



**NEWFIELD**



# **NFX: On the Forefront of Unconventional Exploration**

October 27, 2011

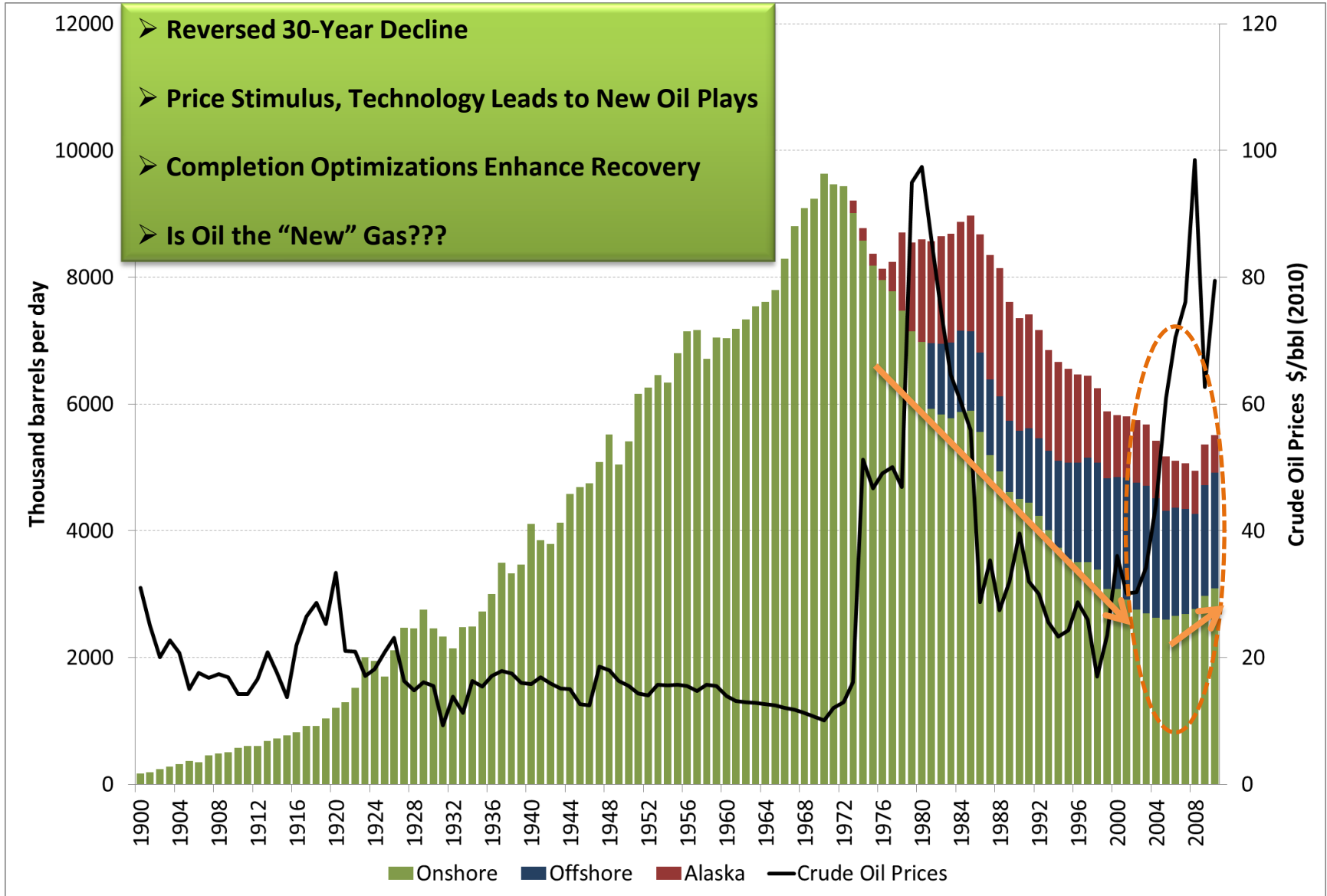
# Today's Presentation



- Oil is in! – Domestic oil production on the rise
  - We are in the early innings of understanding unconventional oil plays.
- Background: NFX in Unconventional Oil Plays
  - A balance of gas & oil resource plays
  - Superior returns in oil-focused plays
- A Closer Look at Our Oil Assets
- “Above Ground Risk”
- NFX Opportunities

