

# Continental Resources Investor Relations Update

December 5, 2012



# Forward-Looking Information

## **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, including, but not limited to, statements or information concerning the Company's future operations, performance, financial condition, production and reserves, schedules, plans, timing of development, returns, budgets, costs, business strategy, objectives, and cash flow, are forward-looking statements. When used in this press release, the words "could," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," "budget," "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 that the expectations reflected in the forward-looking statements are reasonable and based on reasonable assumptions, no assurance can be given that such expectations will be correct or achieved or that the assumptions are accurate. When considering forward-looking statements, readers should keep in mind the risk factors and other cautionary statements described under Part I, Item 1A. Risk Factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, registration statements and other reports filed from time to time with the Securities and Exchange Commission (SEC), and other announcements the Company makes from time to time.

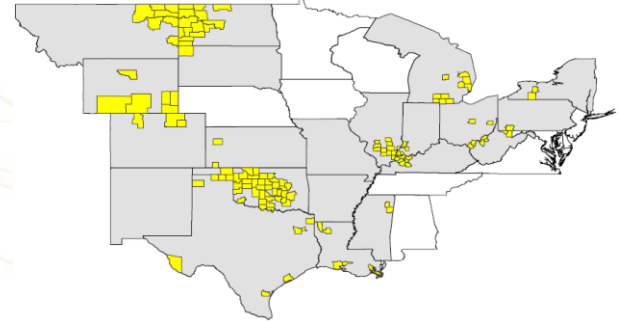
The Company cautions readers that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control, incident to the exploration for, and development, production, and sale of, crude oil and natural 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 crude oil and natural gas reserves and in projecting future rates of production, cash flows and access to capital, the timing of development expenditures, and the other risks described under Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, 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 hereof. 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. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may make.

Except as otherwise required by applicable law, the Company disclaims any duty to update any forward-looking statements to reflect events or circumstances after the date of this presentation.



# Continental Resources, Inc.



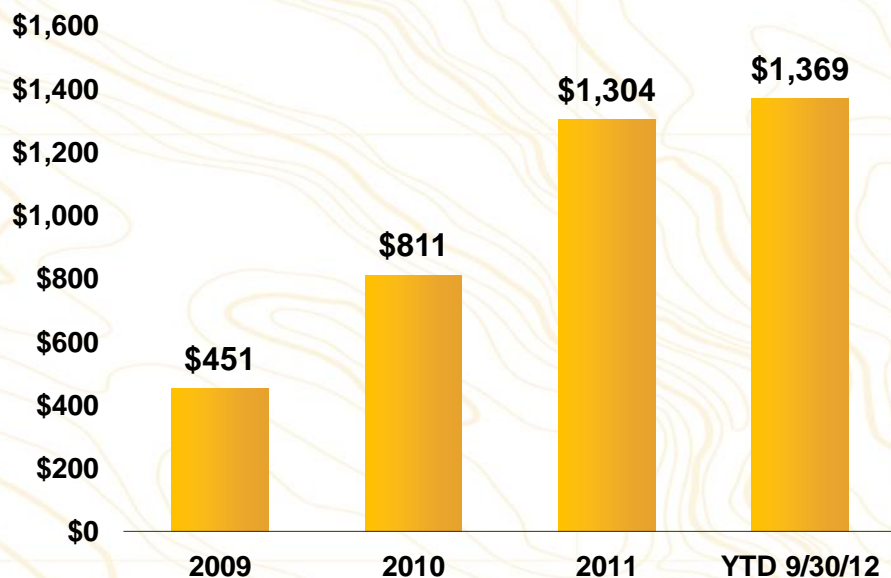
- 🔥 #1 oil producer in Williston Basin
- 🔥 610 MMMBoe\* proved reserves at MY2012 – 20% growth
- 🔥 Strong 3Q 2012 results
  - ✓ Record production of 105,874 Boepd in September 2012
  - ✓ Averaged 102,964 Boepd in 3Q – 55% increase over 3Q 2011
  - ✓ \$492.3 MM EBITDAX for 3Q 2012 – 46% increase from 3Q 2011
  - ✓ \$1,368.7 MM EBITDAX for YTD 9/30/12; +53% YOY\*\*
  - ✓ \$1.2 billion of new 5% senior unsecured notes (yield 4.624%)
- 🔥 On track for 57-59% production growth in 2012 (YOY)

\*CLR estimate of proved reserves at MY2012.

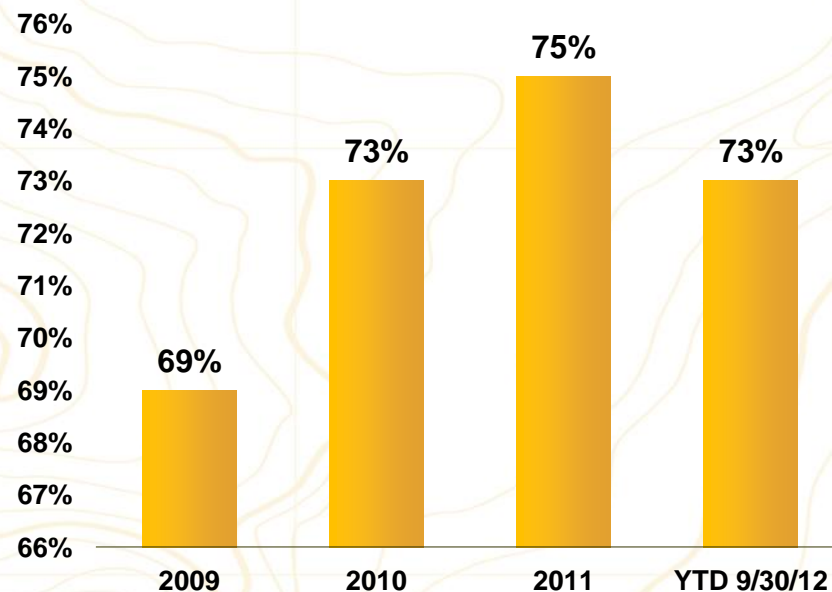
\*\*See reconciliation of EBITDAX to GAAP net income in the Appendix at the end of this presentation.

# Strong EBITDAX and Cash Margins

## EBITDAX (\$MM)<sup>1</sup>



## Cash Margins



<sup>1</sup> See reconciliation of EBITDAX to GAAP net income in the Appendix at the end of this presentation.

# CLR in the Bakken

## 🔥 #1 producer, driller and leasehold owner

- 13% production
- 10% rigs
- 10% acreage

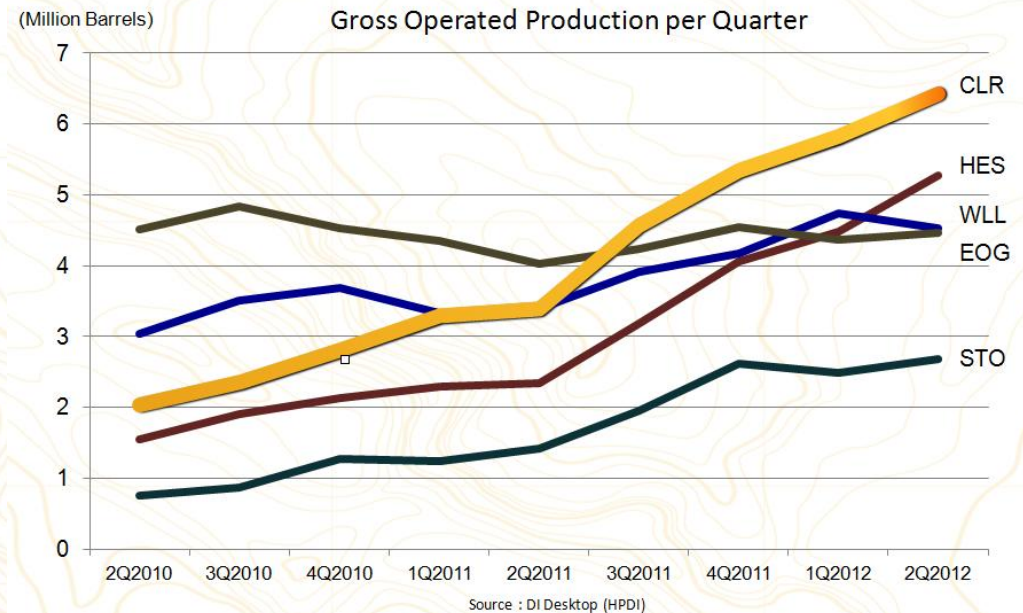
## 🔥 Net unrisked potential (MB + TF1 only)

- 1.5 BBoe
- 3,988 locations

## 🔥 Assets continue to grow:

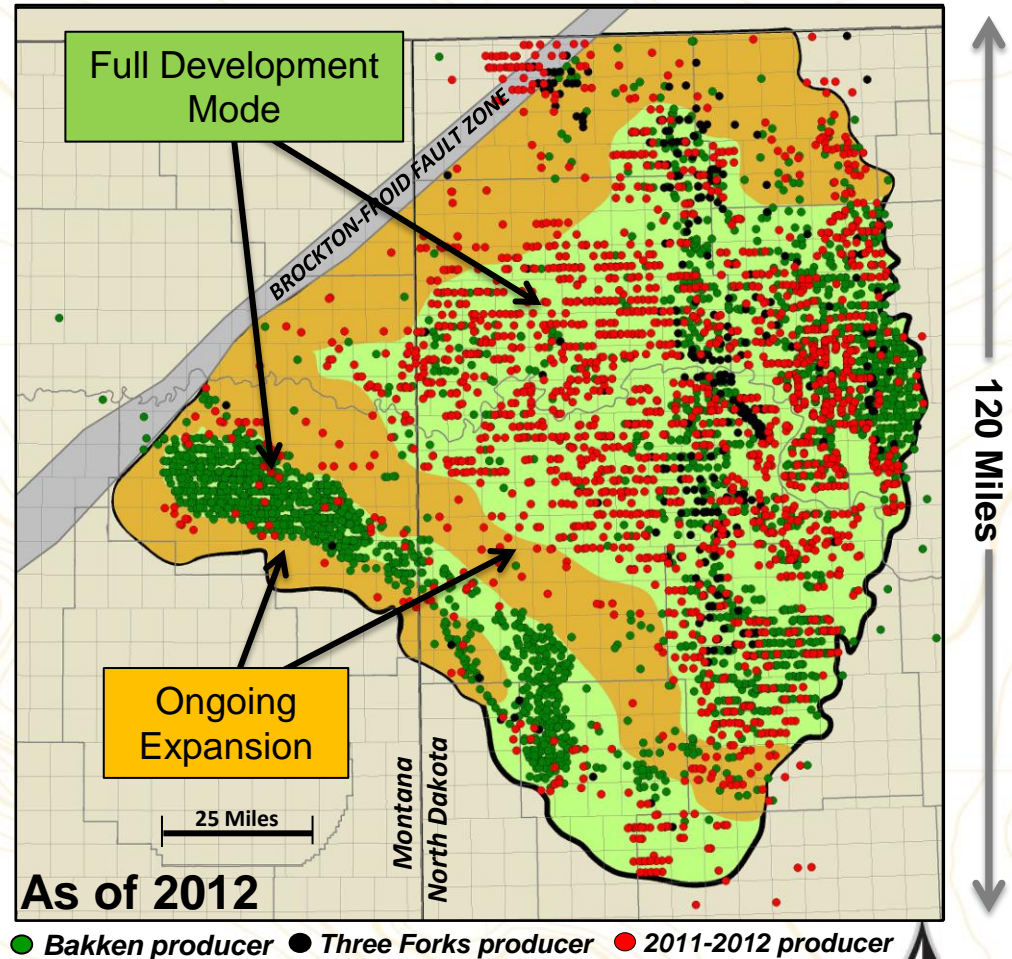
- Vertically
- Geographically
- Strategically

