



NYSE:CRK

1st Quarter 2023 Results

MAY 2, 2023



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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.

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1st Quarter 2023 Highlights

- Production in 1st quarter increased 11% to 1,414 MMcfe per day
- Oil and gas sales⁽¹⁾ were \$390 million
- Cash flow from operations⁽²⁾ was \$255 million or 92¢ per diluted share
- Adjusted EBITDAX was \$293 million
- Adjusted net income was \$92 million or 33¢ per diluted share
- Drilled 18 (13.7 net) successful operated Haynesville and Bossier shale horizontal wells in the quarter with an average lateral length of 12,075 feet
- Since the last conference call, we have connected 15 (9.8 net) operated wells to sales with an average initial production rate of 23 MMcf per day
- Recently turned to sales the third successful exploratory well in our Western Haynesville exploratory play which had an initial IP rate of 36 MMcf per day
- Active quarter for Western Haynesville leasing program

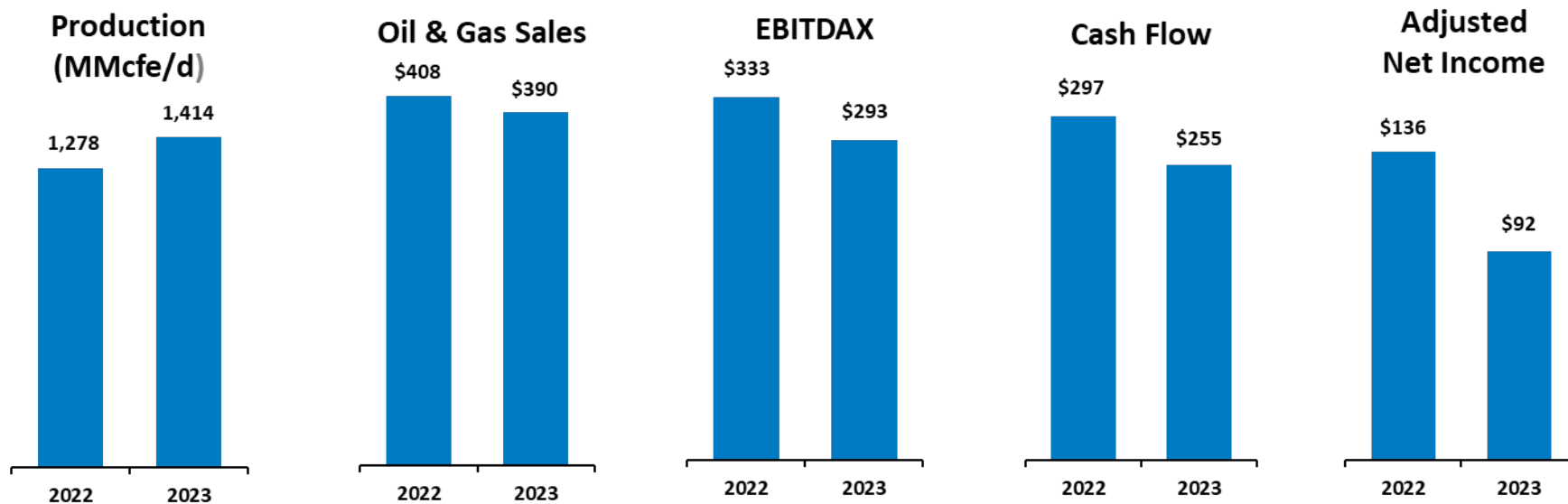
(1) including realized hedging gains and losses

(2) excluding working capital changes



Q1 2023 Financial Results

\$ in millions





Natural Gas Price Realizations

High margins supported by gas marketing arrangements...

