Q2 2020 Earnings Presentation

August 4, 2020

NYSE: DVN
devonenergy.com

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Key Takeaways From Our Earnings Presentation

#1 Q2 operating results drive improved 2020 outlook

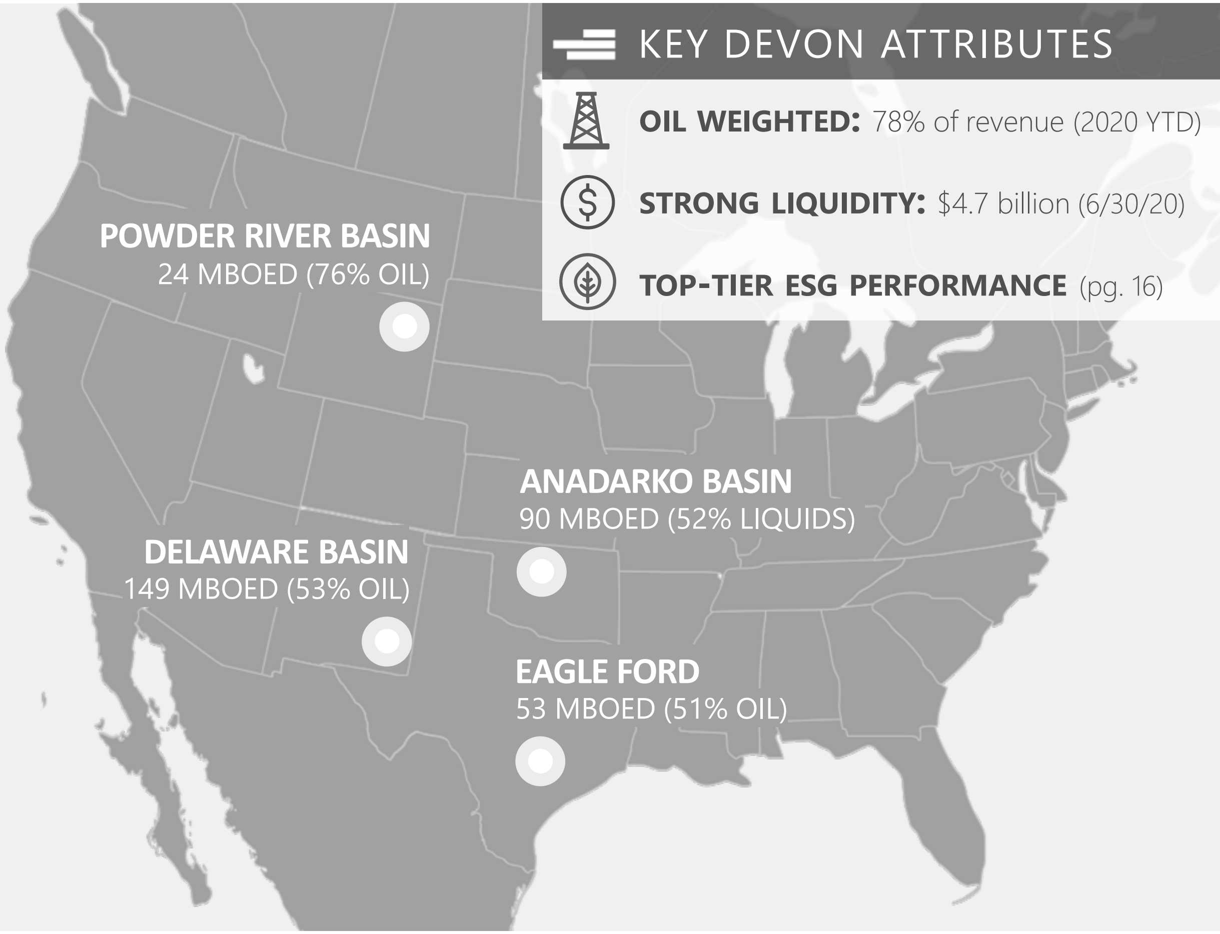
#2 Barnett Shale closing accelerated to Oct. 1

#3 2021 **maintenance capital** improved by ~15%

#4 Cash cost reductions of $300MM by year end

#5 Plan to **repurchase** up to $1.5 billion of debt

#6 Board declares $100MM **special dividend**



KEY DEVON ATTRIBUTES

- **OIL WEIGHTED:** 78% of revenue (2020 YTD)
- **STRONG LIQUIDITY:** $4.7 billion (6/30/20)
- **TOP-TIER ESG PERFORMANCE** (pg. 16)

Our Approach to Managing the Business

"The fundamental changes that underpin our transition to a cash-return business model will transform Devon from a highly-efficient oil and gas operator to a PROMINENT and CONSISTENT builder of economic value through the cycle."

Dave Hager
President & CEO

PROGRESSIVE
GROWTH STRATEGY

- MODERATED OIL GROWTH targets: up to 5% annually
- Expand margins through operational & corporate cost reductions

REDUCED
REINVESTMENT RATES

- Targeting 70%-80% of operating cash flow (at mid-cycle pricing)
- Disciplined returns-driven strategy to generate higher FREE CASH FLOW

MAINTAIN
LOW LEVERAGE

- Targeting net debt-to-EBITDAX ratio: 0.5x – 1.0x
- Strong liquidity & hedging program provide MARGIN OF SAFETY

PRIORITIZE
CASH RETURNS

- Deploying free cash flow to dividends & opportunistic buybacks
- Board approves Devon's initial SPECIAL DIVIDEND (pg. 14)

PURSUE
ESG EXCELLENCE

- Committed to delivering industry-leading ESG results
- ESG initiatives incorporated into COMPENSATION structure

Q2 2020 – Operating Highlights

RESILIENT PRODUCTION	CAPITAL EFFICIENCIES	IMPROVED COSTS
OIL PRODUCTION	CAPITAL INVESTMENT	G&A EXPENSES
153 MBOD	**$203 million**	**$79 million**
⬆3 MBOD ABOVE GUIDANCE	⬇10% BELOW GUIDANCE	⬇31% YEAR-OVER-YEAR

UPDATED **2020** OUTLOOK

SEE PAGE 6 FOR DETAILS

Key Messages

- Curtailments limited oil volumes by ~10,000 BOD in Q2
- No plans to restrict production in second-half of 2020
- Delaware capital efficiencies continue to accelerate (pg. 10)
- Regional oil realizations recovering in Q3

Q2 2020 – Asset-Level Highlights

MULTI-BASIN PORTFOLIO DELIVERING STRONG RESULTS

DELAWARE BASIN

- Exited quarter with 9 rigs & 1 frac crew running
- Industry-leading Wolfcamp efficiencies ACCELERATE (pg. 10)
- Per-unit production expense improved 20% vs. last year

POWDER RIVER

- Niobrara appraisal program continues to progress
- 3-well Niobrara spacing test ONLINE in early Q3
- Targeted Niobrara D&C costs: <$7 million by year-end

EAGLE FORD

- Production increased 8% year-over-year to 53 MBOED
- 13 development wells brought online – IP30: 2,300 BOED
- Successful REDEVELOPMENT APPRAISAL confirms resource upside

ANADARKO BASIN

- $100 million Dow drilling carry to enhance returns
- Dow to fund ~65% of capital on 133 undrilled locations
- COMPETITIVE ECONOMICS at >$2.50 Henry Hub pricing

Q2 OUTPERFORMANCE DRIVES IMPROVED OUTLOOK
(SEE PAGE 6 FOR DETAILS)

See **appendix** for more asset-level details

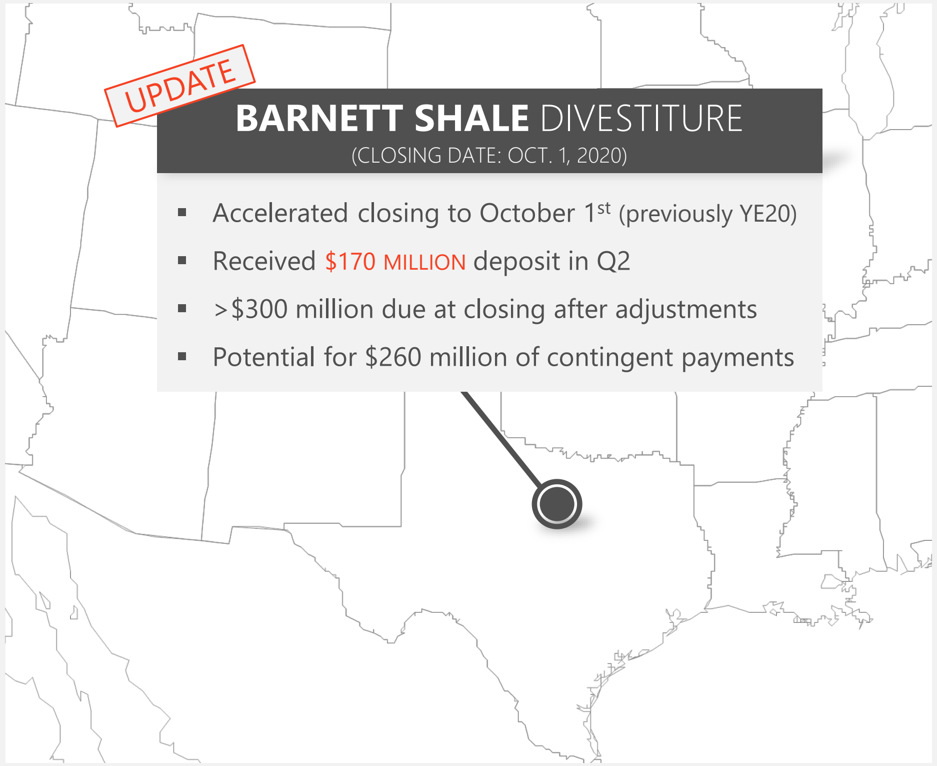
Strong Execution Driving Improved 2020 Outlook

	Updated Guidance	vs. Prior Guidance	Key Messages
Upstream capital	$950 – $1,000 ($ in millions)	$25 Million Improvement	▪ Driven by improvements in Delaware Basin COSTS & CYCLE TIMES ▪ Expect to bring online 65 to 70 wells in 2H 2020 (~60% in Q4)
Oil production	148 – 152 (MBOD)	2,500 BOD Improvement	▪ Raising 2020 OIL OUTLOOK due to base production performance ▪ Higher oil production expected in Q4 vs. Q3 (timing of completions)
LOE & GP&T	$7.95 – $8.15 (per BOE)	$0.15 Per BOE Improvement	▪ Cost savings achieved year-to-date driving per-unit costs lower ▪ Anadarko MVC expirations to provide $65MM benefit in 2021
G&A	$315 – $335 ($ in millions)	$35 Million Improvement	▪ Improving G&A expense outlook for 2nd time in 2020 ▪ Annual run-rate to REACH $250 MILLION by year-end (pg. 12)
Excess cash flow	$0.5 billion[(1)] (in 2H 2020)	$0.1 Billion Improvement	▪ Scaled operations to generate free cash flow in 2H 2020 ▪ Barnett divestiture to close EARLIER THAN PLANNED (pg. 7)

(1) Excess cash flow represents operating cash flow plus remaining proceeds expected from Barnett divestiture less capital expenditures.

