

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 11, 2019

**Berry Petroleum Corporation**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-38606  
(Commission  
File Number)

81-5410470  
(IRS Employer  
Identification No.)

16000 N. Dallas Parkway, Suite 500  
Dallas, Texas 75248  
(Address of Principal Executive Offices)

(661) 616-3900  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Common Stock, par value \$0.001 per share

Trading Symbol  
BRY

Name of each exchange on which registered  
Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).  
Emerging growth company x

**Item 7.01 Regulation FD Disclosure.**

Berry Petroleum Corporation has made available a new Investor Presentation that it plans to use in connection with investor conversations. A copy of the presentation is furnished herewith as Exhibit 99.1.

Statements contained in the exhibit to this report that state the Company's or its management's expectations or predictions of the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act and the Exchange Act. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include those mentioned in the documents that the Company has filed with the Securities and Exchange Commission (the "SEC").

The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although the Company may do so from time to time as management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure including disclosure in the Investor Relations portion of the Company's website.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Investor Presentation, dated October 2019</a>



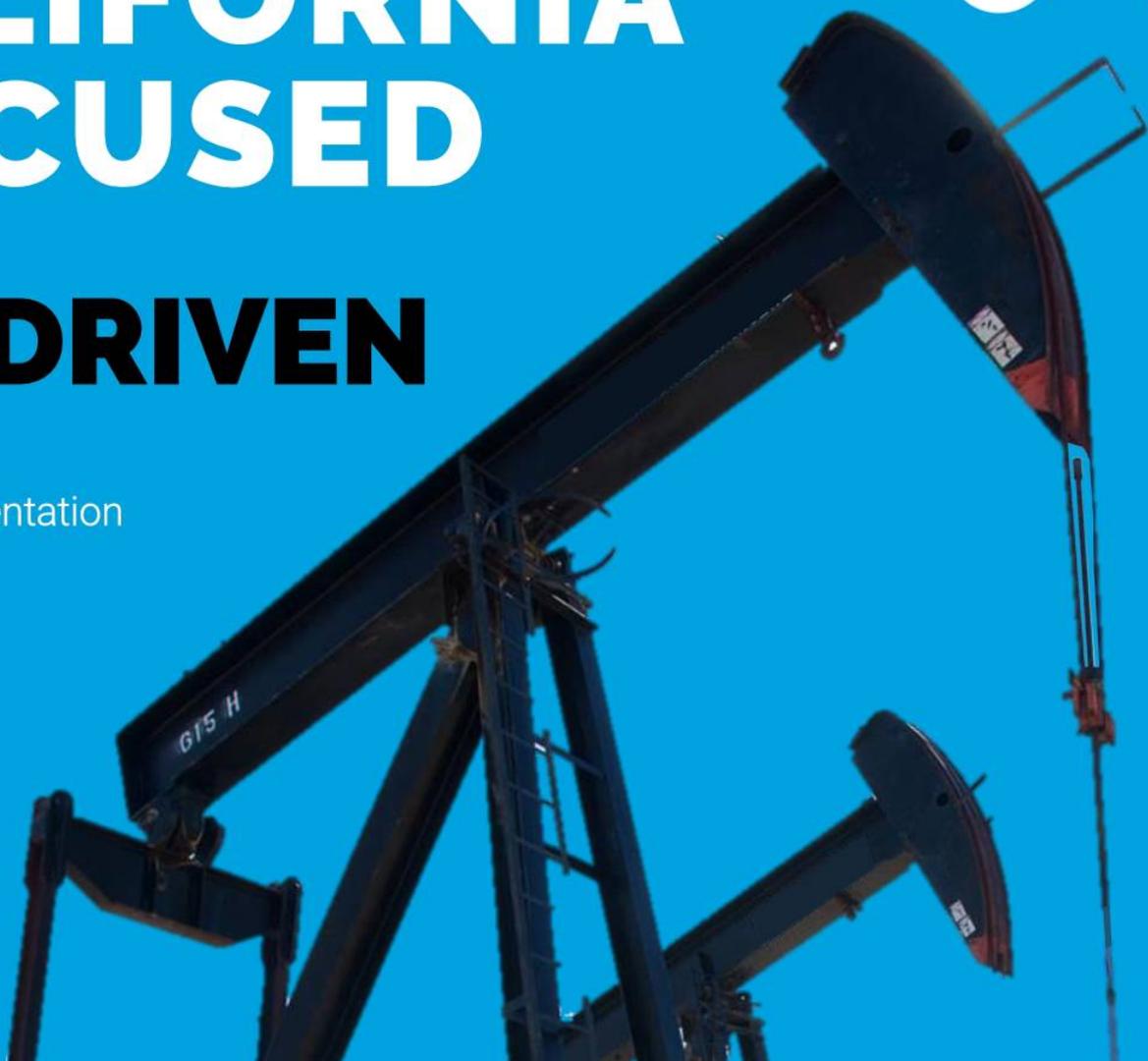
# CALIFORNIA FOCUSED



## OIL DRIVEN

Investor Presentation  
*October 2019*

**BRY**  
Nasdaq Listed





# Disclaimer

This presentation includes forward-looking statements involving risks and uncertainties that could materially affect our expected results of operations, liquidity, cash flows and business prospects. Such statements specifically include our expectations of our future financial position, liquidity, cash flows, results of operations and business strategy, potential acquisition opportunities, other plans and objectives for operations, maintenance capital requirements, expected production and costs, reserves, hedging activities, capital investments, return of capital, improvement of recovery factors and other guidance. Actual results may differ from expectations, sometimes materially, and reported results should not be considered an indication of future performance. You can typically identify forward-looking statements by words such as anticipate, achieve, expect, believe, budget, continue, could, effort, estimate, expect, forecast, goal, guidance, intend, likely, may, might, objective, outlook, plan, potential, predict, project, seek, should, target, will or would and other similar words that reflect the prospective nature of events or outcomes. For any such forward-looking statement that includes a statement of the assumptions or bases underlying such forward-looking statement, we caution that we believe such assumptions or bases to be reasonable and make them in good faith, assumed facts or bases almost always vary from actual results, sometimes materially. Material risks that may affect us are set forth in our Risk Factors in our current Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Factors (but not all the factors) that could cause results to differ include:

- volatility of oil, natural gas and NGL prices;
- price and availability of natural gas;
- our ability to obtain permits and otherwise to meet our proposed drilling schedule and to successfully drill wells that produce oil and natural gas in commercially viable quantities;
- changes in laws or regulations;
- our ability to use derivative instruments to manage commodity price risk;
- inability to generate sufficient cash flow from operations or to obtain adequate financing to fund capital expenditures and meet working capital requirements;
- the impact of environmental, health and safety, and other governmental regulations, and of current, pending or future legislation;
- uncertainties associated with estimating proved reserves and related future cash flows;
- our ability to replace our reserves through exploration and development activities;
- untimely or unavailable drilling and completion equipment or crew unavailability or lack of access to necessary resources for drilling, completing and operating wells;
- our ability to make acquisitions and successfully integrate any acquired businesses; and
- market fluctuations in electricity prices and the cost of steam.

Except as required by law, we undertake no responsibility to publicly revise our forward-looking statements after the date they are made. 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 we or persons acting on our behalf may issue.

This presentation includes management's projections of certain key operating and financial metrics. Key assumptions underlying these projections include forecasted average ICE (Brent) oil sales prices based on average first-day-of-the-month prices for the prior 12 months in accordance with SEC guidance. The unweighted arithmetic average first-day-of-the-month prices for the prior 12 months ending December 31 were \$71.54 per Bbl ICE (Brent) for oil and NGLs and \$3.10 per MMBtu NYMEX (Henry Hub) for natural gas at December 31, 2018. The volume-weighted average prices over the lives of the properties were \$66.49 per Bbl oil and condensate, \$32.87 per Bbl of NGLs and \$2.806 per Mcf.

Material assumptions also include a consistent and stable regulatory environment; timely and available drilling and completion equipment and crew availability and access to necessary resources for drilling, completion and operating wells; availability of capital; and accessibility to transport and sell oil and natural gas product to available markets. While Berry believes that these assumptions are reasonable in light of management's current expectations concerning future events, the estimates underlying these assumptions are inherently uncertain and speculative and are subject to significant risks and uncertainties discussed above. This presentation has been prepared by Berry and includes market data and other statistical information from sources believed by it to be reliable, including independent industry publications, government publications and other published independent sources. Some data is also based on Berry's good faith estimates, which are derived from its review of internal sources as well as the independent sources described above. Although Berry believes these sources are reliable, it has not independently verified the information and cannot guarantee its accuracy and completeness.

