



All the “SCOOP” About the STACK

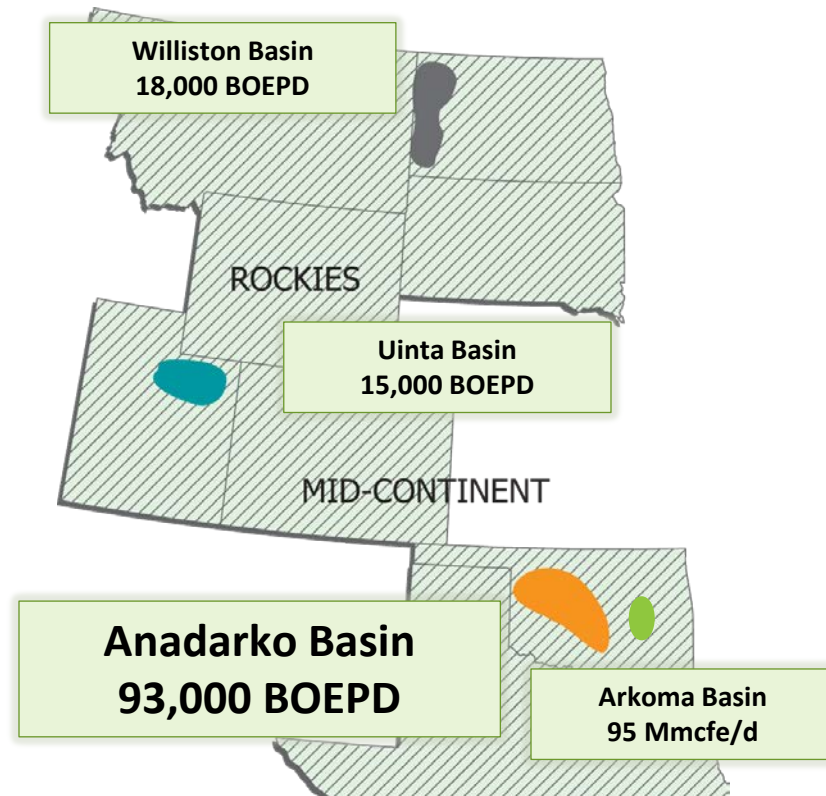
IPAA/TIPRO

Gary D. Packer
Chief Operating Officer
Newfield Exploration Company
November 9, 2016



Who is Newfield?

- Independent E&P company headquartered in The Woodlands, Texas
- Founded in 1988; IPO 1993
- Traded on NYSE as “NFX”
- >\$1.5B in annual revenues
- 509 MMBOE proved reserves
- 2016e Domestic prod: ~147,000 BOEPD
- Capital budget: \$750 MM
 - >80% invested in SCOOP/STACK



Vision: To be recognized as the premier E&P company, delivering operational excellence, top-tier business results and value to our shareholders, employees and the communities in which we live and work.

What's New at Newfield?

- 2016 was a strong year of performance
- Raised production guidance every quarter in 2016
 - Expect to beat original '16 plan by ~3.5 MMBOE or seven percent
 - Domestic LOE per BOE anticipated to be down >20% YOY
- Continued to reduce G&A expenses
 - >\$50 million compared to 2014
- Sold \$380 million in non-strategic assets and acquired more core acreage in STACK
- Company to increase rig count in Anadarko Basin entering 2017
 - Full-year capital investment plan moves to \$750 million
- Continued strong well results in the Anadarko Basin



The Anadarko Basin has Led Newfield's Transformation...

Then

- Diversified asset base
- Conventional
- Natural gas-weighted production
- Limited drilling inventory
- Exploration-based
- Higher operating costs

