PARSLEY ENERGY

INVESTOR PRESENTATION
4Q 2017

Forward Looking Statements and Cautionary Statements

Forward-Looking Statements

The information in this presentation includes “forward-looking statements” that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Parsley Energy, Inc.’s (“Parsley Energy,” “Parsley,” or the “Company”) current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production, gathering and sale of oil and natural gas. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating reserves and in projecting future rates of production, the production potential of our undeveloped acreage, cash flow and access to capital, the timing of development expenditures and the risk factors discussed in or referenced in our filings with the United States Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

Our 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 cost increases.

Industry and Market Data

This presentation has been prepared by Parsley and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Parsley believes these third-party sources are reliable as of their respective dates, Parsley has not independently verified the accuracy or completeness of this information. Some data are also based on Parsley’s good faith estimates, which are derived from its review of internal sources as well as the third-party sources described above.

Oil & Gas Reserves

This presentation provides disclosure of Parsley’s proved reserves, which are those quantities of oil and 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 unweighted average 12-month 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.

In this presentation, proved reserves attributable to Parsley as of 12/31/17 are estimated utilizing SEC reserve recognition standards and pricing assumptions based on SEC pricing, as adjusted for market differentials, transportation fees, and quality, of $49.17 / Bbl crude, $2.53 / Mcf gas, and $22.20/ Bbl NGL. References to our estimated proved reserves as of 12/31/17 are derived from our proved reserve report audited by Netherland, Sewell & Associates, Inc. (“NSAI”).

We may use the term “expected ultimate recoveries” (“EURs”) or other descriptions of volumes of reserves, which terms include quantities of oil and gas that may not meet the SEC’s definitions of proved, probable and possible reserves, and which the SEC's guidelines strictly prohibit Parsley from including in filings with the SEC. Unless otherwise stated in this presentation, such estimates have been prepared internally by our engineers and management without review by independent engineers. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized, particularly in areas or zones where there has been limited or no drilling history. We include these estimates to demonstrate what we believe to be the potential for future drilling and production by the Company. Actual locations drilled and quantities that may be ultimately recovered from our properties will differ substantially. In addition, we have made no commitment to drill all of the drilling locations. Ultimate recoveries will be dependent upon numerous factors including actual encountered geological conditions, the impact of future oil and gas pricing, exploration and development costs, and our future drilling decisions and budgets based upon our future evaluation of risk, returns and the availability of capital and, in many areas, the outcome of negotiation of drilling arrangements with holders of adjacent or fractional interest leases. Our estimates may change significantly as development of our properties provides additional data and therefore actual quantities that may ultimately be recovered will likely differ from these estimates. Our related expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells, the undertaking and outcome of future drilling activity and activity that may be affected by significant commodity price declines or drilling cost increases.

Unless otherwise noted, Net Present Value (“NPV”) estimates are before taxes and assume the Company generated EUR and decline curve estimates based on Company drilling and completion cost estimates that do not include facilities, land, seismic, general and administrative (“G&A”) or other corporate level costs.

Parsley Energy Overview

Premier Permian Pure-Play

Superior acreage portfolio

- Premier combination of acreage quality and quantity
- Large, concentrated development blocks in heart of Midland Basin and Delaware Basin oil windows
- Ongoing consolidation, lateral extension, and inventory uplift through acreage trades

Established track record of efficient capital investment

- Robust operating margins and sustained top-tier recycle ratio

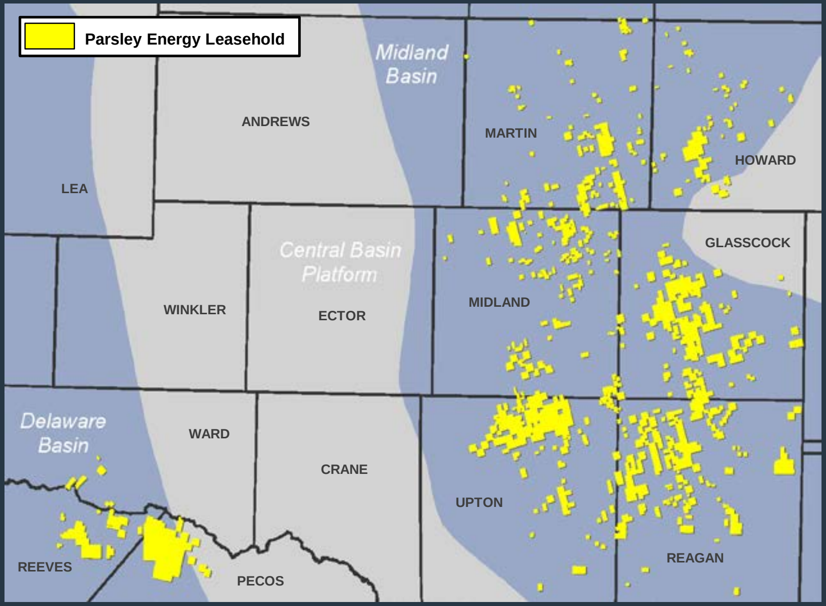
Efficient and sustainable growth profile

- Decade-plus inventory of premium drilling locations in proven target intervals
- Steady development plan with strong hedge book and secured services and equipment

Financial flexibility with strong balance sheet

- Pro-forma liquidity of ~$1.7 billion(1)

Parsley Leasehold



Market Snapshot

NYSE Symbol: PE

Market Cap: $7,378 MM(2)

Net Debt: $1,514 MM(3)

Enterprise Value: $8,892 MM

Share Count: 317 MM

Permian Basin Net Leasehold Acreage: ~216,000(4)

Midland Basin: ~171,000

Delaware Basin: ~45,000

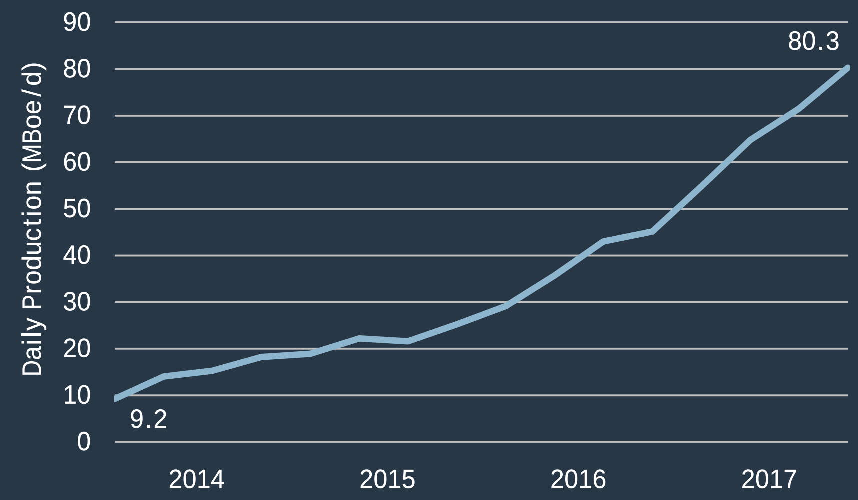
Permian Basin Net Royalty Acreage: ~7,000

(1) As of end 12/31/2017 liquidity was $1.7B. Pro forma for non-operated divestitures announced 1/29/2018, liquidity was $1.7B; (2) Calculated using 2/20/2018 closing price; (3) As of 12/31/2017 pro forma for non-operated divestitures announced 1/29/2018. Net Debt is a non-GAAP financial measure that is defined as total debt less cash and cash equivalents and short-term investments. Net Debt as of 12/31/2017 was $1,478 MM; (4) As of 2/20/2018.

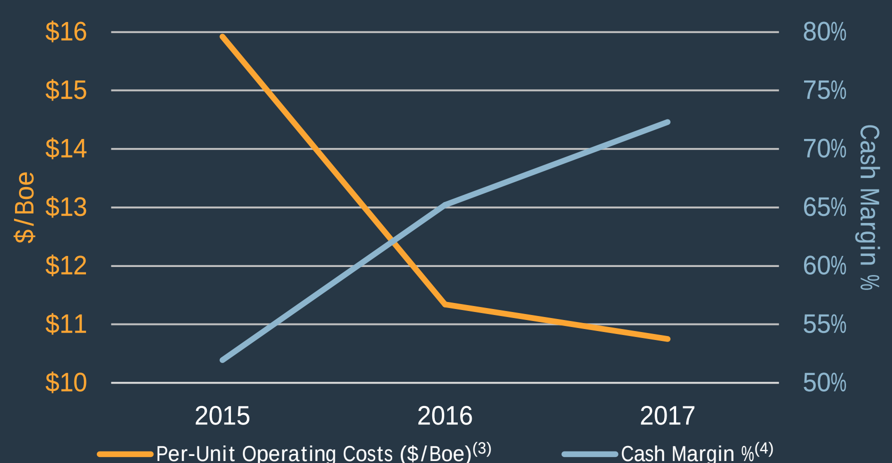
2017 Highlights

- Largest activity ramp among Permian peers translated to high-margin production growth in rising commodity price environment
- Nearly doubled adjusted EBITDAX(1) and proved developed reserves
- Successfully integrated ~95,000 net acres into portfolio, establishing Parsley as second largest Midland Basin operator among public Permian pure play companies(2)
- Expanded margins though operating cost compression and scale benefits
- Ambitious delineation program launched Wolfcamp C play and yielded progress toward optimized development

