

New Mexico EnergyPlex Conference

John Raines

VP, Delaware Basin Business Unit
June 26, 2018

NYSE: DVN
devonenergy.com



Forward-Looking Statements

Forward-Looking Statements

This presentation includes "forward-looking statements" as defined by the Securities and Exchange Commission (the "SEC"). Such statements include those concerning strategic plans, expectations and objectives for future operations, and are often identified by use of the words "expects," "believes," "will," "would," "could," "forecasts," "projections," "estimates," "plans," "expectations," "targets," "opportunities," "potential," "anticipates," "outlook" and other similar terminology. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Statements regarding our business and operations are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas. These risks include, but are not limited to: the volatility of oil, gas and NGL prices; uncertainties inherent in estimating oil, gas and NGL reserves; the extent to which we are successful in acquiring and discovering additional reserves; the uncertainties, costs and risks involved in oil and gas operations; regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to environmental matters; risks related to our hedging activities; counterparty credit risks; risks relating to our indebtedness; cyberattack risks; our limited control over third parties who operate our oil and gas properties; midstream capacity constraints and potential interruptions in production; the extent to which insurance covers any losses we may experience; competition for leases, materials, people and capital; our ability to successfully complete mergers, acquisitions and divestitures; and any of the other risks and uncertainties identified in our Form 10-K and our other filings with the SEC. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this presentation are made as of the date of this presentation, even if subsequently made available by Devon on its website or otherwise. Devon does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

Use of Non-GAAP Information

This presentation may include non-GAAP financial measures. Such non-GAAP measures are not alternatives to GAAP measures, and you should not consider these non-GAAP measures in isolation or as a substitute for analysis of our results as reported under GAAP. For additional disclosure regarding such non-GAAP measures, including reconciliations to their most directly comparable GAAP measure, please refer to Devon's first-quarter 2018 earnings release at www.devonenergy.com.

Cautionary Note to Investors

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. This presentation may contain certain terms, such as resource potential, potential locations, risked and unrisked locations, estimated ultimate recovery (EUR), exploration target size and other similar terms. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized. The SEC guidelines strictly prohibit us from including these estimates in filings with the SEC. Investors are urged to consider closely the disclosure in our Form 10-K, available at www.devonenergy.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov.

