Transformation: Moving to a Singular Focus in the STACK

DUG Midcontinent
September 2017
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• Transforming into a premier pure-play STACK company
  • Approximately 110,000 net acres
  • Capitalize on a strong pipeline of economic opportunities
  • Deliver solid operating margins and returns, even in a volatile commodity price environment

• Keys to superior performance
  • Strong assets – focused STACK player
  • Low-cost structure
  • Operational excellence
  • Prioritizing environmental, health and safety
  • Premier operating team

• Strong foundation capable of excelling in a $40 - $60 per barrel environment

Strong Assets, Low Cost Structure and Experienced Leadership with a Vision for Success
Recent Achievements

• Emerged from restructuring with a strong balance sheet
  • Equitized $1.2 billion in debt and reduced annual interest expense by $110 million
  • Enterprise value: Approximately $1.2 billion
  • Debt/Adjusted LTM EBITDA: Approximately 1.4x

• Recruited new, independent board with extensive industry experience

• Achieved total net production of 23.9 MBoe/d Q2 2017
  • 57% oil, 16% NGLs and 27% natural gas
  • 17% year-over-year increase in STACK production

• Maintained industry-leading cost reductions in 2017
  • LOE/Boe of $3.87/Boe in Q2 2017 in the STACK
  • Significant G&A cost reductions

• Currently marketing EOR assets and other minor non-core assets

• Stock trading on OTCQB market under the symbol CHPE
2017 Strategy

Transition Chaparral to a Pure-Play STACK Company

- STACK position provides significant growth potential
- Pursue strategic alternatives to monetize Enhanced Oil Recovery (EOR) assets
- Retained CIBC Griffis & Small to market EOR

Capital and Financial Discipline

- Focus on oil-weighted, high-return STACK investments
- Live within cash flow supplemented by asset sales proceeds

Efficient and Effective Operations

- Safely deliver repeatable results
- Continue focus on driving down costs

Evaluate Portfolio and Growth Opportunities

- Expand premier STACK position
- Allocate capital to Garfield County STACK and Merge acreage
- Evaluate strategic alternatives for other non-STACK assets
2017 Oil & Gas Capital Budget Summary

- Oil-weighted capital budget of $170 - $190 million
  - Approximately $130 million allocated to STACK
    - Approximately 50% allocated to Kingfisher County and the Merge
    - Approximately 33% allocated to non-operated
    - Approximately 17% allocated to Garfield County

- Multiple zones to develop/delineate
  - Meramec
  - Osage
  - Woodford
  - Oswego

- Currently running two rigs
  - Plan to drill 26 STACK wells in 2017
  - Potential to increase D&C budget in late 2017, contingent upon divestiture proceeds and commodity prices

(1) Numbers may not add due to rounding
(2) Other capital excludes cap interest, PP&E and cap G&A of approximately $13 million
Total production raised due to op and non-op activity

- Expect STACK production to grow ~25% from 2016 to 2017
- 2017 STACK exit rate to increase ~45% from 2016
Asset Overview

STACK
- Premier basin with industry-leading returns
- Large contiguous acreage position with exposure to all current economic reservoir targets
- Multi-year drilling inventory supporting significant future growth
- Early stages of play maturity

Legacy
- Generates free cash flow to support STACK drilling program
- Averaged approximately 6.3 MBoe/d in Q2 2017
- $14.34/Boe gross margin in Q2 2017

Non-Core Divestitures
- EOR
  - Self-funding at current pricing levels
  - Highly leveraged to oil price
- Other
  - Stranded assets
  - Auction process underway
Asset Overview

- Approximately 110,000 acres
- 9.1 MBoe/d in Q2 2017
- 65 operated producing wells as of Q2 2017

Attributes/Characteristics

- Chaparral acreage is primarily located in the “black oil,” normal pressure window
  - Lower well costs
  - Lower GOR
  - Excellent rates of return\(^{(1)}\): 29 - 69%
- Significant experience and exposure to all targeted reservoirs within the play
  - Meramec, Osage, Oswego and Woodford
- Ability to accelerate development with short cycle times and low drilling costs

### County Overview

<table>
<thead>
<tr>
<th>County</th>
<th>Acreage</th>
<th>HBP</th>
<th>%OP(^{(2)})</th>
<th>OP WI Average</th>
<th>NONOP WI Average</th>
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<tbody>
<tr>
<td>Kingfisher</td>
<td>~25,000</td>
<td>~90%</td>
<td>64%</td>
<td>64%</td>
<td>13%</td>
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<tr>
<td>Canadian</td>
<td>~23,000</td>
<td>~99%</td>
<td>71%</td>
<td>61%</td>
<td>8%</td>
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<tr>
<td>Garfield</td>
<td>~40,000</td>
<td>~23%</td>
<td>74%</td>
<td>60%</td>
<td>16%</td>
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<tr>
<td>Major</td>
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<td>~67%</td>
<td>59%</td>
<td>52%</td>
<td>10%</td>
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<tr>
<td>Other</td>
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<td>~99%</td>
<td>56%</td>
<td>50%</td>
<td>7%</td>
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</table>

\(^{(1)}\) – Based on $50 per barrel of oil and $3.00 per MMBTU flat price deck
\(^{(2)}\) – Percent operated calculated as the sum of net acres in operated sections divided by the total net acres in the county
Kingfisher Overview

- ~25,500 surface acres
- ~5.7 MBoe/d in Q2 2017
- 53 operated producing wells

Attributes

- Productive reservoir for the Meramec, Osage and Oswego
- Potential of multiple target intervals per reservoir
- Large blocked up position of operated, HBP’d acreage

