

**FOR IMMEDIATE RELEASE**

**Centennial Resource Development Announces Closing of Southern Delaware Basin Acquisition and \$910 Million Private Placement of Equity and Increases Borrowing Base**

**DENVER, CO, December 29, 2016 (GLOBE NEWSWIRE)** – Centennial Resource Development, Inc. together with its affiliates (“CDEV”, “Centennial” or the “Company”) (NASDAQ: CDEV, CDEVW), announced today that it has closed the previously announced acquisition of leasehold interests and related upstream assets in Reeves County from Silverback Exploration, LLC (“Silverback”) for a purchase price of approximately \$855 million, subject to customary post-closing adjustments.

Centennial also announced today that it has closed the previously announced private placement of equity securities with certain accredited investors, including Riverstone Holdings LLC and affiliated funds (collectively, “Riverstone”), for total gross proceeds of \$910 million. Third-party investors other than Riverstone purchased \$480 million of CDEV Class A common stock at \$14.54 per share. Riverstone purchased \$430 million of equity securities in a combination of CDEV Class A common stock at \$14.54 per share and preferred shares at the common equivalent of \$14.54 per share. The preferred shares will be convertible into shares of CDEV Class A common stock upon the approval of the Company’s stockholders of such conversion at a special meeting. Holders of the preferred shares will not be entitled to a preferred dividend, but will be entitled to participate in dividends payable on the CDEV Class A common stock. The preferred shares will also have a liquidation preference of \$0.0001 per share and holders will be entitled to participate with common stockholders in distributions upon liquidation. Net proceeds from the offering were used to fully fund the Company’s acquisition of the upstream assets of Silverback, with the remaining portion of the net proceeds to be used for general corporate purposes.

In conjunction with the closing of the acquisition, Centennial closed an amendment with the lenders under its revolving credit facility that, among other things, increases the borrowing base to \$250 million from \$200 million. The Company currently has no amounts drawn under its revolving credit facility, and the next scheduled borrowing base redetermination will be held in the spring of 2017.

**About Centennial Resource Development, Inc.**

Centennial Resource Development, Inc., is an independent oil and natural gas company focused on the development and acquisition of unconventional oil and associated liquids-rich natural gas reserves in the Permian Basin. The Company’s assets and operations, which are held and conducted through Centennial Resource Production, LLC, are concentrated in the Delaware Basin, a sub-basin of the Permian Basin. For additional information about the Company, please visit [www.cdevinc.com](http://www.cdevinc.com).

**About Silverback Exploration, LLC**

Silverback Exploration, LLC is a San Antonio-based, independent oil and gas company focused on the pursuit of leasing and drilling opportunities in domestic resource plays, both conventional and unconventional. Silverback was formed in November 2013 with an equity commitment from EnCap Investments, L.P.

**About Riverstone Holdings LLC**

Riverstone Holdings LLC is an energy and power-focused private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre, Jr. with over \$34 billion of capital raised. Riverstone conducts

buyout and growth capital investments in the exploration & production, midstream, oilfield services, power, and renewable sectors of the energy industry. With offices in New York, London, Houston, and Mexico City, Riverstone has committed over \$33 billion to more than 120 investments in North America, Latin America, Europe, Africa, and Asia.

### **No Offer or Solicitation**

This communication is for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities pursuant to the proposed transactions or otherwise, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

### **Forward-Looking Statements**

This communication includes certain statements that may constitute “forward-looking statements” for purposes of the federal securities laws. Forward-looking statements include, but are not limited to, statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements may include, for example, statements about the benefits of the transaction described in this communication; the future financial performance of Centennial following the transaction; changes in Centennial’s reserves and future operating results; and expansion plans and opportunities. These forward-looking statements are based on information available as of the date of this communication, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing Centennial’s views as of any subsequent date, and Centennial does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. You should not place undue reliance on these forward-looking statements. As a result of a number of known and unknown risks and uncertainties, Centennial’s actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include Centennial’s ability to recognize the anticipated benefits of the transaction, which may be affected by, among other things, competition and the ability of Centennial to grow and manage growth profitably following the transaction; changes in applicable laws or regulations; the possibility that Centennial may be adversely affected by other economic, business, and/or competitive factors; and other risks and uncertainties indicated in Centennial’s public filings with the Securities and Exchange Commission.

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SOURCE Centennial Resource Development, Inc.