



NEWS RELEASE

## Devon Energy Reduces 2020 Capital Spending and Provides Financial Update

3/12/2020

OKLAHOMA CITY, March 12, 2020 (GLOBE NEWSWIRE) -- In response to the challenging commodity price environment, Devon Energy (NYSE: DVN) has announced an immediate decrease in capital spending of \$500 million for the full-year 2020. The revised capital budget of approximately \$1.3 billion represents a decline of nearly 30 percent compared to its previously announced 2020 capital plan.

The \$500 million of capital reductions will be diversified across Devon's portfolio, with the STACK and Powder River Basin assets receiving the most substantial cuts proportionally. To optimize go-forward investment, the company will focus its development activity in the Delaware Basin and Eagle Ford within the economic core of these top-tier plays. The company expects to provide a detailed update to its 2020 guidance in conjunction with first-quarter reporting.

"With the challenging industry conditions, we are committed to taking decisive actions to protect our balance sheet and preserve liquidity," said Dave Hager, president and CEO. "We have substantial flexibility with our service contracts, allowing us to quickly recalibrate activity to balance capital investment with cash flow. This advantage, combined with our high-quality asset base and excellent liquidity, positions Devon as well as anyone in the E&P space to navigate through this period of extreme commodity price volatility."

Beyond the immediate spending cuts announced today, Devon is prepared to further tailor capital activity lower throughout the year should commodity prices remain weak to protect its financial strength. The company's capital programs have significant flexibility to adjust activity due to minimal exposure to long-term service and supply contracts.

Significant Financial Strength; Barnett Closing Expected in April

Devon's financial position continues to remain exceptionally strong with excellent liquidity and low leverage. The company entered 2020 with \$1.8 billion of cash and an undrawn credit facility of \$3 billion. Further bolstering the company's financial flexibility is the benefit of no outstanding debt maturities occurring until the end of 2025.

The company's hedge position in 2020 also enhances its financial position. Devon has more than 40 percent of its estimated oil production protected for 2020 at a floor price of \$53 WTI. The company's hedge position is composed of swaps and costless collars, with no pricing downside from three-way collars.

Another key factor that will further enhance the company's financial strength is the sale of the Barnett Shale to Banpu Kalnin Ventures for \$770 million. This transaction is scheduled to close on Apr. 15, 2020 and Devon expects no incremental cash taxes associated with the divestiture of these assets.

### Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company. These risks include, but are not limited to: further volatility in commodity prices, market conditions or other circumstances that could adversely impact the company's liquidity and capital plans; the delay or failure to close the Barnett divestiture due to unsatisfied closing conditions or otherwise; the amount of proceeds received from the Barnett divestiture due to purchase price adjustments or otherwise, and the ultimate use of those proceeds; and the other risks identified in the Company's Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this press release are made as of the date hereof, and the company does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

### About Devon Energy

Devon Energy is a leading independent energy company engaged in finding and producing oil and natural gas. Based in Oklahoma City and included in the S&P 500, Devon operates in several of the most prolific oil and natural gas plays in the U.S. with an emphasis on achieving strong corporate-level returns and capital-efficient cash-flow growth. For more information, please visit [www.devonenergy.com](http://www.devonenergy.com) and see our related Form 10-K.

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Source: Devon Energy Corporation

