

Management Participants:

- David Rottino – President and Chief Executive Officer of Riviera Resources
- Dan Furbee – Executive Vice President and Chief Operating Officer of Riviera Resources
- Jim Frew – Executive Vice President and Chief Financial Officer of Riviera Resources
- Greg Harper – President and Chief Executive Officer of Blue Mountain Midstream

MANAGEMENT DISCUSSION**Laura McDonald:**

Good morning and welcome to Riviera Resources' investor conference call. Today's call is being recorded. At this time, I will turn the call over to Paula Melancon, Riviera Resources' Director of Investor Relations and Strategic Planning, for opening remarks. Paula, please go ahead.

Paula Melancon:

Thank you for joining our investor conference call to discuss the financial and strategic outlook of Riviera Resources. In a moment, I will introduce David Rottino, Riviera's President and Chief Executive Officer but first I need to provide you with disclosure regarding forward-looking statements that will be made during this call. The statements describing our beliefs, goals, plans, strategies, expectations, projections, forecasts, and assumptions are forward-looking statements. Please note that the Company's actual results may differ from those anticipated by such forward-looking statements for a variety of reasons, many of which are beyond our control. Additional information concerning certain risk factors relating to our business, prospects, and results are available in the Company's filings with the Securities and Exchange Commission, including the Company's S-1 and any other public filings and press releases.

Additionally, to the extent we discuss non-GAAP measures such as adjusted EBITDAX during the call; please see our supplemental materials released for the calculation of these measures and the GAAP reconciliations.

Additional information can be found on Riviera Resources' website at www.RivieraResourcesInc.com in the Investor section. I will now turn the call over to David Rottino, President and CEO of Riviera Resources.

David Rottino

Introduction

Thanks Paula, and good morning. Joining us today are Dan Furbee, Riviera's Executive Vice President and COO, Jim Frew, Riviera's Executive Vice President and CFO, and Greg Harper, President and CEO of Blue Mountain Midstream. On our call today, I will provide a strategic overview of Riviera and then turn the call over to my colleagues to discuss our upstream assets, Blue Mountain Midstream and our current guidance for 2018.

Strategic

This is truly an exciting new beginning for Riviera Resources. Our team has been extremely busy aligning the organization to realize the tremendous potential of our strong asset base. We believe Riviera is well-positioned with a combination of mature, low-decline assets generating significant free cash flow in addition to tremendous growth assets including positions in the Northwest STACK, Arkoma basin, East Texas, and North Louisiana and of course the 100% ownership interest in the fast growing Blue Mountain midstream business. The Company currently has undrawn revolvers for both Riviera Upstream and Blue Mountain Midstream. This undrawn capacity plus cash on the balance sheet will allow us the opportunity to both develop these tremendous growth assets while continuing to return capital to shareholders. Simply put, our team is extremely optimistic about the future prospects for our business. Before sharing the reasons for our optimism, I'd like to briefly cover some of the team's recent accomplishments positioning the company for what we believe will be a very bright future.

It is impressive to look back over the past year and a half and see the tangible progress we have made toward increasing value for our shareholders. First, we completed our previously described Spin Transaction, creating Riviera Resources, in an attempt to unlock shareholder value. Prior to that, we sold almost \$2 billion of assets, in over 20 separate transactions, at a significant premium to proved developed PV-10. This allowed us tremendous financial flexibility to pay off all our debt, return almost \$800 million of capital to our shareholders and build a significant cash balance. We believe we have differentiated our story by being relentlessly focused on shareholder returns. Going forward, nothing has changed, we are fully committed to continuing this strategy of capital discipline, returning capital to shareholders, and efficiently managing our assets. We continue to evaluate all strategic opportunities that increase shareholder value, which may include the sale of additional assets. Due to our strong balance sheet and because we believe Riviera is trading at a discount to its Net Asset Value, yesterday the Board authorized a \$100 million share repurchase program at RVRA.

On the upstream side, we have augmented the already capable workforce with new talent and simplified the organizational structure to be an extremely low cost operator and improve the speed of decision making. Our upstream technical team continues to analyze our assets and we are now planning to run an operated rig in our Northwest STACK position starting in the fourth quarter.

