



NYSE:CRK

3rd Quarter 2020 Results

November 4, 2020

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3rd Quarter Highlights

- Re-started completion activity and ramped up drilling activity in the third quarter in order to grow natural gas production into improving natural gas prices in Q4 and 2021
 - Completed 15 Haynesville wells since 2nd Quarter update –
 - *Average lateral length of 9,088 feet*
 - *Average per well IP rate of 26 MMcf per day*
 - Increased from 4 to 6 operated drilling rigs
- Reduced current well costs to < \$1,000 per lateral foot
- Completed a \$300 million successful senior notes offering to pay down bank credit facility
 - *Reduced bank credit facility borrowings from 57% of availability to 36%*
 - *Increased financial liquidity from \$612 million to \$928 million*
- Low oil and natural gas prices and lower production impacted third quarter financial results –
 - Oil and Gas Sales - \$212 million*
 - Adjusted EBITDAX - \$148 million*
 - Operating Cash Flow - \$93 million (38¢ per share)**
 - Adjusted Net Loss - \$ 13.8 million (6¢ per share)***

* Fully diluted assuming conversion of convertible preferred stock.

** Adjusted to exclude unrealized losses on hedges, interest accretion due to valuation adjustment to carrying value of Covey Park debt.

Q3 2020 Financial Results

\$ in millions except per share and unit amounts

	2019 Q3	2020 Q3	
<i>Oil Production (Mbbbls)</i>	603	354	-41%
<i>Gas Production (MMcf)</i>	97,236	102,560	5%
<i>Production (MMcfe)</i>	100,859	104,687	4%
<i>Oil Price (Per Barrel)</i>	\$51.27	\$33.52	-35%
<i>Gas Price (Per Mcf)</i>	\$2.26	\$1.95	-14%
<i>Oil and Gas Sales ⁽¹⁾</i>	\$250.5	\$212.2	-15%
<i>Lifting Costs</i>	59.5	57.6	-3%
<i>General and Administrative</i>	8.1	9.0	11%
<i>Depreciation, Depletion and Amort.</i>	80.2	99.1	23%
<i>Operating Income before Taxes ⁽¹⁾</i>	\$ 102.6	\$ 46.6	-55%
<i>Reported Net Income (Loss)</i>	(\$1.3)	(\$130.9)	
<i>Interest Amortization on Senior Notes Valuation</i>	4.1	5.6	
<i>Unrealized (Gains) Losses from Hedging</i>	1.2	155.6	
<i>Transaction Costs</i>	39.7	-	
<i>Covey Park July 2019 Hedging Settlements</i>	4.6	-	
<i>Adjusted Provision for Income Taxes</i>	(\$13.8)	(44.1)	
<i>Adjusted Net Income (Loss)</i>	\$ 34.3	(\$13.8)	
<i>Adjusted Net Income (Loss) per Diluted Share</i>	\$ 0.17	\$ (0.06)	
<i>Adjusted EBITDAX ⁽²⁾</i>	\$ 188.6	\$ 147.7	-22%
<i>Cash Flow from Operations ⁽³⁾</i>	\$ 143.3	\$ 93.2	-35%

⁽¹⁾ Includes Realized Hedging Gains and Losses

⁽²⁾ Excludes Stock-based Compensation

⁽³⁾ Excludes Working Capital Changes

9 Months 2020 Financial Results

\$ in millions except per share and unit amounts

	2019 9M	2020 9M	
<i>Oil Production (Mbbbls)</i>	2,108	1,168	-45%
<i>Gas Production (MMcf)</i>	171,313	341,823	100%
<i>Production (MMcfe)</i>	183,964	348,831	90%
<i>Oil Price (Per Barrel)</i>	\$49.44	\$39.84	-19%
<i>Gas Price (Per Mcf)</i>	\$2.39	\$1.96	-18%
<i>Oil and Gas Sales ⁽¹⁾</i>	\$512.8	\$716.3	40%
<i>Lifting Costs</i>	118.5	184.3	55%
<i>General and Administrative</i>	22.8	26.0	14%
<i>Depreciation, Depletion and Amort.</i>	164.7	312.8	90%
<i>Operating Income before Taxes ⁽¹⁾</i>	\$ 206.8	\$ 193.2	-7%
<i>Reported Net Income (Loss)</i>	\$33.6	(\$160.9)	
<i>Interest Amortization on Senior Notes Valuation</i>	\$4.1	16.3	
<i>Unrealized Losses from Hedging</i>	\$1.4	204.7	
<i>Transaction Costs</i>	\$41.1	-	
<i>Covey Park July 2019 hedging settlements</i>	\$4.6	-	
<i>Adjusted Provision for Income Taxes</i>	(\$13.7)	(53.4)	
<i>Adjusted Net Income</i>	\$ 71.2	\$12.9	
<i>Adjusted Net Income per Diluted Share</i>	\$ 0.51	\$ 0.06	
<i>Adjusted EBITDAX ⁽²⁾</i>	\$ 378.8	\$ 511.4	35%
<i>Cash Flow from Operations ⁽³⁾</i>	\$ 280.4	\$ 366.6	31%

