

Investor Presentation

March 2021

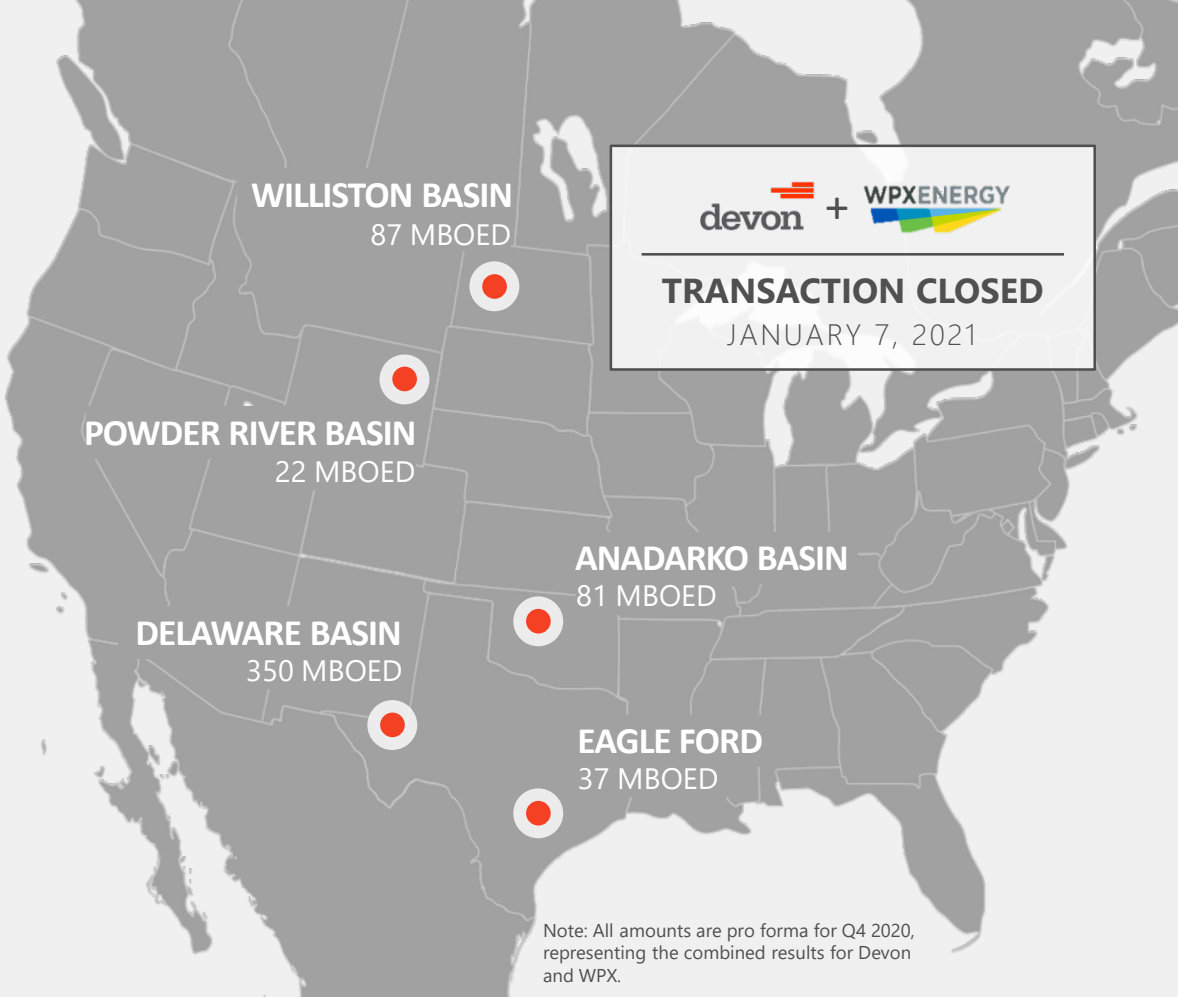
NYSE: DVN
devonenergy.com


devon



A Leading U.S. Energy Company

- ✓ **PREMIER** MULTI-BASIN PORTFOLIO
- ✓ **DISCIPLINED** RETURNS-DRIVEN STRATEGY
- ✓ **SIGNIFICANT** FINANCIAL STRENGTH & LIQUIDITY
- ✓ **PRIORITIZING** CASH RETURNS TO SHAREHOLDERS
- ✓ **COMMITTED** TO ESG EXCELLENCE



Our Disciplined Cash-Return Business Model

“Our **CASH-RETURN** business model is designed to moderate growth, emphasize capital efficiencies, maximize returns and prioritize the return of increasing amounts of cash to shareholders. These principles will position Devon to be a **PROMINENT** and **CONSISTENT** builder of economic value through the cycle.”

– **Rick Muncrief**, President & CEO

PROGRESSIVE GROWTH STRATEGY

- **DISCIPLINED OIL GROWTH** targets: up to 5% annually
- Growing margins through operational & corporate cost reductions

REDUCED REINVESTMENT RATES

- Disciplined returns-driven strategy to generate higher **FREE CASH FLOW**
- Committed to maintenance capital program in 2021

MAINTAIN LOW LEVERAGE

- Targeted net debt-to-EBITDAX ratio: ~1.0x
- Strong liquidity & disciplined hedging enhance **FINANCIAL STRENGTH**

PRIORITIZE CASH RETURNS

- Deploying free cash flow to dividends and debt reduction
- Innovative “**FIXED PLUS VARIABLE**” dividend strategy

