



**Devon Energy Second-Quarter 2020
Supplemental Tables**

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CONSOLIDATED STATEMENTS OF EARNINGS

(in millions, except per share amounts)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Oil, gas and NGL sales	\$ 424	\$ 807	\$ 1,035	\$ 919	\$ 936
Oil, gas and NGL derivatives ⁽¹⁾	(361)	720	(116)	127	140
Marketing and midstream revenues	331	560	670	700	730
Total revenues	<u>394</u>	<u>2,087</u>	<u>1,589</u>	<u>1,746</u>	<u>1,806</u>
Production expenses ⁽²⁾	263	318	324	294	296
Exploration expenses	12	112	29	18	7
Marketing and midstream expenses	339	578	665	684	713
Depreciation, depletion and amortization	299	401	382	381	374
Asset impairments	-	2,666	-	-	-
Asset dispositions	-	-	-	(1)	(2)
General and administrative expenses	79	102	119	107	114
Financing costs, net	69	65	64	60	66
Restructuring and transaction costs	-	-	11	10	12
Other expenses	13	(48)	16	3	7
Total expenses	<u>1,074</u>	<u>4,194</u>	<u>1,610</u>	<u>1,556</u>	<u>1,587</u>
Earnings (loss) from continuing operations before income taxes	(680)	(2,107)	(21)	190	219
Income tax expense (benefit)	(3)	(417)	(33)	54	68
Net earnings (loss) from continuing operations	(677)	(1,690)	12	136	151
Net earnings (loss) from discontinued operations, net of taxes	9	(125)	(652)	(27)	344
Net earnings (loss)	(668)	(1,815)	(640)	109	495
Net earnings attributable to noncontrolling interests	2	1	2	-	-
Net earnings (loss) attributable to Devon	<u>\$ (670)</u>	<u>\$ (1,816)</u>	<u>\$ (642)</u>	<u>\$ 109</u>	<u>\$ 495</u>
Basic net earnings (loss) per share:					
Continuing operations	\$ (1.80)	\$ (4.48)	\$ 0.03	\$ 0.34	\$ 0.37
Discontinued operations	0.02	(0.34)	(1.73)	(0.07)	0.83
Basic net earnings (loss) per share	<u>\$ (1.78)</u>	<u>\$ (4.82)</u>	<u>\$ (1.70)</u>	<u>\$ 0.27</u>	<u>\$ 1.20</u>
Diluted net earnings (loss) per share:					
Continuing operations	\$ (1.80)	\$ (4.48)	\$ 0.03	\$ 0.34	\$ 0.37
Discontinued operations	0.02	(0.34)	(1.73)	(0.07)	0.82
Diluted net earnings (loss) per share	<u>\$ (1.78)</u>	<u>\$ (4.82)</u>	<u>\$ (1.70)</u>	<u>\$ 0.27</u>	<u>\$ 1.19</u>
Weighted average common shares outstanding:					
Basic	383	383	383	397	415
Diluted	383	383	385	399	417

(1) OIL, GAS AND NGL DERIVATIVES

(in millions)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Derivative cash settlements	\$ 232	\$ 101	\$ 42	\$ 71	\$ 23
Derivative valuation changes	(593)	619	(158)	56	117
Oil, gas and NGL derivatives	<u>\$ (361)</u>	<u>\$ 720</u>	<u>\$ (116)</u>	<u>\$ 127</u>	<u>\$ 140</u>