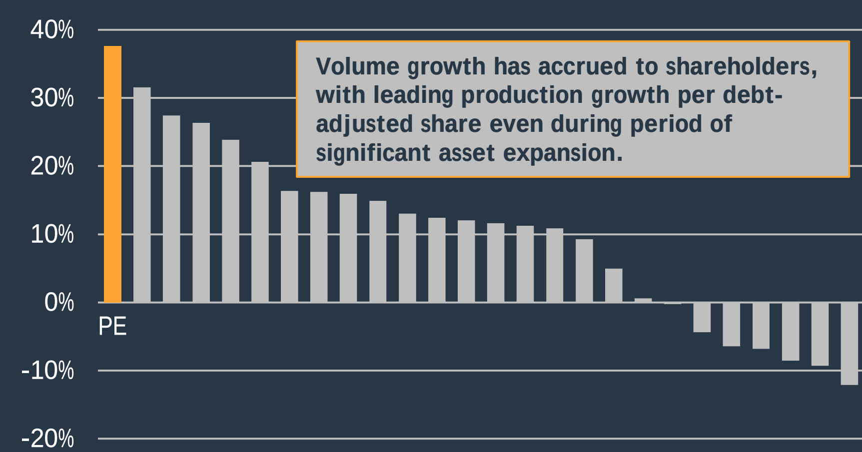
Sustained Production Momentum



Ongoing Margin Expansion



Leading Production/Debt-Adjusted Share CAGR (2014-2017E)(5)



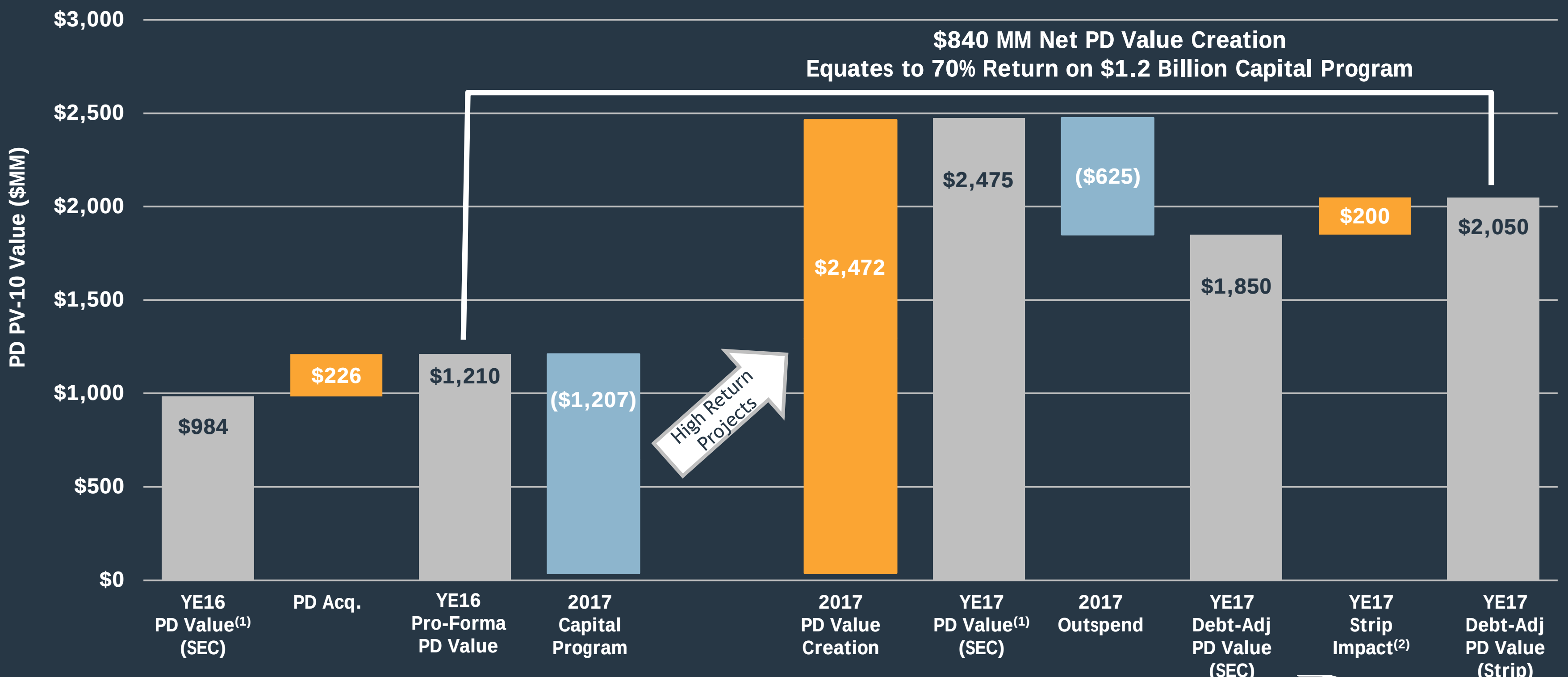
(1) "Adjusted EBITDAX" is not presented in accordance with generally accepted accounting principles in the United States ("GAAP"). Please see the supplemental financial information on Slide 20 of this presentation for a reconciliation of the non-GAAP financial measure of adjusted EBITDAX; (2) Public Permian pure play companies include AREX, CDEV, CPE, CXO, EGN, FANG, HK, JAG, LLEX, LPI, PXD, REI, REN, ROSE, RSPP, and WPX; (3) Operating costs defined as lease operating expenses, cash general & administrative expenses, and production and ad valorem taxes; (4) Cash margin percent calculated as operating cash margin per Boe divided by realized price per Boe excluding hedges. Operating cash margin is defined as realized price per Boe excluding hedges less per-unit lease operating expenses, cash general & administrative expenses, and production and ad valorem taxes; (5) Evercore ISI "Buy the Growth Compounders" published October 2, 2017. Peers include APA, APC, AR, CHK, CLR, COG, CPE, CXO, DVN, ECA, EGN, EOG, EQT, FANG, MRO, NBL, NFX, OAS, PXD, QEP, RSPP, SWN, WLL, WPX, and XEC.

Robust Organic Value Creation

Parsley's portfolio of highly economic development projects allows it to employ incremental capital at high rates of return

- Growth in proved developed reserve value ("PD Value") translates to 70% return on capital invested in 2017
- Levered capital program amplified 2017 value creation, generating $840 MM organic increase in present value of PD base on a debt-adjusted basis, even in a delineation heavy year

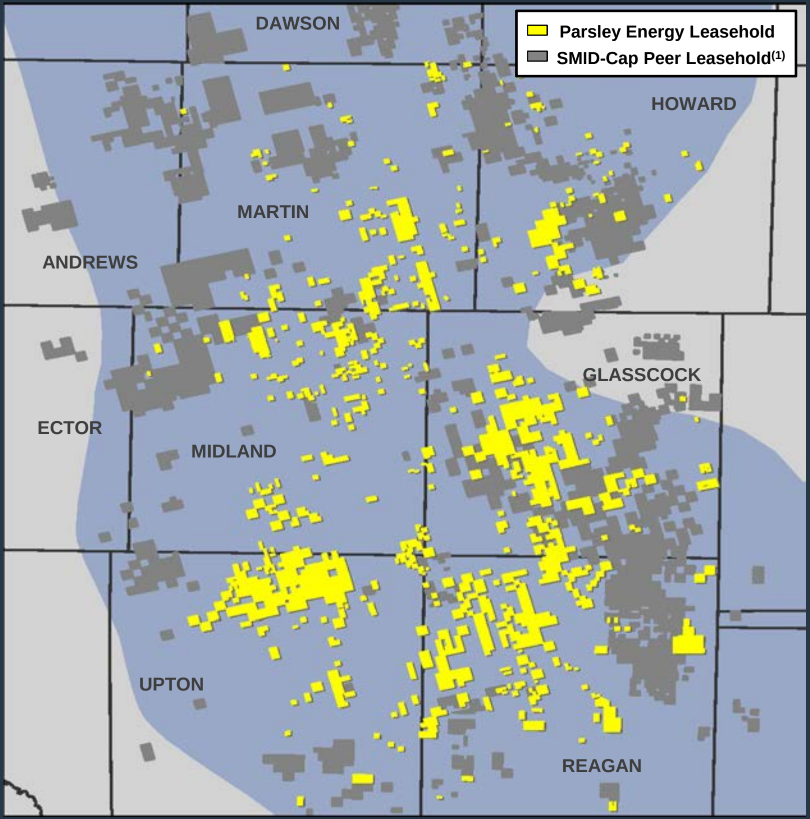
Significant Organic Expansion of PD Value[1]



(1) PD Value is an independently audited value found in exhibits of the Company's 10-K; (2) Based on WTI strip pricing as of 12/31/2017.

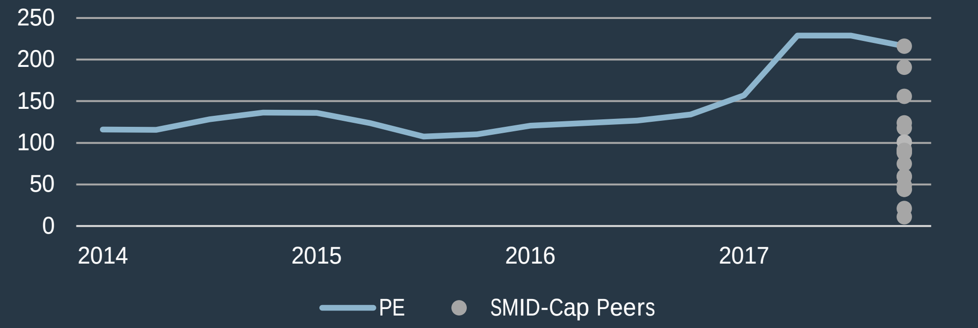
Scaling up in the Heart of the Basin

Concentrating on the Core

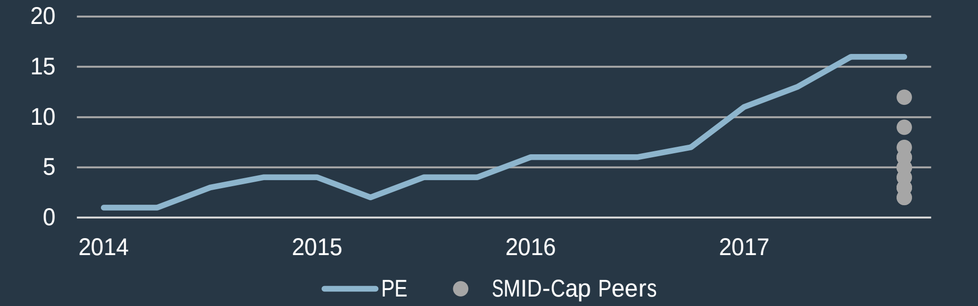


- Parsley has accumulated a large acreage position in the core of the core
- Differential scale translates to lower cost of capital and preferred status with service and marketing partners