PURSUE ESG EXCELLENCE

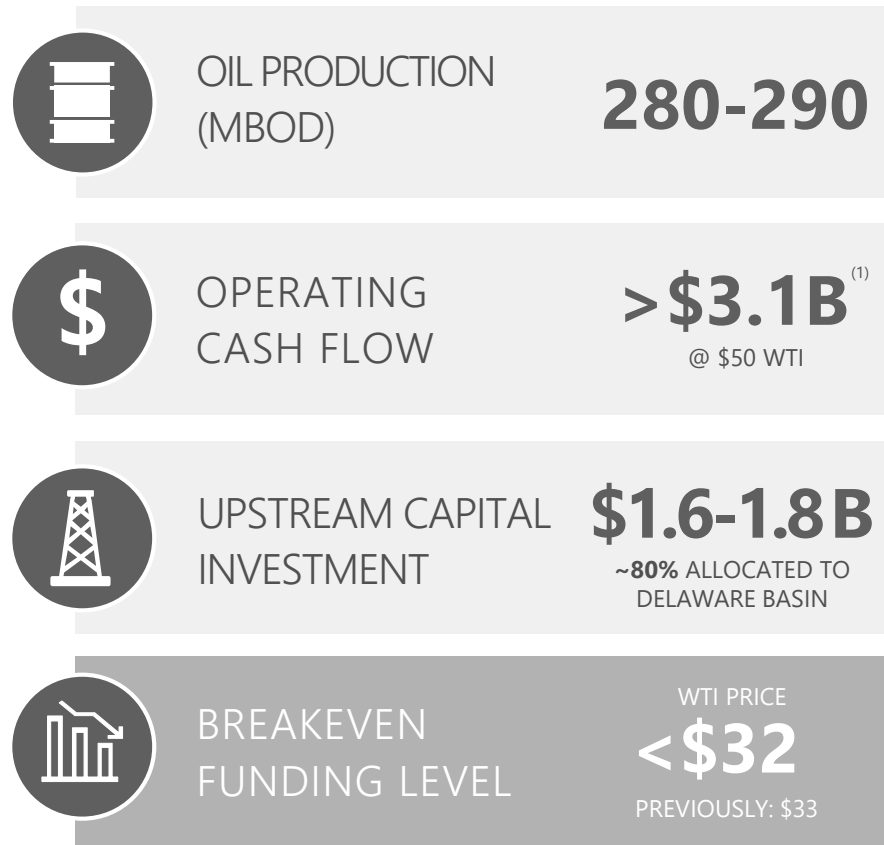
- Performance critical to long-term success of the company
- ESG initiatives incorporated into **COMPENSATION** structure



Committed to Maintenance Capital in 2021

Operations scaled to lower breakeven funding

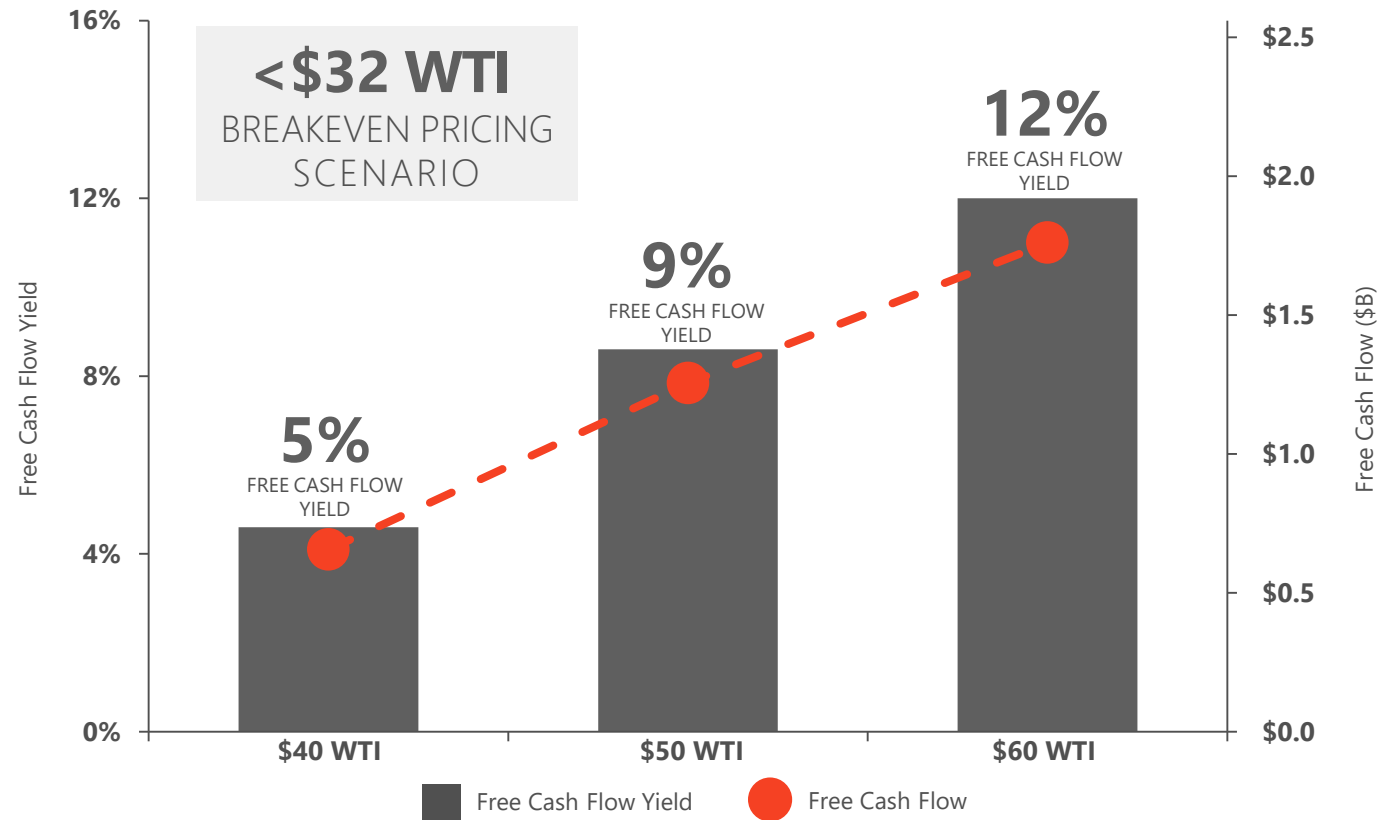
2021e outlook



(1) Operating cash flow is based on 2021 guidance. Assumes \$2.75 Henry Hub & NGL realizations at ~40% of WTI.

Free cash flow provides attractive investment opportunity

2021e free cash flow sensitivities



Note: Free cash flow represents operating cash flow (inclusive of restructuring expenses) less total capital requirements. Assumes a constant service & material cost environment. Share price as of 3/25/2021.