While Berry currently expects that its actual results will be within the ranges described herein, there will be differences between actual and projected results, and actual results may be materially greater or less than those contained in these projections.

The type curves provided in this presentation are prepared solely by Berry's internal reserve engineers without third-party verification, by conducting a decline curve analysis of production results from Berry's wells to generate an arithmetic mean of historical production for each project. Berry relied on the production results through April 2019 for its own wells that it submitted to the Division of Oil, Gas, and Geothermal Resources of the California Department of Conservation ("DOGGR"), which results are publicly available at [maps.conservation.ca.gov/doggr/wellfinder/#openModal](https://maps.conservation.ca.gov/doggr/wellfinder/#openModal), to generate the type curves. Investors are cautioned not to place undue reliance on Berry's type curves presented herein, and Berry's actual production results and ultimate recoveries may differ substantially.

#### Reconciliation of Non-GAAP Measures to GAAP

Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information.

October 2019

 **Focus on attractive organic growth through cycle**

 **Return capital to shareholders**

 Top quartile fixed dividend within E&P industry

Share repurchases to manage dilution

Debt reduction

 **Pursue accretive strategic growth opportunities**

 **Maintain low leverage profile**

 **Live out of Levered Free Cash Flow<sup>1</sup>**

<sup>1</sup> Levered Free Cash Flow = EBITDA – (Capex + Cash Interest + Dividends)

Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information.

# Framework for Success

## Focus on Creating Long-Term Value

### Grow Value

- Managing value; not production or volume growth
- Directing capital to oil-rich and low risk development opportunities in the San Joaquin "Super" basin
- Assets respond to capital

### Levered Free Cash Flow

- Capital program funded from Levered Free Cash Flow - today and into the future
- Maintain current production and pay financial commitments including dividends and interest

### Return of Capital

Returning capital to shareholders via industry leading dividend

### Execution

- Focus on improving operational efficiency, EH&S performance and inventory visibility
- Two-year budget cycle gives flexibility for changing business conditions as they arise

# Framework for Success

Powered by Our Principles and Assets

## Operational Control and Stable Cost Structure

- Well results are predictable, repeatable and have low risk
- Largest operational cost is steam, forecasted at ~45%
- Hedging purchased gas
- Efficient cogeneration facilities
- Berry controls its operations with 98% company-wide Working Interest

## Balance Sheet Strength

- Low leverage through the price cycle
- Fund all organic growth with levered free cash flow
- Return capital to shareholders



**Core Values**

## Highly Oil-Weighted

- Brent pricing + stable operational costs = High Margins
- Q2 2019 production ~86% oil
- ~20 years of high returning inventory<sup>1</sup>

## Focused on California, Skill Sets and HS

- Three large California fields on the westside of San Joaquin Basin
- Thermal recovery from heavy oil in shallow reservoirs
- Generations of knowledge and experienced employees
- Safety First Culture



<sup>1</sup> Based on 2019 development pace, and management's expectations  
Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information

# Our Financial Policy



## Prudent Balance Sheet Management

- Target Net Debt to EBITDA of 1.0 – 2.0x or lower through commodity price cycles
- Deleveraging through organic growth and excess free cash flow



## Return Capital to Shareholders via Meaningful Quarterly Dividend

- Intend to return capital to shareholders in meaningful amounts
- Targeting an attractive dividend yield



## Capital Spend

- Fund our base production organically while producing positive Levered Free Cash Flow
- Use other sources of capital for accretive strategic acquisitions that support the long-term leverage profile
- Maintain capital flexibility; we can, and we are committed to cut capex in a downturn

# Planning for Success in California

Aggressive outreach team  
for grasstops/grassroots  
communication strategy

## Grasstops outreach

- Lobbyist in Sacramento
- Well-known holistic energy expert

## Grassroots outreach

- Stratified voter outreach program
- Voter and politician education program in final stages of development

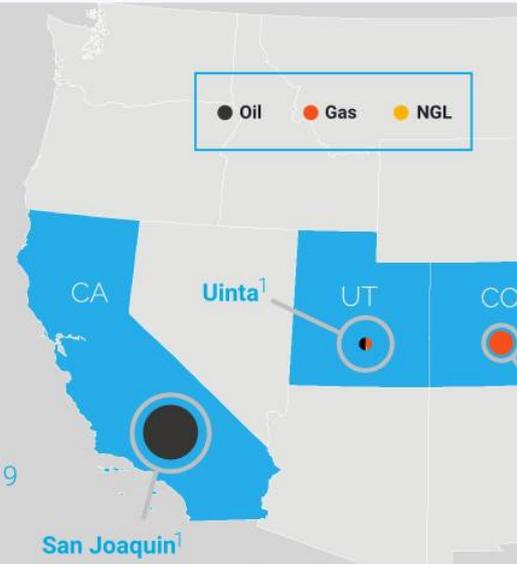
## Engaging in all-energy discourse

- Western States Petroleum Association (WSPA)
- California Foundation on Energy and the Environment (CFEE)
- California Economic Summit/Regions Rise Together initiative
- Independent Petroleum Association of America (IPAA)

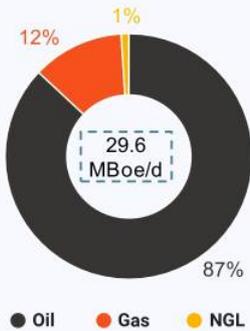
Remediation  
Renewable Energy  
Technology

Proactive  
environmental  
activities

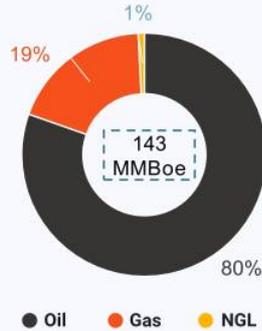
- Conventional properties in California, Utah and Colorado
  - Q3'19E 29,600 boe/d up 7.7% compared to last quarter
  - California Production: 100% Oil
- Proven management team
  - Established track record of leading public companies
- Long production history and operational control
  - Shallow decline curves with highly predictable production profiles
  - Low-risk development opportunities
- Extensive inventory of high-return drilling locations
  - ~20 years<sup>2</sup> of low risk, development opportunities
- High average working interest (98%) and net revenue interest (89%) at Q2 2019
- Largely held-by-production acreage (74%), including 99% of California at Q2 2019
- Brent-influenced oil pricing dynamics in California