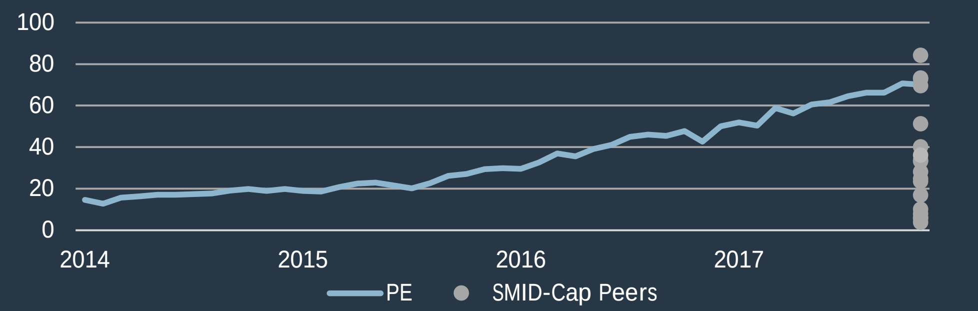
Permian Net Acres (000's)[(2)(3)]



Permian Horizontal Rig Count[(2)(4)]



Gross Operated Permian Oil Production (MBo/d)[(2)(4)]

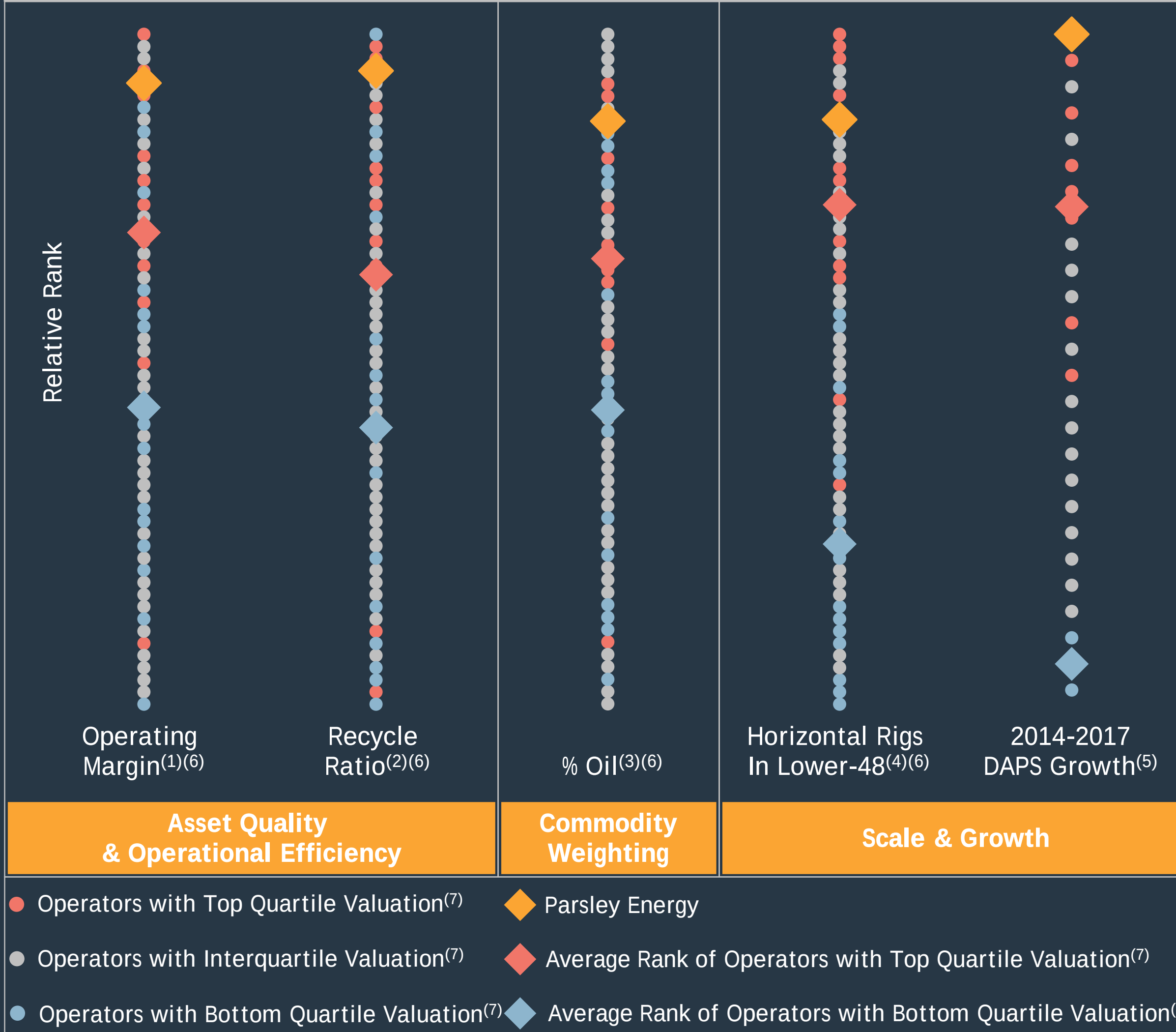


(1) Source: 1Derrick. SMID-Cap peers include CPE, FANG, EGN, LPI, RSPP, and SM; (2) SMID-Cap companies are defined as companies with market capitalizations of $14B or less as of 2/16/2018 and include CDEV, CPE, CRZO, ECA, EGN, FANG, HK, JAG, LPI, NBL, PDCE, QEP, REI, REN, ROSE, RSPP, SM, and XEC; (3) Company reports as of 2/16/2018; (4) Source: DrillingInfo. Data as of 2/16/2018; PE rig count excludes surface and service rigs.

A Winning Formula

- Parsley consistently ranks among the elite on characteristics that distinguish premium E&Ps
- Top-tier asset quality shone through despite heavy delineation and inflecting activity levels in 2017
- With value drivers in place, focus is on execution

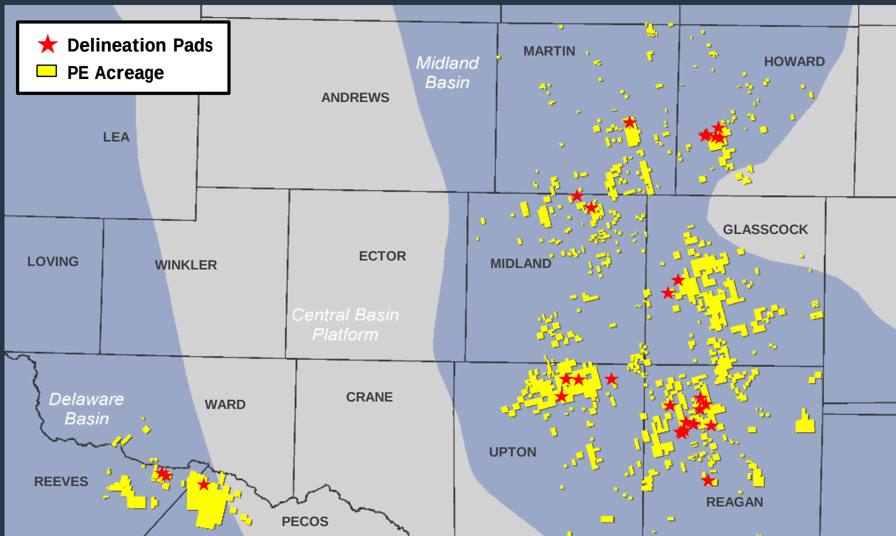
High Rankings on Key Value Drivers



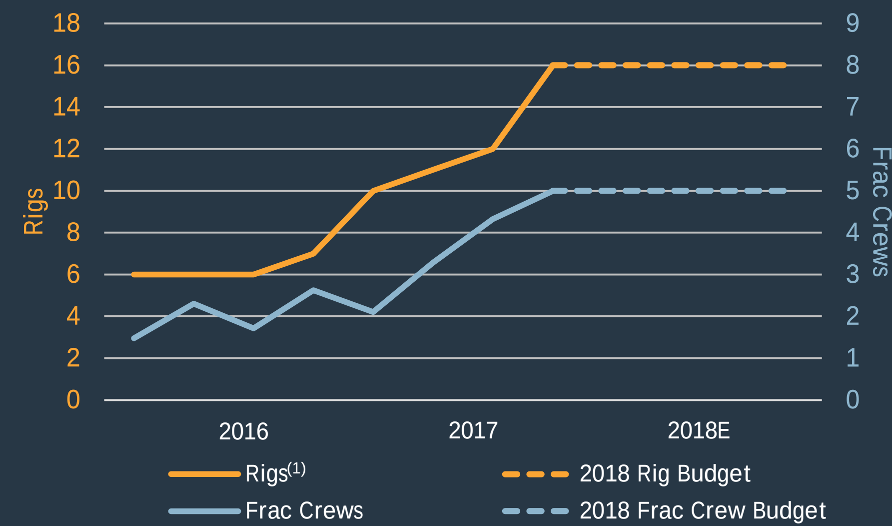
(1) SGS E&P Comp Sheets (2/12/2018). 3Q17 Operating Margin; (2) SGS E&P Comp Sheets (2/12/2018). Recycle ratio is equal to operating margin divided by PD F&D. F&D costs based on 2016 data and operating margin based on 3Q17. PE recycle ratio includes actual 2016 PD F&D/Boe of $8.04; (3) SGS E&P Comp Sheets (2/12/2018). 2017 estimated percent oil; (4) DrillingInfo as of 2/17/2018; (5) Debt-adjusted per share production growth CAGR 2014 to 2017. Evercore ISI "Buy the Growth Compounders" October 2, 2017. Peers include APA, APC, AR, CHK, CLR, COG, CPE, CXO, DVN, ECA, EGN, EOG, EQT, FANG, MRO, NBL, NFX, OAS, PXD, QEP, RSPP, SWN, WLL, WPX, and XEC; (6) Peers include APA, APC, AR, AXAS, BBG, CDEV, CHK, CLR, CNX, COG, CPE, CRC, CRK, CRZO, CXO, DNR, DVN, ECA, ECR, EGN, EOG, EPE, EQT, ESTE, FANG, GPOR, HES, JAG, LPI, MRO, MTDR, MUR, NBL, NFX, OAS, OXY, PDCE, PXD, QEP, REN, RRC, RSPP, SD, SM, SN, SRCI, SWN, UNT, UPL, WLL, WPX, WRD, WTI, XEC, and XOG; (7) Valuations from FactSet as of 2/20/2018 defined as Enterprise Value divided by consensus 2018 EBITDA estimate.

