



Investor Presentation

January 2020

Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Presentation, which reflect the current views of Falcon with respect to future events and financial performance, and any other statements of a future or forward-looking nature, constitute “forward-looking statements” for the purposes of federal securities laws. These forward-looking statements include, but are not limited to, statements with respect to strategy, future operations, financial position, estimated revenues, and losses, projected costs, prospects, plans and objectives of management. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The forward-looking statements contained in this Presentation are based on Falcon’s current expectations and beliefs concerning future developments and their potential effects on Falcon. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Falcon’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements.

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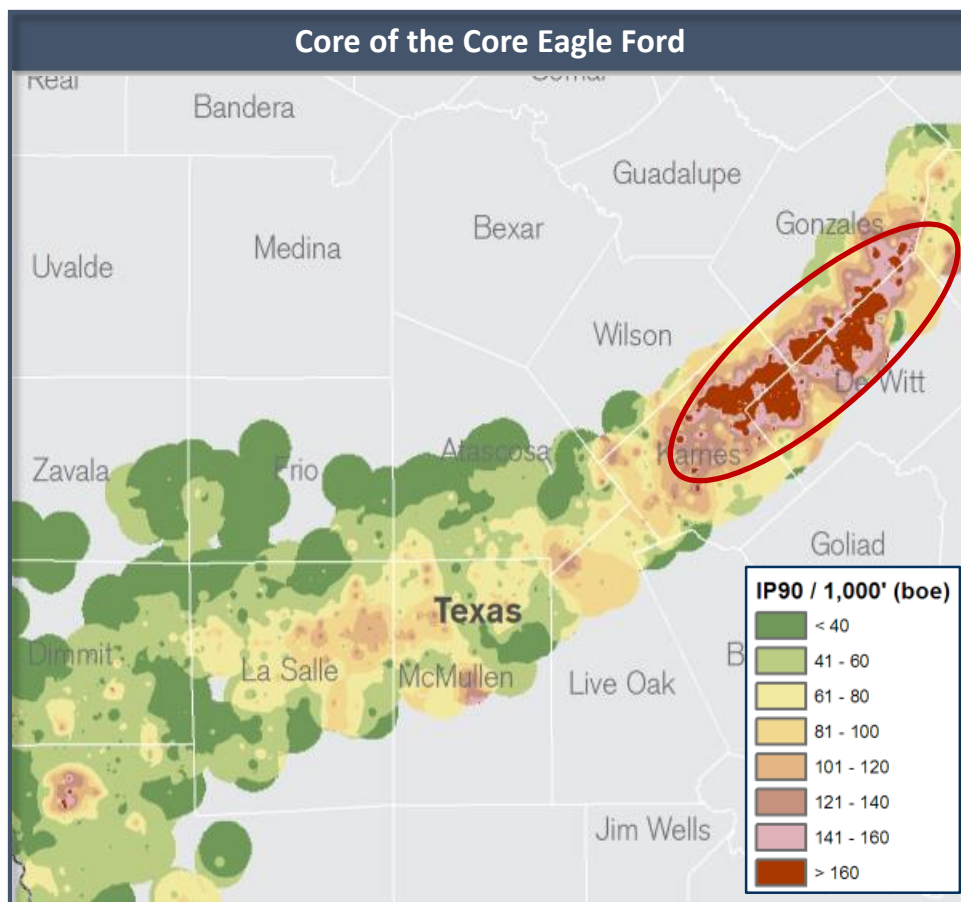
RESERVE INFORMATION

Reserve engineering is a process of estimating underground accumulations of hydrocarbons that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions could impact Falcon’s strategy and change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil and natural gas that are ultimately recovered. Estimated Ultimate Recoveries, or “EURs,” refers to estimates of the sum of total gross remaining proved reserves per well as of a given date and cumulative production prior to such given date for developed wells. These quantities do not necessarily constitute or represent reserves as defined by the SEC and are not intended to be representative of all anticipated future well results.

Overview

Falcon's primary assets are located in the core of the Eagle Ford under premier operators

Market / Asset Overview	
NASDAQ Ticker	FLMN
Market Capitalization ⁽¹⁾	~\$570mm
Shares Outstanding ⁽²⁾	~86.0mm
Leverage Ratio ⁽³⁾	0.55x
Key Counties	Karnes, Dewitt, Gonzales
Key Operators	COP, BP/DVN, EOG
Gross Unit Acres	~256,000 acres
Net Royalty Acres	~2,670 acres
Producing Horizontal Wells	~1,867 Eagle Ford wells



World class assets developed by world class operators

(1) Assumes share price as of January 21, 2020. Inclusive of Class C Shares.