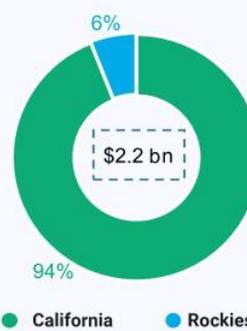
3Q19 Production by Commodity



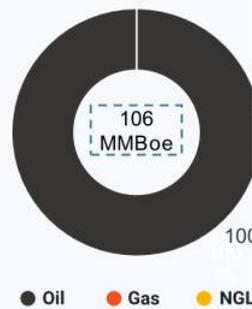
2018 1P Reserves by Commodity



2018 1P PV-10 Value by Area<sup>3</sup>



2018 California 1P Reserves by Commodity



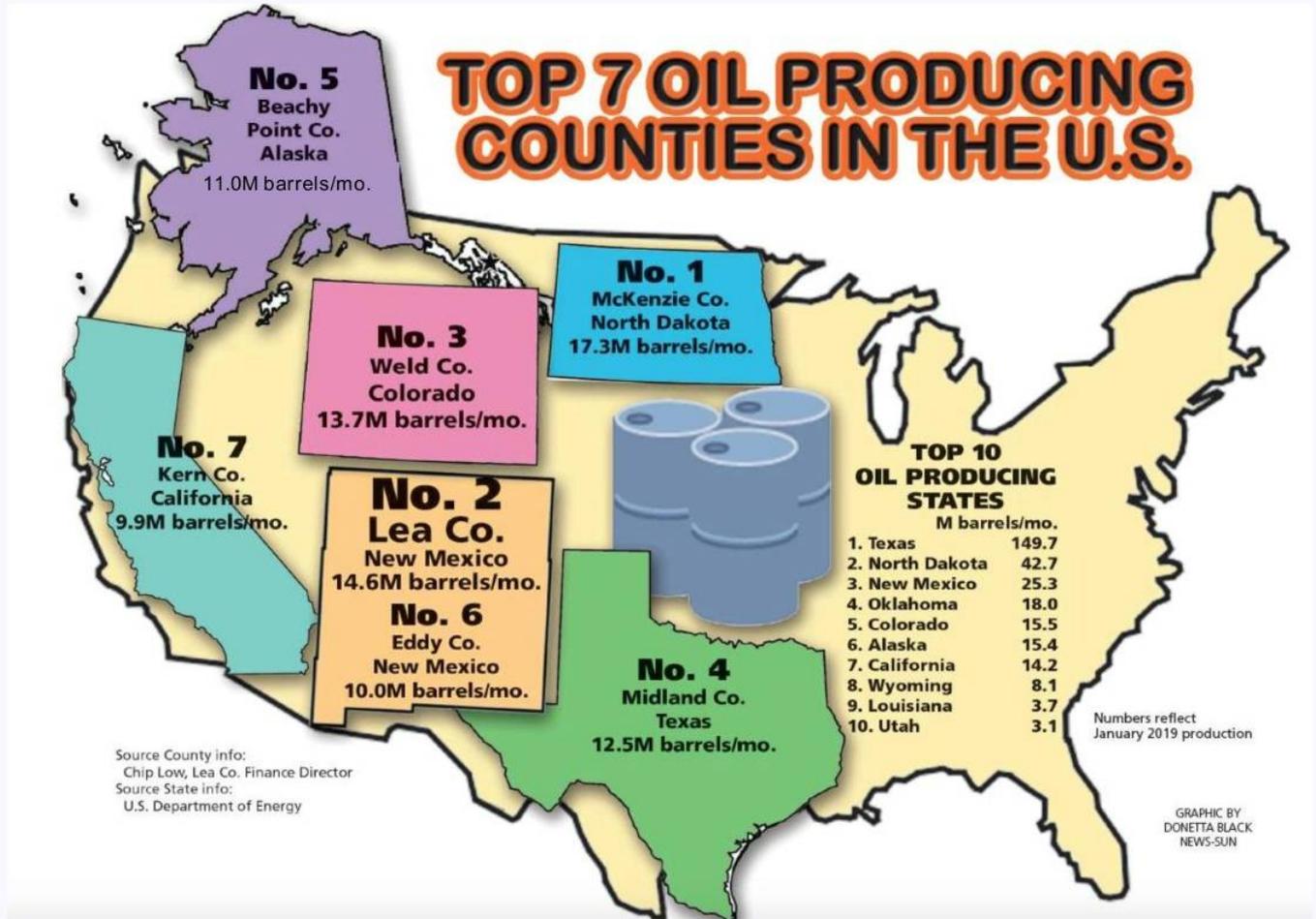
<sup>1</sup> Bubble size implies PV-10 value of reserves. | <sup>2</sup> Based on 2019 development pace, and management's expectations

<sup>3</sup> Based on year end reserves and SEC pricing as of December 31, 2018. See disclosures on page 2 for additional information and assumptions

<sup>2,3</sup> Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information October 2019

# Focused on Our California San Joaquin Basin Assets



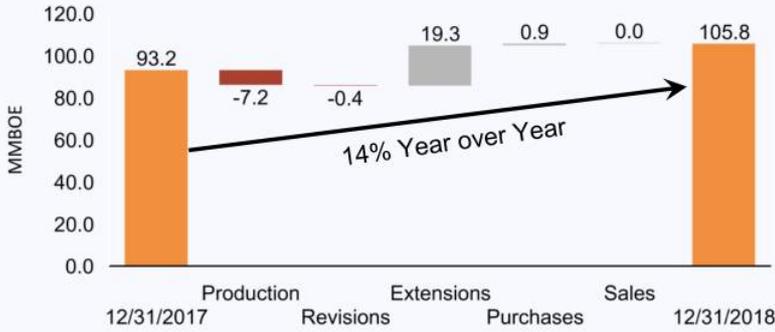




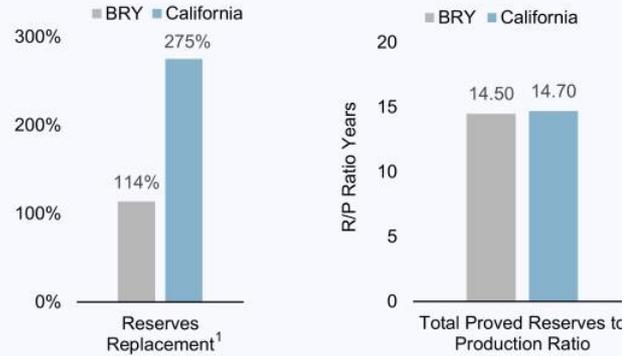
# Proved Reserves

YE 2018 Results – DeGolyer and MacNaughton View of Assets

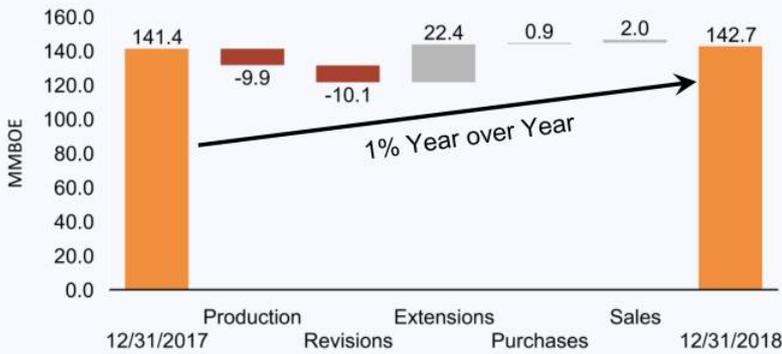
## California Reserve Reconciliation



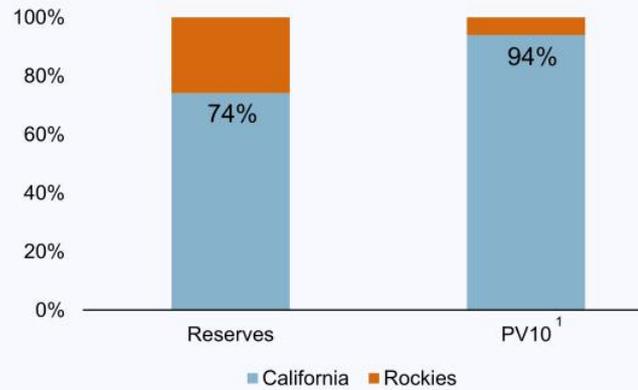
## 2018 Replacement Metrics



## Total Berry Reserve Reconciliation



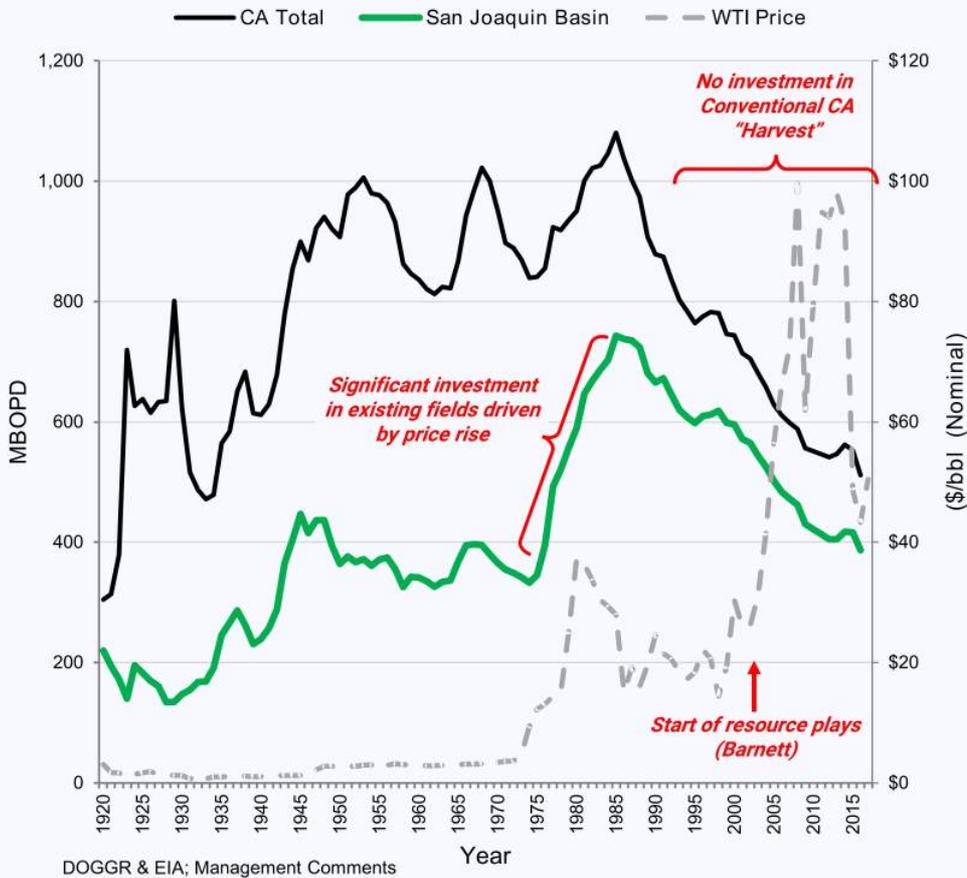
## 2018 Reserves & Value



<sup>1</sup> Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information. Based on year end reserves and SEC pricing as of December 31, 2018. See disclosures on page 2 for additional information and assumptions.