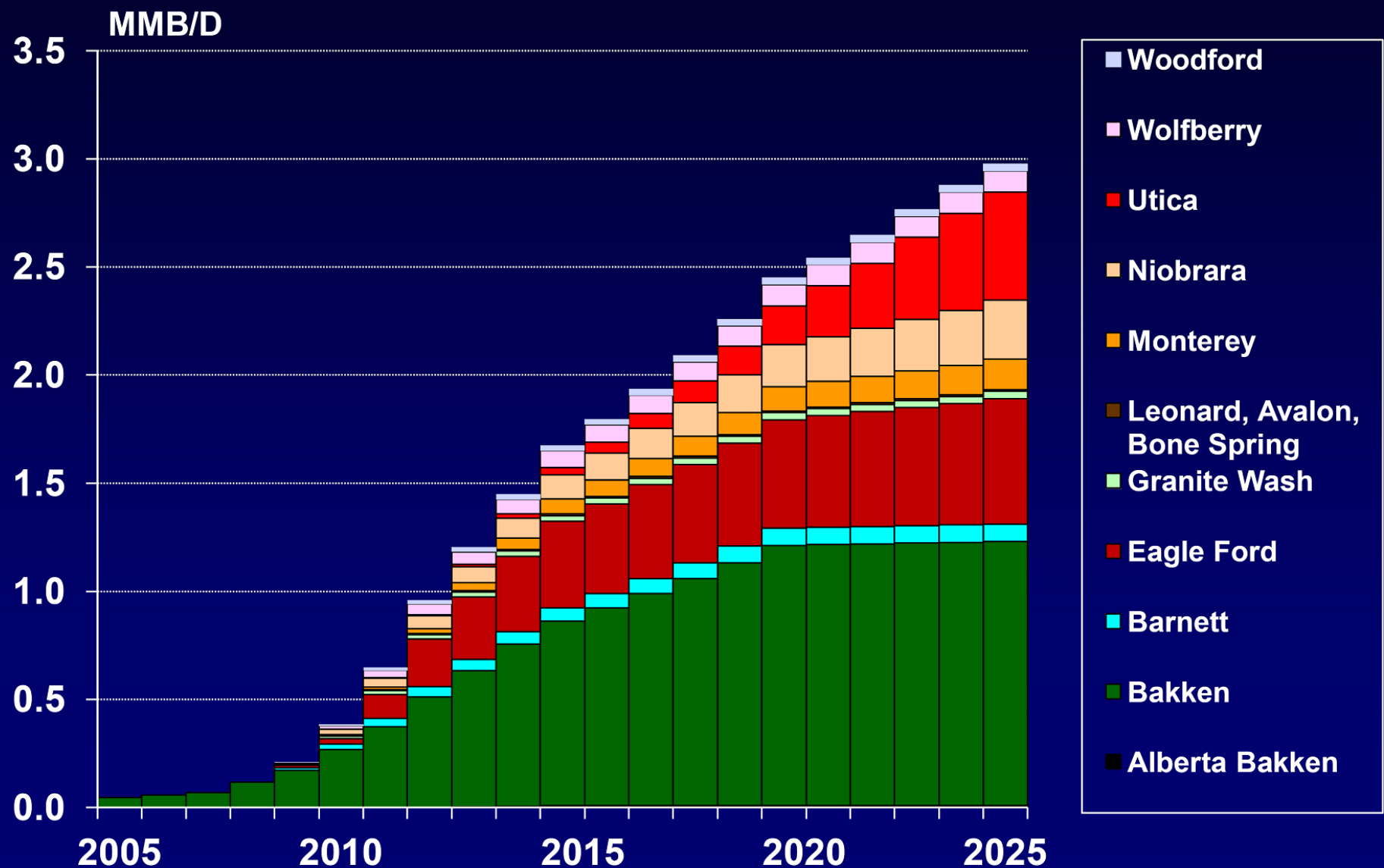


# Domestic Oil Production On The Rise



Source: EIA, Excludes NGL and other liquids

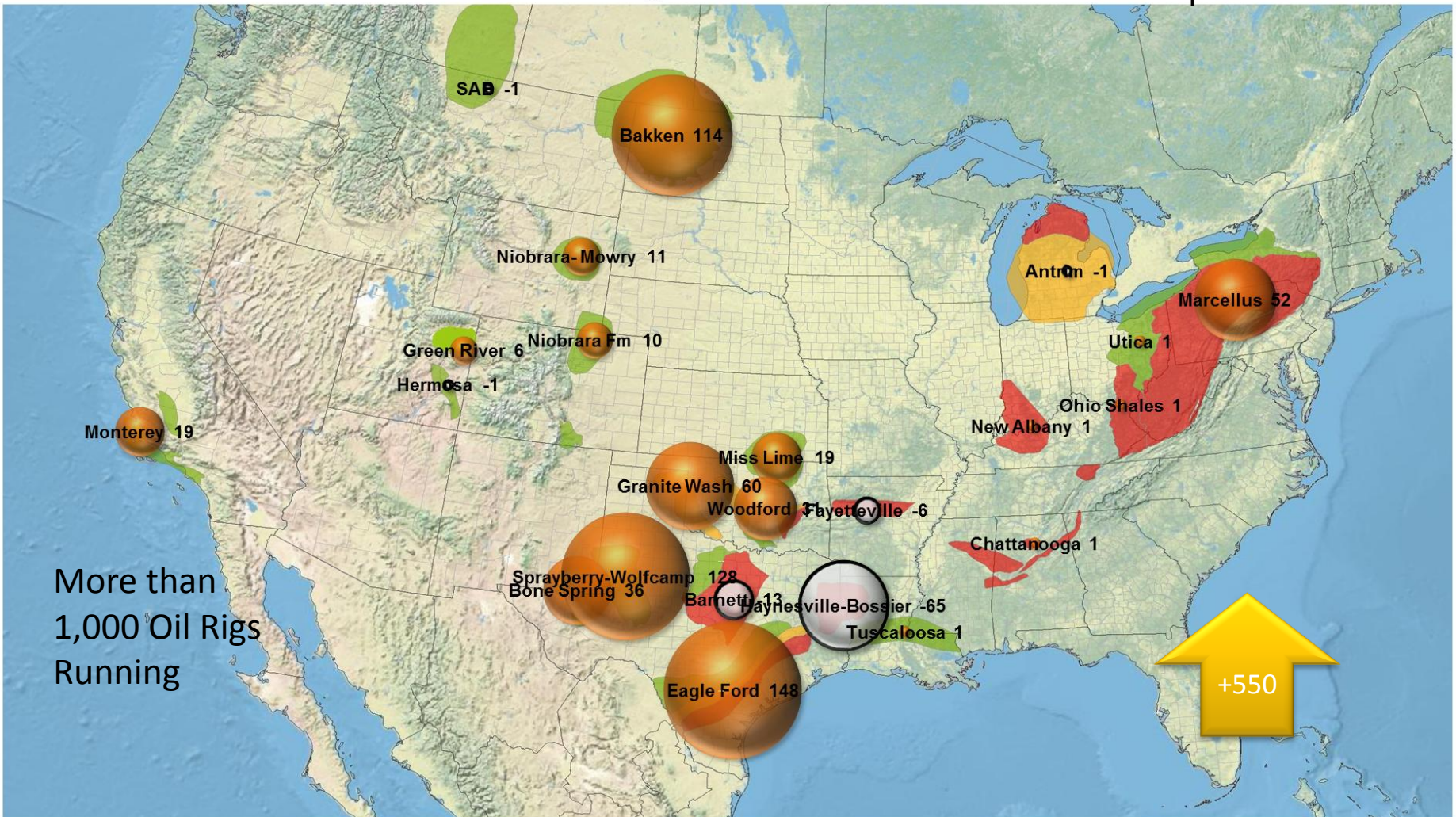
# US Shale Crude Forecast



# Unconventional Oil Plays – Rigs added since Jan 2010



