Devon Sharpens Focus

December 7, 2015
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**Safe Harbor**

Some of the information provided in this presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. Words such as “forecasts,” “projections,” “estimates,” “plans,” “expectations,” “targets,” and other comparable terminology often identify forward-looking statements. Such statements concerning future performance are subject to a variety of risks and uncertainties that could cause Devon’s actual results to differ materially from the forward-looking statements contained herein, including as a result of the items described under "Risk Factors" in our most recent Form 10-K.

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Transactions Summary

Dave Hager, President & CEO
Sharpening The Focus
Transactions Summary

- **Acquiring premier STACK development position**
  - 80,000 net surface acres in over-pressured oil window (≈10 prospective zones)
  - Risked resource: ≈400 million BOE (≈1 BBOE unrisked)
  - Purchase price: $1.9 billion ($1.05 billion equity, $850 million cash)
  - Delivering best returns in play

- **Acquiring high-quality Powder River Basin leasehold**
  - 253,000 net surface acres in the “core” of the oil fairway
  - Leveraging unique basin knowledge
  - Attractive valuation at ≈$1,100 per undeveloped acre
  - Purchase price: $600 million ($300 million equity, $300 million cash)

- **Commencing asset divestiture program**
  - Access Pipeline in Canada
  - Non-core upstream asset sales
  - Expected proceeds: $2 – $3 billion
Strategic Rationale

- Sharpens focus on top-tier resource plays
  - Expands industry-leading positions in best emerging development plays
  - High-quality resource capture enhances growth outlook
  - Bolsters deep inventory of world-class drilling opportunities

- Acquisitions immediately accretive to earnings and cash flow

- Ability to leverage strategic relationship with EnLink to create value
  - Joint acquisition for STACK upstream and midstream assets

- Abundance of opportunities drives asset sales
  - Accelerates value recognition of non-core assets
  - Strengthens financial position
The EnLink Midstream Advantage

- **EnLink infrastructure enhances value of E&P production**
  - A competitive advantage in high activity basins
  - Ownership interest ensures midstream support of E&P activity

- **Improves capital efficiency**
  - EnLink funds majority of midstream capital requirements
  - Increases availability of capital to invest in core E&P business

- **Provides visible cash flow stream**
  - Expected annual distributions: ≈$300 million
  - Drop-down potential

- **All possible due to Devon’s strong relationship of EnLink**
  - Largest customer (≈50% of EnLink’s EBITDA)
Asset Detail

Tony Vaughn, Executive Vice President, E&P
STACK Acquisition Overview

- **Acreage in economic “core” with highest returns in STACK**
  - Risked resource: ≈400 MMBOE (30% oil, 40% NGLs & 30% gas)
  - Acquired at $4/BOE of resource

- **Prospective for multiple zones**
  - 80,000 net surface acres
  - ≈10 prospective zones
  - Majority of acreage HBP
  - Operated WI: ≈65%\(^{(1)}\)
  - 9 MBOED of production

- **Adds top-tier drilling inventory**
  - 1,400 risked locations
  - >3,000 unrisked locations

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(1) Operated acreage is ≈50% of total.
Best-In-Class STACK Position

**Combined Position**

- **World-class development play**
  - Largest and best position
  - 430,000 net surface acres
  - ≈10 prospective zones
  - 250,000 net effective acres in exploration areas
  - Q4 exit rate: ≈70 MBOED\(^{(1)}\)

- **Tremendous resource potential**
  - Risked resource: >2 BBOE
    (≈5 billion barrels unrisked resource)
  - 5,300 risked locations

- **Provides visible long-term growth**

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\(^{(1)}\) Excludes production from acquisition. Acquired assets not expected to contribute to reported production until 2016.
STACK Geologic Overview

- **World-class oil accumulation in the Anadarko Basin**
  - Prospective pay zones cover >750 square miles
  - Concentrated resource with >1,000’ of stacked pay
  - Multiple prospective oil-prone intervals