## CLR Bakken Growth Outpacing Competitors

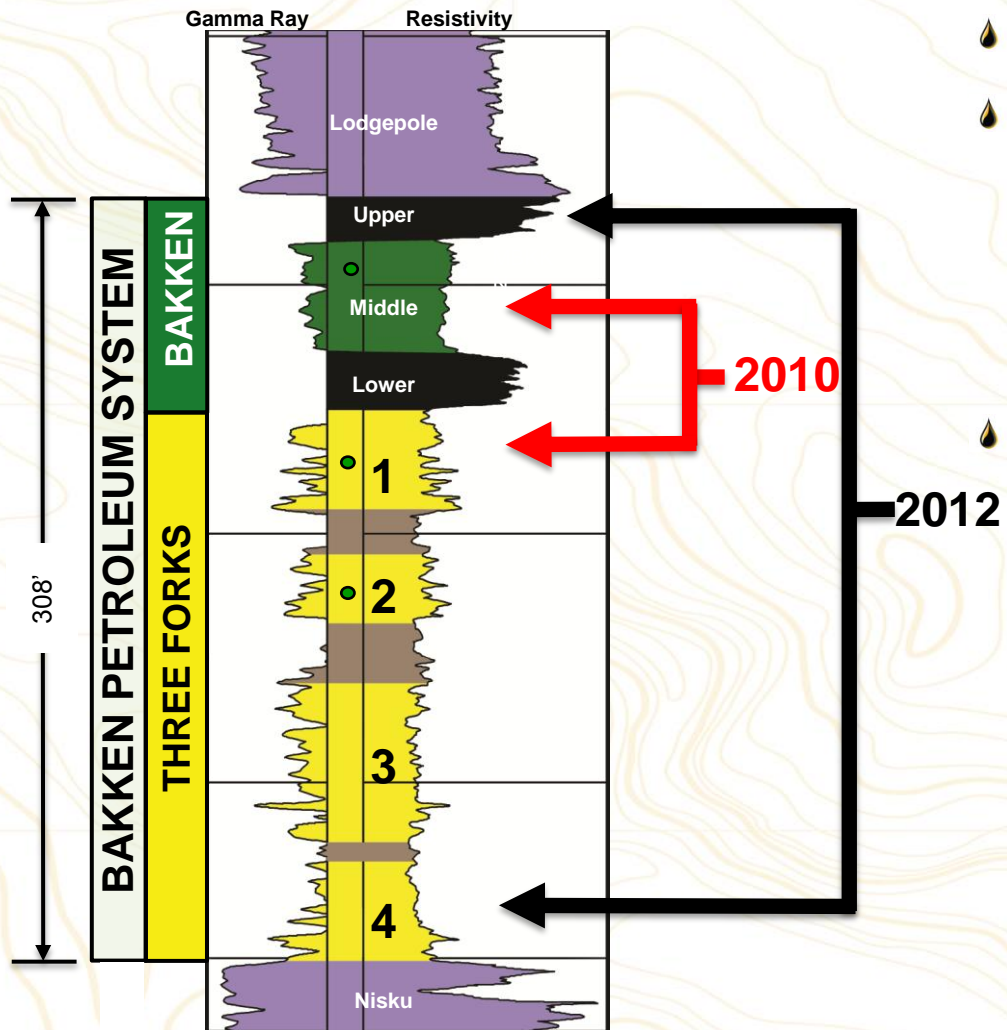


# MB + TF1: Early Stages of Full Development

- Continuous oil field of unprecedented magnitude
  - 15,000 sq. miles (87% proven productive)
- True oil play
  - 24 BBoe technically recoverable (Oct. 2010)
- 202 rigs operating
  - CLR: 20 operated rigs
- Less than 1 well per 1280-acre unit on average
  - 4-to-8 wells per zone for full development



# Exploring While Developing

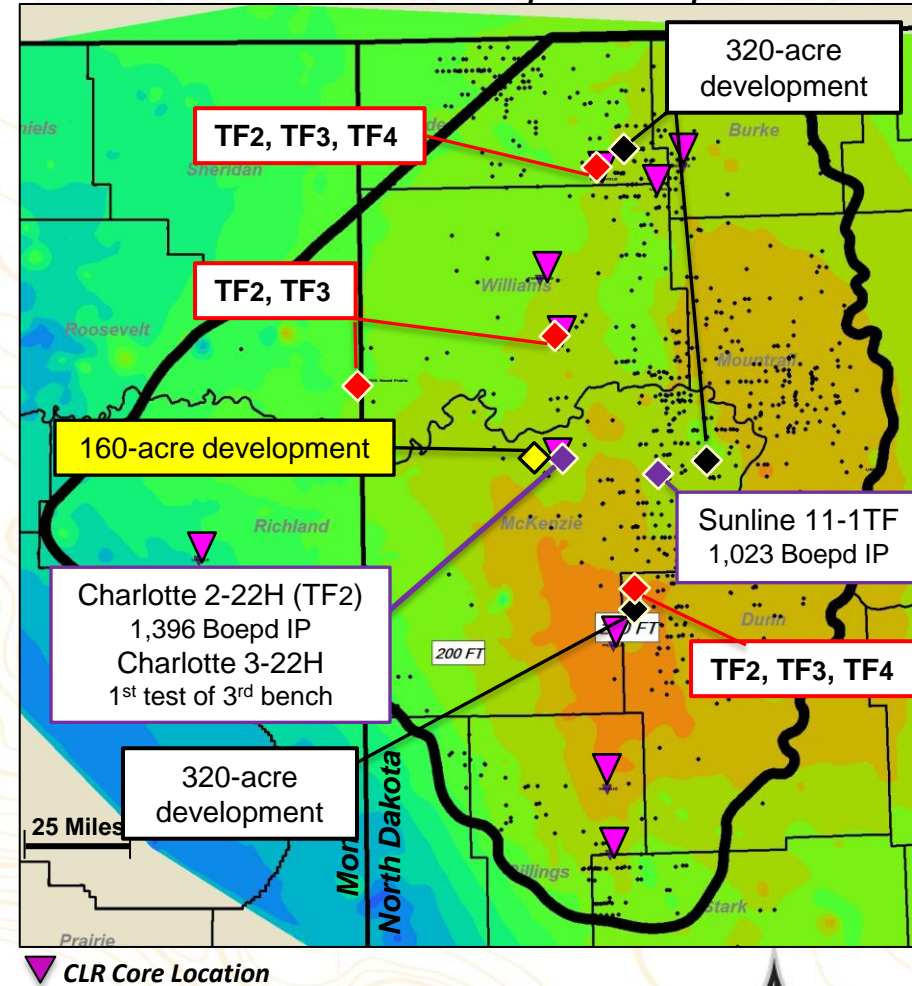


- Lower TF increases OOIP 57%
- 903 BBo in place (2012)
  - 32 BBo recoverable @ 3.5%
  - 36 BBo @ 4%
  - 45 BBo @ 5%
- 577 BBo in place (2010)
  - 24 BBoe recoverable
  - 20 BBo (3.5% recovery factor)
  - 320-acre spacing per zone

# CLR: Three Forks Pioneer

- Drilled 25% of all TF wells
- Proved separation of MB + TF1
- 10-well coring program – oil shows in TF2, TF3 + TF4
- Completed first TF2 producer
- First TF3 test being completed
- Capital for 2013
  - TF accelerated de-risking - \$70MM
  - 320 acre spacing pilot - \$161MM
  - 160 acre spacing pilot - \$36MM

Three Forks Isopach Map

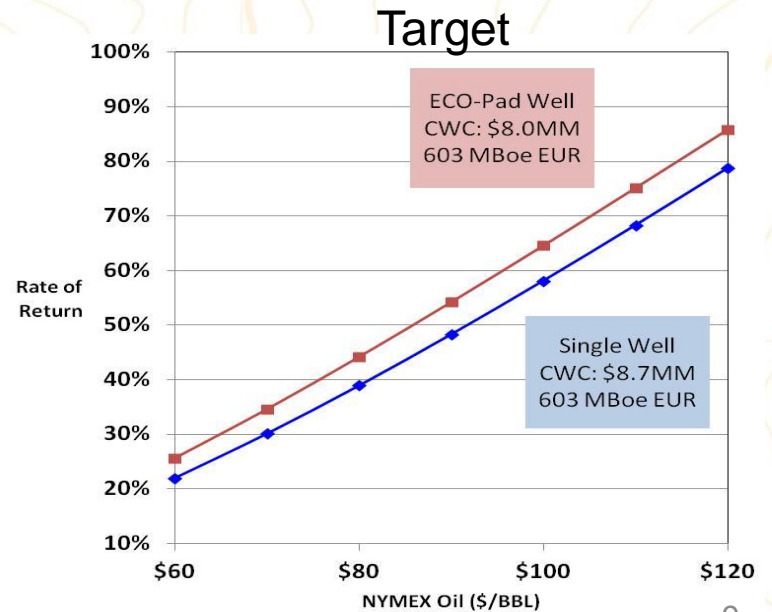
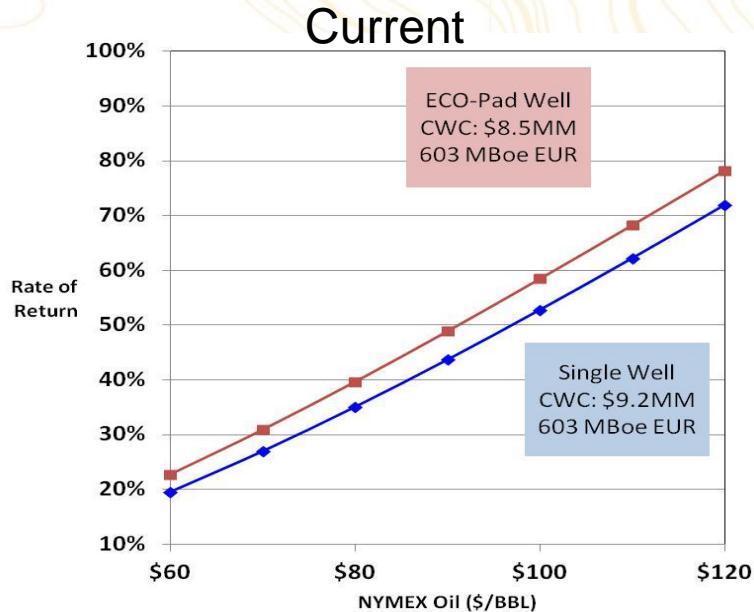
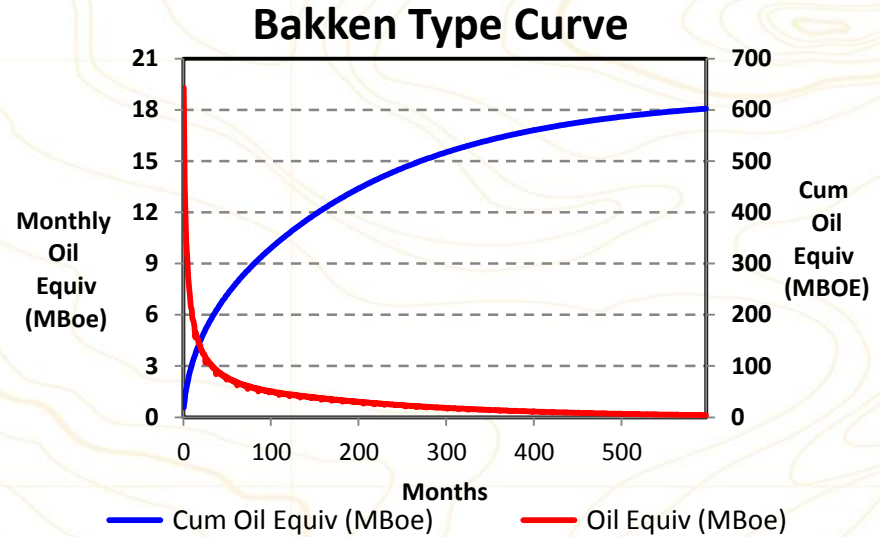