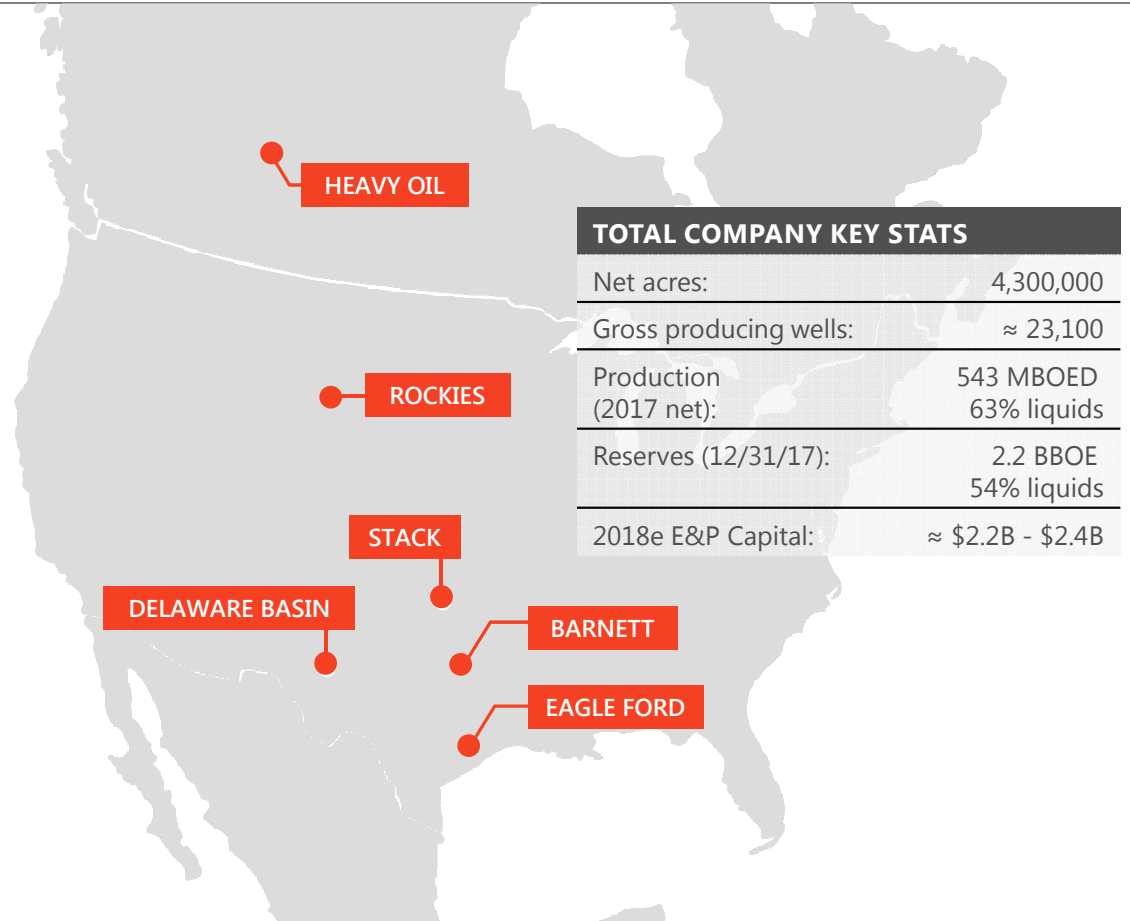
A Leading North American E&P

STACK & Delaware focused

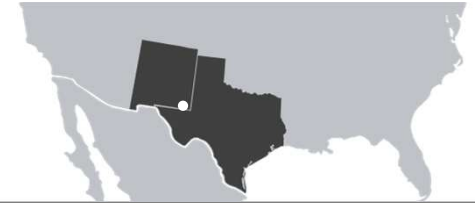
Top-tier operating results

Innovative culture

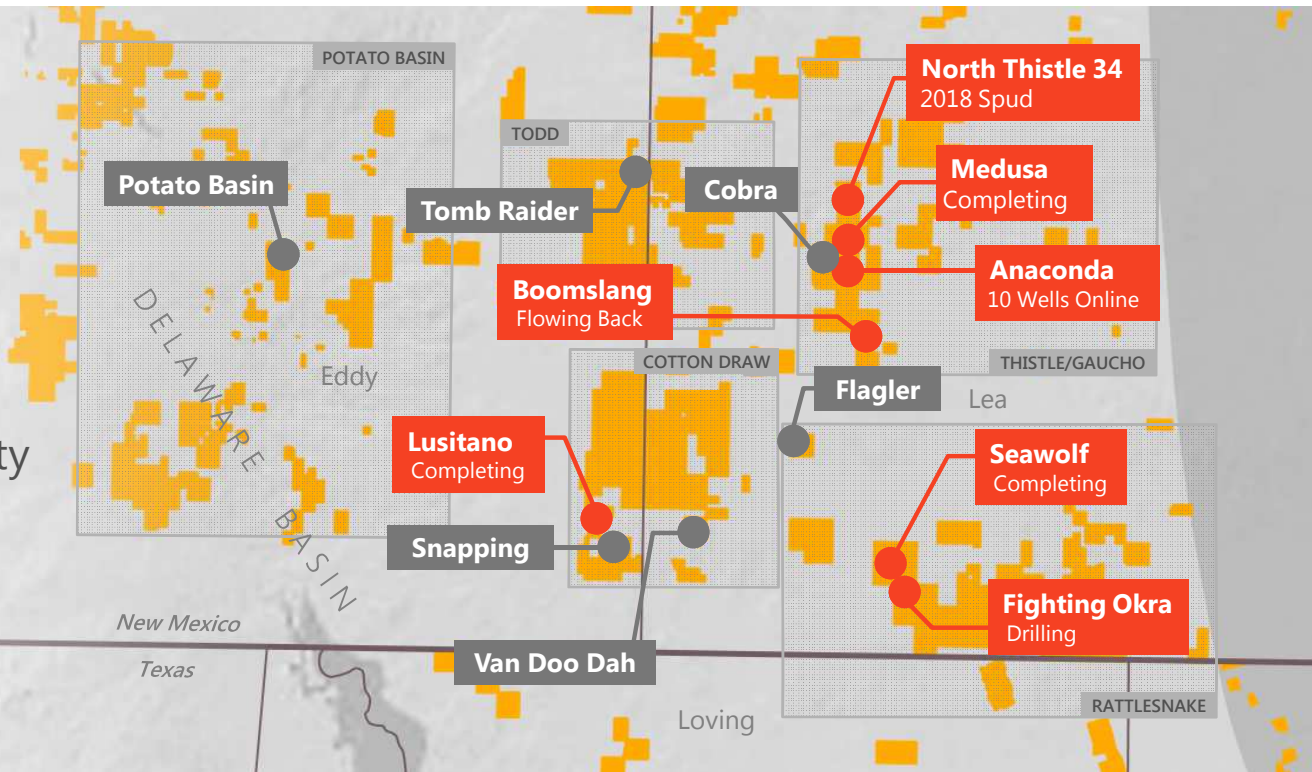
Significant financial strength



Delaware Basin – Franchise Asset



- World-class** oil opportunity
- Multi-decade** growth platform
- Up to 15** target intervals
- Accelerating** development activity