From Transformation to Simplification

2017 Program Focused on Resource Discovery



Activity Levels in Place

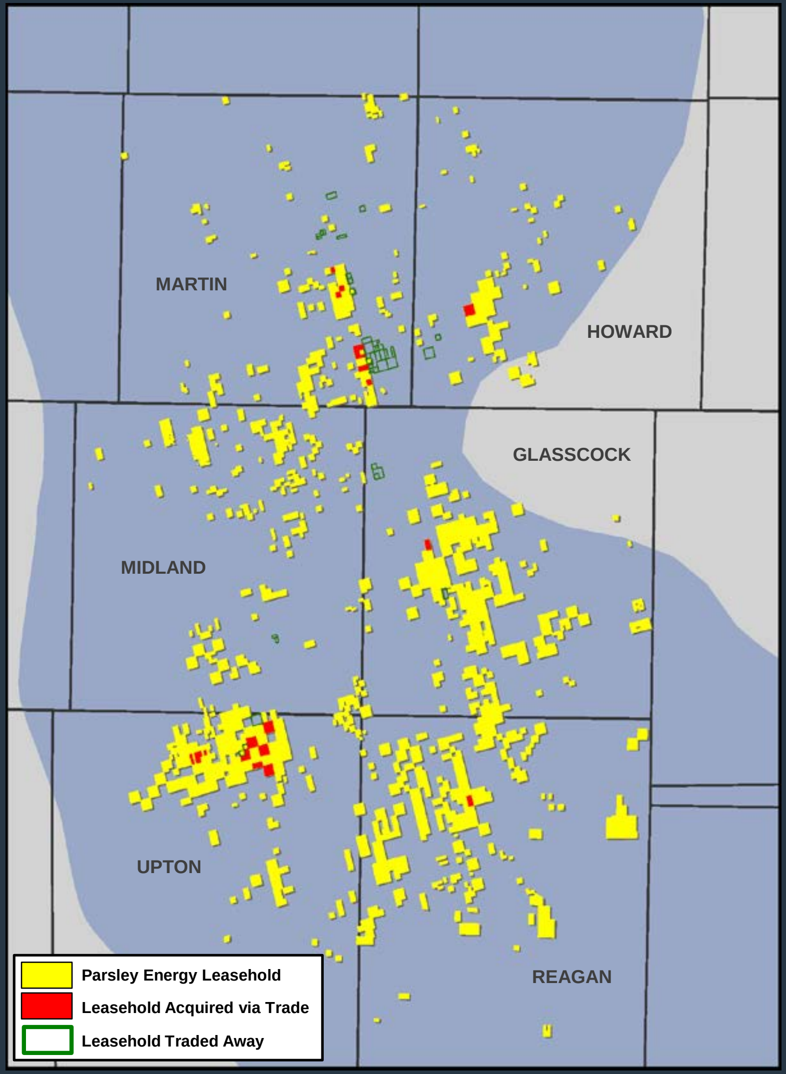


	2017: Transformational	2018: Simplified
Integration	Integrated ~95,000 net acres into portfolio	Firm 12-month drill schedule in place
Activity	Largest rig ramp among Permian peers[1][2]	Steady anticipated development pace
Program Emphasis	Emphasis on resource discovery - Nearly 50% of 2017 pads included delineation projects	Emphasis on portfolio optimization – substantial reduction of "delineation activity"
Program Highlights	First operated wells in Midland, Martin, and Howard	No new counties; Regional experience improves efficiency
	Tested multiple new landing zones	Focusing on preferred target zones
	330' density projects identified technical limits	Prioritizing 660' spacing
	Gained "Sim Ops" experience with 8-well pad	Utilizing smaller pads to compress cycle times

(1) Excludes surface and service rigs; (2) RigData dated October 2016 and October 2017. Permian peers consist of CPE, CXO, EGN, FANG, LPI, PXD, and RSPP.

Solidifying the Core

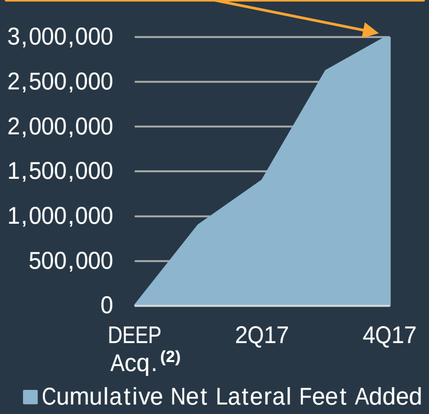
4Q17 Midland Basin Acreage Trades

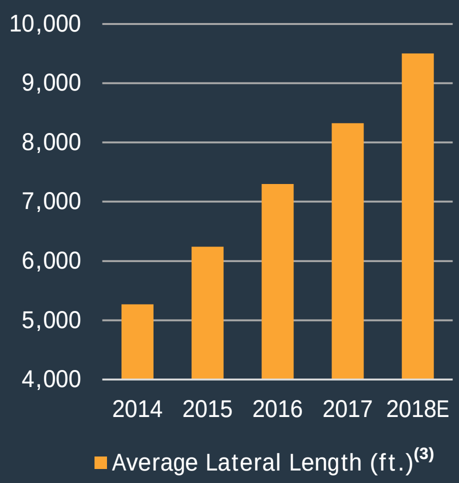


- Ongoing acreage trades enhance development potential of core operated footprint
- 4Q17 trades focused on high-impact trades in core Upton County
- Traded out of scattered properties with lower working interest ("WI") into concentrated operated properties with higher WI
  - ~55% average WI on acreage traded away in 4Q17
  - ~94% average WI on acreage traded for in 4Q17
- Recent trades added nearly 400,000 net lateral feet to horizontal drilling inventory, on top of 2.6 million net lateral feet previously added following Double Eagle ("DEEP") acquisition announcement
- Post-DEEP trades akin to adding 12,000 premium net acres with four target intervals(1)(2)
- Trades enabling step change in average completed lateral lengths

Trade Tracker – Accretive Inventory Additions

+180 net locations added in 2017
+400 net locations extended in 2017



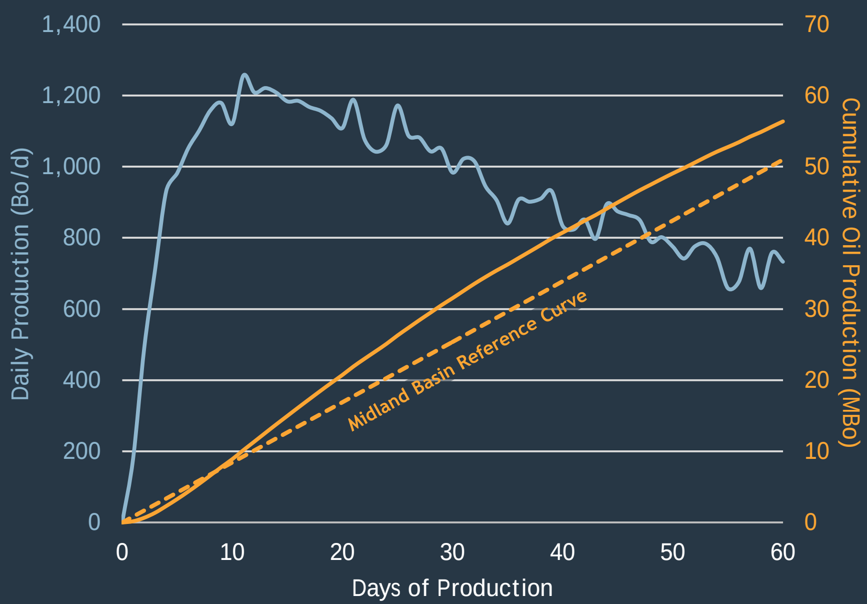


(1) Assumes 32 wells per drilling spacing unit (DSU) and that 7,500' stimulated lateral length wells correspond to a 960 acre DSU; (2) Double Eagle acquisition announced on 2/7/2017; (3) Represents average lateral length of annual frac starts.