# Single Well Economics

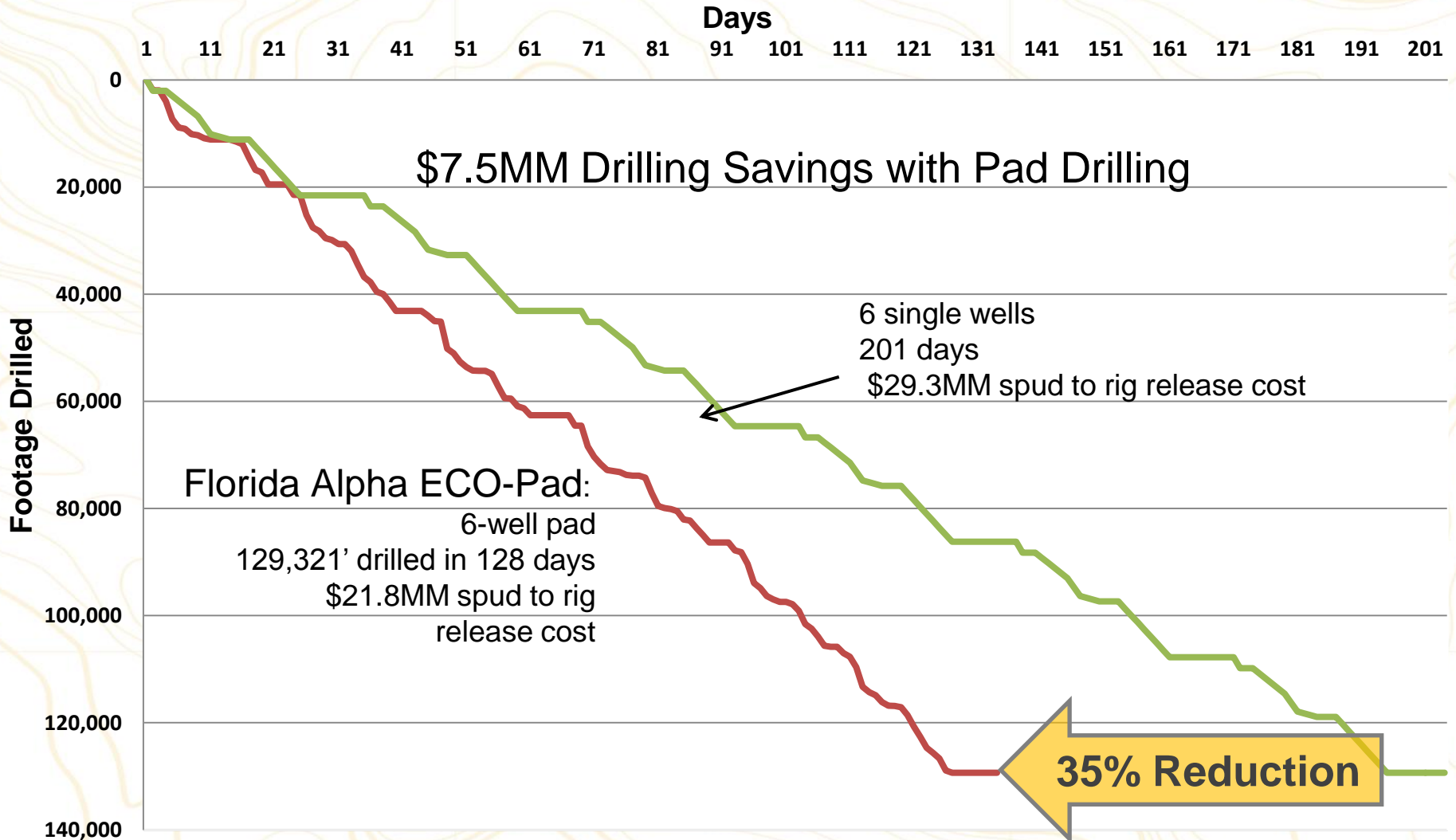


## Type curve

- 10,000' lateral / 30 stages
- 603 MBoe EUR
- Completed well costs (CWC)
  - Single well (\$9.2MM)
  - ECO-Pad well (\$8.5MM)
- 82.5% NRI



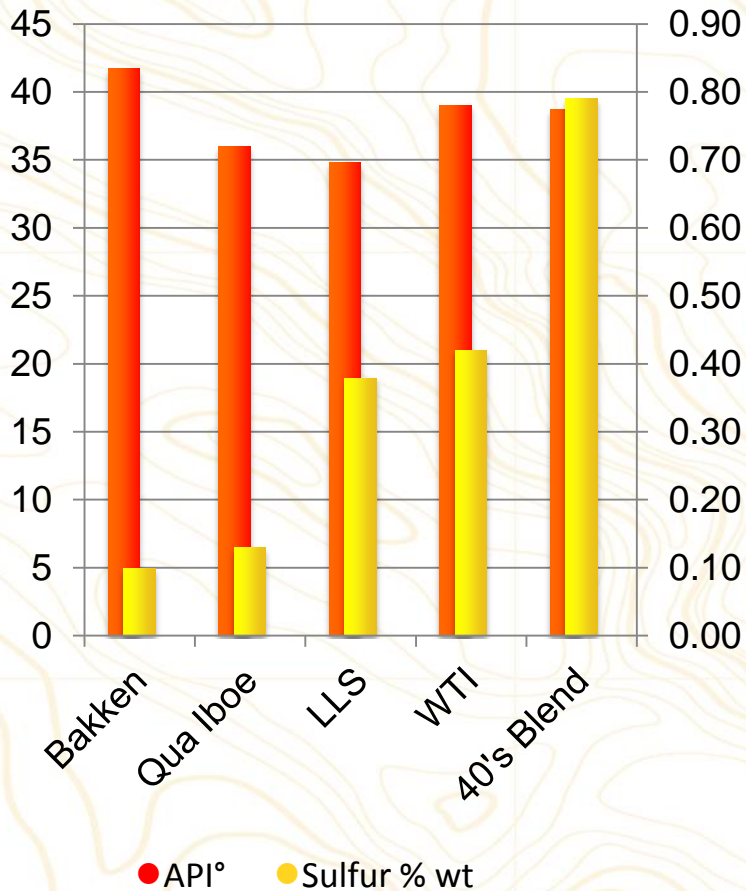
# Glimpse of the Future



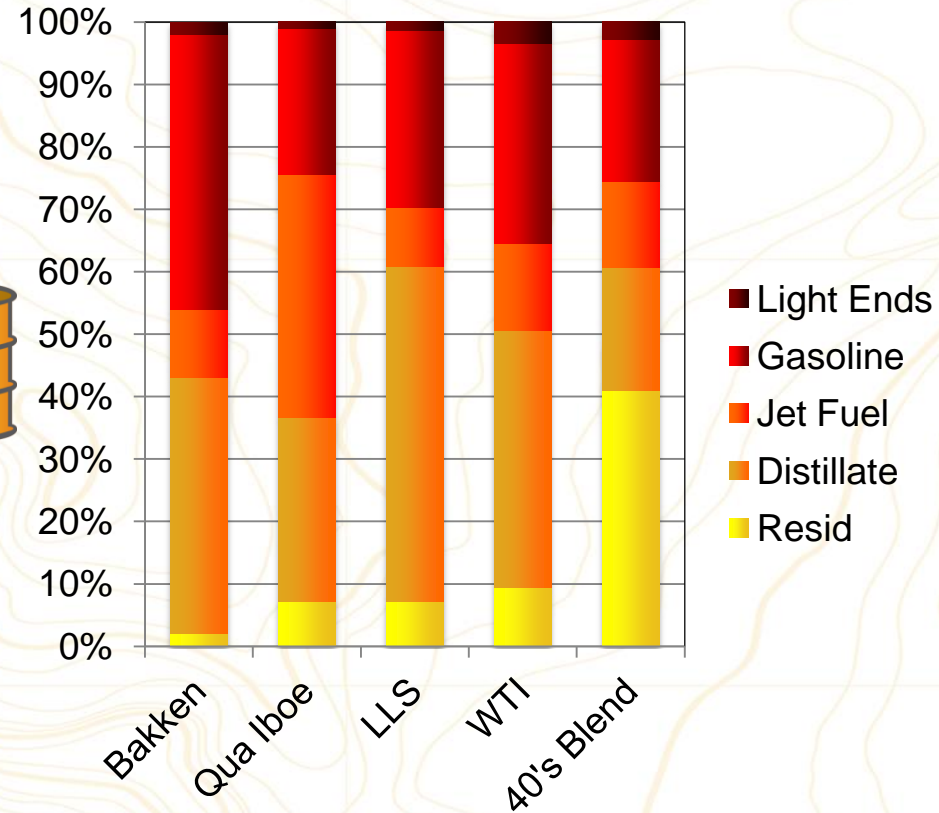
# Bakken Premium Light Sweet Crude vs. Other Benchmarks