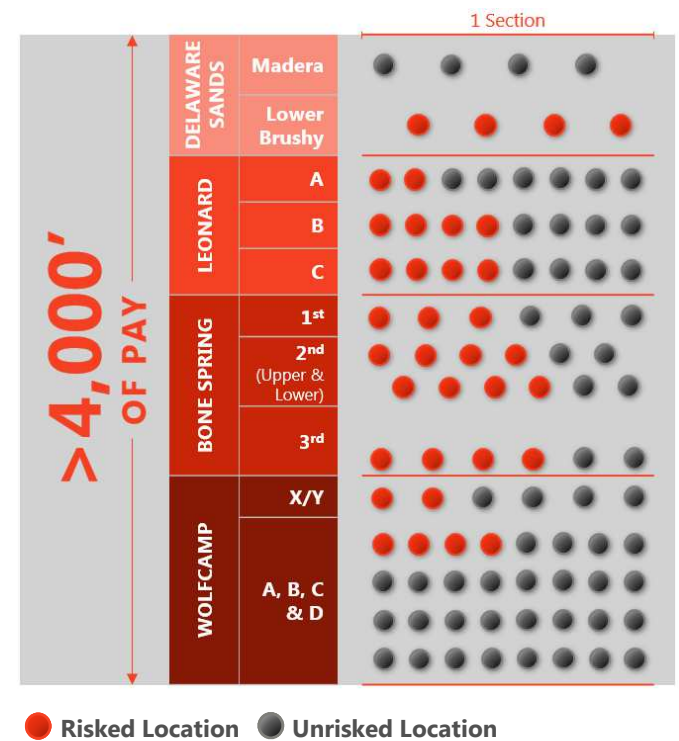


Delaware Basin – Devon Overview

- **Franchise asset**
 - ~300k net surface acres
 - ~73 MBOED March production with strong growth in Q2
 - ~\$725 MM capital program with shift to development

- **Multi-decade oil growth opportunity**
 - >1.3 million net effective acres (up to 15 target intervals)
 - Significant resource upside with Wolfcamp delineation
 - Delineation of 2nd Bone Spring Silt in Q1 in Lea County