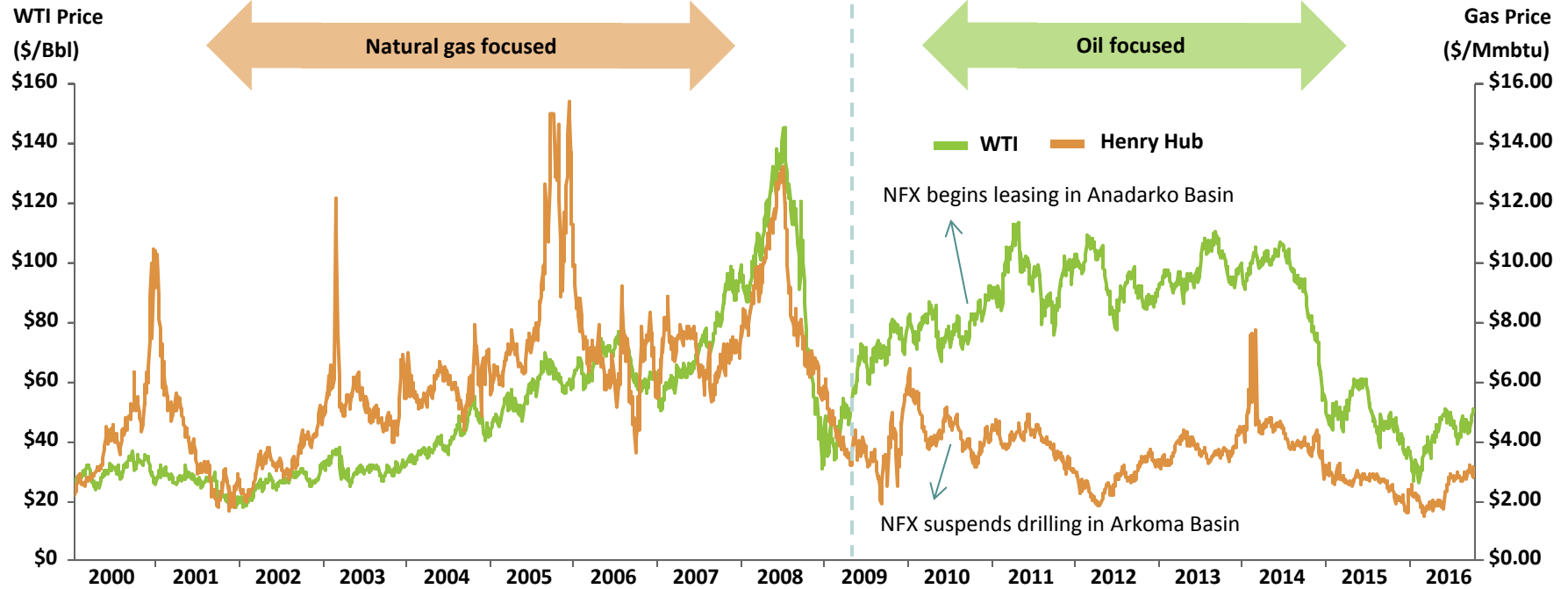


Now

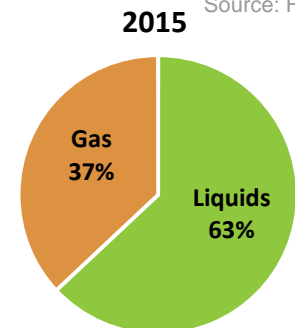
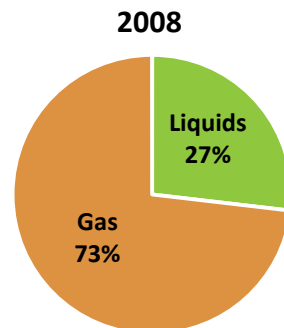
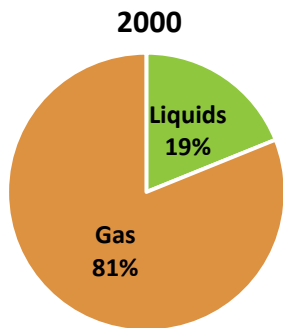
- Focused asset base
- Unconventional
- Oil-weighted production inventory
- Deep, quality drilling inventory
- Shale-scale, development focused
- Improved cost structure

Newfield's Shift to Liquids was Catalyzed by the Financial Crisis...