- Direct access to LNG corridor
- Currently selling 21% of production directly to LNG shippers
- 57% of natural gas is sold in high value Gulf Coast/LNG markets
- Freeport start up improving Texas Gulf Coast markets, though still remain below historical levels

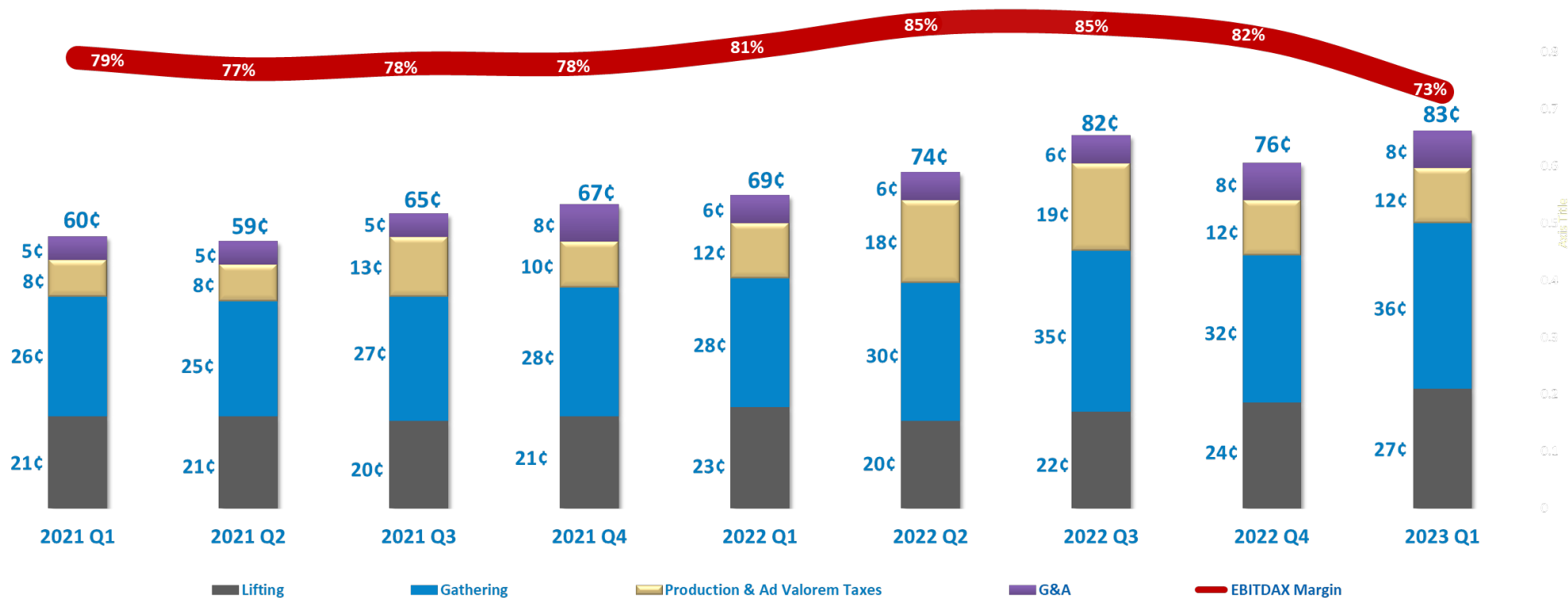
	Per Mcf				
	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
NYMEX Settlement Month Average	\$ 4.95	\$ 7.17	\$ 8.20	\$ 6.26	\$ 3.42
NYMEX Differential	(0.40)	(0.24)	(0.48)	(0.69)	(0.44)
Realized Prices	\$ 4.55	\$ 6.93	\$ 7.72	\$ 5.57	\$ 2.98

NYMEX Contract Settlement Price	\$ 4.95	\$ 7.17	\$ 8.20	\$ 6.26	\$ 3.42
NYMEX Average Spot Price	\$ 4.60	\$ 7.39	\$ 7.96	\$ 5.60	\$ 2.67
% of Gas Sold at Index (Nominated)	69%	83%	77%	81%	82%
% of Gas Sold at Spot (Daily)	31%	17%	23%	19%	18%
NYMEX Reference Price	\$ 4.84	\$ 7.21	\$ 8.14	\$ 6.13	\$ 3.29
NYMEX Differential	(0.29)	(0.28)	(0.42)	(0.56)	(0.31)
Realized Price	\$ 4.55	\$ 6.93	\$ 7.72	\$ 5.57	\$ 2.98
% Hedged	60%	54%	49%	47%	53%
Realized Price, after Hedging	\$ 3.53	\$ 4.85	\$ 5.36	\$ 4.19	\$ 3.07
Realized Price, with Marketing income	\$ 3.56	\$ 4.87	\$ 5.45	\$ 4.36	\$ 3.14