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<tr>
<th>County</th>
<th>Unrisked Drilling Locations, Gross</th>
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<tbody>
<tr>
<td></td>
<td>Total</td>
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<tr>
<td>Kingfisher</td>
<td>2,017</td>
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</table>
STACK Canadian Overview

- Approximately 25,000 acres
- 2.2 MBoe/d in Q2 2017
- Five operated producing wells

Attributes
- Also known by the MERGE, it is bounded by the CANA Woodford play to the west and the SCOOP to the south
- Productive reservoir for the Meramec, Osage and Woodford
- Highly HBP’d acreage in the core of Canadian County
- One of Chaparral’s major areas of future growth

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<tr>
<td></td>
<td>Total</td>
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<tr>
<td>Canadian</td>
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</table>

- Meramec
- Osage
- Woodford

[Map of Canadian County showing drilling locations and wells]
One Petroleum System

STACK Attributes

• Stacked reservoirs proximal to the world-class Woodford source rock
• Efficient hydrocarbon stratigraphic trap creates a continuous petroleum system
• Areas where a thick Woodford is adjacent to the horizontal targets enhances hydrocarbon charge
• Economic success realized throughout hydrocarbon column
• MERGE represents intersection of historical SCOOP/STACK play outlines
  • Play attributes are identical – only rock thickness and GOR vary

![Regional Stack Cross Section 60 Miles](image)

Datum Break
Woodford Source Rock

• Proximity to source increases likelihood of successful wells.

• Maturity is in the oil window.

• Combined with migration from Woodford deeper in the basin increase chances of successful wells.

Woodford Isopach

*Woodford thickness shaded greater than 50’ = CHPE STACK Outline
Why We Like Garfield County

Woodford Source Rock
• Proximity to source increases likelihood of successful wells
• Maturity is in the oil window
• Combined with migration from Woodford deeper in the basin increase chances of successful wells

Proven Vertical Production
• Hundreds of vertical wells in the Sooner Trend field
• Shows the presence of hydrocarbons
• Potential for horizontal wells to unlock additional resource
Woodford Source Rock
• Proximity to source increases likelihood of successful wells
• Maturity is in the oil window
• Combined with migration from Woodford deeper in the basin increase chances of successful wells

Proven Vertical Production
• Hundreds of vertical wells in the Sooner Trend field
• Shows the presence of hydrocarbons
• Potential for horizontal wells to unlock additional resource

Regional Geology
• Thick Meramec interval of Miss
• High porosity in the Osage
• Nemaha Ridge system inhibits eastern migration
STACK Garfield Overview

Garfield Overview
• Approximately 40,000 acres
• 0.8 MBoe/d in Q2 2017
• 16 operated producing wells

Attributes
• Woodford Source Rock
• Proven Vertical Production
• Regional Geology with productive reservoir and seal

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<td>Garfield</td>
<td>3,070</td>
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(1) – Economics based on STACK Meramec single well economics calculated at a flat price deck of $50 per barrel of oil and $3 per MMBTU and includes oil and gas differentials
Note: Garfield County Meramec has not been de-risked at this time
Extensive operated drilling inventory
- 174-rig years
Kingfisher County – Osage, Meramec and Oswego essentially de-risked
- 33-rig years
Exciting upside exists in Garfield County and Merge

Legend/Definitions/Assumptions

Spacing assumptions, gross horizontal wells per section
Oswego: 3
Osage: 6 - 12
Meramec: 6 - 12
Woodford: 3 - 6

Operated assumptions
For Kingfisher County: >45% working interest in section
All other counties >30% working interest in section

Current Identified Drilling Inventory by Play

STACK Operated Drilling Inventory by Type

Note: Assumes drilling 20 wells/rig/year

Multi-Year Inventory Across Multiple Horizons
Chaparral Well Performance in STACK

**Enhanced Completion Tests in the STACK**
- Initiated enhanced completion program in Q2 2016 to test increased proppant loading in the normal pressured oil window of the STACK
- Currently 15 wells on production with increased proppant loading

**Demonstrated Performance Over Last 12 Months**
- Increased proppant loading continues to support current type curve
- First operated Meramec test in Canadian County (MERGE) exceeding type curve by approximately 40%

![STACK Meramec Cumulative Oil Production](chart)

**STACK Meramec Cumulative Oil Production**
- Enhanced Completions
- 233 MBO EUR (Oil Component of 578 MBOE Type Curve)
- Well Count

![Proppant Loading Over Years](chart)

**Proppant Loading Over Years**
- Proppant / Ft: 0, 500, 1,000, 1,500, 2,000, 2,500, 3,000
- Number of Wells: 15

![Well Count Over Days](chart)

**Well Count Over Days**
- Days: 0, 50, 100, 150, 200, 250, 300, 350, 400
- MBO: 0, 20, 40, 60, 80
- Well Count: 0, 2, 4, 6, 8, 10, 12, 14
Operational Excellence – Drilling and Completions

Strong, Effective Focus on Cost Reduction/Control

- Demonstrated D&C cost improvements
- Average D&C cost of ~$3.5 million from Q1 2016 to Q2 2017
- 2017 average Meramec D&C cost of ~$3.7 million, despite service cost inflation

Gross D&C Cost Quarterly Average

Average D&C Cost by Operator
STACK Meramec One-Mile Laterals

Strong and Effective D&C Cost Focus
Why Chaparral?

- Peer Leading Balance Sheet
- Execution-focused STACK Player
- Strong Management Team with Excellent Track Record
- Deep Inventory of High-return Drilling Prospects