

**WPX Energy, Inc.**  
**Consolidated Statement of Operations**  
(Unaudited)

	Years ended December 30,		
	2013	2012	2011
	(Millions, except per share amounts)		
Revenues:			
Product revenues:			
Natural gas sales	\$ 1,093	\$ 1,364	\$ 1,694
Oil and condensate sales	649	491	312
Natural gas liquid sales	230	299	408
Total product revenues	<u>1,972</u>	<u>2,154</u>	<u>2,414</u>
Gas management	891	949	1,428
Net gain (loss) on derivatives not designated as hedges	(124)	78	29
Other	22	8	11
Total revenues	<u>2,761</u>	<u>3,189</u>	<u>3,882</u>
Costs and expenses:			
Lease and facility operating	308	283	262
Gathering, processing and transportation	433	506	487
Taxes other than income	141	111	134
Gas management, including charges for unutilized pipeline capacity	931	996	1,471
Exploration	431	83	126
Depreciation, depletion and amortization	940	966	902
Impairment of producing properties and costs of acquired unproved reserves	1,055	225	367
Gain on sale of Powder River Basin deep rights leasehold	(36)	-	-
General and administrative	289	287	275
Other - net	17	12	-
Total costs and expenses	<u>4,509</u>	<u>3,469</u>	<u>4,024</u>
Operating income (loss)	(1,748)	(280)	(142)
Interest expense	(108)	(102)	(117)
Interest capitalized	5	8	9
Investment income, impairment of equity method investment and other	5	30	26
Income (loss) from continuing operations before income taxes	<u>(1,846)</u>	<u>(344)</u>	<u>(224)</u>
Provision (benefit) for income taxes	(655)	(111)	(74)
Income (loss) from continuing operations	<u>(1,191)</u>	<u>(233)</u>	<u>(150)</u>
Income (loss) from discontinued operations	-	22	(142)
Net income (loss)	<u>(1,191)</u>	<u>(211)</u>	<u>(292)</u>
Less: Net income (loss) attributable to noncontrolling interests	(6)	12	10
Net income (loss) attributable to WPX Energy, Inc.	<u>\$ (1,185)</u>	<u>\$ (223)</u>	<u>\$ (302)</u>
<b>Amounts attributable to WPX Energy, Inc.:</b>			
<b>Basic and diluted earnings (loss) per common share:</b>			
Income (loss) from continuing operations	\$ (5.91)	\$ (1.23)	\$ (0.81)
Income (loss) from discontinued operations	-	0.11	(0.73)
Net income (loss)	<u>\$ (5.91)</u>	<u>\$ (1.12)</u>	<u>\$ (1.54)</u>
Weighted-average shares (millions)	200.5	198.8	197.1

**WPX Energy, Inc.**  
**Consolidated Balance Sheet**  
(Unaudited)

	December 31, 2013	December 31, 2012
(Millions)		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 99	\$ 153
Accounts receivable, net of allowance of \$7 and \$11 as of December 31, 2013 and 2012, respectively	536	443
Deferred income taxes	49	17
Derivative assets	50	58
Inventories	72	66
Margin deposits	71	-
Other	45	35
Total current assets	<u>922</u>	<u>772</u>
Investments	145	145
Properties and equipment, net (successful efforts method of accounting)	7,241	8,416
Derivative assets	7	2
Other noncurrent assets	114	121
Total assets	<u>\$ 8,429</u>	<u>\$ 9,456</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 652	\$ 509
Accrued and other current liabilities	190	201
Customer margin deposits payable	55	2
Derivative liabilities	110	14
Total current liabilities	<u>1,007</u>	<u>726</u>
Deferred income taxes	788	1,401
Long-term debt	1,916	1,508
Derivative liabilities	12	1
Asset retirement obligations	358	316
Other noncurrent liabilities	138	133
Equity:		
Stockholders' equity:		
Preferred Stock (100 million shares authorized at \$0.01 par value; no shares issued)	-	-
Common Stock (2 billion shares authorized at \$0.01 par value; 201 million shares issued at December 31, 2013 and 199.3 million shares issued at December 31, 2012)	2	2
Additional paid-in-capital	5,516	5,487
Accumulated deficit	(1,408)	(223)
Accumulated other comprehensive income (loss)	(1)	2
Total stockholders' equity	<u>4,109</u>	<u>5,268</u>
Noncontrolling interests in consolidated subsidiaries	101	103
Total equity	<u>4,210</u>	<u>5,371</u>
Total liabilities and equity	<u>\$ 8,429</u>	<u>\$ 9,456</u>

**WPX Energy, Inc.**  
**Consolidated Statement of Cash Flows**  
**(Unaudited)**

	Years ended December 31,		
	2013	2012	2011
	(Millions)		
<b>Operating Activities</b>			
Net income (loss)	\$ (1,191)	\$ (211)	\$ (292)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, depletion and amortization	940	973	951
Deferred income tax provision (benefit)	(645)	(160)	(176)
Provision for impairment of properties and equipment (including certain exploration expenses) and investments	1,483	288	694
Amortization of stock-based awards	32	28	5
Gain on sales of assets(a)	(41)	(42)	(1)
Cash provided (used) by operating assets and liabilities:			
Accounts receivable	(43)	68	(100)
Inventories	(5)	7	3
Margin deposits and customer margin deposits payable	(18)	(5)	(18)
Other current assets	(7)	7	(11)
Accounts payable	41	(128)	131
Accrued and other current liabilities	(21)	12	10
Changes in current and noncurrent derivative assets and liabilities	106	(32)	8
Other, including changes in other noncurrent assets and liabilities	5	(9)	3
Net cash provided by operating activities	<u>636</u>	<u>796</u>	<u>1,207</u>
<b>Investing Activities</b>			
Capital expenditures (b)	(1,154)	(1,521)	(1,572)
Proceeds from sales of assets	49	310	15
Purchases of investments	(3)	(2)	(12)
Other	(3)	9	13
Net cash used in investing activities	<u>(1,111)</u>	<u>(1,204)</u>	<u>(1,556)</u>
<b>Financing Activities</b>			
Proceeds from common stock	6	3	-
Proceeds from long-term debt	-	6	1,502
Borrowings on credit facility	970	50	-
Payments on credit facility	(560)	(50)	-
Contribution from noncontrolling interest	4	10	-
Excess tax benefit of stock based awards	-	13	-
Payments for debt issuance costs	-	-	(30)
Net increase in notes payable to Williams	-	-	159
Net changes in Williams' net investment	-	-	(777)
Other	6	5	(15)
Net cash provided by (used in) financing activities	<u>426</u>	<u>37</u>	<u>839</u>
Net increase (decrease) in cash and cash equivalents	(49)	(371)	490
Effect of exchange rate changes on cash and cash equivalents	(5)	(2)	(1)
Cash and cash equivalents at beginning of period	153	526	37
Cash and cash equivalents at end of period	<u>\$ 99</u>	<u>\$ 153</u>	<u>\$ 526</u>
(a) 2013 includes a \$36 million gain on sale of Powder River Basin deep rights leasehold and 2012 includes the gain on the sale of Barnett Shale and Arkoma Basin.			
(b) Increase to properties and equipment	\$ (1,207)	\$ (1,449)	\$ (1,641)
Changes in related accounts payable and accounts receivable	53	(72)	69
Capital expenditures	<u>\$ (1,154)</u>	<u>\$ (1,521)</u>	<u>\$ (1,572)</u>