Blue Mountain Midstream has hired an extremely seasoned midstream management team, established its own capital structure highlighted by a recently completed stand-alone credit facility, and made great progress expanding its operational, technical, and commercial capabilities. In June Blue Mountain brought a state-of-the-art cryogenic processing facility on-line with 250 million cubic feet per day of designed processing capacity to service the rapidly expanding Merge, SCOOP, and STACK basins. In addition, due to strong drilling results and growing throughput, the board has authorized Blue Mountain to begin the design and engineering process for a second cryogenic plant. Targeting a second half of

2019 start up, the new plant would bring total processing capacity up to 500 million a day to meet the growing demand in this prolific basin.

Though we are proud of what we have achieved, we are even more excited about our prospects moving forward given the strength of our unique asset base. As we highlight on slide 7 of the investor presentation posted to our website last night, Riviera has three areas investors should consider when trying to understand our value proposition. First, our Upstream business includes long-life mature assets in well-established basins, including Hugoton, Michigan and the Uinta basins, balanced with high-growth opportunities in the Northwest STACK play, the Arkoma basin, East Texas and Northern Louisiana. The proved developed PV-10 of these assets as of August 1st is \$963 million using \$2.85 gas prices and \$65 crude prices. Furthermore, at those prices, we have identified over 900 net future drilling locations that will generate a rate of return greater than 40%. The second area for consideration is the Blue Mountain Midstream business. You will hear more about Blue Mountain from Greg, but I wanted to point out that Blue Mountain currently has a strong footprint in the heart of the Merge, SCOOP, and STACK plays in central Oklahoma in addition to great prospects for future growth. Blue Mountain has the ability and is planning to extend its existing footprint, and will pursue additional business lines such as crude gathering and water disposal leveraging long standing producer relationships. Thirdly, investors should not overlook the strength of Riviera's balance sheet. We currently have no debt and we project \$85 to \$100 million of cash at Riviera at the end of the third quarter. Furthermore, we remain committed to finding ways to return capital to shareholders.

With respect to Riviera Upstream, I'd like to spend a little time discussing our current asset portfolio. Across the lower 48, we have strong positions in 7 different basins. Riviera has over 1.7 million net acres and has proved reserves of over 1.6 Tcfe. In the second quarter, Riviera's assets produced 312 mmcfe/d. Our portfolio has a 14-year PDP reserves to production life index and a composite base decline of 11%, including our growth assets. Though Riviera's current production is gas

and NGL weighted, the company has significant inventory of attractive drilling prospects that provide more oil exposure.

Though we won't cover every slide in our presentation, I did want to draw your attention to slides 11 through 13. Riviera has benchmarked our upstream operations against other gas-weighted public upstream companies of a similar size. Because these slides provide detailed information, I would encourage you to spend some time understanding the footnotes provided. That said, a few things really stand out. First, as highlighted on slide 11, Riviera's proved developed assets have by far the highest reserve to production ratio in our peer group. Our long-life, low-decline mature assets provide a predictable stream of cash flow with less re-investment risk to keep production flat versus our peers. On slide 12, we show that the discounted value of Riviera's proved developed producing reserves versus current year EBITDA is almost double the average of our peer group. Simply put, ascribing a rule-of-thumb EBITDA multiple to our upstream business to generate a Net Asset Value does not work. In fact, we believe the EBITDA multiple applied to Riviera's net asset value should be a premium to our peer set. Finally, on slide 13, we show the ratio of Enterprise Value to the discounted PDP reserve value for our peers. All of our peers are valued at a premium to their PDP reserve value and the average of the group is 1.7 times their PDP value. In addition, our divestiture programs in 2017 and 2018 generated sale proceeds at 1.5 times our PDP value. Given Riviera's low-decline PDP reserves, its attractive drilling inventory, and strong balance sheet to pursue that inventory, we believe investors should value the upstream business in-line with our peers, or at a minimum, consistent with the value received for assets sold in the public markets.