(2) 85,950,716 shares reflect fully-diluted or as-converted shares outstanding, inclusive of 40,000,000 Class C shares. Excludes unvested RSAs.

(3) Calculated by dividing the sum of total debt outstanding less cash on hand as of September 30, 2019 by Adjusted EBITDA for the trailing 12-month period, as per Falcon's credit agreement dated August 23, 2018.

A History of Market Leading Returns

Falcon's management team has a long history of creating energy enterprises (Atlas companies) and providing substantial shareholder returns

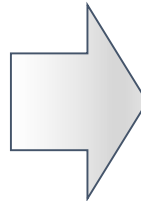


Atlas Energy grows to become one of the most active developers in the early stages of the Marcellus Shale



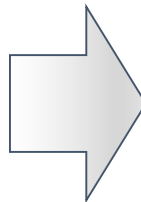
Atlas Pipeline expands into a leading gathering & processing enterprise in the Permian and Mid-Continent regions

2011



Atlas Energy sold to Chevron for \$4.3 billion
> 900% return from IPO
(46% CAGR)

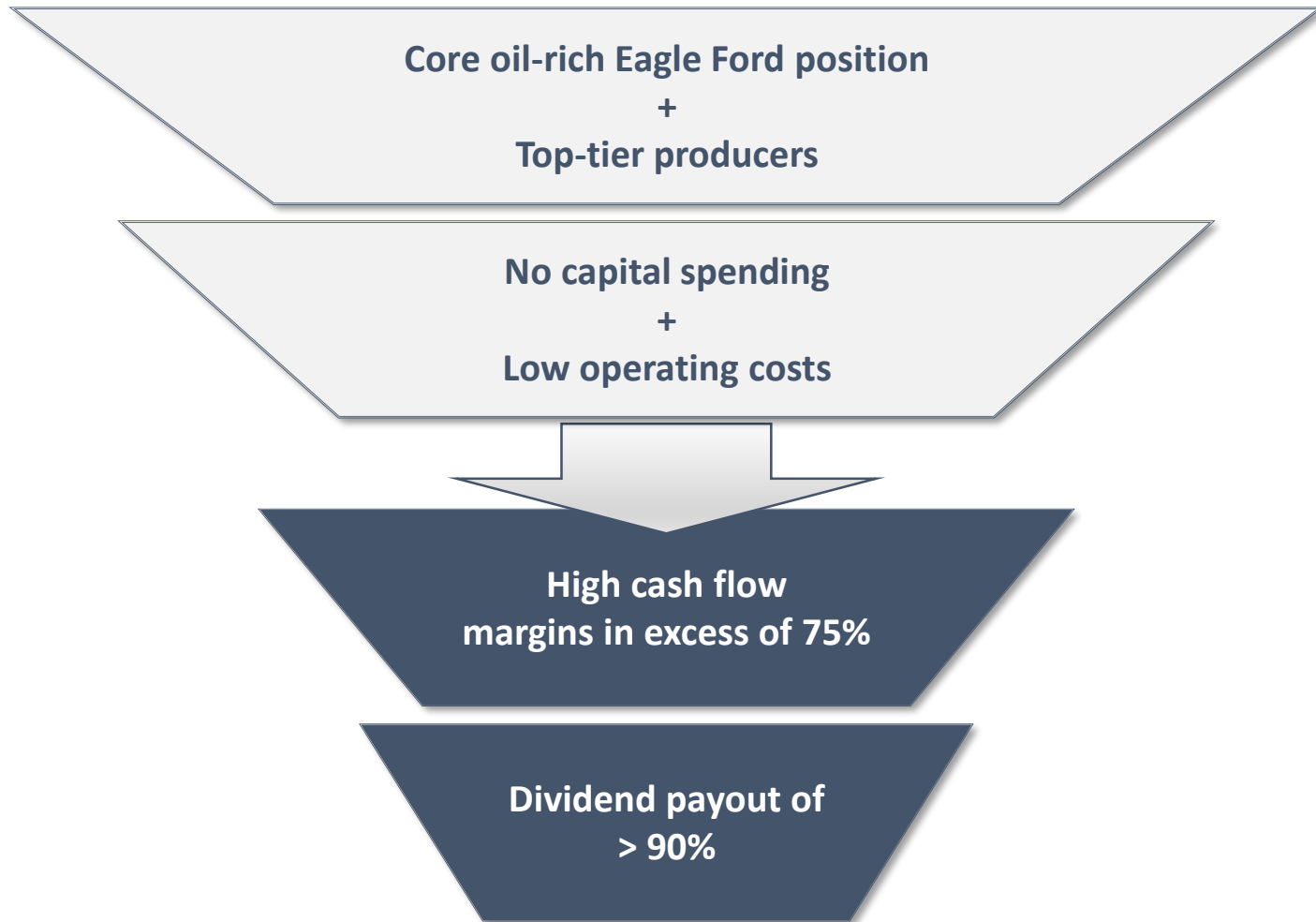
2015



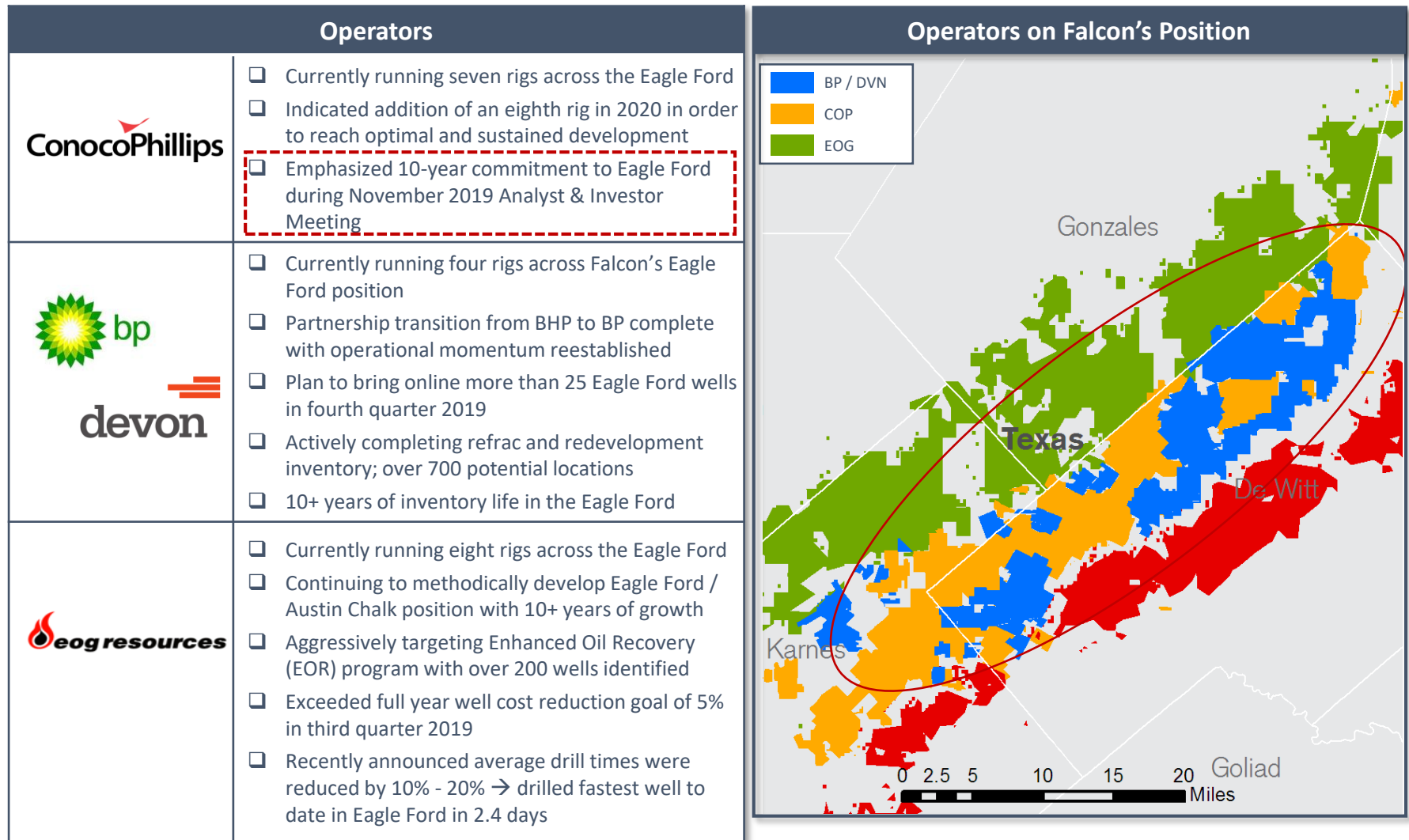
Atlas Pipeline sold to Targa for \$7.7 billion
> 400% return from IPO
(11% CAGR)

Best-in-Class Business Model

Falcon's royalty business offers a unique business model that provides consistent, high cash margin returns to shareholders



World Class Operators Developing Falcon's Position



Karnes Trough offers operators some of the lowest breakeven returns in North American shale