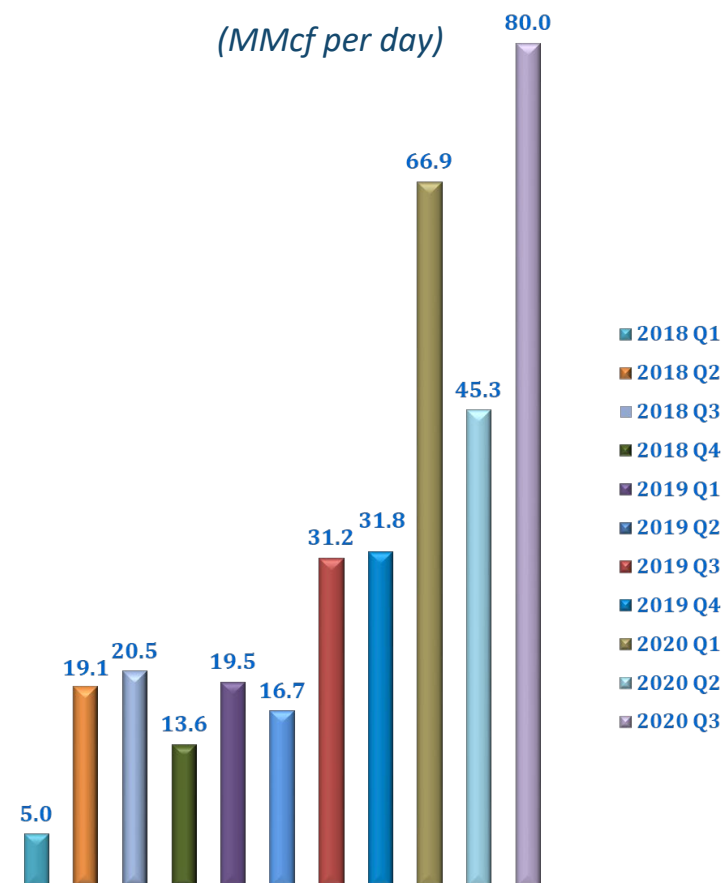
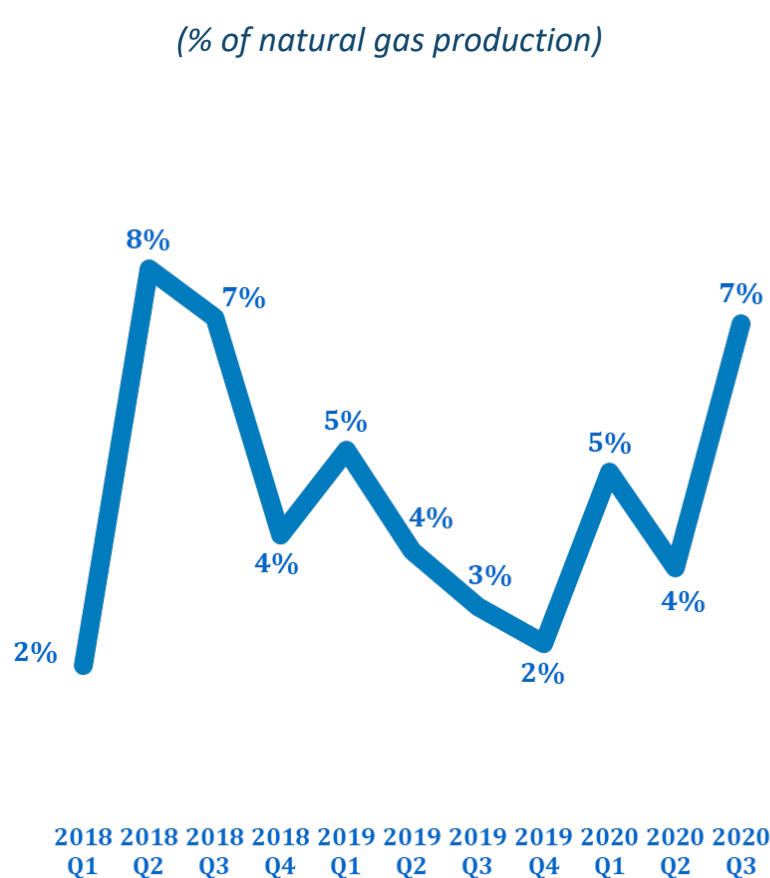
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Shut-in Production

7% of natural gas production shut-in for offset frac activity and curtailments in 3rd quarter



12% of oil production curtailed in 3rd quarter due to low oil prices

Hedging Program

- In the first nine months of 2020 Comstock had 50% of its gas production hedged, which increased its realized gas price to \$1.96 per Mcf versus \$1.60 per Mcf excluding hedges
- Comstock also had 86% of its oil production hedged, which increased its realized oil price to \$39.84 per barrel versus \$30.35 per barrel excluding hedges
- Targeting to have 60% to 70% of our oil and gas production hedged in 2021

Period	Natural Gas (Mmbtu/d)				Oil (Bbl/d)	
	Swaps	Collars	3-Way Collars	Total	Swaptions	Collars
2020 4Q	518,027	94,783	50,000	662,809		2,821
2021 1Q	587,271	270,000		857,271	20,000	500
2021 2Q	512,184	330,000		842,184	80,000	500
2021 3Q	505,000	330,000		835,000	80,000	500
2021 4Q	480,000	330,000		810,000	80,000	500
2021 FY	520,776	315,205		835,981	65,205 ¹	500
2022 FY	30,000	14,795		44,795	134,795 ²	-