Low Operating Costs / High Margins

Operating Costs Per Mcfe / EBITDAX Margin





2023 Drilling Program

		1Q 2023 Haynesville Drilling Program					
		Haynesville		Bossier		Total	
		Gross	Net	Gross	Net	Gross	Net
Haynesville Drilling Program -	First Quarter 2023	Operated -					
	(\$ in millions)	Drilled					
		16	11.8	2	1.9	18	13.7
		Turned to Sales					
		18	10.6	1	1.0	19	11.6
	Operated D&C	Non Operated -					
	\$ 278.0	Drilled					
	\$ 31.9	23	2.6	3	0.0	26	2.6
	Other	Turned to Sales					
	\$ 14.3	6	0.9	1	0.1	7	1.0
Other Properties	\$ 0.6						
Total D&C	\$ 324.8						
		Average Lateral Length ⁽¹⁾ -		(feet)			
		Operated		9,738		12,763	
		Non-Operated		8,350		9,609	
						9,898	
						8,529	
		Average Initial Rates ⁽¹⁾ -		(Mmcft per day)			
		Operated		24		36	
						24	

(1) Turned to Sales Wells



Balance Sheet

Capitalization

(\$ in millions)	3/31/2023
Cash and Cash Equivalents	\$34
Revolving Credit Facility	\$ -
Secured Debt	\$ -
6¾% Senior Notes due 2029	1,224
5½% Senior Notes due 2030	965
Total Debt	\$2,189
Common Equity	\$2,380
Total Capitalization	\$4,569

EBITDAX⁽¹⁾ 1,884

Credit Statistics

Secured Debt / LTM EBITDAX ⁽¹⁾ 0.0x
 Total Net Debt / LTM EBITDAX ⁽¹⁾ 1.1x

Liquidity Analysis

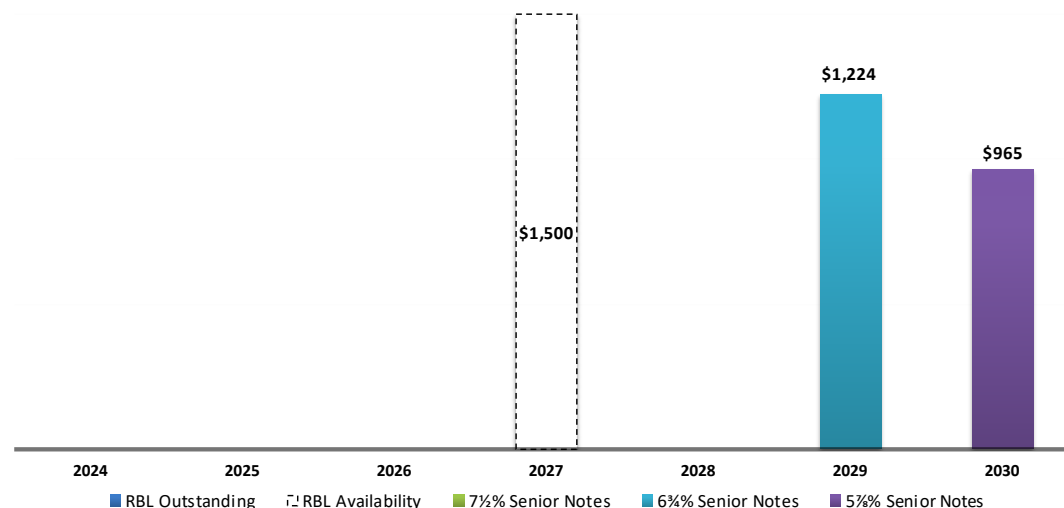
Cash & Cash Equivalents \$34
 Revolving Credit Facility Borrowing Base 1,500
 Less Revolving Credit Facility Outstanding -
Liquidity \$1,534

New Bank Credit Facility

\$1.5 Billion Senior Secured Revolving Credit Facility:

- \$2 billion borrowing base
- 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 8,928 feet
- Over 25 years of drilling based on 2023 activity