Commodity prices since 2000



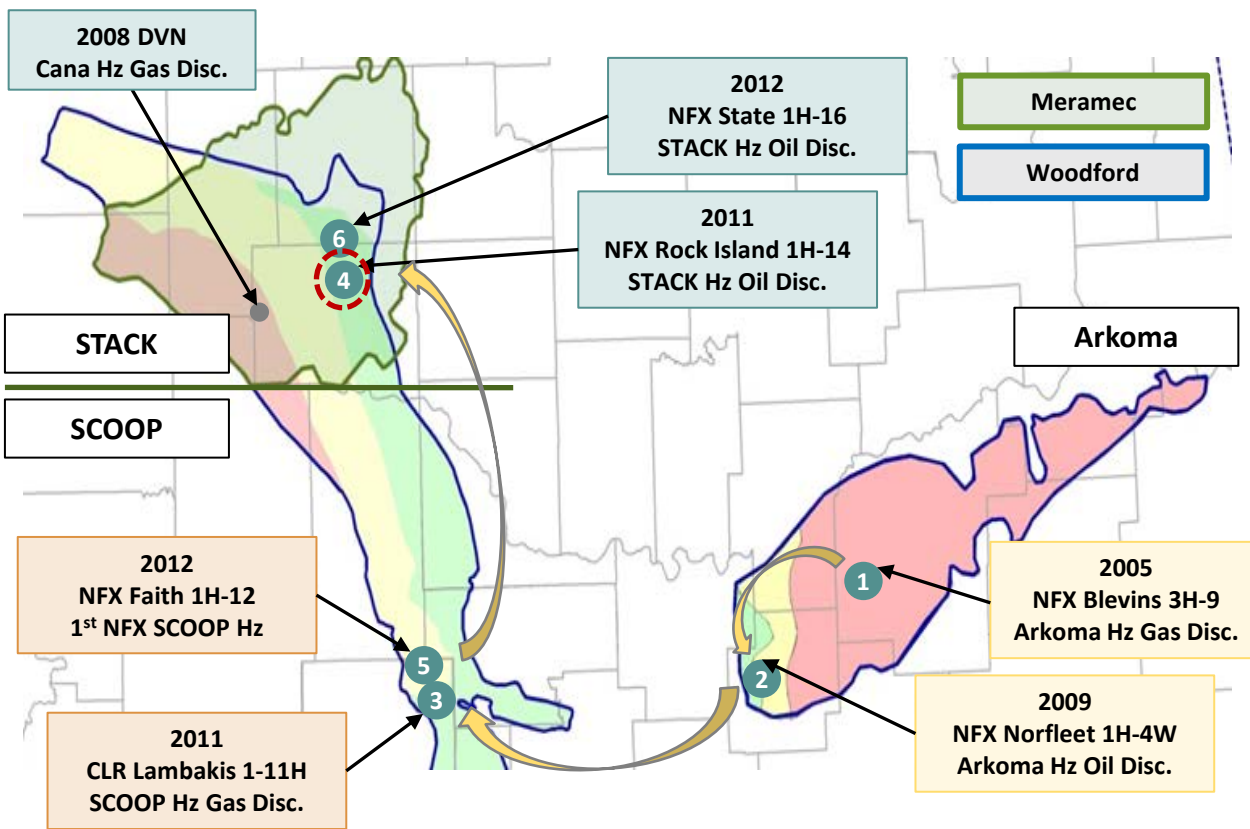
Source: FactSet Prices



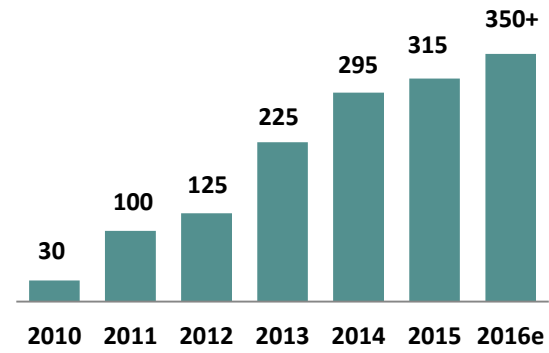
Newfield commodity mix by product



Shifting from Arkoma to Anadarko



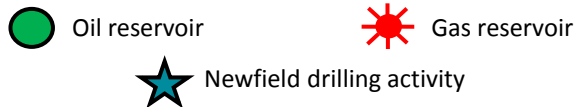
Anadarko Basin Net Acreage (000's)



	Oper	Well Name	IP	1 st Prod.	Formation	
1	NFX	Blevins 3H-9	462 MCFED	2005	Woodford	Arkoma Hz Gas Disc.
2	NFX	Norfleet 1H-4W	1,018 BOED	2009	Woodford	Arkoma Hz Oil Disc.
3	CLR	Lambakis 1-11H	5.1 MMCFED	2011	Woodford	SCOOP Hz Gas Disc.
4	NFX	Rock Island 1H-14	329 BOED	2011	Woodford	STACK Hz Oil Disc.
5	NFX	Faith 1H-12	4.5 MMCFED	2012	Woodford	1 st NFX SCOOP Hz
6	NFX	State 1H-16	618 BOED	2012	Meramec	STACK Hz Oil Disc.

Identifying and Understanding the “World-class” Anadarko Basin

Mississippian	Goddard Shale			
	Springer Sands		●	☀
	Springer Shale	★	●	☀
	Caney Shale		●	☀
Devonian	Sycamore / Meramec	★	●	☀
	Osage		●	☀
	Woodford Shale	★	●	☀
Silurian	Hunton		●	☀
Ordovician	Sylvan			
	Viola		●	☀
	Bromide Sands		●	
	Oil Creek Sand		●	
	Arbuckle			



Understanding Play Fairway with Regional, Bottoms up Analysis

- Characterize and map the key elements regionally
- Petrophysical model tied to core & well cutting data
- 2D & 3D seismic incorporated in sub-surface mapping
- Utilize Common Risk Segment (CRS) mapping approach to high-grade targets

Robust Source Rock

- Largest and deepest onshore U.S. basin
- Richness (TOC)—10 to 15%
- Slow and steady burial in generating window over 100 mm years

Stacked Resource (2,000' to 3,000')

- Substantial reservoir understanding through extensive vertical well control
- Silica-rich (50% - 65%), low clay content, brittle
- Fluid properties – All phases present

Excellent Regional seals (Chester, Goddard, Penn Shales)