Free Cash Flow Priorities



FIXED DIVIDEND

- Paid quarterly at \$0.11 per share
- Target payout: up to 10% of cash flow



DEBT REDUCTION PROGRAM

- Net debt-to-EBITDAX target : ~1.0x
- \$1.5 billion reduction program underway



VARIABLE DIVIDEND

- Calculated on a quarterly basis
- Up to 50% of excess free cash flow



SHARE REPURCHASES

- Potential for opportunistic share repurchases

VARIABLE DIVIDEND STRATEGY

CALCULATED ON A QUARTERLY BASIS

STEP 1: VARIABLE DIVIDEND CALCULATION

Adjusted Cash Flow (Non-GAAP)

— Capital Expenditures (Accrued)

Adjusted Free Cash Flow

— Fixed Quarterly Dividend

Excess Free Cash Flow

✕ **Up to 50% Payout** (Board Discretion)

Variable Dividend

STEP 2: PAID QUARTERLY IF BELOW CRITERIA MET

- ✓ Cash Balance: >\$500 million
- ✓ Strong Balance Sheet & Leverage Ratios
- ✓ Constructive Commodity Price Outlook

Note: Adjusted cash flow represents operating cash flow before balance sheet changes.

Prioritizing Cash Returns to Shareholders

28 consecutive years of returning cash to shareholders

(\$ per share)



SPECIAL DIVIDEND
PAID ON OCT. 1, 2020
WITH BARNETT CLOSING



INDUSTRY-FIRST VARIABLE DIVIDEND (BASED ON PRO FORMA Q4 FINANCIAL RESULTS)

- ✓ **\$128 MILLION** (\$0.19 PER SHARE)
- ✓ **48% OF Q4 EXCESS FREE CASH FLOW**
- ✓ **PAID WITH FIXED QUARTERLY DIVIDEND**
- ✓ **PAYABLE ON MARCH 31, 2021**



FOR **VARIABLE DIVIDEND**
CALCULATION (SEE PG. 16 FOR DETAILS)

Note: All amounts are pro forma and represent the combined results for Devon and WPX.

Improving Investment-Grade Financial Strength



OUTSTANDING
LIQUIDITY POSITION

\$5.6B INCLUDES CASH &
CREDIT FACILITY



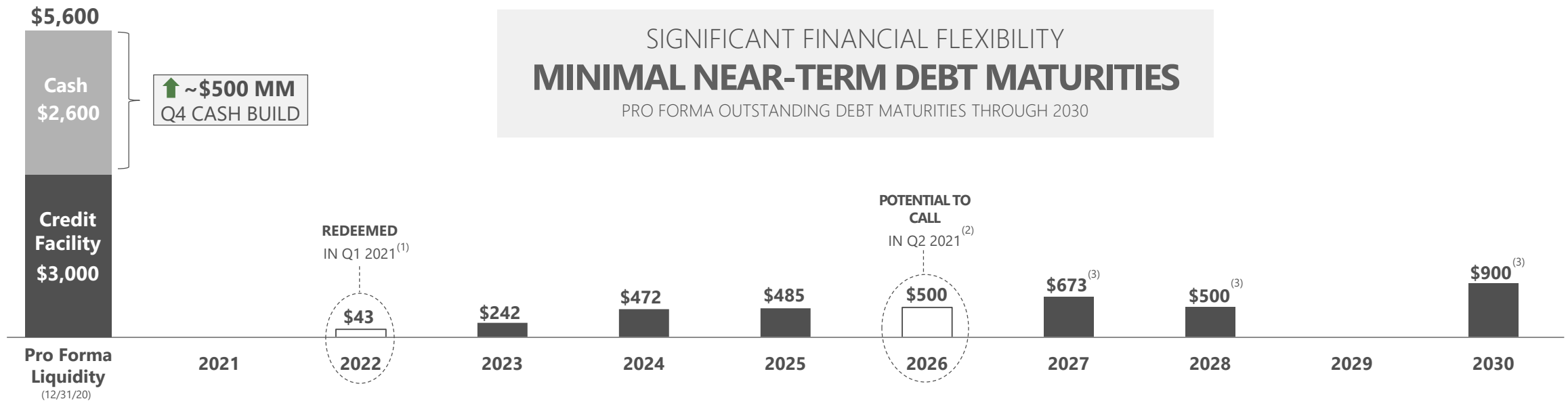
DEBT **REDUCTION**
EFFORTS PROGRESSING

\$1.5B AUTHORIZED
PROGRAM



COMMITTED TO
LOWERING LEVERAGE

~1.0x NET DEBT TO
EBITDAX TARGET



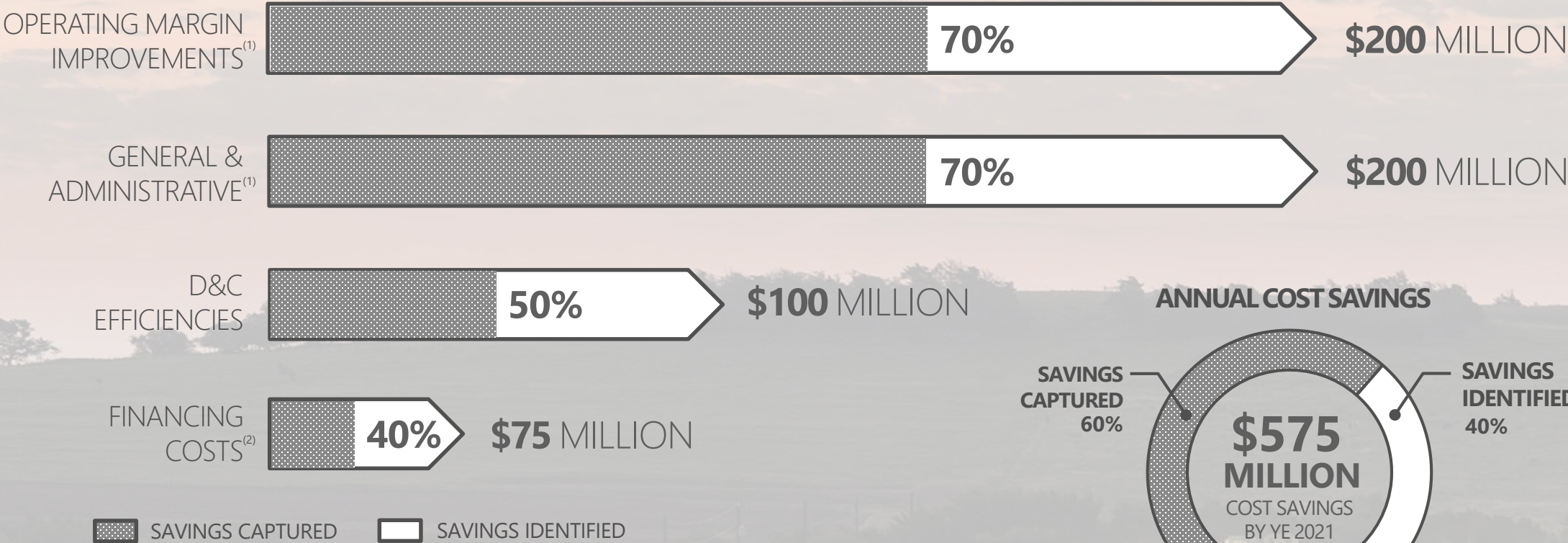
(1) Notes were redeemed in February 2021 with cash on hand. (2) Devon has the potential to fully redeem the 2026 notes once bonds become callable in Q2 2021. (3) On March 11, 2021, Devon announced that it would redeem \$210 million, \$175 million and \$315 million of the 2027 notes, the 2028 notes and 2030 notes, respectively. The 2028 and 2030 notes were redeemed on March 26, 2021 and the 2027 notes will be redeemed on April 10, 2021.

