

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

	Three months ended March 31,	
	2017	2016
	<small>(Millions, except per share amounts)</small>	
Revenues:		
Product revenues:		
Oil sales	\$ 188	\$ 97
Natural gas sales	44	25
Natural gas liquid sales	21	5
Total product revenues	<u>253</u>	<u>127</u>
Net gain on derivatives	203	57
Gas management	5	31
Other	-	1
Total revenues	<u>461</u>	<u>216</u>
Costs and expenses:		
Depreciation, depletion and amortization	147	152
Lease and facility operating	48	42
Gathering, processing and transportation	21	16
Taxes other than income	19	11
Exploration	39	9
General and administrative (including equity-based compensation of \$7 million and \$6 million for the respective periods)	43	53
Gas management	5	39
Net gain on sales of assets	(35)	(198)
Other - net	4	2
Total costs and expenses	<u>291</u>	<u>126</u>
Operating income	170	90
Interest expense	(47)	(57)
Investment income and other	2	2
Income from continuing operations before income taxes	<u>125</u>	<u>35</u>
Provision for income taxes	31	35
Income from continuing operations	94	-
Loss from discontinued operations	(2)	(12)
Net income (loss)	92	(12)
Less: Dividends on preferred stock	4	5
Net income (loss) available to WPX Energy, Inc. common stockholders	<u>\$ 88</u>	<u>\$ (17)</u>
Amounts available to WPX Energy, Inc. common stockholders:		
Income (loss) from continuing operations	\$ 90	\$ (5)
Loss from discontinued operations	(2)	(12)
Net income (loss)	<u>\$ 88</u>	<u>\$ (17)</u>
Basic earnings (loss) per common share:		
Income (loss) from continuing operations	\$ 0.23	\$ (0.02)
Loss from discontinued operations	-	(0.04)
Net income (loss)	<u>\$ 0.23</u>	<u>\$ (0.06)</u>
Basic weighted-average shares (millions)	386.3	276.1
Diluted earnings (loss) per common share:		
Income (loss) from continuing operations	\$ 0.22	\$ (0.02)
Loss from discontinued operations	-	(0.04)
Net income (loss)	<u>\$ 0.22</u>	<u>\$ (0.06)</u>
Diluted weighted-average shares (millions)	410.4	276.1

WPX Energy, Inc.
Consolidated Balance Sheets
(Unaudited)

	March 31, 2017	December 31, 2016
	(Millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 142	\$ 496
Accounts receivable, net of allowance of \$1 million as of March 31, 2017 and \$3 million as of December 31, 2016	170	168
Derivative assets	59	26
Inventories	35	36
Assets classified as held for sale	-	8
Other	22	20
Total current assets	<u>428</u>	<u>754</u>
Properties and equipment (successful efforts method of accounting)	9,976	8,929
Less: Accumulated depreciation, depletion and amortization	(2,581)	(2,455)
Properties and equipment, net	<u>7,395</u>	<u>6,474</u>
Derivative assets	65	12
Other noncurrent assets	22	24
Total assets	<u><u>\$ 7,910</u></u>	<u><u>\$ 7,264</u></u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 294	\$ 222
Accrued and other current liabilities	217	301
Liabilities associated with assets held for sale	-	2
Derivative liabilities	77	152
Total current liabilities	<u>588</u>	<u>677</u>
Deferred income taxes	281	251
Long-term debt, net	2,575	2,575
Derivative liabilities	17	63
Asset retirement obligations	101	100
Other noncurrent liabilities	126	132
Equity:		
Stockholders' equity:		
Preferred stock (100 million shares authorized at \$0.01 par value; 4.8 million shares outstanding at March 31, 2017 and December 31, 2016)	232	232
Common stock (2 billion shares authorized at \$0.01 par value; 397.6 million shares and 344.7 million shares issued and outstanding at March 31, 2017 and December 31, 2016)	4	3
Additional paid-in-capital	7,466	6,803
Accumulated deficit	(3,480)	(3,572)
Total stockholders' equity	<u>4,222</u>	<u>3,466</u>
Total liabilities and equity	<u><u>\$ 7,910</u></u>	<u><u>\$ 7,264</u></u>

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

	Three months ended March 31,	
	2017	2016
	(Millions)	
Operating Activities(a)		
Net income (loss)	\$ 92	\$ (12)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	147	161
Deferred income tax provision	30	34
Provision for impairment of properties and equipment (including certain exploration expenses)	38	9
Net gain on derivatives in continuing operations	(203)	(57)
Net settlements related to derivatives in continuing operations	(5)	133
Net loss on derivatives included in discontinued operations	-	20
Amortization of stock-based awards	7	7
Gain on extinguishment of debt	-	(3)
Net gain on sales of assets	(35)	(198)
Cash provided (used) by operating assets and liabilities:		
Accounts receivable	(14)	117
Inventories	2	4
Margin deposits and customer margin deposits payable	-	2
Other current assets	2	-
Accounts payable	29	(26)
Federal income taxes receivable (payable)	12	(33)
Accrued and other current liabilities	(76)	(128)
Payments on liabilities accrued in 2015 for retained transportation and gathering contracts related to discontinued operations	(11)	(10)
Other, including changes in other noncurrent assets and liabilities	7	(1)
Net cash provided by operating activities (a)	<u>22</u>	<u>19</u>
Investing Activities(a)		
Capital expenditures(b)	(237)	(185)
Proceeds from sales of assets	8	281
Purchase of business, net of cash acquired	(802)	-
Other	(2)	(1)
Net cash provided by (used in) investing activities (a)	<u>(1,033)</u>	<u>95</u>
Financing Activities		
Proceeds from common stock	671	1
Dividends paid on preferred stock	(4)	(5)
Borrowings on credit facility	-	370
Payments on credit facility	-	(460)
Taxes paid for shares withheld	(10)	(3)
Payments for retirement of long-term debt	-	(48)
Payments for credit facility amendment fees	-	(3)
Other	-	7
Net cash provided by (used in) financing activities	<u>657</u>	<u>(141)</u>
Net decrease in cash and cash equivalents	(354)	(27)
Cash and cash equivalents at beginning of period	496	38
Cash and cash equivalents at end of period	<u>\$ 142</u>	<u>\$ 11</u>
(a) Amounts reflect continuing and discontinued operations unless otherwise noted.		
(b) Increase to properties and equipment	\$ (280)	\$ (170)
Changes in related accounts payable and accounts receivable	43	(15)
Capital expenditures	<u>\$ (237)</u>	<u>\$ (185)</u>