



## GUIDANCE 2021 OUTLOOK

**Note:** Devon intends to provide detailed first-quarter 2021 guidance once the company can properly access the impact of the extreme winter weather on its field operations. Devon has incorporated weather-related downtime in its 2021 outlook and does not expect the severe winter weather to materially impact its full-year guidance ranges.

### PRODUCTION GUIDANCE<sup>(1)</sup>

	Full Year <sup>(1)</sup>	
	Low	High
Oil (MBbls/d)	280	300
Natural gas liquids (MBbls/d)	120	130
Gas (MMcf/d)	860	900
Total oil equivalent (MBoe/d)	543	580

**(1)** Due to the timing of the WPX merger closing, all reported 2021 amounts will not include legacy WPX until January 7, 2021.

### CAPITAL EXPENDITURES GUIDANCE

(in millions)	Full Year	
	Low	High
Upstream capital	\$ 1,600	\$ 1,800
Midstream capital	80	100
Other capital	40	80
Total capital	\$ 1,720	\$ 1,980

**Note:** The company's capital program is designed to have the highest capital spend occurring in the first quarter due to the timing of drilling and completion activity across the company's asset portfolio (~30% of full-year budget). After heightened activity in the first-quarter, capital is expected to normalize to lower investment levels throughout the remainder of 2021.

### PRICE REALIZATIONS GUIDANCE

	Full Year	
	Low	High
Oil - % of WTI	90%	100%
NGL - % of WTI	25%	35%
Natural gas - % of Henry Hub	70%	80%

## OTHER GUIDANCE ITEMS

(\$ millions, except Boe and %)

	Full Year	
	Low	High
Marketing & midstream operating profit	\$ (50)	\$ (40)
LOE & GP&T per BOE	\$ 7.50	\$ 7.70
Production & property taxes as % of upstream sales	7.0%	8.0%
Exploration expenses	\$ 10	\$ 20
Depreciation, depletion and amortization	\$ 1,900	\$ 2,000
General & administrative expenses <sup>(2)</sup>	\$ 400	\$ 420
Restructuring & transaction expenses <sup>(3)</sup>	\$ 160	\$ 200
Cash financing costs, net	\$ 420	\$ 440
Other expenses	\$ 20	\$ 30
Current income tax rate from continuing operations	0%	0%
Deferred income tax rate from continuing operations	20%	30%
Total income tax rate from continuing operations	20%	30%

**(2)** Devon anticipates approximately \$110 million to \$120 million of the G&A expenses to be incurred in the first quarter of 2021.

**(3)** Devon anticipates approximately \$125 million to \$145 million of the restructuring expenses to be incurred in the first quarter of 2021 (~80% is cash). One-time cash restructuring charges will be added back to cash flow from operations in the calculation of the variable dividend payout.

## CONTINGENT PAYMENTS FOR BARNETT SHALE DIVERSITURE (4-year period beginning in 2021)

WTI Threshold	WTI Annual Earnout Amount	Henry Hub Threshold	Henry Hub Annual Earnout Amount
\$ 50.00	\$ 10,000,000	\$ 2.75	\$ 20,000,000
\$ 55.00	\$ 12,500,000	\$ 3.00	\$ 25,000,000
\$ 60.00	\$ 15,000,000	\$ 3.25	\$ 35,000,000
\$ 65.00	\$ 20,000,000	\$ 3.50	\$ 45,000,000

## 2021 HEDGING POSITIONS

### Oil Commodity Hedges

Period	Price Swaps			Price Collars	
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Floor Price (\$/Bbl)	Weighted Average Ceiling Price (\$/Bbl)
Q1 2021	127,500	\$ 39.52	20,000	\$ 49.20	\$ 59.20
Q2 2021	131,500	\$ 39.71	21,000	\$ 42.46	\$ 52.46
Q3 2021	57,500	\$ 41.68	52,250	\$ 39.56	\$ 49.56
Q4 2021	56,500	\$ 41.44	47,250	\$ 38.60	\$ 48.60

Period	Price Swaptions		Price Call Options	
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q1 2021		\$	5,000	\$ 39.50
Q2 2021		\$	5,000	\$ 39.50
Q3 2021	10,000	\$ 40.12	5,000	\$ 39.50
Q4 2021	10,000	\$ 40.12	5,000	\$ 39.50

### Oil Basis Swaps

Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI (\$/Bbl)
Q1-Q4 2021	Midland Sweet	22,000	\$ 0.84
Q1-Q4 2021	BRENT/WTI Spread	1,000	\$ (8.00)

### Natural Gas Commodity Hedges - Henry Hub

Period	Price Swaps		Price Collars		
	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Floor Price (\$/MMBtu)	Weighted Average Ceiling Price (\$/MMBtu)
Q1 2021	279,000	\$ 2.64	203,000	\$ 2.43	\$ 2.93
Q2 2021	279,000	\$ 2.64	228,000	\$ 2.43	\$ 2.93
Q3 2021	279,000	\$ 2.64	228,000	\$ 2.43	\$ 2.93
Q4 2021	254,000	\$ 2.63	133,000	\$ 2.55	\$ 3.05

Period	Price Call Options	
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q1 2021	50,000	\$ 2.68
Q2 2021	50,000	\$ 2.68
Q3 2021	50,000	\$ 2.68
Q4 2021	50,000	\$ 2.68

### Natural Gas Basis Swaps

Period	Index	Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)
Q1-Q4 2021	El Paso Natural Gas	35,000	\$ (0.92)
Q1-Q4 2021	WAHA	80,000	\$ (0.65)

### NGL Commodity Hedges

Period	Product	Price Swaps	
		Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q1-Q4 2021	Natural Gasoline	915	\$ 47.57
Q1-Q4 2021	Natural Butane	915	\$ 31.40
Q1-Q4 2021	Propane	915	\$ 27.88

Devon's oil derivatives settle against the average of the prompt month NYMEX West Texas Intermediate futures price. Devon's natural gas derivatives settle against the Inside FERC first of the month Henry Hub index. Devon's NGL derivatives settle against the average of the prompt month OPIS Mont Belvieu, Texas index. Commodity hedge positions are shown as of February 12, 2021.