As of March 31, 2023

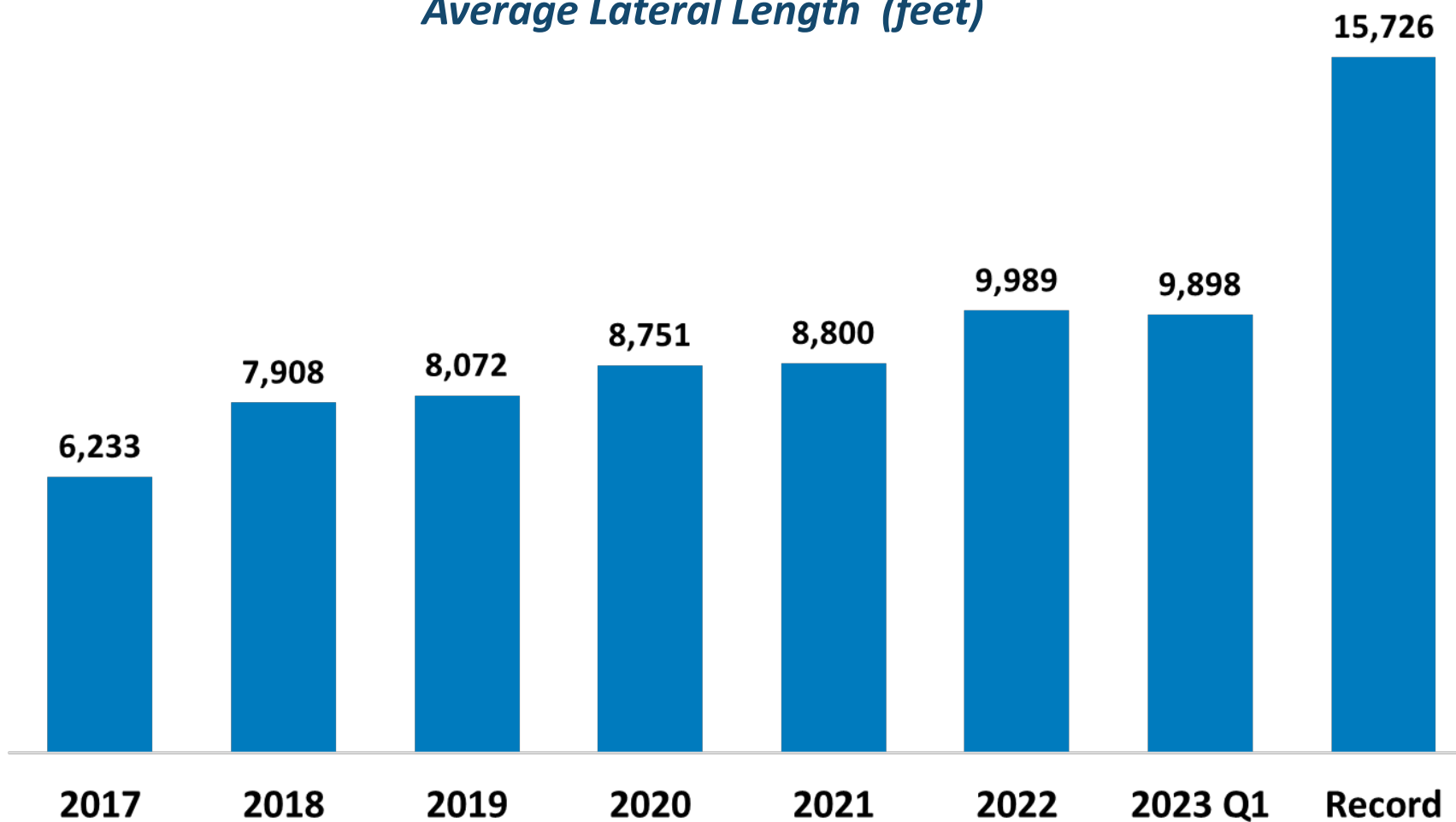
Haynesville								
Lateral Length	Operated		Non-Operated		Total			
	Gross	Net	Gross	Net	Gross	Net	WI Net Mft	Avg Net ft
Up to 5,000 ft	151	122	363	52	514	175	805	4,613
5,000 ft to 8,000 ft	174	124	126	24	300	148	971	6,557
8,000 ft to 11,000 ft	402	290	245	35	647	325	3,088	9,499
> 11,000 ft	224	146	32	5	256	151	2,069	13,668
	951	682	766	117	1,717	799	6,932	8,676