ConocoPhillips Eagle Ford Update

ConocoPhillips Analyst & Investor Meeting (Nov. 2019)

Highlights

- Production expected to ramp from ~215 MBoe/d to ~300 MBoe/d by 2023 → COP expects to maintain ~300 MBoe/d through 2029
- Projected to generate ~\$12 billion in free cash flow through 2029
- 12-month cumulative oil production rates outperforming peer average by ~60%
- Leading well performance among peer group with 20%+ average recovery factors and average EURs in 85th percentile of basin
- Capital-efficient operational execution with lowest cost of development among peer group

Inventory

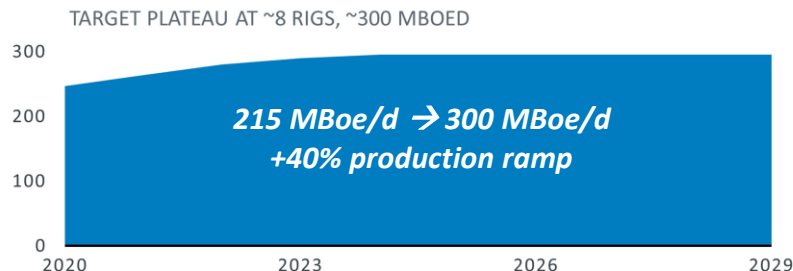
- Drilled 25% of identified inventory to date → 3,800 remaining locations
- Low cost refrac candidates resulting in a 75% increase in well EUR → 300 wells added to base plan with upside potential of an additional 300 locations
- Additional unquantified upside potential with resource recovery enhancement pilots underway

Vintage 5 Completion Design Update

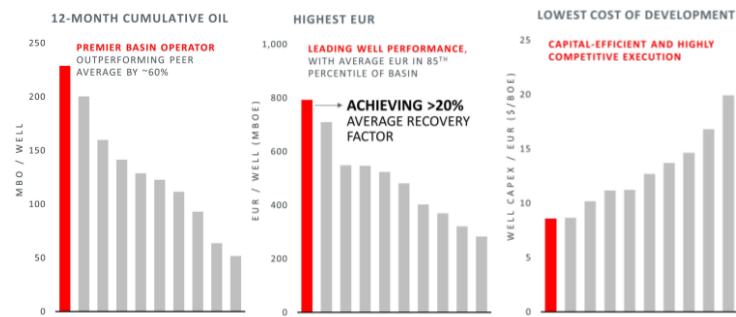
- Targeting 10%+ improvements in EURs (not built into 10-year outlook)
- Designed to improve proppant placement, increase tessellation of frac pattern, enhance near-wellbore drainage efficiency, reduce degradation, and increase EUR

(1) As per COP: RSEG (Sept. 2019). Includes top 10 companies in terms of count of new wells online in the basin from 2017-2018. Competitors include CRZO, CHK, COP, DVN, EOG, EPEQG, EQNR, MRO, MUR, SCAZO.
 (2) As per COP: V5 completion upside not built into COP 10-year outlook.

Eagle Ford Production Profile (MBoe/d)



Basin-Leading Recovery & Execution Performance (1)

