LETTER TO SHAREHOLDERS

Devon Shareholders,

Since closing the Coterra combination six months ago, we have conducted a rigorous portfolio review, executed a major divestiture in the Eagle Ford, made a significant acquisition of core Permian acreage, entered into a strategic Permian pipeline agreement, advanced our acreage ground game, and continued to deliver on our 2026 plan. We accomplished all of this while integrating two organizations to create one of the largest and most profitable E&P companies in the industry. We have been active, intentional, and will continue to build for our future while remaining focused on enhancing shareholder value. We owe a big thank you to everyone in the Devon family and industry partners for their continued hard work.

This letter discusses the results of our efforts, defines who Devon is, discusses how we manage our portfolio, and shows how our actions translate into shareholder returns and per-share growth.

1 DEFINING DEVON

Devon is a premier, unconventional energy company. We are a multi-basin large-cap shale leader that is operations-focused, technology-forward, and committed to delivering durable free cash flow growth to drive shareholder value.

Operations-focused – a leader in unconventional shale. First and foremost, we are an operating company. Value creation is driven by how well we drill, complete, and produce our assets. Independent data places Devon's assets in the top quartile for capital efficiency in each basin where we operate. Operational excellence is paramount: leveraging the scale of our top-quality assets and applying technology to improve productivity, lower costs, enhance margins, lengthen inventory runway, and maximize long-term free cash flow.

Technology-forward – driven by innovation. Technology is our value multiplier. Examples include applying our proprietary AI subsurface models, deploying our new completion surfactants, expanding our closed-loop AI gas-lift optimization program, and pushing the boundaries of well geometry, including up to five-mile horizontal laterals and four-mile U-turn wells, all of which are increasing value for shareholders in real time.

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As many of you know, Devon was a shale pioneer starting with the Barnett Shale in the early 2000s. Since then, we have continued to increase asset productivity while lowering costs, used technology to delineate new landing zones, focused on maximizing net present value per development, and concentrated our operations in the very best onshore basins. We are applying those learnings to continued onshore exploration, and we expect to remain on the cutting edge of emerging technologies.

Efficient multi-basin portfolio – high-quality returns, optionality. Our multi-basin portfolio delivers top-quartile capital efficiency. Each basin continues to improve through shared learnings of best practices and with each basin competing for capital. That competition ensures capital flows to its best and most productive use while also incentivizing each business unit to drive continuous improvement. With low breakevens, a competitive cost structure and margins, and a diversified commodity mix that provides investment optionality, Devon's portfolio is poised to generate durable free cash flow. Add technology to the mix, and we expect to capture substantial upside in each area where we operate.

An energy powerhouse – a unique value proposition. Devon is one of the largest producers of both oil and natural gas in the United States. We have more than 12 years of high-quality inventory, an investment-grade balance sheet, and an industry-leading cost structure built to compete throughout the commodity cycle. Energy is critical to fuel our future prosperity, and oil and natural gas production will continue to be a fundamental component of that growth. Devon is proud to supply the energy that consumers, industrials, LNG, power, and data centers will need for decades to come.

2 OUR PORTFOLIO

As promised, we ran a comprehensive and objective review, that included a rigorous internal analysis, multiple third-party views, and feedback from our shareholders, so we could better understand each asset's competitive positioning and its role in our portfolio.

The Cornerstone: Permian Basin. Throughout 2026, we doubled our footprint in the most prolific basin in North America through a series of intentional moves: combining with Coterra, acquiring acreage in the federal lease sale, and investing in the Solitude pipeline. We continue to expand our inventory by delineating new landing zones across our thick, multi-target position, adding locations organically through the application of technology, and executing a focused ground game of acreage leasing and trades, and ongoing exploration. Our integrated infrastructure model – natural gas gathering and processing, water, and electrical infrastructure built organically across the Permian – lowers our cost of supply and allows us to capture more margin across the value chain.

Complementary Assets: Anadarko, Marcellus, and the Rockies. These high-return, capital-efficient assets generate significant and durable free cash flow at low reinvestment rates. Each asset holds meaningful upside from the continued application of technology and operational efficiencies: capturing synergies, extending lateral lengths, improving our cost structure, and enhancing margins. Projected well economics are highly competitive across our portfolio and provide significant optionality between oil and natural gas targets. Additionally, we will continue to invest in organic opportunities, such as our profitable midstream investments, non-E&P ventures, and future exploration. We will continue to leverage our scale, cost leadership, and unconventional expertise to add value and fuel long-term free cash flow growth.

The Eagle Ford divestiture. Over the past several years, we created substantial value in the Eagle Ford by lowering costs, increasing productivity and coring up our acreage position. The market valued the asset meaningfully above our internal view, so we opportunistically chose to divest the position to create immediate shareholder value. This strategic sale lengthens our inventory life, lowers our breakeven, reduces our base decline, and is accretive to per-share free cash flow and net asset value.

Value creation remains our central focus. Our leadership team and Board remain objective and will not hesitate to explore and execute future opportunities that are in our shareholders' best interests. While our post-combination portfolio review is complete, active portfolio management remains one of our key pillars to enhance value. High grading our portfolio has long been a core component of our strategy, and the multiple actions we have executed in 2026 further strengthened the quality, depth, and returns of the assets we own.

