

The background of the slide features two distinct oil field scenes. The upper left scene shows an oil rig with a tall derrick and various platforms, silhouetted against a vibrant sunset sky with orange and red clouds. The lower left scene shows a close-up of an oil pumpjack, also silhouetted against a similar sunset sky. The entire slide has a light green background with a faint, white geometric pattern of intersecting lines.

# PIONEER

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## NATURAL RESOURCES

# Investor Presentation

## March 2012

NYSE: PXD  
[www.pxd.com](http://www.pxd.com)

# Forward-Looking Statements

*Except for historical information contained herein, the statements, charts and graphs in this presentation are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements and the business prospects of Pioneer are subject to a number of risks and uncertainties that may cause Pioneer's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of commodity prices, product supply and demand, competition, the ability to obtain environmental and other permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, litigation, the costs and results of drilling and operations, availability of equipment, services and personnel required to complete the Company's operating activities, access to and availability of transportation, processing and refining facilities, Pioneer's ability to replace reserves, implement its business plans or complete its development activities as scheduled, access to and cost of capital, the financial strength of counterparties to Pioneer's credit facility and derivative contracts and the purchasers of Pioneer's oil, NGL and gas production, uncertainties about estimates of reserves and resource potential and the ability to add proved reserves in the future, the assumptions underlying production forecasts, quality of technical data, environmental and weather risks, including the possible impacts of climate change, international operations and acts of war or terrorism. These and other risks are described in Pioneer's 10-K and 10-Q Reports and other filings with the Securities and Exchange Commission. In addition, Pioneer may be subject to currently unforeseen risks that may have a materially adverse impact on it. Pioneer undertakes no duty to publicly update these statements except as required by law.*

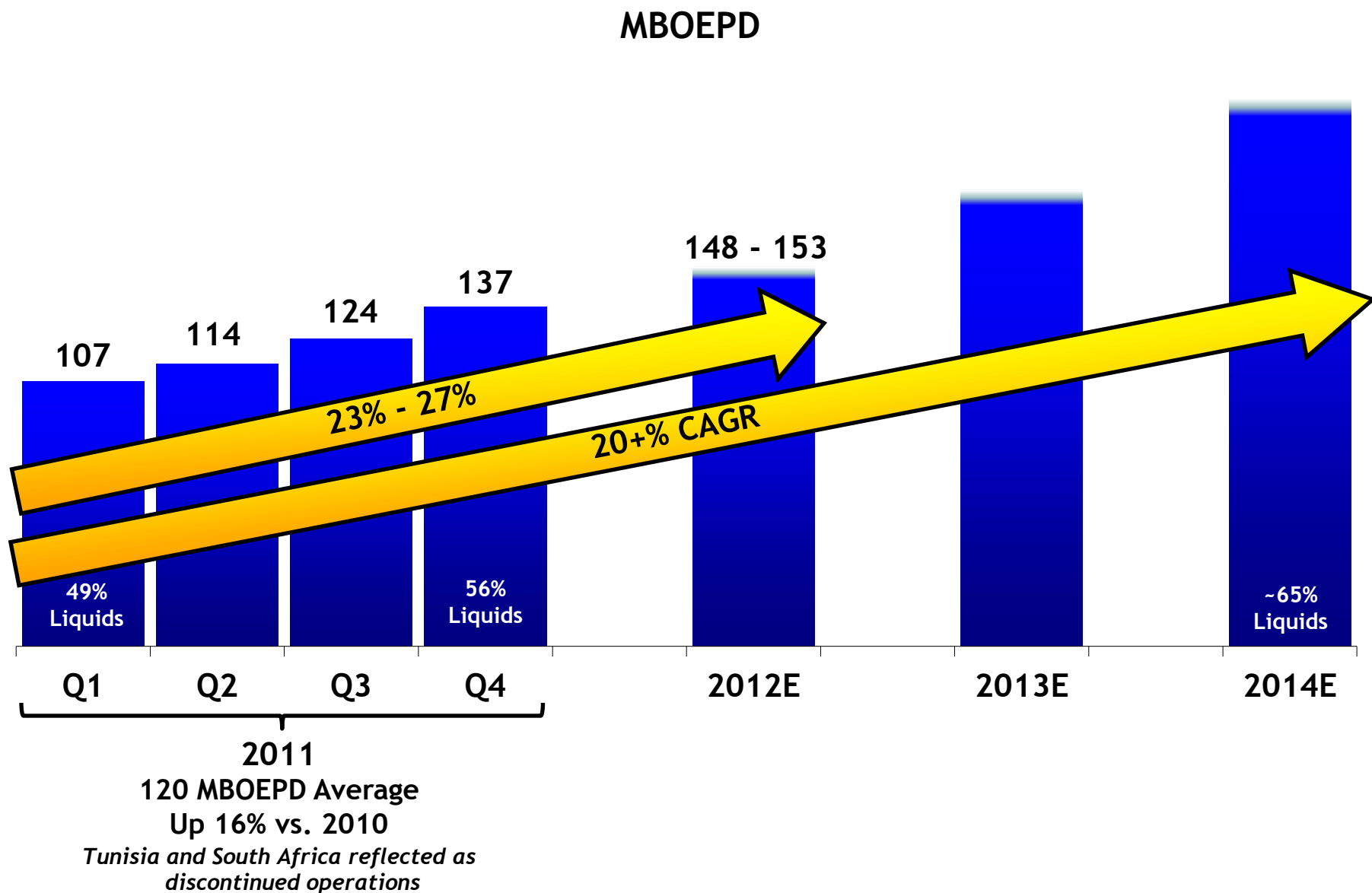
*Please see the appendix slides included in this presentation for other important information.*

