

Continental Resources Announces A Quarterly Dividend And An Initial \$1 Billion Share-Repurchase Program

OKLAHOMA CITY, June 3, 2019 /PRNewswire/ -- Continental Resources, Inc. (NYSE: CLR) ("Continental" or the "Company") today announced that its Board of Directors approved the initiation of a quarterly dividend of \$0.05 per share (\$0.20 per share annualized) on the Company's common stock and an initial \$1 billion share-repurchase program. Continental maintains its 2019 guidance as announced on February 13, 2019, reaffirming the Company's commitment to its corporate objectives and a strong alignment with shareholders.

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"Today marks another milestone in Continental's history as we initiate a total shareholder return strategy," said Harold Hamm, Chairman and Chief Executive Officer. "Our disciplined approach to balancing capital-efficient growth and reducing debt has enabled us to approve both an initial \$0.20 per share annualized dividend and an initial \$1 billion share-repurchase program. This demonstrates the confidence we have in the quality and sustainability of our assets and our commitment to maximizing shareholder value. We see the current value of our equity as being unreasonably low, making the acquisition of our stock the best use of excess cash at this time."

For over 50 years, Continental has grown organically through exploration and will continue to do so. Although there has been much market speculation, the Company's five year projection does not contemplate corporate M&A transactions. Continental remains keenly focused on capital efficiency and total shareholder returns.

The Company's total shareholder return strategy now includes:

- **Dividend:** The Company's Board of Directors approved the initiation of a quarterly dividend of \$0.05 per share on the Company's outstanding common stock, payable on November 21, 2019 to stockholders of record on November 7, 2019. This is equivalent to \$0.20 per share, or approximately \$75 million, on an annualized basis. All dividends beyond the November dividend are subject to Board approval. The Company expects to generate sufficient cash flow to increase the dividend over subsequent years should the Board elect to do so.
- **Share Repurchases:** The Company's Board of Directors also authorized an initial share-repurchase program of up to \$1 billion, beginning in second quarter 2019 and continuing through 2020, at times and levels deemed appropriate by Company management. The Company expects a substantial portion of this initial amount will be executed by year-end 2019. Should market conditions warrant, the Company could prioritize further share repurchases in lieu of production growth.
- **Debt Pay Down:** Over the past 3 years, Continental has reduced net debt (non-GAAP) by approximately \$1.7 billion. The Company plans to continue reducing net debt and expects to approach approximately \$5 billion of net debt by year-end 2019. The Company plans to further reduce net debt to \$4.2 billion or below longer term.
- **Five Year Vision:** Over the next five years, the Company now expects to generate approximately \$5 billion of free cash flow (non-GAAP) at \$60 WTI, which is approximately \$1 billion more than our previously disclosed projection. This increase is being driven primarily by improvement in capital efficiencies and crude oil differentials. This cash flow is expected to generate ample liquidity for further debt reduction, dividends, additional share repurchases or general corporate purposes. Additionally, annual return on capital employed (ROCE) is expected to improve throughout the five year period,

averaging approximately 14.5%, assuming \$60 WTI.

Under the stock repurchase program, the Company may repurchase shares from time to time at management's discretion in accordance with applicable securities laws, including through open market transactions, privately negotiated transactions or any combination thereof. In addition, shares may also be repurchased pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, which would permit shares to be repurchased when the Company might otherwise be precluded from doing so under insider trading laws. The amount and timing of repurchases are subject to a number of factors, including stock price, trading volume, general market conditions, legal requirements, general business conditions and corporate considerations determined by the Company's management, such as liquidity and capital needs. The stock repurchase program may be modified, suspended or terminated at any time by the Company's Board of Directors. The Company intends to fund repurchases under the program from existing cash or future cash flow.

Cautionary Statement for the Purpose of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