Structural Setting—Abundant Natural Fractures

SCOOP/STACK Offer Optionality Across Position

STACK

STACK



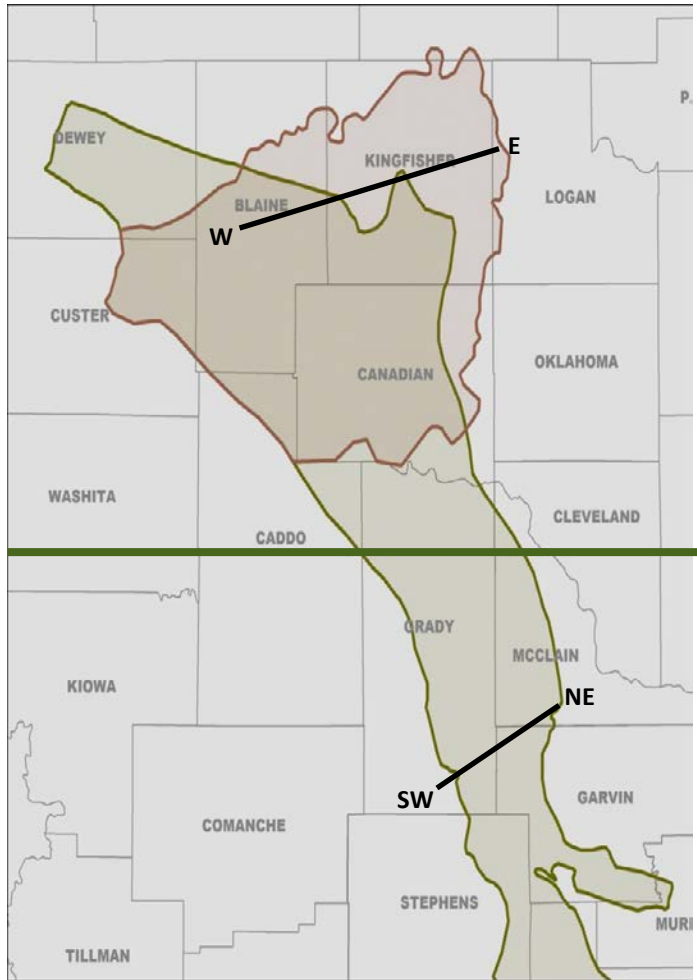
Crude API	60	40
Pressure Grad.	.85	.42
Depth (K feet)	16	7.5

