



NYSE:CRK

3rd Quarter 2023 Results

OCTOBER 30, 2023



Disclaimer

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 2022 and as updated and supplemented in our Quarterly Reports on Form 10-Q, in each case as 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.

Reserve engineering is a process of estimating underground accumulations of hydrocarbons that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions could impact Comstock’s strategy and change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil and natural gas that are ultimately recovered. These quantities do not necessarily constitute or represent reserves as defined by the Securities and Exchange Commission and are not intended to be representative of all anticipated future well results.

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3rd Quarter 2023 Highlights

- Weak natural gas prices weighed heavily on the third quarter results.
- Natural gas and oil sales⁽¹⁾ for the quarter were \$316 million
- Cash flow from operations⁽²⁾ was \$167 million or 60¢ per diluted share
- Adjusted EBITDAX was \$209 million
- Adjusted net income was 4¢ for the quarter
- Solid results from Haynesville shale drilling program
 - *Drilled 13 (10.2 net) successful operated Haynesville and Bossier shale horizontal wells in the quarter with an average lateral length of 11,644 feet*
 - *Connected 21 (18.1 net) operated wells to sales with an average initial production rate of 29 MMcf per day*
- Continued success in our Western Haynesville exploratory play
 - *Our sixth and seventh wells were recently turned to sales with strong initial production rates.*
- Entering into new venture to fund midstream build-out to support Western Haynesville development

(1) including realized hedging gains and losses

(2) excluding working capital changes



Western Haynesville Midstream Partnership

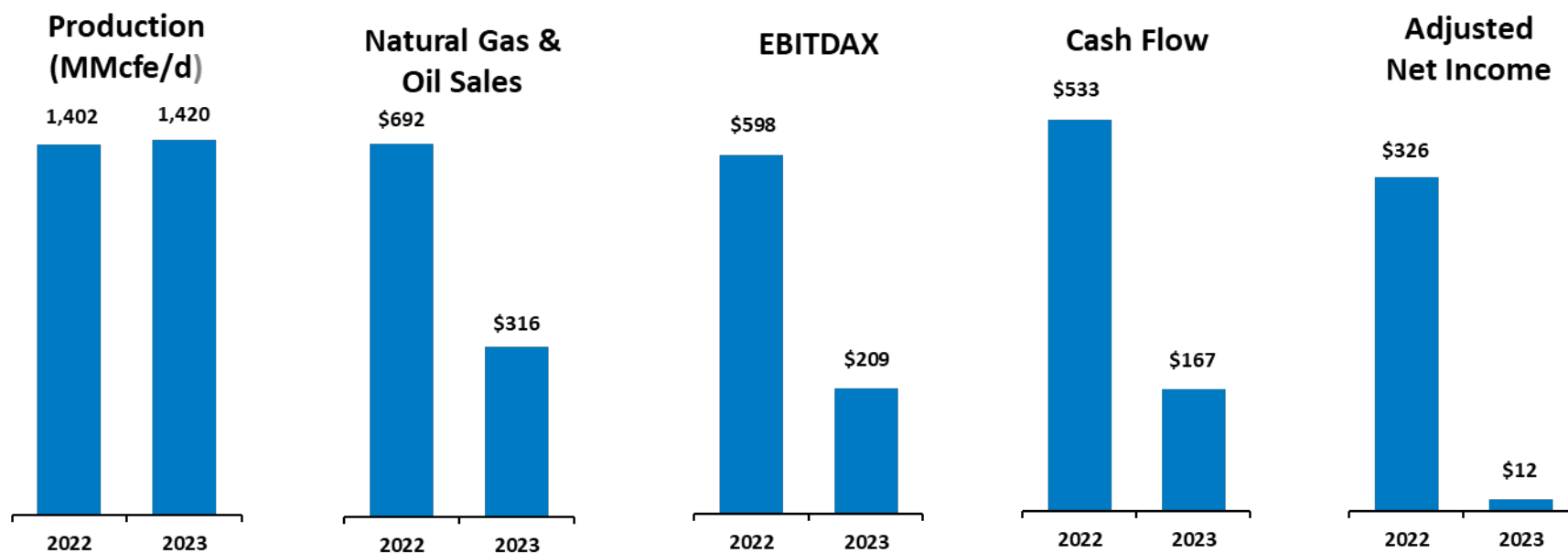
- Comstock is partnering with Quantum Capital Solutions to fund the expansion of its existing Western Haynesville midstream assets
- Comstock will contribute the Pinnacle gathering and treating system to the partnership
- Quantum will contribute 100% of the capital required (up to \$300 million) for the build out of the gathering and treating system
- Comstock will operate Pinnacle Gas Services and will direct its activities
- Quantum receives a preferred return and 80% of distributions until the investment hurdle is achieved then that reduces to 30%





