

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

	<b>Three months ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
	<small>(Millions, except per share amounts)</small>	
<b>Revenues:</b>		
Product revenues:		
Oil sales	\$ 360	\$ 159
Natural gas sales	17	17
Natural gas liquid sales	30	11
Total product revenues	<u>407</u>	<u>187</u>
Net gain (loss) on derivatives	(69)	203
Commodity management	36	5
Total revenues	<u>374</u>	<u>395</u>
<b>Costs and expenses:</b>		
Depreciation, depletion and amortization	161	113
Lease and facility operating	55	36
Gathering, processing and transportation	18	5
Taxes other than income	30	13
Exploration	19	36
General and administrative (including equity-based compensation of \$7 million for both periods)	43	41
Commodity management	39	5
Net (gain) loss on sales of assets	1	(31)
Other - net	2	4
Total costs and expenses	<u>368</u>	<u>222</u>
Operating income	6	173
Interest expense	(46)	(47)
Investment income and other	(1)	2
Income (loss) from continuing operations before income taxes	(41)	128
Provision (benefit) for income taxes	(15)	33
Income (loss) from continuing operations	(26)	95
Loss from discontinued operations	(89)	(3)
Net income (loss)	(115)	92
Less: Dividends on preferred stock	4	4
Net income (loss) available to WPX Energy, Inc. common stockholders	<u>\$ (119)</u>	<u>\$ 88</u>
<b>Amounts available to WPX Energy, Inc. common stockholders:</b>		
Income (loss) from continuing operations	\$ (30)	\$ 91
Loss from discontinued operations	(89)	(3)
Net income (loss)	<u>\$ (119)</u>	<u>\$ 88</u>
<b>Basic earnings (loss) per common share:</b>		
Income (loss) from continuing operations	\$ (0.07)	\$ 0.24
Loss from discontinued operations	(0.23)	(0.01)
Net income (loss)	<u>\$ (0.30)</u>	<u>\$ 0.23</u>
Basic weighted-average shares	398.6	386.3
<b>Diluted earnings (loss) per common share:</b>		
Income (loss) from continuing operations	\$ (0.07)	\$ 0.23
Loss from discontinued operations	(0.23)	(0.01)
Net income (loss)	<u>\$ (0.30)</u>	<u>\$ 0.22</u>
Diluted weighted-average shares	398.6	410.4

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

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<small>(Millions)</small>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 681	\$ 189
Accounts receivable, net of allowance of \$2 million as of March 31, 2018 and December 31, 2017	337	307
Derivative assets	82	36
Inventories	31	30
Assets classified as held for sale	-	811
Other	30	28
Total current assets	1,161	1,401
Investments	85	70
Properties and equipment (successful efforts method of accounting)	8,964	8,674
Less: Accumulated depreciation, depletion and amortization	(2,148)	(1,983)
Properties and equipment, net	6,816	6,691
Derivative assets	43	23
Other noncurrent assets	22	22
Total assets	\$ 8,127	\$ 8,207
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 522	\$ 446
Accrued and other current liabilities	161	209
Liabilities associated with assets held for sale	-	20
Derivative liabilities	242	171
Total current liabilities	925	846
Deferred income taxes	74	117
Long-term debt, net	2,576	2,575
Derivative liabilities	74	65
Asset retirement obligations	33	32
Other noncurrent liabilities	439	445
Equity:		
Stockholders' equity:		
Preferred stock (100 million shares authorized at \$0.01 par value; 4.8 million shares outstanding at March 31, 2018 and December 31, 2017)	232	232
Common stock (2 billion shares authorized at \$0.01 par value; 399.7 million shares and 398.3 million shares issued and outstanding at March 31, 2018 and December 31, 2017)	4	4
Additional paid-in-capital	7,473	7,479
Accumulated deficit	(3,703)	(3,588)
Total equity	4,006	4,127
Total liabilities and equity	\$ 8,127	\$ 8,207

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

**Three Months ended March 31,**

	<b>2018</b>	<b>2017</b>
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(Millions)

**Operating Activities(a)**

Net income (loss)	\$ (115)	\$ 92
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	168	147
Deferred income tax (provision) benefit	(43)	30
Provision for impairment of properties and equipment (including certain exploration expenses)	20	38
Net (gain) loss on derivatives in continuing operations	69	(203)
Net settlements related to derivatives	(55)	(5)
Amortization of stock-based awards	8	7
Net (gain) loss on sales of assets	151	(35)
Cash provided (used) by operating assets and liabilities:		
Accounts receivable	(21)	(14)
Inventories	(8)	2
Other current assets	6	2
Accounts payable	28	29
Federal income taxes receivable	-	12
Accrued and other current liabilities	(48)	(76)
Payments on liabilities accrued in prior years for retained transportation and gathering contracts related to discontinued operations	(10)	(11)
Other, including changes in other noncurrent assets and liabilities	(5)	7
Net cash provided by operating activities (a)	145	22

**Investing Activities(a)**

Capital expenditures(b)	(321)	(237)
Proceeds from sales of assets	699	8
Purchase of a business	-	(802)
Purchase of investments	(16)	-
Net cash provided by (used in) investing activities (a)	362	(1,031)

**Financing Activities**

Proceeds from common stock	1	671
Dividends paid on preferred stock	(4)	(4)
Borrowings on credit facility	138	-
Payments on credit facility	(138)	-
Taxes paid for shares withheld	(11)	(10)
Net cash provided by (used in) financing activities	(14)	657

Net increase (decrease) in cash and cash equivalents and restricted cash	493	(352)
Cash and cash equivalents and restricted cash at beginning of period	201	506
Cash and cash equivalents and restricted cash at end of period	\$ 694	\$ 154

(a) Amounts reflect continuing and discontinued operations unless otherwise noted.

(b) Increase to properties and equipment	\$ (349)	\$ (280)
Changes in related accounts payable and accounts receivable	28	43
Capital expenditures	\$ (321)	\$ (237)