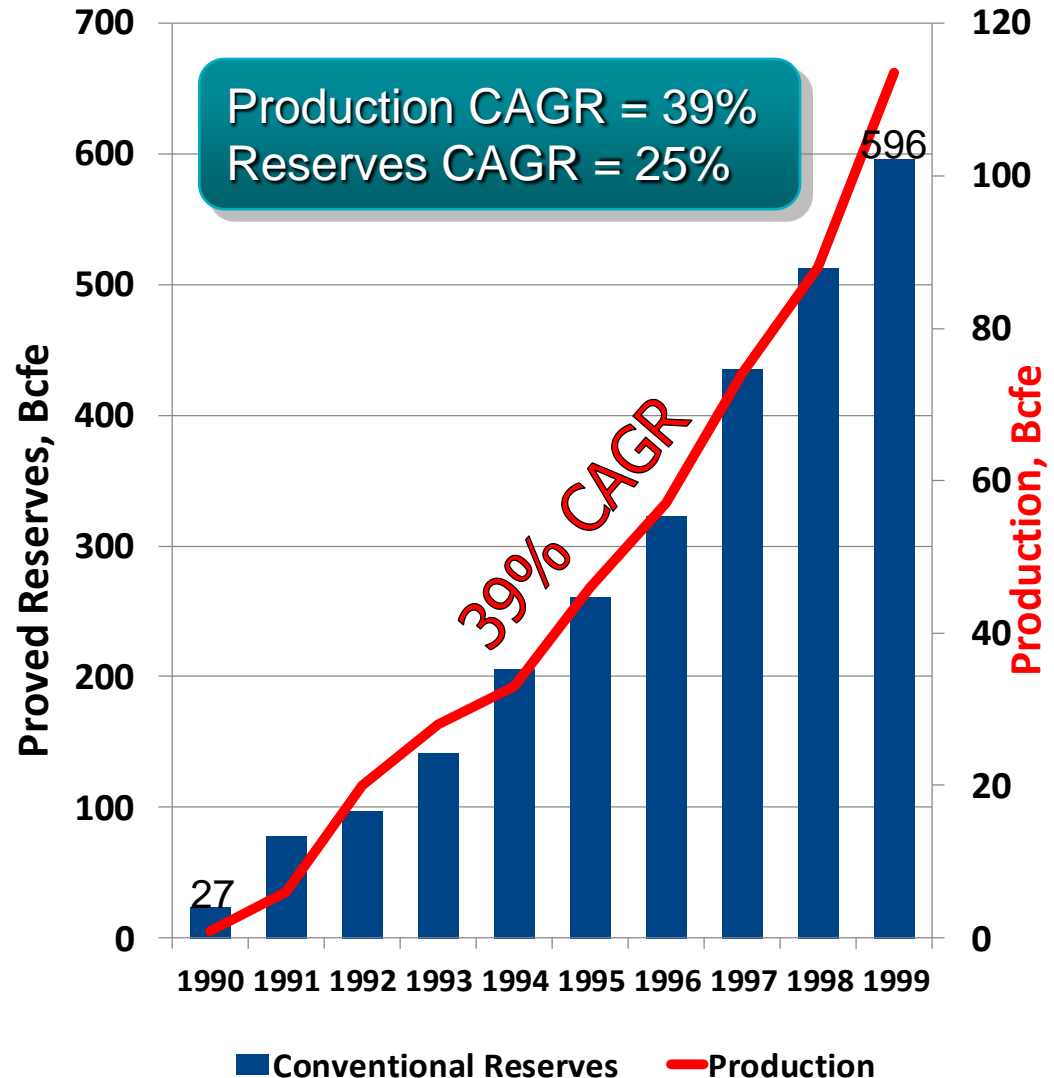
Jan 2010 – Sept 2011



# Our First Decade



- Founded in 1989
- Joe B. Foster and 23 “Dedicated Souls”
- GOM Shallow Water Focus
- Went Public in 1993
- Late 1990s: The Need for “New” Growth Areas Was Apparent