- **Meramec emerging as a top resource play**
  - Continuous silty-shale reservoirs
  - Repeatable results with >100 wells producing
  - Up to 5 horizontal landing zones

- **Woodford Shale is prolific source rock**
  - Legacy Cana development is a leading liquids-rich play
  - Additional potential in oil window

- **Potential in Springer, Chester and Osage intervals**
Woodford Attributes

- Discovered Cana field in 2007
- Best position in play
- >800 producing wells
- Significant inventory: 3,700 risked locations
- Results recently boosted with larger completion design
- Achieving significant efficiencies
Upper Meramec Attributes

- **Tremendous reservoir qualities**
  - Up to 500’ of pay
  - 3 landing zones
  - Matrix porosity/over-pressured
  - Very low water cuts

- **Consistent results**

- **Extended lateral potential**

- **Applying Woodford learnings to drive productivity gains**
Results Validate Core Position

Lower Meramec Well Results

Lower Meramec Attributes

- **Formation thickens to northwest**
- **Attractive reservoir qualities**
  - Up to 250’ of pay
  - High reservoir pressure
  - Potential for multiple zones
  - Very low water cuts
- **Extended-reach lateral potential**
STACK Productivity Improving

- **Driven by improved completion design**
  - Average lateral length is increasing
  - More than double frac stages (>30 stages)
  - Conversion to slick water with diversion
  - Higher proppant volumes

- **Further visible improvements ahead**
  - Lateral placement
  - Stimulation design
  - Lateral length optimization
  - Flow-back procedures

*Source: Devon and IHS.*
STACK Continuous Improvement
Achieving Significant Efficiency Gains

**Standard-Length Laterals - 5,000’**

- Drilling Time: 35 Days
- Proppant: 1200 lb/ft – 1800 lb/ft

- Drilling Time: 33 Days
- Proppant: 1800 lb/ft – 3000 lb/ft

- Drilling Time: 23 days
- Proppant: 1800 lb/ft – 2000 lb/ft

**Extended-Reach Laterals - 10,000’**

- Proppant: 1400 lb/ft – 2000 lb/ft

- Proppant: 1600 lb/ft – 2800 lb/ft

**Note:** Data set represents STACK wells DVN has drilled or participated in.
## Combined STACK Inventory

### Significant Resource Potential

<table>
<thead>
<tr>
<th>Formation / Window</th>
<th>Gross Risked Locations (1)</th>
<th>Gross Unrisked Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meramec - Oil</td>
<td>700</td>
<td>2,000</td>
</tr>
<tr>
<td>Meramec - Volatile Oil</td>
<td>900</td>
<td>1,800</td>
</tr>
<tr>
<td>Woodford - Oil</td>
<td>150</td>
<td>450</td>
</tr>
<tr>
<td>Woodford - Liquids-Rich Gas</td>
<td>2,250</td>
<td>4,200</td>
</tr>
<tr>
<td>Woodford - Dry Gas</td>
<td>1,300</td>
<td>2,300</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>5,300</strong></td>
<td><strong>10,750</strong></td>
</tr>
<tr>
<td><strong>Exploration Upside</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Springer, Chester and Osage)</td>
<td>--------------------------</td>
<td>Appraising -------------</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,300</strong></td>
<td><strong>10,750</strong></td>
</tr>
</tbody>
</table>

>2 billion BOE net risked resource, only ≈10% developed

Note: Average operated working interest in the STACK is ≈65% (≈45% of acreage is operated). Average non-operated working interest is ≈10%.