## Improved Refinery Yield

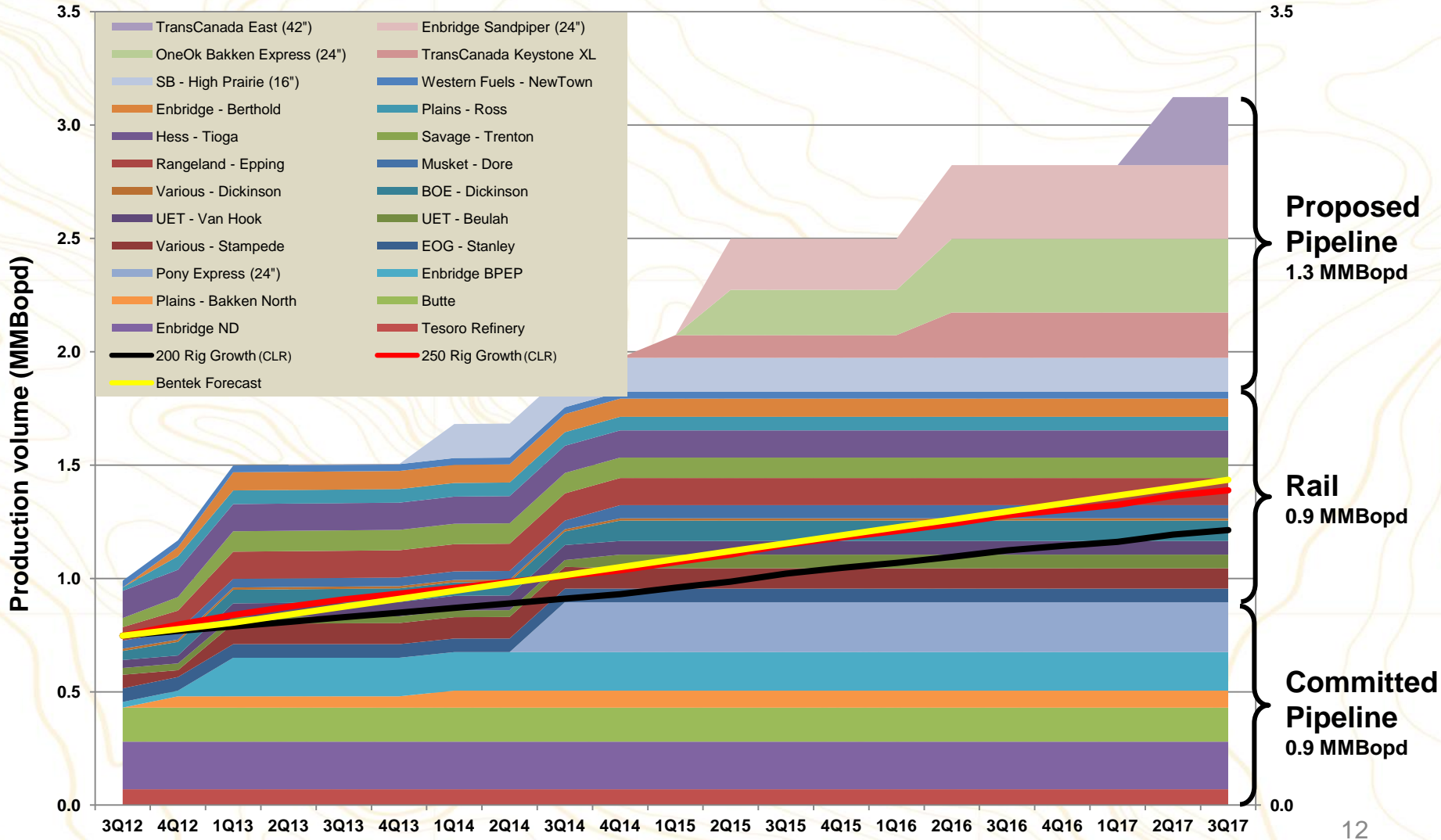
**Crude Quality: API Gravity & Sulfur**



**Distillation Cuts**



# Williston Basin Evacuation Capacity



# CLR Going Directly to North American Refiners

Tesoro Refinery, Anacortes, WA – CLR 1<sup>st</sup> shipper, Sept. 2012



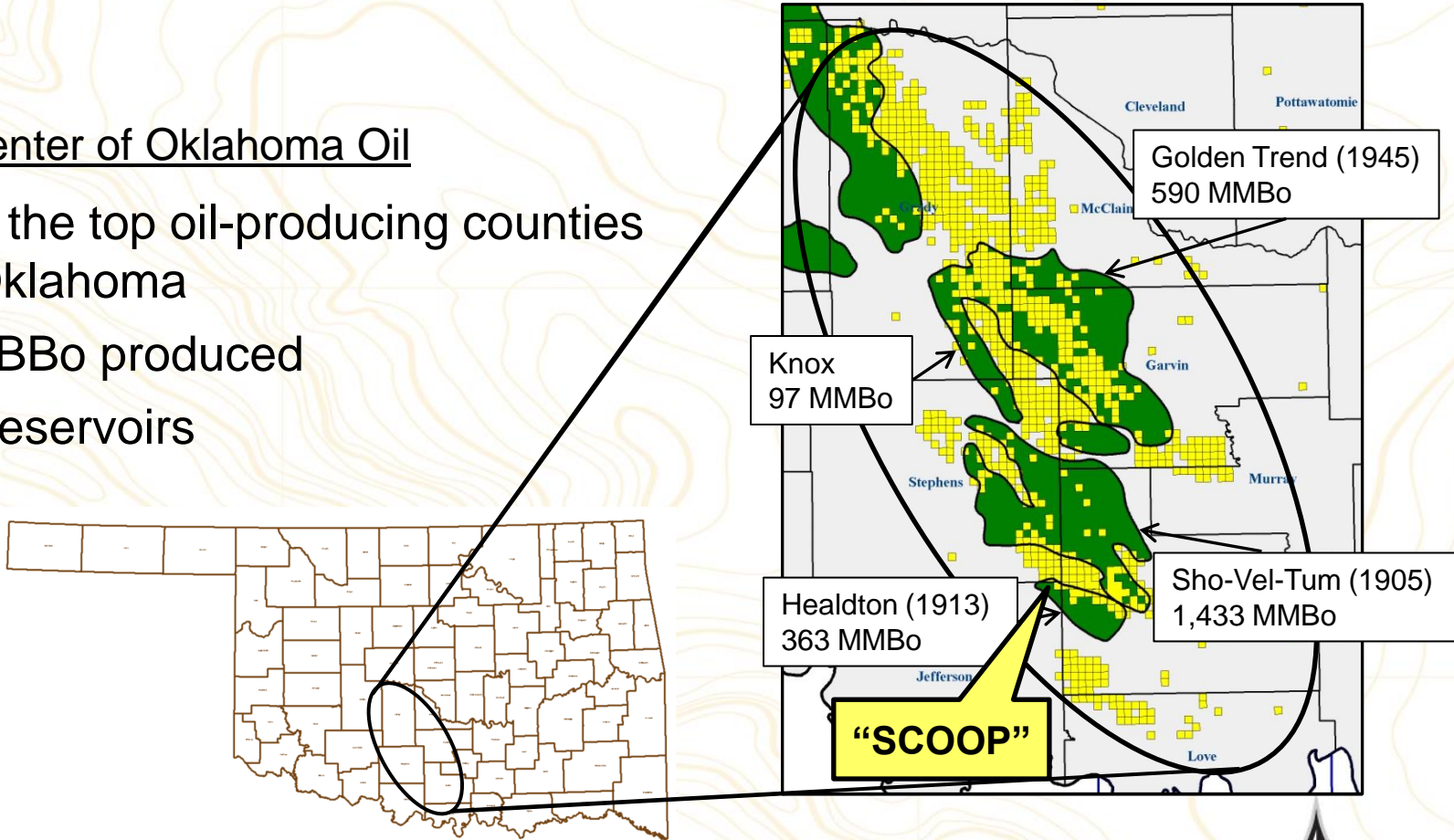
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# What's the "SCOOP"?

## South Central Oklahoma Oil Province

### Epicenter of Oklahoma Oil

- 3 of the top oil-producing counties in Oklahoma
- 3.2 BBo produced
- 60 reservoirs

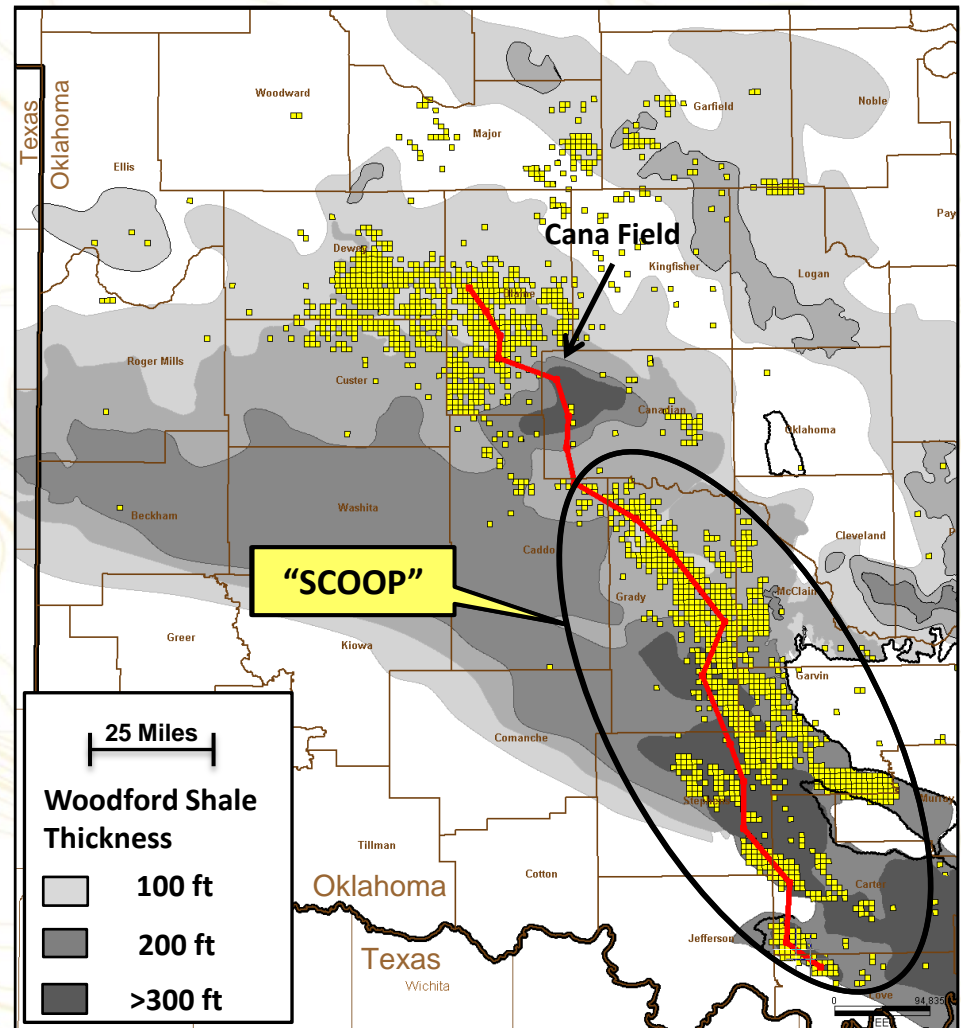


# SCOOP: A New, High-Impact Resource Play

- World-class resource shale
  - Up to 400' of oil-rich shale
  - Dual reservoir target
- Excellent siliceous reservoir
  - Highly fractured
- Source of the oil

## The Woodford Shale

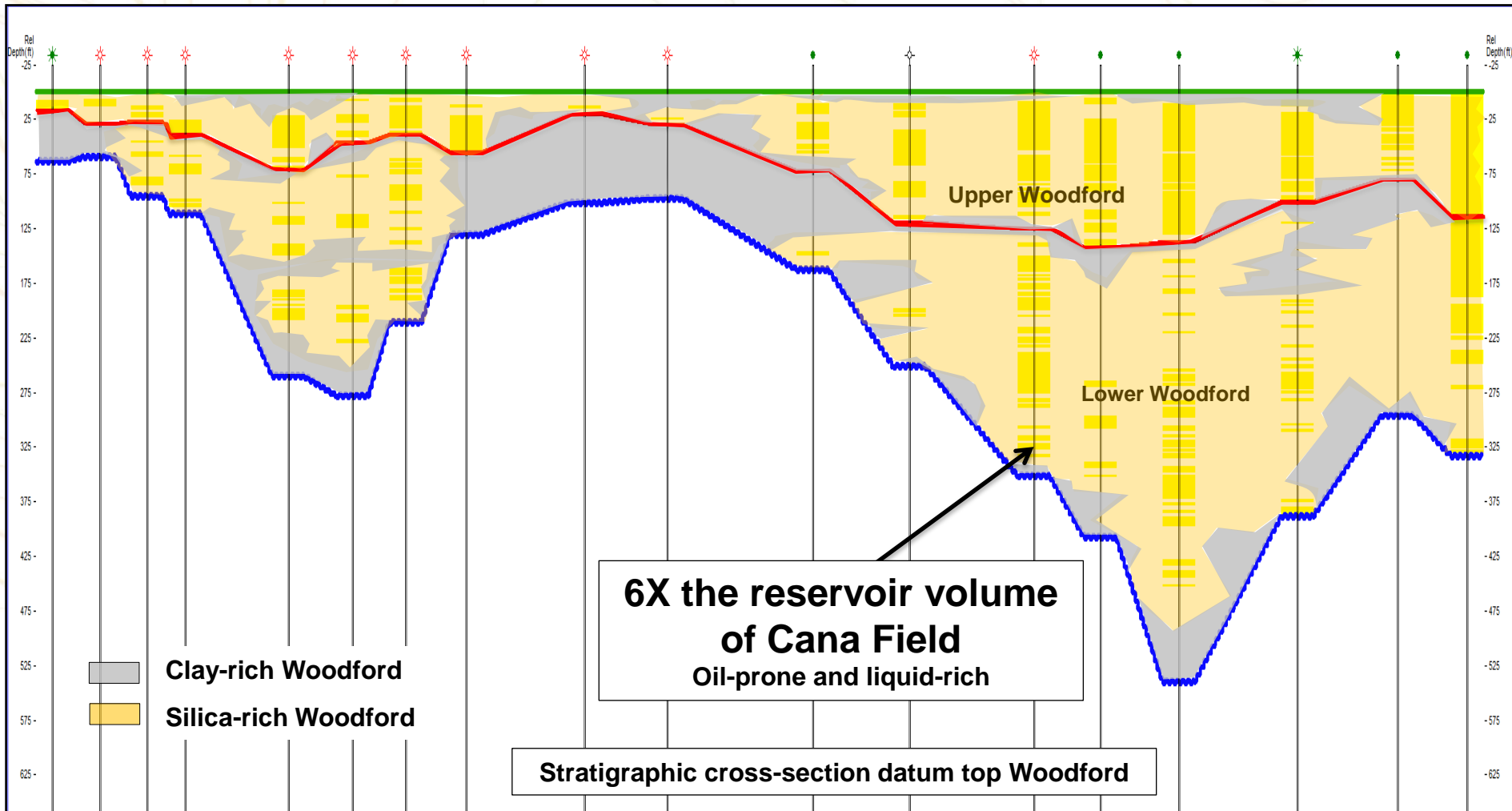
*70 BBo remains in-situ*



# SCOOP is Premium Woodford

Cana Field

SCOOP



# CLR's Commanding Position in SCOOP

## Lease

- 🔥 94,000 acres at YE 2010 (3% HBP)
- 197,340 acres as of 9/30/12 (20% HBP)

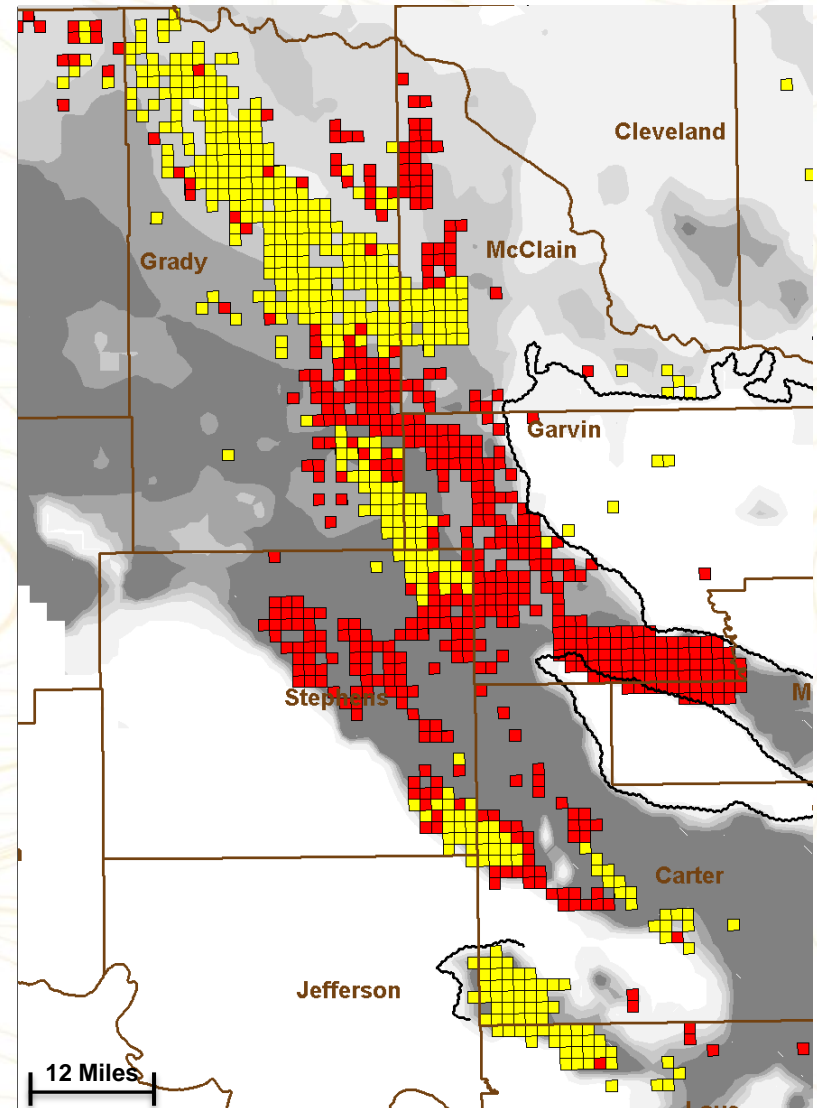
## Resource Inventory

- 🔥 1.8 BBoe net reserve potential to CLR\*
- 🔥 2,200 net locations\*
- 🔥 25-50% oil, 60-75% total liquids