# San Joaquin Basin Production History

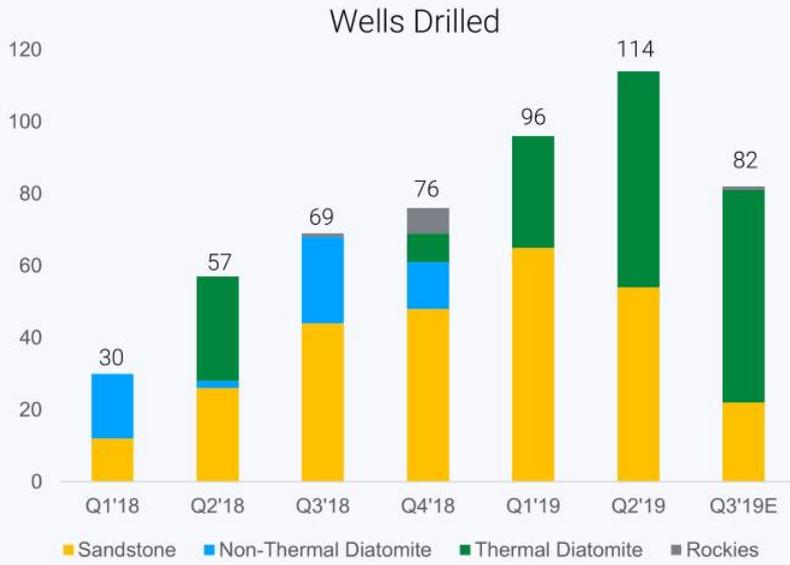
## Field Performance Responds to Investment



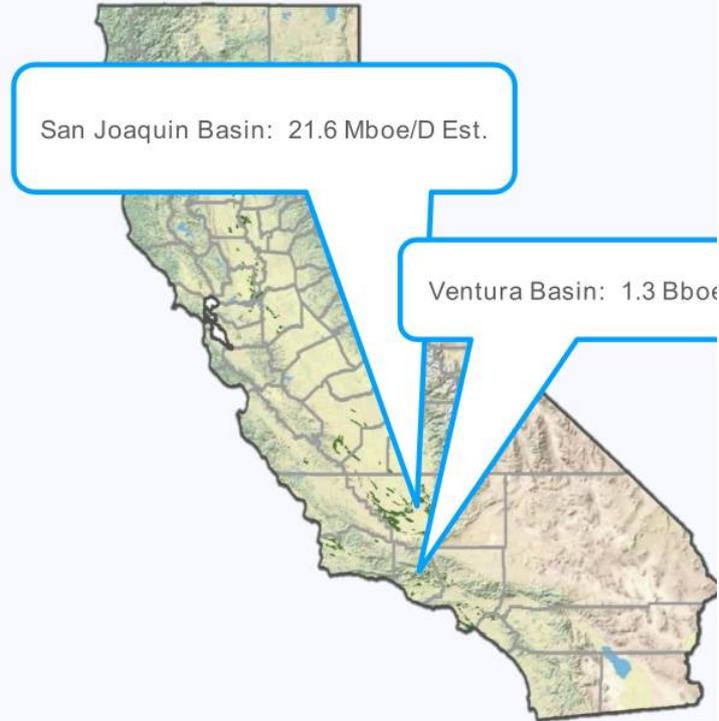
- Production grew two-fold as majors invested in fields during late '70s – early '80s price rise
- Investment bypassed "conventional CA" during the resource play revolution
- Opportunity to apply technology and innovative field practices to CA fields

# Drilling Results & California Production

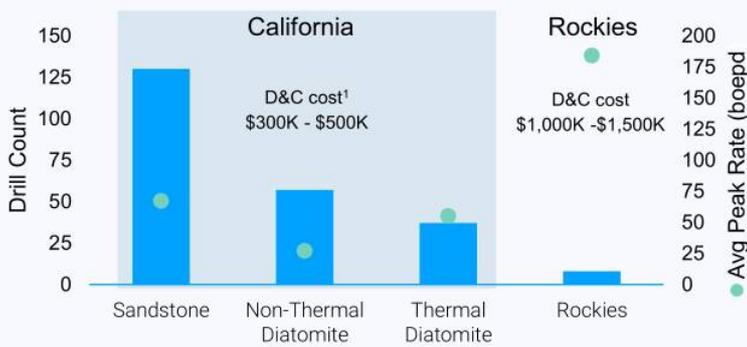
## Low Capital per Well



2019 Q3E California Production



2018 Drilling Results



<sup>1</sup>D&C = Drilling and Completion

# Time to Peak Production

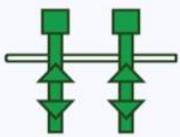
% of 2019 Planned Wells



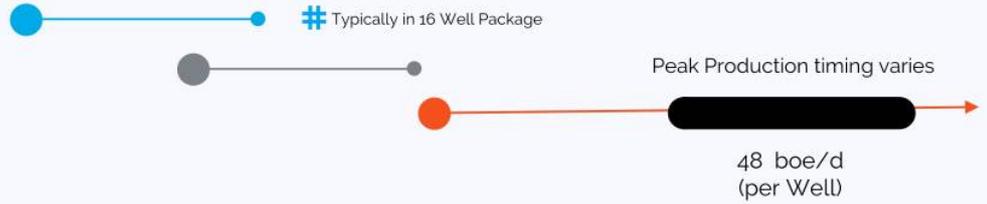
Sandstone Producer



Sandstone Injector



Thermal Diatomite



Non-Thermal Diatomite



Spud

180 Days

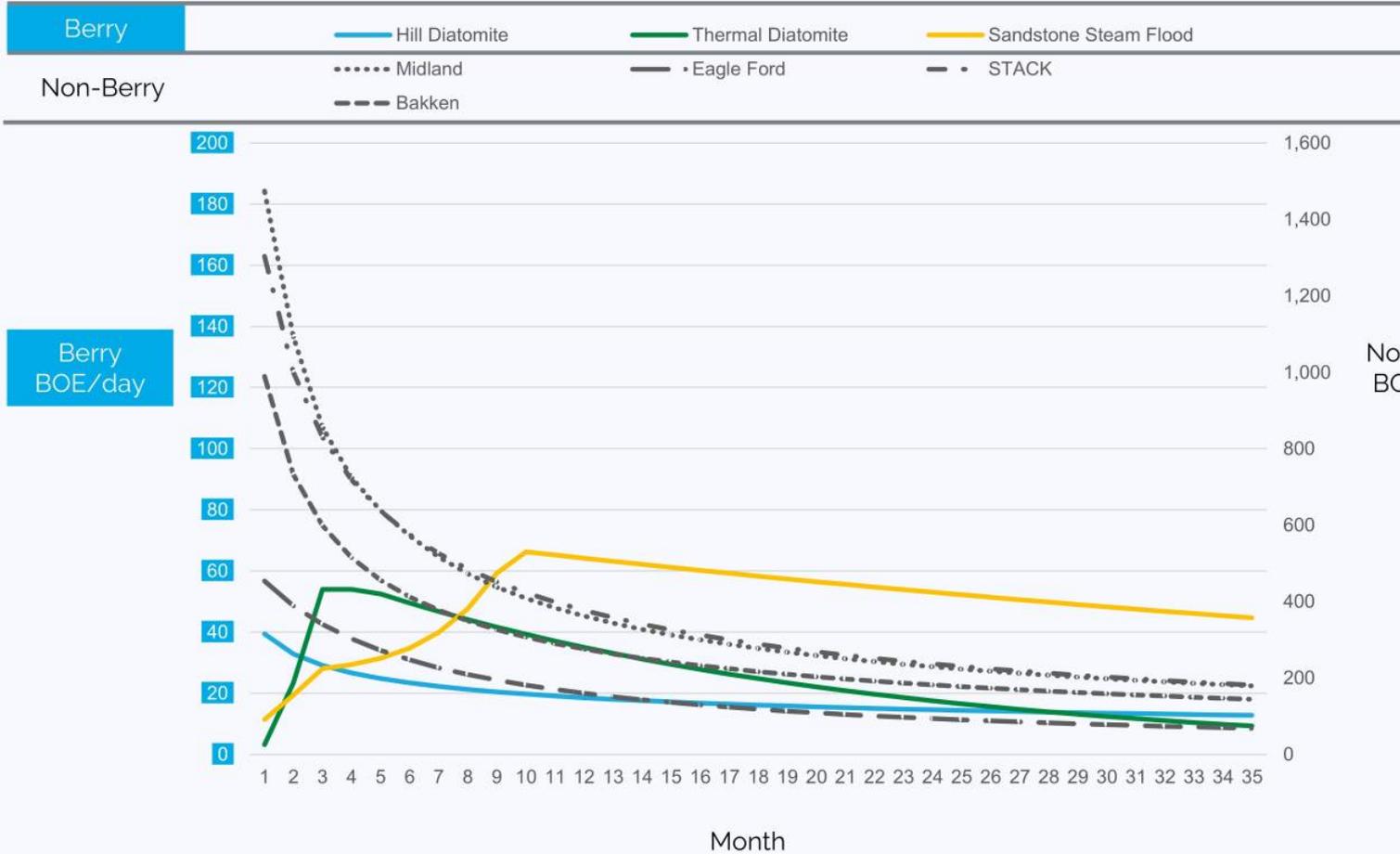
42%  
13%  
40%  
0%<sup>2</sup>

<sup>1</sup> Planned drilling of new wells including 5% for delineation, observation, & service wells