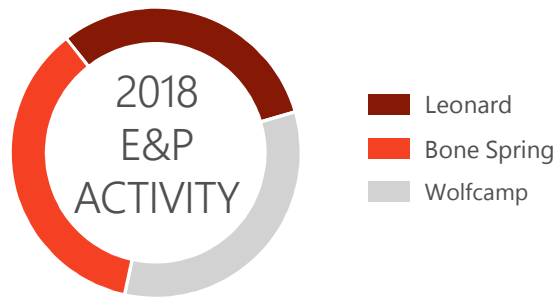
Massive stacked-pay potential



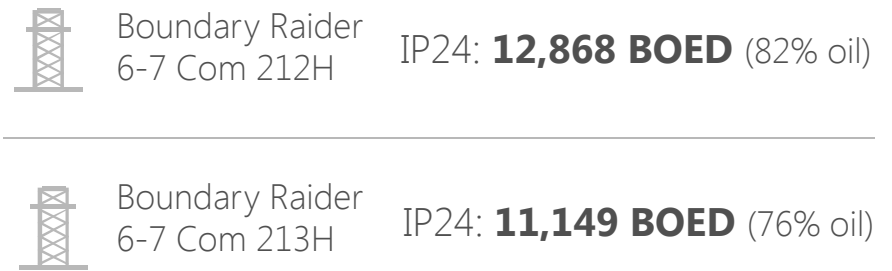
Note: Graphic for illustrative purposes only and not necessarily representative across Devon's entire acreage position.

Delaware Basin – Advantaged State-Line Area

Activity targeting the most prolific zones

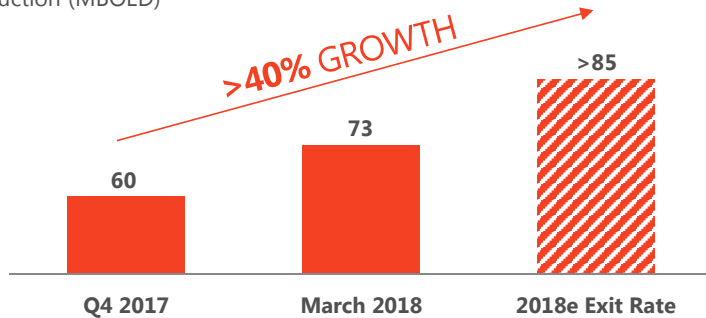


Delivered the top wells in Delaware Basin history



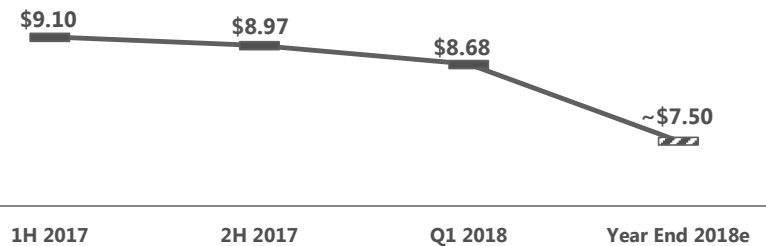
Positioned for high-return production growth

Production (MBOED)



Improving cost structure to boost margins

LOE & Transportation Expense (\$/BOE)



Note: 2017 costs are pro forma for revenue recognition accounting rules recently implemented.

Driving Efficiency Gains While Limiting Footprint


- **Multi-well development projects driving returns higher**

- Increased efficiencies on execution
- More effective development of reserves
- Focused activity maintains short cycle times

 **TARGETING**
> 20%
COST SAVINGS PER WELL

- **Centralized locations help create other benefits**

- >90% of produced water piped from location
- ~80% of total water used in operations is recycled
- >80% of oil production on pipeline by 2H 2018

> 90%
 **PRODUCED WATER
PIPED FROM LOCATION**

Strong Safety and Environmental Culture

Exceptional execution begins with safety and environmental commitment

Safety

- Everyone is important
- Risk based, proactive approach
- Positive results

Environmental Compliance

- Leading water recycler in Delaware Basin
- Thorough spill investigation
- Voluntary FLIR Program



"No job is so important and no task so urgent that the necessary steps cannot be taken to perform it safely and maintain the health of our employees, contractors and the public."

DAVE HAGER President and CEO

Community Investment – Partnering with our Neighbors

- Corporate contributions
- Employee volunteerism
- Community involvement
- Taxes and royalties



We promote safe, educated and vibrant communities in the areas where we operate.



Thank you.