Period	Natural Gas (\$ MMBtu)				Oil (\$ Bbl)	
	Swaps	Collars	3-Way Collars	Total WAVG ³	Swaptions	Collars
2020 4Q	\$2.63	\$2.43 / \$2.95	\$2.32/\$2.63/\$2.99	\$2.61		\$49.35 / \$63.83
2021 1Q	\$2.56	\$2.45 / \$2.88		\$2.52	\$2.50	\$40.00 / \$45.00
2021 2Q	\$2.54	\$2.46 / \$2.99		\$2.51	\$2.50	\$40.00 / \$45.00
2021 3Q	\$2.53	\$2.46 / \$2.99		\$2.51	\$2.50	\$40.00 / \$45.00
2021 4Q	\$2.53	\$2.46 / \$2.99		\$2.50	\$2.50	\$40.00 / \$45.00
2021 FY	\$2.54	\$2.46 / \$2.97		\$2.51	\$2.50	\$40.00 / \$45.00
2022 FY	\$2.53	\$2.53 / \$3.48		\$2.53	\$2.51	

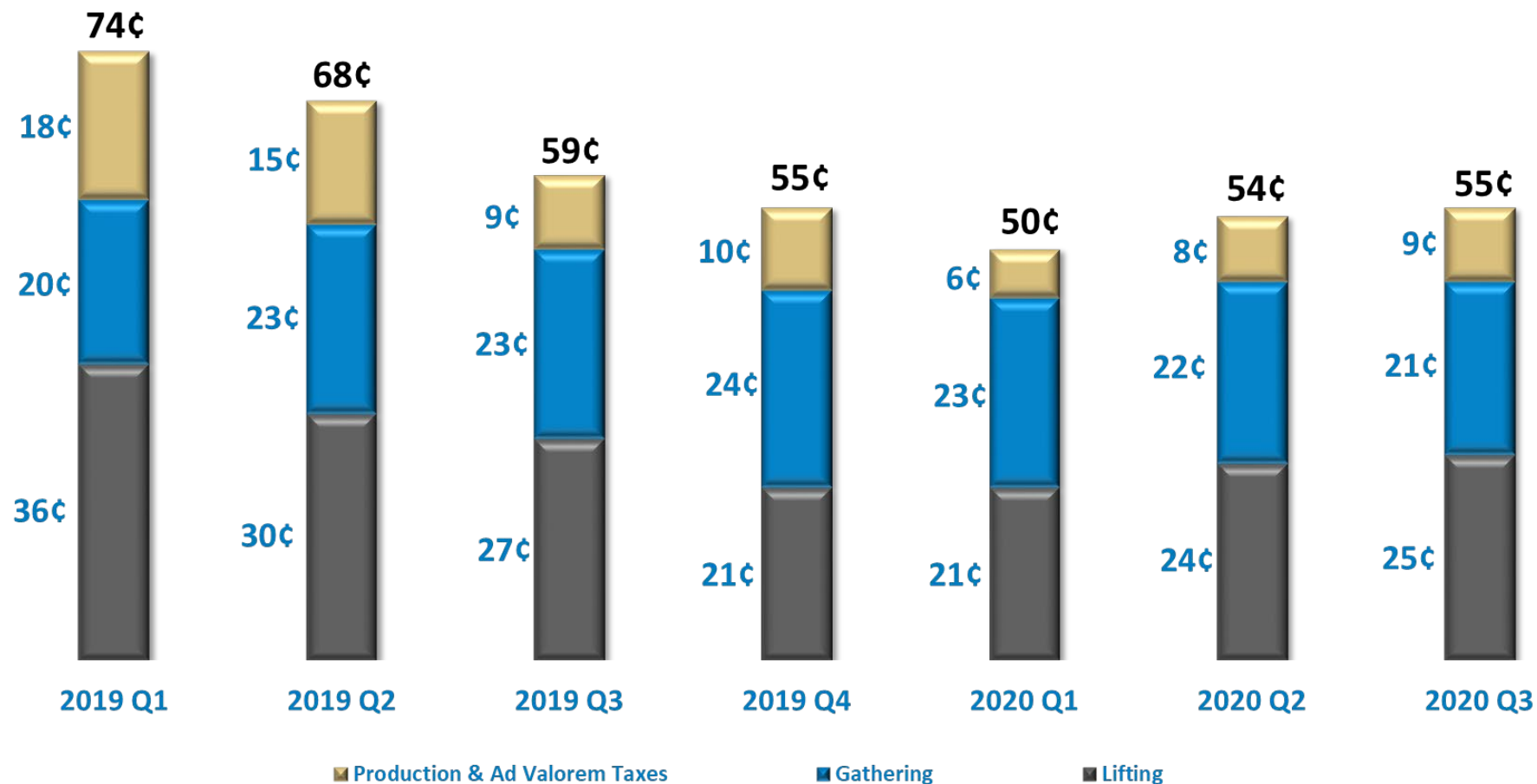
(1) The counterparty has the right to exercise a call option to enter into a price swap with the Company on 65,205 MMBtu/d in 2021 at an average price of \$2.50. The call option expires for 20,000 MMBtu/d at an average price of \$2.50 in November 2020 and for 45,205 MMBtu/d at an average price of \$2.50 in March 2021.

(2) The counterparty has the right to exercise a call option to enter into a price swap with the Company on 134,795 MMBtu/d in 2022 at an average price of \$2.51. The call option expires for 14,795 MMBtu/d at an average price of \$2.50/MMBtu in March 2021; for 100,000 MMBtu/d at an average price of \$2.52 in October 2021 and 20,000 MMBtu/d at an average price of \$2.50 in November 2021.