(1) Represents a mix of standard length and extended-reach laterals
STACK Upside Potential

- **Inventory conservatively risked**
  - ≈5 risked wells per section in Upper Meramec

- **Downspacing to drive risked location count higher**

- **Numerous spacing pilots and staggered lateral tests underway**
  - Testing up to 8 wells per section in Upper Meramec
  - Staggered lateral tests underway could double potential in Upper Meramec
  - Testing 11 wells per section in Woodford
  - Evaluating joint development of Meramec and Woodford
  - Testing extended reach laterals in volatile oil window

- **Results will also help optimize future development schemes**
### STACK Upside Potential

**Exploration Activity**

- **Exploration drilling to generate additional inventory**

- **Springer, Chester and Osage formations have significant upside**
  - Added significant exploration leasehold over last year (≈70,000 net surface acres)
  - Brings total net effective exploration acres to ≈250,000
  - Evaluating 6 different exploration concepts

- **Programs underway to evaluate these emerging opportunities**
  - Leveraging operational expertise
  - Prolific early results (3 wells with 30-day rates averaging >2,000 BOED)
  - Opportunities to further expand position

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<table>
<thead>
<tr>
<th>Pennsylvania</th>
<th>Mississippian</th>
<th>Devonian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granit Wash</td>
<td>Springer</td>
<td>Woodford</td>
</tr>
<tr>
<td>Skinner</td>
<td>Chester</td>
<td>Hunton</td>
</tr>
<tr>
<td>Red Fork</td>
<td>Upper Meramec</td>
<td></td>
</tr>
<tr>
<td>Atoka</td>
<td>Lower Meramec</td>
<td></td>
</tr>
<tr>
<td>Morrow</td>
<td>Osage</td>
<td></td>
</tr>
</tbody>
</table>

*Primary*  
*Appraising*
STACK Development Plan

- **STACK opportunity wins significant capital allocation**
  - Delivering top-tier returns in North America
  - Competitive with Eagle Ford, Delaware Basin and Rockies

- **Activity focused primarily on Upper Meramec play**
  - Preliminary 2016 capital plan: ≈$500 million
  - Accelerating activity to ≈10 rigs (includes partner activity)
  - Drilling focused in volatile oil window

- **2016 STACK capital objectives**
  - Further evaluate downspacing and stacked/staggered tests
  - Integrate learnings into master development plan
  - Drive STACK production growth of >30% year over year
STACK – Ability To Execute
Track Record Of Execution

- Best and largest position in Anadarko Basin – contiguous leasehold
- Leverages Devon core technical competencies
- Strong relationships with service providers
- Attractive regulatory environment
- Midstream capacity in place for rapid development
The EnLink Midstream Advantage

- Leveraging EnLink’s strategic midstream presence
  - Three plants with >500 MMCFD capacity
  - 200 MMCFD plant expansion underway

- Sufficient oil and residue takeaway capacity

- Significant marketing flexibility to maximize product value
  - Close proximity to Cushing and local refineries
  - Product quality commands attractive oil pricing
Powder River Basin Acquisition
Resource Capture In The Rockies

- **Acreage in “core” of oil fairway**
  - 253,000 net acres
  - Largely undeveloped
  - Attractively priced at $1,100/acre
  - 7 MBOED of production (≈85% oil)
  - Working interest: ≈60%

- **Prospective for Parkman, Turner and Teapot formations**
  - 500 risked locations and growing
  - 130 MMBOE of risked resource

- **Massive upside**
  - Niobrara and Mowry potential
  - 2,700 unrisked locations
  - Several billion barrels of unrisked resource
Premier Powder River Asset

Combined Position

- **Acquisition creates largest and highest quality Powder River position**
  - Achieves scale in stacked-pay oil fairway
  - More than doubles position to ≈470,000 net acres
  - Promotes PRB to “core” asset status

- **Delivering some of the best returns in Devon’s portfolio**
  - Extended-reach laterals boosting economics
  - High-quality crude and ample takeaway capacity drive strong realizations

- **Significant resource opportunity**
  - Conservatively identified 1,300 risked locations (predominately 10,000’ laterals)
  - Upside with tighter well spacing and unvalued formations
  - Several billion barrels of resource in place
PRB Results Continue To Improve

- Rockies delivering prolific results
  - Oil production up 90% (vs. Q4 2014)

- Parkman type curve expectations up ≈150% over past year
  - Driven by extended-reach laterals
  - 2x length of previous design

- Achieved $1MM per-well D&C cost savings YTD
  - Costs down to $7 MM per well

- Significant decline in operating costs
  - LOE down ≈30% since Q4 2014
Financial Implications

