# Credit Suisse 22nd Annual Energy Summit

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# We delivered on our 2016 priorities

| Priorities | Actions |
|---|---|
| 1 Maintain strong balance sheet | ✓ Reduced capex, high graded investments, cut costs & expenses |
| 2 HBP STACK leasehold | ✓ Active drilling substantially holds legacy acreage by production at YE16 |
| 3 Enhance returns, move STACK to full-field development | ✓ Reduced cash costs across enterprise, initiated STACK infill pilots, acquired bolt-on opportunity |
| 4 Sell non-core assets | ✓ Sold Eagle Ford and South Texas assets for ~$380MM |

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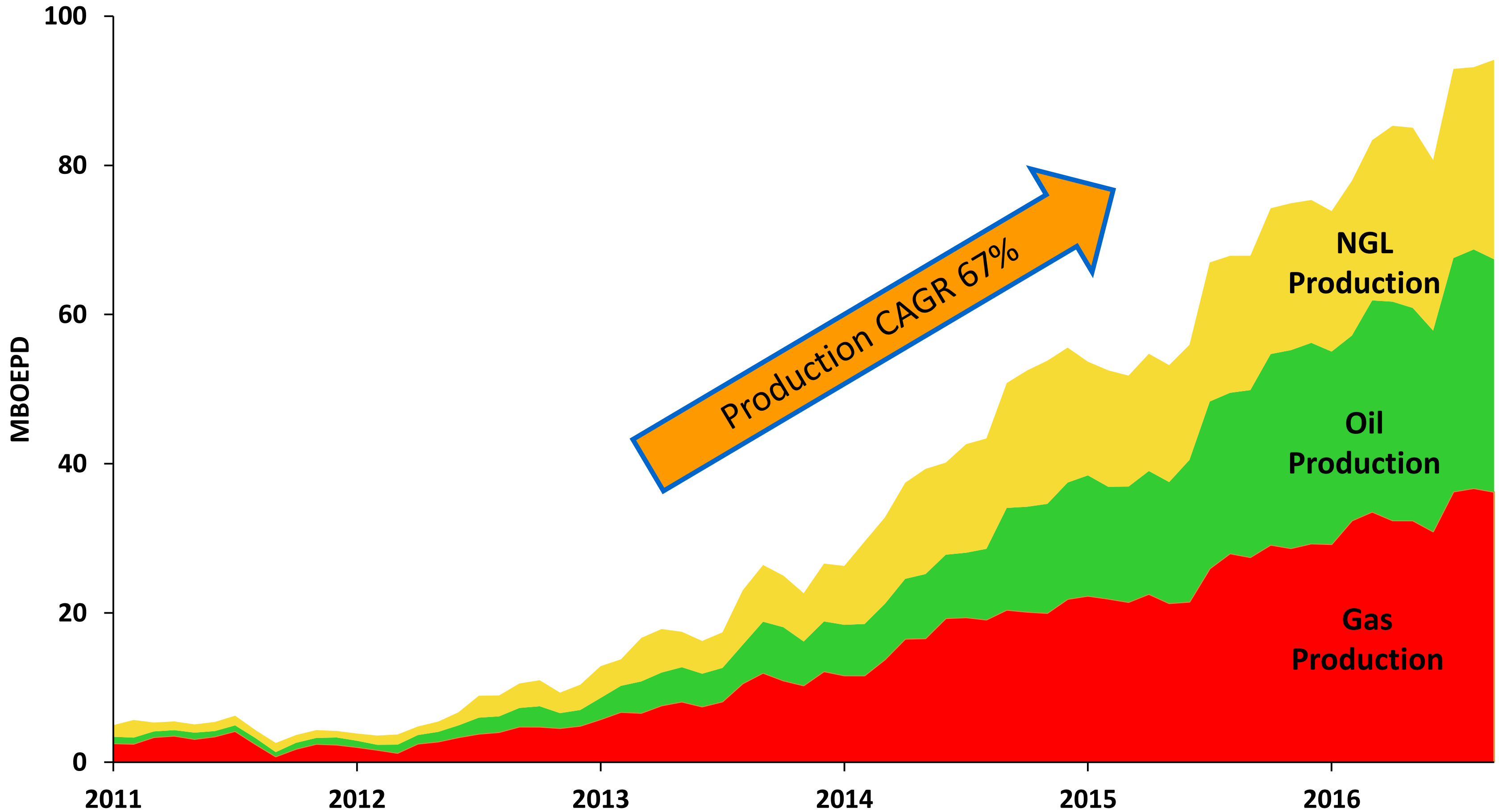
# 2017—Preparing to Win