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

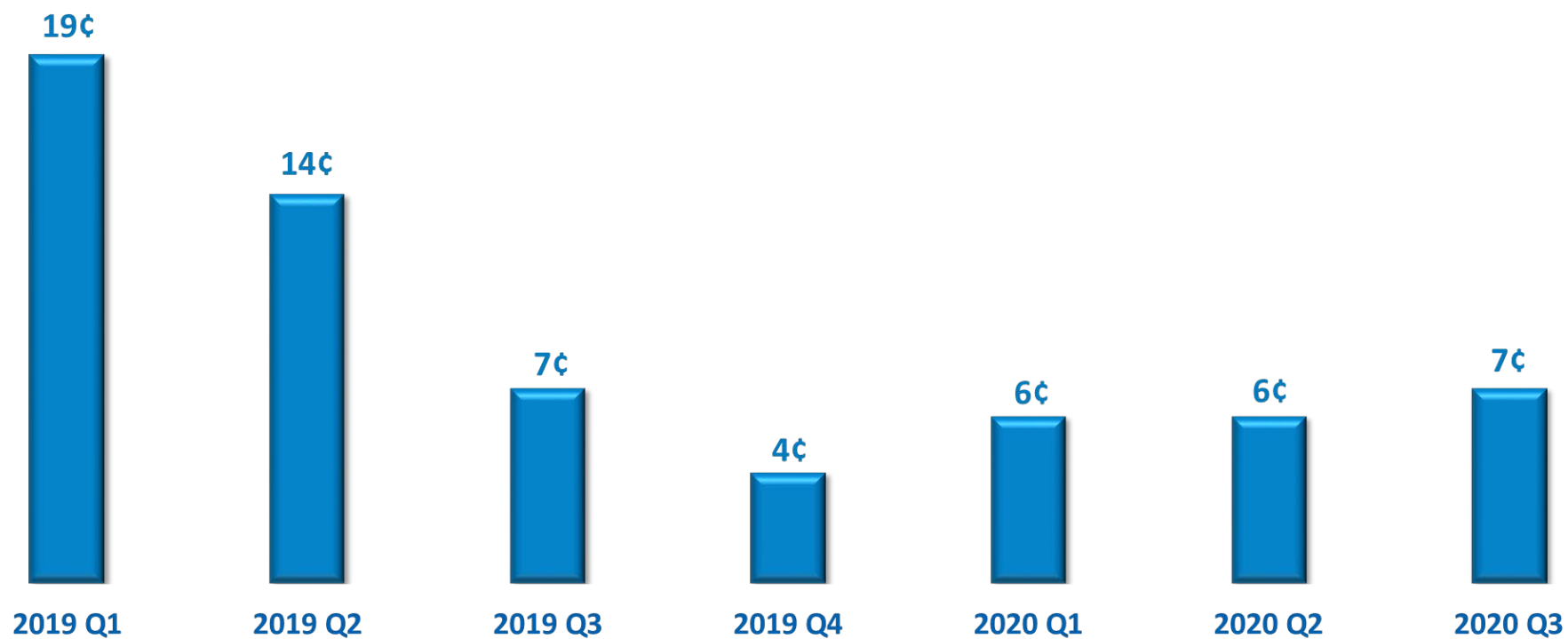
Low Cost Structure

Operating Costs Per Mcfe

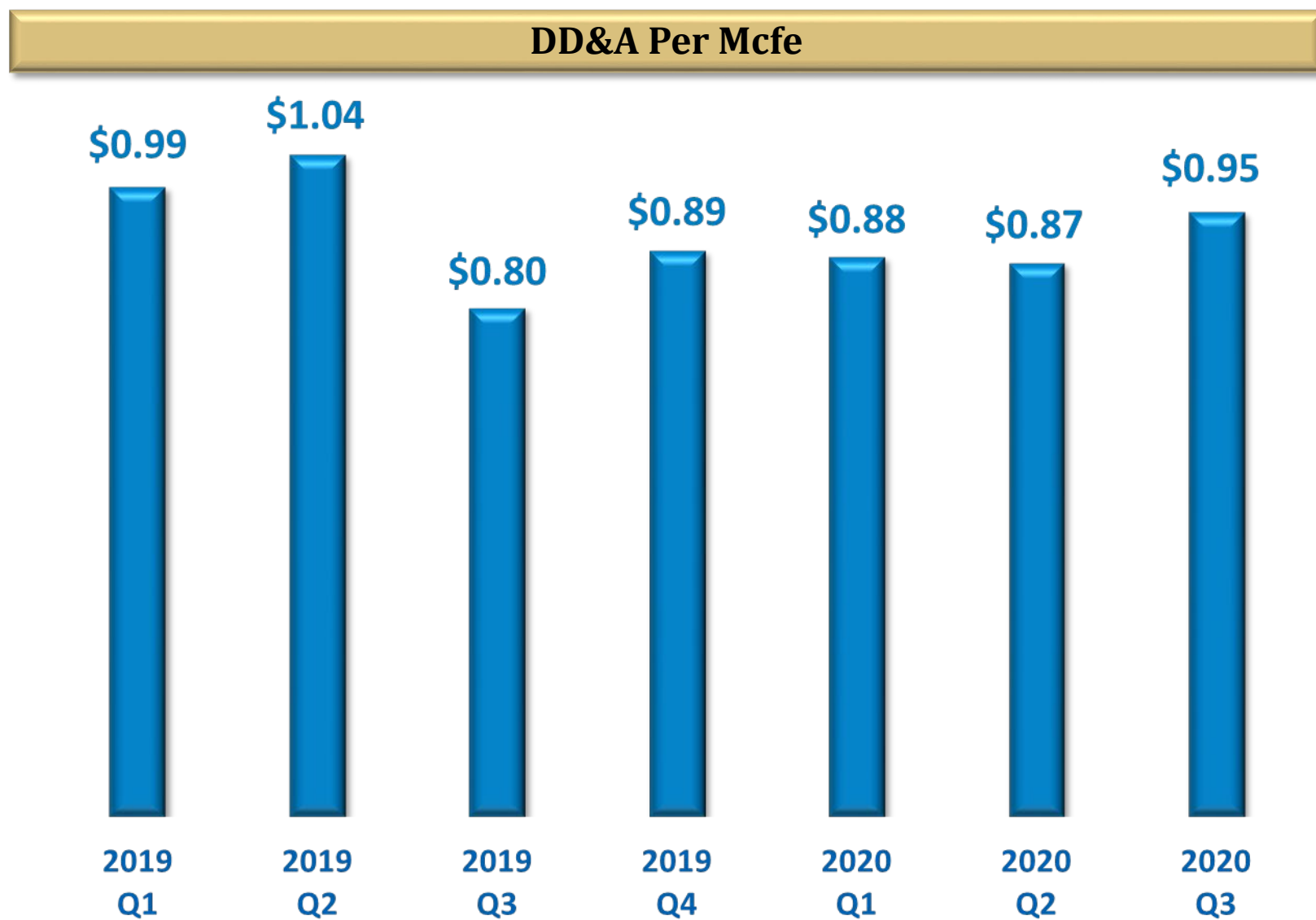


Low Cost Structure

Cash G&A Per Mcfe



Low Cost Structure



Drilling Program

(\$ in millions)

	Third Quarter 2020				Nine Months 2020			
	\$	Average Lateral (feet)	Gross Wells	WI Net Wells	\$	Average Lateral (feet)	Gross Wells	WI Net Wells
Completion of Wells Drilled in 2019	\$ 0.4				\$ 50.0	8,423	15	9.6
Wells Drilled and TTS in 2020	41.9	9,000	10	9.5	122.6	8,770	18	15.1
Wells Drilled in 2020 (not yet completed)	51.9	9,401	8	6.6	86.6	9,516	18	13.5
