

**WPX Energy, Inc.**  
**Consolidated Statements of Operations**  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
	(Millions, except per share amounts)			
<b>Revenues:</b>				
Product revenues:				
Oil sales	\$ 142	\$ 138	\$ 239	\$ 250
Natural gas sales	24	26	49	67
Natural gas liquid sales	10	5	15	8
Total product revenues	176	169	303	325
Gas management	116	56	147	213
Net gain (loss) on derivatives	(154)	(71)	(97)	34
Other	-	-	1	2
Total revenues	138	154	354	574
<b>Costs and expenses:</b>				
Lease and facility operating	41	32	83	67
Gathering, processing and transportation	20	16	36	33
Taxes other than income	16	16	27	31
Gas management, including charges for unutilized pipeline capacity	132	58	171	167
Exploration	12	6	21	13
Depreciation, depletion and amortization	163	123	315	240
Net (gain) loss on sales of assets	(4)	(208)	(202)	(277)
General and administrative	55	53	108	107
Other - net	2	3	4	25
Total costs and expenses	437	99	563	406
Operating income (loss)	(299)	55	(209)	168
Interest expense	(53)	(32)	(110)	(65)
Investment income and other	(1)	1	1	2
Income (loss) from continuing operations before income taxes	(353)	24	(318)	105
Provision (benefit) for income taxes	(130)	1	(95)	30
Income (loss) from continuing operations	(223)	23	(223)	75
Income (loss) from discontinued operations	25	(53)	13	(37)
Net income (loss)	(198)	(30)	(210)	38
Less: Net income (loss) attributable to noncontrolling interests	-	-	-	1
Net income (loss) attributable to WPX Energy, Inc.	(198)	(30)	(210)	37
Less: Dividends on preferred stock	6	-	11	-
Net income (loss) attributable to WPX Energy, Inc. common stockholders	\$ (204)	\$ (30)	\$ (221)	\$ 37
<b>Amounts attributable to WPX Energy, Inc. common stockholders:</b>				
Income (loss) from continuing operations	\$ (229)	\$ 23	\$ (234)	\$ 75
Income (loss) from discontinued operations	25	(53)	13	(38)
Net income (loss)	\$ (204)	\$ (30)	\$ (221)	\$ 37
<b>Basic earnings (loss) per common share:</b>				
Income (loss) from continuing operations	\$ (0.76)	\$ 0.11	\$ (0.81)	\$ 0.37
Income (loss) from discontinued operations	0.08	(0.25)	0.04	(0.19)
Net income (loss)	\$ (0.68)	\$ (0.14)	\$ (0.77)	\$ 0.18
Basic weighted-average shares (millions)	300.7	205.0	288.2	204.6
<b>Diluted earnings (loss) per common share:</b>				
Income (loss) from continuing operations	\$ (0.76)	\$ 0.11	\$ (0.81)	\$ 0.37
Income (loss) from discontinued operations	0.08	(0.25)	0.04	(0.19)
Net income (loss)	\$ (0.68)	\$ (0.14)	\$ (0.77)	\$ 0.18
Diluted weighted-average shares (millions)	300.7	206.8	288.2	206.4

**WPX Energy, Inc.**  
**Consolidated Balance Sheets**  
(Unaudited)

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	(Millions)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,031	\$ 38
Accounts receivable, net of allowance of \$6 million as of June 30, 2016 and December 31, 2015	192	300
Derivative assets	101	308
Inventories	37	46
Assets classified as held for sale	8	178
Other	26	23
Total current assets	<u>1,395</u>	<u>893</u>
Properties and equipment (successful efforts method of accounting)	8,602	8,415
Less: Accumulated depreciation, depletion and amortization	(2,184)	(1,893)
Properties and equipment, net	<u>6,418</u>	<u>6,522</u>
Derivative assets	21	51
Assets classified as held for sale	-	894
Other noncurrent assets	28	33
Total assets	<u>\$ 7,862</u>	<u>\$ 8,393</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 226	\$ 278
Accrued and other current liabilities	264	301
Liabilities associated with assets held for sale	2	140
Current portion of long-term debt, net	160	1
Derivative liabilities	45	13
Total current liabilities	<u>697</u>	<u>733</u>
Deferred income taxes	390	465
Long-term debt, net	2,572	3,189
Derivative liabilities	44	2
Asset retirement obligations	101	99
Liabilities associated with assets held for sale	-	133
Other noncurrent liabilities	200	237
Equity:		
Stockholders' equity:		
Preferred stock (100 million shares authorized at \$0.01 par value; 7 million shares issued at June 30, 2016 and December 31, 2015)	339	339
Common stock (2 billion shares authorized at \$0.01 par value; 334.0 million shares issued at June 30, 2016 and 275.4 million shares issued at December 31, 2015)	3	3
Additional paid-in-capital	6,697	6,164
Accumulated deficit	(3,181)	(2,971)
Total stockholders' equity	<u>3,858</u>	<u>3,535</u>
Total liabilities and equity	<u>\$ 7,862</u>	<u>\$ 8,393</u>

**WPX Energy, Inc.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>Six months ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
	(Millions)	
<b>Operating Activities(a)</b>		
Net income (loss)	\$ (210)	\$ 38
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	324	443
Deferred income tax provision (benefit)	(82)	(17)
Provision for impairment of properties and equipment (including certain exploration expenses)	19	26
Net (gain) loss on derivatives in continuing operations	97	(34)
Net settlements related to derivatives in continuing operations	202	267
Amortization of stock-based awards	17	20
Net gain on sales of domestic assets and international interests	(254)	(318)
Unrealized loss on derivatives included in discontinued operations	46	-
Cash provided (used) by operating assets and liabilities:		
Accounts receivable	102	176
Inventories	9	(2)
Margin deposits and customer margin deposits payable	-	21
Other current assets	3	(4)
Accounts payable	(28)	(145)
Income taxes payable	(33)	-
Accrued and other current liabilities	(103)	(33)
Accrued liabilities for retained transportation and gathering contracts related to discontinued operations	(30)	-
Other, including changes in other noncurrent assets and liabilities	6	(8)
Net cash provided by operating activities (a)	<u>85</u>	<u>430</u>
<b>Investing Activities(a)</b>		
Capital expenditures(b)	(291)	(679)
Proceeds from sales of domestic assets and international interests	1,139	772
Other	(4)	2
Net cash provided by (used in) investing activities (a)	<u>844</u>	<u>95</u>
<b>Financing Activities</b>		
Proceeds from common stock	540	2
Dividends paid on preferred stock	(11)	-
Borrowings on credit facility	380	181
Payments on credit facility	(645)	(461)
Payments for retirement of debt	(196)	-
Payments for debt issuance costs, credit facility amendment and fees	(3)	-
Other	(1)	-
Net cash provided by (used in) financing activities	<u>64</u>	<u>(278)</u>
Net increase (decrease) in cash and cash equivalents	993	247
Cash and cash equivalents at beginning of period	38	70
Cash and cash equivalents at end of period	<u>\$ 1,031</u>	<u>\$ 317</u>
(a) Amounts also reflect activity related to discontinued operations unless otherwise noted.		
(b) Increase to properties and equipment	\$ (264)	\$ (435)
Changes in related accounts payable and accounts receivable	(27)	(244)
Capital expenditures	<u>\$ (291)</u>	<u>\$ (679)</u>