- Maintain strong balance sheet
  - Use cash on hand to accelerate – adding SCOOP/STACK rigs late 2016/early 2017
  - Maintain strong coverage ratios

- Continue to high-grade capital investments
  - Anadarko Basin to receive lion’s share of capital

- Rapidly advance Anadarko Basin developments
  - Optimize STACK completions; achieve additional drilling efficiencies
  - Integrate “real-time” data into development plan

# Newfield: Strong Record of Growth in Anadarko Basin

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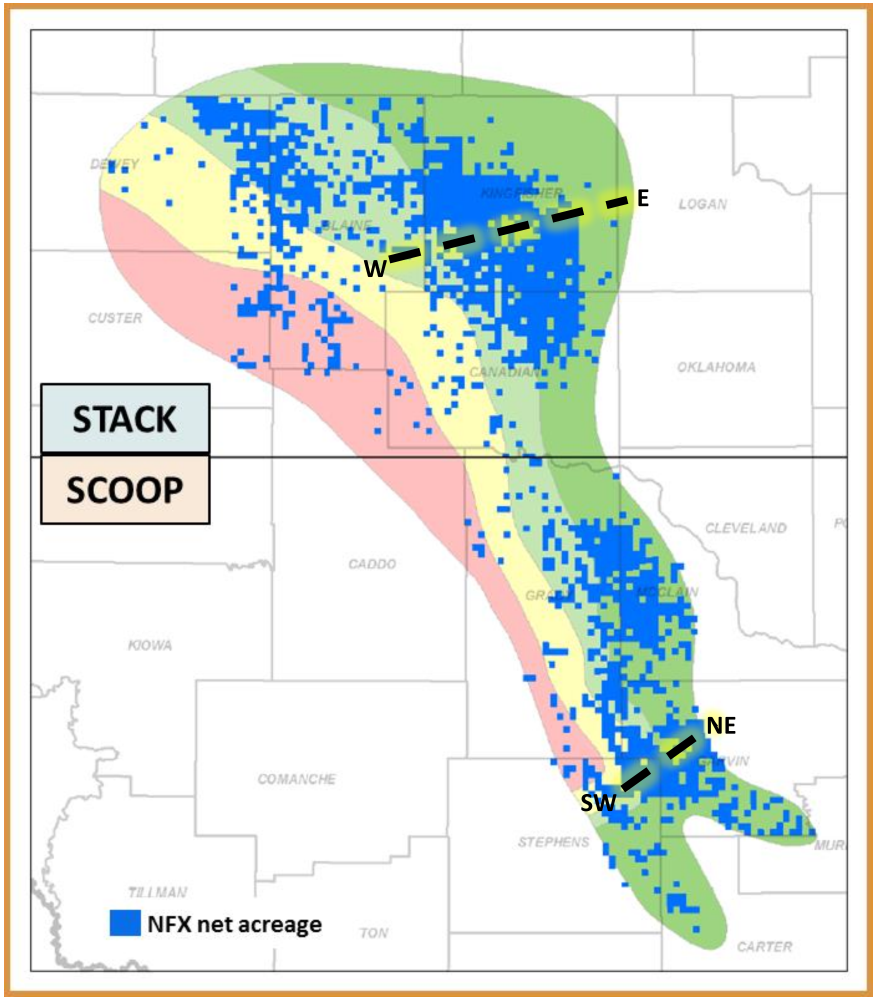
# SCOOP/STACK Offer Optionality Across Position