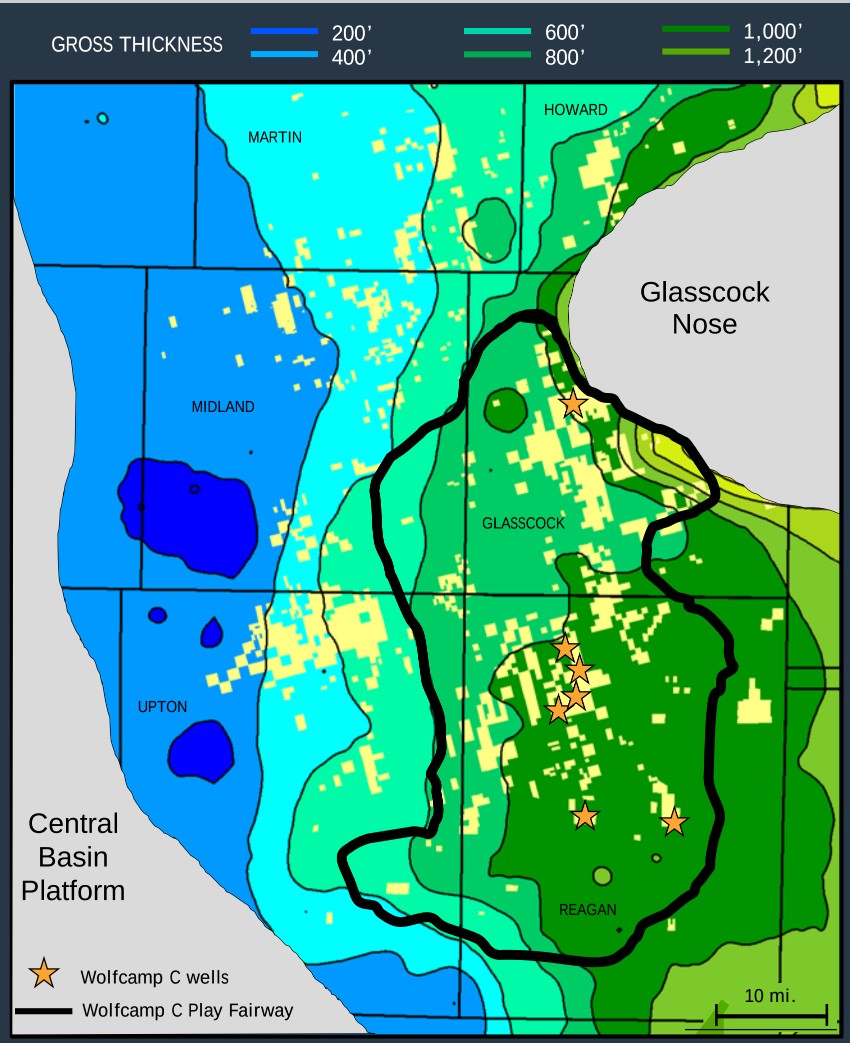
Unlocking Wolfcamp C Potential

- Wolfcamp C "rediscovery" represents capstone of 2017 delineation program
- Five Wolfcamp C wells brought online during 2017 validated the play
  - Registered average IP30 of 198 Boe per 1,000' (~62% oil)
- Two 2018 stepout wells expand areal delineation to the north and south
  - Both registered peak-24 hr IP rates of over 1,000 Bo/d

Encouraging Results from First Seven Wolfcamp C Wells(1)



900+ Drilling Locations in Wolfcamp C Fairway



(1) Parsley's first seven Wolfcamp C wells adjusted for downtime. All data normalized to 10,000' lateral.

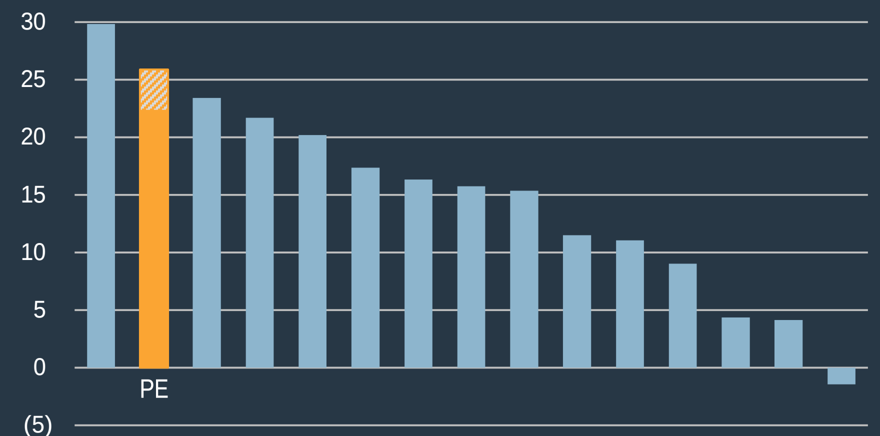
Guidance Summary

Production	2018E
Annual Net Oil Production (MBo/d)	65 - 70
Annual Net Total Production (MBoe/d)	98 - 108
Capital Program	
Total Development Expenditures ($MM)	$1,350 - $1,550
Drilling & Completion (% of total)	85 - 90%
Facilities, Infrastructure & Other (% of total)	10 - 15%
Activity	
Gross Operated Horizontal POPs[(1)]	~160
Midland Basin (% of total)	~75%
Delaware Basin (% of total)	~25%
Average Lateral Length	~9,500'
Average Working Interest	~90%
Unit Costs	
LOE ($/Boe)	$3.75 - $5.00
Cash G&A ($/Boe)	$3.50 - $4.25
Production & Ad Valorem Taxes (% of Revenue)	6.0 - 7.0%

2018 Guidance Highlights

- 2018 organic oil growth of 50% YoY at midpoint
- Steady development pace of approximately 40 gross operated wells turned to production per quarter
- Efficient program primarily utilizes 2-well and 3-well pads with an average lateral length of ~9,500'
- Top-half of capital budget includes 5-10% service cost inflation
- Forecast translates to top-tier capital efficiency among oily peers

2018 MBoe/d Added per $MM Capex[(2)]



2018E Well Costs[(3)]

	Midland Basin	Delaware Basin
YE17 Well Costs ($MM)	~$8.0	~$11.0
2018E Well Costs ($MM)	$8.4-$8.8	$11.5-$12.0

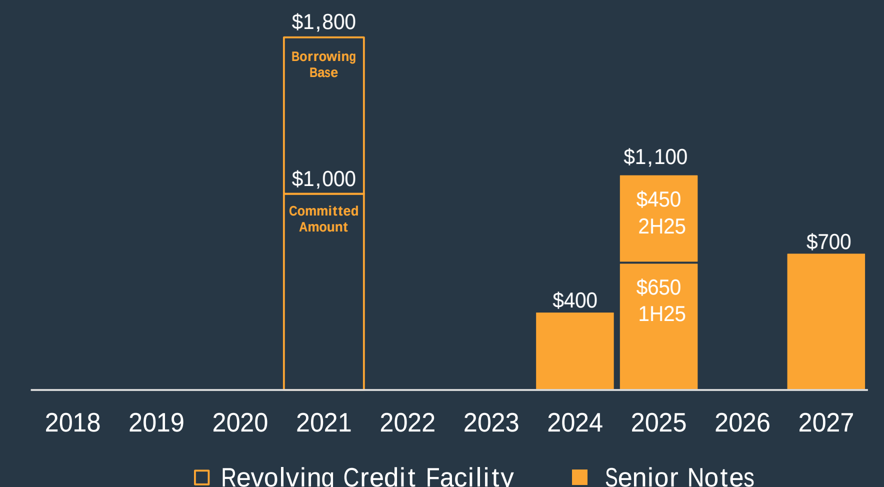
(1) Wells placed on production; (2) Based on midpoint of peer guidance. Peers include oily (oil as % of 2017 production >50%) companies with market cap of $1B+ and published 2018 production and capex guidance as of 2/20/2018. Peers include APC, CLR, COP, CPE, CPG, CXO, EGN, FANG, MUR, NBL, OXY, PXD, WPX, and WRD. PE range based on high- and low-ends of production and capex guidance; (3) D&C costs based on 9,500' average lateral length.

Strong, Flexible Financial Position

- Peer-leading[1] liquidity of $1.7 billion[2] provides ample flexibility to fund efficient growth
- Borrowing base has tripled in last two years
- Favorable debt maturity schedule with earliest notes maturity in 2024
- Weighted average cost of debt has dropped ~200 bps over last two years

Advantaged Liquidity Profile ($MM)[1]

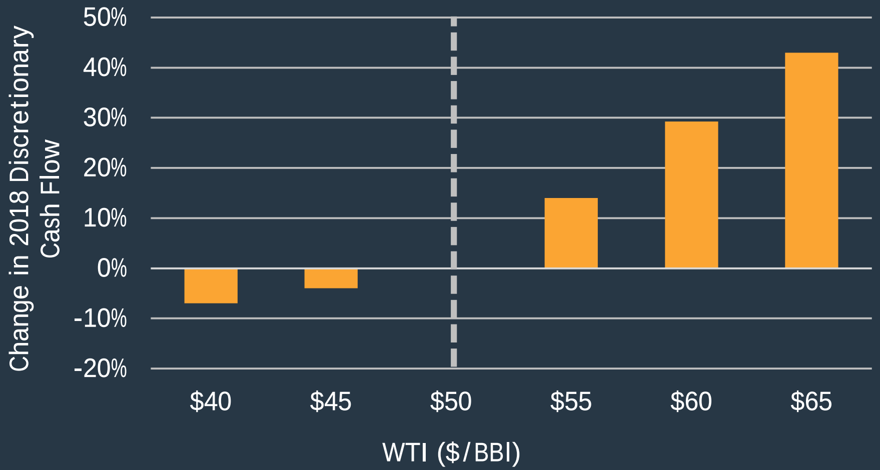
Favorable Debt Maturity Schedule



(1) Permian SMID-Cap peers include CPE, EGN, FANG, LPI, and RSPP. Calculated as availability on committed portion of borrowing base plus cash and cash equivalents and short-term investments. Peer data obtained from 3Q17 filings and pro forma for subsequent debt offerings and divestitures; (2) As of 12/31/2017 liquidity was $1.7B. Pro forma for non-operated divestitures announced 1/29/2018 liquidity was $1.7B.