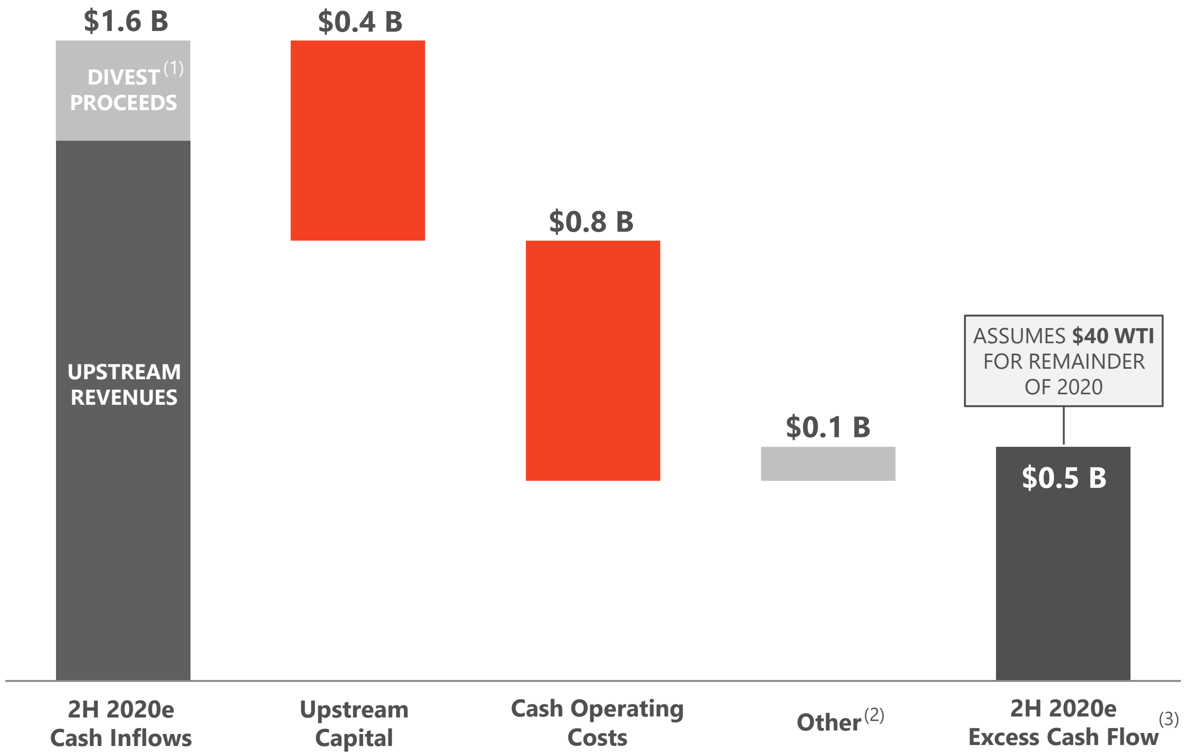
Accelerating Barnett Shale Closing Date

Barnett divestiture bolsters liquidity



Generating excess cash flow in second half of 2020

($ in billions)

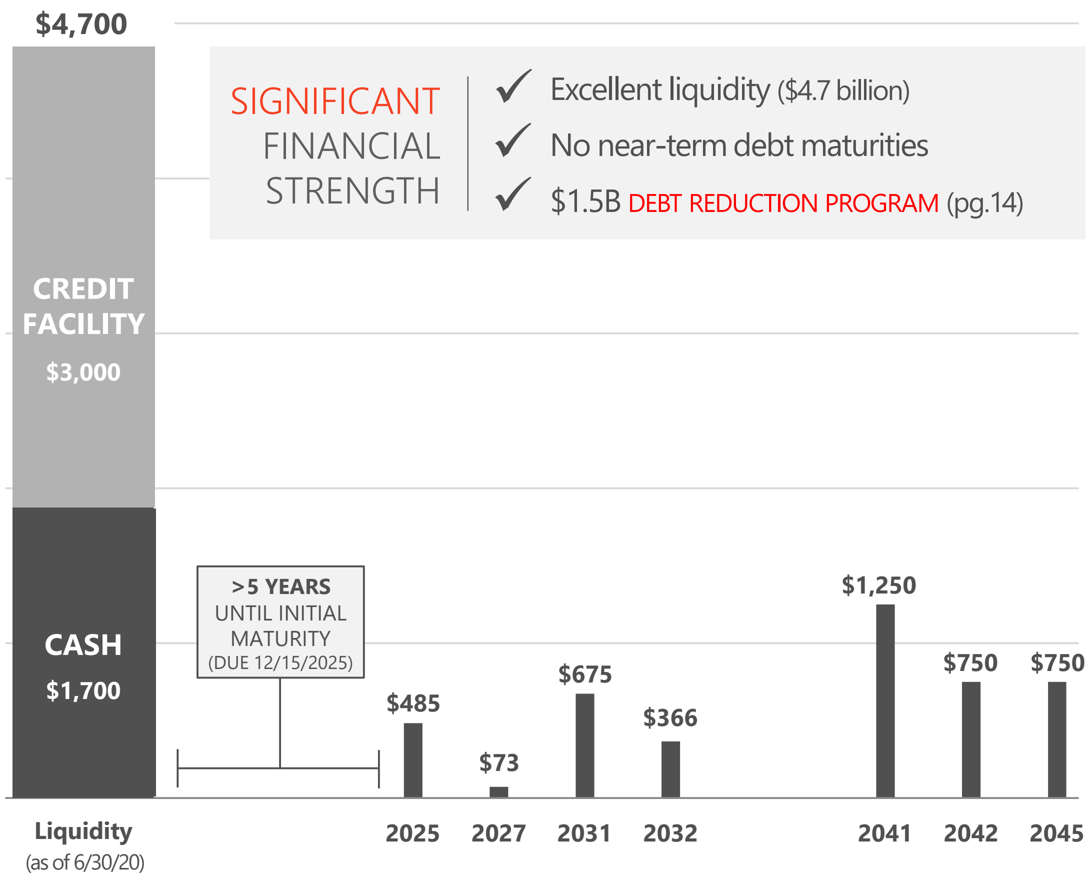


(1) Assumes >$300 million of net proceeds from Barnett sale closing after purchase price adjustments.
(2) Includes severance and income tax refunds.
(3) Excess cash flow represents operating cash flow plus remaining proceeds expected from Barnett divestiture less capital expenditures.

Significant Financial Strength & Liquidity

Strong liquidity with no near-term debt maturities

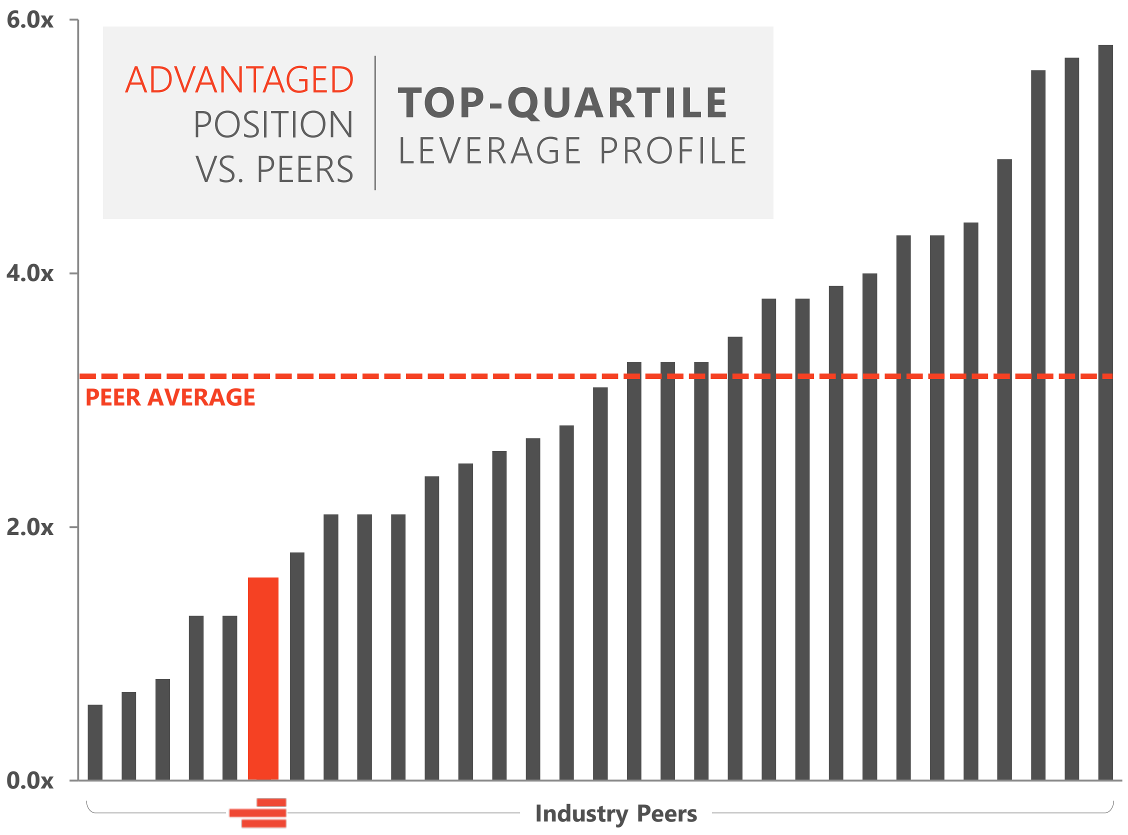
Outstanding debt maturities ($MM)



Notes: Liquidity does not include free cash flow expected in 2H of 2020 or >$300 million of remaining Barnett proceeds. $2.8 billion of the credit facility matures in Oct. 2024, with the balance maturing in Oct. 2023.