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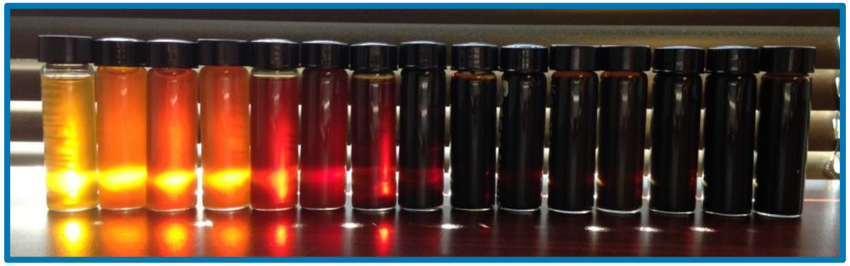

| Crude API | 60 | 40 |
|---|---|---|

SW NE

| Crude API | 60 | 40 |
|---|---|---|

- Newfield dominant position overlaps extensive liquids window

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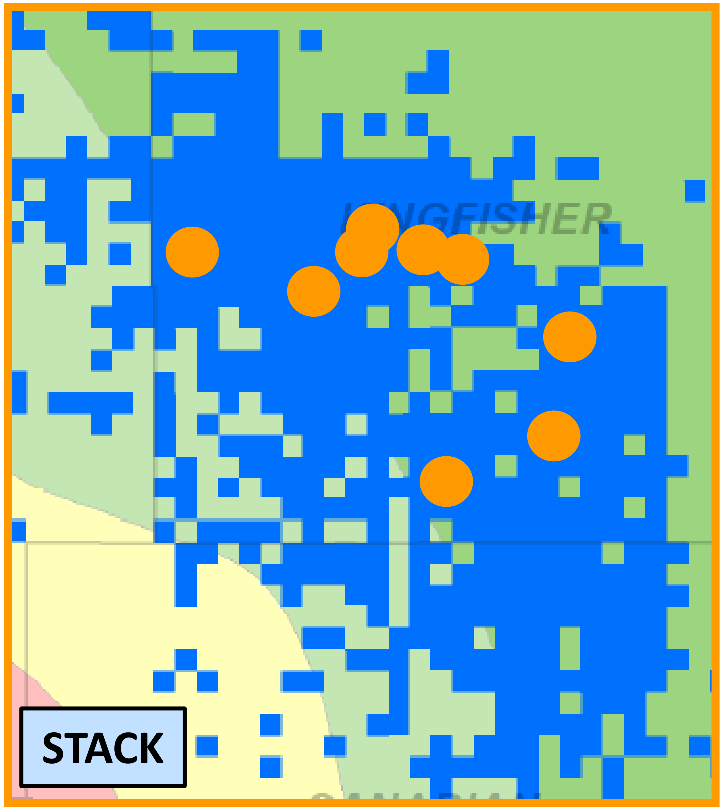
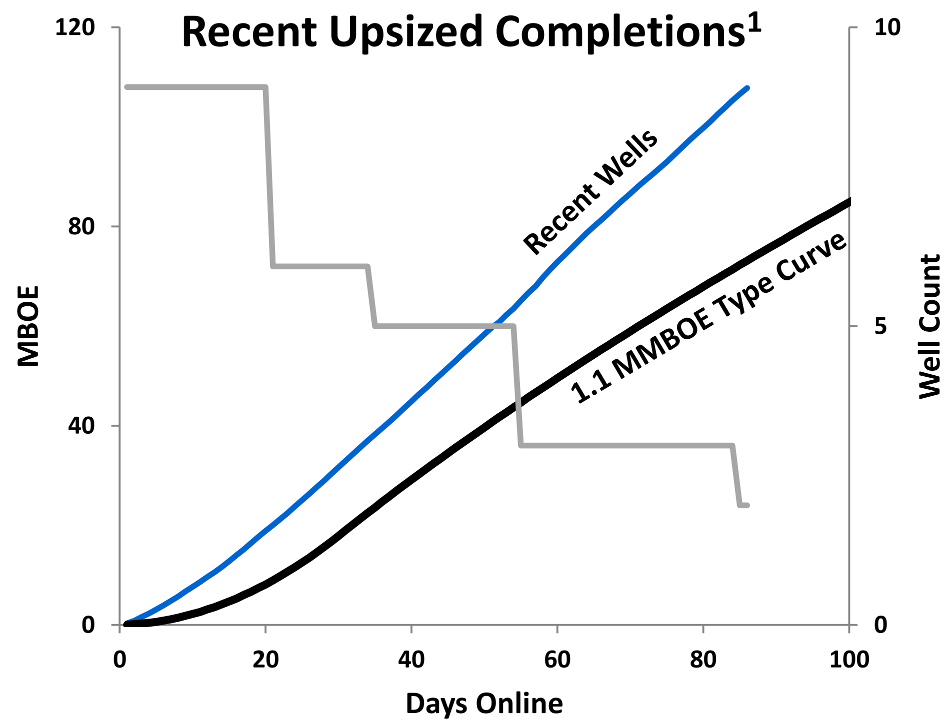
# Initial results from recent "upsized" completions