Q3 2023 Financial Results

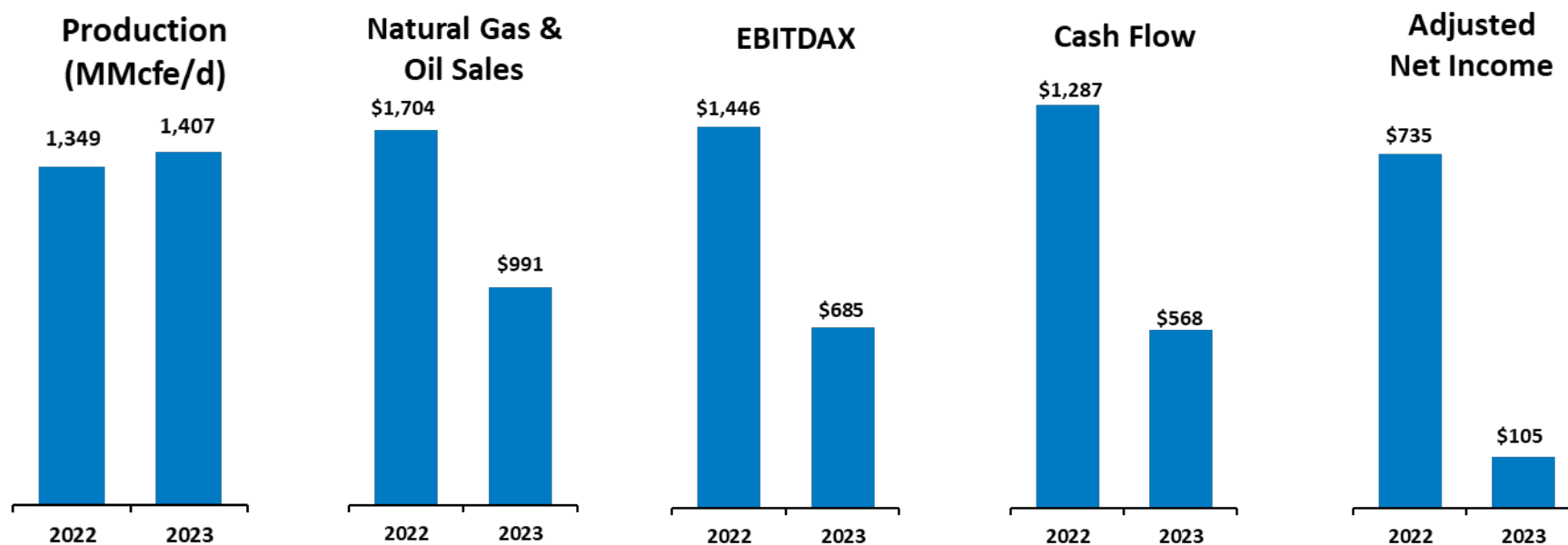
\$ in millions





Nine Months 2023 Financial Results

\$ in millions





Natural Gas Price Realizations

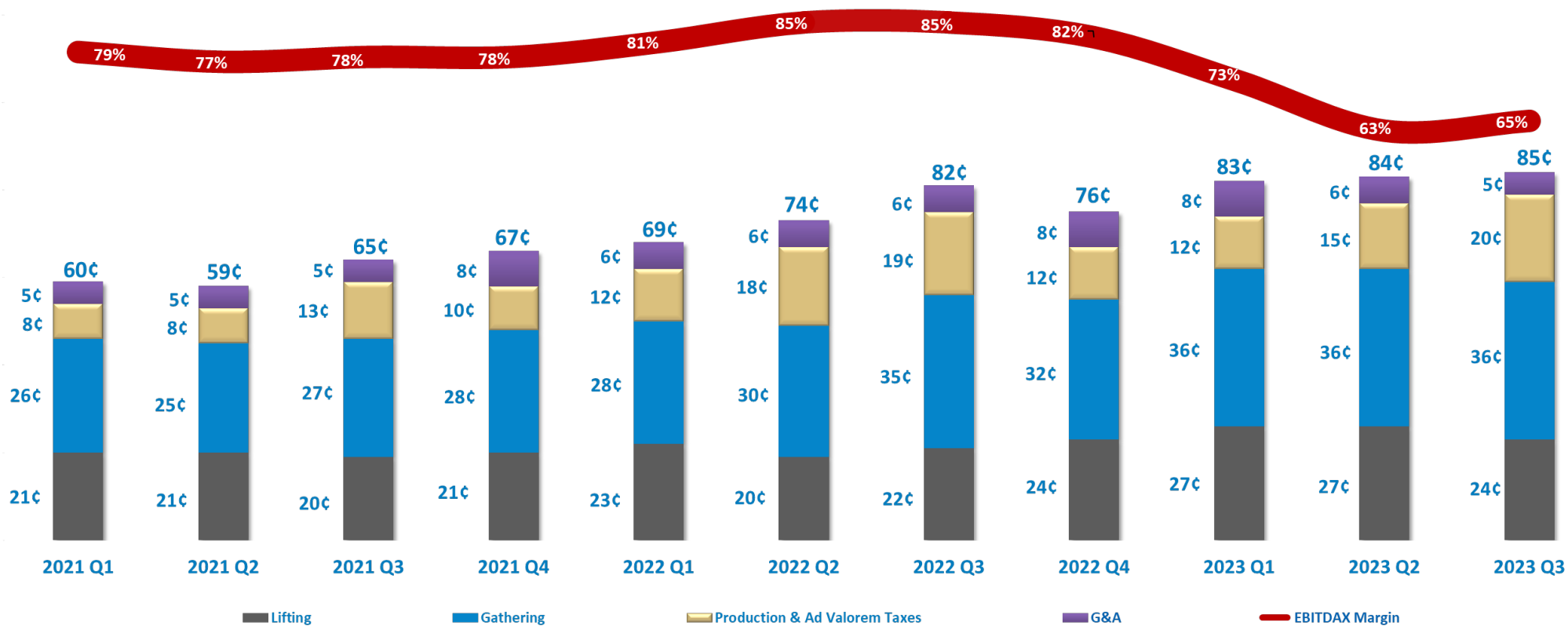
	Per Mcf				
	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
NYMEX Settlement Month Average	\$ 8.20	\$ 6.26	\$ 3.42	\$ 2.10	\$ 2.55
NYMEX Differential	(0.48)	(0.69)	(0.44)	(0.29)	(0.22)
Realized Prices	\$ 7.72	\$ 5.57	\$ 2.98	\$ 1.81	\$ 2.33

NYMEX Contract Settlement Price	\$ 8.20	\$ 6.26	\$ 3.42	\$ 2.10	\$ 2.55
NYMEX Average Spot Price	\$ 7.96	\$ 5.60	\$ 2.67	\$ 2.12	\$ 2.58
% of Gas Sold at Index (Nominated)	77%	81%	81%	79%	74%
% of Gas Sold at Spot (Daily)	23%	19%	19%	21%	26%
NYMEX Reference Price	\$ 8.14	\$ 6.13	\$ 3.28	\$ 2.10	\$ 2.56
NYMEX Differential	(0.42)	(0.56)	(0.30)	(0.29)	(0.23)
Realized Price	\$ 7.72	\$ 5.57	\$ 2.98	\$ 1.81	\$ 2.33
% Hedged	49%	47%	53%	50%	18%
Realized Price, after Hedging	\$ 5.36	\$ 4.19	\$ 3.07	\$ 2.25	\$ 2.41
