

Delaware Basin Panther Energy Acquisition



January 12, 2017



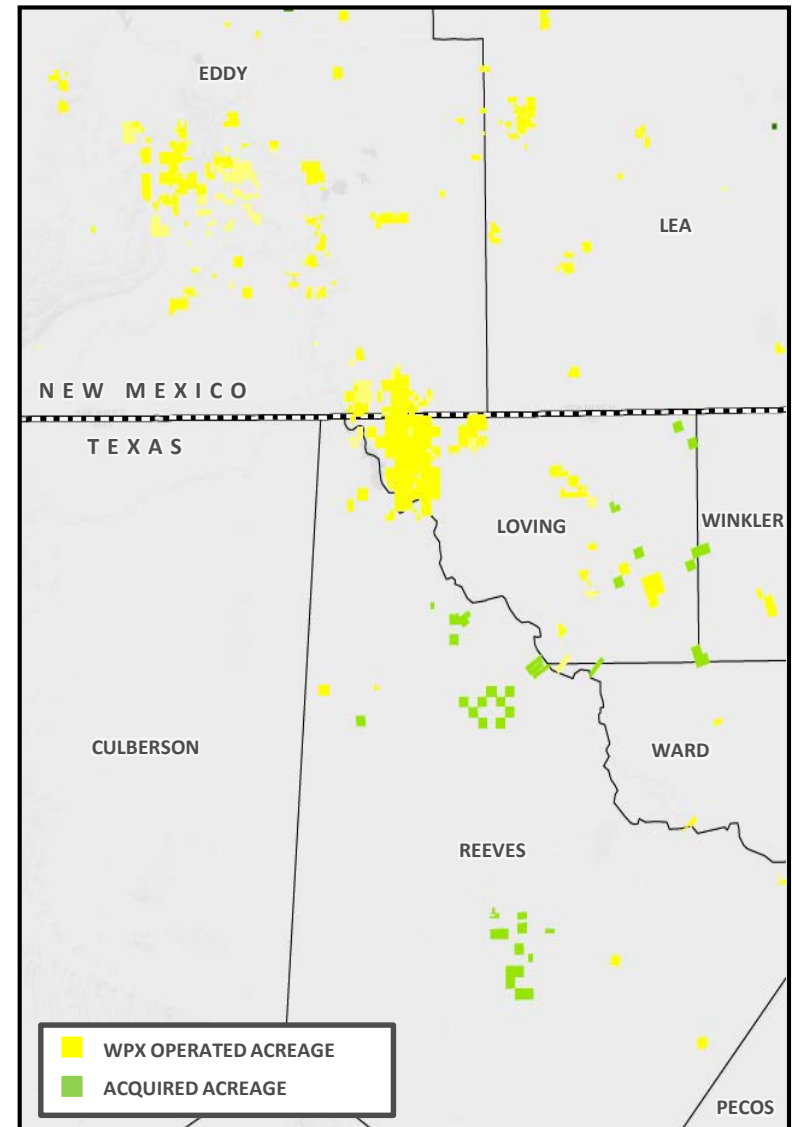
Expanding WPX's World-Class Delaware Position