SCOOP

SCOOP



Crude API	60	40
Pressure Grad.	.55	.45
Depth (K feet)	16	10

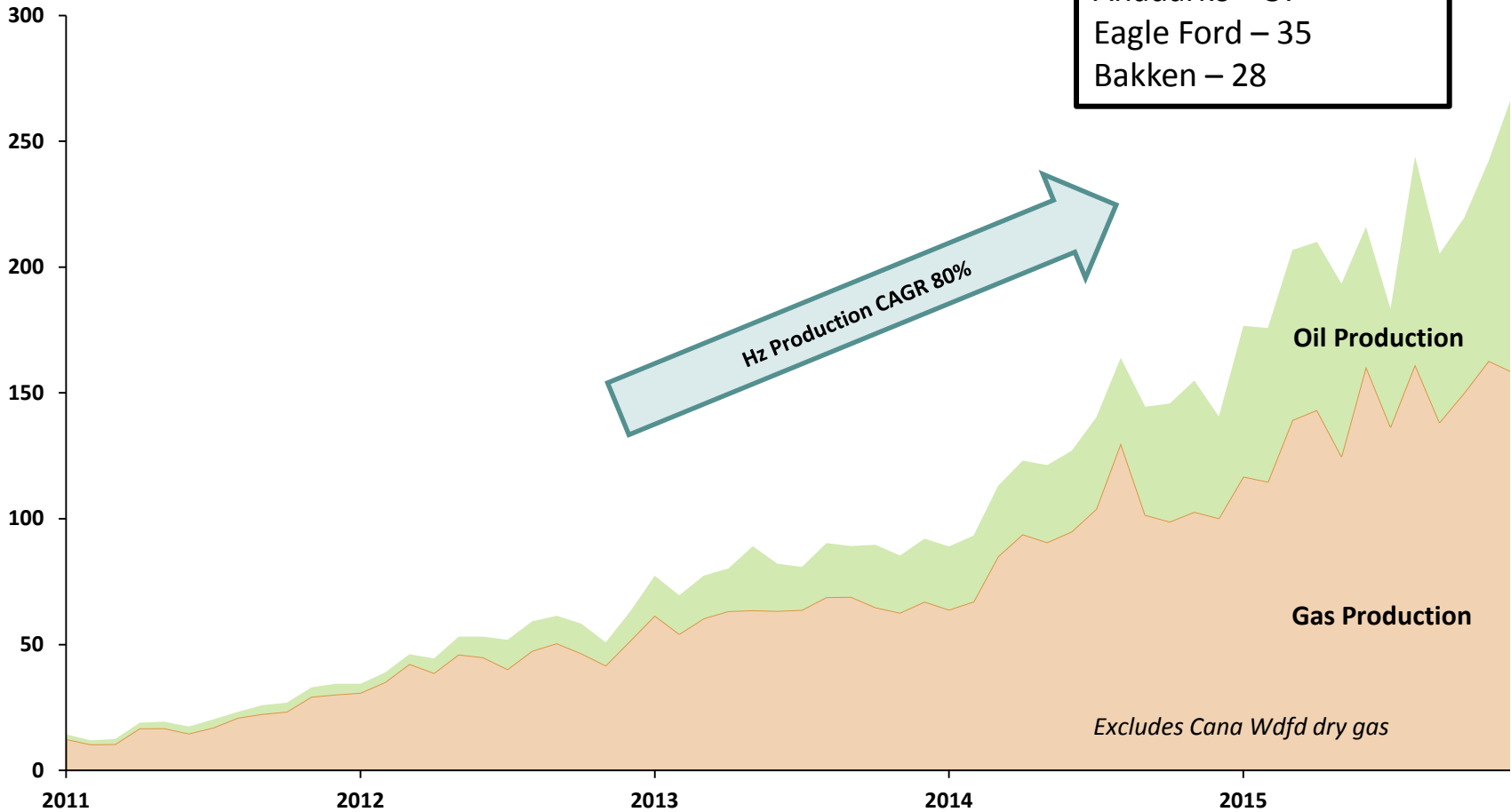


Meramec

Woodford

SCOOP / STACK Production Growing Rapidly

Horizontal SCOOP / STACK Production
Mboe/d



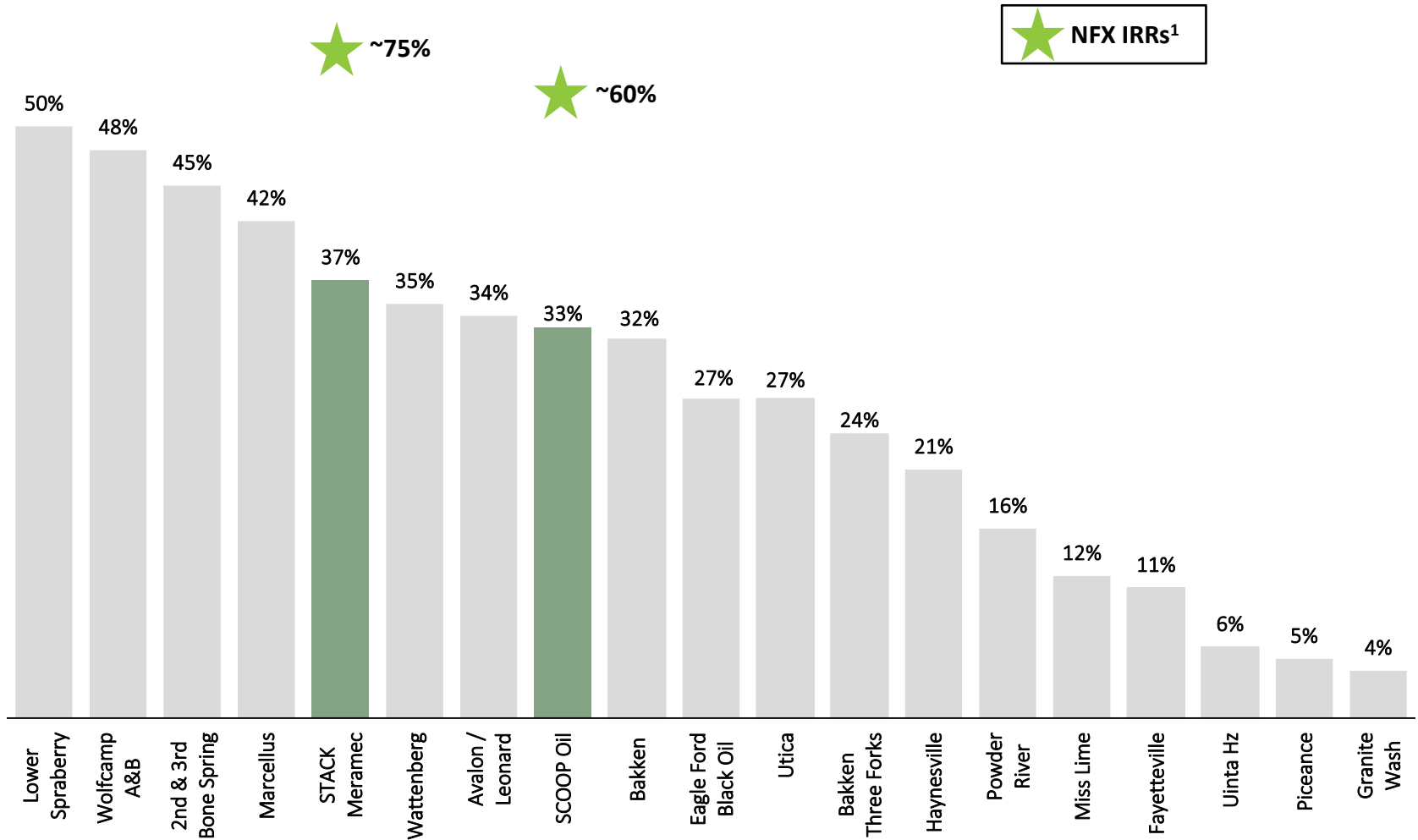
Active rigs by basin:
Permian – 169
Anadarko – 57
Eagle Ford – 35
Bakken – 28

