

# J.P. Morgan 2017 Energy Equity Conference



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# WPX Positioned for Success in 2017 and Beyond

## STRATEGIC ACTIONS TAKEN:

- ✓ High-graded portfolio
- ✓ Locked in strong hedge position
- ✓ Maintained solid liquidity
- ✓ Contracted service costs
- ✓ Signed strategic midstream JV & takeaway agreements



WPX CAN **ACHIEVE YE 2018 FINANCIAL TARGETS** AT TODAY'S COMMODITY PRICES

# WPX Portfolio



## DELAWARE BASIN

~135,000 net acres  
6,400+ gross locations<sup>1,2</sup>



## WILLISTON BASIN

~85,000 net acres  
~570 gross locations



## SAN JUAN BASIN

~235,000 net acres  
~4,635 gross locations<sup>2</sup>

**PORTFOLIO  
REBALANCED  
IN CORE BASINS**

**WORLD-CLASS ROCK  
IN DELAWARE AND  
WILLISTON BASINS**

**SIGNIFICANT  
UPSIDE  
IN THE DELAWARE**

**STRONG  
BALANCE SHEET  
AND LIQUIDITY**

**REMAINING  
OPPORTUNISTIC**

# WPX Delaware Midstream Infrastructure Overview

## JOINT VENTURE HIGHLIGHTS

- \$850MM+ valuation for the entity
- WPX receiving \$300MM upfront cash
- Howard Energy Partners to fund the first ~\$260MM of JV capital projects

## ASSETS INCLUDED IN JV

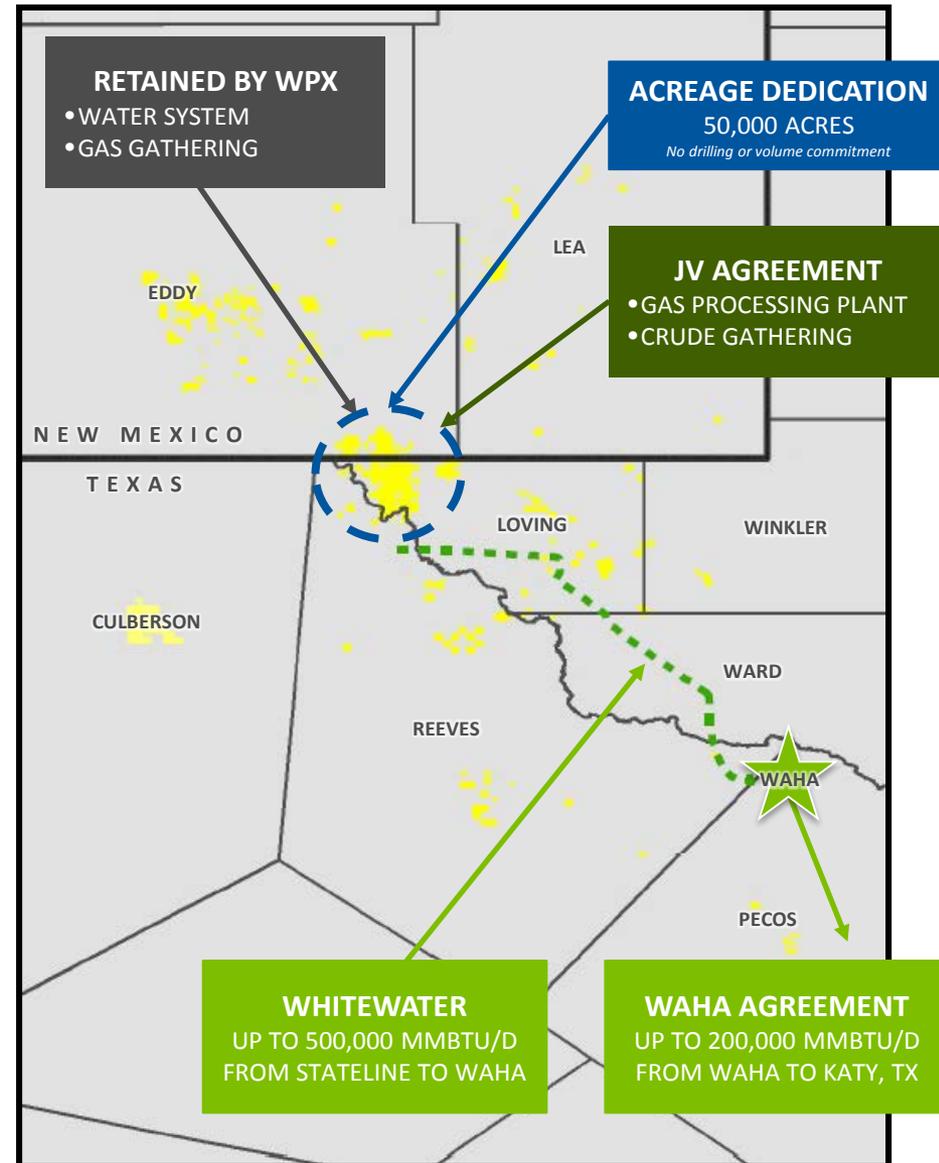
- Crude Gathering System
- Gas Processing Facility

## ASSETS WHOLLY OWNED BY WPX

- Stateline Gas & Water Gathering Systems
- ~85,000 net acres outside Stateline dedication

## SIGNED TAKEAWAY AGREEMENTS

- Waha takeaway agreement
- WhiteWater midstream agreement



# WPX Strategic Imperatives



▶ Financial and Operational Discipline

▶ Value-Driven Growth

▶ Remain Opportunistic

# Disclaimer

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# 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](http://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.

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This presentation is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses these financial measures because they are widely accepted financial indicators used by investors to compare a company's performance. Management believes that these measures provide investors an enhanced perspective of the operating performance of the company and aid investor understanding. Management also believes that these non-GAAP measures provide useful information regarding our ability to meet future debt service, capital expenditures and working capital requirements. These non-GAAP financial measures should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.