OVERVIEW

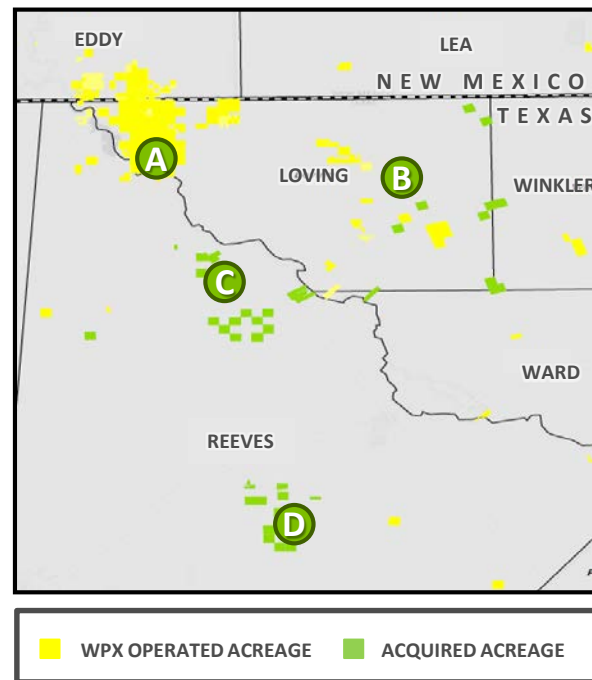
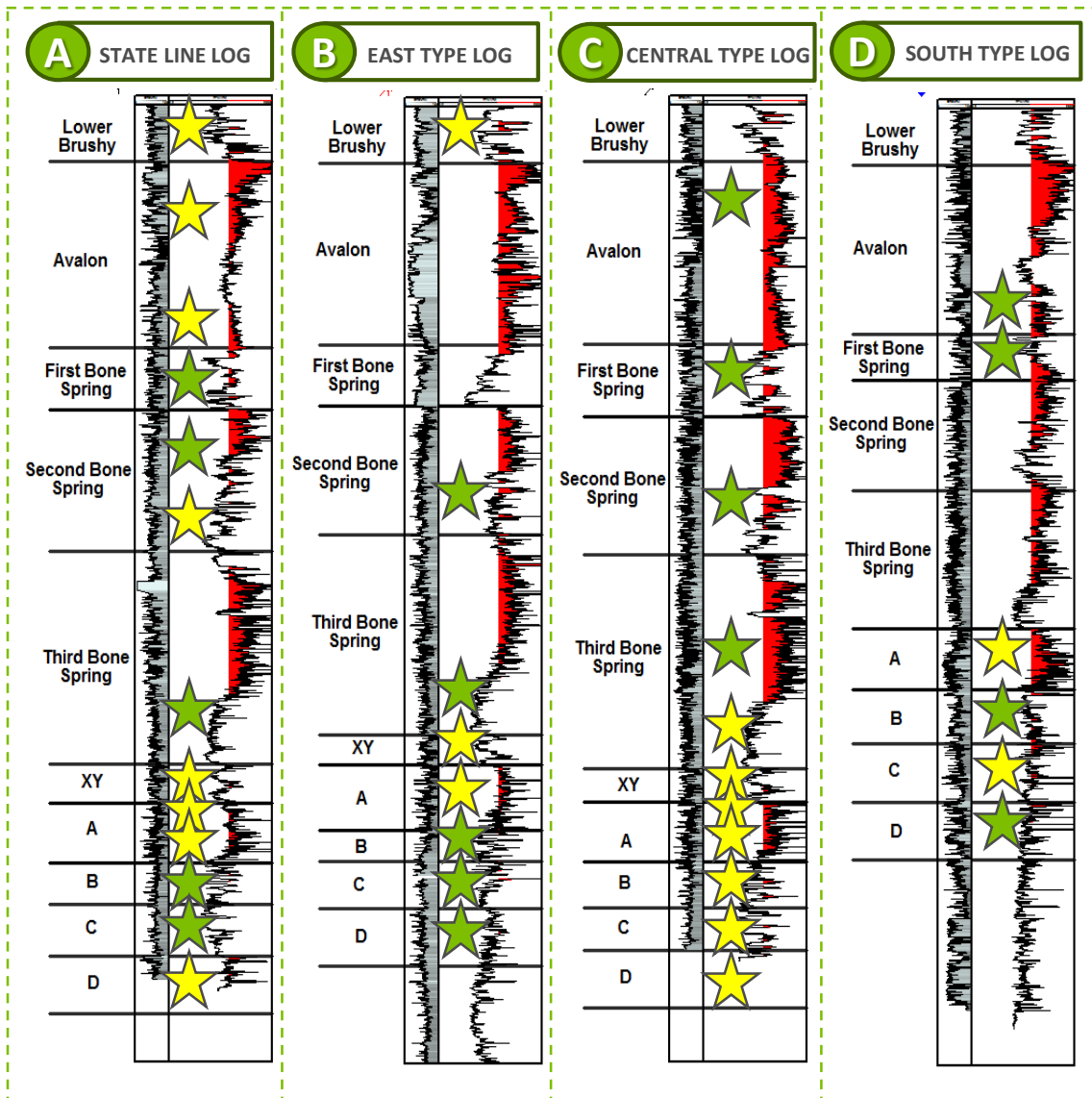
- ▶ 18,000+ acres in core of Delaware
- ▶ 920 gross locations, including 150+ long lateral locations
- ▶ Significant current production of ~6,500 Boe/d (55% oil)
- ▶ Maintain Panther's current 2 rig program
- ▶ Acreage cost excluding existing production ~\$28.5K per acre
- ▶ Valuation primarily supported on 3 zones with upside in 5 additional zones