Source: EIA drilling productivity reports and Baker Hughes rig count data
Note: January 2011 – December 2015



Provides Some of the Best Industry Returns

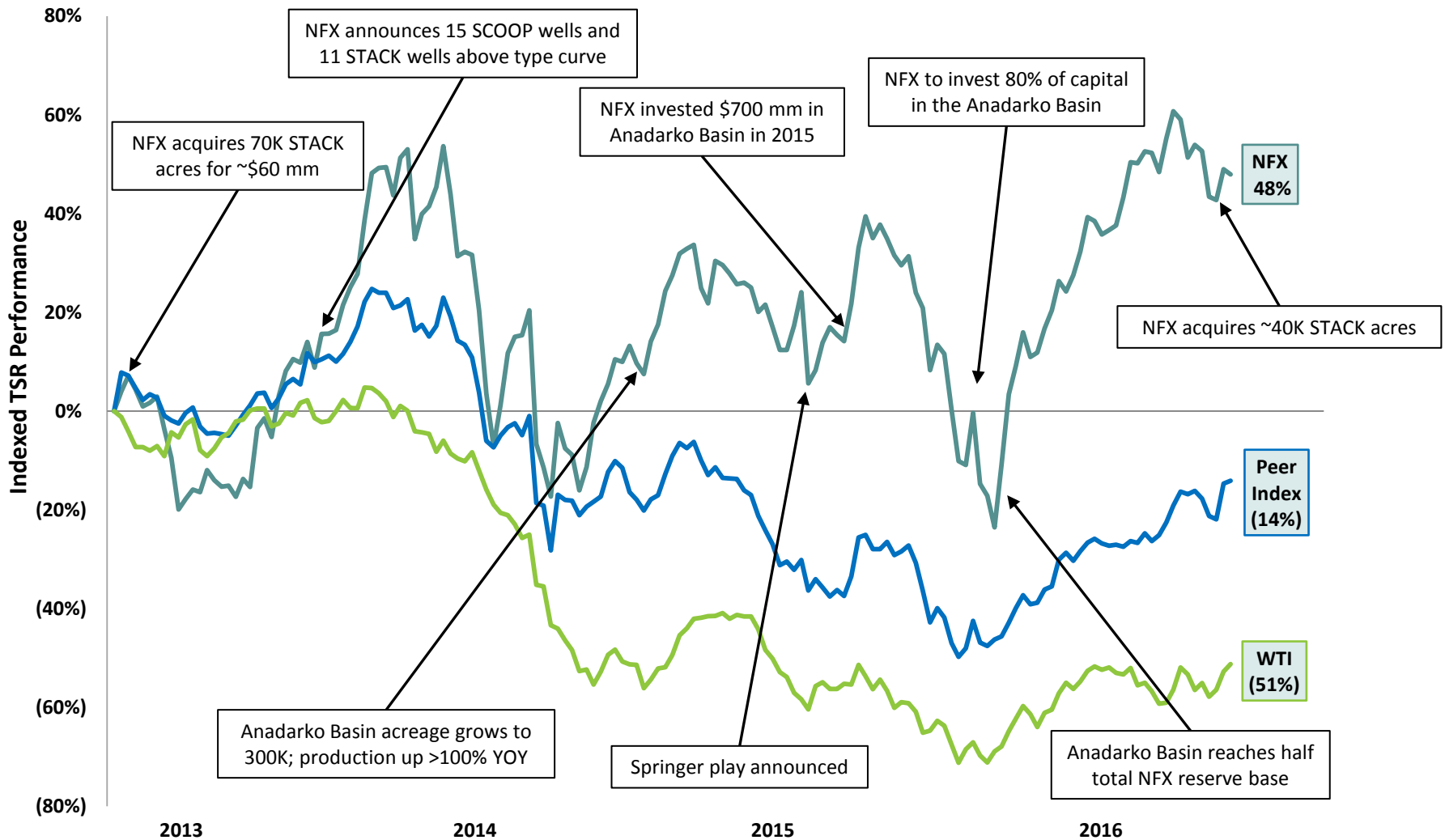
Select single well IRRs per equity research



Source: Wall Street research as of September 1, 2016. Based on strip pricing from 2016 – 2020+ of \$43/50/53/54/56 and \$2.39/3.17/3.04/3.01/3.06.