Note: All amounts are pro forma and represent the combined results for Devon and WPX. Notes due in 2027 and 2028 are callable in Q3 2022 and Q2 2023, respectively.

Capturing \$575 Million in Annual Cost Savings

On track to achieve cost synergies by year-end 2021

Targeted annual cost savings by area (\$MM)



(1) Includes benefits of cost savings captured in the second half of 2020 from legacy Devon operations.
 (2) Represents annualized interest savings from the \$43 mm of debt redeemed in Q1 2021 and \$500 mm of notes callable in Q2 2021. Captured savings does not include the impact from the recently announced \$700 mm debt redemption of senior notes.

Committed to Top-Tier ESG Performance

ENVIRONMENT

- **Achieved** methane intensity reduction target of 0.28% ahead of plan
- Lowered GHG emissions intensity rate **19%** year over year
- Water recycling has increased nearly **300%** since 2017

SOCIAL & SAFETY

- **Fostering** inclusion & diversity with our employees and community partners
- Permian Strategic Partnership provided **\$30 million** to communities last year
- Safety & incident rate performance consistently **above industry average**

GOVERNANCE

- ESG incorporated in **compensation structure** (including safety & emissions metrics)
- **Board-level oversight** of ESG goal-setting, performance & outreach
- Committed to **diverse, independent, experienced** and highly-skilled board



For additional information please refer to Devon's Sustainability Report & Climate Change Assessment Report

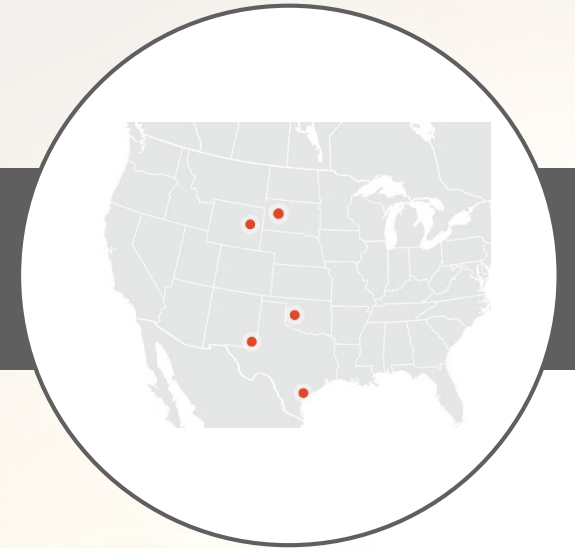
HIGHLY-REGARDED ESG RATINGS & RECOGNITION



Note: Amounts represent legacy Devon results.



Operations Update



NYSE: DVN
devonenergy.com



Delaware Basin – Our Capital-Efficient Growth Engine



WORLD-CLASS OIL OPPORTUNITY

- Stacked pay position across 400,000 net acres
- Multi-decade inventory opportunity