- Current completion design: 2,100 lbs/ft & 2,100 gals/ft
- Recent "upsized" completions are performing above current 1.1 MMBOE type curve
- Evaluating both completions and well spacing in 2017

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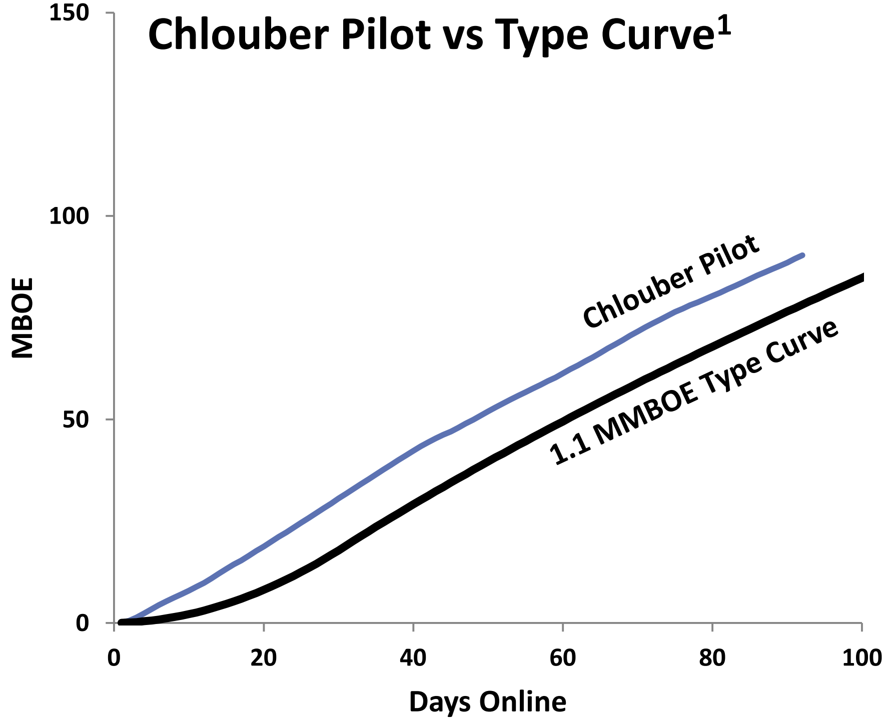
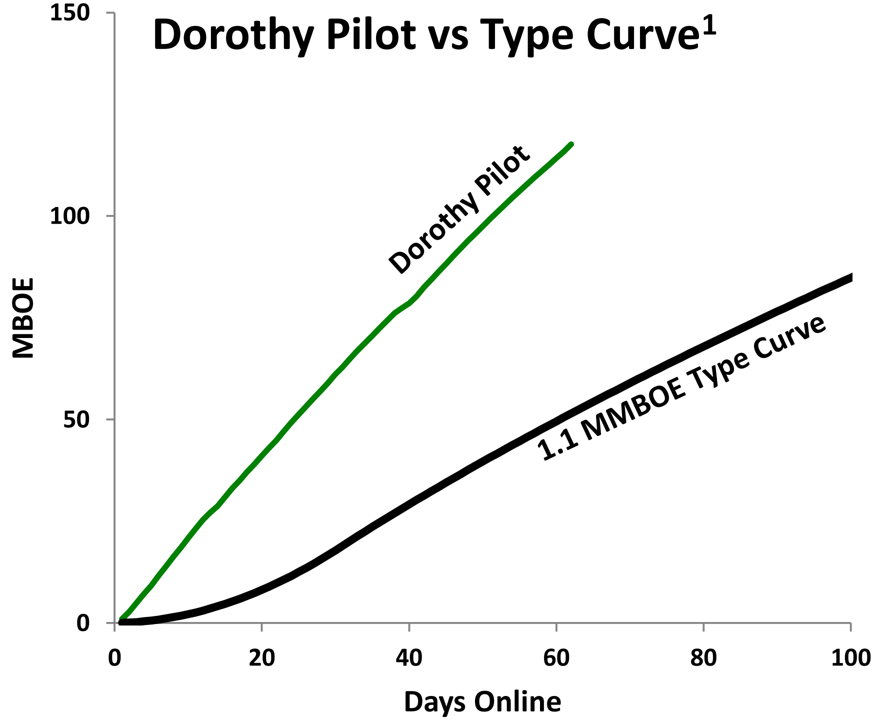
[1] All wells normalized to 10,000' lateral length, excludes infill pilots – see next page