Non-operated and other	16.2				56.5			
	\$ 110.4				\$ 315.7			

2020 and 2021 Drilling Program Overview

	2020	2021
Wells Drilled to Total Depth - Operated	53 Gross / 45.0 Net	70 Gross / 56.5 Net
Wells Drilled to Total Depth - Non-Operated	18 Gross / 1.3 Net	
Wells to Sales - Operated	55 Gross / 42.2 Net	65 Gross / 56.6 Net
Wells to Sales - Non-Operated	35 Gross / 3.8 Net	
Year-End Drilled Uncompleted Wells	16 Gross / 15.4 Net	21 Gross / 15.2 Net
Wells Drilling at Year-End	9 Gross / 8.1 Net	10 Gross / 8.1 Net

Balance Sheet

Bank Credit Facility

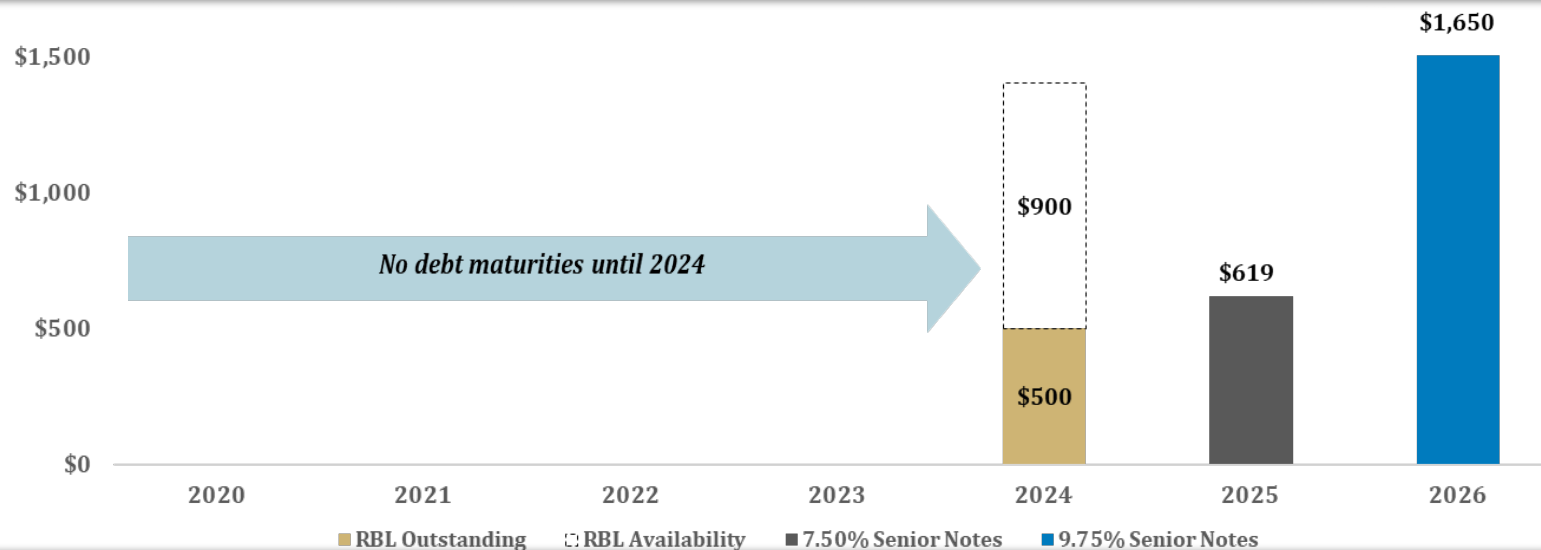
Senior Secured Revolving Credit Facility:

- **\$1.4 billion borrowing base**
- **Maturity date July 16, 2024**
- **Pricing of L+225 to 325 bpts**
- **Key financial covenants:**
 - **Leverage Ratio < 4X, Current Ratio > 1.0**

Capitalization

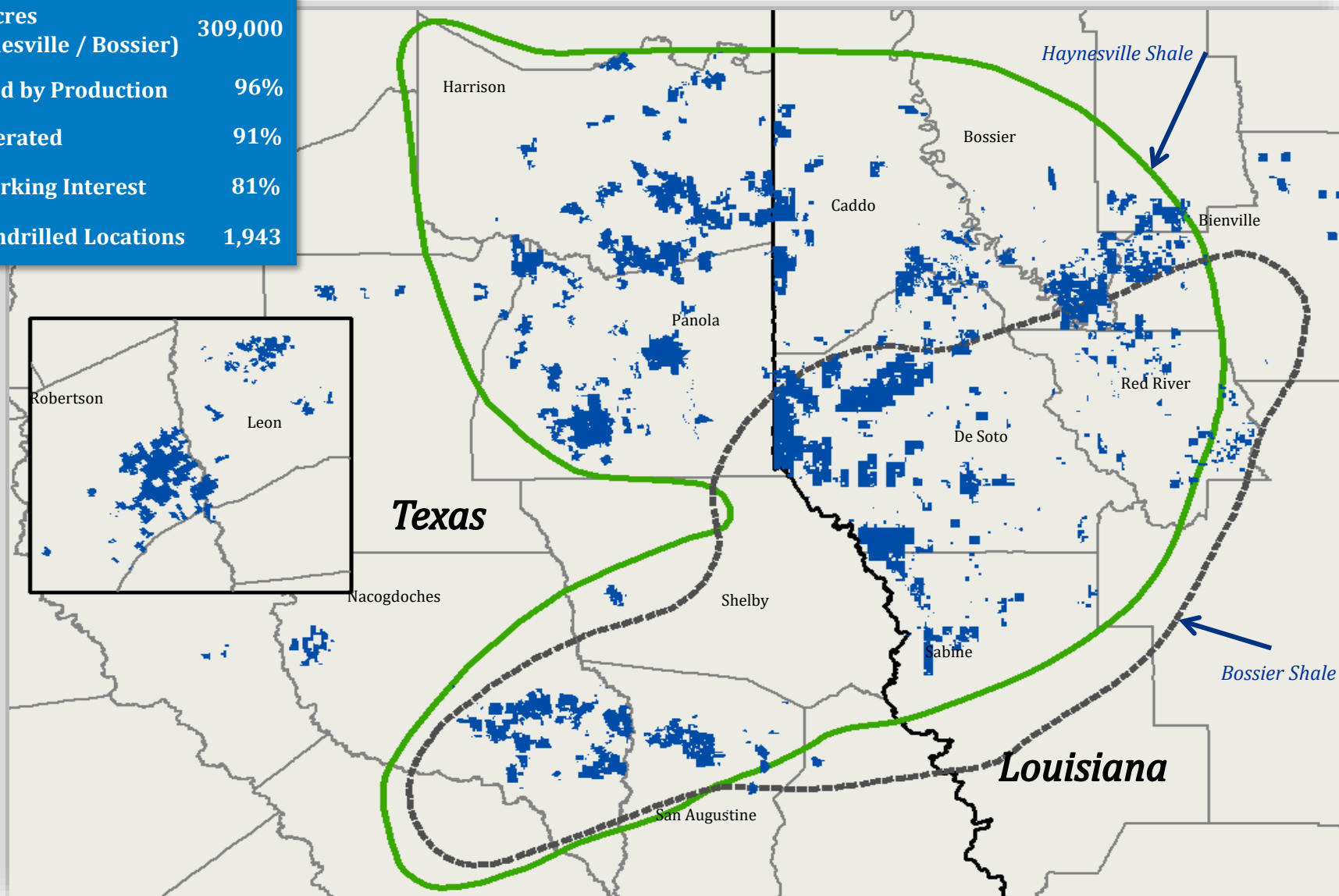
(\$ in millions)	9/30/2020
Cash and Cash Equivalents	\$28
Revolving Credit Facility	\$500
7.50% Senior Notes due 2025	619
9.75% Senior Notes due 2026	1,650
Total Debt	\$2,769
Preferred Equity (at face value)	\$175
Common Equity	1,188
Total Capitalization	\$4,132
Liquidity	\$928

Debt Maturity Profile



Haynesville Shale

Net Acres (Haynesville / Bossier)	309,000
% Held by Production	96%
% Operated	91%
% Working Interest	81%
Net Undrilled Locations	1,943