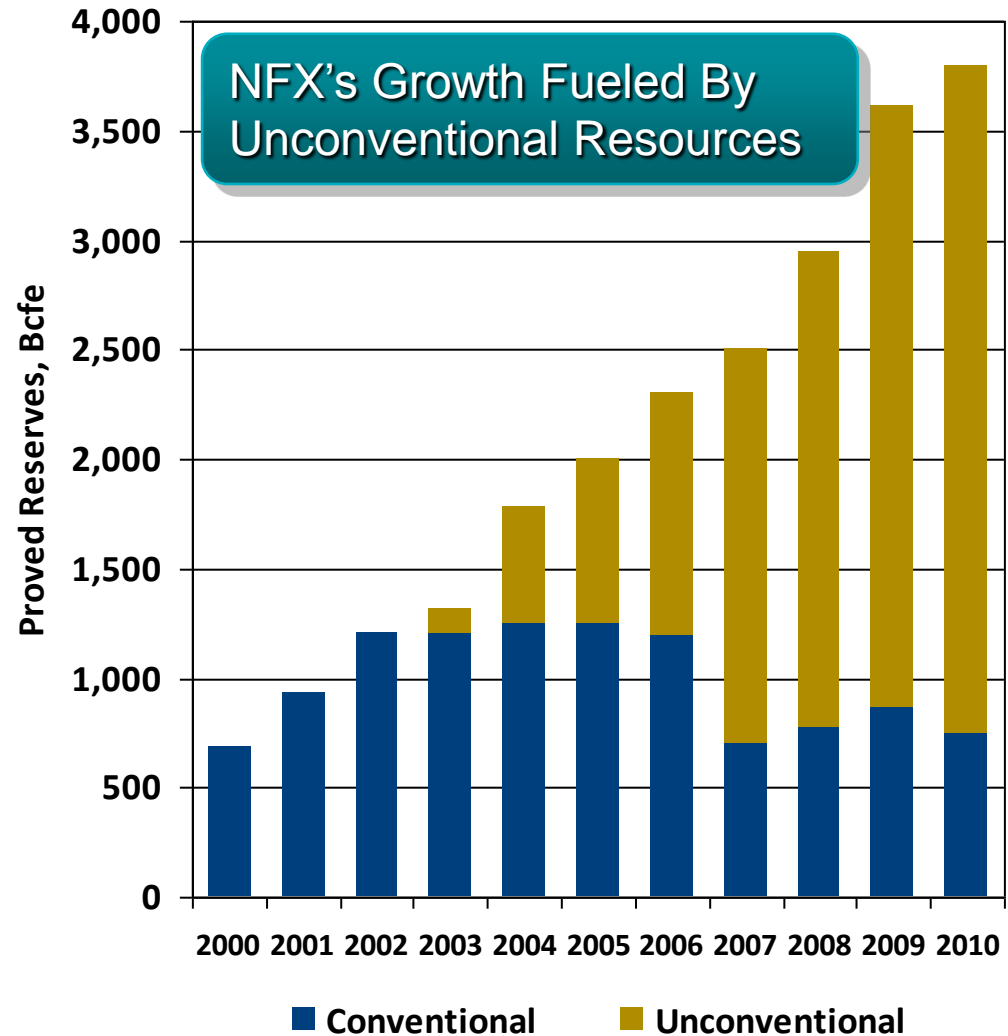


# Our Second Decade

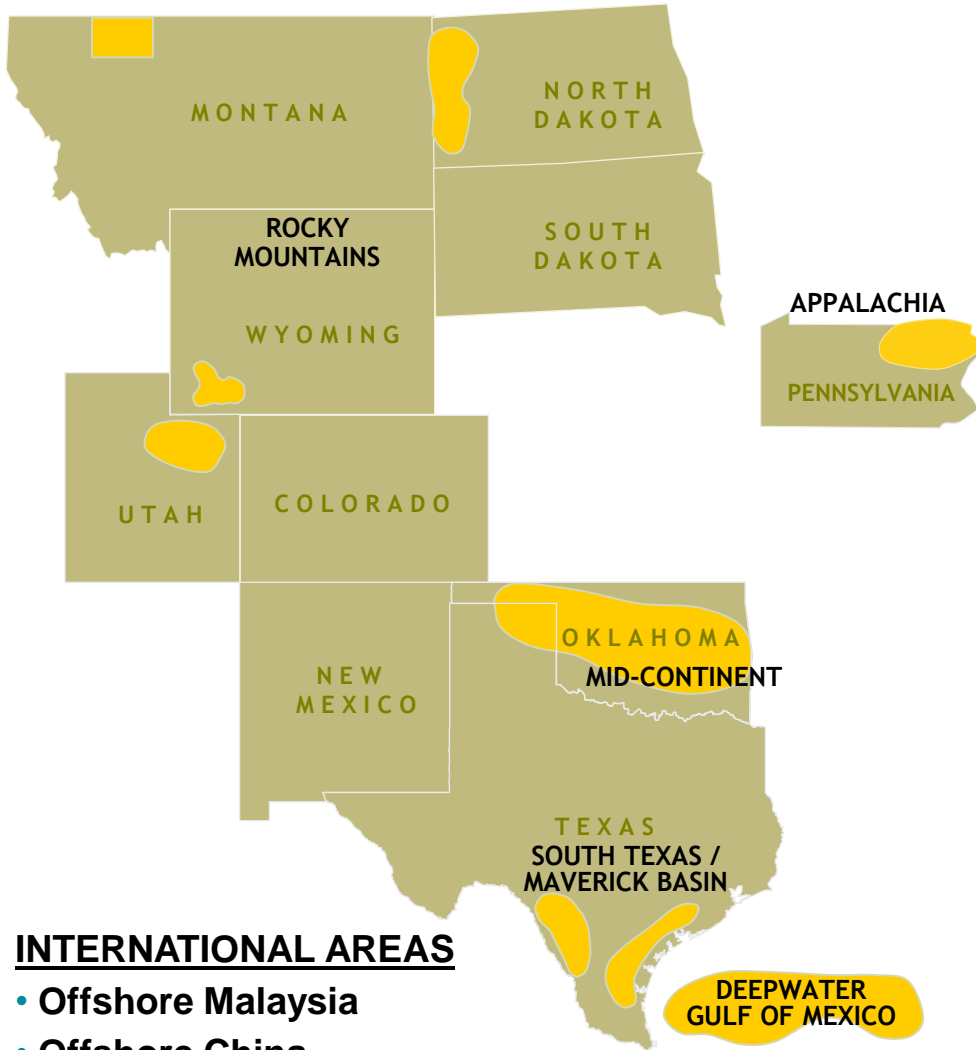
*A Diversified Portfolio Created*



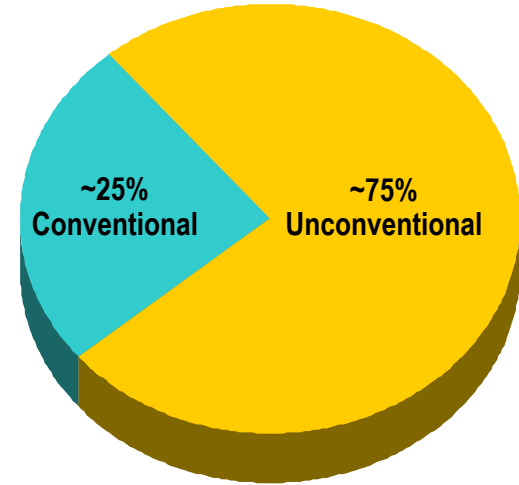
- Key Transactions Diversify Asset Base
  - Mid-Continent
  - Rockies
  - South Texas
  - Malaysia
- Acreage AND Technical Employees Expanded
  - Need for More People
  - New Skill Sets
- Resource Plays Emerge Post 2000
- NFX and Industry “Transformed”



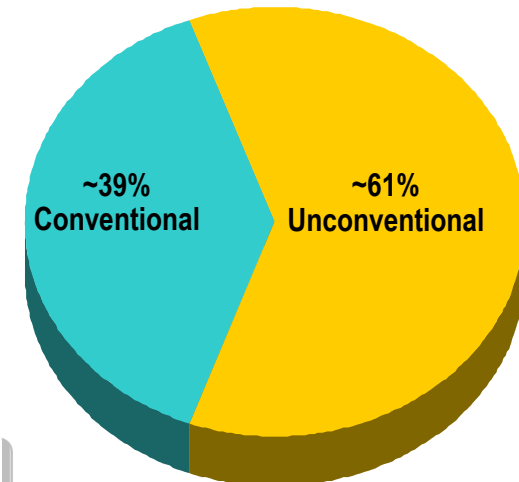
# Newfield Today



Year End 2010 Proved Reserves (3,712 Bcfe)



2011e Production (300 – 304 Bcfe)