Bossier								
Lateral Length	Operated		Non-Operated		Total			
	Gross	Net	Gross	Net	Gross	Net	WI Net Mft	Avg Net ft
Up to 5,000 ft	162	129	276	39	438	167	767	4,589
5,000 ft to 8,000 ft	124	98	79	8	203	106	727	6,847
8,000 ft to 11,000 ft	338	267	169	17	507	284	2,707	9,545
> 11,000 ft	235	188	20	2	255	190	2,672	14,036
	859	682	544	65	1,403	747	6,873	9,197

Total	1,810	1,364	1,310	182	3,120	1,546	13,805	8,928
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Average Lateral Length (feet)



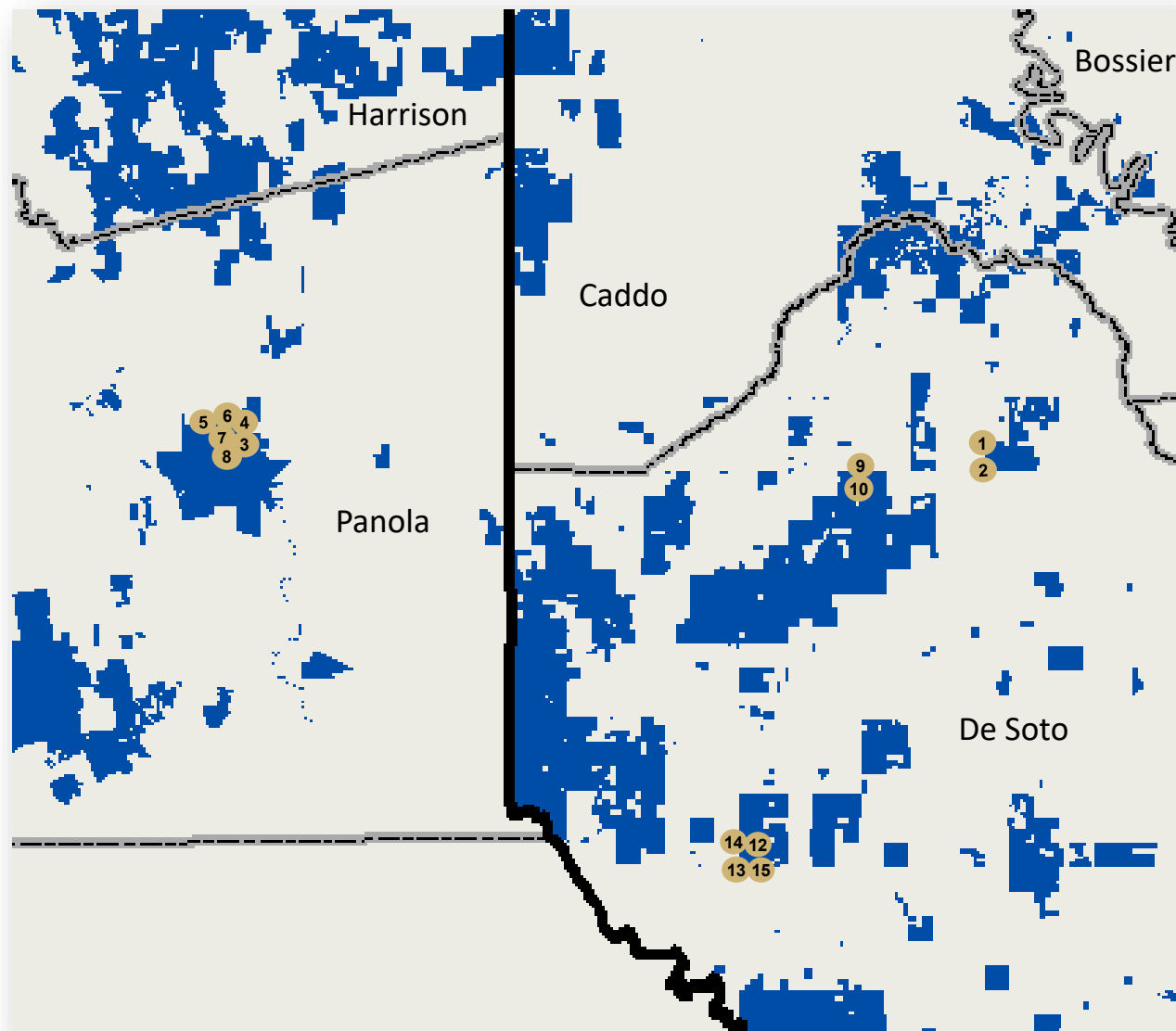


1st Quarter Drilling Results

Completed 15 operated wells
(average lateral length of 11,042 ft.)
with average IP rate of 23 Mmcf/d