Now that I've covered the value proposition associated with the upstream business, I want to spend some time on the Blue Mountain Midstream business. On slides 15 and 16, we provide an overview of Blue Mountain Midstream. Blue Mountain is a growth-oriented midstream company in the heart of the Merge, SCOOP, and STACK plays in Central Oklahoma. We recently brought on-line a state of the art cryogenic processing facility with current throughput of

approximately 150 million cubic feet per day. Given the rapidly increasing volumes dedicated to the plant, the Board has recently sanctioned the engineering and design for a second plant targeting an in-service date in the second half of 2019. Once in service, Blue Mountain will have up to 500 million cubic feet per day of processing capacity. In addition, Greg's team is committed to taking advantage of the numerous opportunities to grow the business, which includes expanding the existing infrastructure, pursuing additional business lines including crude gathering and water handling, and leveraging upstream relationships with Riviera and other producers to establish positions in new basins. Already, Blue Mountain is helping our upstream team find possible solutions for our Northwest STACK position. What I would like to leave investors with is Blue Mountain is more than a single midstream asset with EBITDA potential between \$100 and \$125 million. Rather, Blue Mountain Midstream is a large, profitable business with exciting growth prospects.

With that background on Riviera Resources and its value proposition to investors, I will first hand the call over to Dan to discuss the Upstream operations in more detail, I will then have Greg cover Blue Mountain and finally I will have Jim take you through 2018 guidance. After they are done, we will open it up for questions. Now I will hand it off to Dan.

Dan Furbee

Thanks Dave. I'm excited to have the opportunity to provide a more detailed analysis of Riviera's upstream assets. As Dave mentioned, and highlighted on slide 20, Riviera's upstream business has significant long-life, low-decline PDP assets coupled with large acreage positions in basins with attractive drilling inventory. I will briefly cover each area and point out some of the key attributes associated with each asset.

On slides 22 through 25, we start with our operations in the Northwest STACK. Located in north central Oklahoma, Riviera has over 60,000 net acres in what we have identified as our core Northwest STACK position. Our core position includes northern Blaine, Major, Garfield and portions of Woodward and Dewey counties.

This acreage is almost exclusively held-by-production with legacy vertical wells. We have participated in 59 non-operated horizontal wells to date and we plan to initiate an operated drilling program in the fourth quarter of this year. Activity within our core Northwest STACK position continues to increase with approximately 25 drilling rigs currently operating within this area. We are very excited about our position in this play due to the quality reservoir characteristics of both the Meramec and Osage formations and the excellent recent results seen from several offset operators. Couple this with well costs that are significantly lower than the STACK play south of our position, oil cuts greater than 50%, and relatively low initial decline rates and we end up with a very large inventory of highly economic drilling opportunities. We have committed capital to acquire 3D seismic across our core area to further our understanding of the area's geology and aid in very precise well targeting in our operated drilling program. Though early in this play's life cycle, we believe this asset has great upside, providing significant future growth opportunities to Riviera.

In the Arkoma basin in Oklahoma, covered in slides 26 through 28, Riviera has more than 37,000 net acres which is 100% held-by-production. Focused in Hughes, Coal, and Pittsburgh counties, this asset currently produces approximately 25 million cubic feet per day. The asset was developed with approximately 420 horizontal Woodford wells primarily drilled between 2006 and 2011. During this period operators utilized very small completions averaging less than 500 pounds of proppant per foot. Also, they used wider stage spacing and smaller fluid volumes than we see in the area today. Over the past few years, several operators, including BP, Newfield, Trinity, Bravo, Corterra, and Canyon Creek have been very active in the basin utilizing more modern frac designs and longer laterals to produce very attractive drilling returns. Currently, we have approximately 90 net drilling locations identified in the Woodford formation that we believe will generate an average rate-of-return of greater than 30% at current gas prices. Also of note, operators are now shifting resources to understand the stacked pay in the Mayes and Caney formations. Up-hole of the Woodford shale,

recent tests suggest the Mayes and Caney formations could provide significant upside in the basin.