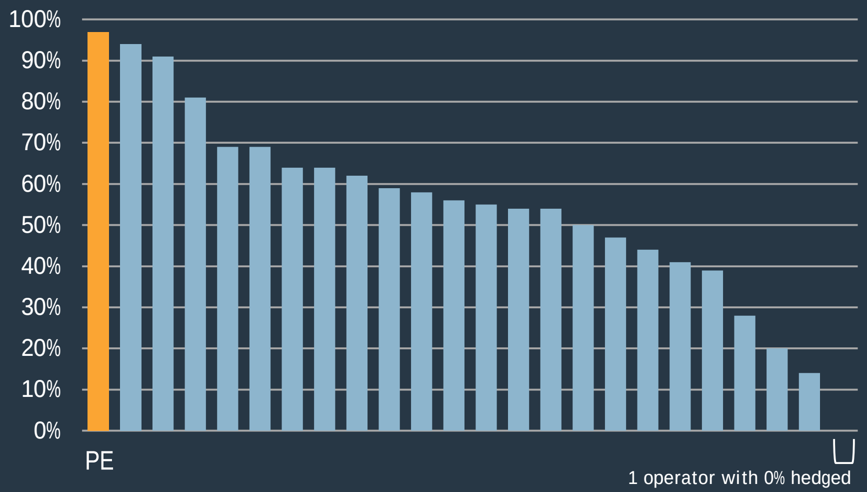
Substantial Oil Hedge Position Insulates Capital Program

Hedges Retain Value of Higher Oil Prices

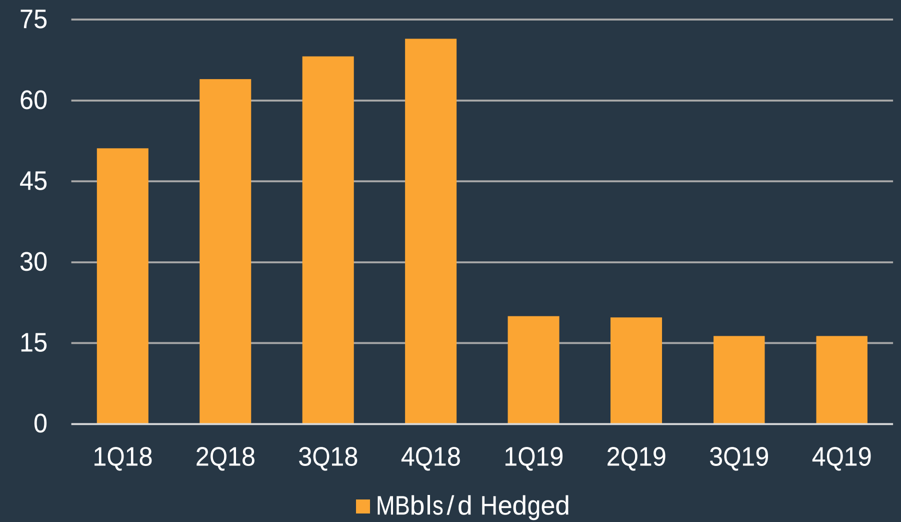


- Hedging strategy protects cash flow and balance sheet while retaining commodity price upside
- More hedge protection than peers in 2018

% of Estimated 2018 Oil Production Hedged[(1)]



Oil Volumes Hedged

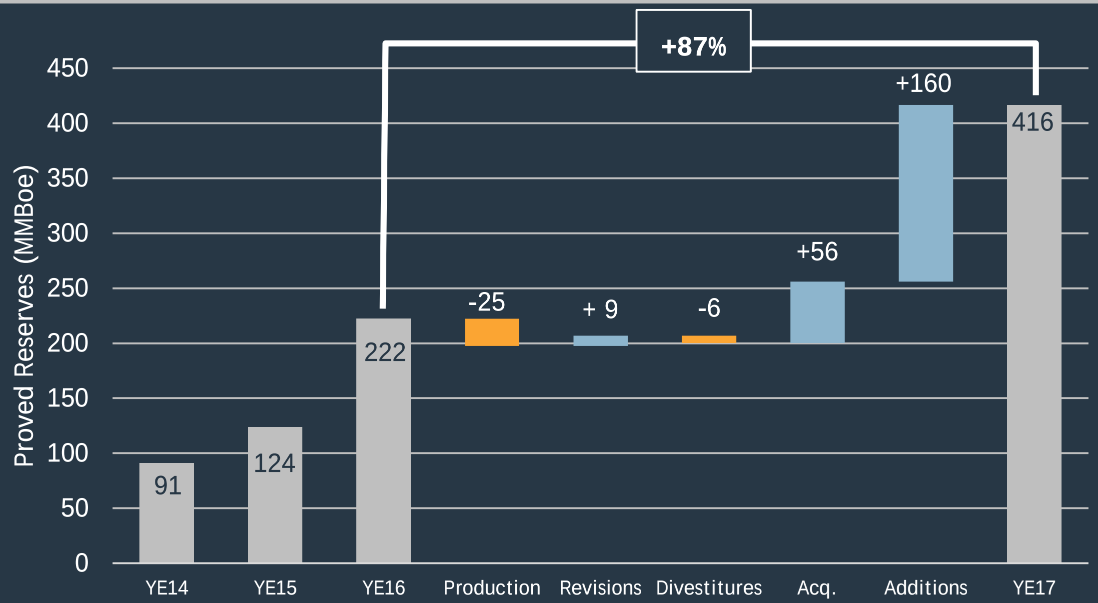


Note: PE hedge positions as of 2/21/2018; (1) KeyBanc Capital Markets; Oil & Gas Industry Weekly Statistical Summary dated February 12, 2018. Operators include AREX, BBG, BCEI, CLR, CPE, CRZO, CXO, DNR, EGN, FANG, JAG, LPI, NFX, OAS, PDCE, PXD, RSPP, SM, SRCI, WLL, XEC, and XOG; PE hedge position as of 2/21/2018 shown at midpoint of 2018 oil guidance range.

Consistently Efficient Reserve Growth

- YE17 proved reserves up 87% Y/Y (oil up 82% Y/Y)
  - Three-year proved reserve CAGR of 66%
- Organic reserves replacement ratio of 683%(1)
- Positive performance revisions of 4.5 MMBo to oil PDP reserves highlight stability of asset base
- Drillbit F&D(2) of $7.12/Boe displays quality and depth of asset base
- PD F&D of $12.10/Boe(3) during delineation heavy year supports top-tier recycle ratio of 2.6x(4)

Strong Growth in Proved Reserves



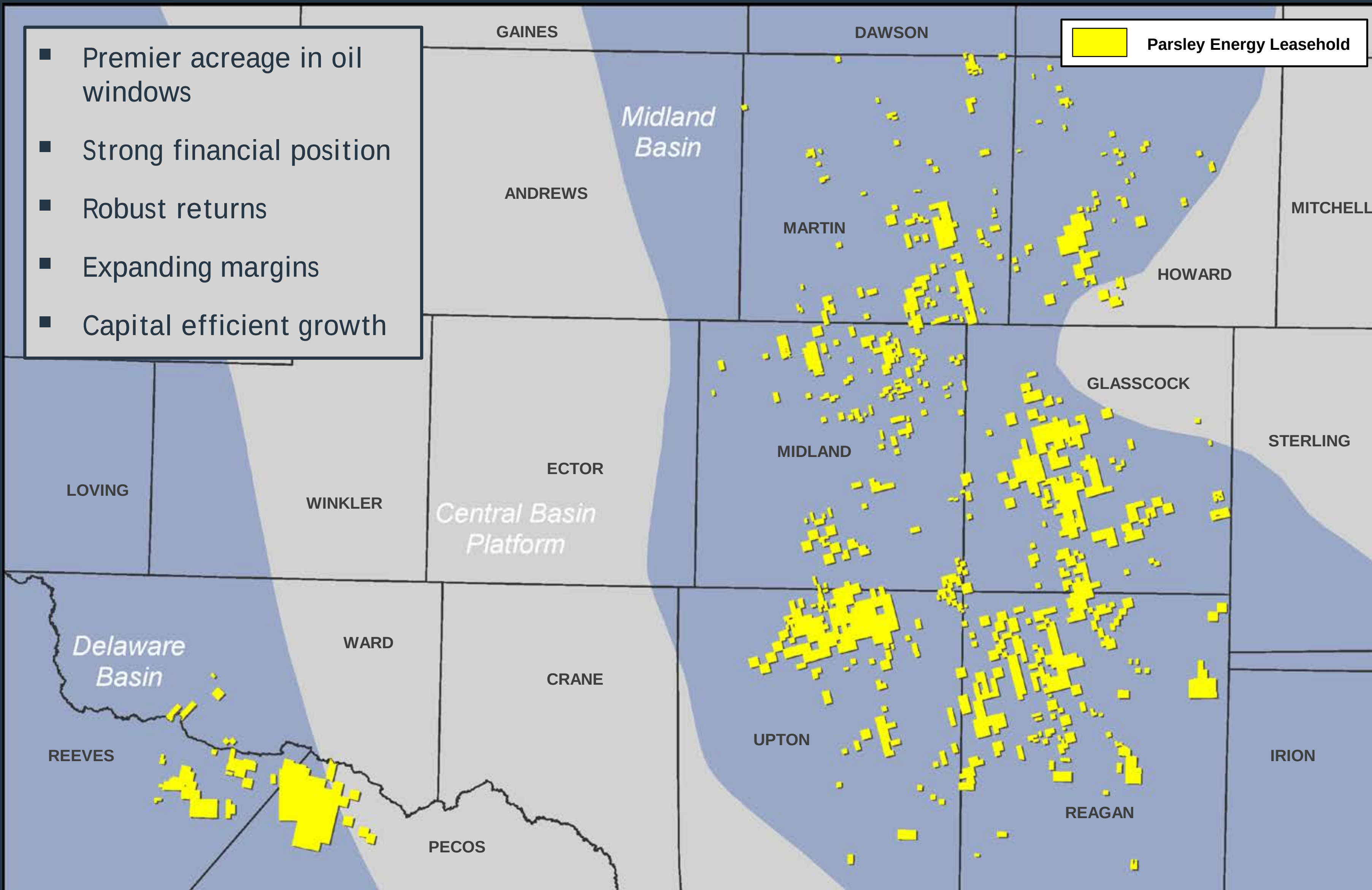
Proved Reserves Summary(5)