## Commercial

- 🔥 40-55% ROR\*\*

\*Unrisked, based on 80-acre spacing \*\* \$3.50 gas/\$90 oil



# We've Been Drilling

## 2012 Results:

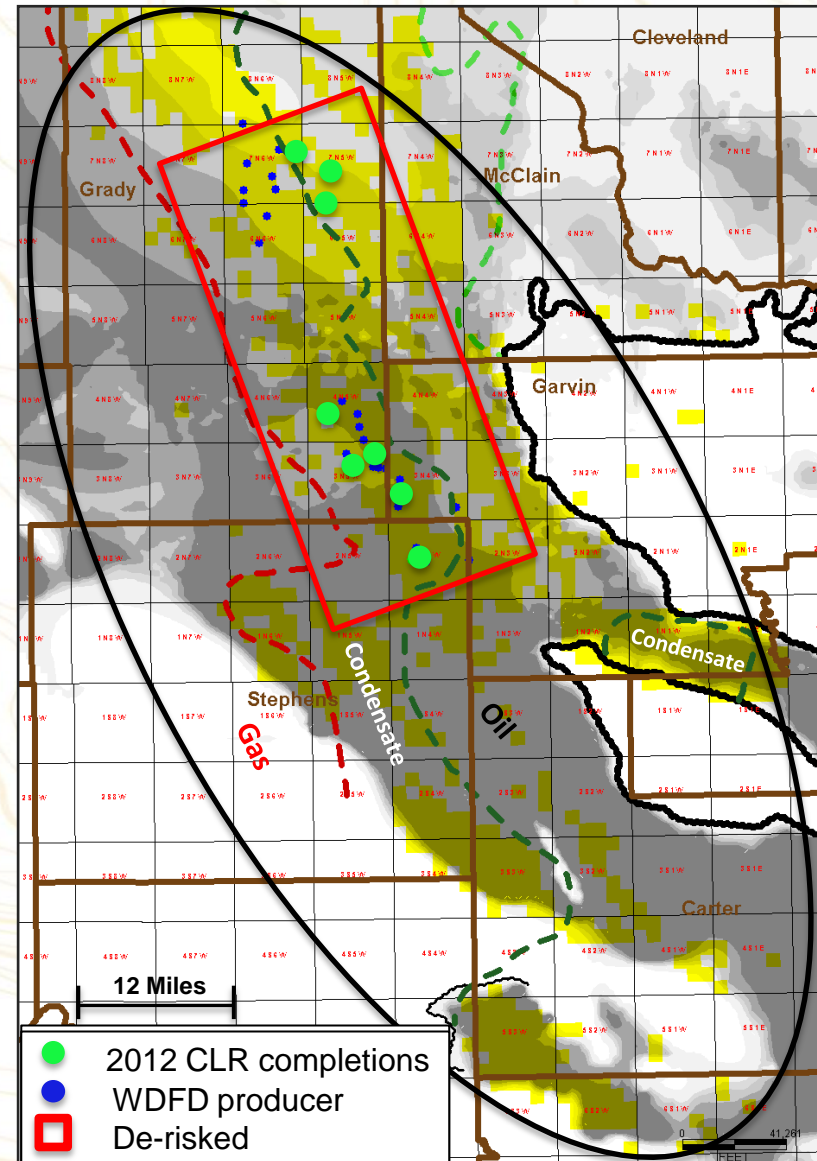
### Oil fairway

Simms 1-32H:	702 Boepd (80% liquid)
Healey 1-12H:	670 Boepd (86% liquid)
Mills 1-21H:	626 Boepd (81% liquid)

### Condensate fairway

Carson 1-2H:	1,524 Boepd (57% liquid)
Dawkins 1-20H:	808 Boepd (58% liquid)
Auld 1-10H:	1,334 Boepd (58% liquid)
Vesta Marie 1-29H:	1,530 Boepd (61% liquid)
Poteet 1-17H:	1,771 Boepd (55% liquid)

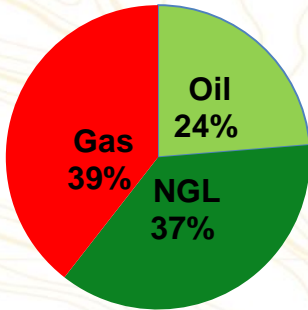
- 🔥 Drilled or participated in 35 wells to date
- 🔥 >600 square miles de-risked
- 🔥 Broad repeatable liquids fairway



# SCOOP Economic Performance

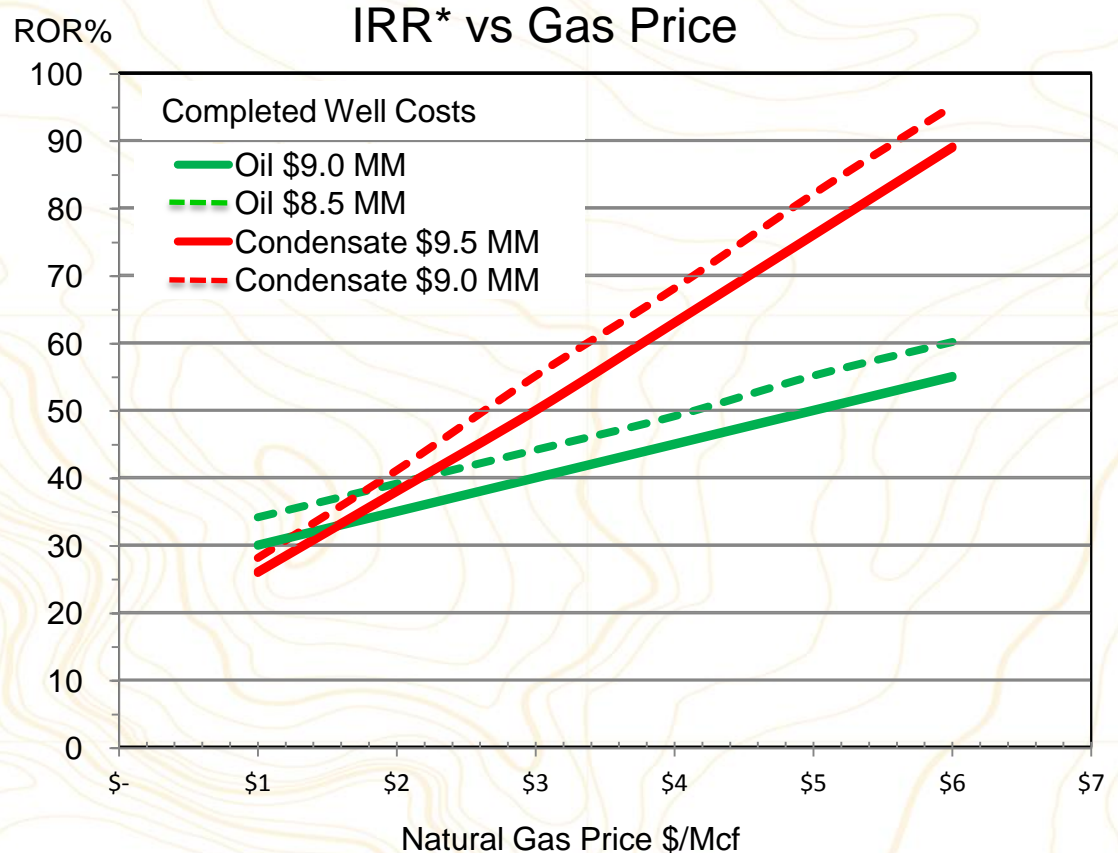
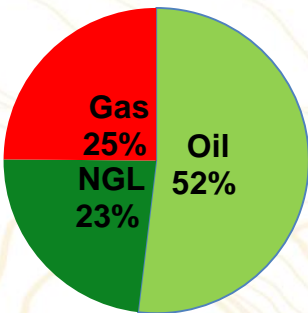
## Condensate Fairway

EUR = 1190 MBoe (61% liquids)



## Oil Fairway

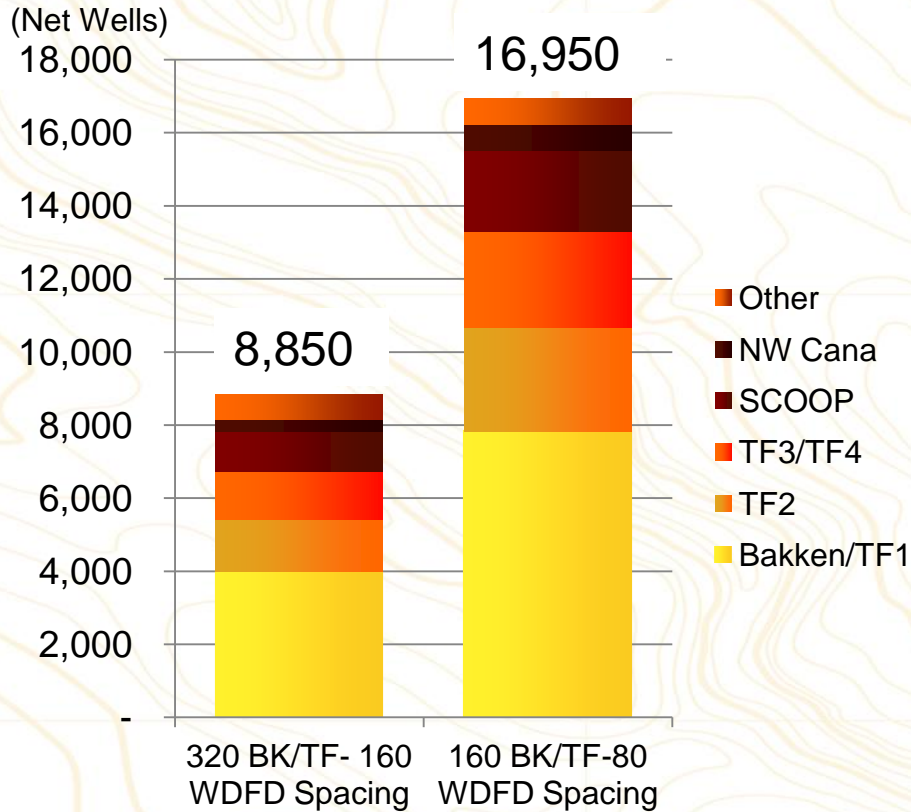
EUR = 626 MBoe (75% liquids)