(2) PRODUCTION EXPENSES

(in millions)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Lease operating expense	\$ 108	\$ 126	\$ 120	\$ 118	\$ 114
Gathering, processing & transportation	123	130	131	112	111
Production taxes	25	56	69	58	64
Property taxes	7	6	4	6	7
Production expenses	<u>\$ 263</u>	<u>\$ 318</u>	<u>\$ 324</u>	<u>\$ 294</u>	<u>\$ 296</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Cash flows from operating activities:					
Net earnings (loss)	\$ (668)	\$ (1,815)	\$ (640)	\$ 109	\$ 495
Adjustments to reconcile net earnings (loss) to net cash from operating activities:					
Net (earnings) loss from discontinued operations, net of income taxes	(9)	125	652	27	(344)
Depreciation, depletion and amortization	299	401	382	381	374
Asset impairments	—	2,666	—	—	—
Leasehold impairments	3	110	3	13	1
Accretion on discounted liabilities	8	8	8	8	8
Total (gains) losses on commodity derivatives	361	(720)	116	(127)	(140)
Cash settlements on commodity derivatives	232	101	41	71	23
Gains on asset dispositions	—	—	—	(1)	(2)
Deferred income tax expense (benefit)	—	(311)	(27)	52	65
Share-based compensation	19	20	23	23	25
Other	4	—	2	3	2
Changes in assets and liabilities, net	(99)	(56)	18	36	(75)
Net cash from operating activities - continuing operations	150	529	578	595	432
Cash flows from investing activities:					
Capital expenditures	(307)	(425)	(408)	(526)	(486)
Acquisitions of property and equipment	(1)	(4)	(3)	(5)	(13)
Divestitures of property and equipment	3	25	43	9	28
Net cash from investing activities - continuing operations	(305)	(404)	(368)	(522)	(471)
Cash flows from financing activities:					
Repayments of long-term debt	—	—	—	—	—
Repurchases of common stock	—	(38)	(103)	(560)	(187)
Dividends paid on common stock	(42)	(34)	(34)	(35)	(37)
Contributions from noncontrolling interests	6	5	116	—	—
Distributions to noncontrolling interest	(3)	(3)	—	—	—
Shares exchanged for tax withholdings and other	—	(17)	(2)	(1)	(3)
Net cash from financing activities - continuing operations	(39)	(87)	(23)	(596)	(227)
Net change in cash, cash equivalents and restricted cash of continuing operations	(194)	38	187	(523)	(266)
Cash flows from discontinued operations:					
Operating activities	(43)	(131)	(9)	(94)	191
Investing activities	171	(1)	—	(5)	2,536
Financing activities	—	—	—	(1,572)	—
Effect of exchange rate changes on cash	8	(23)	10	(3)	37
Net change in cash, cash equivalents and restricted cash of discontinued operations	136	(155)	1	(1,674)	2,764
Net change in cash, cash equivalents and restricted cash	(58)	(117)	188	(2,197)	2,498
Cash, cash equivalents and restricted cash at beginning of period	1,727	1,844	1,656	3,853	1,355
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,669</u>	<u>\$ 1,727</u>	<u>\$ 1,844</u>	<u>\$ 1,656</u>	<u>\$ 3,853</u>
Reconciliation of cash, cash equivalents and restricted cash:					
Cash and cash equivalents	\$ 1,474	\$ 1,527	\$ 1,464	\$ 1,375	\$ 3,470
Cash restricted for discontinued operations	195	200	380	280	370
Restricted cash included in other current assets	—	—	—	1	13
Total cash, cash equivalents and restricted cash	<u>\$ 1,669</u>	<u>\$ 1,727</u>	<u>\$ 1,844</u>	<u>\$ 1,656</u>	<u>\$ 3,853</u>

CONSOLIDATED BALANCE SHEETS

(in millions)

	June 30, 2020	December 31, 2019
Current assets:		
Cash and cash equivalents	\$ 1,474	\$ 1,464
Cash restricted for discontinued operations	195	380
Accounts receivable	515	832
Current assets associated with discontinued operations	748	896
Other current assets	446	279
Total current assets	3,378	3,851
Oil and gas property and equipment, based on successful efforts accounting, net	4,673	7,558
Other property and equipment, net	1,013	1,035
Total property and equipment, net	5,686	8,593
Goodwill	753	753
Right-of-use assets	231	243
Other long-term assets	227	196
Long-term assets associated with discontinued operations	82	81
Total assets	<u>\$ 10,357</u>	<u>\$ 13,717</u>
Current liabilities:		
Accounts payable	\$ 309	\$ 428
Revenues and royalties payable	473	730
Current liabilities associated with discontinued operations	441	459
Other current liabilities	229	310
Total current liabilities	1,452	1,927
Long-term debt	4,296	4,294
Lease liabilities	245	244
Asset retirement obligations	391	380
Other long-term liabilities	458	426
Long-term liabilities associated with discontinued operations	162	185
Deferred income taxes	—	341
Stockholders' equity:		
Common stock	38	38
Additional paid-in capital	2,720	2,735
Retained earnings	586	3,148
Accumulated other comprehensive loss	(117)	(119)
Total stockholders' equity attributable to Devon	3,227	5,802
Noncontrolling interests	126	118
Total equity	3,353	5,920
Total liabilities and equity	<u>\$ 10,357</u>	<u>\$ 13,717</u>
Common shares outstanding	383	382