BENEFITS

- HIGH QUALITY ROCK**
Multiple stacked pay intervals with significant upside
- SELF-FUNDING DEVELOPMENT**
2 rig program funded with operating cashflows
- DEEP INVENTORY OF CORE DELAWARE**
Resource supports sustained growth
- ACCRETIVE TO CASHFLOWS AND NAV**
Accretive to shareholders 2017 and beyond



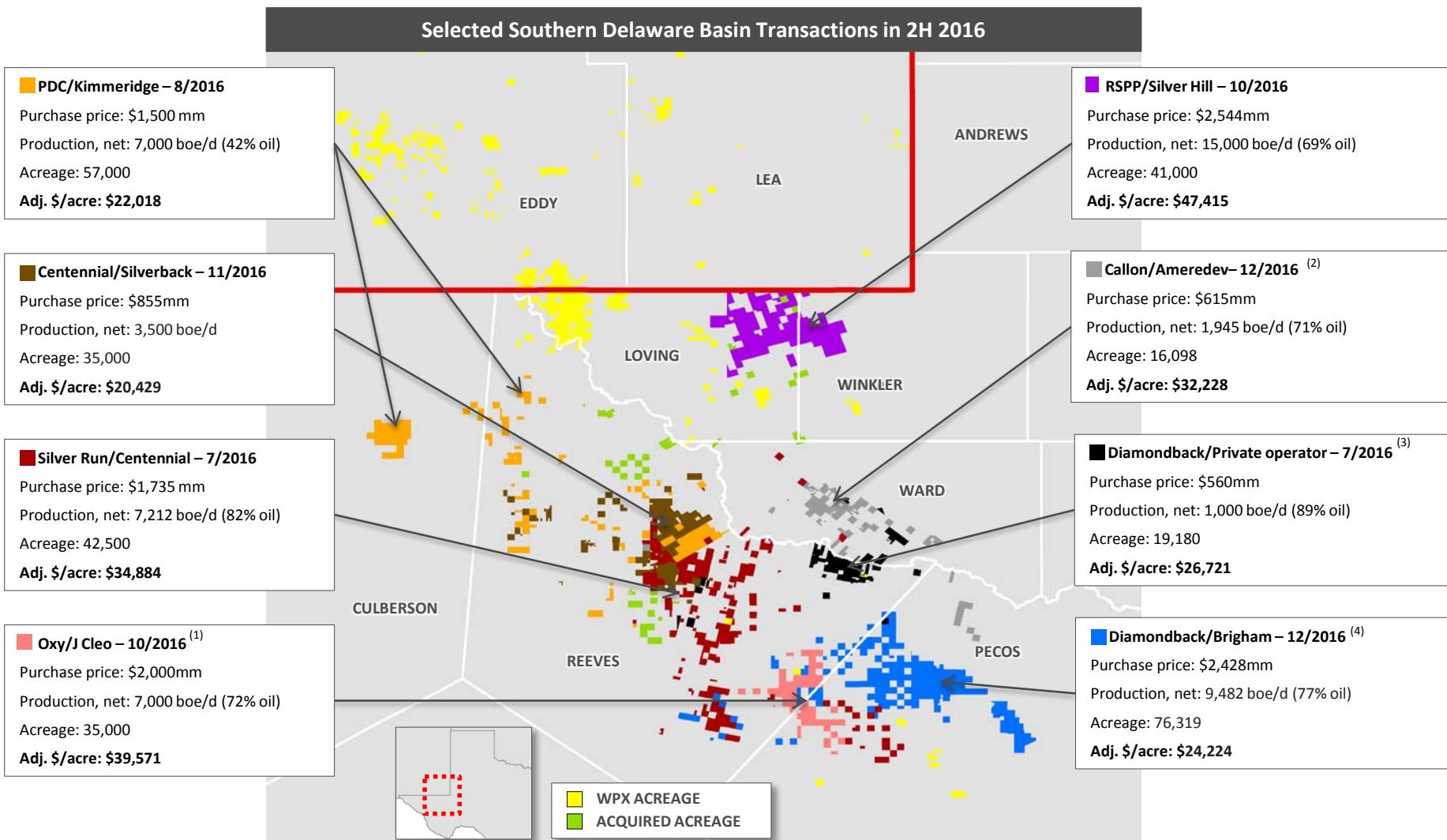
Thick Hydro-Carbon Stack Across Entire Acreage Position