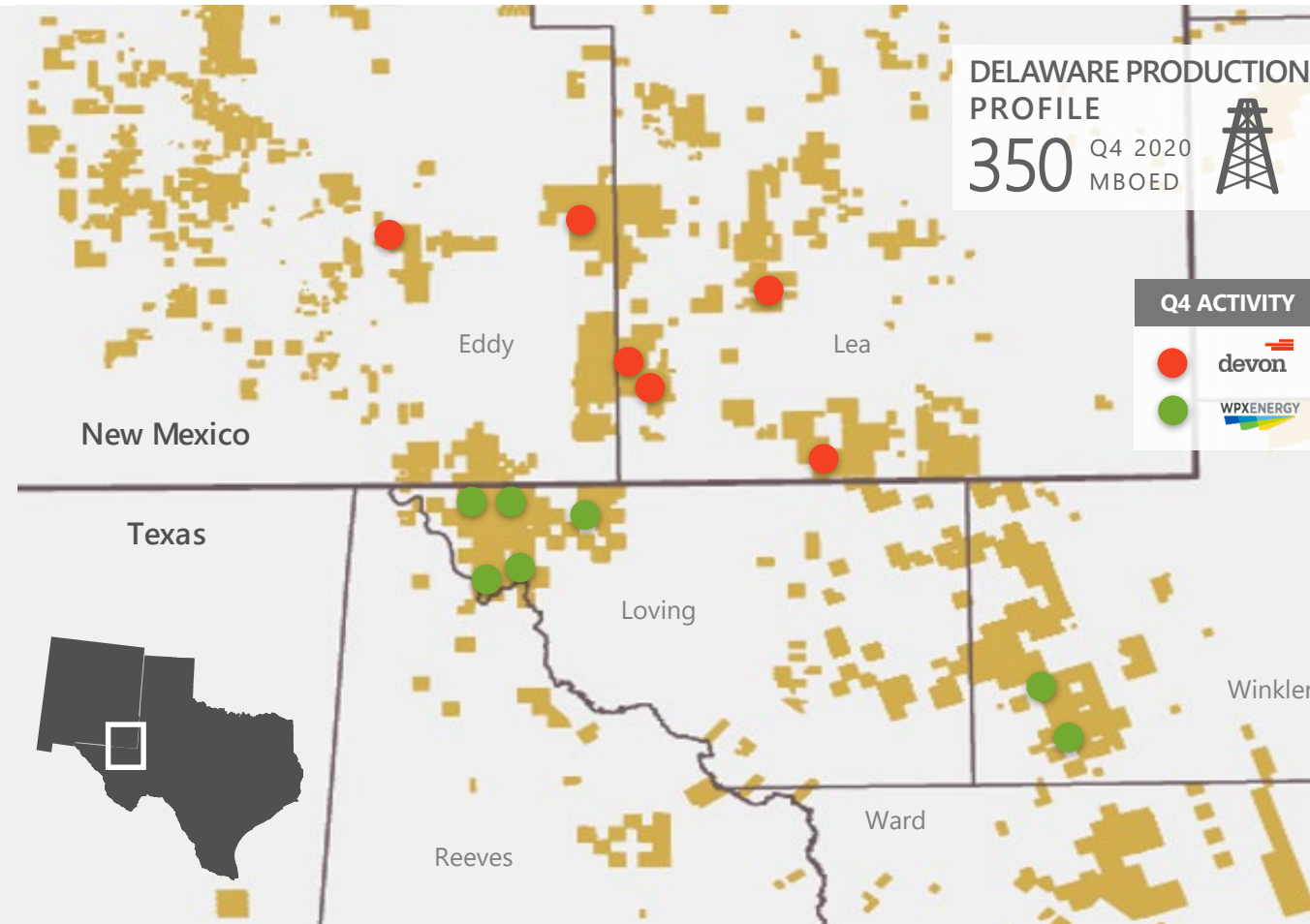
DELIVERING TOP-TIER RESULTS

- Operating efficiencies accelerating
- Midstream infrastructure drives sustainable savings



DIVERSIFIED ACREAGE POSITION

- 65% of leasehold resides on non-federal land
- 4-year federal permit inventory (~500 permits)
- Minimal impact from 60-day Dept. of Interior order

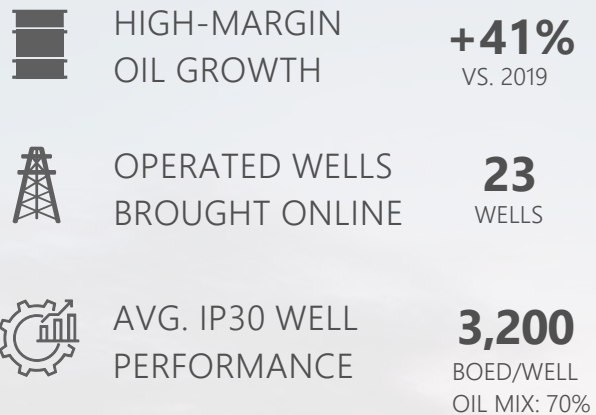


Note: All amounts are pro forma and represent the combined results for Devon and WPX.

Delaware Basin – Legacy Devon Results

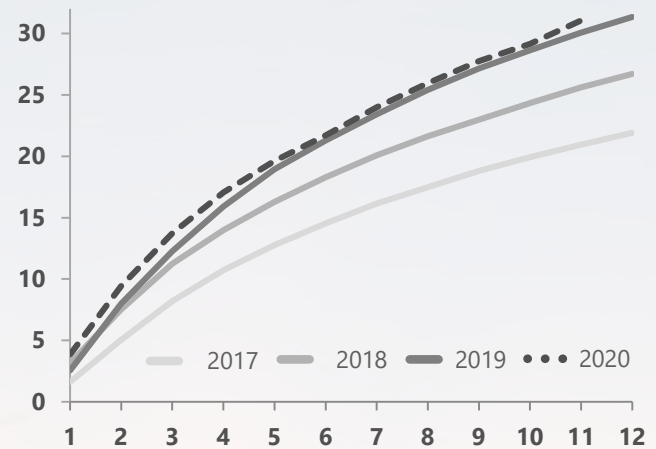
Outstanding Q4 execution

Key operating results



Achieving record well productivity

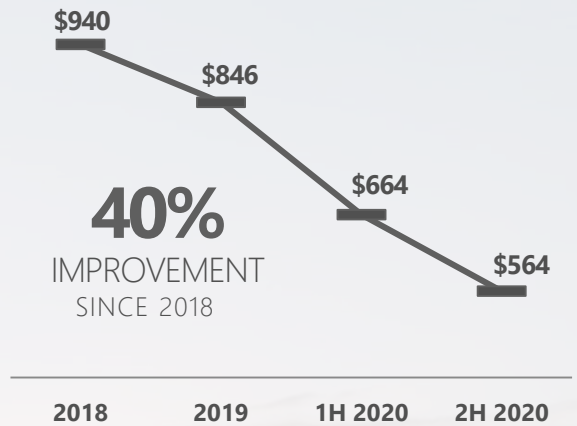
Average cumulative 12-month oil production per foot, MBO



Source: BMO Capital Markets, Enverus

Best-in-class capital efficiencies

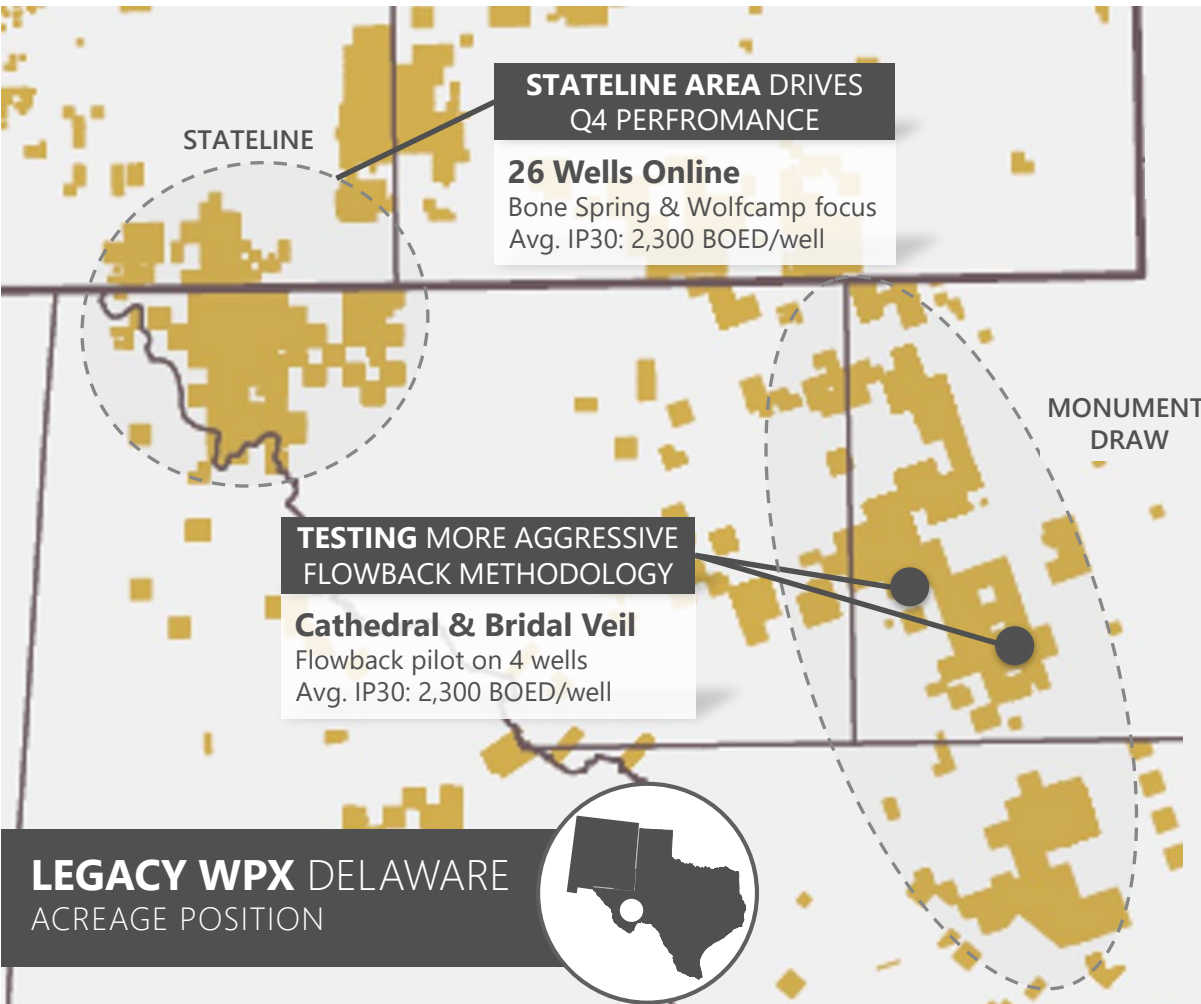
Drilling and completion costs per foot (excludes facilities)



