NFX: On the Forefront of Unconventional Exploration

October 27, 2011
Today’s Presentation

- Oil is in! – Domestic oil production on the rise
  - We are in the early innings of understanding unconventional oil plays.

- Background: NFX in Unconventional Oil Plays
  - A balance of gas & oil resource plays
  - Superior returns in oil-focused plays

- A Closer Look at Our Oil Assets
- “Above Ground Risk”
- NFX Opportunities
Domestic Oil Production On The Rise

- Reversed 30-Year Decline
- Price Stimulus, Technology Leads to New Oil Plays
- Completion Optimizations Enhance Recovery
- Is Oil the “New” Gas??

Source: EIA, Excludes NGL and other liquids
Unconventional Oil Plays – Rigs added since Jan 2010

More than 1,000 Oil Rigs Running

Jan 2010 – Sept 2011

Source: Smith Bits Data – Newfield Exploration
Our First Decade

- Founded in 1989
- Joe B. Foster and 23 “Dedicated Souls”
- GOM Shallow Water Focus
- Went Public in 1993
- Late 1990s: The Need for “New” Growth Areas Was Apparent

Production CAGR = 39%
Reserves CAGR = 25%

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<thead>
<tr>
<th>Year</th>
<th>Production, Bcfe</th>
<th>Conventional Reserves, Bcfe</th>
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<tr>
<td>1990</td>
<td>27</td>
<td>596</td>
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Our Second Decade
A Diversified Portfolio Created

• Key Transactions Diversify Asset Base
  – Mid-Continent
  – Rockies
  – South Texas
  – Malaysia

• Acreage AND Technical Employees Expanded
  – Need for More People
  – New Skill Sets

• Resource Plays Emerge Post 2000

• NFX and Industry “Transformed”
Newfield Today

Year End 2010 Proved Reserves (3,712 Bcfe)

2011e Production (300 – 304 Bcfe)

INTERNATIONAL AREAS
- Offshore Malaysia
- Offshore China

2011 Total Production ~40% Oil
**The Impact of Our Oil Investments**

- **NFX’s “Shift to Oil” commenced in 2009**
- **Oil revenues comprise about 60% of total in 2011, ~70% in 2012**
- **2011: NFX’s domestic oil volumes to rise ~40%**

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2011 Revenue estimates at $80 WTI for the last four months of 2011
2012 Revenue estimates at $85 WTI
Eagle Ford Shale
- One of the “Hottest” oil plays in North America

Background
- Feb ‘10: NFX acquires assets for $209MM
- 335,000 net acres
- Dec ‘10: NFX increases position in the Pearsall Shale

Multiple Geologic Targets Including:
- Eagle Ford, Pearsall, Georgetown, Austin Chalk and Glen Rose
NFX’s Uinta Basin Summary

- ~250,000 Net Acres

- Contiguous acreage
  - >70% working interest

- Deep drilling inventory
  - > 6,000 locations

- Controlled, operated position

- Largest oil producer in Utah
  - 30% of Utah’s total daily production
  - 42% of Basin’s total daily production

- High ROR oil developments

- Multiple play types, including:
  - Green River
  - Uteland Butte
  - Wasatch
Historic realized oil price: 75-85% of NYMEX WTI
### NFX’s Uinta Basin Summary

#### Highlights
- **Recent Average IP (24-hours):**
  - Green River: ~100 BOEPD
  - Uteland Butte: ~500 BOEPD
  - Wasatch: >1,000 BOEPD
- **Recent 30-Day Average:**
  - Green River: 82 BOEPD
  - Uteland Butte: 370 BOEPD
  - Wasatch: 470 BOEPD
- **Estimated Activity:**
  - Green River
    - 2011: 300 wells
    - 2012: >250 wells
  - Uteland Butte (Horizontal)
    - 2011: 10 wells
    - 2012: >30 wells
  - Wasatch
    - 2011: 25 wells
    - 2012: >50 wells
- **Historic realized oil price:**
  - 75-85% of NYMEX WTI

#### Play Types and Estimated Resource Potential

<table>
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<tr>
<th>Play Type</th>
<th>Net Acres</th>
<th>Locations</th>
<th>Avg. EUR MBOE</th>
<th>Avg. Well Cost $MM</th>
<th>Avg. WI%</th>
<th>Avg. NRI % 8/8ths</th>
<th>PV10 $MM*</th>
<th>BTAX IRR %*</th>
<th>Net Resource Potential MMBOE</th>
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<tbody>
<tr>
<td>Green River</td>
<td>165,000</td>
<td>&gt;4,000</td>
<td>75</td>
<td>$0.93</td>
<td>73%</td>
<td>82%</td>
<td>$1.2</td>
<td>&gt;100%</td>
<td>360</td>
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<td>Uteland Butte</td>
<td>200,000</td>
<td>&gt;1,800</td>
<td>300</td>
<td>$2.8</td>
<td>67%</td>
<td>81%</td>
<td>$5.0</td>
<td>&gt;100%</td>
<td>300</td>
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<tr>
<td>Wasatch</td>
<td>70,000</td>
<td>&gt;380</td>
<td>&gt;260</td>
<td>$2.6</td>
<td>58%</td>
<td>78%</td>
<td>$4.5</td>
<td>&gt;100%</td>
<td>&gt;45</td>
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<td>Deep Gas</td>
<td>250,000</td>
<td>&gt;3,000</td>
<td>-</td>
<td>-</td>
<td>~70%</td>
<td>~80%</td>
<td>-</td>
<td>-</td>
<td>&gt;10 TCFE</td>
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* $100/Bbl NYMEX WTI
Managing “Above Ground Risks”

Will E&P be a source for additional revenues?

- Tax Increases?
- Royalty Rate Increases?
- Loss of IDCs?

Regulatory Initiatives

- EPA Regulation of Hydraulic Fracturing
  - 4 Ongoing Studies
- New Air Restrictions/Permitting Requirements
- New Barriers to Tribal Development
- Increased Fees
- Remove RCRA Hazardous Waste Exemption
- New Ozone Standards
- Etc., Etc., Etc.
Opportunities at Newfield

• Intern Program, College Recruiting and Training.

• “Team Newfield” -- New Ideas are Accepted and Initiative is Rewarded.

• Responsibility Given Early in Your Career.

• Opportunities for Multiple Disciplines: Engineering, Geology, Geophysics, Reservoir Engineering, MBA’s, Business Development, etc.
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