	Well Name	LL (feet)	Turned To Sales	IP (Mmcf/d)
1	Beaubouef 16H #3	4,514	02/09/2023	23
2	Beaubouef 16H #2	4,608	02/09/2023	25
3	CGU 13H	8,858	02/13/2023	17*
4	CGU 12H	9,769	02/13/2023	17*
5	CGU 11H	10,376	02/13/2023	15*
6	CGU 5H	9,584	02/15/2023	15*
7	CGU 4H	8,956	02/15/2023	14*
8	CGU 3H	8,951	02/15/2023	13*
9	Chapman Heirs 27-22-15 #1	13,085	02/19/2023	37
10	Chapman Heirs 27-22-15 #2	12,200	02/19/2023	35
11	Campbell #2	12,763	03/19/2023	36
12	Blunt 26-35-2 #2	15,295	03/31/2023	27
13	Blunt 26-35-2 #1	15,584	03/31/2023	26
14	McCoy 26-35-2 #3	15,552	04/03/2023	24
15	McCoy 26-35-2 #2	15,533	04/03/2023	25
		11,042		23

* Liquids rich - includes 25 to 30 barrels of plant products



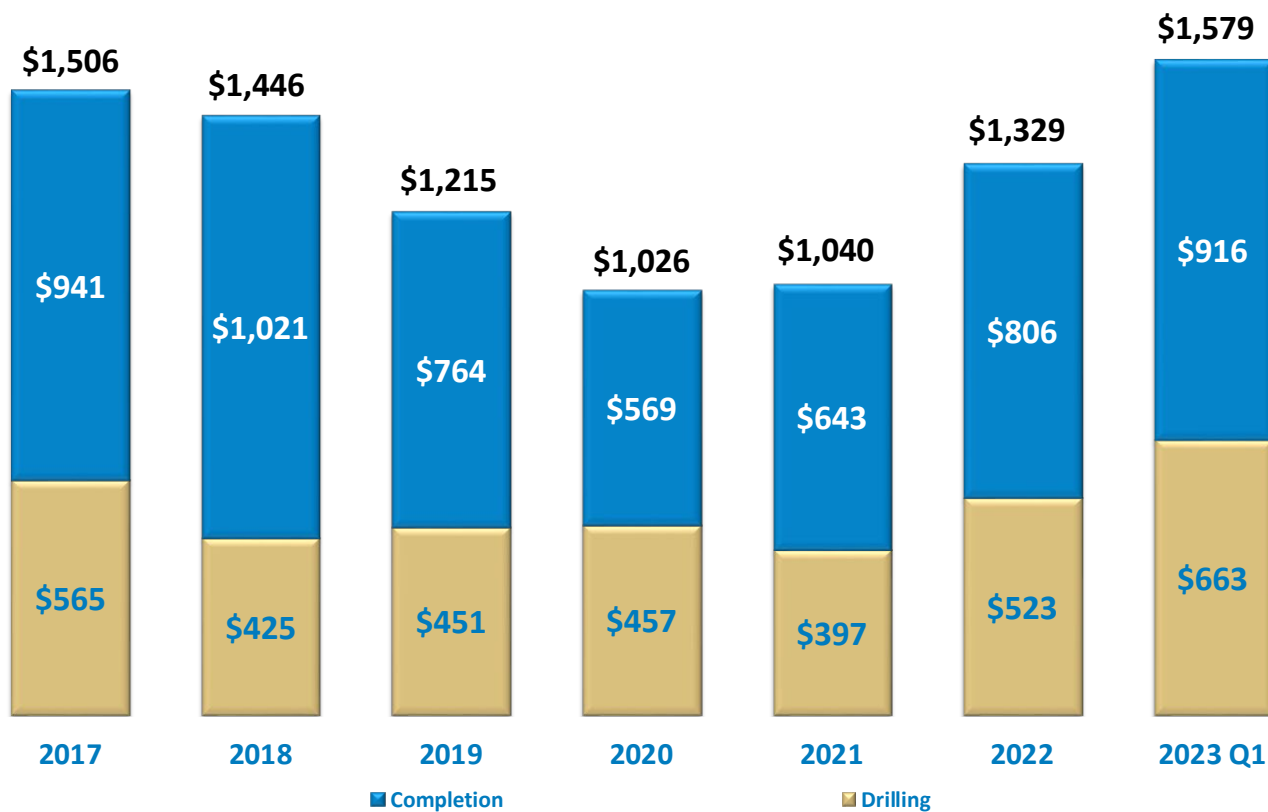
11 Robertson County



D&C Costs

(Laterals > 8,000 ft.)

(\$ per Lateral Foot)



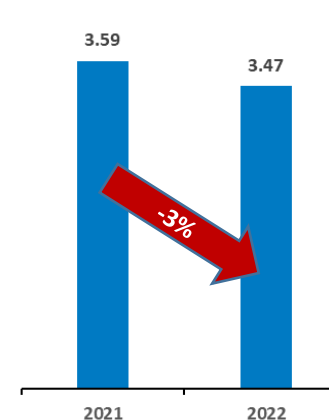


Lowering GHG Emissions

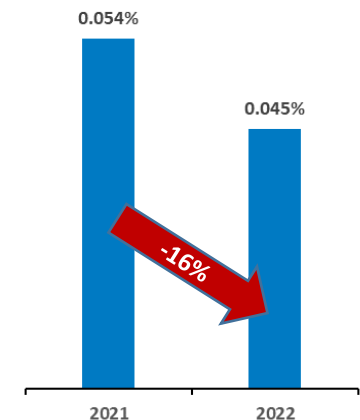
GHG and methane emissions down despite increased activity in 2022...

- Deployed optical imaging and aircraft leak monitoring technology at almost 100% of our production sites