# Initial results from recent spacing pilots




- Initial results from the Chlouber and Dorothy pilots are outperforming the 1.1 MMBOE type curve
- Current completion design: 2,100 lbs/ft & 2,100 gals/ft
- 10 STACK infill pilots planned for 2017

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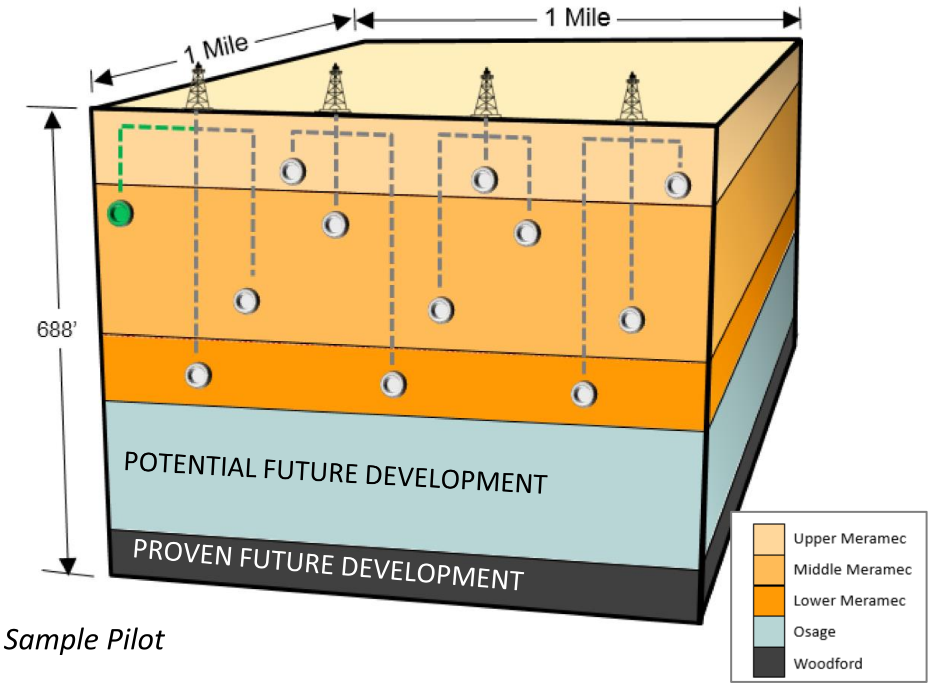
[1] All wells normalized to 10,000' lateral length