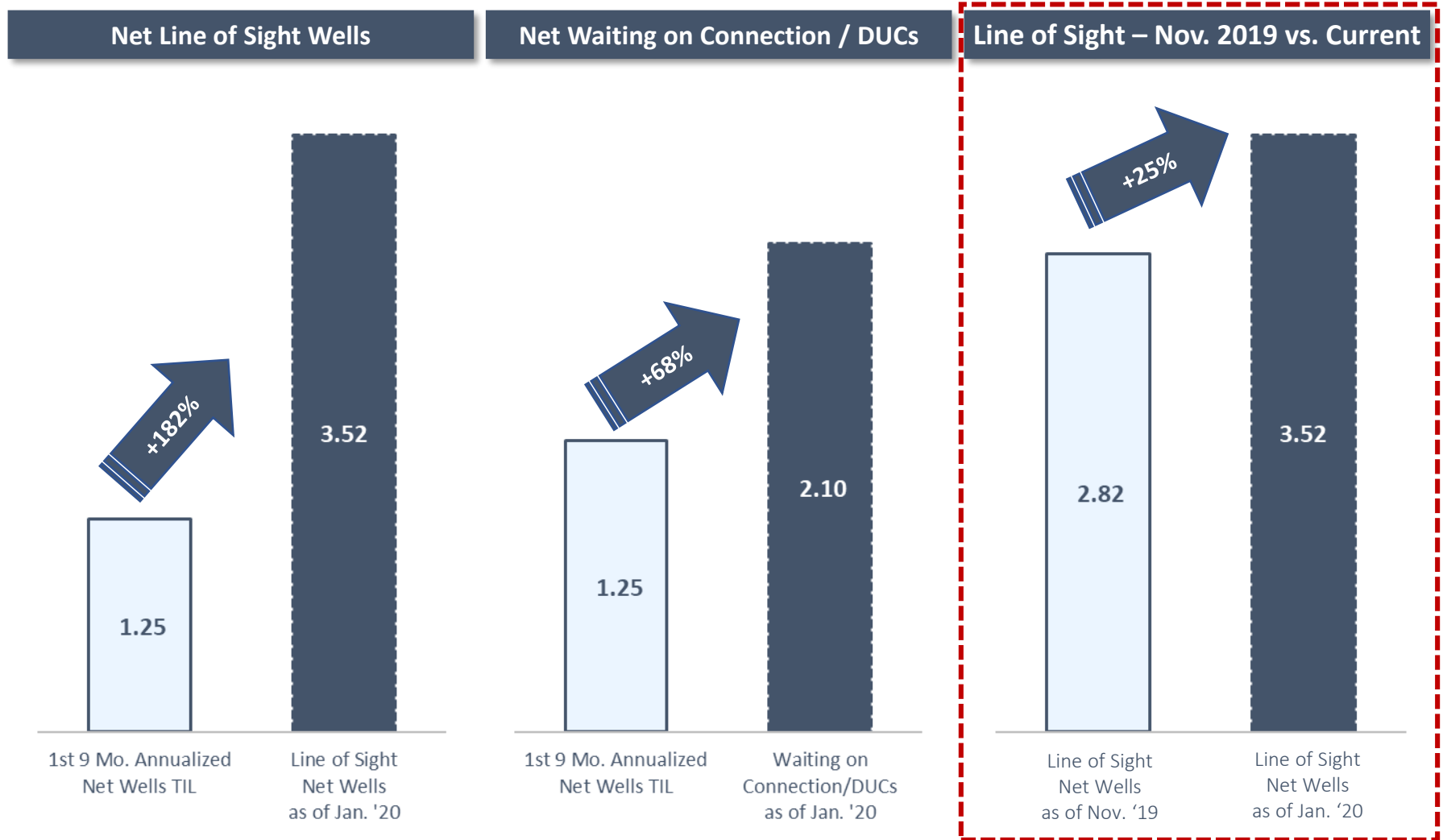


Upside Potential – V5 Completion Progress (2)



Significant Growth Expected from Line of Sight Wells