<sup>2</sup> Does not include 38 planned completions through Q3'19



# Type Curve Comparison



Source: Company reserves database, public company presentations  
See disclosures on page 2 for additional information regarding reserve assumptions

October 2019

# The Berry Advantage - Ease of Operations

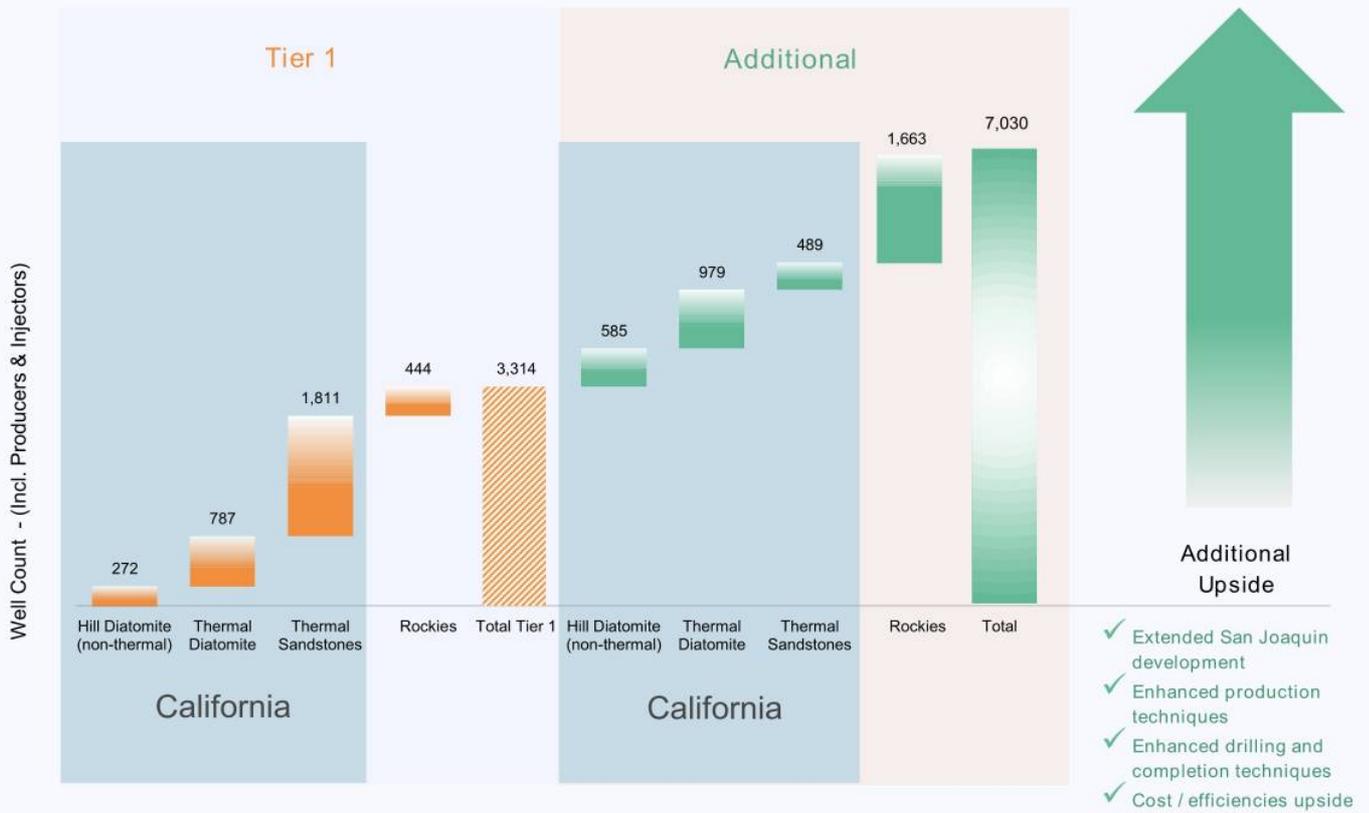


Resource / Shale Companies

Decades of History	<input checked="" type="checkbox"/>	<b>Production History</b>	<input type="checkbox"/> Still Learning
Low	<input checked="" type="checkbox"/>	<b>Production Declines</b>	<input type="checkbox"/> High
Lower	<input type="checkbox"/>	<b>IP Rates</b>	<input checked="" type="checkbox"/> Higher
Low	<input checked="" type="checkbox"/>	<b>Capital and Service Cost Intensity</b>	<input type="checkbox"/> Higher (i.e. "Big fracs")
Stable	<input checked="" type="checkbox"/>	<b>Operating Cost Stability / Predictability</b>	<input type="checkbox"/> Experiencing Inflation
No (CA ~100% oil)	<input checked="" type="checkbox"/>	<b>Potential GOR Issues</b>	<input type="checkbox"/> Yes
No (We service CA demand)	<input checked="" type="checkbox"/>	<b>Takeaway and Service Capacity Constraints</b>	<input type="checkbox"/> Yes
Yes	<input checked="" type="checkbox"/>	<b>Ability to Generate <u>and</u> Return Capital to Shareholders</b>	<input type="checkbox"/> Recurring returns of ca uncommon historically

October 2019

# Significant California Inventory



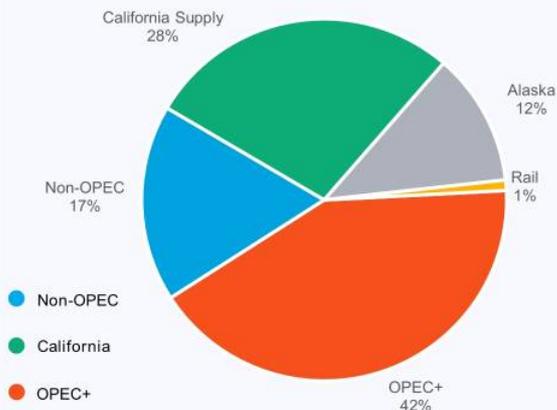
<sup>1</sup> Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information

There are no major crude oil pipelines connecting California to the rest of the US.

California refiners import ~70% of supplies from waterborne sources, including >50% from non-US sources driving prices to track closely to Brent (ICE)

~40% of supply comes from OPEC+

2018 Sources of Feedstock for California



Source: Berry, California Almanac, EIA, DOGGR, Drilling Info, Bloomberg

OPEC & Non-OPEC sources include Argentina, Brunei, Canada, Equatorial Guinea, Ghana, Kazakhstan, Mexico, Peru, Russia, Trinidad and Tobago, UK, Brazil, Saudi Arabia, Ecuador, Colombia, Iraq, Kuwait.