This press release 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. All statements included in this press release other than statements of historical fact are forward-looking statements, including, but not limited to, statements, information, forecasts or expectations regarding the Company's business and future plans, including those relating to its share repurchase program, payment of dividends, debt reduction goals, free cash flow generation and liquidity expectations, and its expectations regarding the achievement of ROCE goals. When used in this press release, the words "could," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," "budget," "target," "plan," "continue," "potential," "guidance," "strategy," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements are based on the Company's current expectations and assumptions about future events and currently available information as to the outcome and timing of future events. Although the Company believes these assumptions and expectations are reasonable, they are inherently subject to numerous business, economic, competitive, regulatory and other risks and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control. No assurance can be given that such expectations will be correct or achieved or that the assumptions are accurate. The risks and uncertainties include, but are not limited to, commodity price volatility; the geographic concentration of our operations; financial market and economic volatility; the inability to access needed capital; the risks and potential liabilities inherent in crude oil and natural gas drilling and production and the availability of insurance to cover any losses resulting therefrom; difficulties in estimating proved reserves and other reserves-based measures; declines in the values of our crude oil and natural gas properties resulting in impairment charges; our ability to replace proved reserves and sustain production; the availability or cost of equipment and oilfield services; leasehold terms expiring on undeveloped acreage before production can be established; our ability to project future production, achieve targeted results in drilling and well operations and predict the amount and timing of development expenditures; the availability and cost of transportation, processing and refining facilities; legislative and regulatory changes adversely affecting our industry and our business, including initiatives related to hydraulic fracturing; increased market and industry competition, including from alternative fuels and other energy sources; and the other risks described under Part I, Item 1A. Risk Factors and elsewhere in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, registration statements and other reports filed from time to time with the SEC, and other announcements the Company makes from time to time.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which such statement is made. Should one or more of the risks or uncertainties described in this press release occur, or should underlying assumptions prove incorrect, the Company's actual results and plans could differ materially from those expressed in any forward-looking statements. All forward-looking statements are

expressly qualified in their entirety by this cautionary statement. Except as otherwise required by applicable law, the Company undertakes no obligation to publicly correct or update any forward-looking statement whether as a result of new information, future events or circumstances after the date of this report, or otherwise.

Non-GAAP Financial Measures

Free Cash Flow

Our presentation of projected free cash flow is a non-GAAP measure. We define projected free cash flow as cash flows from operations before changes in working capital items, less capital expenditures, plus noncontrolling interest capital contributions, less distributions to noncontrolling interests. Noncontrolling interest capital contributions and distributions primarily relate to our relationship formed with Franco-Nevada in 2018 to fund a portion of certain mineral acquisitions, which are included in our capital expenditures and operating results. Free cash flow is not a measure of net income or operating cash flows as determined by U.S. GAAP and should not be considered an alternative to, or more meaningful than, the comparable GAAP measure, and free cash flow does not represent residual cash flows available for discretionary expenditures. Management believes that this measure is useful to management and investors as a measure of a company's ability to internally fund its capital expenditures and to service or incur additional debt. From time to time, the Company provides forward-looking free cash flow estimates or targets; however, the Company is unable to provide a quantitative reconciliation of the forward-looking non-GAAP measure to its most directly comparable forward looking GAAP measure because management cannot reliably quantify certain of the necessary components of such forward-looking GAAP measure. The reconciling items in future periods could be significant.

Net Debt

Net debt is a non-GAAP measure. We define net debt as total debt less cash and cash equivalents as determined under U.S. GAAP. Net debt should not be considered an alternative to, or more meaningful than, total debt, the most directly comparable GAAP measure. Management uses net debt to determine the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand. We believe this metric is useful to analysts and investors in determining the Company's leverage position since the Company has the ability to, and may decide to, use a portion of its cash and cash equivalents to reduce debt. This metric is sometimes presented as a ratio with EBITDAX in order to provide investors with another means of evaluating the Company's ability to service its existing debt obligations as well as any future increase in the amount of such obligations. At March 31, 2019, the Company's net debt amounted to \$5.50 billion (representing total debt of \$5.77 billion less cash and cash equivalents of \$264.4 million), which represents a \$1.7 billion decrease compared to \$7.19 billion of net debt at March 31, 2016 (representing total debt of \$7.21 billion less cash and cash equivalents of \$12.9 million). From time to time the Company provides forward-looking net debt forecasts; however, the Company is unable to provide a quantitative reconciliation of the forward-looking non-GAAP measure to the most directly comparable forward-looking GAAP measure of total debt because management cannot reliably quantify certain of the necessary components of such forward-looking GAAP measure. The reconciling items in future periods could be significant.

About Continental Resources

Continental Resources (NYSE: CLR) is a top 10 independent oil producer in the U.S. Lower 48 and a leader in America's energy renaissance. Based in Oklahoma City, Continental is the largest leaseholder and the largest producer in the nation's premier oil field, the Bakken play of North Dakota and Montana. The Company also has significant positions in Oklahoma, including its SCOOP Woodford and SCOOP Springer discoveries and the STACK plays. With a focus on the exploration and production of oil, Continental has unlocked the technology and resources vital to American energy independence and our nation's leadership in the new world oil market. In 2019, the Company will celebrate 52 years of operations. For more information, please visit

www.CLR.com.

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