# Preparing for Full Field Development

- ~700’ of section could allow for up to 30 development wells per DSU
- Testing tighter vertical and lateral well spacing
  - 60 – 250 feet vertically, 660 – 1,050 feet laterally
  - Up to 4 layers in Meramec, additional in Osage and Woodford
- Execution
  - Multiple rigs and frac spreads per DSU to accelerate operations; 3 – 4 wells per pad initially
  - Development timeline yields focused efficiency gains; stages high-volume production year 1 of development
- Pad efficiencies
  - Rig moves reduced to hours, not days
  - Zipper fracs shorten completion time
  - Shared infrastructure—pipelines, facilities




*Sample Pilot*

## TIMELINE—XL

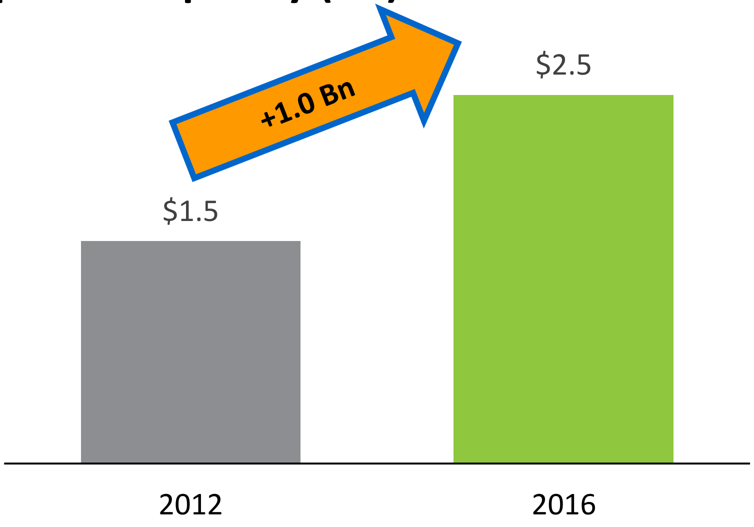
| Rig(s) | Wells | Month 1 | Month 2 | Month 3 | Month 4 |
|---|---|---|---|---|---|
| 1 | HBP Parent well | Prep, Drill, Complete | POP | | |
| 4 | 11 Infill Wells | Prep, Drill | Complete | Complete | POP |

# Improved capital structure

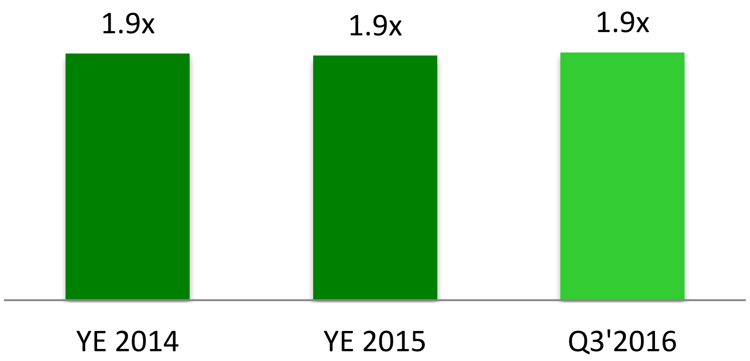
## Highlights

- Increased liquidity $1.0 Bn
- Reduced total debt by $600 mm
- Maintained 2.0x net debt / EBITDA
- Staggered debt maturities
- $2.6 Bn of hedging gains since 2009