PRODUCTION TREND

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Oil (MBbls/d)					
Delaware Basin	79	84	84	70	67
Powder River Basin	18	21	20	18	15
Eagle Ford	27	26	23	22	23
Anadarko Basin	21	24	27	32	31
Other	8	8	9	9	8
Total	<u>153</u>	<u>163</u>	<u>163</u>	<u>151</u>	<u>144</u>
Natural gas liquids (MBbls/d)					
Delaware Basin	29	37	32	28	27
Powder River Basin	2	3	2	2	2
Eagle Ford	12	9	9	11	12
Anadarko Basin	25	30	30	37	40
Other	1	1	1	1	1
Total	<u>69</u>	<u>80</u>	<u>74</u>	<u>79</u>	<u>82</u>
Gas (MMcf/d)					
Delaware Basin	241	244	234	167	158
Powder River Basin	20	29	28	28	22
Eagle Ford	87	86	76	75	81
Anadarko Basin	262	272	295	317	313
Other	4	3	4	4	4
Total	<u>614</u>	<u>634</u>	<u>637</u>	<u>591</u>	<u>578</u>
Total oil equivalent (MBoe/d)					
Delaware Basin	149	162	154	127	120
Powder River Basin	24	29	27	25	21
Eagle Ford	53	50	45	45	49
Anadarko Basin	90	98	107	121	124
Other	9	9	10	10	10
Total	<u>325</u>	<u>348</u>	<u>343</u>	<u>328</u>	<u>324</u>

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Barnett divest assets (discontinued operations)					
Oil (MBbls/d)	—	—	—	—	1
Natural gas liquids (MBbls/d)	28	31	30	30	30
Gas (MMcf/d)	401	408	408	414	420
Total oil equivalent (MBoe/d)	<u>95</u>	<u>99</u>	<u>98</u>	<u>100</u>	<u>100</u>

UPSTREAM CAPITAL EXPENDITURES

(in millions)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Delaware Basin	\$ 148	\$ 220	\$ 170	\$ 262	\$ 235
Powder River Basin	39	90	89	89	87
Eagle Ford	10	70	65	90	53
Anadarko Basin	3	4	38	67	94
Other	3	7	12	12	12
Total upstream capital	<u>\$ 203</u>	<u>\$ 391</u>	<u>\$ 374</u>	<u>\$ 520</u>	<u>\$ 481</u>

GROSS OPERATED SPUDS

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Delaware Basin	27	38	24	38	23
Powder River Basin	—	12	19	14	17
Eagle Ford	—	10	25	18	31
Anadarko Basin	—	—	—	4	16
Total	<u>27</u>	<u>60</u>	<u>68</u>	<u>74</u>	<u>87</u>

GROSS OPERATED WELLS TIED-IN

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Delaware Basin	22	32	36	34	28
Powder River Basin	4	14	19	18	6
Eagle Ford	13	30	21	—	9
Anadarko Basin	—	4	9	16	21
Total	<u>39</u>	<u>80</u>	<u>85</u>	<u>68</u>	<u>64</u>

NET OPERATED WELLS TIED-IN

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Delaware Basin	18	25	25	30	24
Powder River Basin	4	10	15	13	5
Eagle Ford	7	14	11	—	4
Anadarko Basin	—	3	7	7	14
Total	<u>29</u>	<u>52</u>	<u>58</u>	<u>50</u>	<u>47</u>

AVERAGE LATERAL LENGTH

(based on wells tied-in)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Delaware Basin	9,100'	8,000'	8,000'	9,700'	7,500'
Powder River Basin	8,100'	9,100'	9,700'	9,500'	9,500'
Eagle Ford	5,900'	5,400'	6,600'	N/A	6,000'
Anadarko Basin	—	9,800'	11,200'	9,600'	9,000'
Total	<u>7,900'</u>	<u>7,300'</u>	<u>8,400'</u>	<u>9,600'</u>	<u>8,000'</u>