	Oil (MMBbl)	Gas (Bcf)	NGL (MMBbl)	Total (MMBoe)
PDP	118.5	237.2	49.1	207.2
PDNP	1.1	3.1	0.6	2.2
PUD	128.9	211.4	42.9	207.0
Total Proved	**248.5**	**451.7**	**92.6**	**416.4**

(1) Organic reserves replacement ratio calculated as total 2017 reserve additions and revisions (technical and pricing) divided by total 2017 production; excludes acquisitions and divestitures. For additional detail refer to slide 21; (2) Drillbit F&D calculated as total 2017 Capex (including infrastructure and Other) divided by total 2017 reserves additions and revisions (technical and pricing); excludes acquisitions and divestitures. For additional detail refer to slide 21; (3) PD F&D calculated as total 2017 Capex (including Infrastructure and Other) divided by total 2017 proved developed reserves additions and revisions (technical and pricing); excludes acquisitions and divestitures. Refer to slide 21 for additional detail; (4) Recycle ratio calculated as 4Q17 Cash Margin divided by All Costs PD F&D ($12.10/Boe); Oil and Gas PD F&D cost (excluding water handling infrastructure spend) was $11.61/Boe; (5) Reserve summary as of 12/31/2017 and audited by NSAI.

Parsley Energy Investment Summary

- Premier acreage in oil windows
- Strong financial position
- Robust returns
- Expanding margins
- Capital efficient growth



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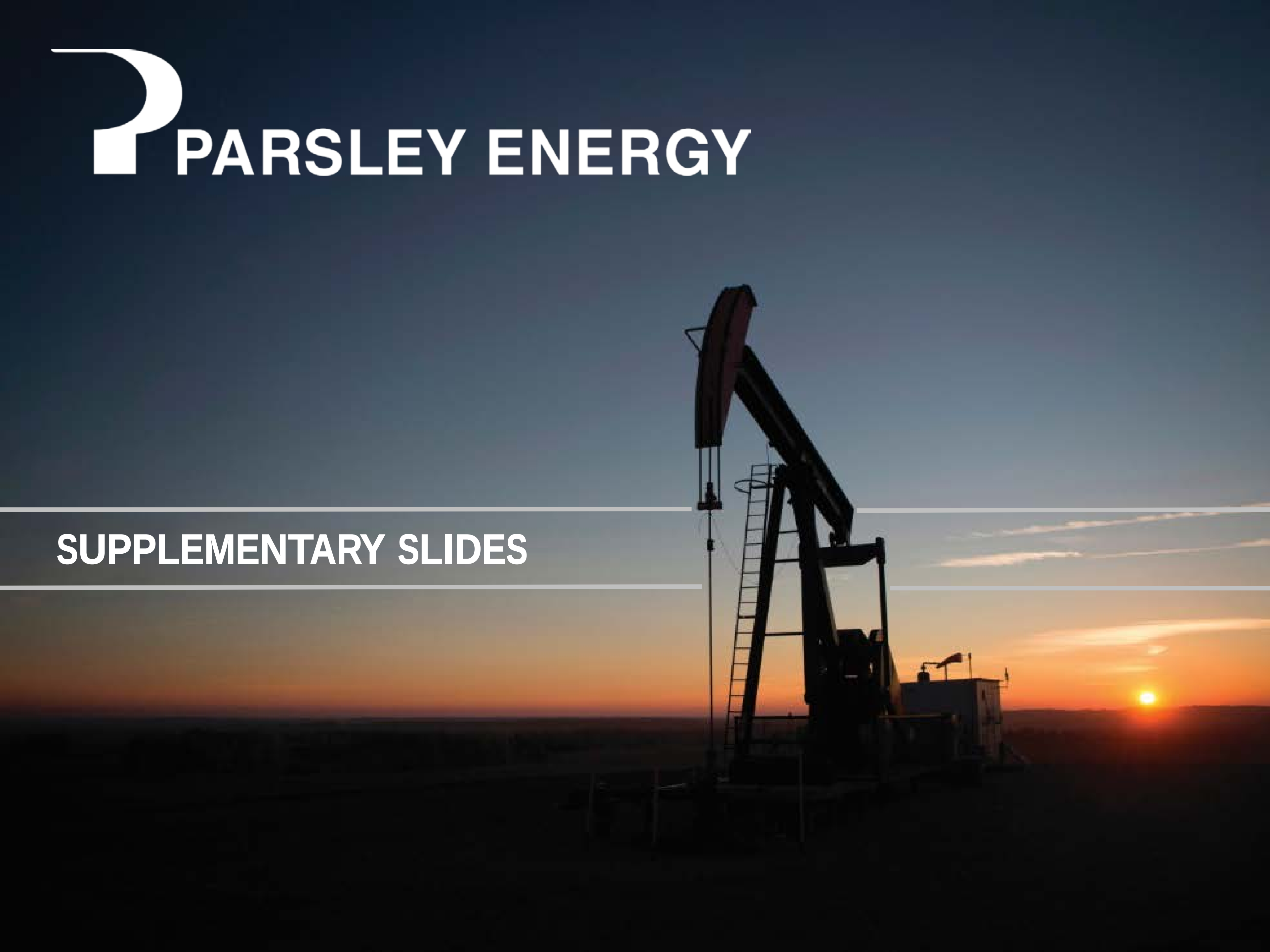
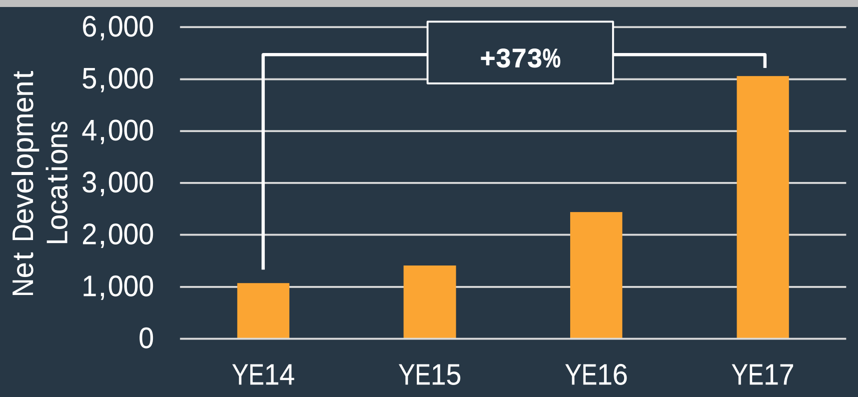


SUPPLEMENTARY SLIDES

Expansive, High-quality Drilling Inventory

- Extensive inventory of premium drilling locations provides visibility to years of high-return production growth
- After recent non-op divestitures, Parsley now operates 90% of gross acreage, up from 77% in 3Q17
- Over a decade of 7,500'+, high working interest (85%+), operated inventory in development zones[(2)]
- Low average royalty burden of ~15% on 550 net Wolfcamp locations in the Delaware Basin
- Established track record of converting delineation capital into development opportunities
- Peer delineation activity in Jo Mill, Wolfcamp D/Cline, Bone Spring and Woodford targets offers resource upside

Substantial Resource Expansion



Horizontal Drilling Inventory[(1)]

	GROSS	NET	WELLS PER SECTION
Development Zones			
Midland Basin			
Lower Spraberry	1,150	790	8
Wolfcamp A	1,440	980	8
Wolfcamp B	2,720	1,800	8 / 16[(3)]
Wolfcamp C	1,430	940	8
Delaware Basin			
Wolfcamp	590	550	16[(4)]
Development Total	**7,330**	**5,060**	
Delineation Zones			
Midland Basin			
Middle Spraberry	740	520	5 / 6
Cline	1,520	1,070	8
Atoka	1,120	800	8
Delaware Basin			
2nd Bone Spring	140	130	4
3rd Bone Spring	140	130	4
Delineation Total	**3,660**	**2,650**	
Total	**10,990**	**7,710**	

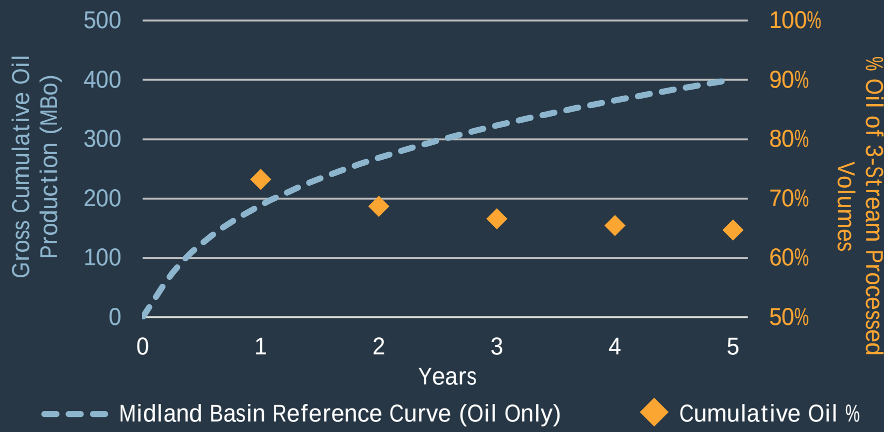
(1) As of 12/31/2017 pro forma for non-operated divestitures announced 1/29/18. Location counts rounded to the nearest ten; (2) Assumes current annual completion run rate or ~160 wells; (3) 16 wells per section reflects two landing zones; (4) Reflects an average of two landing zones.