# California's Oil Market is Isolated From Rest of Lower 48 - Advantaged Oil Pricing





# We Have Significant Financial Flexibility Through the Price Cycle

## The Plan at Each Price

>\$60

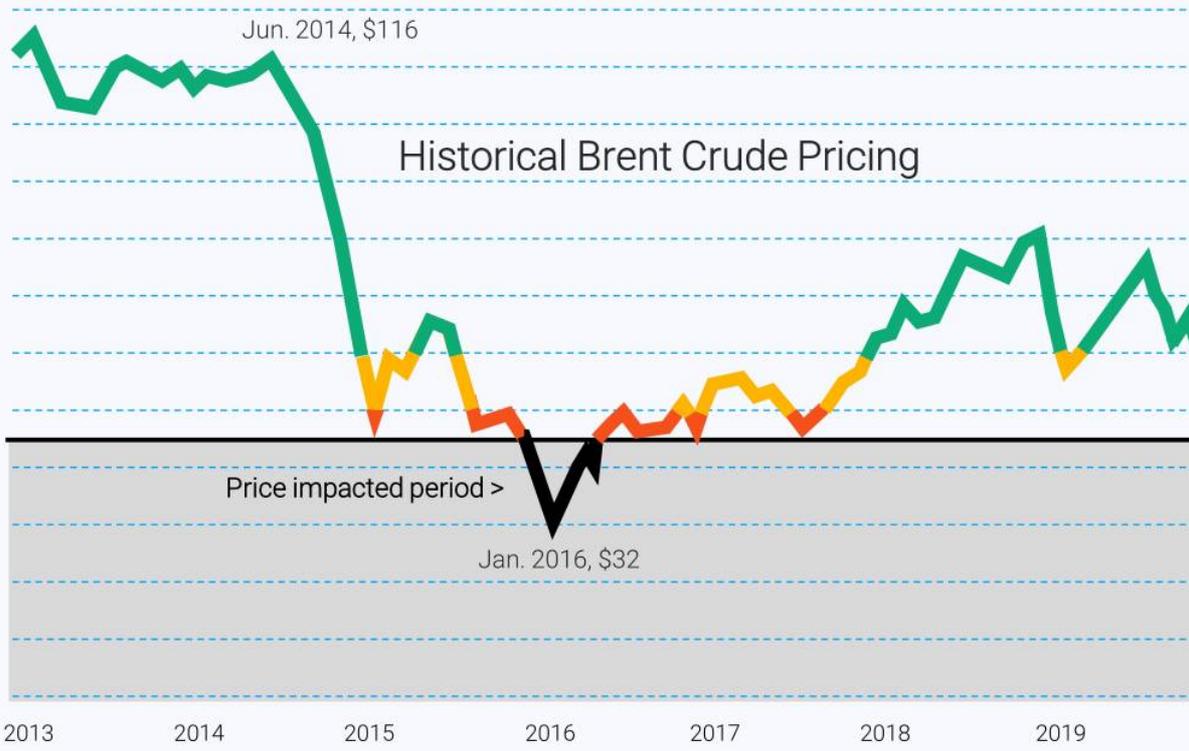
Accelerate development program, pursue accretive acquisitions and bolt-ons, purchase debt in the open market, explore returning capital to shareholders +

>\$50  
<\$60

Fund planned development program +

>\$45  
<\$50

Sustain production, Pay interest, pay current dividend



October 2019



# Strong Oil-Driven Cash Margins are Backed by a Stable Cost Structure

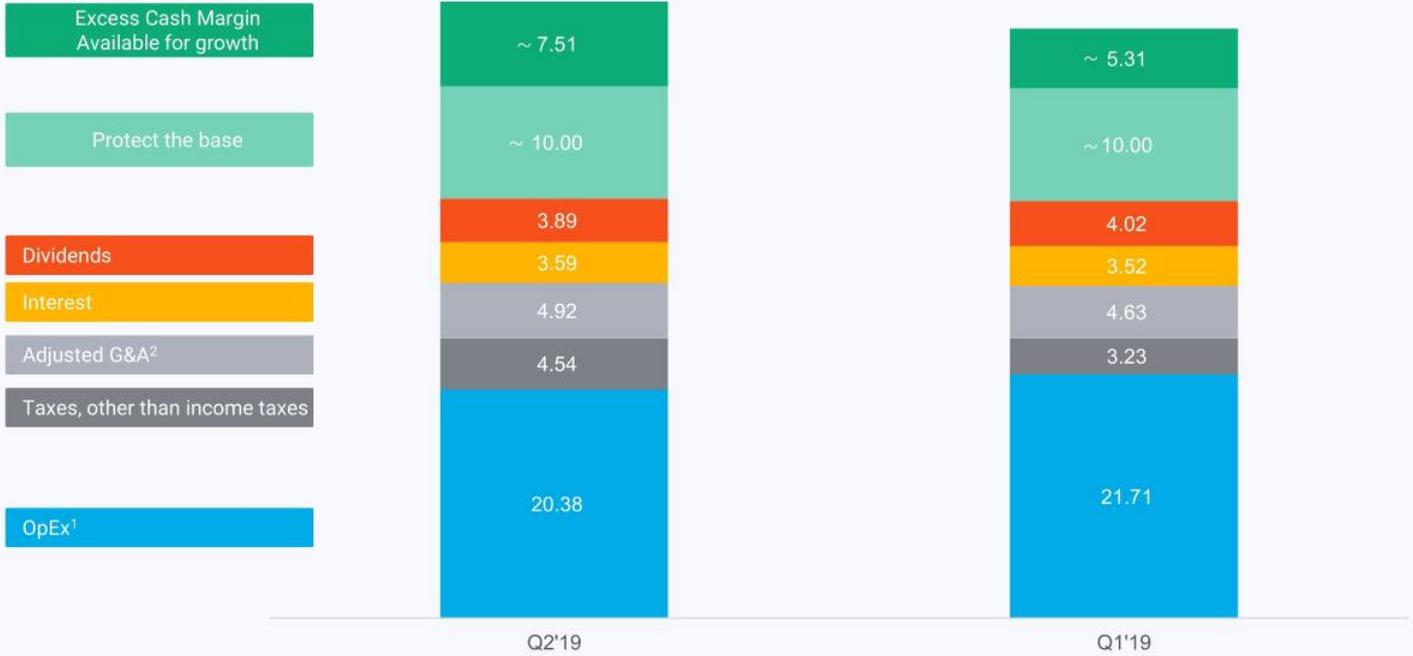
Q2 2019

Q1 2019

All-in Unhedged Realized Price (\$/Boe)

\$54.83

\$52.42



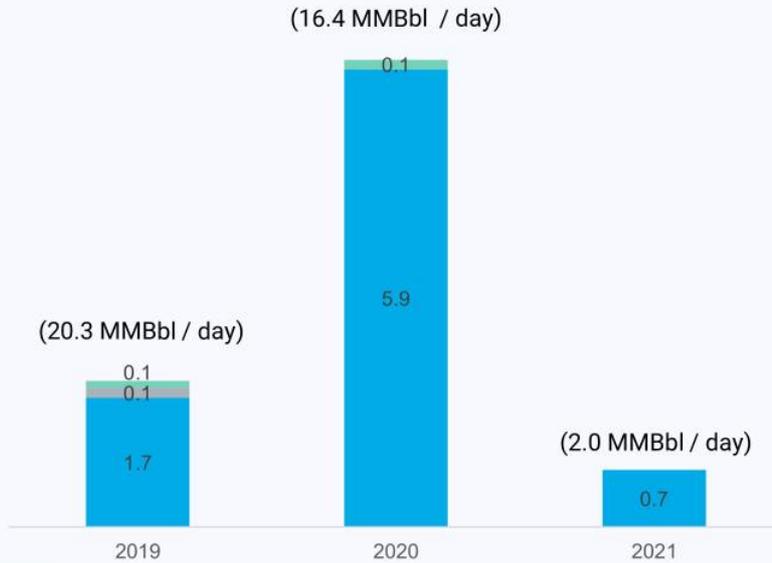
<sup>1</sup> We define operating expenses as lease operating expenses, electricity generation expenses, transportation expenses, and marketing expenses, offset by the third-party revenues generated by electricity transportation and marketing activities, as well as the effect of derivative settlements (received or paid) for gas purchases. Taxes other than income taxes are excluded from operating expenses.