Realized Price, with Marketing income	\$ 5.45	\$ 4.36	\$ 3.14	\$ 2.28	\$ 2.43



Low Operating Costs / High Margins

Operating Costs Per Mcfe / EBITDAX Margin





2023 Drilling Program

				Nine Months 2023 Haynesville Drilling Program						
				Haynesville		Bossier		Total		
				Gross	Net	Gross	Net	Gross	Net	
Haynesville Drilling Program -		Third Quarter 2023	Nine Months 2023	Operated -						
				Drilled	43	32.6	9	8.7	52	41.3
				Turned to Sales	50	36.1	7	6.9	57	43.0
				Non Operated -						
				Drilled	2	0.0	2	0.0	4	0.0
				Turned to Sales	5	0.3	3	0.1	8	0.4
				Average Lateral Length ⁽¹⁾ -						
				Operated	10,529		10,346		10,507	
			Non-Operated	11,237		9,250		10,492		
			Average Initial Rates ⁽¹⁾ -							
			Operated	25		30		25		



Balance Sheet

Capitalization

(\$ in millions)	9/30/2023
Cash and Cash Equivalents	\$20
Revolving Credit Facility	\$345
Secured Debt	\$345
6¾% Senior Notes due 2029	1,224
5½% Senior Notes due 2030	965
Total Debt	\$2,534
Common Equity	\$2,283
Total Capitalization	\$4,817