On pages 29 through 32 is the third growth-oriented area in Riviera's portfolio, which is approximately 110,000 net acres located in East Texas. The East Texas asset produces approximately 51 million cubic feet per day from mostly vertical wells targeting the Bossier and Cotton Valley formations. Riviera's position includes over 47,000 net acres in the Personville field and 27,000 net acres in the Overton field. Within the Personville field, Riviera's technical team has utilized recently acquired 3D seismic to map an incised valley fill sandstone within the Bossier formation that exhibits excellent reservoir qualities. LINN Energy drilled a Bossier horizontal well utilizing this mapping in 2017 yielding good results with a projected EUR of approximately 1.5 BCFE per 1000 feet. This positive result was achieved despite only approximately 75% of the horizontal landed in zone and a relatively small completion design. We are excited about the remaining development opportunities in the Personville field where we have identified an additional 27 net Bossier locations based on our mapping and 3D seismic interpretation. Personville also has additional horizontal development upside in the deeper Cotton Valley Lime formation. The Overton field is also believed to have significant development upside as operators are drilling successful horizontal Cotton Valley Taylor Sand wells directly offset and within our acreage position. Riviera has identified approximately 45 net locations within the Overton field similar to the positive offset development.

The final growth asset we would like to cover is our Ruston field in Northern Louisiana. Highlighted on pages 33 through 35 in our presentation, the Ruston field is a direct offset to the prolific Terryville field. LINN Energy drilled four recent horizontal wells off the downthrown side of the Terryville fault. Three of the wells were targeting the Middle Poole Sand and resulted in an average IRR of greater than 100%. The fourth well tested the Lower Poole Sand with positive economic results. Riviera has approximately 15 additional Middle and Lower Poole Sand development locations on the downthrown side of the Terryville fault.

I hope that I have given you a sense of the growth opportunities we have here at Riviera. As I previously stated, we will be initiating an operated drilling program in the Northwest STACK in the fourth quarter of this year and we are currently assessing the potential for additional drilling in our other basins. Given our strong balance sheet and largely HBP position, we have the luxury of being extremely methodical and capital disciplined in our development approach.

Now that I've covered our growth assets, I'd like to spend some time discussing our mature assets highlighted on pages 37 through 40 in our investor presentation. The Hugoton field, centered in southwest Kansas, produces approximately 135 million cubic feet per day and declines at a 6% annual rate. Though the inventory does not compete for capital in today's price environment, Riviera has over 3,400 low-risk drilling locations in the Hugoton basin that start becoming economic at varying prices above \$3.00 per mmbtu for natural gas. With production primarily of natural gas and NGLs, the field also produces significant quantities of helium. Both the NGLs and helium are extracted at the Jayhawk plant, a cryogenic processing facility with over 450 million cubic feet per day of throughput capacity. The plant is operated by Riviera and includes gas processing for other producers in the basin. In 2018, Riviera estimates the plant will generate between 7 and 10 million dollars of EBITDA from third party throughput.

To round out our discussion on Riviera's mature upstream assets, I need to mention our operated positions in Michigan and Illinois where we produce approximately 27 million cubic feet per day with a base decline of only 4%. These assets provide a very steady and dependable cash flow to the company. Finally, in the Uinta basin, Riviera has a non-operated position in the Drunkard's Wash field featuring low-decline production of approximately 21 million cubic feet per day.

Obviously, Riviera has a unique set of assets. We have a strong inventory of identified drilling locations that generate attractive rates of return. Furthermore, recent activity in these areas suggest valuable upside if early results continue to persist. In our mature assets, we are focused on reducing costs and shallowing

the base decline. These assets produce strong cash flows and have low-risk inventory to be exploited at higher commodity prices.

With that, I will hand it off to Greg for him to discuss all the exciting things happening at Blue Mountain Midstream.

Greg Harper

Thanks Dan, and as you mentioned, it is an exciting time for Blue Mountain Midstream as our first state-of-the-art Cryo Plant is now in-service and is currently processing approximately 150 million cubic feet per day of natural gas and 9,800 barrels of NGLs from 69 wells tied into the system.

The Blue Mountain system is unique in its scale and ability to provide our producer-customers, developing the prolific Merge/SCOOP/STACK plays, access to both highly-efficient processing, and key natural gas and NGL markets.

In addition to our assets being in the core of the rapidly growing Merge play, we have several key value differentiators, including a financially strong and focused major customer with Roan Resources who is one of the most active in the entire basin. Also, we have an extremely experienced management team in place, with a proven track record of building, growing, and monetizing midstream assets in various markets.