BENCHMARK PRICES

(average prices)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 28.42	\$ 46.44	\$ 57.02	\$ 56.34	\$ 59.85
Natural Gas (\$/Mcf) - Henry Hub	\$ 1.71	\$ 1.95	\$ 2.50	\$ 2.23	\$ 2.64
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 12.57	\$ 14.39	\$ 18.69	\$ 16.18	\$ 19.05

REALIZED PRICES

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Oil (Per Bbl)					
Delaware Basin	\$ 22.70	\$ 45.18	\$ 56.23	\$ 53.85	\$ 55.54
Powder River Basin	24.03	41.14	52.02	52.50	56.79
Eagle Ford	15.30	44.90	55.11	57.77	61.60
Anadarko Basin	19.52	45.32	55.71	54.47	57.67
Other	25.45	44.53	55.14	54.02	55.31
Realized price without hedges	21.25	44.59	55.41	54.40	57.11
Cash settlements	15.25	5.14	1.48	2.18	(0.41)
Realized price, including cash settlements	\$ 36.50	\$ 49.73	\$ 56.89	\$ 56.58	\$ 56.70
Natural gas liquids (Per Bbl)					
Delaware Basin	\$ 7.94	\$ 8.36	\$ 13.30	\$ 10.27	\$ 13.77
Powder River Basin	10.07	15.86	17.36	15.01	17.74
Eagle Ford	10.02	14.77	18.84	13.77	15.84
Anadarko Basin	9.31	10.90	17.47	12.61	15.55
Other	10.19	15.82	13.62	12.76	10.69
Realized price without hedges	8.89	10.40	15.79	12.02	15.00
Cash settlements	0.51	0.61	1.75	2.55	1.40
Realized price, including cash settlements	\$ 9.40	\$ 11.01	\$ 17.54	\$ 14.57	\$ 16.40
Gas (Per Mcf)					
Delaware Basin	\$ 1.05	\$ 0.58	\$ 1.22	\$ 0.90	\$ (0.05)
Powder River Basin	1.80	1.71	2.51	1.96	2.16
Eagle Ford	1.79	2.05	2.52	2.26	2.56
Anadarko Basin	1.31	1.45	1.81	1.54	1.74
Other	1.32	1.69	0.43	2.18	1.72
Realized price without hedges	1.29	1.21	1.70	1.47	1.38
Cash settlements	0.28	0.36	0.13	0.41	0.34
Realized price, including cash settlements	\$ 1.57	\$ 1.57	\$ 1.83	\$ 1.88	\$ 1.72
Total oil equivalent (Per Boe)					
Delaware Basin	\$ 15.39	\$ 26.19	\$ 35.05	\$ 33.48	\$ 33.94
Powder River Basin	20.80	33.65	42.45	41.20	45.44
Eagle Ford	12.90	29.94	36.51	35.10	37.50
Anadarko Basin	10.98	18.14	24.28	22.07	23.96
Other	22.95	39.15	46.49	46.08	46.70
Realized price without hedges	14.37	25.43	32.82	30.47	31.79
Cash settlements	7.83	3.20	1.32	2.34	0.79
Realized price, including cash settlements	\$ 22.20	\$ 28.63	\$ 34.14	\$ 32.81	\$ 32.58

BENCHMARK PRICES

(average prices)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 28.42	\$ 46.44	\$ 57.02	\$ 56.34	\$ 59.85
Natural Gas (\$/Mcf) - Henry Hub	\$ 1.71	\$ 1.95	\$ 2.50	\$ 2.23	\$ 2.64
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 12.57	\$ 14.39	\$ 18.69	\$ 16.18	\$ 19.05

FIELD-LEVEL CASH MARGIN (per Boe)