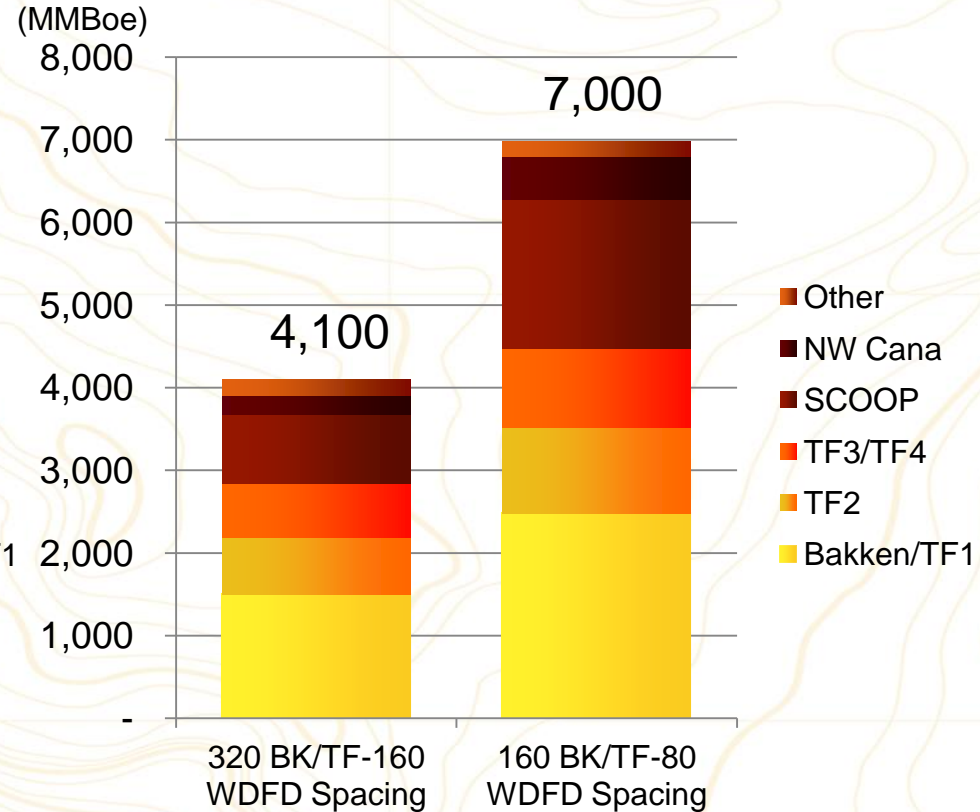
\*Oil Price \$90 Gas Diff Premium +85%

# Realizing CLR's Growth Potential

## Unrisked Potential Net Wells



## Unbooked Net Resource Potential

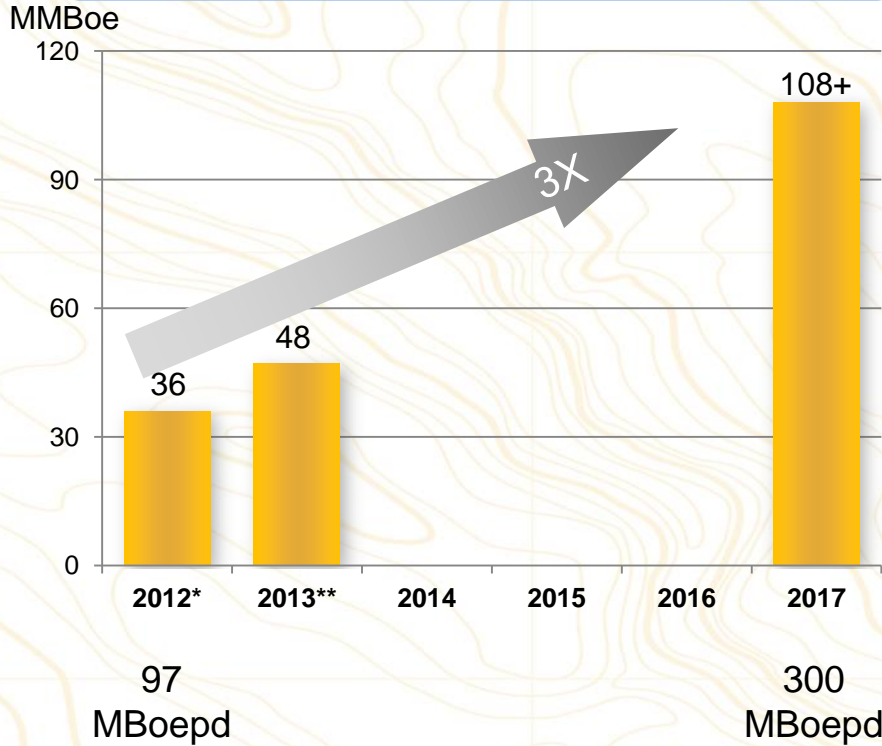


Continental estimated proved reserves MY2012: 610 MMBoe

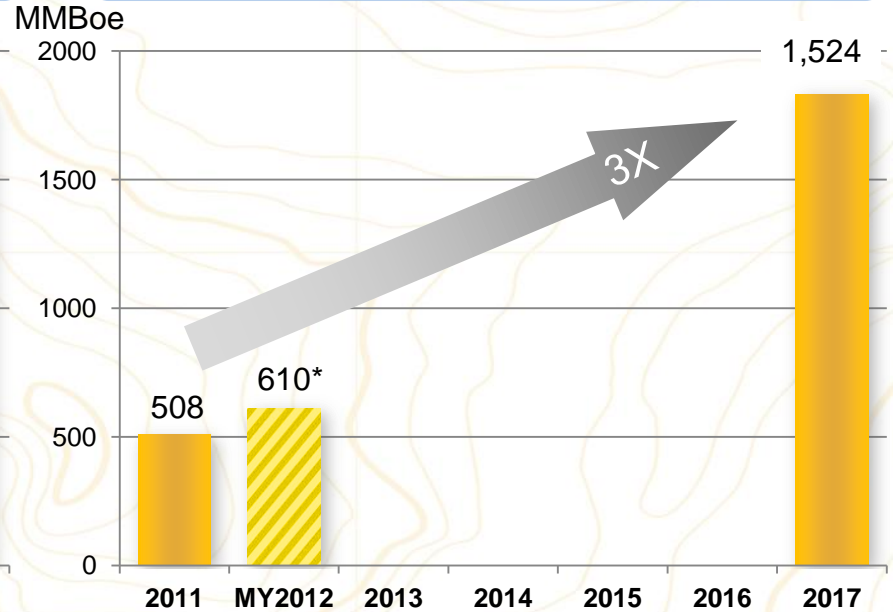
\* Calculations exclude non-prospective acreage.

# 5-Year Target: Another Triple!

## Production



## Proved Reserves



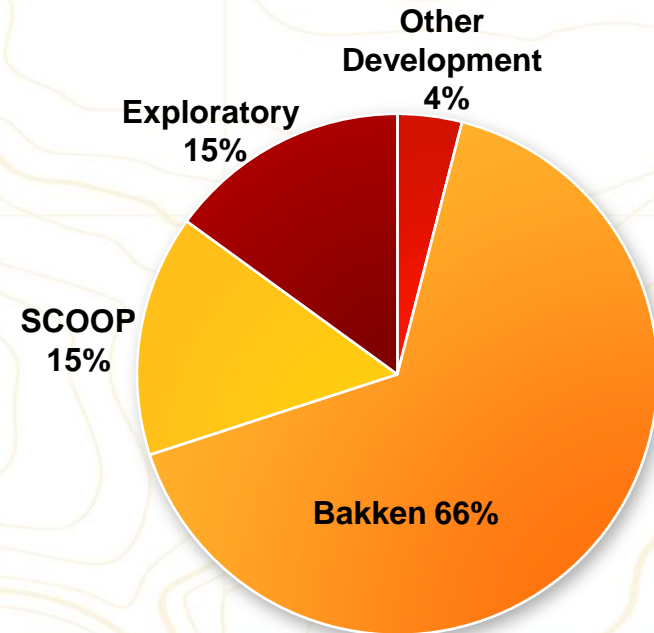
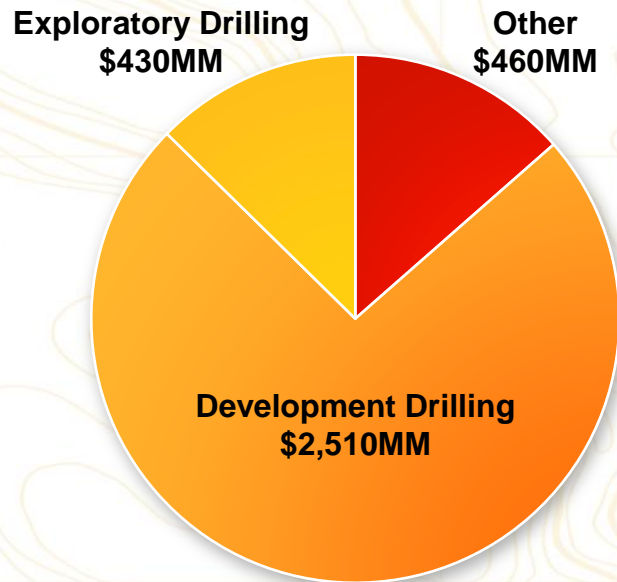
\*Midpoint of 57%-to-59% guidance range.  
 \*\*Midpoint of 30% to 35% guidance range.

\*CLR Estimate

# 2013 Capital Expenditures Budget

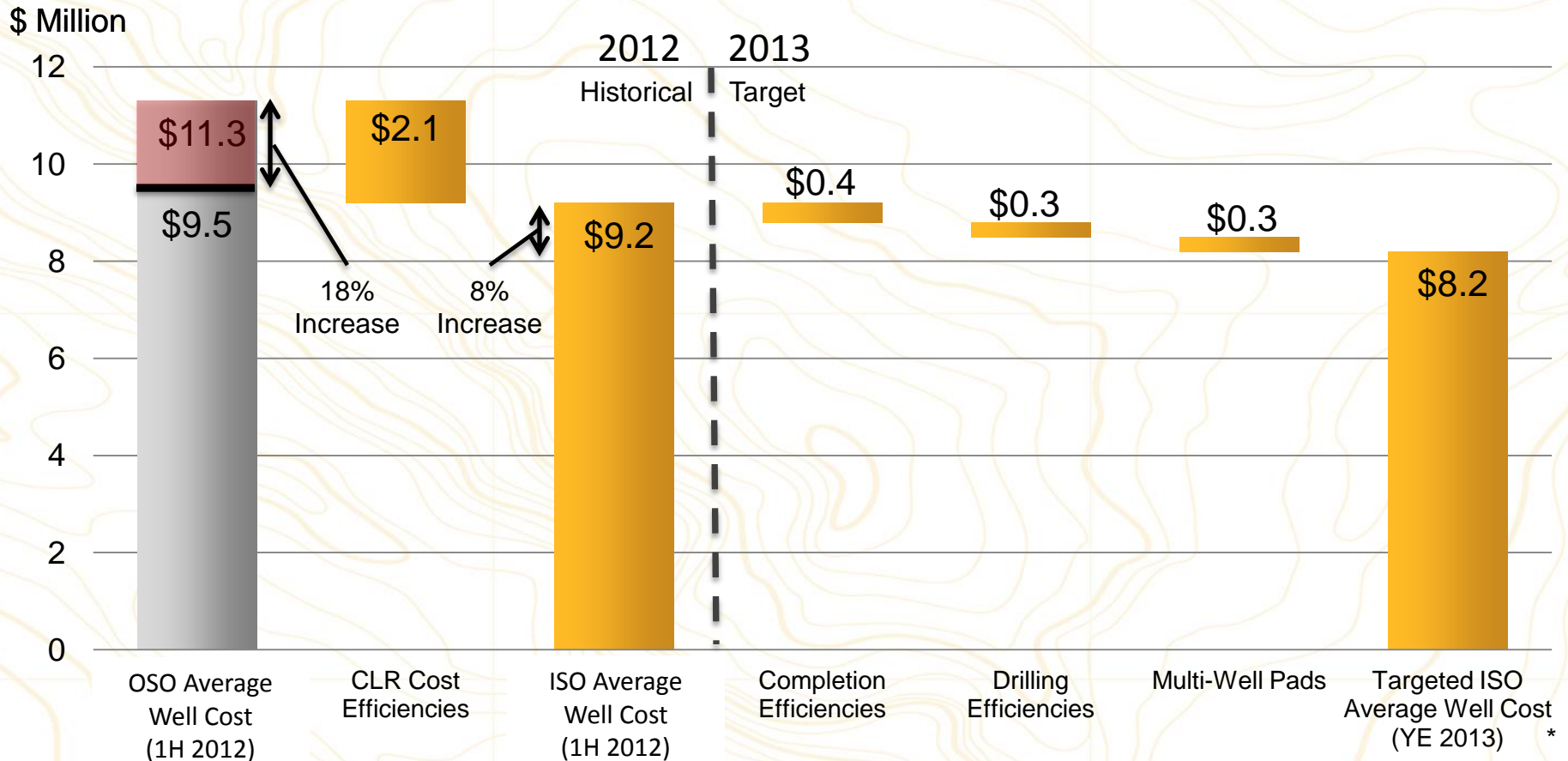
Total Capital Expenditures (\$3.4B)

Drilling Capital Allocation (\$2.9B)



	<u>2012</u>	<u>2013</u>
Average operated rigs	33	35
Gross wells	847	738
Net wells	286	300

# Low-Cost Bakken Operator



\*Weighted average well cost, pads and single wells.

