

Continental Resources Announces \$220MM Minerals Divestiture And Formation Of Strategic Relationship With Franco-Nevada

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OKLAHOMA CITY, Aug. 6, 2018 /PRNewswire/ -- [Continental Resources Inc.](#) (NYSE: CLR) (The "Company") today announced that Franco-Nevada (NYSE & TSX: FNV) has agreed to pay approximately \$220 million for a stake in a newly-formed mineral subsidiary. In accordance with the deal terms, the Company will receive the proceeds at closing, offsetting the majority of the previously incurred capital expenditures. The amount to be received by the Company at closing is subject to adjustments in the terms of the transaction documents.

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In addition, the parties have also committed, subject to satisfaction of agreed upon development thresholds, to spend up to a combined \$125 million per year over the next three years to acquire additional minerals through the newly-formed subsidiary. To carry a carry component on capital acquisition costs, the Company is to fund 20% of future mineral acquisitions. The Company is entitled to between 25% and 50% of total revenues generated by the minerals subsidiary based upon performance relative to certain predetermined targets.

The Company subsidiary and Franco-Nevada have executed definitive documents evidencing the aforementioned divestiture and the formation of the strategic relationship, subject to customary closing conditions, to acquire minerals in the SCOOP and STACK plays of Oklahoma, primarily in areas operated by the Company. These areas offer prolific well results, excellent economic returns, proximity to infrastructure and future upside via stacked hydrocarbon-bearing horizons.

"We could not be more pleased to team up with a leading royalty corporation in Franco-Nevada, who has a vast understanding of the value of mineral ownership as evidenced by their long track-record of acquiring assets globally," said Harold Hamm, Chairman and Chief Executive Officer. "We are pleased to announce yet another growth vehicle to Continental within our core business, complementing our existing assets and capturing incremental value for Continental shareholders while also applying proceeds to further debt reduction."

"Collaborating with Continental to purchase minerals is a new business development opportunity for Franco-Nevada," said John Harquail, Chief Executive Officer of Franco-Nevada. "We are pleased to be able to work with this best-in-class operator to strengthen Franco-Nevada's overall portfolio."

RBC Capital Markets and Vinson & Elkins LLP acted as exclusive financial and legal advisors, respectively, to the Company.

About Continental Resources

Continental Resources (NYSE: CLR) is a top 10 independent oil producer in the U.S. Lower 48 and a leader in American energy renaissance. Based in Oklahoma City, Continental is the largest leaseholder and the largest producer in the nation's premier oil field, the Bakken play of North Dakota and Montana. The Company also has significant positions in Oklahoma, including SCOOP Woodford and SCOOP Springer discoveries and the STACK plays. With a focus on the exploration and production of oil, Continental has unlocked the technology and resources vital to American energy independence and our nation's leadership in the new world oil market. In 2018, the Company will celebrate 51 years of operations. For more information, please visit www.CLR.com.

About Franco-Nevada

[Franco-Nevada Corp.](#) (NYSE & TSX: FNV) is the leading gold-focused royalty and stream company with a current market

capitalization of approximately \$14 billion. Based in Toronto, Canada, Franco-Nevada targets to have 80% of its business in precious metals and up to 20% of its business in non-precious resources including oil & gas. Its business model provides investors with commodity price and exploration optionality while limiting exposure to many of the risks of operating companies. Franco-Nevada is the gold investment that works. For more information, please visit www.franco-nevada.com.

Investor Contact:

Rory Sabino

Vice President, Investor Relations

405-234-9620

Rory.Sabino@CLR.com

Media Contact:

Kristin Thomas

Senior Vice President, Public Relations

405-234-9480

Kristin.Thomas@CLR.com

Lucy Guttenberger

Senior Investor Relations Associate

405-774-5878

Lucy.Guttenberger@CLR.com

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