	2020		2019		
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Delaware Basin					
Realized price	\$ 15.39	\$ 26.19	\$ 35.05	\$ 33.48	\$ 33.94
Lease operating expenses	(3.56)	(3.61)	(3.36)	(4.17)	(4.33)
Gathering, processing & transportation	(2.88)	(2.71)	(2.59)	(2.20)	(2.31)
Production & property taxes	(1.14)	(2.15)	(2.80)	(2.69)	(2.84)
Field-level cash margin	<u>\$ 7.81</u>	<u>\$ 17.72</u>	<u>\$ 26.30</u>	<u>\$ 24.42</u>	<u>\$ 24.46</u>
Powder River Basin					
Realized price	\$ 20.80	\$ 33.65	\$ 42.45	\$ 41.20	\$ 45.44
Lease operating expenses	(6.60)	(6.65)	(5.00)	(7.28)	(6.95)
Gathering, processing & transportation	(2.71)	(2.32)	(3.40)	(2.07)	(1.71)
Production & property taxes	(2.40)	(4.20)	(5.19)	(4.73)	(4.99)
Field-level cash margin	<u>\$ 9.09</u>	<u>\$ 20.48</u>	<u>\$ 28.86</u>	<u>\$ 27.12</u>	<u>\$ 31.79</u>
Eagle Ford					
Realized price	\$ 12.90	\$ 29.94	\$ 36.51	\$ 35.10	\$ 37.50
Lease operating expenses	(2.59)	(2.93)	(4.52)	(3.20)	(2.85)
Gathering, processing & transportation	(4.96)	(5.96)	(6.52)	(5.93)	(5.59)
Production & property taxes	(0.85)	(1.85)	(1.75)	(1.95)	(2.43)
Field-level cash margin	<u>\$ 4.50</u>	<u>\$ 19.20</u>	<u>\$ 23.72</u>	<u>\$ 24.02</u>	<u>\$ 26.63</u>
Anadarko Basin					
Realized price	\$ 10.98	\$ 18.14	\$ 24.28	\$ 22.07	\$ 23.96
Lease operating expenses	(2.42)	(2.79)	(2.24)	(2.08)	(1.84)
Gathering, processing & transportation	(6.57)	(6.36)	(5.98)	(5.05)	(5.10)
Production & property taxes	(0.32)	(0.77)	(1.00)	(0.86)	(1.25)
Field-level cash margin	<u>\$ 1.67</u>	<u>\$ 8.22</u>	<u>\$ 15.06</u>	<u>\$ 14.08</u>	<u>\$ 15.77</u>
Other					
Realized price	\$ 22.95	\$ 39.15	\$ 46.49	\$ 46.08	\$ 46.70
Lease operating expenses	(17.40)	(18.95)	(20.04)	(17.22)	(22.29)
Gathering, processing & transportation	(0.34)	(0.31)	(0.34)	(0.45)	(0.22)
Production & property taxes	(5.11)	(4.34)	(3.78)	(4.50)	(5.26)
Field-level cash margin	<u>\$ 0.10</u>	<u>\$ 15.55</u>	<u>\$ 22.33</u>	<u>\$ 23.91</u>	<u>\$ 18.93</u>
Devon - Total					
Realized price	\$ 14.37	\$ 25.43	\$ 32.82	\$ 30.47	\$ 31.79
Lease operating expenses	(3.69)	(3.96)	(3.79)	(3.90)	(3.85)
Gathering, processing & transportation	(4.16)	(4.11)	(4.16)	(3.71)	(3.78)
Production & property taxes	(1.07)	(1.95)	(2.32)	(2.13)	(2.38)
Field-level cash margin	<u>\$ 5.45</u>	<u>\$ 15.41</u>	<u>\$ 22.55</u>	<u>\$ 20.73</u>	<u>\$ 21.78</u>

NON-GAAP FINANCIAL MEASURES

(all monetary values in millions, except per share amounts)

The earnings materials include non-GAAP financial measures. These 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. Below is additional disclosure regarding each of the non-GAAP measures used in the earnings materials, including reconciliations to their most directly comparable GAAP measure. Additional information regarding our non-GAAP measures can also be found in our corresponding periodic report filed with the SEC.

CORE EARNINGS (LOSS)

Devon's reported net earnings (loss) include items of income and expense that are typically excluded by securities analysts in their published estimates of the company's financial results. Accordingly, the company also uses the measures of core earnings (loss) and core earnings (loss) per share attributable to Devon. Devon believes these non-GAAP measures facilitate comparisons of its performance to earnings estimates published by securities analysts. Devon also believes these non-GAAP measures can facilitate comparisons of its performance between periods and to the performance of its peers. The following table summarizes the effects of these items on second-quarter 2020 earnings.

