Form **8937**

(December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

➤ See separate instructions.

OMB No. 1545-2224

Reporting I	ssuer				
1 Issuer's name				2 Issuer's employer identification number (EIN)	
California Resources Corp	oration			46-5670947	
		4 Telephon	e No. of contact	5 Email address of contact	
				This addition of contact	
Noelle M. Repetti			(818) 661-6023	noelle.repetti@crc.com	
6 Number and street (or P.O. box if mail is not delivered			street address) of contact	7 City, town, or post office, state, and Zip code of contact	
4.50			and and an object of the original of	only, lown, or post office, state, and zip code of contact	
9200 Oakdale Avenue				Los Angeles CA 04244	
8 Date of action		9 Class	ification and description	Los Angeles, CA 91311	
			mediani mila decempilon		
May 31, 2016		1 for 10	Reverse Stock Split		
10 CUSIP number	11 Serial number(s)		12 Ticker symbol	13 Account number(s)	
		,	The Treater Symbol	10 Account number(s)	
13057Q107			CRC		
Part Organizational Action Attach additi		h additional	statements if needed Sc	ea back of form for additional quantions	
14 Describe the organizat	ional action and if ar	onlicable the	date of the action or the dat	te against which shareholders' ownership is measured for	
the action ▶ SEE AT	TACUED	spinoabio, tire	date of the action of the da	te against which shareholders, ownership is measured for	
SEE AT	TACHED				
			The state of the s		
15 Describe the quantitati share or as a percentar	ve effect of the organ ge of old basis ► <u>SE</u>	nizational act	ion on the basis of the secur D	ity in the hands of a U.S. taxpayer as an adjustment per	
Describe the calculation valuation dates ➤ SEE	n of the change in ba	asis and the o	data that supports the calcula	ation, such as the market values of securities and the	
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For Pananuark Poduction A	Lat Many				

Preparer

Use Only

Firm's address ▶

DELOITTE TAX LLP

555 W. 5TH STREET, LOS ANGELES, CA 90013

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

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Firm's EIN ▶

Phone no.

PO1481362

86-1065772

California Resources Corporation EIN: 46-5670947 Attachment to Form 8937—Part II

Line 14

On May 31, 2016, California Resources Corporation ("CRC") effected a one-for-ten reverse stock split for its common stock (the "Stock Split"). Pursuant to the Stock Split, every ten (10) shares of issued and outstanding common stock ("Existing Common Stock") automatically converted into one (1) share of newly issued common stock ("New Common Stock"). CRC did not provide cash or other consideration to shareholders in the Stock Split. Trading on a post-split basis commenced on June 1. 2016.

Line 15

The Stock Split will be treated as a tax-free reorganization under IRC Section 368(a)(1)(E). Under IRC Section 358(a), shareholders are required to allocate their aggregate tax basis in the Existing Common Stock held immediately prior to the Stock Split among the New Common Stock held immediately after the Stock Split, including fractional shares of New Common Stock. Shareholders who receive cash in lieu of fractional shares of New Common Stock will be treated as having received such fractional shares in the Stock Split and then as having sold such fractional shares for cash in the open market.

Line 16

Although a shareholder's aggregate tax basis remains unchanged in the Stock Split, shareholders who acquired shares of Existing Common Stock on different dates and at different prices should consult their own tax advisors regarding the allocation of the tax basis of such shares to the New Common Stock. In general, a shareholder's tax basis in Existing Common Stock must be allocated to the New Common Stock (or allocable portions thereof) in a manner that reflects, to the greatest extent possible, the basis in the Existing Common Stock that was acquired on the same date and at the same price. To the extent it is not possible to allocate the tax basis in this manner, the aggregate tax basis in the Existing Common Stock must be allocated to the New Common Stock (or allocable portions thereof) in a manner that minimizes the disparity in the holding periods of the Existing Common Stock whose basis is allocated to any particular shares of New Common Stock. This may result in some shares of New Common Stock having split holding periods and split basis.

Line 17

IRC Sections 368(a), 354(a), 358(a) and 1001.

Line 18

Except to the extent of cash received in lieu of fractional shares, shareholders generally will not recognize gain or loss as a result of the Stock Split. In general, if a shareholder receives cash in lieu of fractional shares, the shareholder will recognize capital gain or loss based on the difference between the amount of cash received and the shareholder's adjusted tax basis in the fractional shares.

Shareholders should consult their own tax advisor with respect to the tax consequences resulting from the Stock Split.

Line 19

The reportable tax year is the calendar year ending 2016.