¹ Newfield returns based on oil pricing of \$55.00,\$60.00,\$65.00 and flat thereafter

Resulting in Meaningful Share Price Outperformance



Source: Ipreo Holdings LLC
Peer Index: BBG, CHK, CLR, CRZO, CXO, DVN, EGN, EPE, JONE, MRO, MTDR, NBL, PDCE, PXD, QEP, SM, WLL, WPX, XEC

Validated by Industry Results and Investor Interest



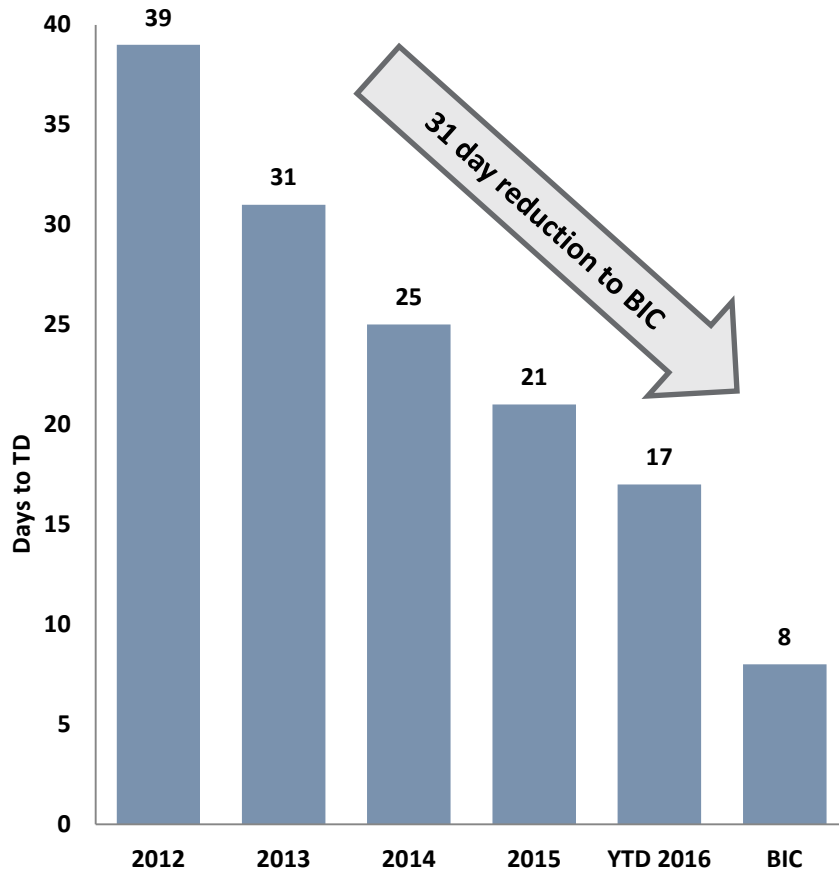
- Active play consolidation
 - Devon acquires Felix for >\$2 billion
 - Marathon acquires Payrock for ~\$900 million
 - Newfield acquires CHK acreage for ~\$470 million
- Industry consistently raising type curves
- Strong well results

NFX	Scheffler 1H-9X	1,843 boepd (IP30)
NFX	James 1H-2X	2,166 boepd (IP30)
NFX	Post Brothers 1H-27X	1,701 boepd (IP30)
DVN	Pony Express 27-1H	2,100 boepd (IP30)
DVN	Cows Face 0805-4AH	2,200 boepd (IP30)
CLR	Boden 1-15-10XH	3,508 boepd (IP24)
CLR	Madeline 1-9-4XH	3,538 boepd (IP24)

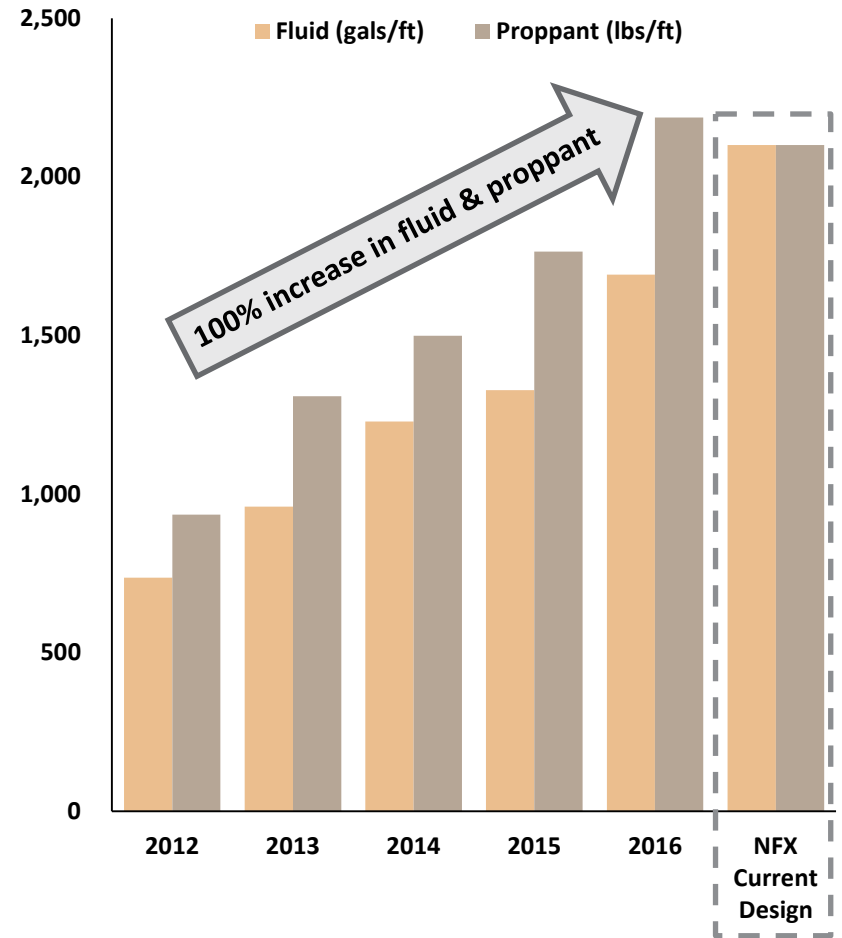
“Despite early stages of development, the STACK has risen to the forefront of U.S. shale returns, which can be corroborated through the M&A market with companies paying \$3.8B in transaction value during 2016, second to only the Permian basin.”
– Howard Weil Research