Balance sheet strength provides competitive advantage

Net debt to 2020e EBITDAX[(1)]



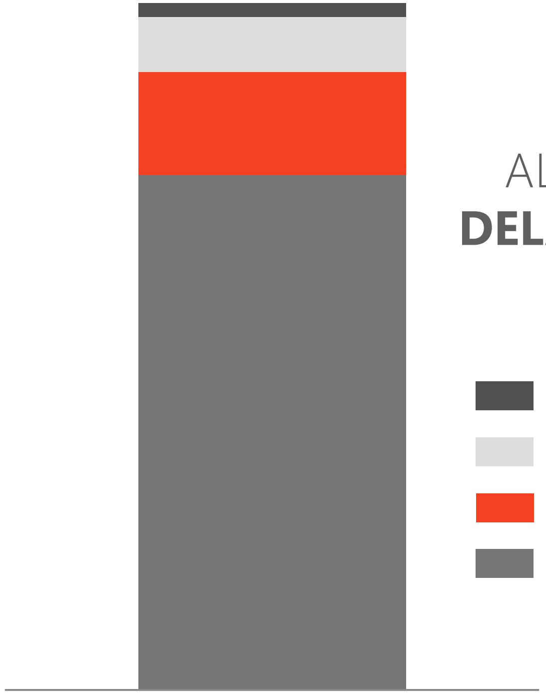
(1) Net debt and EBITDAX are non-GAAP measures. Non-GAAP reconciliations are provided in Q2 earnings release materials.
Source: DVN & FactSet

Investment Concentrated in the Delaware Basin

Efficiencies driving improved outlook

2020e E&P capital ($MM)

$950 - $1,000
(↓$25 MM REDUCTION)

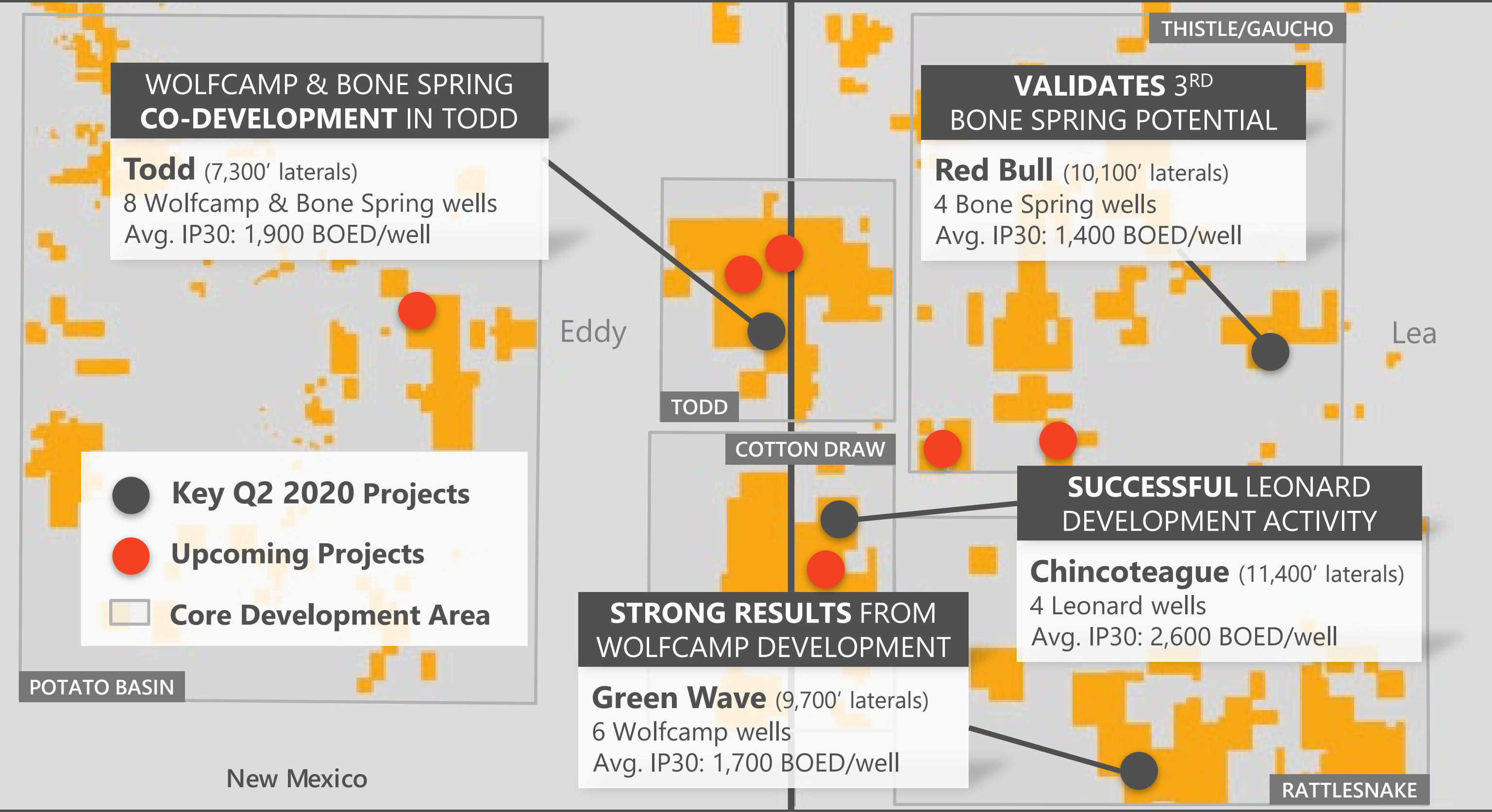


~75%
ALLOCATED TO
DELAWARE BASIN

- Anadarko Basin
- Eagle Ford
- Powder River Basin
- Delaware Basin

2020e Capital Budget

Q2 RESULTS – RATES RESTRICTED DUE TO MARKET CONDITIONS



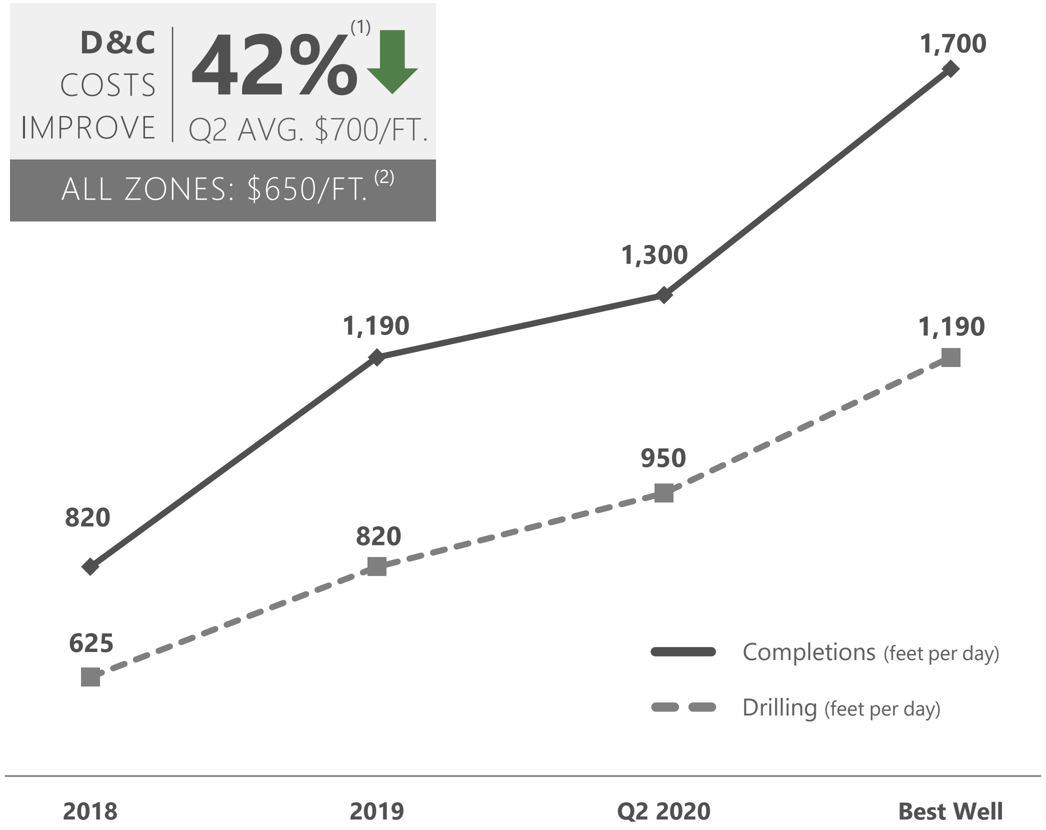
SUSTAINABLE RESOURCE OPPORTUNITY
>200,000 NET ACRES WITH STACKED PAY

DEVELOPMENT EFFICIENCIES
CONTINUE TO ACCELERATE (pg. 10)

Operational Efficiencies Continue to Accelerate

Delivering best-in-class capital efficiency…

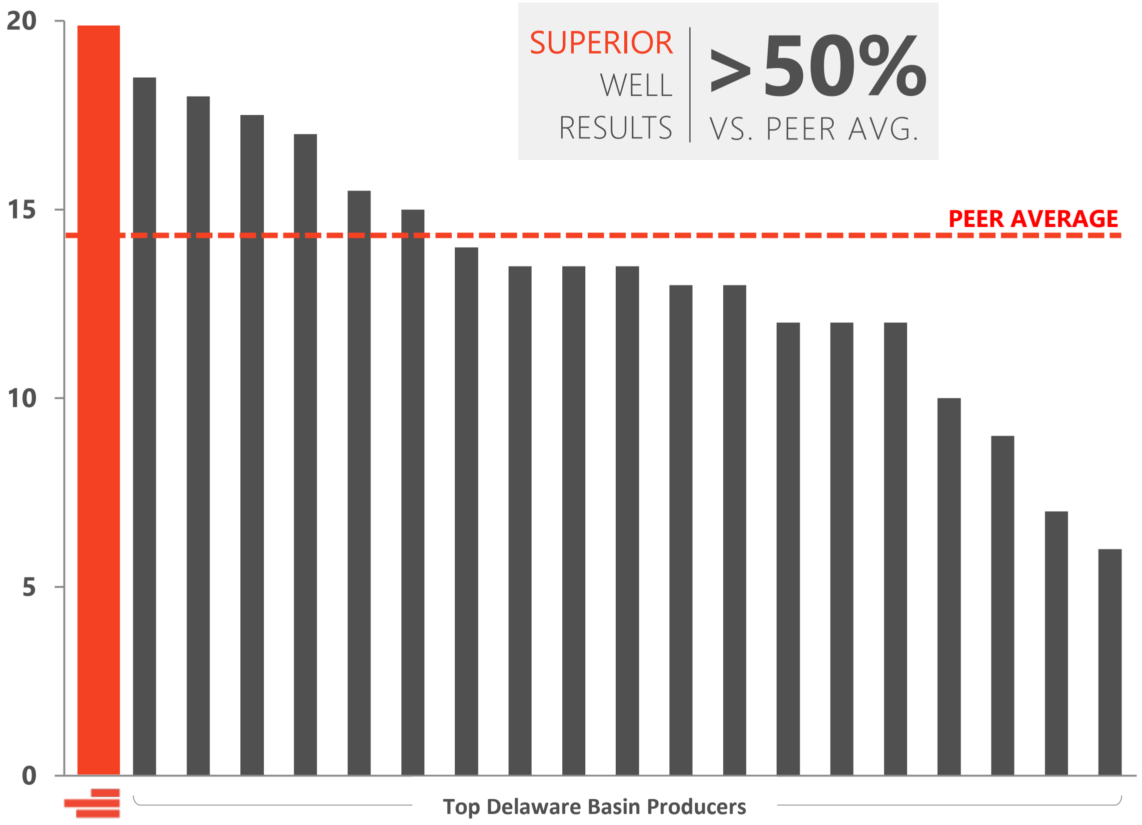
Drilled and completed feet per day (Wolfcamp formation)



(1) Compared to 2018 average. Cost excludes facilities. (2) Includes Leonard, Bone Spring & Wolfcamp formations.