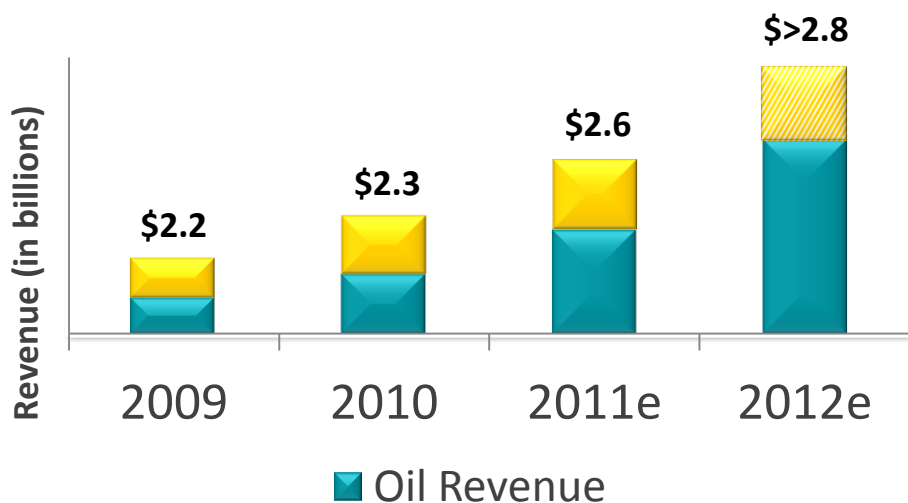


**2011 Total Production ~40% Oil**

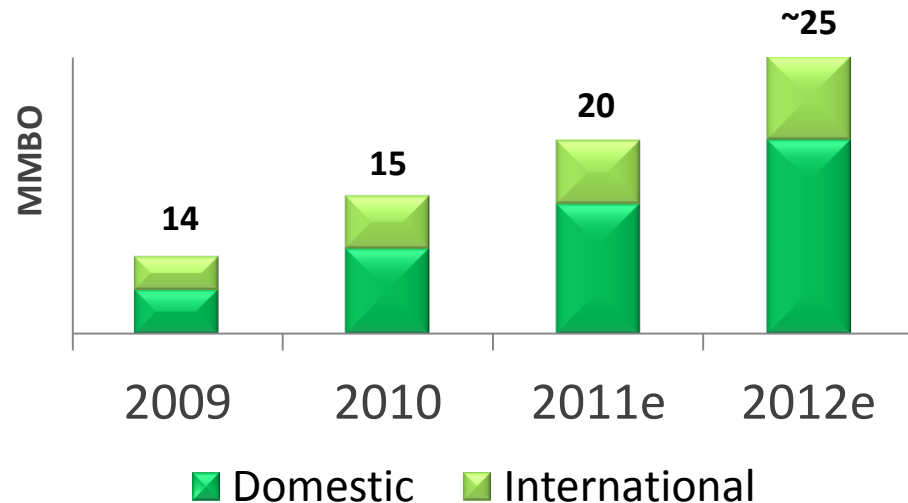
# The Impact of Our Oil Investments



## Annual Revenues



## Annual Oil Production



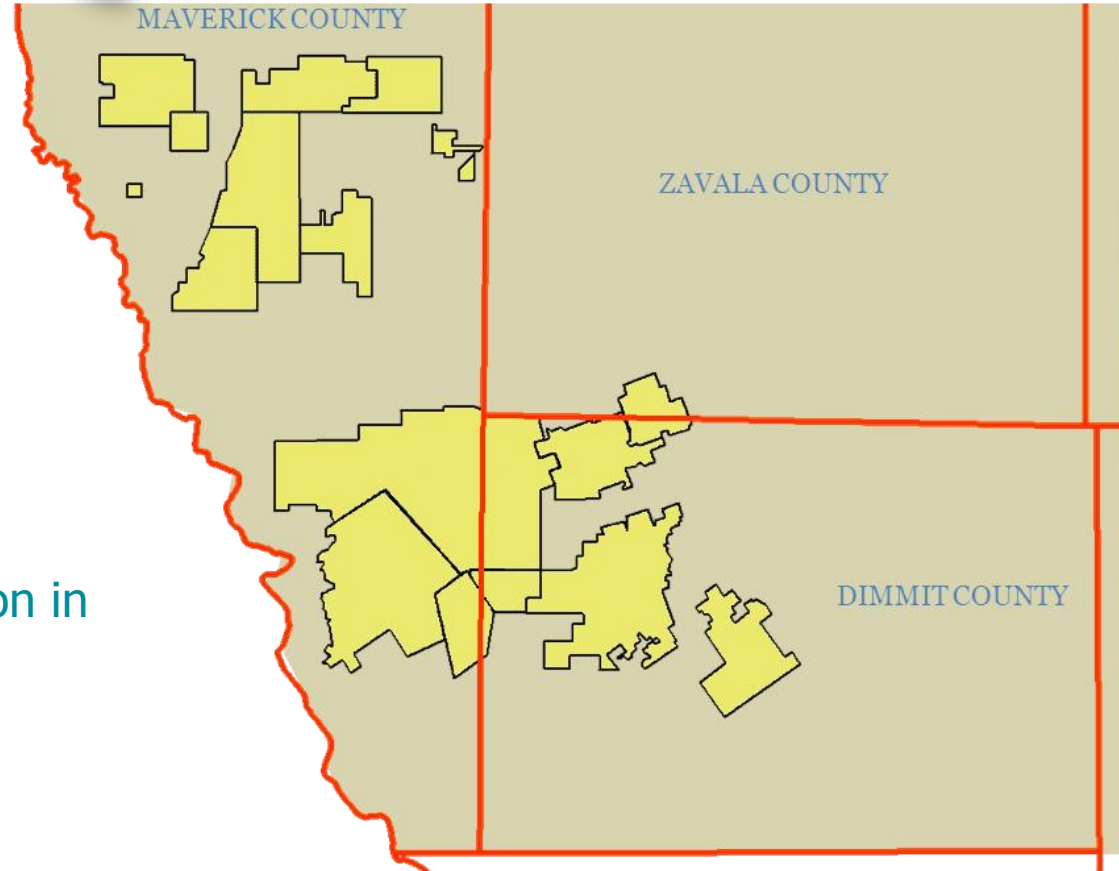
- NFX's "Shift to Oil" commenced in 2009
- Oil revenues comprise about 60% of total in 2011, ~70% in 2012
- 2011: NFX's domestic oil volumes to rise ~40%

2011 Revenue estimates at \$80 WTI for the last four months of 2011  
 2012 Revenue estimates at \$85 WTI

# Maverick Basin



- Eagle Ford Shale
  - One of the “Hottest” oil plays in North America
- Background
  - Feb `10: NFX acquires assets for \$209MM
  - 335,000 net acres
  - Dec `10: NFX increases position in the Pearsall Shale