	Quarter Ended June 30, 2020			
	Before-tax	After-tax	After Noncontrolling Interests	Per Diluted Share
Continuing Operations				
Loss (GAAP)	\$ (680)	\$ (677)	\$ (679)	\$ (1.80)
Adjustments:				
Asset and exploration impairments	4	3	3	0.01
Deferred tax asset valuation allowance	—	149	149	0.39
Fair value changes in financial instruments	593	459	459	1.22
Core loss (Non-GAAP)	<u>\$ (83)</u>	<u>\$ (66)</u>	<u>\$ (68)</u>	<u>\$ (0.18)</u>
Discontinued Operations				
Earnings (GAAP)	\$ 9	\$ 9	\$ 9	\$ 0.02
Adjustments:				
Asset dispositions	(2)	(1)	(1)	(0.00)
Fair value changes in foreign currency and other	(5)	(6)	(6)	(0.02)
Core earnings (Non-GAAP)	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 0.00</u>
Total				
Loss (GAAP)	\$ (671)	\$ (668)	\$ (670)	\$ (1.78)
Adjustments:				
Continuing Operations	597	611	611	1.62
Discontinued Operations	(7)	(7)	(7)	(0.02)
Core loss (Non-GAAP)	<u>\$ (81)</u>	<u>\$ (64)</u>	<u>\$ (66)</u>	<u>\$ (0.18)</u>

EBITDAX

Devon believes EBITDAX provides information useful in assessing operating and financial performance across periods. Devon computes EBITDAX as net earnings from continuing operations before income tax expense; financing costs, net; exploration expenses; depreciation, depletion and amortization; asset impairments; asset disposition gains and losses; non-cash share-based compensation; non-cash valuation changes for derivatives and financial instruments; restructuring and transaction costs; accretion on discounted liabilities; and other items not related to normal operations. EBITDAX as defined by Devon may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net earnings from continuing operations.

	Q2 '20	Q1 '20	Q4'19	Q3'19	TTM	Q2'19
Net earnings (loss) (GAAP)	\$ (668)	\$ (1,815)	\$ (640)	\$ 109	\$ (3,014)	\$ 495
Net (earnings) loss from discontinued operations, net of tax	(9)	125	652	27	795	(344)
Financing costs, net	69	65	64	60	258	66
Income tax expense (benefit)	(3)	(417)	(33)	54	(399)	68
Exploration expenses	12	112	29	18	171	7
Depreciation, depletion and amortization	299	401	382	381	1,463	374
Asset impairments	-	2,666	-	-	2,666	-
Asset dispositions	-	-	-	(1)	(1)	(2)
Share-based compensation	19	20	19	20	78	21
Derivative and financial instrument non-cash valuation changes	593	(619)	159	(57)	76	(117)
Restructuring and transaction costs	-	-	11	10	21	12
Accretion on discounted liabilities and other	13	(48)	14	5	(16)	8
EBITDAX (Non-GAAP)	<u>\$ 325</u>	<u>\$ 490</u>	<u>\$ 657</u>	<u>\$ 626</u>	<u>\$ 2,098</u>	<u>\$ 588</u>

NET DEBT

Devon defines net debt as debt less cash, cash equivalents and cash restricted for discontinued operations. Devon believes that netting these sources of cash against debt provides a clearer picture of the future demands on cash from Devon to repay debt.

	June 30, 2020
Total debt (GAAP)	\$ 4,296
Less:	
Cash and cash equivalents	(1,474)
Cash restricted for discontinued operations	(195)
Net debt (Non-GAAP)	<u>\$ 2,627</u>

NET DEBT-TO-EBITDAX

Devon defines net debt-to-EBITDAX as net debt divided by trailing twelve months EBITDAX.

	June 30, 2020
Net debt (Non-GAAP)	\$ 2,627
EBITDAX (trailing 12 months) (Non-GAAP)	2,098
Net debt-to-EBITDAX (Non-GAAP)	<u>1.3</u>