gas (per Mcf) (% of NYMEX - Henry Hub)	90% - 100%
Operating costs and expenses (\$ per Boe, unless noted)	
Lease operating expense and workover costs	\$6.00 - \$6.50
Gathering, processing and transportation	\$0.50 - \$0.60
Oil and natural gas taxes (% of oil & natural gas revenues)	7.75%
General and administrative ("G&A") expense:	
Cash G&A expense	\$2.50 - \$2.80
Non-cash stock-based compensation	\$0.80 - \$1.00
DD&A	\$15.00 - \$16.00
Exploration and other	\$0.25 - \$0.75
Interest expense (\$mm):	
Cash	\$110 - \$120
Non-cash	\$6
Income tax rate (%)	25%
Capital program (\$bn) ¹	\$1.9 - \$2.1



2Q18 Production Guidance

226 to 230 MBoepd

FY18 Crude Oil Price Realization

- Updated guidance of (\$1.50) – (\$2.00) **excludes** regional Midland-Cushing price differential
- **Basis hedges protect against widening of Midland-Cushing differential**
 - › Balance of 2018: Midland-Cushing basis hedges cover 25.7 MMBbl at (\$0.85) per Bbl
 - › 2019 & 2020 Midland-Cushing basis hedges summarized on page 26

2018 Operational & Financial Outlook
Updated as of May 1, 2018

¹ The Company's capital program guidance for 2018 is subject to change without notice depending upon a number of factors, including commodity prices and industry conditions.

