

Falcon Minerals Declares Fourth Quarter 2018 Dividend, Provides First Half 2019 Guidance, Announces Fourth Quarter 2018 Earnings Conference Call

February 7, 2019

PHILADELPHIA--(BUSINESS WIRE)--Feb. 7, 2019-- Falcon Minerals Corporation ("Falcon" or the "Company") (NASDAQ: FLMN, FLMNW) today announced that its Board of Directors has approved a dividend of \$0.20 per Class A share for the fourth quarter 2018. The fourth quarter 2018 dividend will be payable on February 28, 2019 for all Class A shareholders of record as of February 21, 2019.

Guidance Summary

For the first half of 2019, Falcon expects to generate cash operating margins ⁽¹⁾ of approximately 90%, assuming realized oil revenue based upon Louisiana light sweet crude (LLS) pricing in the Eagle Ford Shale. The Company is changing its guidance time-period and will provide forward six-month guidance based upon expectations for producer activity on Falcon's net royalty positions. The guidance below supersedes and replaces guidance that the Company had previously provided.

Forecast for first half of 2019 (Q1 2019 – Q2 2019)	Guidance Range
Net production per barrel of oil equivalent per day (boe/d) ⁽²⁾	5,300 – 5,800
% Oil of net production	53% - 55%
Operating costs:	
Production and ad valorem taxes (% of revenue)	4.0% – 5.0%
Marketing and transportation (\$/boe)	\$1.00 – \$1.50
General and administrative (\$/boe)	\$3.70 - \$4.20
Depletion expense ⁽³⁾ (\$/boe)	\$7.00 – \$8.00
Capital expenditures:	N/M

(1) Cash operating margin represents Operating Income (GAAP) excluding depletion of royalty interests in oil & gas properties.

(2) The forecasted 1H19 net production range does not include any contribution from additional Hooks Ranch wells connected in the future.

(3) The depletion expense forecast range above is shown on a book basis; the equivalent range on a tax basis would be in a range of \$28.00 – \$32.00 per boe.

Daniel Herz, President and Chief Executive Officer of Falcon, stated, "We have been pleased with the strength and stability of Falcon's business model over the initial months of operations. While this period has coincided with a turbulent energy market, our business remains strong: substantial free cash flow at operating margins of approximately 90%, a strong balance sheet at 0.3x debt-to-EBITDA, realized oil revenue based on premium LLS pricing, and several of the industry's best operators developing our core position in the Eagle Ford Shale. With the significant volatility in oil prices that occurred in November and December, we have not witnessed the acceleration of development in drilling activity across our position that we had previously anticipated, resulting in a delay in the development of certain high interest wells. However, our strong balance sheet is allowing us the opportunity to take advantage of organic acquisitions that have become more attractive in this environment. The strength of our asset base is substantial production at shallow decline, coupled with a core high-growth, high net revenue interest position in the top returning oil play in the United States. This combination should allow us to pay a robust dividend over the coming periods as our higher net revenue interest positions are developed, which over time we expect to drive free cash flow per share substantially higher. We remain confident about the prospect for near-term future development of our Hooks Ranch position, as well as our over 250,000 gross unit acres in the Eagle Ford."

Fourth Quarter 2018 Earnings Conference Call

Falcon today also announced that the Company will host an earnings conference call for the fourth quarter 2018 on Wednesday, February 27, 2019 at 9:00 am ET. Falcon intends to release its financial results for the fourth quarter and year ended 2018 after the market close on Tuesday, February 26, 2019.

Falcon management invites investors and interested parties to listen to the conference call to discuss fourth quarter 2018 results on Wednesday, February 27, 2019 at 9:00 am ET. Participants for the conference call should dial (877) 876-9173 (International: (785) 424-1667) and use the confirmation code "FLMNQ418". The Falcon earnings call is also accessible via webcast on the Company's website on www.falconminerals.com in the Investor Relations section. To access the replay of the conference call, investors and interested parties can call 800-839-2488 (International: (402) 220-7224).

About Falcon Minerals

Falcon Minerals Corporation is a C-Corporation formed to own and acquire high growth core-of-the-core oil-weighted minerals which generate substantial free cash flow. Falcon Minerals owns mineral, royalty, and over-riding royalty interests covering 251,000 gross unit acres in the Eagle Ford Shale and Austin Chalk in Karnes County, DeWitt County, and Gonzales County Texas. For more information, visit our website at www.falconminerals.com.

Cautionary Note Regarding Forward-Looking Statements

This document contains forward-looking statements that involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Falcon cautions readers that any forward-looking information is not a guarantee of future performance. Such forward-looking statements include, but are not limited to, statements about future financial and operating results, future dividends paid, resource and production potential, Falcon's plans, objectives, expectations and intentions and other statements that are not historical facts. Risks, assumptions and uncertainties that could cause actual results to materially differ from the forward-looking statements include, but are not limited to, those associated with general economic and business conditions; Falcon's ability to realize the anticipated benefits of its acquisitions; changes in commodity prices; uncertainties about estimates of reserves and resource potential; inability to obtain capital needed for operations; changes in government environmental policies and other environmental risks; the availability of drilling equipment and the timing of production in Falcon's regions; tax consequences of business transactions; and other risks, assumptions and uncertainties detailed from time to time in Falcon's reports filed with the U.S. Securities and Exchange Commission, including under the heading "Risk Factors" in Falcon's definitive proxy statement filed with the SEC on August 3, 2018, as well as Falcon's most recent annual report on Form 10-K and any subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K. Forward-looking statements speak only as of the date hereof, and Falcon assumes no obligation to update such statements, except as may be required by applicable law.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20190207005279/en/>

Source: Falcon Minerals Corporation

Falcon Minerals:

Brian Begley

bbegley@falconminerals.com