<sup>2</sup> Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information



# Prudent & Proactive Commodity Price Risk Management

Oil hedging volumes in MMBbl (~MMBbl / day)  
as of 9/30/2019



Brent Swaps	\$70.20	\$64.25	\$58.50
Brent Calls	79.49	-	-
WTI Swaps	61.75	61.75	-

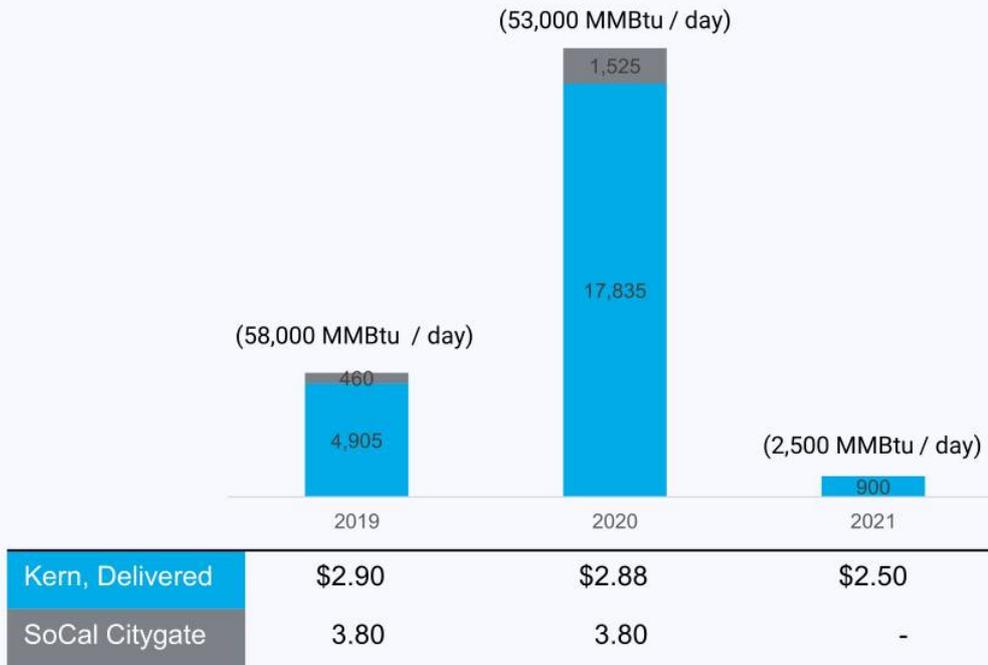
Note: Excludes Basis Swaps

October 2019



# Prudent & Proactive Commodity Price Risk Management

Purchased Gas hedging volumes in MMBtu (~MMBtu/day)  
As of 9/30/2019



# Berry's Value Proposition

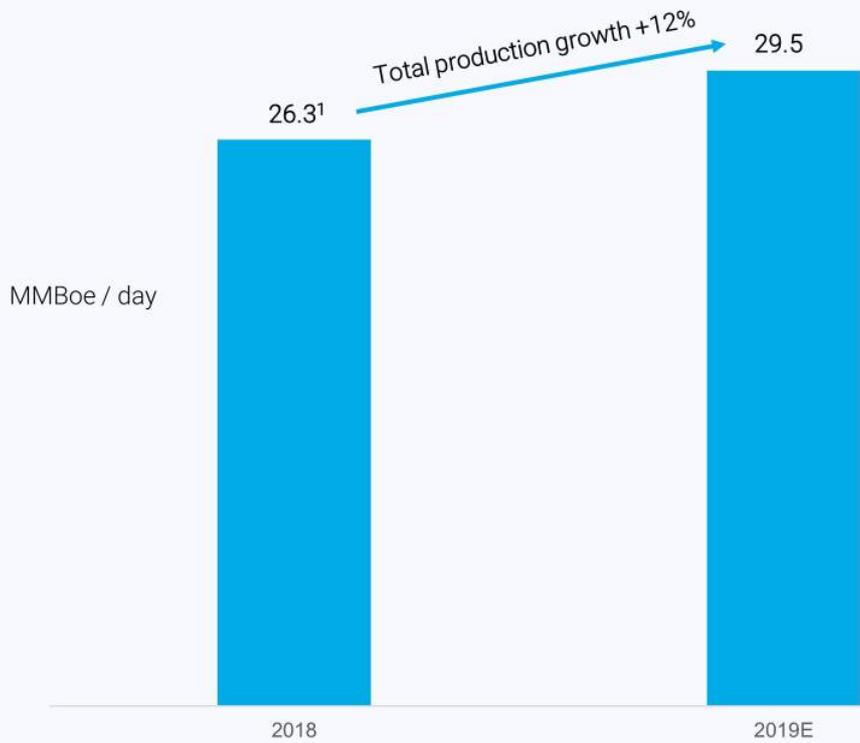
## Tools to Unlock Shareholder Value

Organic Growth	<input checked="" type="checkbox"/>
Strategic Growth	<input type="checkbox"/>
Fixed Dividend	<input checked="" type="checkbox"/>
Share Buybacks	<input checked="" type="checkbox"/>
Debt Repurchases	<input type="checkbox"/>
Other	<input type="checkbox"/>

Tools in use today

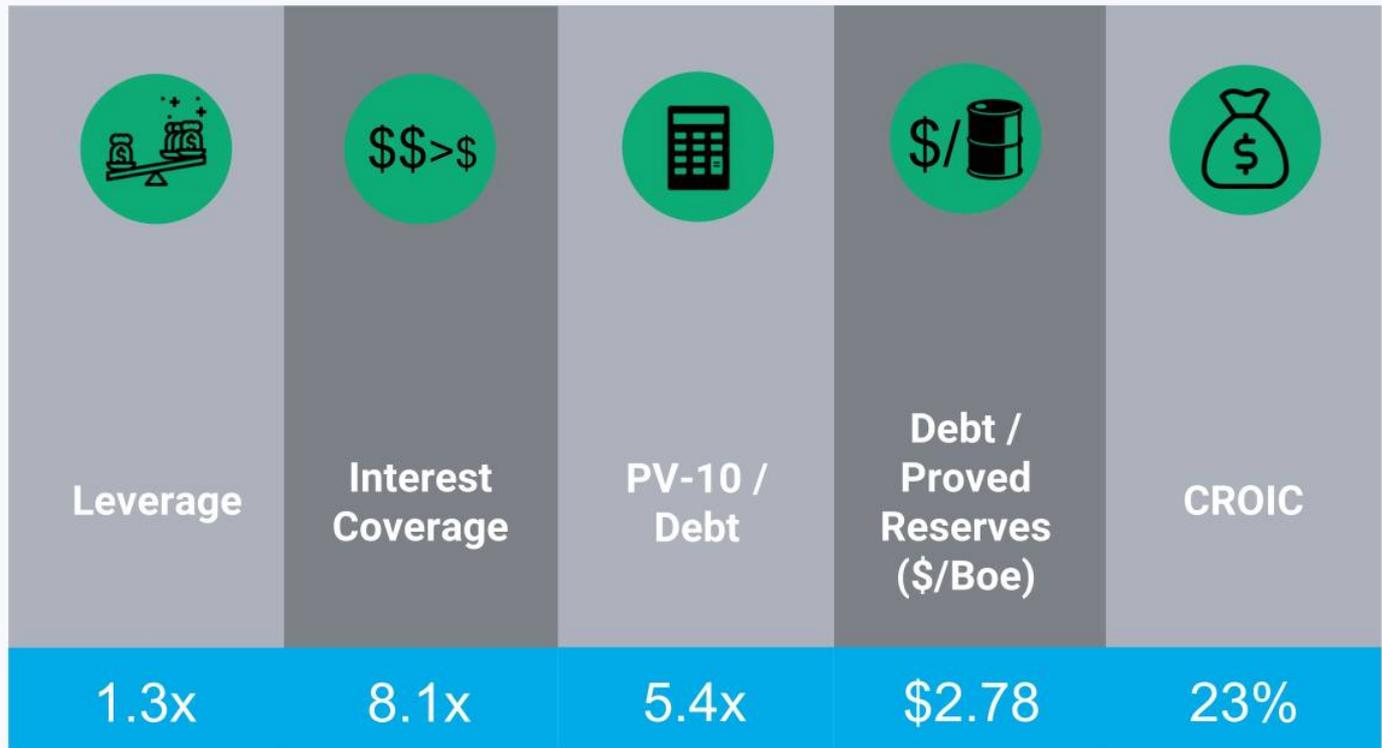


# Growth + Dividend = Total Return



Total estimated annual production growth <sup>2</sup>	12%
plus	+
Current dividend yield <sup>3</sup>	5%
plus	+
Net share buybacks <sup>4</sup>	4%
<hr/>	
Total Return	21%

<sup>1</sup> Excludes East Texas | <sup>2</sup> Based on midpoint of 2019 production guidance  
<sup>3</sup> Current dividend yield as of 10/9/2019 | <sup>4</sup> Buyback dilution of ~3.6mm shares



Leverage: Debt / TTM Adj. EBITDA

Interest coverage = TTM Adj. EBITDA / TTM Interest expense

Proved Reserves and PV-10 estimates are based on SEC'18 prices of \$71.50 Brent & \$3.10 Henry Hub as of 12/31/2018

CROIC: TTM Cash Returned on Invested Capital = (Net cash provided by operating activities before working capital + Interest + non-recurring items) divided by (Average Stockholder's Equity + Average Net Debt)

Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information

# Reconciliation of Non-GAAP Measures

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*For reconciliations of Non-GAAP to GAAP measures and other important information see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap>*