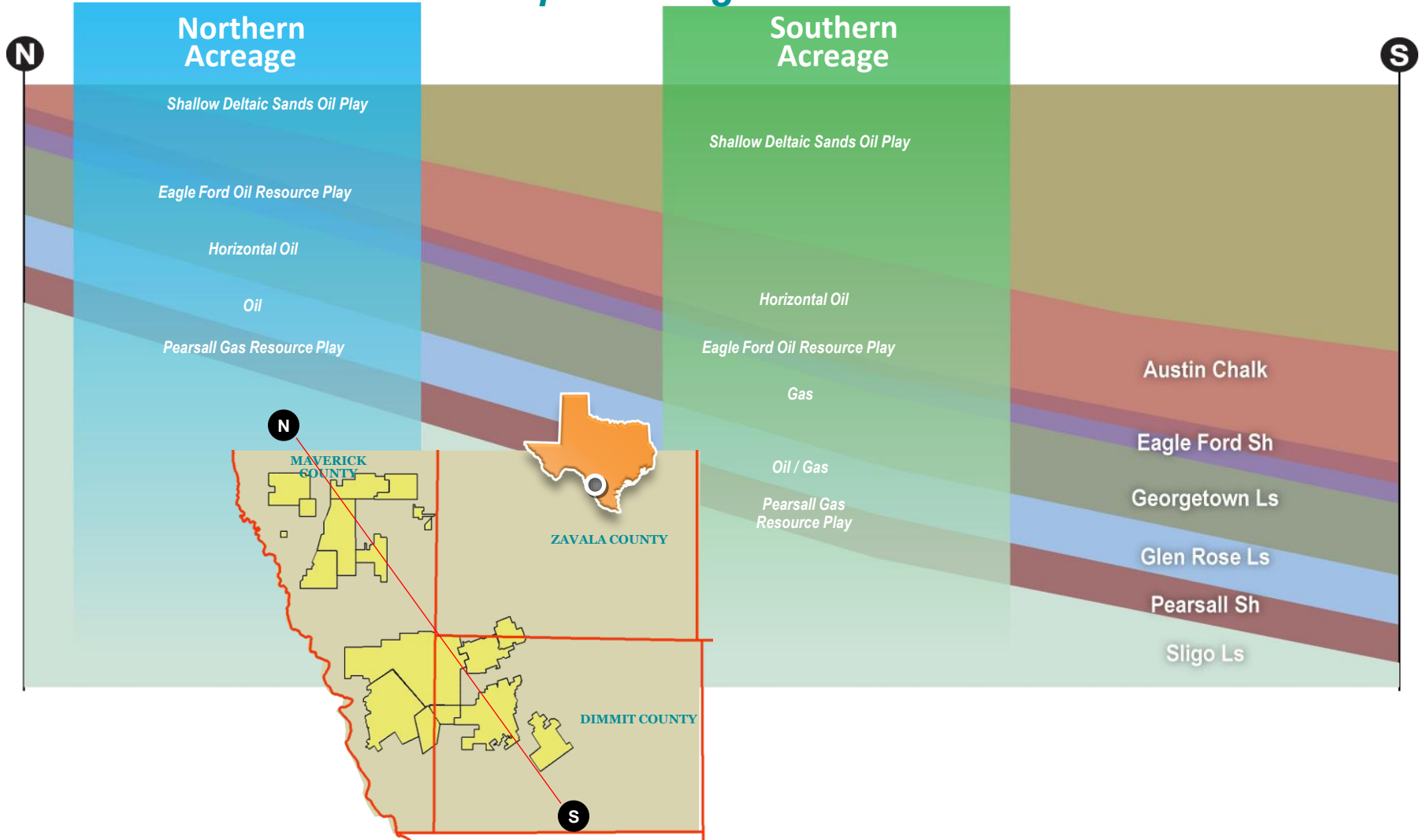
➤ **Multiple Geologic Targets Including:**  
– **Eagle Ford, Pearsall, Georgetown, Austin Chalk and Glen Rose**