PARSLEY ENERGY

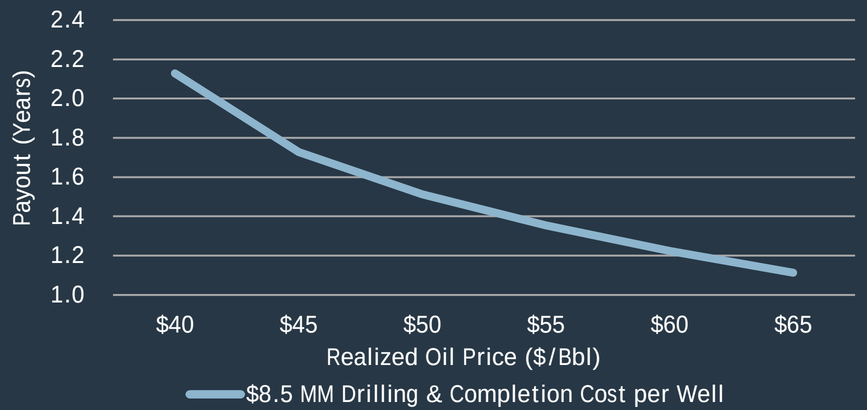
Reference Curves Imply Compelling Economics

- Cash flow velocity increases significantly at current oil prices
- Compressed payout periods and a shallowing PDP base expedite rapid cash flow growth

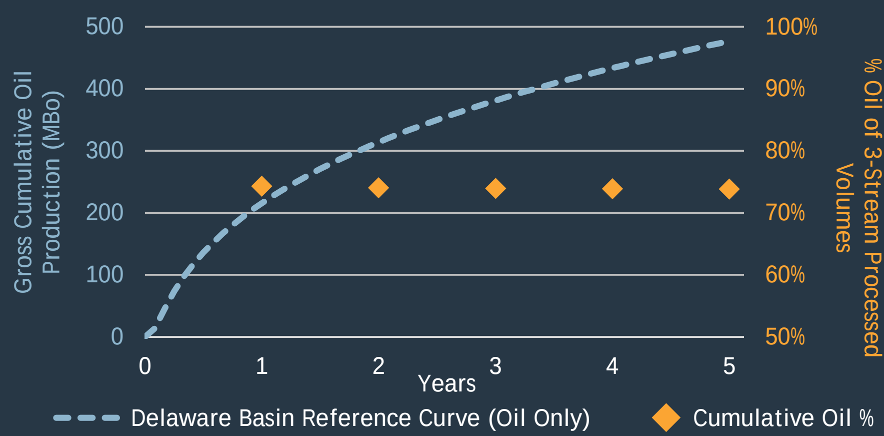
Midland Basin Oil Curve[1]



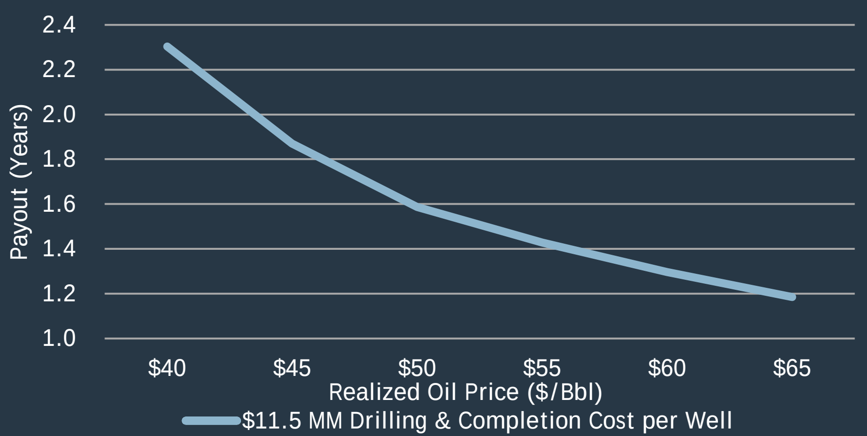
Midland Basin Well Payout Period[2]



Delaware Basin Oil Curve[1]



Delaware Basin Well Payout Period[3]



(1) Based on 10,000' lateral. Gross oil and processed NGL and gas volumes are not adjusted for various loss and downtime factors—the combination of which typically constitutes approximately 10% of gross or processed volumes—and are presented before the application of working interest and royalty interest; (2) Assumes realized gas price of $3.00/MMBtu, realized NGL price of 40% WTI, and 25% royalty burden; (3) Assumes realized gas price of $3.00/MMBtu, realized NGL price of 40% WTI, and 15% royalty burden.

Substantial Oil Hedge Position

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Put Spreads (MBbls/d)[1]	**7.8**	**11.5**	**34.2**	**37.5**	**11.7**	**11.5**	**8.2**	**8.2**
Put Price ($/Bbl)	$52.14	$52.50	$49.64	$49.67	$50.00	$50.00	$55.00	$55.00
Short Put Price ($/Bbl)	$41.43	$42.50	$39.64	$39.67	$40.00	$40.00	$45.00	$45.00
Three Way Collars (MBbls/d)[2]	**43.3**	**49.5**	**31.0**	**31.0**	**8.3**	**8.2**	**8.2**	**8.2**
Short Call Price ($/Bbl)	$65.67	$68.11	$75.65	$75.65	$80.40	$80.40	$80.40	$80.40
Put Price ($/Bbl)	$50.77	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00
Short Put Price ($/Bbl)	$40.19	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
Premium Realization ($MM)[3]	**($18.5)**	**($16.5)**	**($17.9)**	**($19.1)**	**($5.9)**	**($5.9)**	**($3.9)**	**($3.9)**
Collars (MBbls/d)[4]		**3.0**	**3.0**	**3.0**				
Short Call Price ($/Bbl)		$61.31	$61.31	$61.31				
Put Price ($/Bbl)		$45.67	$45.67	$45.67				
Total MBbls/d Hedged	**51.1**	**64.0**	**68.2**	**71.5**	**20.0**	**19.7**	**16.4**	**16.4**
Mid-Cush Basis Swaps (MBbls/d)[5]	**11.5**	**11.4**	**11.3**	**11.3**				
Swap Price ($/Bbl)	($0.86)	($0.86)	($0.86)	($0.86)				

Hedge positions as of 2/21/2018; (1) When the NYMEX price is above the put price, Parsley receives the NYMEX price. When the NYMEX price is between the put price and the short put price, Parsley receives the put price. When the NYMEX price is below the short put price, Parsley receives the NYMEX price plus the difference between the short put price and the put price; (2) Functions similarly to put spreads except when the index price is at or above the call price, Parsley receives the call price; (3) Premium realizations represent net premiums paid (including deferred premiums), which are recognized as a loss in the period of settlement; (4) When the NYMEX price is above the call price, Parsley receives the call price. When the NYMEX is below the put price, Parsley receives the put price. When the NYMEX price is between the call and put prices, Parsley receives the NYMEX price; (5) Parsley receives the swap price.

Adjusted EBITDAX Reconciliation

Unaudited, in thousands	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Adjusted EBITDAX reconciliation to net income:				
Net (loss) income attributable to Parsley Energy, Inc. stockholders'	$49,919	$(30,745)	$106,774	$(74,182)
Net (loss) income attributable to noncontrolling interests	(4,922)	(3,352)	17,146	(14,735)
Depreciation, depletion and amortization	105,143	62,653	352,247	233,766
Exploration costs	35,122	1,152	40,415	13,931
Interest expense, net	30,028	16,279	89,445	55,233
Income tax (benefit) expense	(19,830)	4,341	5,708	(17,424)
EBITDAX	**195,460**	**50,328**	**611,735**	**196,589**
Change in TRA liability	(56,396)	(7,351)	(35,847)	(7,351)
Stock-based compensation	4,989	3,405	19,619	12,871
Acquisition costs	8	155	10,977	1,081
Loss (gain) on sales of oil and natural gas properties	14,332	—	14,332	119
Asset retirement obligation accretion expense	374	157	971	732
Rig termination	—	—	—	—
Prepayment premium on extinguishment of debt	—	36,335	3,891	36,335
Impairment	—	—	—	—
Inventory write down	1,060	—	1,060	—
Derivative (income) loss	72,310	26,993	66,135	50,835
Net settlements on derivative instruments	16	1,881	15,670	26,441
Premium realization on options that settled during the period	(14,699)	5,576	(37,103)	31,757
Adjusted EBITDAX	**$217,454**	**$117,479**	**$671,440**	**$349,409**

Note: Certain reclassifications to prior period amounts have been made to conform with current presentation.

Reserves Replacement Ratio and F&D Cost (Unaudited)

Organic Reserves Replacement Ratio

Parsley uses the organic reserves replacement ratio as an indicator of the company's ability to replace the reserves that it has developed and to increase its reserves over time. The ratio is not a representation of value creation and has a number of limitations that should be considered. For example, the ratio does not incorporate the costs or timing of developing future reserves. The organic reserves replacement ratio of 683% was calculated as total 2017 reserve additions and revisions (technical and pricing), divided by total 2017 production. The ratio calculation excludes acquisitions and divestitures.

Proved Developed Finding and Development ("F&D") Costs

Parsley uses proved developed F&D cost as an indicator of capital efficiency, in that it measures Parsley's costs to add proved reserves on a per Boe basis. The company evaluates both proved developed F&D, which is calculated as total 2017 capital expenditures (including Infrastructure and Other) divided by total 2017 proved developed reserves additions and revisions (technical and pricing), as well as drillbit F&D, which is calculated as total 2017 capital expenditures (including infrastructure and Other), divided by total 2017 reserves additions and revisions (technical and pricing). Both calculations exclude acquisitions and divestitures and are subject to limitations, including the uncertainty of future costs to development the company's reserves.