EBITDAX⁽¹⁾ 1,163

Credit Statistics

Secured Debt / LTM EBITDAX ⁽¹⁾ 0.3x
 Total Net Debt / LTM EBITDAX ⁽¹⁾ 2.2x

Liquidity Analysis

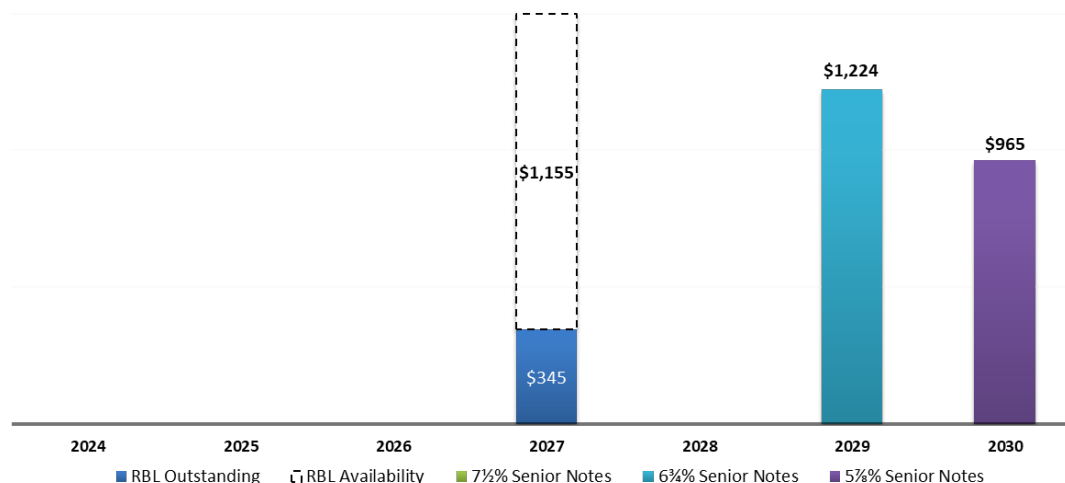
Cash & Cash Equivalents \$20
 Revolving Credit Facility Borrowing Base 1,500
 Less Revolving Credit Facility Outstanding (345)
Liquidity \$1,175

New Bank Credit Facility

\$1.5 Billion Senior Secured Revolving Credit Facility:

- \$2 billion borrowing base (reaffirmed in October 2023)
- Maturity date November 15, 2027
- Pricing of SOFR+175 to 275 bpts
- Key financial covenants:
 - Leverage Ratio < 3.5x, Current Ratio >1.0

Debt Maturity



(1) EBITDAX is a non-GAAP financial measure. Please see slide 17 for a reconciliation to the most directly comparable GAAP financial measure.



Drilling Inventory

- Average lateral length of location inventory is 8,949 feet
- Over 25 years of drilling based on 2023 activity