LEGACY DVN DELAWARE
ACREAGE POSITION



Delaware Basin – Legacy WPX Results



Drilled & completed cost per foot (excludes allocation of facility costs)



Executing on **Stateline** development program

- Q4 activity outperforms type curve expectations
- Development focus driving improved capital efficiency (see chart)




Monument Draw development activity progressing

- Testing spacing & more aggressive flowback to optimize IRR
- Initial results indicate economics competitive with Stateline area

2021 Operating Outlook

Capital efficient 2021 program

2021e capital activity

- 
UPSTREAM CAPITAL BUDGET **\$1.6-\$1.8** BILLION
- 
AVERAGE DRILLING RIGS **18** 13 IN DELAWARE
- 
EXPECTED WELLS ONLINE **320-360** OPERATED WELLS

Delaware focused capital program

Upstream capital (in billions)

\$1.6-\$1.8 B

~80% ALLOCATED TO DELAWARE BASIN

2021e Capital Budget

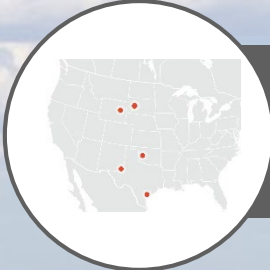
- OTHER KEY ASSETS
- DELAWARE BASIN

Driving per-unit costs lower

LOE PER BOE GP&T PER BOE

8% IMPROVEMENT vs. 2019

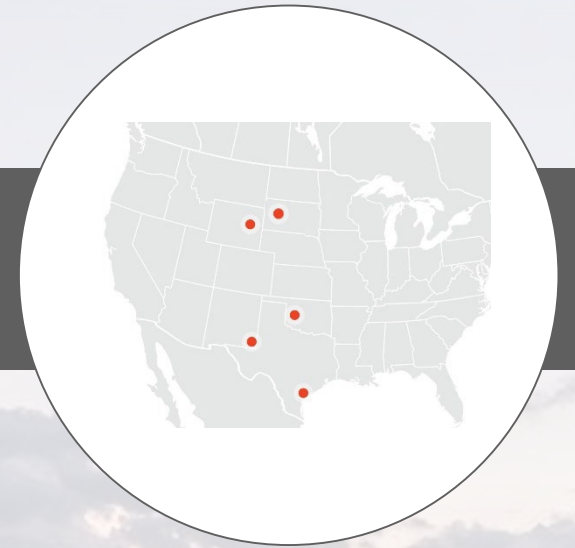
Year	LOE PER BOE	GP&T PER BOE	Total
2019			\$8.22
2020			\$7.94
2021e			\$7.60



ADVANTAGED MULTI-BASIN
ASSET PORTFOLIO



| Appendix



NYSE: DVN
devonenergy.com



devon

Q4 2020 – Variable Dividend Calculation

VARIABLE DIVIDEND CALCULATION

\$795 MM	– Adjusted Cash Flow (Non-GAAP)
— \$486 MM	– Capital Expenditures (Accrued)
<hr/>	
\$309 MM	– Adjusted Free Cash Flow (Non-GAAP)
— \$42 MM	– Fixed Quarterly Dividend (\$0.11/share)
<hr/>	
\$267 MM	– Excess Free Cash Flow
× 48% Payout	(Board Discretion: Up to 50%)
<hr/>	
\$128 MM	– Variable Dividend (\$0.19/share)

