

PARSLEY ENERGY PROVIDES UPDATE ON 2020 DEVELOPMENT PLANS

AUSTIN, Texas, March 9, 2020 – Parsley Energy, Inc. (NYSE: PE) (“Parsley,” “Parsley Energy,” or the “Company”) today provided an update on its 2020 development program.

Updated 2020 Outlook

- Parsley is revising its baseline capital budget assumption from a \$50 WTI oil price to a \$30-35 WTI oil price for the remainder of 2020.
- Consistent with the Company’s commitment to free cash flow generation and in response to recent commodity price trends, Parsley has begun to reduce development activity in 2020. During January and February, Parsley operated 15 development rigs and five frac spreads on average. On March 6, Parsley dropped to three frac spreads and has approved plans to drop to 12 rigs as soon as practicable. Parsley plans to further reduce its activity pace in the near-term.
- Parsley had previously indicated it would expect to generate free cash flow⁽¹⁾ of at least \$200 million during 2020 at a \$50 WTI oil price. In the context of \$30-\$35 WTI oil prices for the remainder of the year, the Company would target at least \$85 million of free cash flow⁽¹⁾, accomplished through incremental activity reductions, likely in combination with lower service and equipment costs. In a lower oil price environment, Parsley will adjust as needed to preserve its balance sheet.
- Parsley plans to provide additional detail on its formal 2020 guidance ranges when it releases its first quarter 2020 financial results or as needed.

Summary Comment and Outlook

“The combination of a strong balance sheet and corporate agility is critical in these challenging and volatile times,” commented Matt Gallagher, Parsley’s President and CEO. “We must act swiftly with an aim to preserve a stable free cash flow profile and remain committed to doing whatever is necessary to protect our balance sheet in the weeks and months ahead.”

“Parsley is focused on maintaining value for the long term, this requires short term responses when posed with external attacks and shocks. We will focus on our rigorous project returns process and will not destroy capital if the commodities tape does not support sufficient returns. This approach worked in the 2015 – 2016 timeframe and will best position us again to emerge from this volatile time on our front foot ready to fight.”

Hedging Update

In early March, Parsley restructured some of its existing hedge positions to provide additional protection to downside in oil prices and continues to actively manage its hedge position. A significant majority of Parsley's expected 2020 oil production is subject to hedge protection.

For details on Parsley's updated hedge position as of March 6, 2020, please see the tables below.

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
OPTION CONTRACTS:						
Swaps - Cushing (MBbbls/d)⁽²⁾	11.0	11.0	11.0	11.0		
Swap Price (\$/Bbl)	\$ 57.87	\$ 57.87	\$ 57.87	\$ 57.87		
MIDLAND						
Three Way Collars - Midland (MBbbls/d)⁽³⁾	30.3	32.4	22.3	22.3		
Short Call Price (\$/Bbl)	\$ 65.87	\$ 65.97	\$ 65.67	\$ 65.67		
Long Put Price (\$/Bbl)	\$ 55.18	\$ 55.24	\$ 55.27	\$ 55.27		
Short Put Price (\$/Bbl)	\$ 45.18	\$ 45.24	\$ 45.27	\$ 45.27		
Swaps - Midland (MBbbls/d)⁽²⁾	3.3	3.3				
Swap Price (\$/Bbl)	\$ 55.20	\$ 55.20				
MAGELLAN EAST HOUSTON ("MEH")						
Three Way Collars - MEH (MBbbls/d)⁽³⁾	44.9	46.4	37.8	37.8	13.3	13.2
Short Call Price (\$/Bbl)	\$ 73.48	\$ 67.75	\$ 66.90	\$ 66.90	\$ 64.38	64.38
Long Put Price (\$/Bbl)	\$ 58.74	\$ 54.99	\$ 55.09	\$ 55.09	\$ 53.12	53.12
Short Put Price (\$/Bbl)	\$ 48.74	\$ 44.99	\$ 45.09	\$ 45.09	\$ 43.12	43.12
Put Spreads - MEH (MBbbls/d)⁽⁴⁾	2.7	8.2	11.4	11.4		
Put Price (\$/Bbl)	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00		
Short Put Price (\$/Bbl)	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00		
Swaps - MEH (MBbbls/d)⁽²⁾			4.2	4.2		
Swap Price (\$/Bbl)			\$ 56.30	\$ 56.30		
BRENT						
Three Way Collars - Brent (MBbbls/d)⁽³⁾		11.5	13.0	13.0		
Short Call Price (\$/Bbl)		\$ 74.29	\$ 73.13	\$ 73.13		
Long Put Price (\$/Bbl)		\$ 62.29	\$ 62.25	\$ 62.25		
Short Put Price (\$/Bbl)		\$ 52.29	\$ 52.25	\$ 52.25		
Total Option Contracts (MBbbls/d)	92.2	112.8	99.7	99.7	13.3	13.2
Premium Realization (\$MM)⁽⁵⁾	\$ (14.5)	\$ (10.8)	\$ (10.3)	\$ (10.3)	\$ (2.0)	\$ (2.0)
BASIS SWAPS:						
Midland-Cushing Basis Swaps (MBbbls/d)⁽⁶⁾	18.9	18.9	14.0	14.0		
Basis Differential (\$/Bbl)	\$ (1.00)	\$ (1.00)	\$ (1.44)	\$ (1.44)		

About Parsley Energy, Inc.

Parsley Energy, Inc. is an independent oil and natural gas company focused on the acquisition, development, exploration, and production of unconventional oil and natural gas properties in the Permian Basin. For more information, visit the Company's website at www.parsleyenergy.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this news release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent Parsley Energy's expectations or beliefs concerning future events, and it is possible that the results described in this news release will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of Parsley Energy's control, which could cause actual results to differ materially from the results discussed in the forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, Parsley Energy does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for Parsley Energy to predict all such factors. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements found in the Company's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K. The risk factors and other factors noted in the Company's SEC filings could cause its actual results to differ materially from those contained in any forward-looking statement.

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- (1) As used in this news release, free cash flow (outspend), a non-GAAP financial measure, means net cash provided by operating activities before transaction expenses related to the acquisition of Jagged Peak Energy Inc. (“Jagged Peak”) and changes in operating assets and liabilities, net of acquisitions, less accrual-based development capital expenditures. The Company is unable to present a reconciliation of forward-looking free cash flow (outspend) because components of the calculation, including changes in working capital accounts, are inherently unpredictable. Additionally, estimating the most directly comparable GAAP measure with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort.
 - (2) Parsley receives the swap price.
 - (3) When the reference price (Midland, MEH, or Brent) is at or above the call price, Parsley receives the 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.
 - (4) 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.
 - (5) Premium realizations represent net premiums paid (including deferred premiums), which are recognized as income or 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.