As you can see on slide 42, although our historical timeline is brief, it is formidable from a building block perspective. We have achieved significant milestones, including increasing our acreage dedications and processing capacity, providing Blue Mountain with a strong financial position with assets uniquely positioned in one of the most prolific and fastest growing U.S. basins.

Slide 43 provides an overview of our Blue Mountain system, which has been designed for speed and efficient deployment of capital. To realize our forecast, at full capacity, annual run rate EBITDA of \$100 million to \$125 million mid next year, we will have deployed between \$275 million and \$300 million in capital depending on our decision to replace leased field compression with permanent units, all of

which resulting in an impressive EBITDA multiple range of 2.2 times to 3.0 times. But we won't be stopping there.

Our customers' dedicated acreage positions and their planned drilling programs along with our pursuit of other business lines, will allow us the opportunity to continue a concentrated deployment of capital to capture their production and efficiently step out around our already sizable footprint while delivering line of site EBITDA growth over the foreseeable future.

And now looking at our Blue Mountain team. Throughout my career, I have had the privilege to work with some of the best commercial, operations, and financial talent and leaders in the business. I am extremely pleased to have a few of these individuals on my executive leadership team here at Blue Mountain. I am even more pleased as I look within their teams and see the high potential and diverse talent they have assembled. We are truly building a company that can and will deliver exceptional results.

Turning to slide 45, our mission is quite simple, with several key interrelated priorities. First is establishing our operational credibility, which our Chief Operating Officer Chris Ditzel and his team are delivering upon. Along with adding additional acreage and volume commitments to our system, we must ensure those molecules have access to the best netback markets, which in turn generates more supply attraction to our system further supporting our decision to proceed with a second Cryo Plant.

We are actively looking to diversify our services and product lines and our reach into new basins through scalable growth platforms, such as crude gathering and water systems, as well as along with our Riviera Upstream team as they develop their Northwest STACK position. Finally, we are building an organization structure and systems to manage Blue Mountain on a stand-alone basis.

Slide 46 provides you with some details on our assets. We have 110 miles of low and high-pressure gathering pipelines, in addition to our new cryogenic processing facility, the key catalyst for the expansion of our midstream business. Some other key attributes to this system footprint in addition to the concentrated acreage position are that the terrain is moderate and we are working in an energy producing friendly state with a sizable pool of qualified field talent.

A significant system feature is our three downstream natural gas interconnects. We have a total physical delivery capability of 400 million cubic feet per day, with 150 million cubic feet per day into each Enable and Southern Star, and 100 million cubic feet per day into ONEOK.

More specifics on our new plant can be found on slide 47. Our Engineering and Operating leadership along with the plant manager, process engineer and operators, working in concert with our contractor and 20+ subcontractors, commissioned our first Cryo Plant and placed it into gas service at the end of the second quarter this year. A commendable effort with an impressive safety record as well.

The initial capacity of the plant is 150 million cubic feet per day, which is a factor of the available 62,000 horsepower of compression. Based on Roan Resource's projections, we are accelerating the installation of the remaining 25,000 horsepower over the next several months, at which time the plant will be able to accommodate the design capacity of 250 million cubic feet per day. We estimate plant throughput at the end of this year of 170 million to 200 million cubic feet per day and expect to reach full capacity in mid-2019.

We have secured downstream market for all NGL volumes to be processed at Cryo 1 and are finalizing an agreement to cover Cryo 2 volumes I'll discuss in a second. Also, our large 80-acre site can easily accommodate multiple plant expansions.

On that note, I am pleased to announce that just this month our Board made the decision to proceed with the design and engineering of a second Cryo Plant, potentially adding up to an additional 250 million cubic feet per day, with an

estimated in-service date no later than the second half of 2019. With up to half a Bcf per day of processing capacity, we will be able to keep pace with the anticipated increase in production demands from Roan and our other producer-customers in the basin.

As I mentioned before our system is anchored by significant producer dedications. Roan Resources is very active in and around our asset footprint, and I'd point you to the LINN Energy website to view the Roan Resources investor presentation from July 31st. Tony Maranto and his team have an excellent operating history, and we look forward to exceeding their expectations regarding our capabilities and services.