As of September 30, 2023

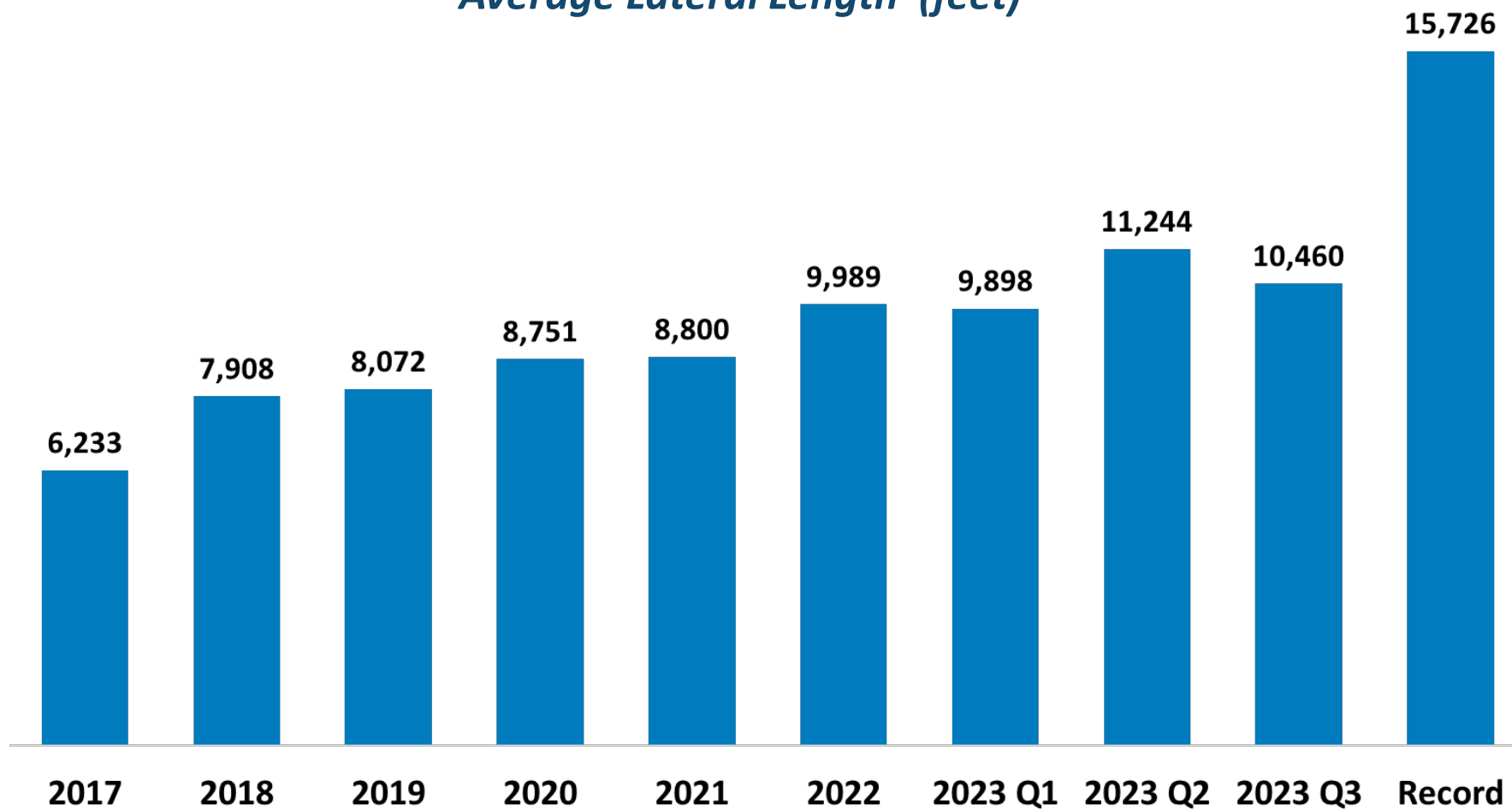
Haynesville								
Lateral Length	Operated		Non-Operated		Total			
	Gross	Net	Gross	Net	Gross	Net	WI Net Mft	Avg Net ft
Up to 5,000 ft	147	117	359	53	506	169	781	4,613
5,000 ft to 8,000 ft	168	121	133	19	301	140	921	6,578
8,000 ft to 11,000 ft	377	274	216	20	593	294	2,791	9,502
> 11,000 ft	225	151	24	2	249	153	2,078	13,574
	917	662	732	94	1,649	756	6,571	8,690

Bossier								
Lateral Length	Operated		Non-Operated		Total			
	Gross	Net	Gross	Net	Gross	Net	WI Net Mft	Avg Net ft
Up to 5,000 ft	160	126	270	37	430	163	751	4,598
5,000 ft to 8,000 ft	118	98	77	7	195	105	718	6,849
8,000 ft to 11,000 ft	335	265	163	13	498	278	2,655	9,552
> 11,000 ft	230	186	23	2	253	188	2,645	14,035
	843	675	533	59	1,376	734	6,769	9,215

Total	1,760	1,338	1,265	153	3,025	1,491	13,340	8,949
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Average Lateral Length (feet)