De-risked pay section
across acreage with
substantial **UPSIDE**

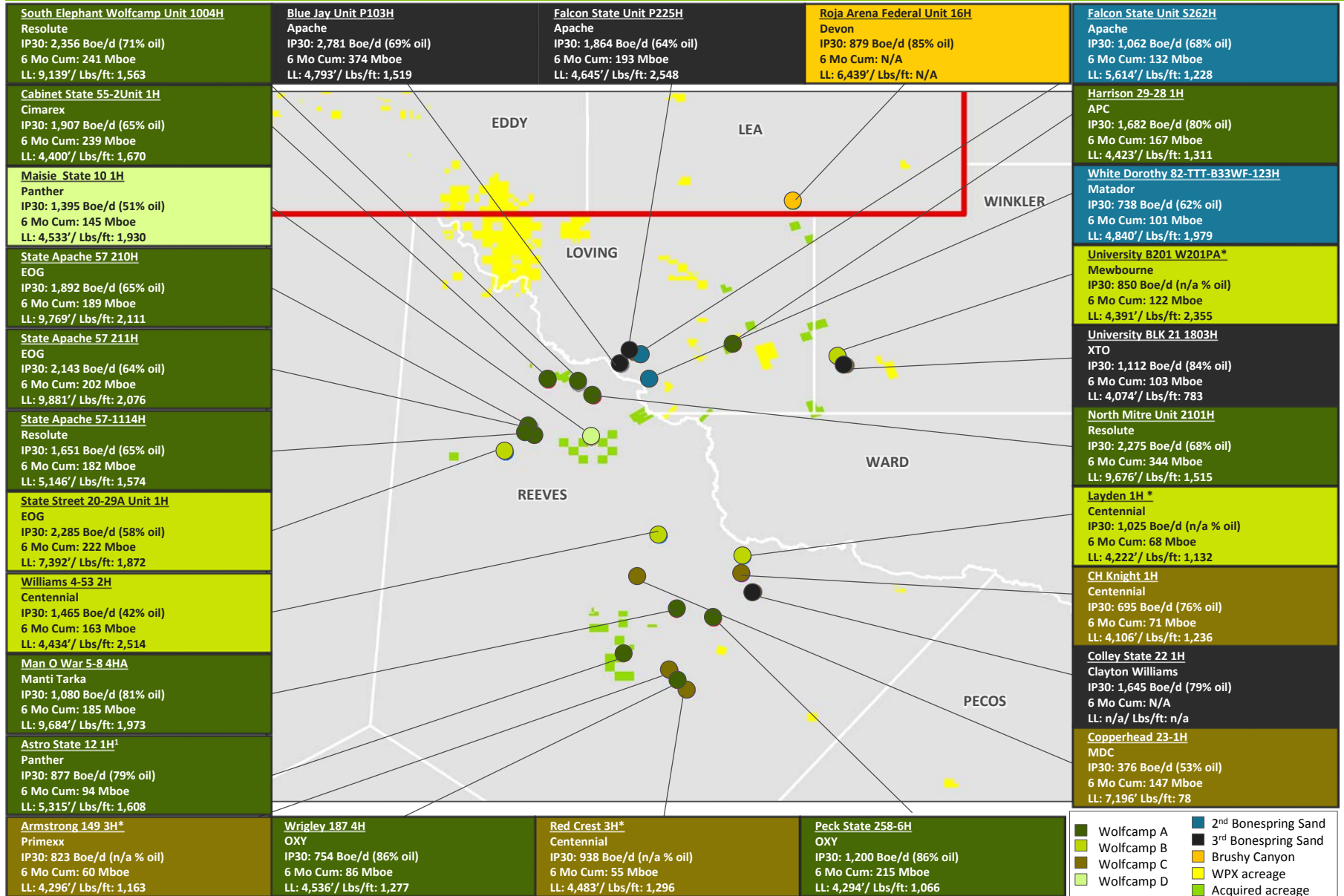
★ DE-RISKED
★ UPSIDE POTENTIAL

Strong Acreage Position in Core of Delaware Basin at Attractive Price



Attractive acquisition price of ~\$28,500⁽⁵⁾ per undeveloped net acre compares favorably to recent Southern Delaware Basin acquisitions