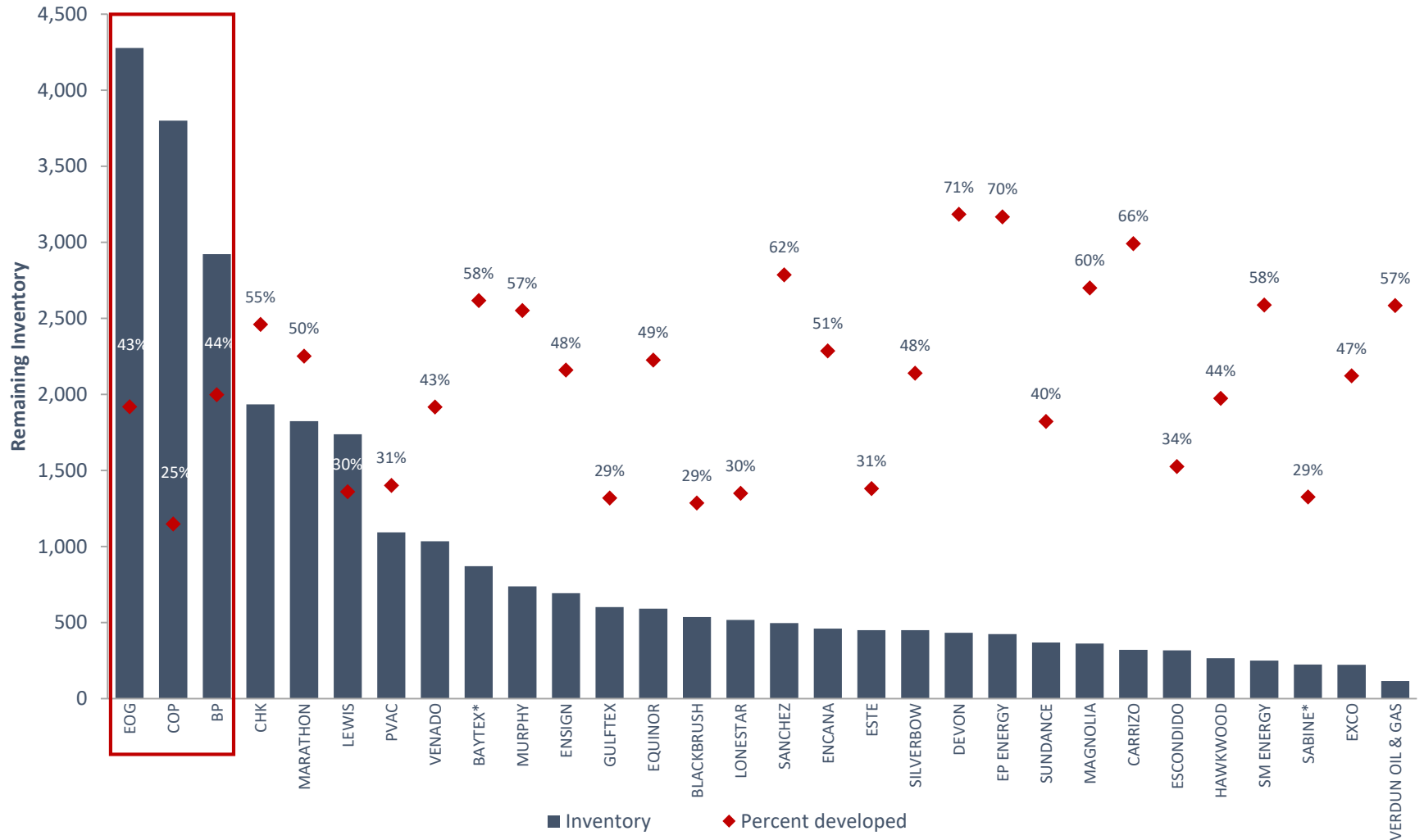
Line of sight wells include multiple high NRI units projected to turn in line in second half 2020