While achieving superior well results

Average cumulative 6-month oil production per foot, MBO (2019)

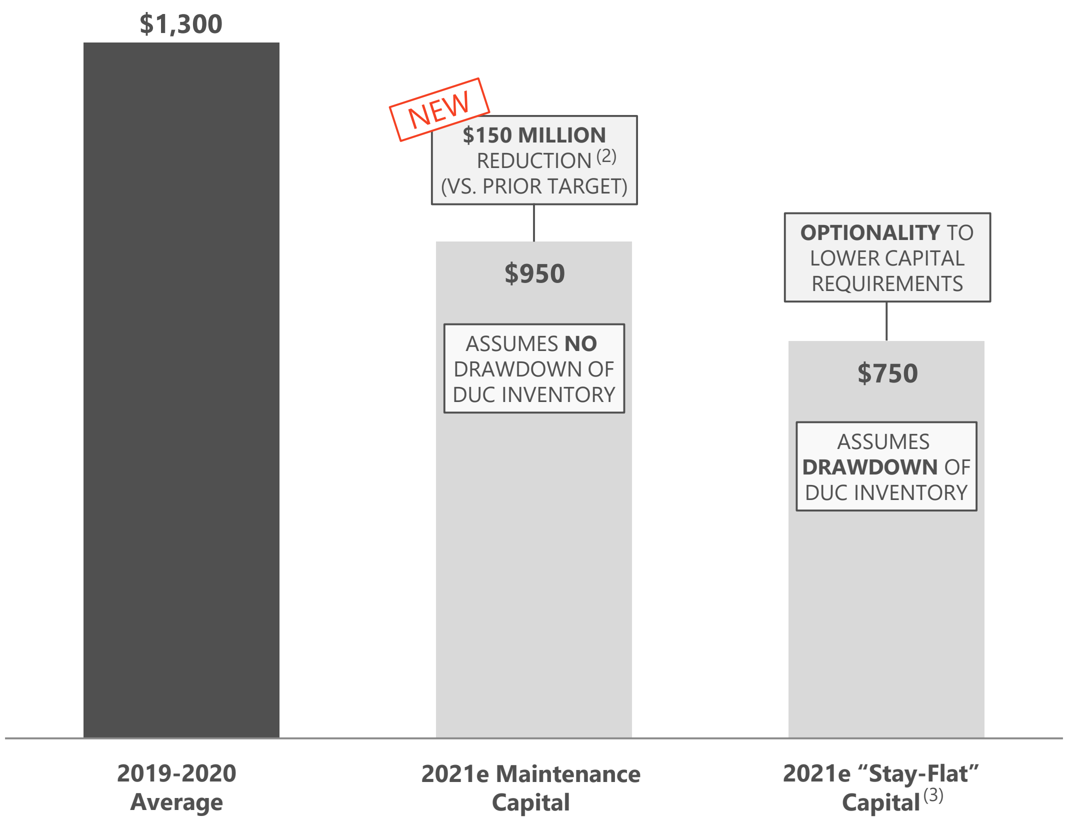


Source: Enverus, J.P. Morgan North America Equity Research

Efficiencies Drive Maintenance Capital Improvements

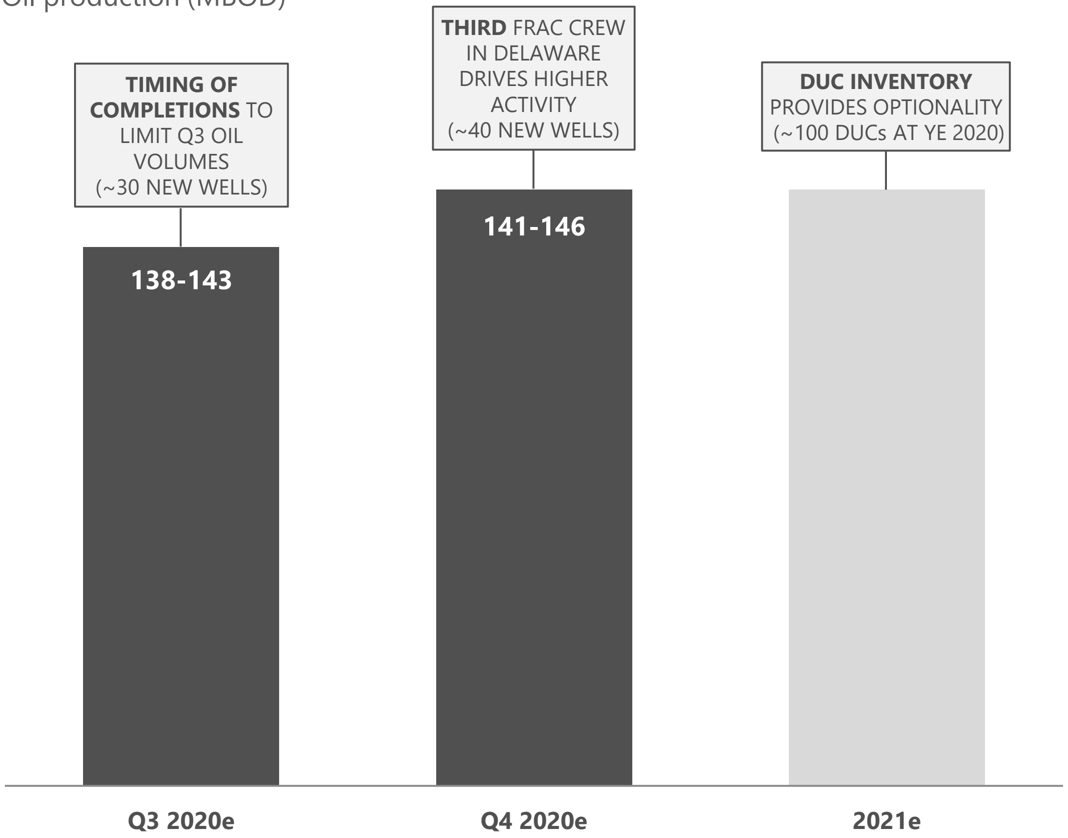
Wolfcamp success driving capital efficiency gains

Maintenance capital ($ millions) (1)



Preserving productive capacity into 2021

Oil production (MBOD)

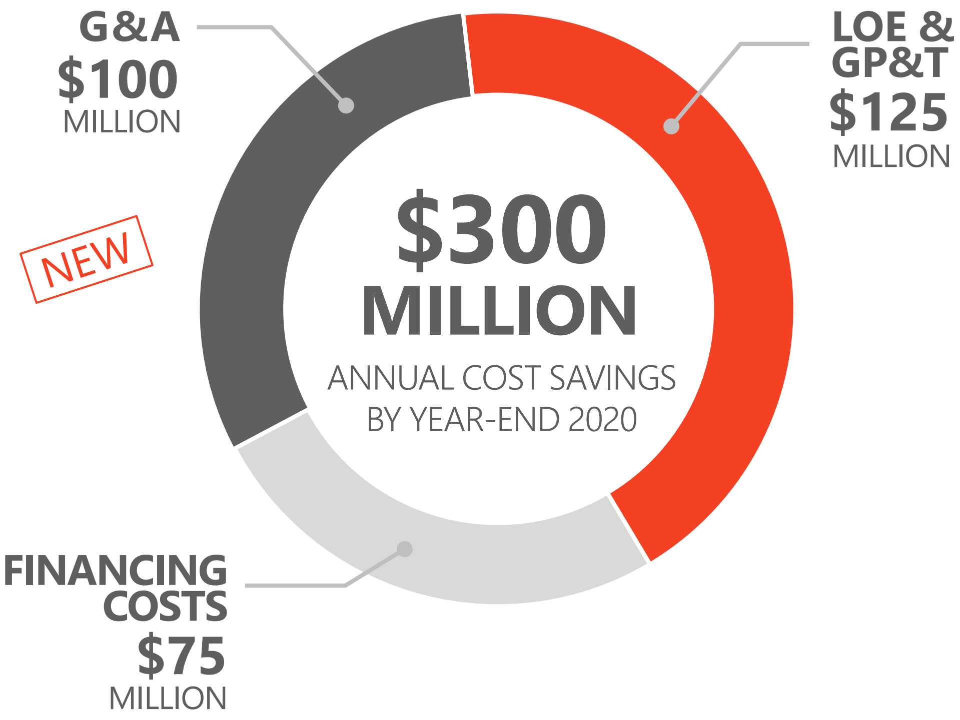


(1) Maintenance capital is defined as investment required to keep oil production flat on an annualized basis.
(2) Improvement in maintenance capital is driven by capital efficiency gains, service cost deflation and improvements in base production results.
(3) “Stay-Flat” capital is the minimal amount of capital required to keep 2021 production flat. This scenario differs from maintenance capital and would result in declines in future years.