VARIABLE DIVIDEND DISTRIBUTION DETAILS

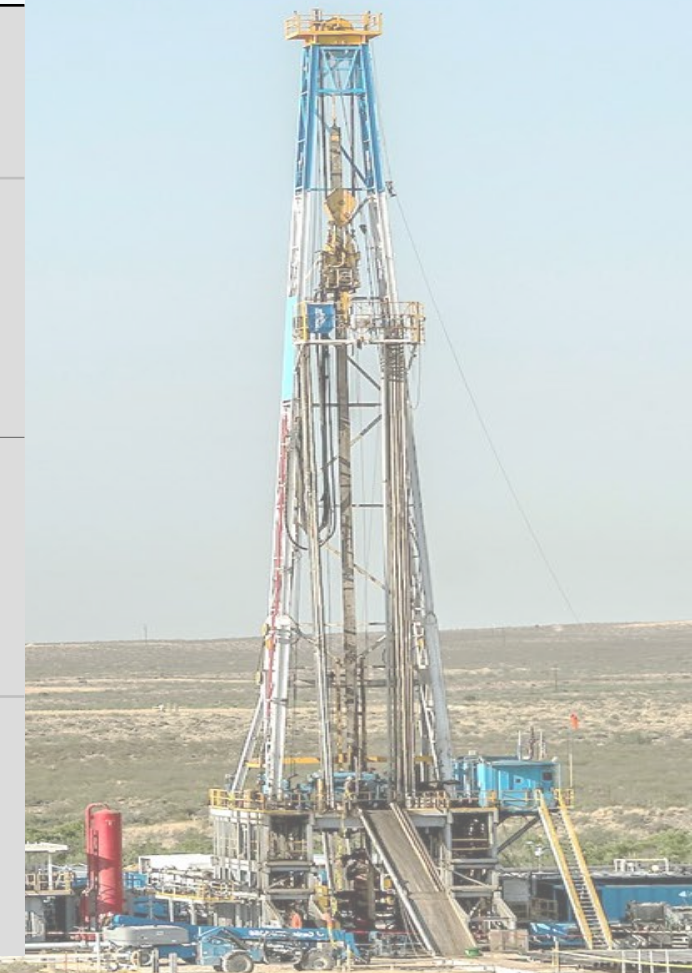
- ✓ **PAYABLE** on March 31, 2021
- ✓ **SHAREHOLDERS** of record on March 15, 2021



Note: Adjusted cash flow represents pro forma operating cash flow (\$773 million) before pro forma balance sheet changes (-\$22 million). See Devon's fourth-quarter 2020 earnings materials for more details regarding the variable dividend calculation.

Q4 2020 – Pro Forma Operational & Financial Results

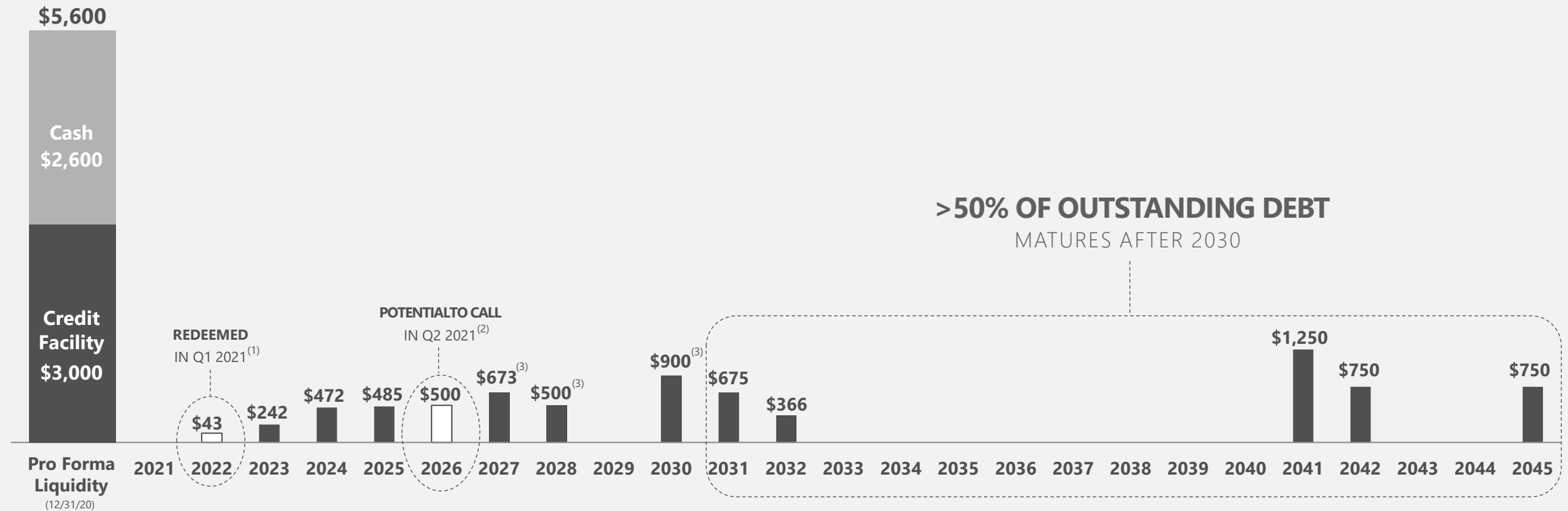
Key Metrics (\$ IN MILLIONS)	Legacy Devon	Legacy WPX	Pro Forma
Oil Production (MBOD)	156	149	305
Total Production (MBOED)	333	251	584
LOE & GP&T (PER BOE)	\$7.21	\$8.05	\$7.57
General & Administrative	\$82	\$62	\$144
Net Financing Costs	\$71	\$48	\$119
Operating Cash Flow (GAAP)	\$358	\$415	\$773
Total Cash Capital	\$217	\$293	\$510
Free Cash Flow (NON-GAAP)	\$141	\$122	\$263
Cash, Cash Equivalents & Restricted Cash	\$2,237	\$356	\$2,593
Total Debt	\$4,298	\$3,564	\$7,862
Proved Reserves (MMBOE)	752	682	1,434



Pro Forma Outstanding Debt Maturities

Strong liquidity with minimal near-term debt maturities

Pro forma outstanding debt maturities as 12/31/20 (\$MM)



(1) Notes were redeemed in February 2021 with cash on hand. (2) Devon has the potential to fully redeem the 2026 notes once bonds become callable in Q2 2021. (3) On March 11, 2021, Devon announced that it would redeem \$210 million, \$175 million and \$315 million of the 2027 notes, the 2028 notes and 2030 notes, respectively. The 2028 and 2030 notes were redeemed on March 26, 2021 and the 2027 notes will be redeemed on April 10, 2021.

Note: All amounts are pro forma and represent the combined results for Devon and WPX. Notes due in 2027 and 2028 are callable in Q3 2022 and Q2 2023, respectively.