Tom Mitchell, Executive Vice President & CFO
Financing The Transactions

- $2.5 billion in acquisitions
  - Equity: $1.35 billion
  - Debt: $1.15 billion

- Commencing asset divestiture program

- Expected midstream and E&P proceeds: $2 – $3 billion
Sharpening The Focus
Assets To Be Monetized

- Access Pipeline sale/dropdown expected early 2016

- Monetizing non-core E&P assets
  - Potential candidates include: Carthage, Miss-Lime, Granite Wash, and select Midland Basin assets
  - Divestiture production: ≈50 – 80 MBOED (≈50% liquids)

- E&P asset sales expected to occur throughout 2016
Use Of Proceeds

- **Access Pipeline proceeds to help fund 2016 capital program**
  - 2016 E&P capital: ≈$2.5 billion

- **Upstream asset sales to reduce debt**

- **Flexibility with deleveraging plan**
  - Preserving maximum liquidity
  - Near-term debt and callable notes provide optionality

- **Demonstrated track record of execution**
  - Long history of successful asset sale programs
  - Repaid all Eagle Ford acquisition debt in less than 1 year
Advantaged Capital Structure

- **Go-forward financial position remains strong**
  - Investment-grade credit ratings
  - Significant liquidity: >$4 billion\(^{(1)}\)
  - Expected asset sales proceeds in 2016

- **The EnLink advantage**
  - Expected annual distributions: ≈$300 million
  - Asset dropdown potential

\(^{(1)}\) Liquidity includes cash and credit facility availability.
The Go-Forward Devon

Dave Hager, President & CEO
The Go-Forward Devon
Premier Asset Portfolio

- Positioned in top-tier basins
  - Leading Delaware Basin operator
  - Best-in-class STACK position
  - Prolific Eagle Ford assets
  - Premier Rockies position
  - World-class heavy oil projects

- Shift to higher margin production

- Investment grade balance sheet
## Platform For Value Creation

**Sustainable Long-Term Growth**

<table>
<thead>
<tr>
<th>Asset</th>
<th>Risked Opportunity</th>
<th>Upside Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware Basin</td>
<td>&gt;5,000 undrilled locations</td>
<td>Spacing tests underway</td>
</tr>
<tr>
<td>Eagle Ford</td>
<td>≈1,400 potential locations</td>
<td>Upper EF delineation and staggered lateral development of Lower EF</td>
</tr>
<tr>
<td>STACK</td>
<td>5,300 undrilled locations</td>
<td>STACK spacing tests and exploration activity underway</td>
</tr>
<tr>
<td>Rockies Oil</td>
<td>≈1,300 undrilled locations</td>
<td>Further de-risking of oil fairway</td>
</tr>
<tr>
<td>Heavy Oil</td>
<td>1.4 billion barrels of risked resource</td>
<td>Technology to improve facility performance and increase future recovery rates</td>
</tr>
<tr>
<td>Barnett Shale</td>
<td>5,000-plus producing wells</td>
<td>Horizontal refrac testing underway</td>
</tr>
</tbody>
</table>

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- **Heavy Oil**: 1.4 billion barrels of risked resource
- **Barnett Shale**: 5,000-plus producing wells
- **Eagle Ford**: ≈1,400 potential locations
- **STACK**: 5,300 undrilled locations
- **Rockies Oil**: ≈1,300 undrilled locations
Preliminary 2016 Outlook

- **Focused capital program**
  - 2016 E&P capital: $2.5 billion
  - Concentrating activity in Delaware, STACK, Eagle Ford and Rockies
  - Significantly reduced capital requirements in Canada

- **Living within total cash inflows**
  - Operating cash flow
  - EnLink distributions
  - Access Pipeline sale/dropdown

- **Deliver core-asset production growth**\(^{(1)}\)
  - Oil production growth: $10\%

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\(^{(1)}\) Pro Forma for STACK and Powder River acquisitions and excludes all potential divestiture assets.
The Go-Forward Devon

Summary

Three-pronged strategy:

- Best assets in North America
- Leading operator in each basin
- Maintain investment-grade ratings
Thank you.
Appendix
# Type Curves

## Meramec - Oil Window
*(10,000’ Lateral)*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working interest / royalty:</td>
<td>≈65% / 20%</td>
</tr>
<tr>
<td>Drill &amp; complete costs:</td>
<td>$8 MM</td>
</tr>
<tr>
<td>30-day IP rate:</td>
<td>1,100 BOED</td>
</tr>
<tr>
<td>EUR:</td>
<td>1,000 MBOE</td>
</tr>
<tr>
<td>Oil / NGLs as % of EUR:</td>
<td>45% / 35%</td>
</tr>
</tbody>
</table>

## Decline Rates
*(1st month to 13th month)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Decline Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yr 1</td>
<td>75%</td>
</tr>
<tr>
<td>Yr 2</td>
<td>60%</td>
</tr>
<tr>
<td>Yr 3</td>
<td>45%</td>
</tr>
<tr>
<td>Yr 4</td>
<td>30%</td>
</tr>
<tr>
<td>Yr 5</td>
<td>15%</td>
</tr>
</tbody>
</table>

## Meramec - Volatile Oil Window
*(5,000’ Lateral)*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working interest / royalty:</td>
<td>≈65% / 20%</td>
</tr>
<tr>
<td>Drill &amp; complete costs:</td>
<td>$6.5 MM</td>
</tr>
<tr>
<td>30-day IP rate:</td>
<td>1,300 BOED</td>
</tr>
<tr>
<td>EUR:</td>
<td>950 MBOE</td>
</tr>
<tr>
<td>Oil / NGLs as % of EUR:</td>
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*(1st month to 13th month)*

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<tr>
<td>Yr 3</td>
<td>45%</td>
</tr>
<tr>
<td>Yr 4</td>
<td>30%</td>
</tr>
<tr>
<td>Yr 5</td>
<td>15%</td>
</tr>
</tbody>
</table>

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(1) Based on operated working interest.
Type Curves

### Woodford - Liquids Rich Gas
(5,000' Lateral)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working interest(^{(1)}) / royalty</td>
<td>≈65% / 21%</td>
</tr>
<tr>
<td>Drill &amp; complete costs</td>
<td>$7 MM</td>
</tr>
<tr>
<td>30-day IP rate</td>
<td>1,200 BOED</td>
</tr>
<tr>
<td>EUR</td>
<td>1,700 MBOE</td>
</tr>
<tr>
<td>Oil / NGLs as % of production</td>
<td>5% / 40%</td>
</tr>
</tbody>
</table>

### Decline Rates
(1\(^{st}\) month to 13\(^{th}\) month)

\(^{(1)}\) Based on operated working interest.
## Type Curves

### Rockies: Powder River Basin (Parkman)

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Working interest / royalty:</td>
<td>≈60% / 20%</td>
</tr>
<tr>
<td>Drill &amp; complete costs:</td>
<td>$7 MM</td>
</tr>
<tr>
<td>30-day IP rate:</td>
<td>1,300 BOED</td>
</tr>
<tr>
<td>EUR:</td>
<td>425 MBOE</td>
</tr>
<tr>
<td>Oil as % of EUR:</td>
<td>90%</td>
</tr>
</tbody>
</table>

### Rockies: Powder River Basin (Teapot)

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<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Working interest / royalty:</td>
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<td>$7 MM</td>
</tr>
<tr>
<td>30-day IP rate:</td>
<td>1,000 BOED</td>
</tr>
<tr>
<td>EUR:</td>
<td>500 MBOE</td>
</tr>
<tr>
<td>Oil as % of EUR:</td>
<td>85%</td>
</tr>
</tbody>
</table>

### Decline Rates

- **Rockies: Powder River Basin (Parkman)**
  - Yr 1: 90%
  - Yr 2: 75%
  - Yr 3: 60%
  - Yr 4: 45%
  - Yr 5: 30%

- **Rockies: Powder River Basin (Teapot)**
  - Yr 1: 90%
  - Yr 2: 75%
  - Yr 3: 60%
  - Yr 4: 45%
  - Yr 5: 30%
Discussion of Risk Factors

Forward-Looking Statements: Information provided in this presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. Forward-looking statements are often identified by use of the words “forecasts”, “projections”, “estimates”, “plans”, “expectations”, “targets”, “opportunities”, “potential”, “outlook”, and other similar terminology. Such statements are subject to a variety of risk factors. A discussion of risk factors that could cause Devon’s actual results to differ materially from the forward-looking statements contained herein are outlined below.