Sustainable Improvements to Cash Cost Structure

Cash cost reductions by year-end 2020

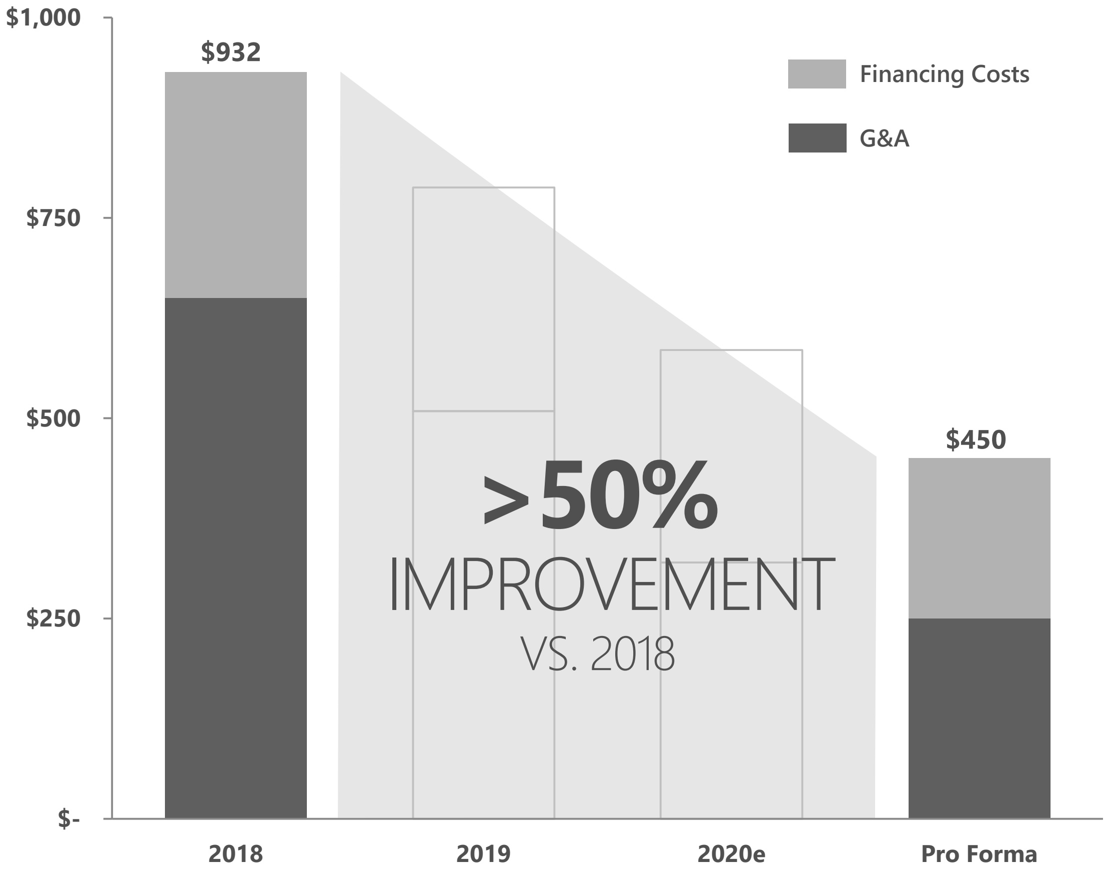
Cost savings by category vs. Q2 2020 annual run-rate ($MM)



PV-10 OF SAVINGS (OVER NEXT 5 YEARS): **>$1 BILLION**

Committed to driving corporate costs lower

Annual G&A & financing costs ($MM)



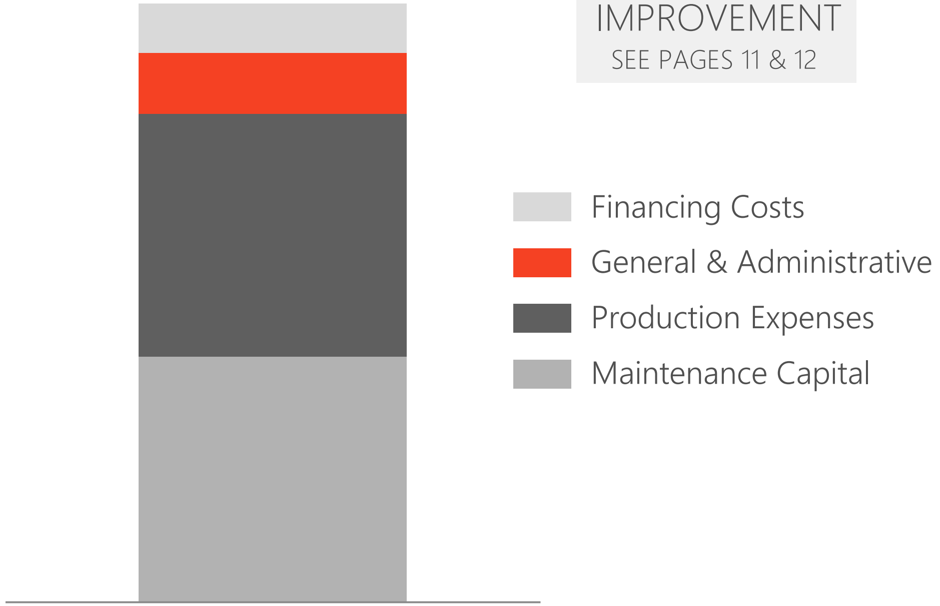
Note: Represents reported amounts, which includes upstream results in discontinued operations, but excludes EnLink.

Operations Scaled to Generate Free Cash Flow

Substantial improvements to breakeven funding

2021e pro forma capital & cost efficiencies (per Boe)

FUNDED AT
$35 WTI (1)



NEW
$7 PER BBL
IMPROVEMENT
SEE PAGES 11 & 12

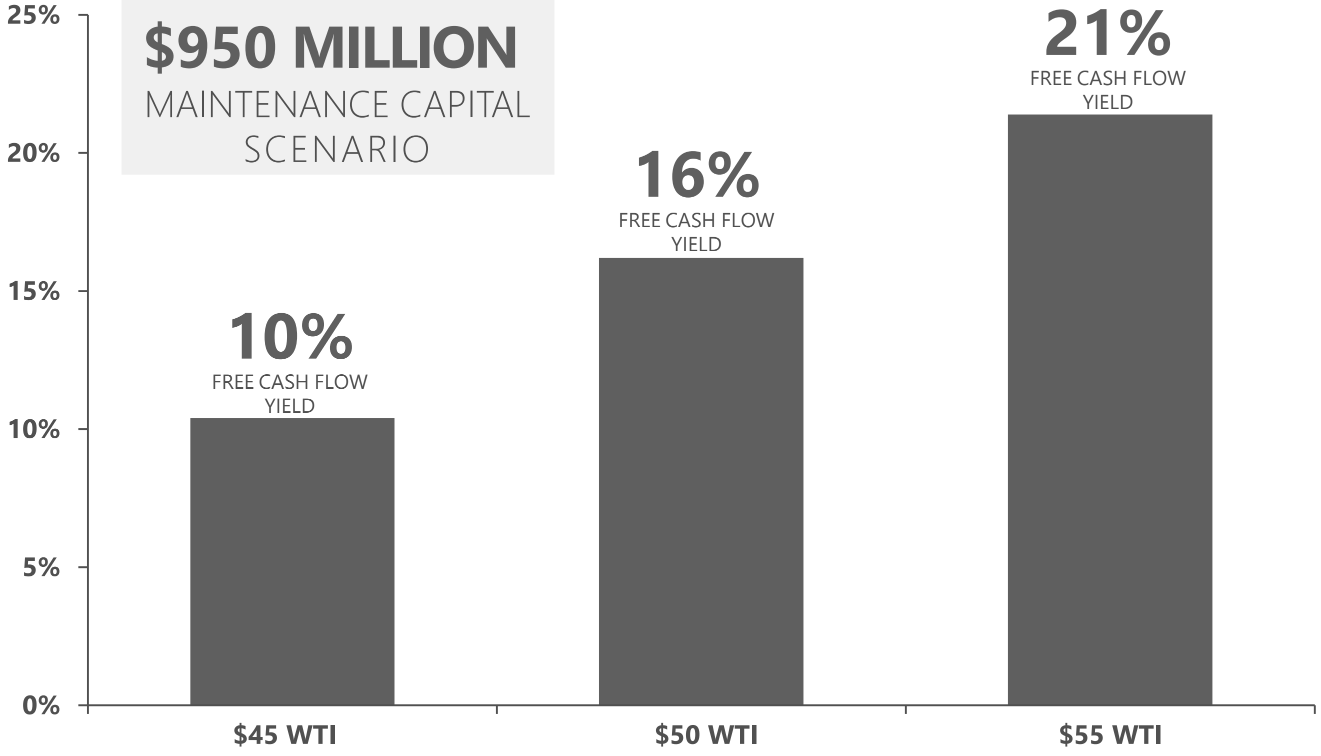
2021e All-In Sustaining Cash Costs

Note: Assumes pro forma cash costs are fully realized at the beginning of 2021 and a maintenance capital program of $950 million.

(1) $35 WTI funding level is before quarterly dividend.

Free cash flow yield at maintenance capital

2021e free cash flow yield sensitivities

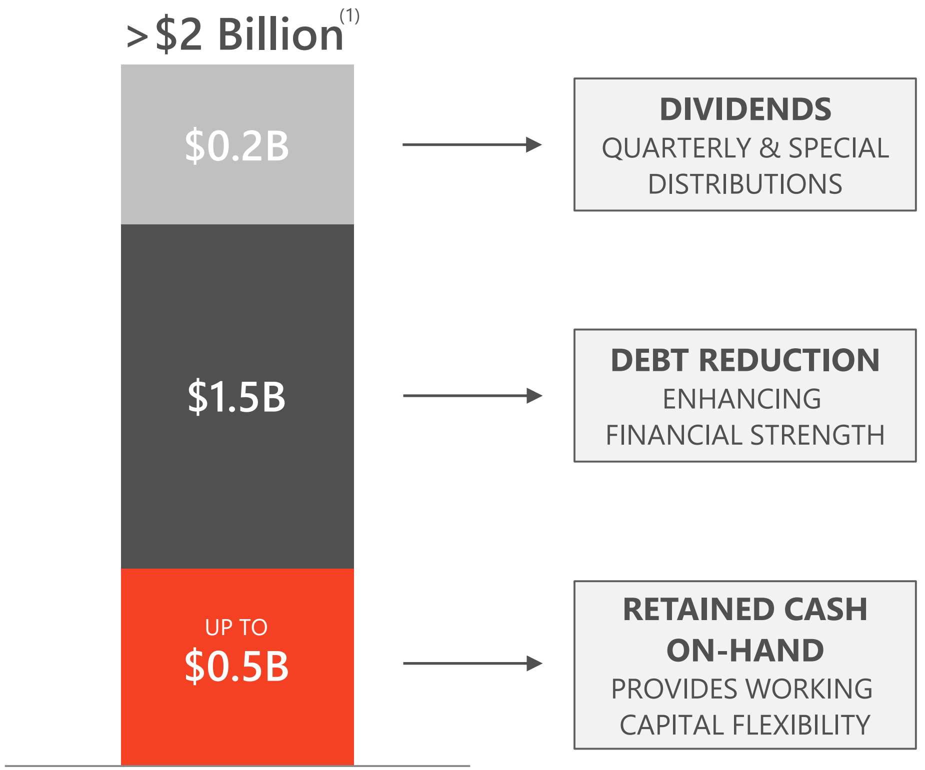


Note: Free cash flow represents 2021e operating cash flow less maintenance capital requirements of $950 million (see page 11) before dividends. Assumes $2.50 Henry Hub & Mt. Belvieu is 35% of WTI. Calculation also assumes cost savings are fully realized at the beginning of 2021 and market capitalization as of 7/31/2020.