October 2019

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# Appendix

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October 2019

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## Key Company Highlights

Capital Expenditures

\$57mm

\$49mm

Wells Drilled

114

96

100% California development

100% California development

Production Mboe/d

27.4

27.8

86% Oil  
76% California

86% Oil  
76% California

Adjusted EBITDA<sup>1</sup>

\$63mm

\$69mm

<sup>1</sup> Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information



## Q2 2019 Key Area Highlights

Operating Income<sup>1</sup>

**\$48mm**

98% California

**\$1mm**

Daily Production

Mboe/d

**20.8**

100% Oil

**6.**

41%

Capital Expenditures

**\$52**

**\$**

Proved Reserves<sup>2</sup>

Mboe

**106**

74% California

**3**

PV-10<sup>2,3</sup>

**\$2,027mm**

94% California

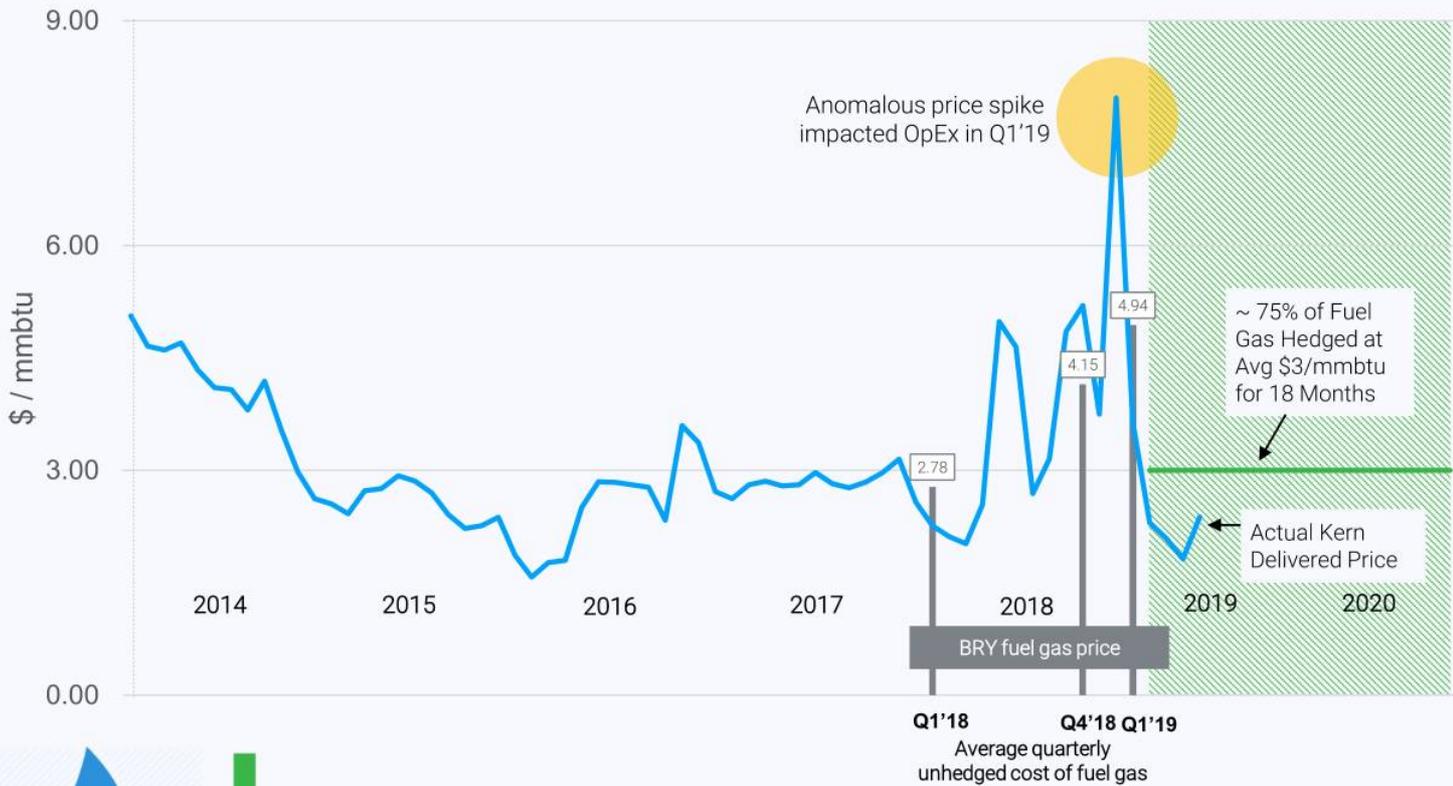
**\$125mm**

<sup>1</sup> Operating income includes oil, natural gas, and NGL sales, offset by operating expenses, general and administrative expenses, DD&A, and taxes other than income taxes

<sup>2</sup> Proved Reserves and PV-10 as of 12/31/2018

<sup>3</sup> Please see <https://ir.berrypetroleum.com/non-gaap-reconciliations-to-gaap> for non-GAAP reconciliations to GAAP measures and additional important information

# Kern Delivered Gas Monthly Average Price



## Future gas price spikes are managed

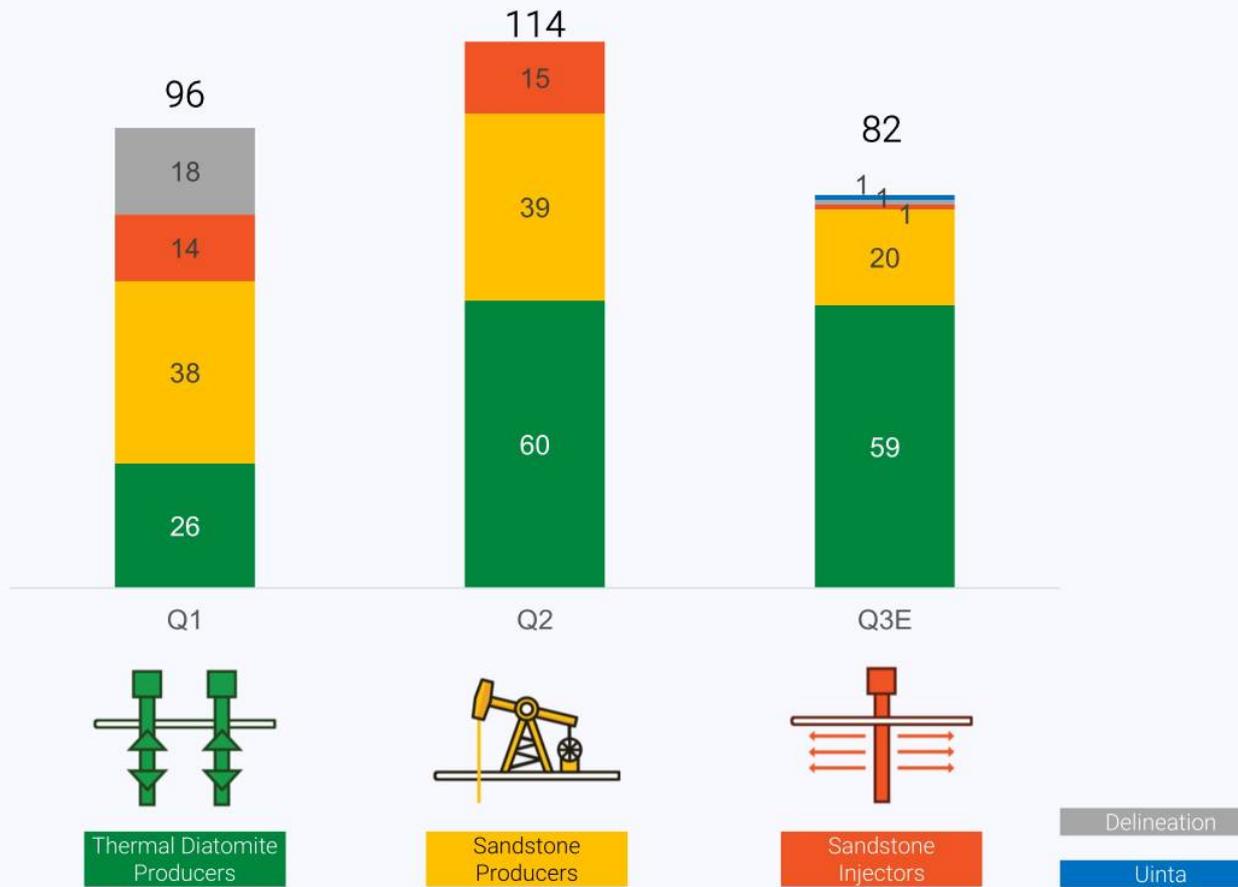
Purchased fuel contracts  
 $\frac{3}{4}$  of fuel needs through October 2020  
 ~\$3.00/mmbtu

Source: Platts

October 2019

# 2019 Drilling Results

## by Well Type





bry.com

**BRY**  
Nasdaq Listed