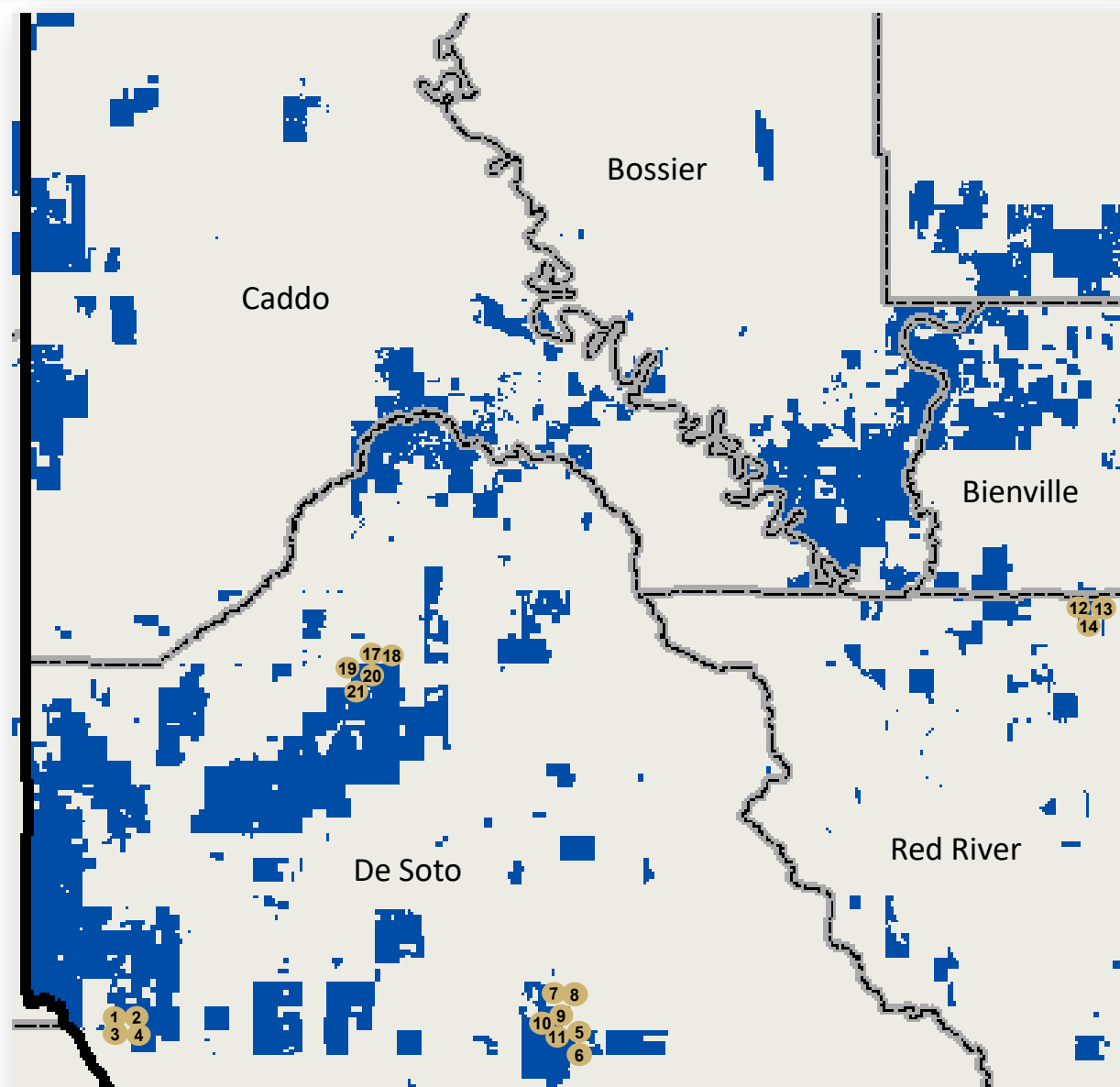




3rd Quarter Drilling Results

Completed 21 operated wells
(average lateral length of 10,460 ft.)
with average IP rate of 29 Mmcf/d

	Well Name	LL (feet)	Turned To Sales	IP (Mmcf/d)
1	Peters 26-35 #1	9,842	07/10/2023	18
2	Peters 26-35 #2	9,661	07/10/2023	18
3	Nation 26-35 #1	9,832	07/12/2023	18
4	Nation 26-35 #2	9,839	07/12/2023	19
5	Wimberly 11-2 #1	7,321	07/20/2023	28
6	Wimberly 11-2 #2	7,314	07/20/2023	23
7	Rector 11-2-35 #1	14,866	07/20/2023	38
8	Rector 11-2 #1	8,231	07/20/2023	21
9	Sustainable Forest 11-2-35 #1	14,684	07/25/2023	39
10	Sustainable Forest 11-2-35 #2	14,942	07/25/2023	27
11	Sustainable Forest 11-2-35 #3	12,222	07/25/2023	35
12	Sustainable Forest 4-9 #1	9,942	08/12/2023	37
13	Sustainable Forest 4-9 #2	9,675	08/12/2023	37
14	Sustainable Forest 4-9 #3	9,942	08/12/2023	38
15	Cazey MS #1	10,028	08/21/2023	34
16	Lanier #1	9,577	09/02/2023	35
17	Adams 33-28-21 #1	8,269	09/13/2023	25
18	Adams 33-28-21 #2	6,974	09/13/2023	22
19	Adams 33-28-21 #3	6,789	09/13/2023	23
20	Chaffin Heirs 4-33-28-21 #1	15,333	09/15/2023	36
21	Chaffin Heirs 4-33-28-21 #2	14,380	09/15/2023	34
		10,460		29