Diversified Across Top Resource Plays

ANADARKO BASIN

(400,000 NET ACRES)

- Liquids-rich play focused on maximizing free cash flow
- **Commencing** Dow JV drilling program in 2021 (25-30 spuds)
- 2021 operating costs to benefit from expiration of MVCs

WILLISTON BASIN

(85,000 NET ACRES)

- High-margin oil resource in economic core of the play
- Diversified takeaway optionality to **optimize** pricing
- Expect to commence 1st production on 15-20 wells in 2021

EAGLE FORD

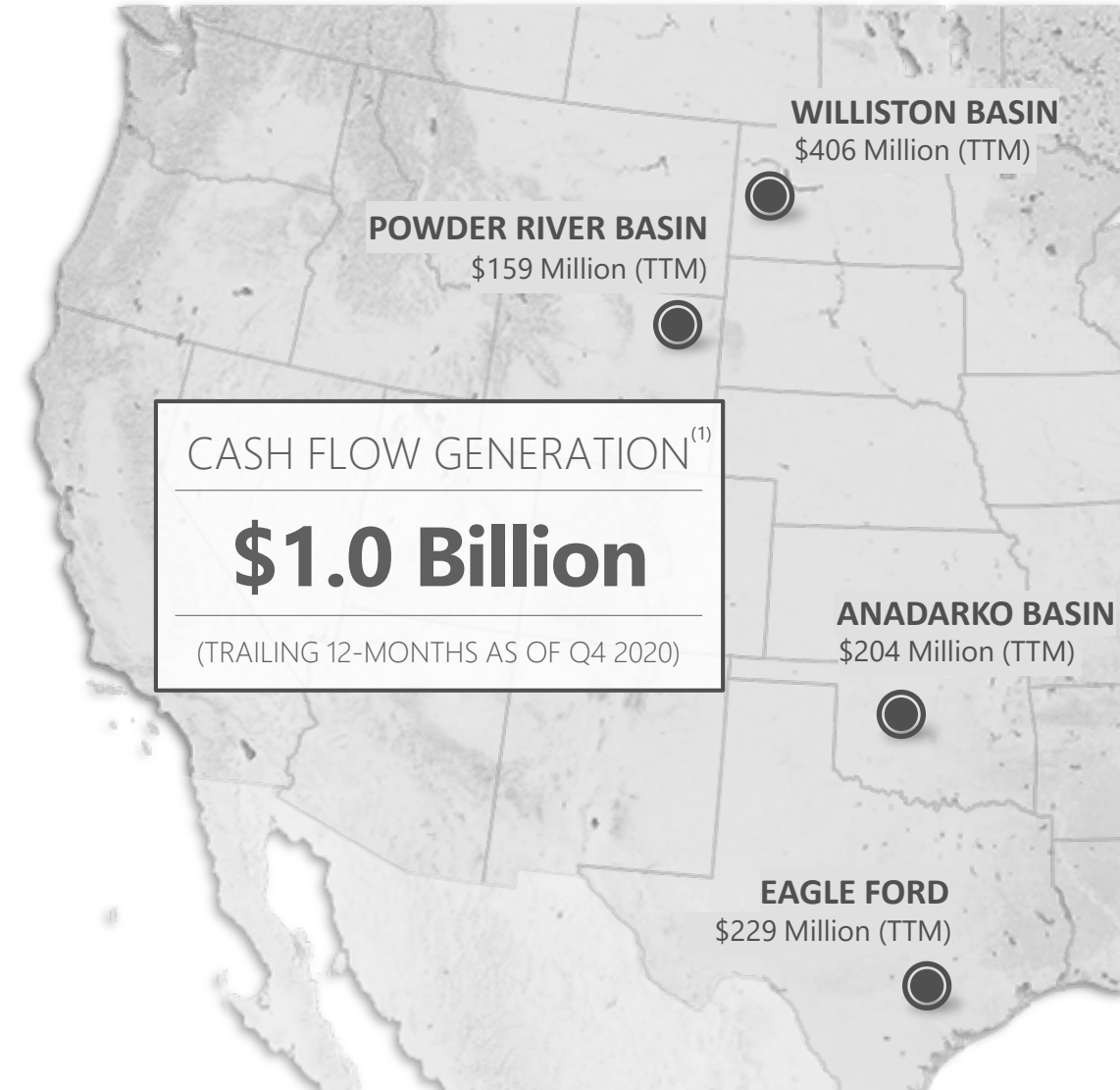
(40,000 NET ACRES)

- Expect to bring online 22 **high-impact** DUCs in 1H 2021
- Partnership expects to average 2 rig lines during the year
- Redevelopment activity extends inventory runway

POWDER RIVER BASIN

(>300,000 NET ACRES)

- **Emerging** oil opportunity with stacked-pay potential
- Niobrara appraisal de-risking scalable resource upside
- Expect to bring online 15-20 operated wells in 2021



(1) Represents field-level cash flow before G&A and taxes.

Note: All amounts are pro forma and represent the combined results for Devon and WPX.

Investor Contacts & Notices

Investor Relations Contacts

Scott Coody

VP, Investor Relations
405-552-4735

Email: investor.relations@dnv.com

Chris Carr

Manager, Investor Relations
405-228-2496

Investor Notices

Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of the federal securities laws. Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions, and are often identified by use of the words and phrases “expects,” “believes,” “will,” “would,” “could,” “continue,” “may,” “aims,” “likely to be,” “intends,” “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 communication that address activities, events or developments that Devon 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 our control. Consequently, actual future results could differ materially and adversely from our expectations due to a number of factors, including, but not limited to: the volatility of oil, gas and NGL prices; risks relating to the COVID-19 pandemic or other future pandemics; 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 our operations, including as a result of employee misconduct; regulatory

restrictions, compliance costs and other risks relating to governmental regulation, including with respect to environmental matters; risks related to regulatory, social and market efforts to address climate change; risks related to our hedging activities; counterparty credit risks; risks relating to our indebtedness; cyberattack risks; our limited control over third parties who operate some of 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 assets, materials, people and capital; risks related to investors attempting to effect change; our ability to successfully complete mergers, acquisitions and divestitures; risks related to the recent merger with WPX, including the risk that we may not realize the anticipated benefits of the merger or successfully integrate the two legacy businesses; and any of the other risks and uncertainties discussed in Devon’s 2020 Annual Report on Form 10-K (the “2020 Form 10-K”) or other SEC filings.

The forward-looking statements included in this communication speak only as of the date of this communication, represent current reasonable management’s expectations as of the date of this communication and are subject to the risks and uncertainties identified above as well as those described in the 2020 Form 10-K and in other documents we file from time to time with the SEC. We cannot guarantee the accuracy of our forward-looking statements, and readers are urged to carefully review and consider the various disclosures made in the 2020 Form 10-K and in other documents we file from time to time with the SEC. All subsequent written and oral forward-looking statements attributable to Devon, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements above. We do not undertake, and expressly disclaim, any duty to update or revise our forward-looking statements based on new information, future events or otherwise.

Use of Non-GAAP Information

This presentation may include non-GAAP (generally accepted accounting principles) 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 fourth-quarter 2020 earnings materials and related Form 10-K filed with the SEC.