Drilled and completed 252 operated wells with average IP rate of 23 MMcf/d

Drilling Location Inventory

Extensive inventory of high return drilling locations

As of September 30, 2020

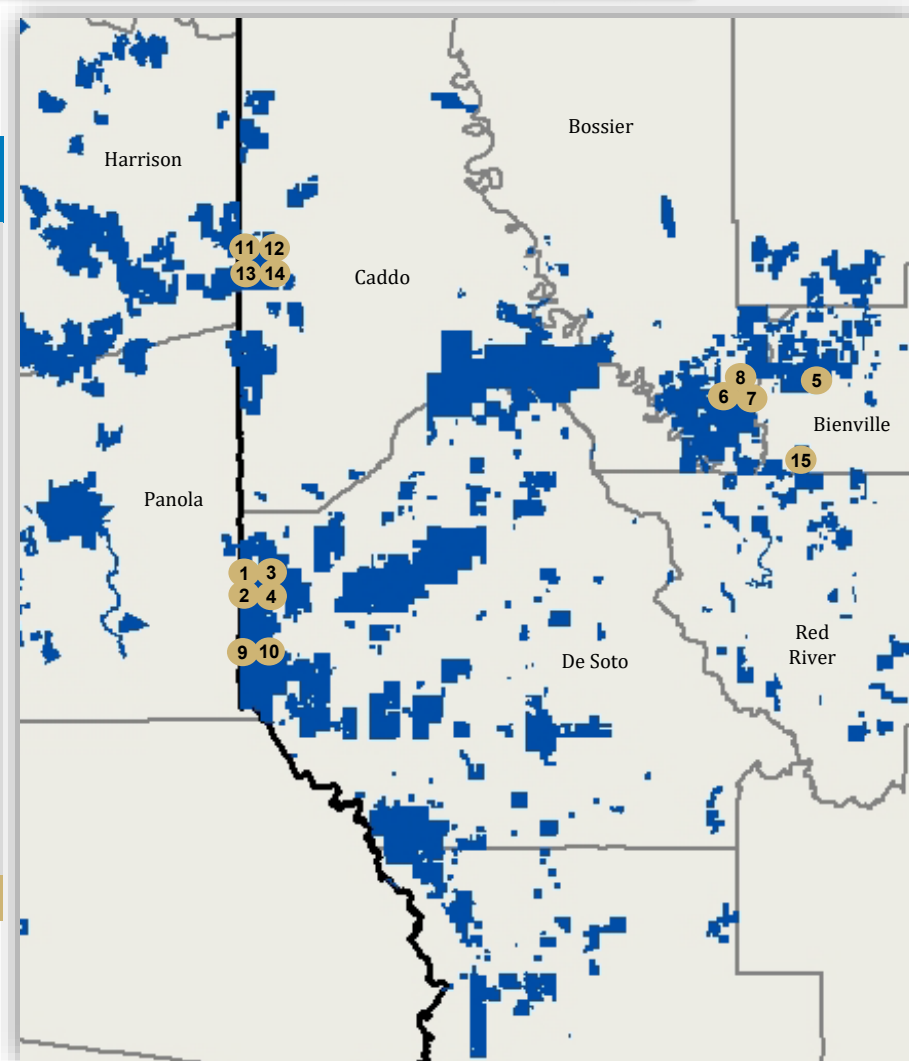
	Operated		Haynesville Non-Operated		Total	
	(Gross)	(Net)	(Gross)	(Net)	(Gross)	(Net)
up to 5,000 ft.	287	219	547	72	834	291
5,000 ft to 8,000 ft	438	318	183	32	621	350
> 8,000 ft	560	385	218	36	778	420
	1,285	921	948	140	2,233	1,061

	Operated		Bossier Non-Operated		Total	
	(Gross)	(Net)	(Gross)	(Net)	(Gross)	(Net)
up to 5,000 ft.	207	160	256	26	463	186
5,000 ft to 8,000 ft	467	354	74	6	541	360
> 8,000 ft	442	329	74	8	516	337
	1,116	842	404	40	1,520	882
	2,401	1,763	1,352	180	3,753	1,943

3rd Quarter Drilling Results

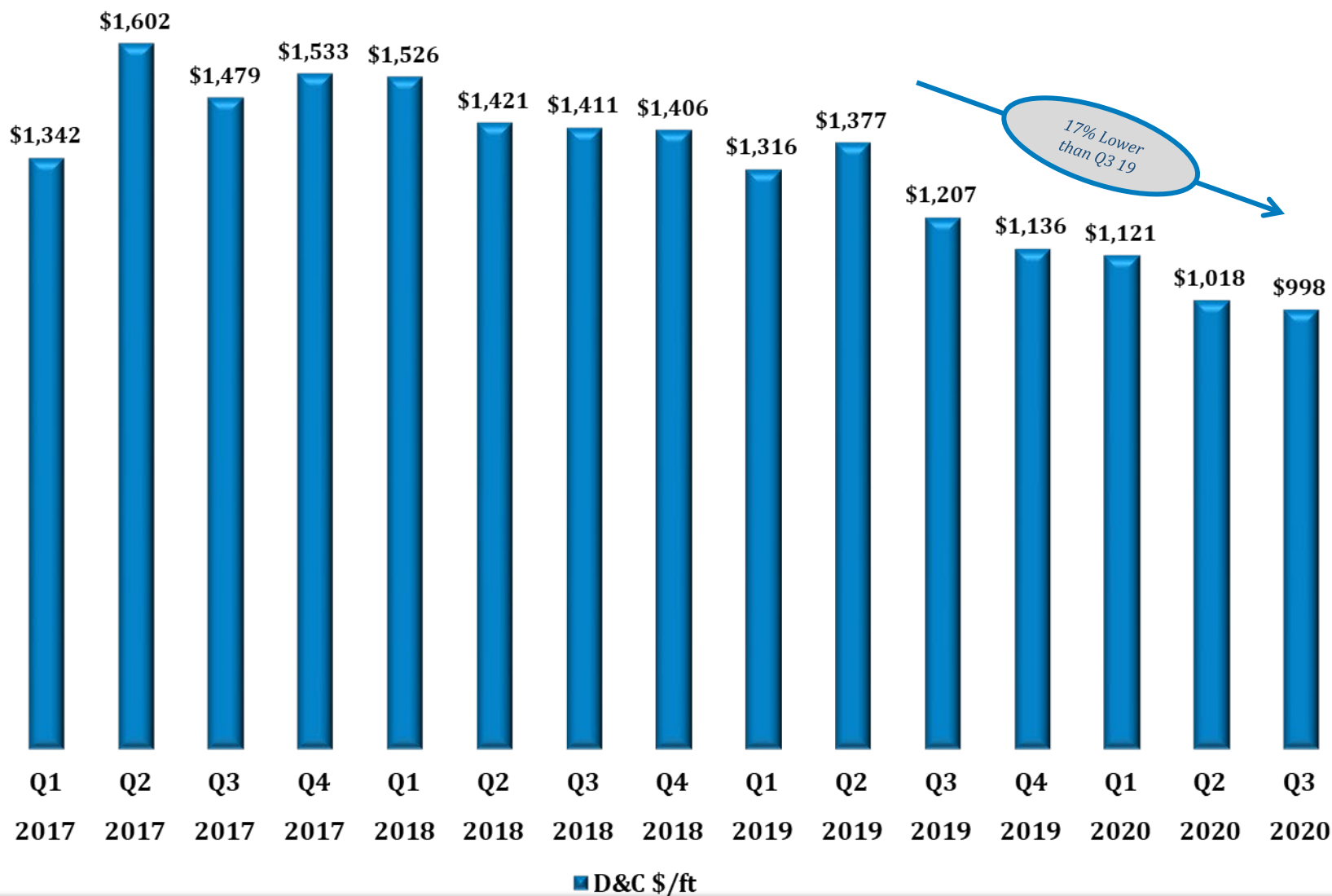
Completed 15 operated wells (average lateral length of 9,088 ft.)
with average IP rate of 26 Mmcf/d