□ NFX Acreage

# Maverick Basin



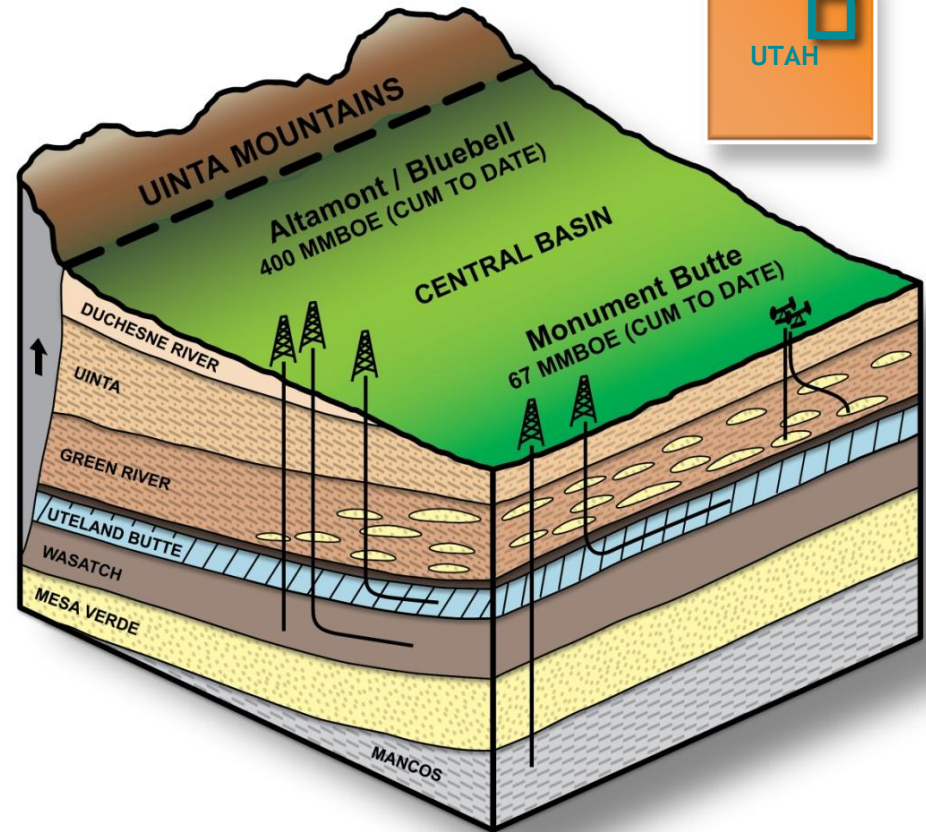
## Multiple Geologic Horizons



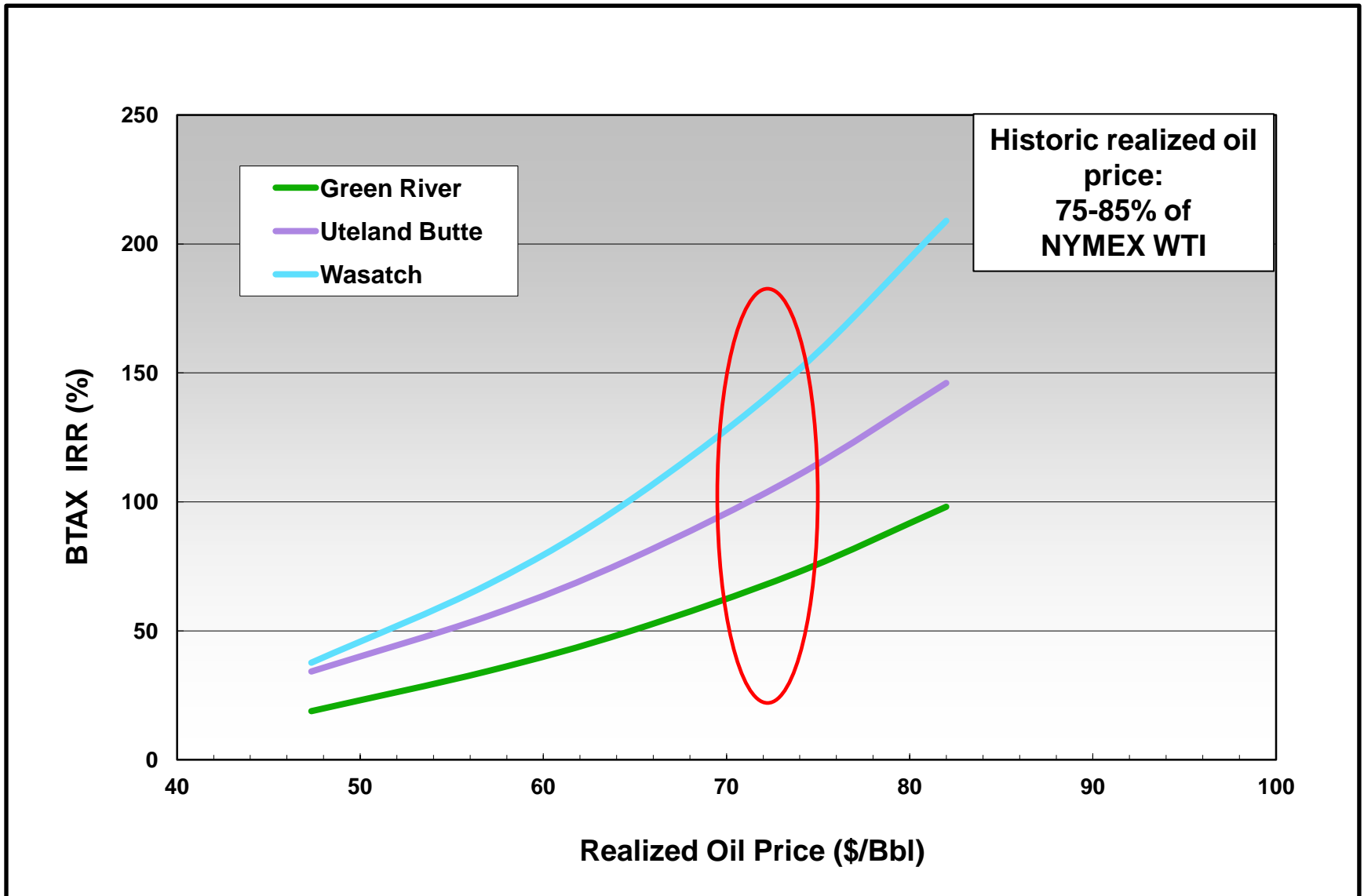
# NFX's Uinta Basin Summary



- ~250,000 Net Acres
- Contiguous acreage
  - >70% working interest
- Deep drilling inventory
  - > 6,000 locations
- Controlled, operated position
- Largest oil producer in Utah
  - 30% of Utah's total daily production
  - 42% of Basin's total daily production
- High ROR oil developments
- Multiple play types, including:
  - Green River
  - Uteland Butte
  - Wasatch



# Uinta Basin / Play Economics

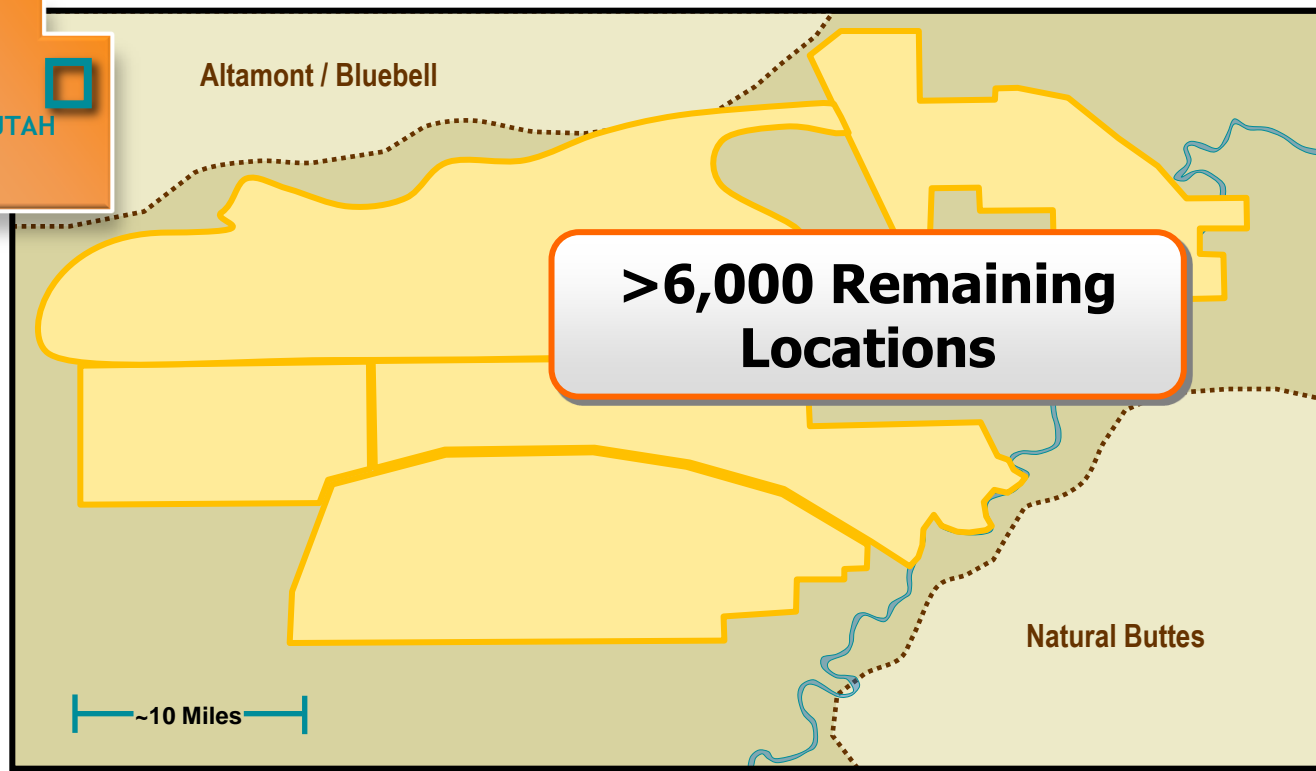


# NFX's Uinta Basin Summary

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UTAH



## HIGHLIGHTS

- **Recent Average IP (24-hours):**
  - Green River ~100 BOEPD
  - Uteland Butte ~500 BOEPD
  - Wasatch >1,000 BOEPD
- **Recent 30-Day Average:**
  - Green River 82 BOEPD
  - Uteland Butte 370 BOEPD
  - Wasatch 470 BOEPD
- **Estimated Activity:**
  - Green River*
    - 2011 - 300 wells
    - 2012 - >250 wells
  - Uteland Butte (Horizontal)*
    - 2011 - 10 wells
    - 2012 - >30 wells
  - Wasatch*
    - 2011 - 25 wells
    - 2012 - >50 wells
- **Historic realized oil price:**
  - 75-85% of NYMEX WTI