Multi-Zone Potential Across Newly Acquired Acreage



Asset Quality Supports Robust Development Plan

DEVELOPMENT PLAN

- ▶ Maintain Panther's 2 rig program
- ▶ 150+ extended lateral locations
- ▶ Utilize "State of the Art" completion design
- ▶ Infrastructure in place to support growth
- ▶ Capital program funded with CFFO

WOLFCAMP X/Y-UPPER/LOWER A¹

	1 MILE	1 ½ MILE	2 MILE
D&C (\$MM)	\$5.6	\$6.75	\$7.9
EUR (Mboe)	1,100	1,600	2,100
Oil IP (Bbl/day)	645	824	1,060
Oil Decline (%/yr)	71%	71%	71%
B factor	1.5	1.5	1.5
IRR ²	55%	70%	95%

	WPX	PANTHER	PRO FORMA
Net Acreage	~102,000	18,100	120,000+
Rigs	5	2	7
Gross Drillable Locations	5,500+	920	6,420+
2017 First Sales	70-80	15-20 ³	85-100
Net Resource Potential (BBOE)	2.4+	0.5+	2.9+

	WOLFCAMP A & X/Y
Product Mix	
Oil %	55%
Gas %	25%
NGL %	20%
Average WI	71%
Average NRI	53%

Increasing Core Inventory and Enhancing Shareholder Value

VALUE-DRIVEN

Added ~32,000 net acres in the core of the Delaware for ~\$18,600 per acre since RKI acquisition¹

STRONG ASSETS

Large core Delaware acreage position with significant upside

SHAREHOLDER VALUE

Expected to be accretive on cashflow and NAV basis

FINANCIAL STRENGTH

Accelerates deleveraging goal and expands margins

Appendix



2017 Pro Forma Full-Year Guidance

Production	FY17	Pro Forma
Oil Mbbl/d	49.0 – 53.0	52.0 – 56.0
Natural Gas MMcf/d	210 – 220	220 – 230
NGL Mbbl/d	12.5 – 17.5	14.0 – 19.0
Total MBOE/d	97 – 107	102 – 113

Cap Ex (\$ in Millions)	FY17	Pro Forma
Delaware	\$410 – 430	\$480 – 510 ¹
Williston	240 – 260	240 – 260
San Juan	150 – 170	150 – 170
Total D&C Capital²	\$800 – \$860	\$870 – \$940
Delaware Infrastructure	35 – 45	35 – 45
Total³	\$835 – \$905	\$905 – \$985

Avg. Price Differentials ⁴	FY17	Pro Forma
Oil – WTI per barrel	(\$6.00) – (\$7.00)	(\$6.00) – (\$7.00)
NYMEX – Nat. Gas (Mcf)	(\$0.60) – (\$0.80)	(\$0.60) – (\$0.80)

Net Realized Price ⁵	FY17	Pro Forma
NGL – % of WTI	23% – 28%	23% – 28%

Expenses	FY17	Pro Forma
\$ per BOE		
LOE	\$4.75 – \$5.25	\$4.75 – \$5.25
GP&T	2.00 – 2.50	2.00 – 2.50
Production Tax	2.25 – 2.75	2.25 – 2.75
Cash Operating	\$9.00 – \$10.50	\$9.00 – \$10.50

DD&A	20.00 – 21.00	20.00 – 21.00
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\$ in Millions		
G&A - Cash	\$110 – \$120	\$110 – \$120
G&A – Non Cash	30 – 40	30 – 40
Exploration	30 – 40	30 – 40
Interest Expense	185 – 195	185 – 195

Tax Rate	FY17	Pro Forma
Tax Provision	33% – 37%	33% – 37%

**Pro Forma assumes
9 month impact of Panther**

¹ Includes 15-20 first sales from Panther acquisition (April 1-December 31, 2017)

² Includes non-operated wells and wells which include additional science work.

³ Excludes any acquisition capital.

⁴ Average price differentials ranges for oil and natural gas exclude hedges, but include basis differential and revenue adjustments.

⁵ Percentage of realized price ranges for NGLs excludes hedges, but includes basis differential and revenue adjustments.