# Summary: CLR's Clear Vision of Growth

- 🔥 Expand and de-risk plays while developing premier oily assets
- 🔥 Operating excellence and continued cost efficiency
- 🔥 Assure transportation/infrastructure gets built as we grow
- 🔥 Implement marketing strategy to reach premier markets
- 🔥 Bring value forward by
  - Accelerating growth
  - Managing the margins
  - Mitigating business risks
- 🔥 Maintain strong balance sheet and financial flexibility

# Appendix

*America's Oil Champion*



# 2013 Operational and Financial Guidance

2013 Production growth range	30% to 35%
Capital expenditures*	\$3.4B
Price differentials:	
WTI crude oil (per barrel of oil)	\$8 to \$11
Henry Hub natural gas (per Mcf)	+\$1.00 to \$1.50
Operating expenses:	
Production expense per Boe	\$5.50 to \$5.90
Production tax as a percent of oil and gas revenues**	8% to 9%
DD&A per Boe	\$19 to \$21
G&A expense per Boe***	\$2.40 to \$2.90
Non-cash equity compensation per Boe	\$0.70 to \$0.90
Income tax rate	38%
Deferred taxes	90% to 95%

\* Excludes acquisition capital expenditures

\*\*Does not include other expenses, such as natural gas transportation fees, which could represent another 1%.

\*\*\*Excludes non-cash equity compensation

# Swaps and Collars

As of 10/26/12

## **Crude Oil Derivative Positions**

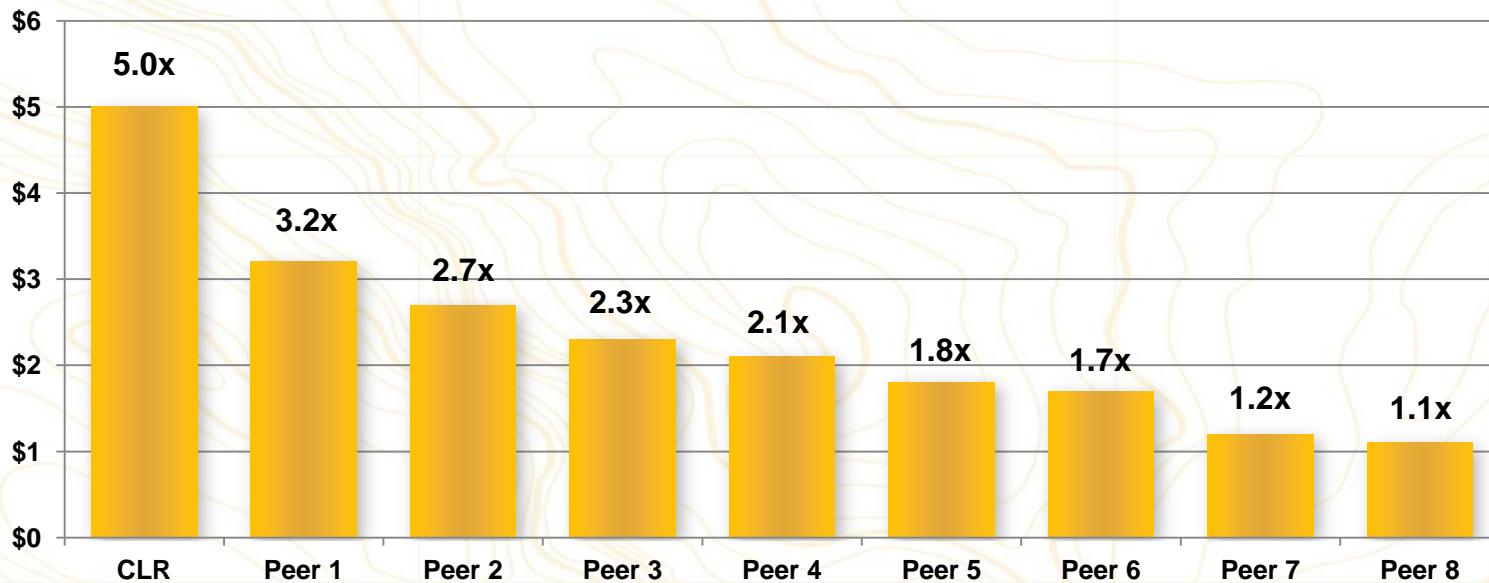
Period and Type of Contract	Bbls	Swaps Wtd. Avg. Price	Collars Wtd. Avg. Price	
			Floor	Ceiling
<b>October 2012 - December 2012</b>				
Swaps - WTI	1,840,000	\$88.69		
Swaps - Brent	1,058,000	\$111.17		
Collars - WTI	1,340,440		\$80.00	\$94.71
<b>January 2013 - December 2013</b>				
Swaps - WTI	11,862,500	\$92.66		
Swaps - Brent	2,372,500	\$109.19		
Collars - WTI	8,760,000		\$86.92	\$99.46
<b>January 2014 - December 2014</b>				
Swaps - WTI	10,311,250	\$96.20		
Swaps - Brent	4,745,000	\$100.43		
Collars - Brent	1,460,000		\$90.00	\$107.50
<b>January 2015 - December 2015</b>				
Swaps - Brent	1,277,500	\$98.48		

## **Natural Gas Derivative Positions**

Period and Type of Contract	MMBtus	Swaps Wtd. Avg. Price
Swaps - Henry Hub	18,250,000	\$3.76

# Capital Efficiency

## Recycle Ratio – Industry Leader<sup>(1)(2)</sup>



1 Recycle ratio is calculated as the 3-yr average profit per BOE divided by the 3-yr average F&D cost per BOE

2 Peers include APC, CHK, CXO, DNR, DVN, PXP, SD and WLL.

Source: KeyBanc



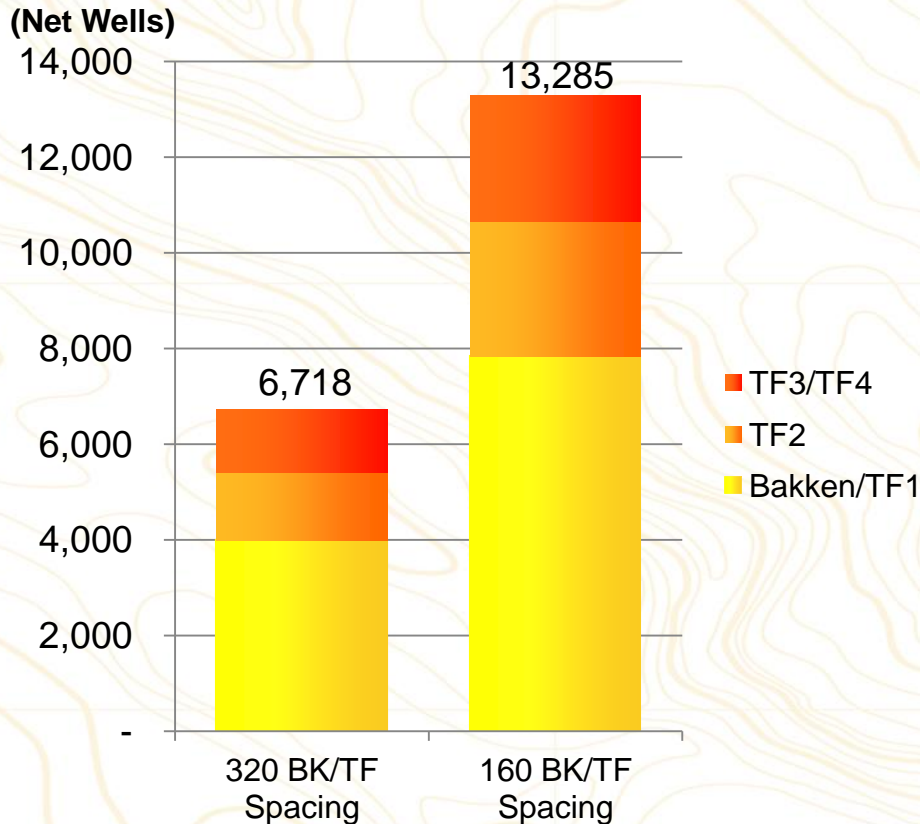
# EBITDAX Reconciliation to GAAP

We use a variety of financial and operational measures to assess our performance. Among these measures is EBITDAX. EBITDAX represents earnings (net income) before interest expense, income taxes, depreciation, depletion, amortization and accretion, property impairments, exploration expenses, non-cash gains and losses resulting from the requirements of accounting for derivatives, and non-cash equity compensation expense. EBITDAX is not a measure of net income or operating cash flows as determined by GAAP. Management believes EBITDAX is useful because it allows us to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above from net income in arriving at EBITDAX because those amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. EBITDAX should not be considered as an alternative to, or more meaningful than, net income or operating cash flows as determined in accordance with GAAP or as an indicator of a company's operating performance or liquidity. Certain items excluded from EBITDAX are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of EBITDAX. Our computations of EBITDAX may not be comparable to other similarly titled measures of other companies. We believe that EBITDAX is a widely followed measure of operating performance and may also be used by investors to measure our ability to meet future debt service requirements, if any. Our revolving credit facility requires that we maintain a total funded debt to EBITDAX ratio of no greater than 4.0 to 1.0 on a rolling four-quarter basis. This ratio represents the sum of outstanding borrowings and letters of credit under our revolving credit facility plus our note payable and senior note obligations, divided by total EBITDAX for the most recent four quarters. We were in compliance with this covenant for all periods presented. The following table represents a reconciliation of our net income to EBITDAX for the periods presented:

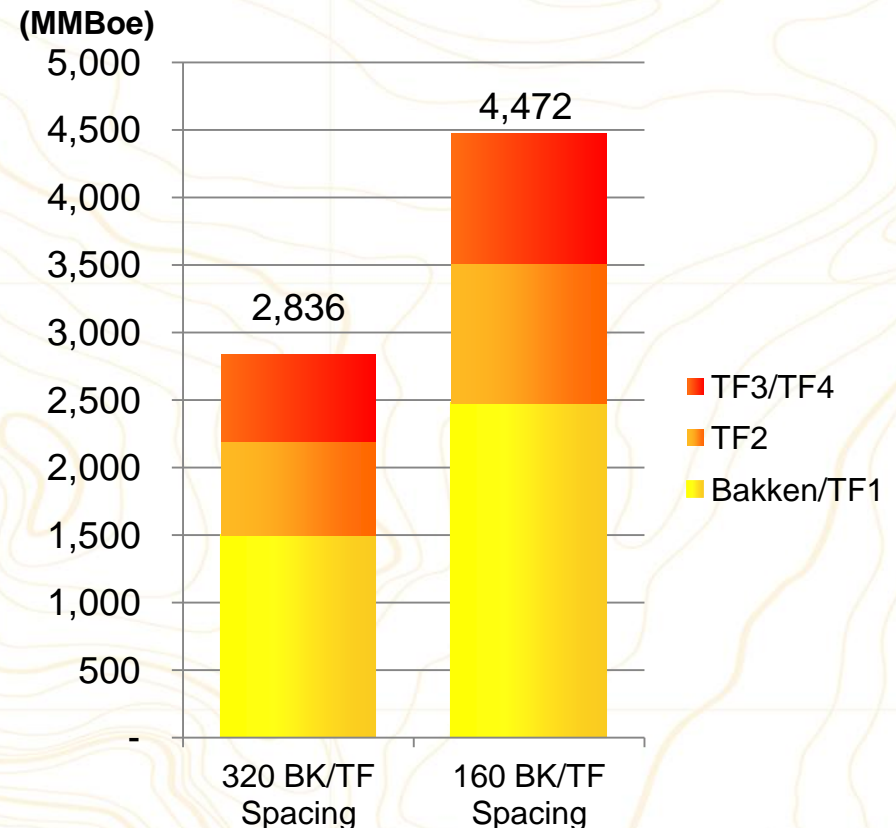
	Year Ended December 31,			Three	YTD
	2009	2010	2011	Months Ended 9/30/12	9/30/12
	<i>in thousands</i>				
Net income	\$ 71,338	\$ 168,255	\$ 429,072	\$ 44,096	\$ 518,874
Interest expense	23,232	53,147	76,722	39,205	95,174
Provision for income taxes	38,670	90,212	258,373	22,931	315,819
Depreciation, depletion, amortization and accretion	207,602	243,601	390,899	189,374	499,847
Property impairments	83,694	64,951	108,458	27,375	93,153
Exploration expenses	12,615	12,763	27,920	4,899	17,752
Impact from derivative instruments:					
Total (gain) loss on derivatives, net	1,520	130,762	30,049	158,294	(144,377)
Total realized (cash flow) gain (loss) on derivatives, net	569	35,495	(34,106)	(1,394)	(48,375)
Non-cash (gain) loss on derivatives, net	2,089	166,257	(4,057)	156,900	(192,752)
Non-cash equity compensation	11,408	11,691	16,572	7,499	20,804
EBITDAX	\$ 450,648	\$ 810,877	\$ 1,303,959	\$ 492,279	\$ 1,368,671