Free Cash Flow Priorities

- **Committed** to low financial leverage
  - NEW — Resuming DEBT REDUCTION program (up to $1.5 billion)
  - — Targeting net debt-to-EBITDAX ratio: 0.5x – 1.0x
- **Maintain** quarterly dividends
  - — Current quarterly dividend $0.11 per share
  - — Target payout: up to 10% of cash flow (mid-cycle pricing)
  - — Potential to increase payout as base declines moderate
- **Initial** special dividend approved
  - — Effective tool to disburse excess cash to shareholders
  - NEW — Board approved $100 million SPECIAL DIVIDEND
  - — Payable Oct. 1st in conjunction with Barnett closing
- **Evaluate** opportunistic share repurchases
  - — Repurchased 28% of shares outstanding since 2018

FUNDING ALL PRIORITIES WITH **CASH ON-HAND**



2H 2020 Cash Priorities

(1) Represents cash balance as of 6/30/20 plus expected excess cash flow in 2H 2020.

Diversified Portfolio Provides Optionality

- **Federal acreage** limited to 20% of total leasehold
  - >50% of acreage in Delaware & Powder River
  - No exposure in Eagle Ford & Anadarko Basin
- **Risk management strategy** for next presidential term
  - Actively building a deep inventory of federal permits
  - Expect to have >550 FEDERAL PERMITS approved by this fall
  - Permits cover >75% of desired activity over next 4 years
  - SIGNIFICANT OPTIONALITY on high-quality, non-federal land
- **Industry** an important economic driver in community
  - Revenue from federal lands shared with states
  - New Mexico derives ~40% of revenue from industry
  - Activity supports local jobs and economic opportunity

	NET ACREAGE	FEDERAL LEASEHOLD %	2020e SPUDS	FEDERAL PERMITS
Delaware Basin	>200,000	55% [1]	120	400
Powder River Basin	>300,000	60%	15	>150
Eagle Ford	40,000	0%	10	N/A
Anadarko Basin	400,000	0%	0	N/A

$950 Million

REPRESENTS 2021e MAINTENANCE CAPITAL LEVELS (SEE PG. 11)

Maintenance Capital
(Next Presidential Term)

TARGETED
CAPITAL ALLOCATION

70% DELAWARE BASIN
30% OTHER ASSETS

>75%
FEDERAL PERMITS APPROVED BY YE 2020

(1) Including acreage outside core area, ~40% of Delaware is federal leasehold.

Highly-Regarded ESG Performance

ENVIRONMENT

- On track to meet our methane intensity target of 0.28% or lower by 2025
- U.S. recycled water increased >300% since 2016
- Reduced methane emissions by ~20% over the last three years

SOCIAL & SAFETY

- Provided STEM resources across our communities, impacting 17,000 students
- 88% of operational spending is with our highest safety-rated contractors
- Total recordable incident rate (TRIR) improved 10% year-over-year

GOVERNANCE

- ESG metrics incorporated in **COMPENSATION STRUCTURE**
- Board **INDEPENDENCE** and tenure in-line with S&P 500 averages
- Diverse board consisting of **27%** women board members

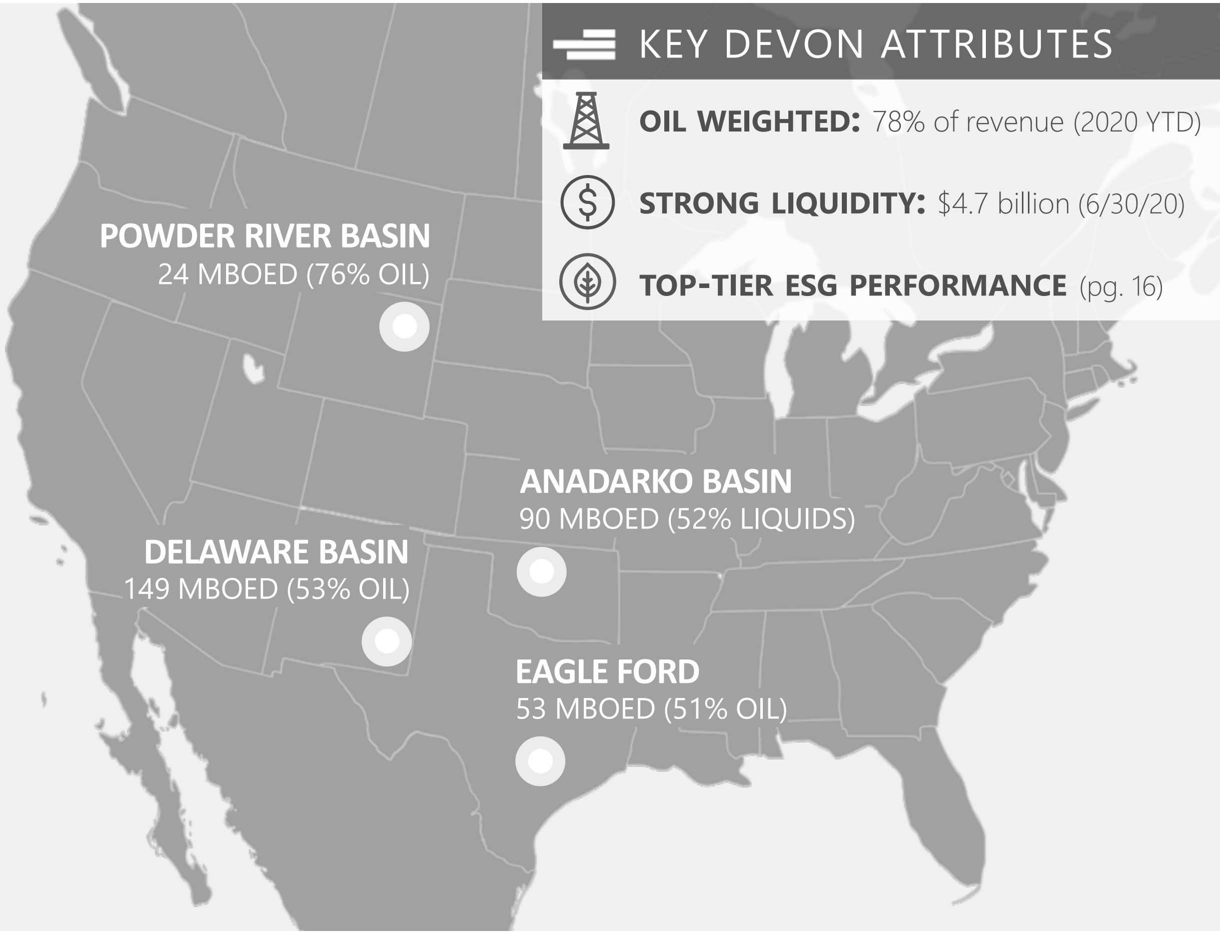
For additional information please refer to Devon Energy's 2019 Sustainability Report

DELIVERING **TOP-TIER** ESG RATINGS

SUSTAINALYTICS TOP-QUARTILE vs. peers	MSCI TOP-HALF vs. peers	ISS #1 ENVIRONMENTAL performer vs. peers
CDP DISCLOSURE INSIGHT ACTION 15 CONSECUTIVE YEARS of CDP reporting	JUST capital TOP-DECILE vs. peers	MEMBER OF Dow Jones Sustainability Indices In collaboration with SAM a RobecoSAM brand

Why Own Devon?

- **Premier** multi-basin portfolio
- **Significant** financial strength & liquidity
- **Disciplined** returns-driven strategy
- **Delivering** top-tier operating results
- **Committed** to returning cash to shareholders



KEY DEVON ATTRIBUTES

OIL WEIGHTED: 78% of revenue (2020 YTD)

STRONG LIQUIDITY: $4.7 billion (6/30/20)

TOP-TIER ESG PERFORMANCE (pg. 16)

Appendix

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Q2 2020 – Asset-Level Modeling Stats