WPX Hedges

Updated: January 10, 2017

	2017		2018		2019	
	Volume/Day	Average Price	Volume/Day	Average Price	Volume/Day	Average Price
Natural Gas (MMBtu)						
Fixed Price Swaps ¹	170,000	\$3.02	125,000	\$2.95	-	-
Fixed Price Calls	16,301	\$4.50	16,301	\$4.75	-	-
Natural Gas Basis (MMBtu)						
San Juan Basis Swaps	97,500	(\$0.18)	20,000	(\$0.30)	-	-
Permian Basis Swaps	72,500	(\$0.20)	42,500	(\$0.28)	5,000	(\$0.32)
West Texas Basis Swaps	-	-	62,500	(\$0.16)	80,000	(\$0.19)
Crude Oil (bbl)						
Fixed Price Swaps ¹	39,554	\$50.93	30,000	\$54.61	-	-
Fixed Price Calls	4,500	\$56.47	13,000	\$58.89	-	-
Crude Oil Basis (bbl)						
Midland Basis Swaps	12,778	(\$0.52)	13,000	(\$0.94)	7,000	(\$1.00)

¹ In connection with several natural gas and crude oil swaps, we entered into swaptions with the swap counterparties granting the counterparty the right, but not the obligation, to enter into an underlying swap with us in the future. Crude oil swaptions for 2017 total 1,764 bbl/d at a weighted average strike price of \$44.61. Natural Gas Swaptions for 2018 total 20,000 mmbtu/d at a weighted average strike price of \$3.33.

WPX's Opportunity in the Delaware Grows Significantly



Formation	WPX Gross Locations	PANTHER ACQUISITION (1 MILE) Gross Locations	PANTHER ACQUISITION (1 ^{1/2} & 2 MILE) Gross Locations	PRO FORMA	
				Gross Locations	Assumed Spacing per DSU
Delaware Vertical Bell Canyon					
Delaware Vertical Cherry Canyon	170			170	40
Delaware Vertical Brushy Canyon	1,380	8		1,388	20
Delaware Horizontal	105			105	160
Upper Avalon	405			405	107
Lower Avalon	405			405	107
1 st Bone Spring	540			540	160
2 nd Bone Spring	645			645	160
3 rd Bone Spring	220	32	8	260	160
Wolfcamp X/Y	285	70	11	366	160
Upper/Lower Wolfcamp A	685	287	54	1026	80-107
Wolfcamp B		97	30	127	80-160
Wolfcamp C	200	176	34	410	80-160
Wolfcamp D	470	94	20	584	80-160
Total	5,500+	764	157	6,420+	

Reserves Disclaimer

The SEC requires oil and gas companies, in filings made with the SEC, to disclose proved reserves, which are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, under existing economic conditions, operating methods, and governmental regulations. The SEC permits the optional disclosure of probable and possible reserves. We have elected to use in this presentation “probable” reserves and “possible” reserves, excluding their valuation. The SEC defines “probable” reserves as “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” The SEC defines “possible” reserves as “those additional reserves that are less certain to be recovered than probable reserves.” The Company has applied these definitions in estimating probable and possible reserves. Statements of reserves are only estimates and may not correspond to the ultimate quantities of oil and gas recovered. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC’s reserves reporting guidelines. Investors are urged to consider closely the disclosure regarding our business that may be accessed through the SEC’s website at www.sec.gov.

The SEC’s rules prohibit us from filing resource estimates. Our resource estimations include estimates of hydrocarbon quantities for (i) new areas for which we do not have sufficient information to date to classify as proved, probable or even possible reserves, (ii) other areas to take into account the low level of certainty of recovery of the resources and (iii) uneconomic proved, probable or possible reserves. Resource estimates do not take into account the certainty of resource recovery and are therefore not indicative of the expected future recovery and should not be relied upon. Resource estimates might never be recovered and are contingent on exploration success, technical improvements in drilling access, commerciality and other factors.

Disclaimer

The information contained in this summary has been prepared to assist you in making your own evaluation of the Company and does not purport to contain all of the information you may consider important in deciding whether to invest in shares of the Company's common stock. In all cases, it is your obligation to conduct your own due diligence. All information contained herein, including any estimates or projections, is based upon information provided by the Company. Any estimates or projections with respect to future performance have been provided to assist you in your evaluation but should not be relied upon as an accurate representation of future results. No persons have been authorized to make any representations other than those contained in this summary, and if given or made, such representations should not be considered as authorized.

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