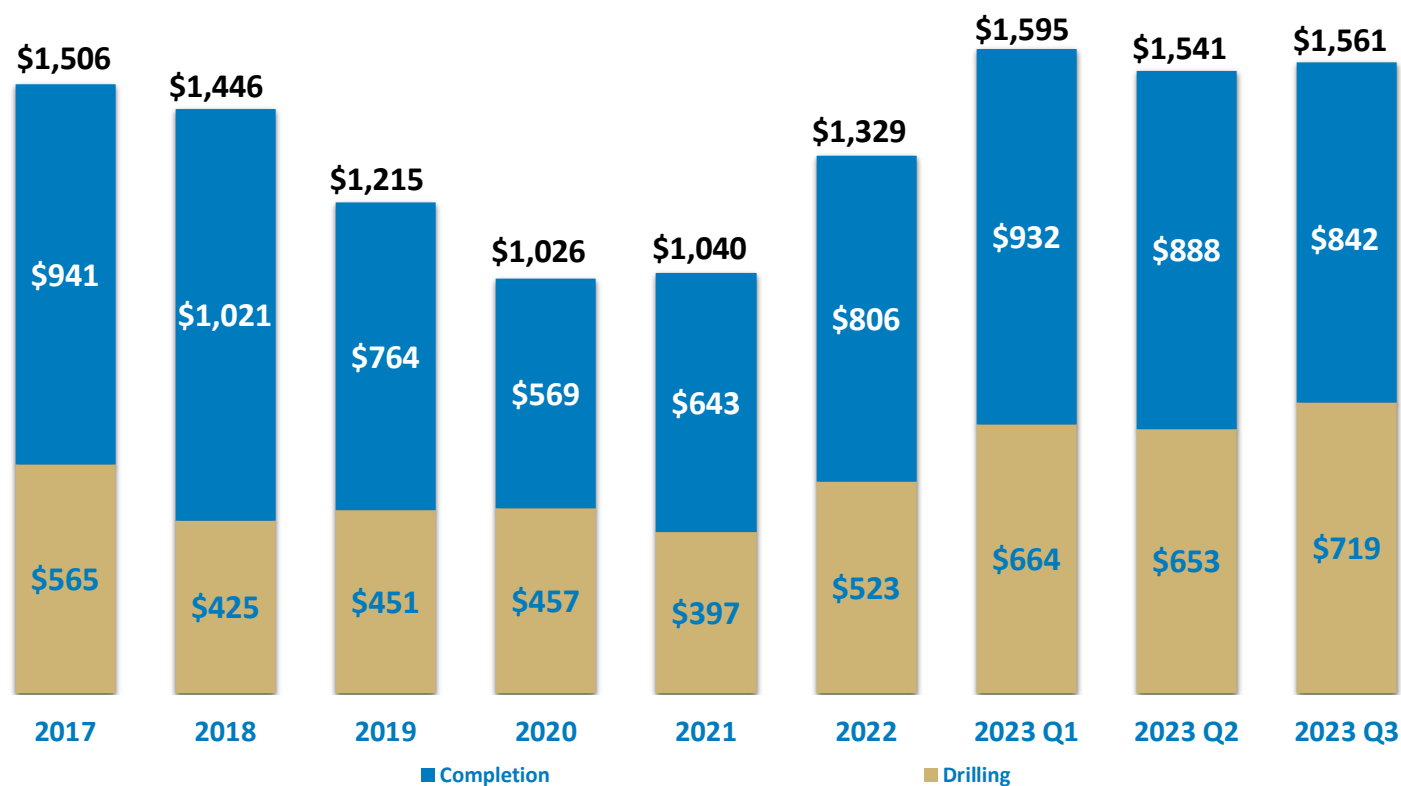
15 16 Robertson/Leon County



D&C Costs

(Laterals > 8,500 ft.)

(\$ per Lateral Foot)





- Focused on proving up our Western Haynesville play and continuing to add to our extensive acreage position
- Building a great asset in the Western Haynesville that will be well positioned to benefit from the growth in natural gas demand starting in the second half of 2024
- Western Haynesville midstream partnership will reduce capital outlays that would be required in 2024 to support the expected growth in production from the area
- Industry's lowest cost structure is an asset in the current low gas price environment
- Plan to retain current quarterly dividend of 12.5¢
- Strong financial liquidity of \$1.2 billion