Operational Improvements Continue to Enhance Returns

NFX Drilling Evolution

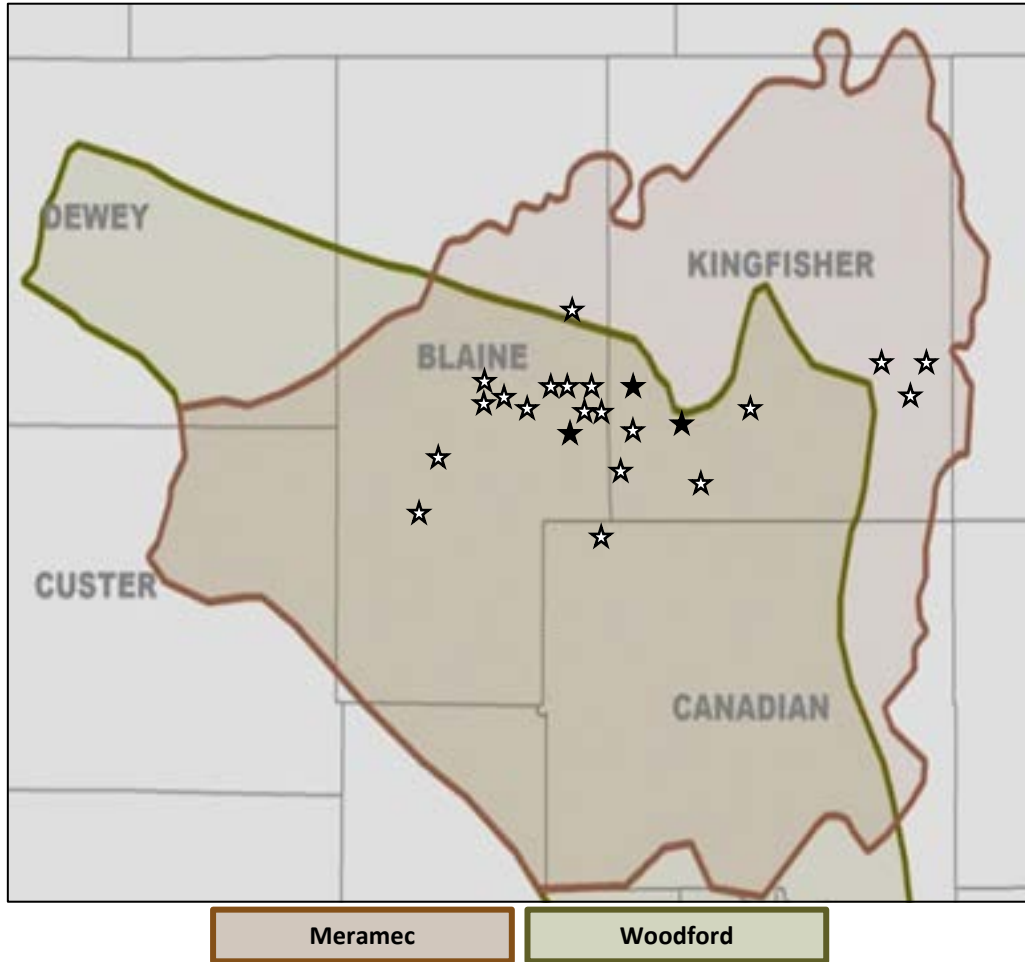


Industry Completions Evolution



Operators Preparing for Development with Density Pilots

★ Newfield Pilots ☆ Select Industry pilots



Infill Activity Highlights

- Seven operators infilling sections
- Testing up to three landing zones and up to 19 wells in a single DSU
- >20 infill pilots; 14 in various stages of completion
- Six infill DSUs online; Two additional DSUs flowing back

Key Takeaways

- SCOOP and STACK among hottest plays in U.S.
 - Increasing rig activity
 - Resilient economics at low oil prices
 - Deep and growing visible inventory
- Commodity diversity across hydrocarbon phase envelope
- Transition to STACK development creating efficiencies
 - Lower drilling costs, pad development
 - Infill spacing pilots
 - Optimized completions, increasing EURs
- Sound and effective regulatory environment in Oklahoma



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