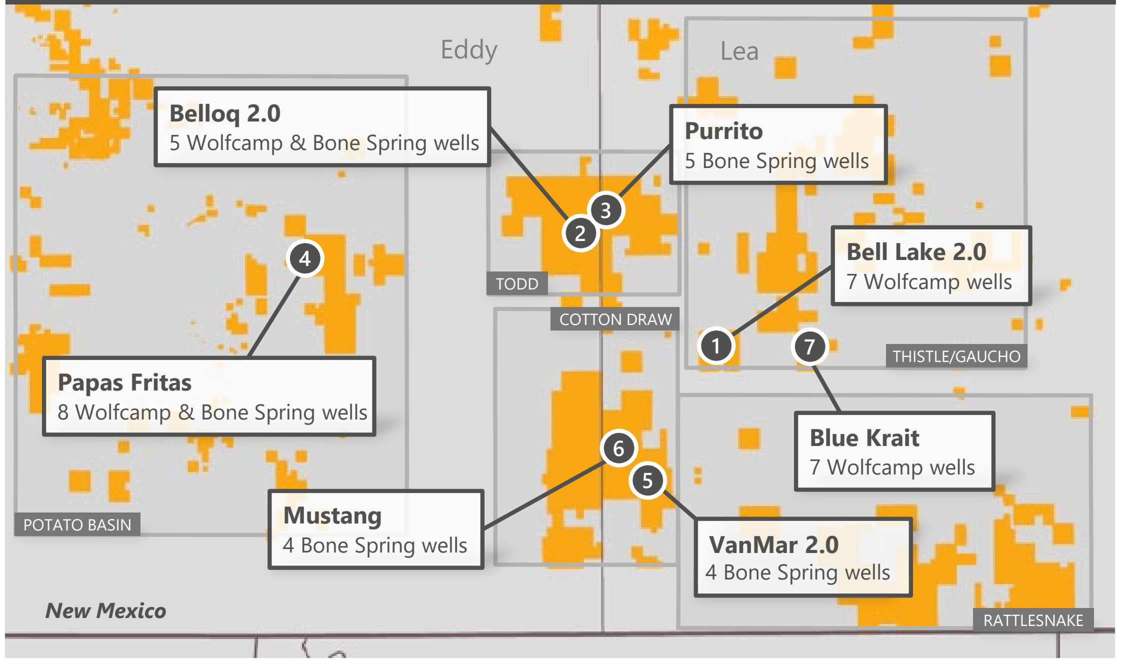
Q2 2020 - ASSET DETAIL	DEVON	DELAWARE	POWDER RIVER	EAGLE FORD	ANADARKO	OTHER
PRODUCTION						
Oil (MBbl/d)	**153**	79	18	27	21	8
NGL (MBbl/d)	**69**	29	2	12	25	1
Gas (MMcf/d)	**614**	241	20	87	262	4
Total (MBoe/d)	**325**	149	24	53	90	9
ASSET MARGIN (per Boe)						
Realized price	**$14.37**	$15.39	$20.80	$12.90	$10.98	$22.95
Lease operating expenses	**($3.69)**	($3.56)	($6.60)	($2.59)	($2.42)	($17.40)
Gathering, processing & transportation	**($4.16)**	($2.88)	($2.71)	($4.96)	($6.57)	($0.34)
Production & property taxes	**($1.07)**	($1.14)	($2.40)	($0.85)	($0.32)	($5.11)
Field-level cash margin	**$5.45**	$7.81	$9.09	$4.50	$1.67	$0.10
CAPITAL INVESTMENT ($MM)						
Operated capital	**$192**	$142	$38	$10	$2	–
Non-operated capital	**$11**	$6	$1	–	$1	$3
Total capital investment	**$203**	$148	$39	$10	$3	$3
CAPITAL ACTIVITY						
Operated development rigs (avg.)	**10**	9	1	–	–	–
Operated frac crews (avg.)	**1**	1	–	–	–	–
Gross operated spuds	**27**	27	–	–	–	–
Gross operated wells tied-in	**39**	22	4	13(1)	–	–
Net operated wells tied-in	**29**	18	4	7	–	–
Average lateral length (based on wells tied-in)	**7,900’**	9,100’	8,100’	5,900’	–	–

(1) Does not Include 4-well Sandy redevelopment brought online in late Q1, but reached 30-day peak rates in Q2.

For additional modeling stats and guidance see our **Q2 earnings release tables**

Delaware – Development Projects Advancing on Plan

DELAWARE BASIN UPCOMING ACTIVITY



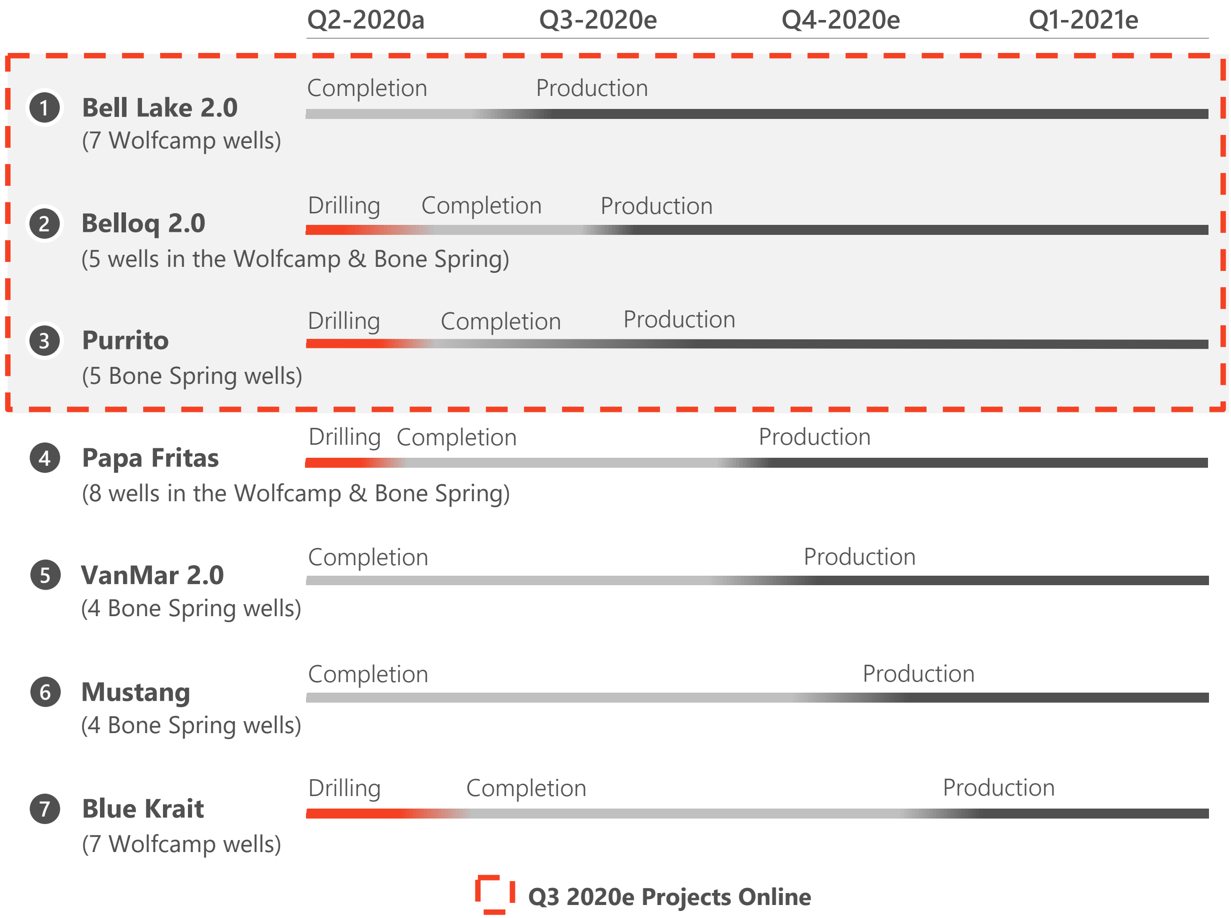
Activity transitioning to Wolfcamp formation

% of Delaware Basin drilling activity

24%	45%	70%
2018	2019	2020e

Diversified capital program across core development areas

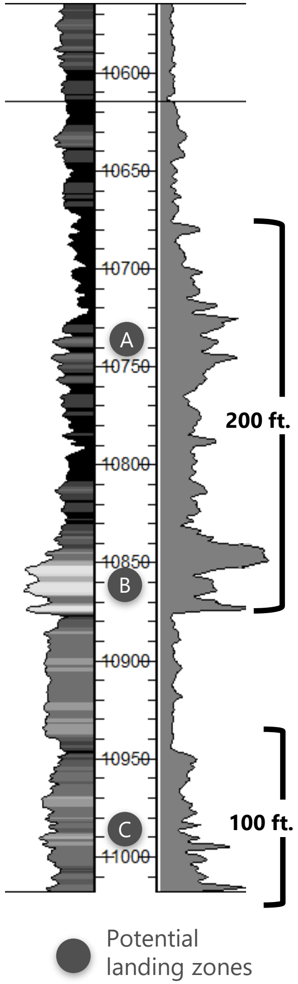
Upcoming developments in second-half of 2020



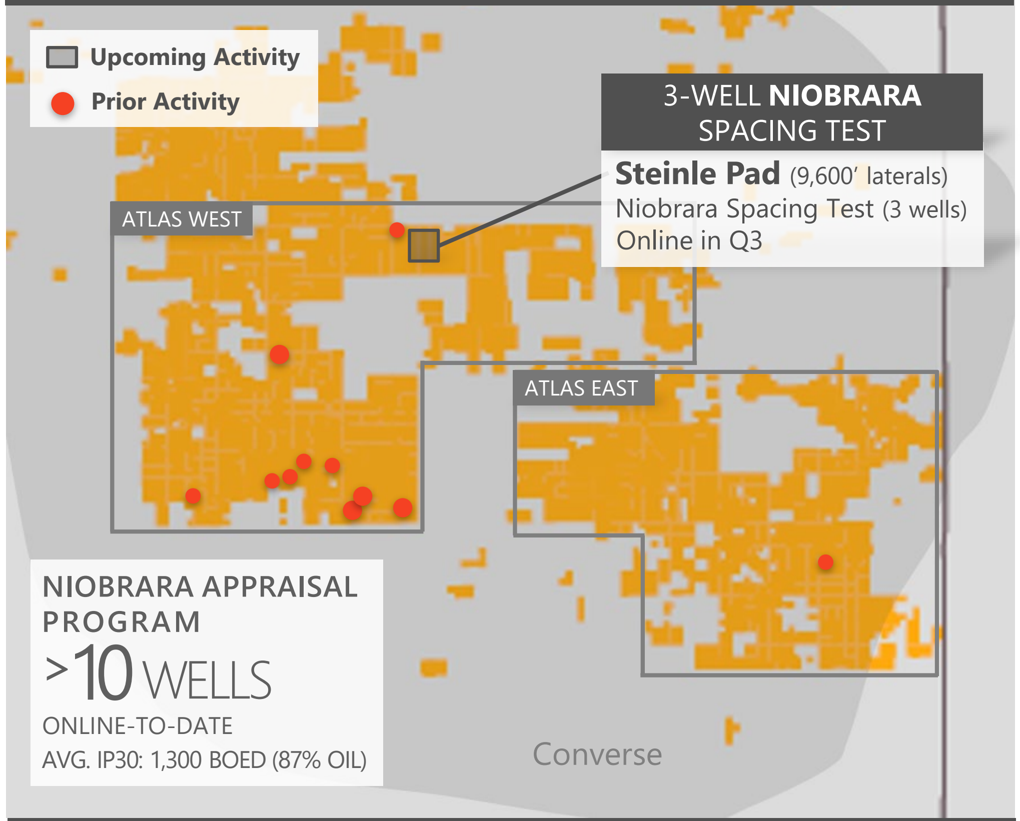
Powder River Basin – Advancing Niobrara Appraisal