Guidance








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NYSE

Guidance	4Q 2023
Production (Mmcfe/d)	1,450 - 1,550
D&C Costs (\$ in Millions)	\$240 - \$280
Infrastructure/Other (\$ in Millions)	\$15 - \$25
Acreage (\$ in Millions)	\$30 - \$40
Expenses (\$/Mcf) -	
Lease Operating (\$/Mcf)	\$0.24 - \$0.28
Gathering & Transportation (\$/Mcf)	\$0.32 - \$0.36
Production & Other Taxes (\$/Mcf)	\$0.16 - \$0.20
DD&A (\$/Mcf)	\$1.05 - \$1.15
Cash G&A (\$MM)	\$7 - \$9
Non-Cash G&A (\$MM)	\$1.8 - \$2.2
Cash Interest (\$MM)	\$42 - \$46
Non-Cash Interest (\$MM)	\$1.8 - \$2.2
Effective Tax Rate (%)	22% - 25%
Deferred Tax (%)	95% - 100%



Hedging Program

Building 2024 Hedge Program

		(Mmcf/d)			
2023	Total	Swaps			
Q4	250	Collars		250	\$3.00 x \$10.28
2024	Total	Swaps		350	\$3.55
Q1	350	Collars			
2024	Total	Swaps		350	\$3.55
Q2	350	Collars			
2024	Total	Swaps		350	\$3.55
Q3	350	Collars			
2024	Total	Swaps		350	\$3.55
Q4	350	Collars			



Non-GAAP Financial Measures

Adjusted Net Income				
<i>\$ in thousands except per share amounts</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 14,720	\$ 351,185	\$ 103,517	\$ 607,974
Unrealized (gain) loss on hedging contracts	(3,932)	(33,154)	31	102,616
Loss on early retirement of debt	-	-	-	46,840
(Gain) loss on sale of assets	-	-	(125)	(21)
Non-cash interest amortization from adjusting debt assumed in acquisition to fair value	-	-	-	4,174
Exploration	-	-	1,775	3,363
Adjustment to income taxes	946	7,580	(418)	(29,959)
Adjusted net income	\$ 11,734	\$ 325,611	\$ 104,780	\$ 734,987
Adjusted net income per share	\$ 0.04	\$ 1.18	\$ 0.38	\$ 2.68
Diluted shares outstanding	276,999	277,715	276,741	277,605

Adjusted EBITDAX				
<i>\$ in thousands</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 14,720	\$ 355,596	103,517	621,063
Interest expense	43,624	41,393	121,082	132,204
Income taxes	3,608	102,810	28,878	179,610
Depreciation, depletion, and amortization	148,190	129,065	422,350	354,994
Exploration	-	-	1,775	3,363
Unrealized (gain) loss on hedging contracts	(3,932)	(33,154)	31	102,616
Stock-based compensation	2,655	1,842	7,006	4,918
Loss on early retirement of debt	-	-	-	46,840
(Gain) loss on sale of assets	-	-	(125)	(21)
Total Adjusted EBITDAX	\$ 208,865	\$ 597,552	\$ 684,514	\$ 1,445,587



Non-GAAP Financial Measures

Operating Cash Flow				
\$ in thousands	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 14,720	\$ 355,596	\$ 103,517	\$ 621,063
Reconciling items:				
Deferred income taxes (benefit)	3,608	78,060	28,878	148,389
Depreciation, depletion and amortization	148,190	129,065	422,350	354,994
Unrealized (gain) loss on hedging contracts	(3,932)	(33,154)	31	102,616
Loss on early retirement of debt	-	-	-	46,840
Amortization of debt discount and issuance costs	1,989	1,444	5,980	8,542
Stock-based compensation	2,655	1,842	7,006	4,918
Loss (gain) on sale of assets	-	-	(125)	(21)
Operating cash flow	\$ 167,230	\$ 532,853	\$ 567,637	\$ 1,287,341
Decrease (increase) in accounts receivable	(20,887)	(155,682)	295,323	(359,600)
Decrease (increase) in other current assets	(1,825)	(522)	(624)	359
Increase (decrease) in accounts payable and accrued expenses	(73,753)	156,873	(73,697)	301,956
Net cash provided by operating activities	\$ 70,765	\$ 533,522	\$ 788,639	\$ 1,230,056

Free Cash Flow				
\$ in thousands	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating cash flow	\$ 167,230	\$ 532,853	\$ 567,637	\$ 1,287,341
Less:				
Drilling and completions expenditures	(311,118)	(242,134)	(957,812)	(729,174)
Preferred dividends	-	(4,411)	-	(13,089)
Other capital expenditures	(10,563)	(603)	(22,076)	(713)
Free cash flow (deficit) from operations	(154,451)	285,705	(412,251)	544,365
Acquisitions of proved and unproved properties	(19,998)	(12,347)	(76,646)	(54,492)
Proceeds from divestitures	-	-	41,295	93
Free cash flow (deficit)	\$ (174,449)	\$ 273,358	\$ (447,602)	\$ 489,966