## Improved liquidity (Bn)[1]

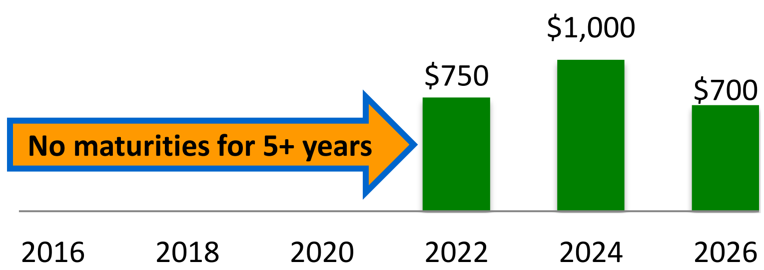



## Net debt / adj EBITDA[1]




## Fixed debt maturity schedule

*$ millions*

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[1] Net debt represents principal balance of debt less cash on balance sheet. Adjusted EBITDA calculated per credit agreement definition; Q3'2016 reflects 5th amendment executed 3/18/2016. See slide 13.

# So, Why own Newfield today?

- Track Record: Did it…can do it again
  - Weathered commodity price cycles
  - History of finding and developing valuable plays
  - Proven operator
- Asset Quality
  - The Anadarko Basin provides premium returns TODAY
  - Development mode lies ahead… efficiency improvements apparent
- Inventory Depth
  - Thousands of quality drilling locations
- Financial Strength
  - Record of financial discipline

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# Forward looking statements and related matters

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In addition, this presentation contains non-GAAP financial measures, which include, but are not limited to, Adjusted EBITDA. Newfield defines EBITDA as net (loss) income before income tax (benefit) expense, interest expense and depreciation, depletion and amortization. Adjusted EBITDA, as presented herein, is EBITDA before ceiling test impairments, gains on asset sales, non-cash compensation expense and net unrealized (gains) / losses on commodity derivatives. Adjusted EBITDA is not a recognized term under GAAP and does not represent net income as defined under GAAP, and should not be considered an alternatives to net income as an indicator of operating performance or to cash flows as a measure of liquidity. Adjusted EBITDA is a supplemental financial measure used by Newfield’s management and by securities analysts, lenders, ratings agencies and others who follow the industry as an indicator of Newfield’s ability to internally fund exploration and development activities.

# Appendix

# Non-GAAP reconciliation of Adjusted EBITDA

| | Twelve Months Ended | | |
|---|---|---|---|
| | December 31, | | September 30, |
| *($ in millions)* | **2014** | **2015** | **2016** |
| Net Income | $900 | ($3,362) | ($1,906) |
| Adjustments to derive EBITDA: | | | |
| Interest expense, net of capitalized interest | $147 | $131 | $108 |
| Income tax provision (benefit) | 526 | (1,585) | (55) |
| Depreciation, depletion and amortization | 903 | 917 | 653 |
| EBITDA | $2,476 | ($3,899) | ($1,200) |
| Adjustments to EBITDA: | | | |
| Ceiling test and other impairment | $ - | $4,904 | $1,730 |
| Gain on sale of Malaysia business | (373) | - | - |
| Non-cash stock-based compensation | 28 | 25 | 20 |
| Unrealized (gain) loss on commodity derivatives | (649) | 246 | 408 |
| Other permitted adjustments[1] | 9 | 19 | 60 |
| Adjusted EBITDA per credit agreement[2] | $1,491 | $1,295 | $1,018 |

[1] Other permitted adjustments per amended credit agreement include but are not limited to inventory write-downs, office-lease abandonment, severance and relocation costs
[2] Adjusted EBITDA calculated per credit agreement definition; September 30, 2016 reflects 5th amendment executed 3/18/2016

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