Play Type	Net Acres	Locations	Avg. EUR MBOE	Avg. Well Cost \$MM	Avg. WI%	Avg. NRI % 8/8ths	PV10 \$MM*	BTAX IRR %*	Net Resource Potential MBOE
Green River	165,000	>4,000	75	\$0.93	73%	82%	\$1.2	>100%	360
Uteland Butte	200,000	>1,800	300	\$2.8	67%	81%	\$5.0	>100%	300
Wasatch	70,000	>380	>260	\$2.6	58%	78%	\$4.5	>100%	>45
Deep Gas	250,000	>3,000	-	-	~70%	~80%	-	-	>10 TCFE

\* \$100/Bbl NYMEX WTI

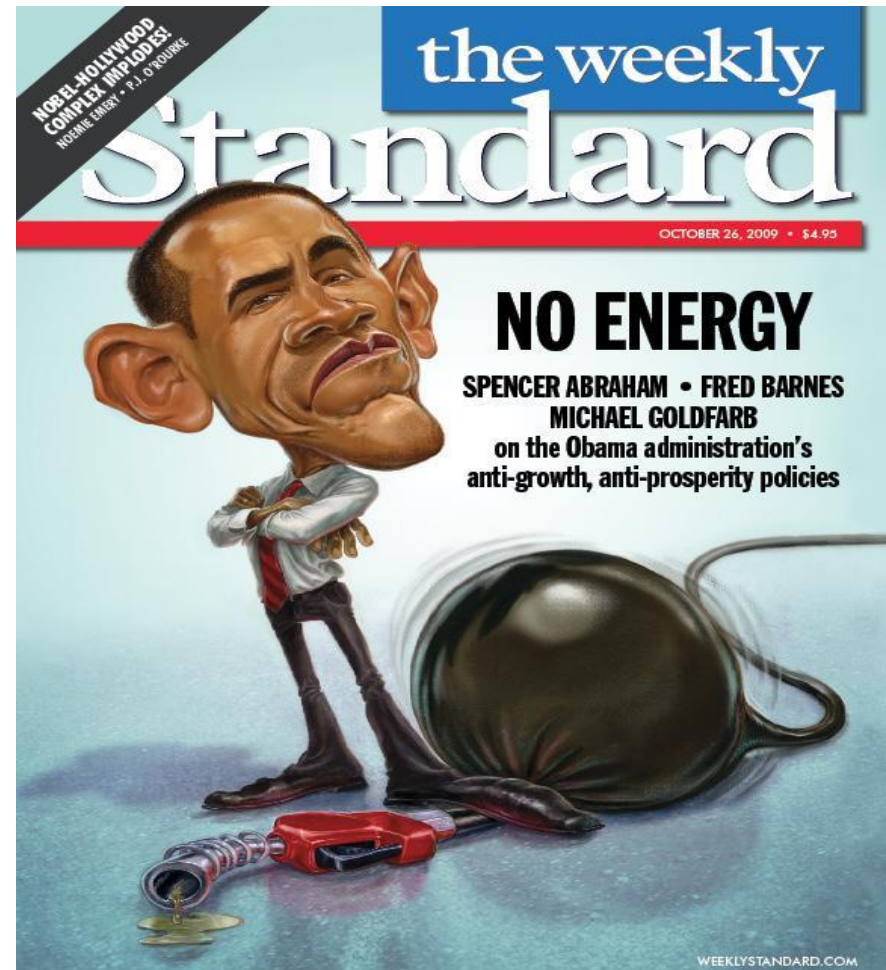
# Managing "Above Ground Risks"

## Will E&P be a source for additional revenues?

- Tax Increases?
- Royalty Rate Increases?
- Loss of IDCs?

## Regulatory Initiatives

- EPA Regulation of Hydraulic Fracturing
  - 4 Ongoing Studies
- New Air Restrictions/Permitting Requirements
- New Barriers to Tribal Development
- Increased Fees
- Remove RCRA Hazardous Waste Exemption
- New Ozone Standards
- Etc., Etc., Etc.



# Opportunities at Newfield



- Intern Program, College Recruiting and Training.
- “Team Newfield” -- New Ideas are Accepted and Initiative is Rewarded.
- Responsibility Given Early in Your Career.
- Opportunities for Multiple Disciplines: Engineering, Geology, Geophysics, Reservoir Engineering, MBA’s, Business Development, etc.



# Forward Looking Statements and Related Matters



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words “will”, “believe”, “intend”, “plan”, “expect” or other similar expressions are intended to identify forward-looking statements. Other than historical facts included in this presentation, all information and statements, such as information regarding estimated reserves, production targets, drilling and development plans and the timing of production and other activities, planned capital expenditures, the number of wells planned to be drilled in the future, the relative risks and potential of planned exploratory wells, the availability of capital resources to fund capital expenditures and other plans and objectives for future operations, are forward-looking statements. Although as of the date of this presentation Newfield believes that these expectations are reasonable, this information is based upon assumptions and anticipated results that are subject to numerous uncertainties and risks. Actual results may vary significantly from those anticipated due to many factors, including drilling results, oil and gas prices, industry conditions, the prices of goods and services, the availability of drilling rigs and other support services, the availability of refining capacity for the crude oil Newfield produces from its Monument Butte field in Utah, the availability of capital resources, labor conditions, severe weather conditions, governmental regulations and other operating risks. Please see Newfield’s 2010 Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (SEC) for a discussion of other factors that may cause actual results to vary. Unpredictable or unknown factors not discussed herein or in Newfield’s SEC filings could also have material adverse effects on forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Newfield undertakes no obligation to publicly update or revise any forward-looking statements.

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