



**Hedge Position Update as
of March 17, 2020**



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 “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “intend,” “potential,” “could,” “may,” “foresee,” “plan,” “goal” 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 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.

Open Crude Oil Derivatives Positions

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
OPTION CONTRACTS								
CUSHING								
Swaps – Cushing (MBbls/d) ⁽¹⁾	11.0	11.0	11.0	11.0				
Swap Price (\$/Bbl)	\$57.87	\$57.87	\$57.87	\$57.87				
MIDLAND								
Three Way Collars – Midland (MBbls/d) ⁽²⁾	27.0	22.5	17.1	17.1				
Short Call Price (\$/Bbl)	\$61.81	\$53.30	\$52.29	\$52.29				
Long Put Price (\$/Bbl)	\$51.10	\$39.38	\$36.49	\$36.49				
Short Put Price (\$/Bbl)	\$41.10	\$29.38	\$26.49	\$26.49				
Put Spreads – Midland (MBbls/d) ⁽³⁾	1.1	3.3						
Long Put Price (\$/Bbl)	\$50.00	\$50.00						
Short Put Price (\$/Bbl)	\$40.00	\$40.00						
Two Way Collars – Midland (MBbls/d) ⁽⁴⁾	2.2	6.6	6.5	6.5				
Short Call Price (\$/Bbl)	\$48.00	\$48.00	\$48.00	\$48.00				
Long Put Price (\$/Bbl)	\$43.00	\$43.00	\$43.00	\$43.00				
Swaps – Midland (MBbls/d) ⁽¹⁾	3.3	3.3			5.0	5.0	5.0	5.0
Swap Price (\$/Bbl)	\$55.20	\$55.20			\$40.50	\$40.50	\$40.50	\$40.50
MAGELLAN EAST HOUSTON ("MEH")								
Three Way Collars – MEH (MBbls/d) ⁽²⁾	46.4	51.0	33.9	33.9	13.3	13.2	2.4	2.4
Short Call Price (\$/Bbl)	\$70.71	\$50.92	\$51.06	\$51.06	\$64.38	\$64.38	\$55.00	\$55.00
Long Put Price (\$/Bbl)	\$56.16	\$37.88	\$38.03	\$38.03	\$53.13	\$53.13	\$40.00	\$40.00
Short Put Price (\$/Bbl)	\$46.16	\$27.88	\$28.03	\$28.03	\$43.13	\$43.13	\$30.00	\$30.00
Put Spreads – MEH (MBbls/d) ⁽³⁾	2.7	8.2	24.5	24.5				
Long Put Price (\$/Bbl)	\$50.00	\$50.00	\$40.00	\$40.00				
Short Put Price (\$/Bbl)	\$40.00	\$40.00	\$30.00	\$30.00				
Swaps – MEH (MBbls/d) ⁽¹⁾		4.4	10.8	10.8	52.0	52.0	52.0	52.0
Swap Price (\$/Bbl)		\$32.52	\$41.89	\$41.89	\$41.17	\$41.17	\$41.17	\$41.17
BRENT								
Two Way Collars – Brent (MBbls/d) ⁽⁴⁾		3.3	6.5	6.5				
Short Call Price (\$/Bbl)		\$52.10	\$52.30	\$52.30				
Long Put Price (\$/Bbl)		\$47.10	\$47.30	\$47.30				
Swaps – Brent (MBbls/d) ⁽¹⁾		7.9	6.3	6.3	22.0	22.0	22.0	22.0
Swap Price (\$/Bbl)		\$44.81	\$47.40	\$47.40	\$44.44	\$44.44	\$44.44	\$44.44
Total Hedged Volumes (MBbls/d)	93.8	121.5	116.5	116.5	92.3	92.2	81.4	81.4
Premium Realization (\$MM)⁽⁵⁾	(\$13.4)	\$14.5	\$8.5	\$8.5	(\$2.0)	(\$2.0)	(\$0.7)	(\$0.7)
BASIS SWAPS								
Midland-Cushing Basis Swaps (MBbls/d) ⁽⁶⁾	18.9	18.9	14.0	14.0				
Basis Differential (\$/Bbl)	(\$1.00)	(\$1.00)	(\$1.44)	(\$1.44)				

Hedging Strategy

- ▶ Methodical, consistent approach
- ▶ Protect cash flow stream in weaker oil price environment
- ▶ Preserve meaningful upside exposure in stronger oil price environment
- ▶ Align hedges with regional price exposure

Open Natural Gas Derivatives Positions

	1Q20	2Q20	3Q20	4Q20
OPTION CONTRACTS				
WAHA				
Swaps - Waha (MMBtu/d) ⁽¹⁾	48,242	48,242	48,152	48,152
Swap Price (\$/MMBtu)	\$1.08	\$0.70	\$0.90	\$0.86
Total Hedged Volumes (MMBtu/d)	48,242	48,242	48,152	48,152

Hedge positions as of 3/17/2020. Prices represent the weighted average price of contracts scheduled for settlement during the period; (1) Parsley receives the swap price; (2) When the reference price (Midland, MEH, or Brent) is at or above the short call price, Parsley receives the short call price. When the reference price is between the long put price and the short put price, Parsley receives the long put price. When the reference price is below the short put price, Parsley receives the reference price plus the difference between the short put price and the long put price; (3) When the reference price is above the long put price, Parsley receives the reference price. When the reference price is between the long put price and the short put price, Parsley receives the long put price. When the reference price is below the short put price, Parsley receives the reference price plus the difference between the short put price and the long put price; (4) When the reference price is above the short call price, Parsley receives the short call price. When the reference price is between the short call price and the put price, Parsley receives the reference price. When the reference price is below the put price, Parsley receives the put price; (5) Premium realizations represent net premiums paid (including deferred premiums), which are recognized as a loss in the period of settlement; (6) Swaps that fix the basis differentials representing the index prices at which Parsley sells its oil and gas produced in the Permian Basin less the WTI Cushing price.