The forward-looking statements provided in this presentation are based on management’s examination of historical operating trends, the information which was used to prepare reserve reports and other data in Devon’s possession or available from third parties. Devon cautions that its future oil, natural gas and NGL production, revenues and expenses are subject to all of the risks and uncertainties normally incident to the exploration for and development, production and sale of oil, gas and NGL. These risks include, but are not limited to, price volatility, inflation or lack of availability of goods and services, environmental risks, drilling risks, political changes, changes in laws or regulations, the uncertainty inherent in estimating future oil and gas production or reserves, and other risks identified in our Form 10-K and our other filings with the SEC.

Specific Assumptions and Risks Related to Price and Production Estimates: A significant and prolonged deterioration in market conditions and the other assumptions on which our estimates are based will impact many aspects of our business and our results. Substantially all of Devon’s revenues are attributable to sales, processing and transportation of three commodities: oil, natural gas and NGL. Prices for oil, natural gas and NGL are determined primarily by prevailing market conditions, which may be impacted by a variety of general and specific factors that are difficult to control or predict. Worldwide and regional economic conditions, weather and other local market conditions influence the supply of and demand for energy commodities. In particular, concerns about the level of global crude-oil and natural-gas inventories and the production trends of significant oil producers like OPEC, among other things, have led to a significant drop in prices. In addition to volatility from general market conditions, Devon’s oil, natural gas and NGL prices may vary considerably due to factors specific to Devon, such as pricing differentials among the various regional markets in which our products are sold, the value derivable from the quality of oil Devon produces (i.e., sweet crude versus heavy or sour crude), the Btu content of gas produced, the availability and capacity of transportation facilities we may utilize, and the costs and demand for the various products derived from oil, natural gas and NGL.

Estimates for Devon’s future production of oil, natural gas and NGL are based on the assumption that market demand and prices for oil, natural gas and NGL will be at levels that allow for profitable production of these products. As illustrated by recent market trends, there can be no assurance of such stability. Much of Devon’s production in Canada is subject to government royalties that fluctuate with prices, which, therefore, will affect reported production. Estimates for Devon’s future processing and transportation of oil, natural gas and NGL are based on the assumption that market demand and prices for oil, natural gas and NGL will be at levels that allow for profitable processing and transport of these products. As with our production estimates, there can be no assurance of such stability.

The production, transportation, processing and marketing of oil, natural gas and NGL are complex processes which are subject to disruption due to transportation and processing availability, mechanical failure, human error, meteorological events including, but not limited to, tornadoes, extreme temperatures, and numerous other factors.

Assumptions and Risks Related to Capital Expenditures Estimates: Devon’s capital expenditures budget is based on an expected range of future oil, natural gas and NGL prices as well as the expected costs of the capital additions. Should actual prices received differ materially from Devon’s price expectations for its future production, some projects may be accelerated or deferred and, consequently, may increase or decrease capital expenditures. In addition, if the actual material or labor costs of the budgeted items vary significantly from the anticipated amounts, actual capital expenditures could vary materially from Devon’s estimates.

Assumptions and Risks Related to Marketing and Midstream Estimates: Devon cautions that its future marketing and midstream revenues and expenses are subject to all of the risks and uncertainties normally incident to the marketing and midstream business. These risks include, but are not limited to, price volatility, environmental risks, mechanical failures, regulatory changes, the uncertainty inherent in estimating future processing volumes and pipeline throughput, cost of goods and services and other risks.