3 HIGHLY CAPITAL-EFFICIENT, DISCIPLINED MULTI-YEAR GROWTH

Disciplined growth increases medium- and long-term free cash flow. Devon's deep and high-quality inventory enables us to efficiently generate disciplined growth, supported by a low corporate breakeven and a conservative reinvestment rate. With relatively flat capital, we expect low-single-digit oil growth and rising free cash flow at constant commodity prices. Realizing the benefits of our many actions, including the Coterra combination, our durable, long-duration inventory and industry-leading cost structure, allows us to enhance free cash flow growth.

Multi-year improvement in capital efficiency. In 2027, we plan to direct roughly 75 percent of our capital to the Permian, up from approximately 63 percent in 2026. We expect the acreage acquired in the federal lease sale to increase our capital efficiency over the next three years, with development beginning next year. Synergies from the Coterra combination compound these gains, as we apply shared learnings and leverage our expanded scale and infrastructure across our Delaware and Anadarko positions. Shareholders should expect sustained, multi-year improvement in our capital efficiency.

4 ACCELERATING SHAREHOLDER RETURNS

We remain committed to increasing shareholder returns through a growing dividend and an expanded share repurchase program. We see substantial value in our equity today, and accelerating buybacks creates immediate and lasting value for our shareholders. We expect buybacks to step up to over $1 billion in the fourth quarter and to rise further in 2027, fueled in part by the roughly $3.5 billion in after-tax proceeds from the Eagle Ford divestiture. Alongside these repurchases, and supported by strong free cash flow, we plan to pay down an additional $1.5 billion of long-term debt in 2027, reaching our $9 billion gross debt target and strengthening our fortress balance sheet.

5 FUELING OUR FUTURE

In closing, Devon remains committed to delivering durable free cash flow through the cycles. To achieve this, let me highlight Devon's three strategic pillars. First, **Make Devon a Better Devon**: improving our core business every day through innovation and technology. Second, **Organic Growth Opportunities**: investing in our ground game and in shale exploration, capturing more value from every molecule we produce, and putting our unconventional expertise to work. Third, **Active Portfolio Management**: continuing to high-grade our assets and strengthening our competitive position. Underpinning all three is a culture we are proud of — strong, determined, and built on four core values: Integrity, Relationships, Courage, and Results.

DEVON'S STRATEGIC PILLARS

1. **Make Devon a Better Devon**
2. **Organic Growth Opportunities**
3. **Active Portfolio Management**

I have set clear expectations for the Devon organization: challenge the status quo, innovate with purpose, and always seek continuous improvement so we push the limits of operational excellence. I am extremely proud of what the team has accomplished but never satisfied. We will not settle for anything less than being the best E&P company.

Thank you for your support, and for the trust you have placed in Devon Energy.



Clay Gaspar
President and Chief Executive Officer

ABOUT DEVON ENERGY

Devon Energy is a leading oil and gas producer in the U.S. with a diversified multi-basin portfolio headlined by a world-class acreage position in the Delaware Basin. Devon's disciplined cash-return business model is designed to achieve strong returns, generate free cash flow and return capital to shareholders, while focusing on safe and sustainable operations. For more information, please visit www.devonenergy.com.

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NON-GAAP DISCLOSURES

This letter includes 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 results as reported under GAAP. Reconciliations of these non-GAAP measures and other disclosures are provided within the supplemental financial tables that are available on the company's website.

FORWARD-LOOKING STATEMENTS

This letter 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 letter 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, including from the impact of ongoing or escalating armed conflicts, wars and geopolitical instability and from changes in trade relations and policies, such as the imposition of new or increased tariffs or other trade protection measures by the U.S., China or other countries; 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; risks related to our hedging activities; our limited control over third parties who operate some of our oil and gas properties and investments; midstream capacity constraints and potential interruptions in production, including from limits to the build out of midstream infrastructure; competition for assets, materials, people and capital, which can be exacerbated by supply chain disruptions, including as a result of tariffs or other changes in trade policy; regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to federal lands, environmental matters, water disposal and tax matters; climate change and risks related to regulatory, social and market efforts to address climate change; risks relating to our sustainability initiatives; claims, litigation, audits and other proceedings impacting our business, including with respect to historic and legacy operations; governmental interventions in energy markets; counterparty credit risks; risks relating to our indebtedness; cybersecurity risks; risks associated with artificial intelligence and other emerging technologies; the extent to which insurance covers any losses we may experience; risks related to shareholder activism; our ability to successfully complete mergers, acquisitions and divestitures, including the pending sale of our Eagle Ford assets; our ability to pay dividends and make share repurchases; risks related to the merger with Coterra, including the risk that we may not realize the anticipated synergies or other benefits of the merger or successfully integrate the two legacy businesses; and any of the other risks and uncertainties discussed in Devon's 2025 Annual Report on Form 10-K (the "2025 Form 10-K") or other filings with the Securities and Exchange Commission (the "SEC").

The forward-looking statements included in this letter speak only as of the date of this letter, represent management's current reasonable expectations as of the date of this letter and are subject to the risks and uncertainties identified above as well as those described elsewhere in the 2025 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 2025 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.