- **Q2 production** averaged 24 MBOED
  - Light-oil volumes >75% of production mix
  - Production expense improved 11% vs. Q1 2020
  - STACKED-PAY position in oil fairway (>300k acres)
- **Niobrara** appraisal activity continues to progress
  - >10 operated wells online (avg. IP30: 1,300; 87% oil)
  - Delivering highest rate oil wells in the basin
  - NEXT CATALYST: 3-well Steinle spacing test in Q3
  - Targeted D&C cost: <$7 mm per well(1)
- **Moderating** activity in current environment
  - Second-half 2020e capital spend: ~$30 million
  - Remaining activity focused on NIOBRARA APPRAISAL
  - Minimal leasehold drilling obligations

NIOBRARA TYPE LOG



NIOBRARA DELINEATION ACTIVITY



STACKED PAY POSITION IN OIL FAIRWAY

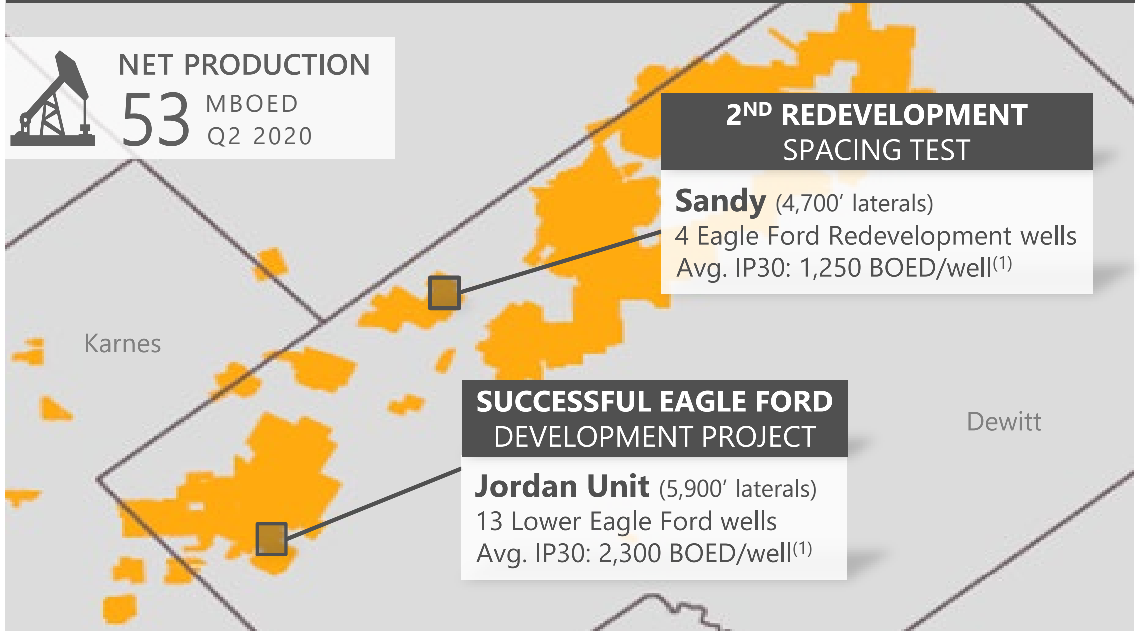
NIOBRARA APPRAISAL ACTIVITY CONTINUES

(1) Target by year-end 2020 for a development well, excluding facilities.

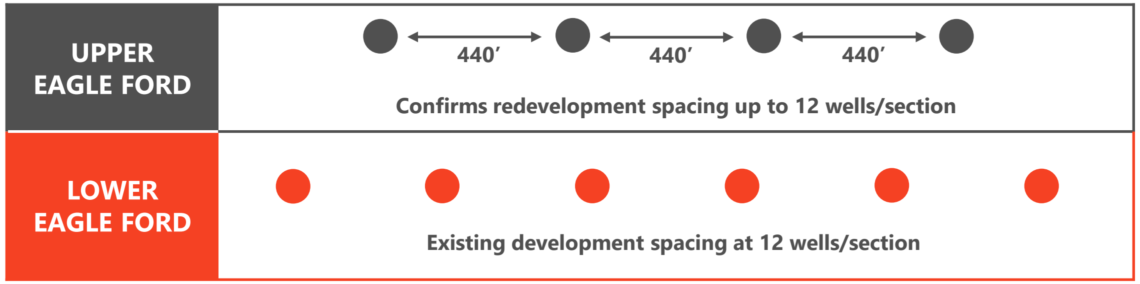
Eagle Ford – Expanding Resource Opportunity

- **Q2 production** averaged 53 MBOED (51% oil)
  - 13 new lower Eagle Ford wells online in Q2 (see map)
  - Net production increased 7% vs. prior quarter
  - Production expenses DECLINE 23% vs. year-ago quarter
- **Successful** appraisal activity unlocks resource
  - 2nd redevelopment spacing test brought online in Q2
  - Sandy project: avg. IP30 of 1,250 BOED (4-well project)
  - Flowback rates RESTRICTED due to market conditions
  - EUR's expected to average >500,000 MBOE
- **Deferring** capital activity in 2H 2020 due to low prices
  - Partnership released all rigs & frac crews in Q2
  - Uncompleted well inventory: 22 wells (at 6/30/20)
  - Expect to RESTART D&C activity around year end

EAGLE FORD ACTIVITY



SANDY REDEVELOPMENT

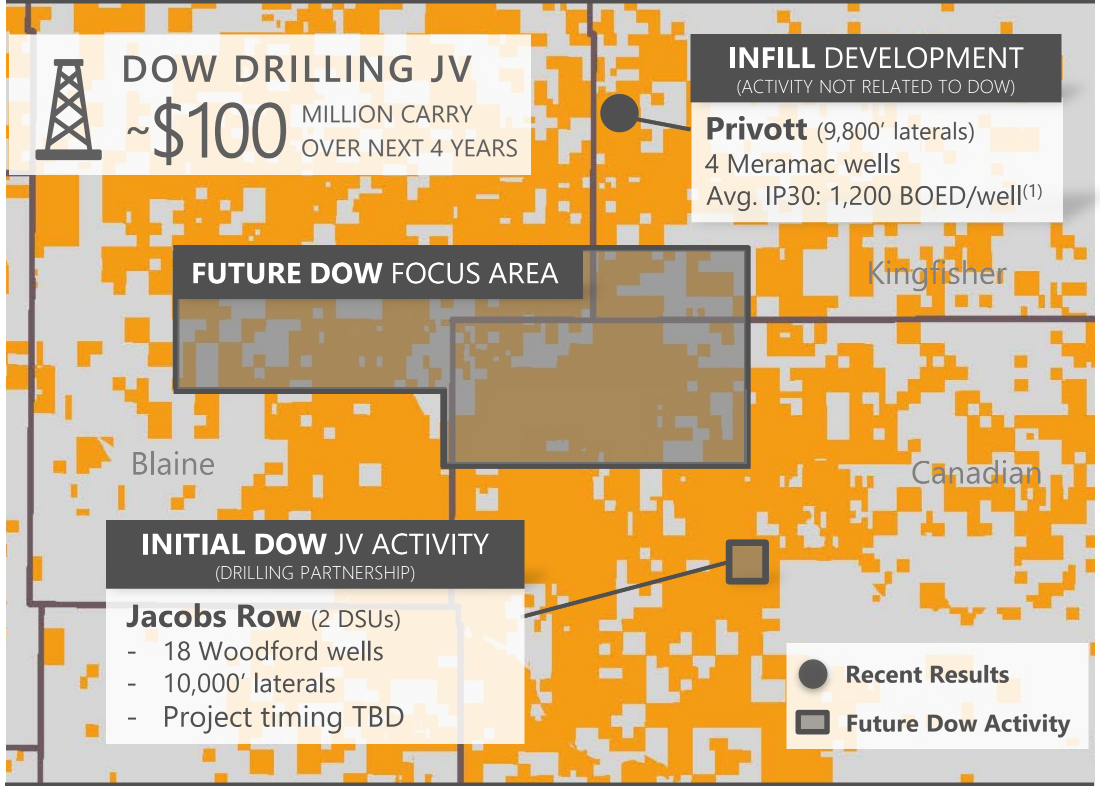


(1) Production rates reflect restricted flowback methodology due to current market conditions.

Anadarko Basin – Optimizing Base Production Results

- **Base production** efforts improve decline profile
  - Q2 net production: 90 MBOED (52% liquids)
  - OUTPERFORMED PLAN 7% year-to-date
  - Driven by well workovers and reduced downtime
  - MVC expirations provide $65 million BENEFIT in 2021
- **Drilling partnership** formed with Dow (NYSE: DOW)
  - Sold ½ working interest in 133 undrilled locations
  - DRILLING CARRY of ~$100 million over next 4 years
  - Dow to fund 65% of partnership capital requirements
  - Potential to commence drilling operations in early 2021
- **Combo play** with exposure to rising gas prices
  - Economics COMPETITIVE at >$2.50 Henry Hub pricing
  - Significant inventory provides long-term optionality

ANADARKO BASIN RECENT ACTIVITY



FOCUSED ON OPTIMIZING CASH FLOW GENERATION

DELAYING DOW DRILLING PARTNERSHIP ACTIVITY

(1) Production rates reflect restricted flowback methodology due to current market conditions.

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Investor Notices

Forward-Looking Statements
This presentation includes "forward-looking statements" as defined by the SEC. 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 such as "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 presentation 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 from our expectations due to a number of factors, including, but not limited to those, identified below.

The COVID-19 pandemic and its related repercussions have created significant volatility, uncertainty and turmoil in the global economy and our industry. This turmoil has included an unprecedented supply-and-demand imbalance for oil and other commodities, resulting in a swift and material decline in commodity prices in early 2020. Our future actual results could differ materially from the forward-looking statements in this presentation due to the COVID-19 pandemic and related impacts, including, by, among other things: contributing to a sustained or further deterioration in commodity prices; causing takeaway capacity constraints for production, resulting in further production shut-ins and additional downward pressure on impacted regional pricing differentials; limiting our ability to access sources of capital due to disruptions in financial markets; increasing the risk of a downgrade from credit rating agencies; exacerbating counterparty credit risks and the risk of supply chain interruptions; and increasing the risk of operational disruptions due to social distancing measures and other changes to business practices.

In addition to the risks associated with the COVID-19 pandemic and its related impacts, our actual future results could differ materially from our expectations due to other factors, including, among other things: 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 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; and any of the other risks and uncertainties discussed in our 2019 Annual Report on Form 10-K and our other filings 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 assume no 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 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 second-quarter 2020 earnings materials at www.devonenergy.com and Form 10-Q filed with the SEC.

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 high-return inventory, 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. Investors are urged to consider closely the disclosure in our Form 10-K, available at www.devonenergy.com or the SEC's website.