- Natural gas powered frac fleet eliminated 5.0 million gallons of diesel, offsetting 10,200 metric tonnes of CO₂e
- Dual-fuel drilling rigs eliminated 0.6 million gallons of diesel by utilizing natural gas, offsetting 1,900 metric tonnes of CO₂e
- Installed instrument air on 65% of our newly constructed production facilities, mitigating 4,000 metric tonnes of CO₂e

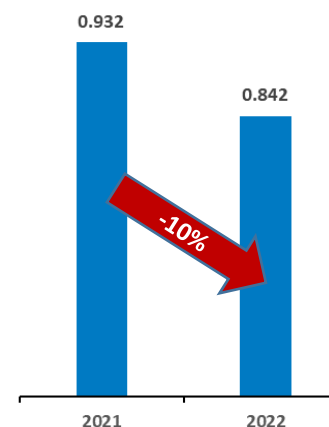
GHG Emission Intensity (Production)



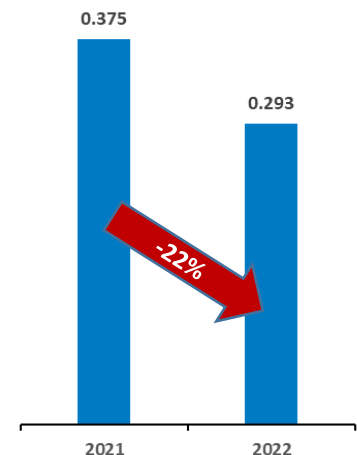
Methane Emission Intensity (Production)



GHG Emissions per Lateral Foot



Methane Emissions per Lateral Foot





- Will continue to de-risk and delineate our Western Haynesville play with two rig program in 2023
- Managing drilling activity levels to prudently respond to lower gas price environment in 2023
 - Releasing two operated rigs on our legacy Haynesville footprint
 - Focused on maintaining strong balance sheet at current gas prices
 - Will continue to evaluate activity levels to minimize any potential outspend
- Industry's lowest cost structure provides acceptable drilling returns
- Plan to retain current quarterly dividend of 12.5¢
- Strong financial liquidity of \$1.5 billion