3.52 net line of sight wells is ~34% above the four-year trailing average of 2.62 net wells turned in line per year

Substantial Remaining Inventory Across the Basin and Key Operators

Sorted by Highest Total Remaining Inventory



Source: CS A&D, RSEG, COP Analyst & Investor Meeting (Nov. 2019).

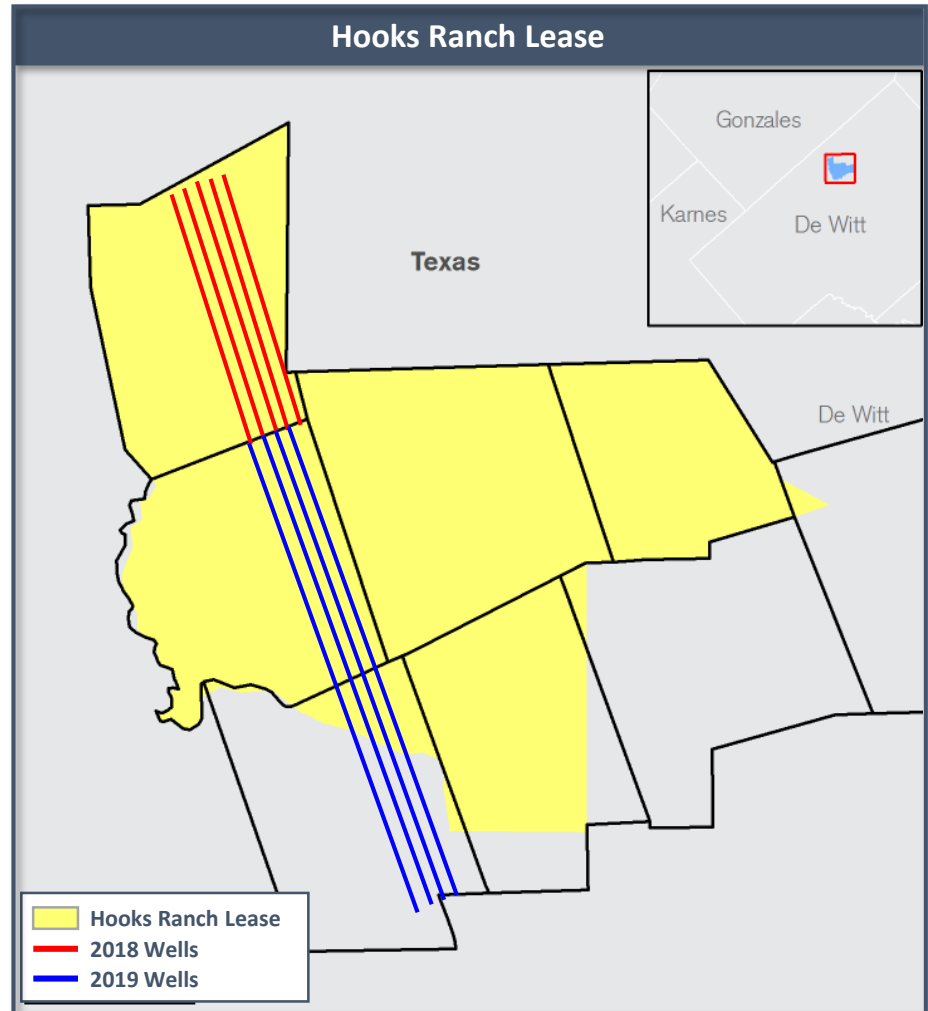
Hooks Ranch Update

Hydraulic fracturing of the four Hooks Ranch wells has been completed with connection anticipated in February 2020

Development Update

- ❑ Falcon Minerals has a 22.5% royalty interest in the Hooks Ranch position
 - More than 75% undeveloped
 - 100% HBP and operated by ConocoPhillips
- ❑ Four Hooks Ranch wells permitted in May 2019 and spud in July 2019
 - Hydraulic fracturing on all four wells complete
 - Production anticipated in February 2020
- ❑ Wells are expected to have lateral lengths of ~10,000'
 - Wells drilled from Hooks Ranch lease and extend into the Hardesty unit, which has a 3.65% NRI
- ❑ 6-well pad (4 Lower Eagle Ford, 2 Upper Eagle Ford) TIL in February 2018
 - Substantially outperformed original type curves
 - Wells in top decile of returns in basin

Hooks Ranch Lease



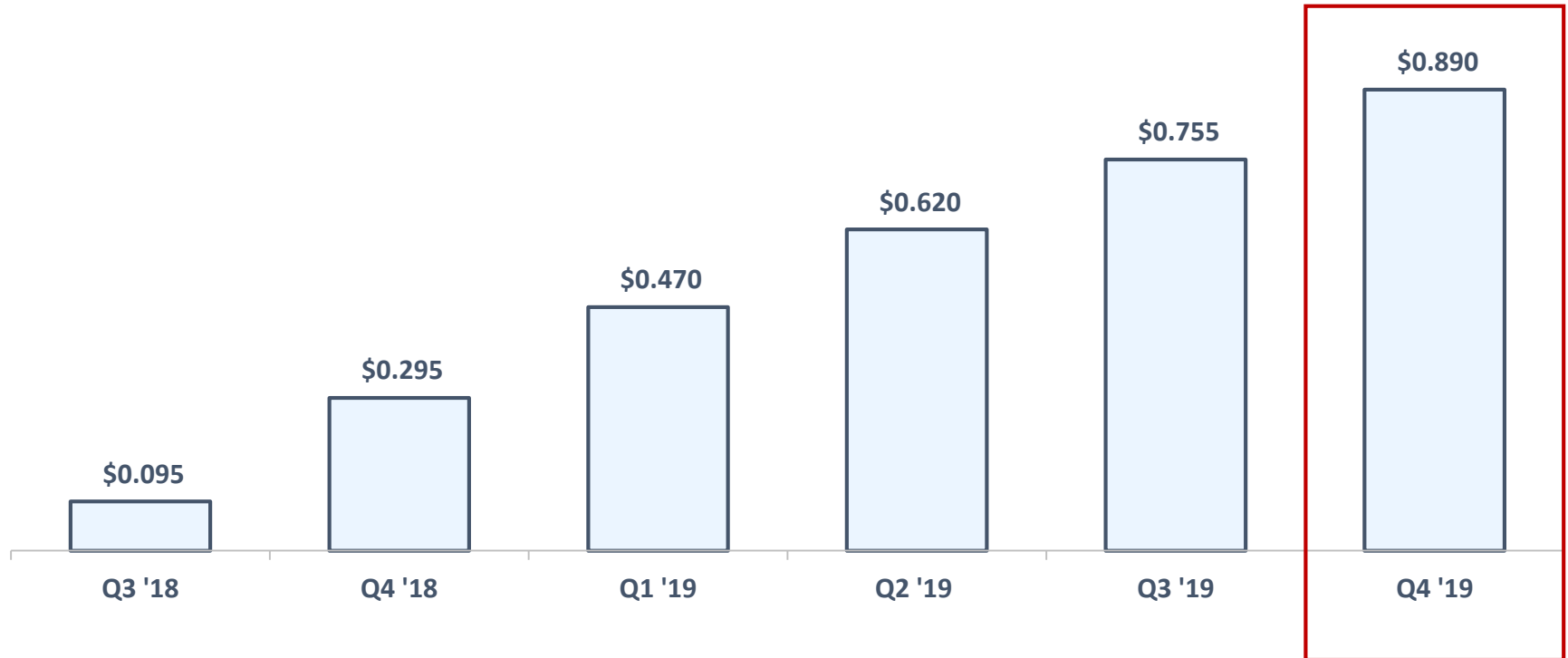
Dividend Payouts and Sustainability

Announced expected fourth quarter 2019 dividend of \$0.135 per share → \$0.890 of cumulative dividends since inception