# CLR: 4.5 BBoe Bakken Resource Potential

Unrisked Potential Net Wells



Unbooked Net Resource Potential

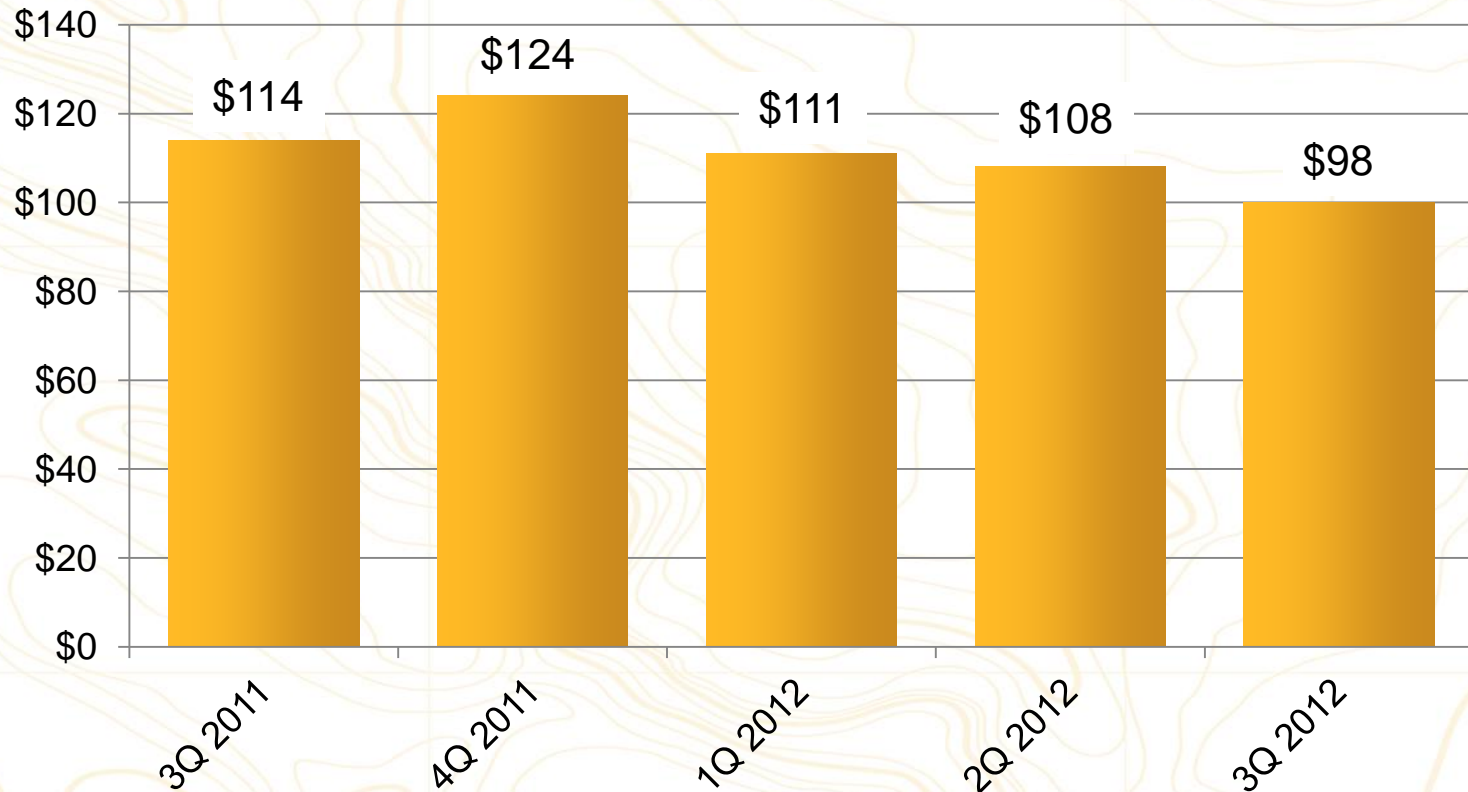


CLR Bakken estimated proved reserves MY2012: 380 MMBoe

(calculations exclude non-prospective acreage)

# Decreasing Stimulation Costs per Stage

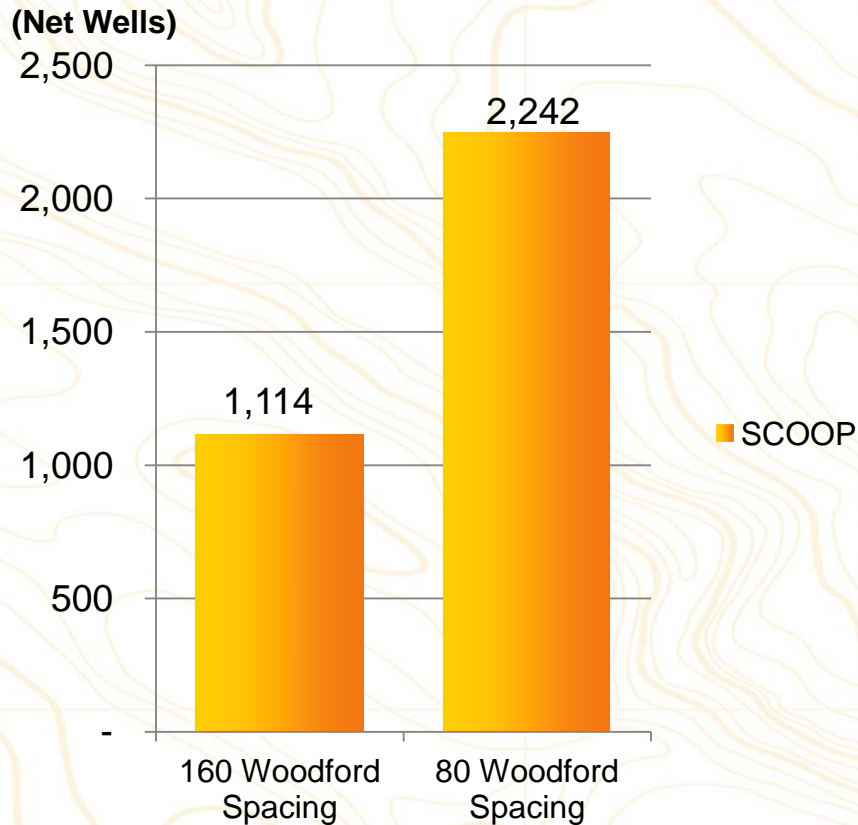
\$ Thousands  
Per Stage



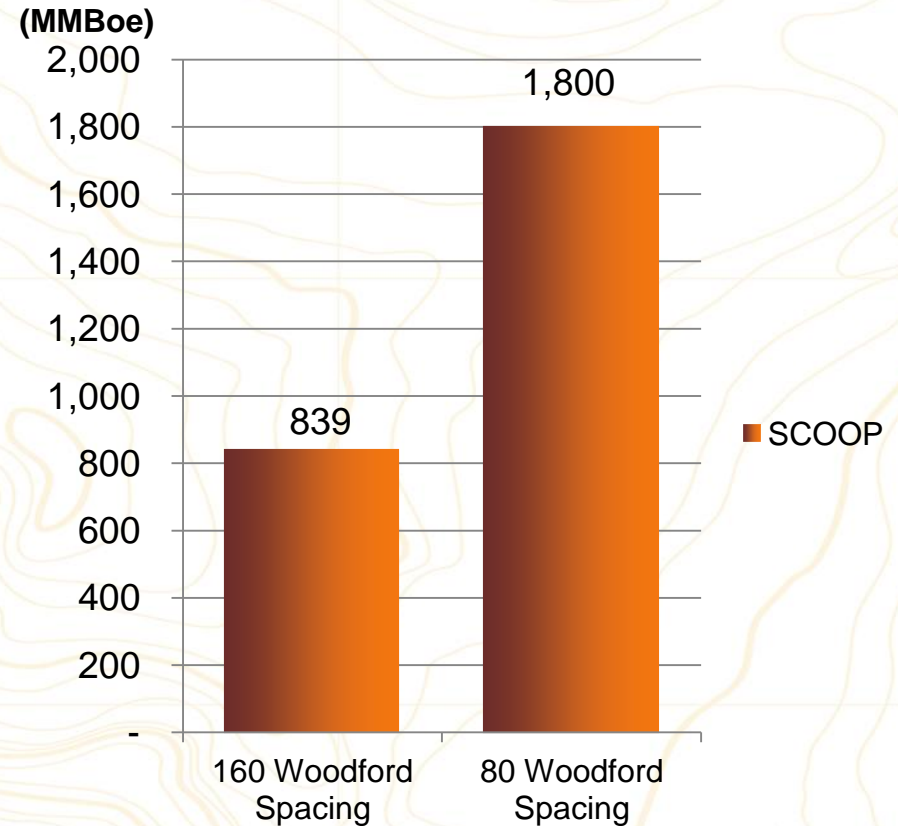
\*Costs include pumping services, wireline, water, packers and plugs.

# SCOOP: 1.8 BBoe Woodford Resource Potential

## Unbooked Unrisked Potential Net Wells



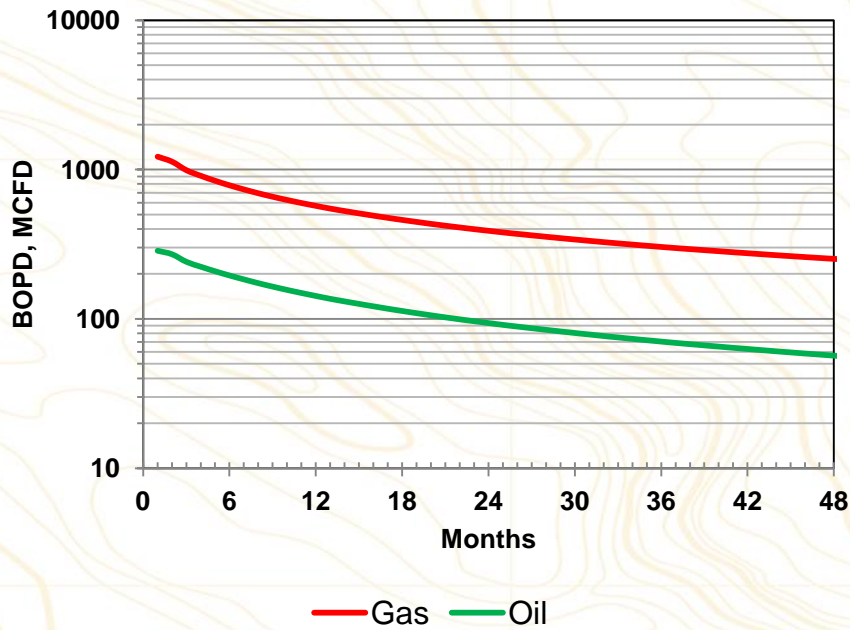
## Net Unbooked Resource Potential



# SCOOP Type Curves

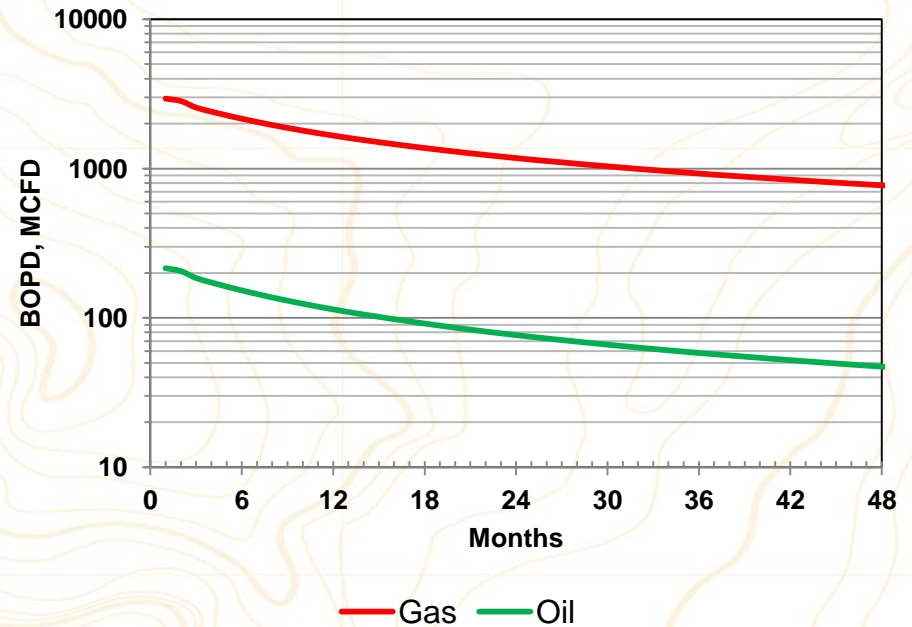
## Oil Fairway Type Curve

EUR: 626 MBoe (75% liquids)



## Condensate Fairway Type Curve

EUR: 1190 MBoe (61% liquids)



1350 BTU gas