Moving to our Financial Overview on slide 50. I look at 2018 as a startup year for our new company, and I'm encouraged with the progress to date with regard to the expansion of our operations and the subsequent line of sight to our earnings ramp. As our volumes ramp up, we continue to secure downstream markets, and work through the stand-alone carve out efforts to ensure we have the appropriate systems and cost structure to support our midstream business.

And of course, with any start up there is the heavy capital deployment in the first years, however as I said before, our deployment has been very efficient relative to the eventual \$100 to \$125 million annualized EBITDA to be thrown off from a full capacity initial Cryo 1 plant and related gathering.

The ramp up to that level of annualized EBITDA is not just a function of extrapolating our fourth quarter projections where we are forecasting to process on average 170 to 200 million cubic feet per day up to the full 250 million cubic feet of processing. This is because the fourth quarter will be bearing full operating staff and related cost, and there will be fluctuations of outright NGL pricing and related differentials. With that being said, our plans for the second cryo and other service offerings such as crude gathering will have us exceeding that initial EBITDA projection very quickly.

Lastly on slide 51, I would like to reiterate what an exciting time it is for Blue Mountain. We have a very talented and experienced group of individuals working diligently on building customer relationships, extending market access and executing on future growth opportunities, including increasing our gas processing capacity and capturing incremental third-party volumes to the system, as well as diversifying into crude gathering and new basins.

And we are in a strong financial position to grow with volumes and EBITDA ramping up in the near-term and a new line of credit, as well as a strongly supportive board to help fund our high-growth midstream business.

Thank you and I will now turn the call over to Jim for 2018 guidance of Riviera.

Jim Frew

Thanks Greg. To round out our prepared remarks, I'd like to spend some time discussing our 2018 guidance for the balance of the year. Additionally, I'd like to provide some more detail on our capital plans and briefly talk about our capital structure. At the conclusion of my remarks, we will open up the lines for questions.

On slide 53, Riviera has provided guidance for the third and fourth quarters as well as for the full year 2018. I think a couple of things are worth pointing out. First, we expect production to be relatively flat in the third and fourth quarters. Also of note, we continue to reduce our G&A and we are moving toward a \$30 million run-rate in 2019 for Riviera Upstream only. In 2018, we are incurring significant one-time severance costs, Spin-Off costs, and other transaction costs that we don't expect to experience in 2019. Finally, our costs per unit for the third and fourth quarters are slightly lower than our annual estimates. This is partly due to a focus on cost reduction, partly due to mix change as we sold assets in the first half of the year.

With respect to capital, covered on slides 55 and 56, we have increased our 2018 guidance. As we grow bullish on our Northwest STACK play, we have increased investment allocated to this asset. In the second half of the year, we intend to invest an incremental \$8 million on acquiring seismic, \$8 million on leases, and

\$14 million to run an operated rig. Additionally, we will continue to participate in non-operated wells within our focus area. On the midstream side, Blue Mountain has accelerated \$8 million of capital from 2019 into 2018 to accommodate the rapidly increasing throughput at the plant. Additionally, we have initiated the design and engineering of the second plant. Following the study's completion, we anticipate getting board approval to begin construction and have included \$32 million in our forecast for that activity.

Altogether, Riviera is investing \$235 million of capital in 2018. Approximately \$160 million is allocated to Blue Mountain and \$75 million is allocated to Riviera Upstream. Of the \$75 million allocated to Riviera Upstream, \$45 million is for drilling, \$19 million is for leasing and seismic and \$9 million is for plant, property and administrative activities.

Finally, I wanted to talk a little about Riviera's capital structure. Through August 7th, we had 76.2 million shares outstanding with approximately one half million unvested restricted shares. We have a strong cash position and at the end of the third quarter, we estimate having \$100 million in available cash. As Dave mentioned up front, we will continue to buy back shares as a return of capital to shareholders and we have board approval up to \$100 million for this activity. Both Riviera and Blue Mountain have undrawn credit facilities and great flexibility to pursue the attractive growth opportunities outlined today. Needless to say, we are very excited about the position we are in and we expect a very bright future.

With that, I will hand it over to the operator for any questions.