Dividends Sourced from Strong Free Cash Flow

- ❑ Falcon's mineral assets generate cash flow at high operating margins
- ❑ Absence of capital requirements allows Falcon to distribute the majority of its free cash flow to shareholders

Cumulative Dividends Per Share



NOTE: Fourth quarter 2019 reflects expected Class A dividend of \$0.135

Development Activity

Significant line of sight inventory with ongoing development from leading operators

Rig Activity

- ❑ Significant rig activity across position
 - Seven rigs on Falcon’s position during third quarter 2019
 - Seven rigs on Falcon’s position currently

Line of Sight Development (Jan. 2020)

- ❑ 218 gross wells (3.52 net)
 - 42 gross (1.27 net) waiting on connection wells
 - 86 gross (0.83 net) waiting on completion wells
 - 90 gross (1.42 net) permitted wells
- ❑ Current key line of sight wells
 - Four Hooks (22.5% NRI) wells expected to TIL in first quarter 2020
 - Wells are 10,000’ laterals and drilled from Hooks Ranch lease into the Hardesty unit, which has a 3.65% NRI → total NRI of ~14%
- ❑ Substantial increase in permitted net wells driven by high NRI locations expected to come online in second half 2020

YTD Development				
	Active Rigs	Gross TIL	Average NRI	Net TIL
1Q '19 Actual	5	51.0	0.76%	0.39
2Q '19 Actual	9	35.0	1.16%	0.41
3Q '19 Actual	7	27.0	0.54%	0.14

Line of Sight Development (Jan. 2020)			
	Gross Wells	Average NRI	Net Wells
Waiting on Connection	42	3.03%	1.27
Waiting on Completion	86	0.96%	0.83
Permitted	90	1.58%	1.42
Total	218	1.62%	3.52

Substantial increase in net line of sight wells since November 2019 expected to further drive growth throughout 2020

Financial Overview

2020 Guidance

- ❑ Initiating full year 2020 production guidance of 5,300 – 6,100 Boe/d
- ❑ Reflects current 3.52 net well line of sight inventory
 - Anticipate ~1.51 net wells turned in line by end of first half 2020 and ~2.01 net wells turned in line during second half 2020

Fourth Quarter 2019 Update

- ❑ Announced expected fourth quarter 2019 dividend of \$0.135 per Class A share
 - \$0.890 per share in dividends since inception
- ❑ Base net production of approximately 4,000 Boe/d (which may be further reduced by 100-200 Boe/d due to accrual adjustments) based on the following:
 - High NRI wells were temporarily shut in for offset fracs on multiple pads during the quarter
 - High NRI wells scheduled for October 2019 expected to come online in November / December 2019
 - Title adjustment resulted in reshaping of unit boundaries with non-core natural gas operator
- ❑ 2019 ad valorem taxes of \$1.39 million → \$0.6 million impact to fourth quarter 2019
- ❑ Credit facility \$42.5 million drawn at end of year 2019

Full Year 2020 Guidance

Net Production (Boe/d)	5,300 – 6,100
% Oil of Net Production	50% – 55%
Production & Ad Valorem Taxes (% Revenue)	6.0% – 7.0%
Marketing & Transportation (\$/Boe)	\$1.00 – \$1.50
General & Administrative (\$mm)	\$8.5 – \$9.0
Depletion Expense (\$/Boe) ⁽¹⁾	\$6.50 – \$7.50

Capitalization as of 9/30/19

Cash	\$2.6mm
Revolving Credit Facility Borrowing	\$38.0mm
Borrowing Base	\$90.0mm
Availability Under Revolver	\$52.0mm
Liquidity	\$54.6mm
Net Debt to LTM EBITDA	0.55x

(1) Depletion expense forecast range above is shown on a GAAP basis.

Key Takeaways

Significant line of sight production growth throughout 2020 driven by higher NRI wells coming online

World class operators executing on multi-year development plans in the core of the Eagle Ford

Fully dedicated and aligned management team

Continued conservative leverage profile → 0.55x levered as of third quarter 2019

Strong free cash flow generation with margins in excess of 75%

Largest consolidator of minerals in Eagle Ford

Disciplined acquisition strategy