Guidance



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Guidance	2Q 2023	2023
Production (Mmcfe/d)	1,375 - 1,435	1,425 - 1,550
D&C Costs (\$ in Millions)	\$260 - \$310	\$950 - \$1,150
Infrastructure/Other (\$ in Millions)	\$15 - \$30	\$75 - \$125
Acreage (\$ in Millions)	\$2.7 - \$7.5	\$50 - \$60
Expenses (\$/Mcf) -		
Lease Operating (\$/Mcf)	\$0.22 - \$0.26	\$0.22 - \$0.26
Gathering & Transportation (\$/Mcf)	\$0.32 - \$0.36	\$0.32 - \$0.36
Production & Other Taxes (\$/Mcf)	\$0.12 - \$0.16	\$0.14 - \$0.18
DD&A (\$/Mcf)	\$0.95 - \$1.05	\$0.95 - \$1.05
Cash G&A (\$MM)	\$7 - \$9	\$32 - \$36
Non-Cash G&A (\$MM)	\$1.8 - \$2.2	\$7 - \$9
Cash Interest (\$MM)	\$34 - \$36	\$150 - \$155
Non-Cash Interest (\$MM)	\$1.8 - \$2.2	\$7.5 - \$8
Effective Tax Rate (%)	22% - 25%	22% - 25%
Deferred Tax (%)	95% - 100%	95% - 100%



Hedging Program

Comstock has ~30% of its oil and gas production hedged with wide collars in 2023

(Mmcf/d)

2023	Total	Swaps		
Q2	675	Collars	 675	\$3.00 x \$10.17
2023	Total	Swaps		
Q3	250	Collars	 250	\$3.00 x \$10.28
2023	Total	Swaps		
Q4	250	Collars	 250	\$3.00 x \$10.28



Non-GAAP Financial Measures

Adjusted Net Income

<i>\$ in thousands except per share amounts</i>	Quarter Ended March 31,	
	2023	2022
Net income (loss)	\$ 134,503	\$ (115,739)
Unrealized (gain) loss on hedging contracts	(56,026)	320,307
(Gain) loss on sale of assets	(773)	(2)
Non-cash interest amortization from adjusting debt assumed in acquisition to fair value	-	2,760
Exploration	1,775	1,021
Adjustment to income taxes	12,528	(72,589)
Adjusted net income	\$ 92,007	\$ 135,758
Adjusted net income per share	\$ 0.33	\$ 0.51
Diluted shares outstanding	276,551	277,058

Operating Cash Flow

<i>\$ in thousands</i>	Quarter Ended March 31,	
	2023	2022
Net income (loss)	\$ 134,503	\$ (111,424)
Reconciling items:		
Deferred income taxes (benefit)	39,180	(24,788)
Depreciation, depletion and amortization	133,983	106,728
Unrealized (gain) loss on hedging contracts	(56,026)	320,307
Amortization of debt discount and issuance costs	1,997	4,225
Stock-based compensation	2,046	1,495
Gain on sale of assets	(773)	(2)
Operating cash flow	\$ 254,910	\$ 296,541
Decrease (increase) in accounts receivable	255,992	28,125
Decrease (increase) in other current assets	(1,514)	2,985
Increase (decrease) in accounts payable and accrued expenses	(123,024)	(42,033)
Net cash provided by operating activities	\$ 386,364	\$ 285,618

Adjusted EBITDAX

<i>\$ in thousands</i>	Quarter Ended March 31,	
	2023	2022
Net income (loss)	\$ 134,503	\$ (111,424)
Interest expense	38,270	46,491
Income taxes	39,716	(31,622)
Depreciation, depletion, and amortization	133,983	106,728
Exploration	1,775	1,021
Unrealized (gain) loss on hedging contracts	(56,026)	320,307
Stock-based compensation	2,046	1,495
Total Adjusted EBITDAX	\$ 293,494	\$ 332,994

Free Cash Flow

<i>\$ in thousands</i>	Quarter Ended March 31,	
	2023	2022
Operating cash flow	\$ 254,910	\$ 296,541
Less:		
Drilling and completions expenditures	(324,706)	(223,849)
Preferred dividends	-	(4,315)
Other capital expenditures	(4,543)	(22)
Free cash flow from operations	(74,339)	68,355
Acquisitions of proved and unproved properties	(40,695)	(3,905)
Proceeds from divestitures	130	45
Free cash flow	\$ (114,904)	\$ 64,495