	Well Name	LL (feet)	TTS	IP (MMCF/d)
1	Holmes 18 - 7 #1	9,661	08/06/2020	25
2	Holmes 18 - 7 #2	9,675	08/09/2020	26
3	Holmes 17 - 8 #1	9,869	08/11/2020	26
4	Holmes 17 - 8 #2	9,758	08/11/2020	27
5	Elva 25-36 #1	9,831	08/19/2020	35
6	Allums 7-6 #3	9,667	09/19/2020	30
7	Allums 7-6 #1	9,729	09/20/2020	32
8	Allums 7-6 #2	9,705	09/20/2020	31
9	James Pace 18-7-6 #1	6,060	09/23/2020	16
10	James Pace 17-8-5 #1	6,049	09/23/2020	17
11	Florsheim 9-16 #3	9,598	10/17/2020	20
12	Florsheim 9-16 #4	9,733	10/17/2020	23
13	Ivey 9-16 #1	9,840	10/18/2020	20
14	Ivey 9-16 #2	9,832	10/18/2020	22
15	Weyerhaeuser 26-35 #1	7,319	10/23/2020	34
		9,088		26



Improving D&C Costs

*(Laterals > 7,000 ft.)
(\$ per Lateral Foot)*



2020/2021 Outlook

- **Reduced activity in first half of 2020 in response to weak oil and gas prices**
- **Increasing activity in Q3 to take advantage of improving natural gas prices in Q4 2020 and 2021**
- **Additional 2020 capital investment to accelerate volumes in 2021**
 - *Running a third completion crew in fourth quarter (~\$30 million)*
 - *Accelerates completion of 7 wells*
- **Maintaining industry leading low cost structure and best in class well drilling returns**
- **2021 drilling program to expected to provide 6 to 8% production growth and generate in excess of \$200 million in free cash flow**
- **Focused on improving balance sheet and reducing leverage**
- **Hedging 60 to 70% of 2021 production to protect drilling return**
- **Strong financial liquidity of \$928 million**

Guidance and Non-GAAP Financial Measure

Guidance	4Q 2020	2021
Production (Mmcfe/d)	1,150 - 1,250	1,325 - 1,425
% Natural Gas	97% - 99%	97% - 99%
Capital Expenditures (\$MM)	\$150 - \$170	\$525 - \$575
Expenses (\$/Mcf) -		
Lease Operating	\$0.21 - \$0.25	\$0.21 - \$0.25
Gathering & Transportation	\$0.23 - \$0.27	\$0.23 - \$0.27
Production & Other Taxes	\$0.07 - \$0.09	\$0.08 - \$0.10
DD&A	\$0.90 - \$1.00	\$0.90 - \$1.00
Cash G&A	\$0.06 - \$0.08	\$0.05 - \$0.07

Reconciliation of Adjusted EBITDAX

<i>In thousands</i>	3Q 2020	3Q 2019	9M 2020	9M 2019
EBITDAX:				
Net Income (Loss)	\$ (138,253)	\$ 6,791	\$(146,101)	\$ 41,773
Interest Expense	63,890	51,015	168,764	107,434
Income Taxes	(34,381)	3,847	(34,435)	15,183
Depreciation, depletion and amortization	99,075	80,247	312,847	164,684
Unrealized (gain) loss from derivative instrument	155,601	1,189	204,703	1,437
Exploration	-	241	27	241
Stock-based compensation	1,752	1,088	4,734	2,359
Loss on early extinguishment of debt	-	-	861	-
Covey Park July 2019 Hedging Settlements	-	4,574	-	4,574
Transaction costs	-	39,657	-	41,100
Loss (gain) on sale of oil and gas properties	(16)	-	(16)	25
Total EBITDAX	\$ 147,668	\$ 188,649	\$ 511,384	\$ 378,810