- U.S. asset base
- 2012 drilling program focused in four liquids-rich plays in Texas with substantial resource potential
  - Spraberry Vertical
  - Horizontal Wolfcamp Shale
  - Eagle Ford Shale
  - Barnett Shale Combo
- Forecasting 20+% compound annual production growth and 25+% compound annual operating cash flow growth through 2014<sup>1</sup>
  - FY 2011 production averaged 120 MBOEPD<sup>2</sup>, up 16% vs. FY 2010
- Vertical integration substantially improving returns
- Attractive derivative positions protect margins; 80% coverage for oil and 90% coverage for gas in 2012
- Strong financial position

1) Commodity prices of \$100/bbl oil and \$3/mcf gas in 2012 and \$100/bbl oil and \$4/mcf gas in 2013 and 2014

2) Excludes discontinued operations related to the planned sale of South Africa (4 MBOEPD)

# Production Growth Targets



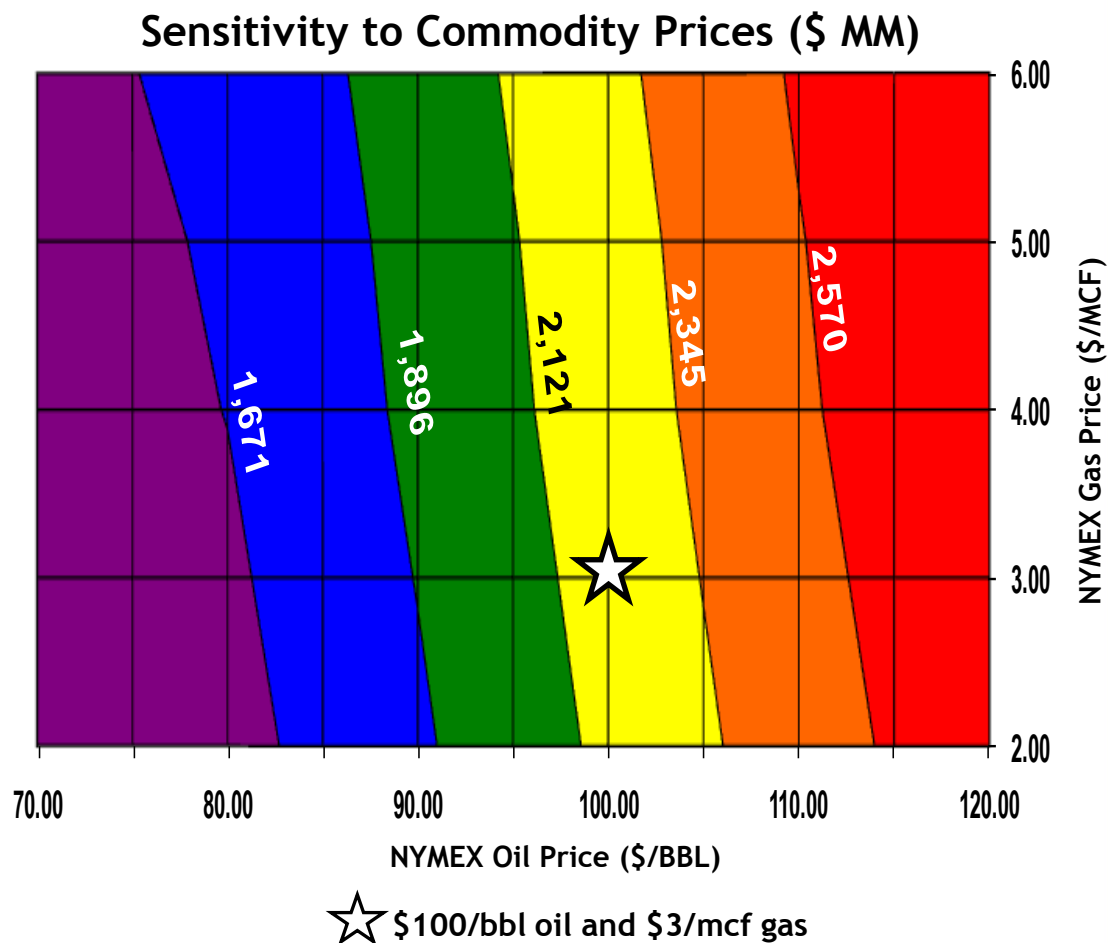
# 2012E Capital Spending and Cash Flow<sup>1</sup>

## ■ Capital program of \$ 2.5 B includes:

- \$1,525 MM Spraberry Vertical
  - Includes \$100 MM for infrastructure
- \$275 MM Horizontal Wolfcamp Shale
  - Includes \$25 MM for seismic and coring
- \$130 MM Eagle Ford Shale (net of carry)
- \$215 MM Barnett Shale Combo
- \$135 MM Alaska
- \$120 MM Other (includes land capital for existing assets)
- \$100 MM Vertical Integration

## ■ Capital program funded from:

- Operating cash flow of \$2.2 B
- Equity offering proceeds of \$0.3 B

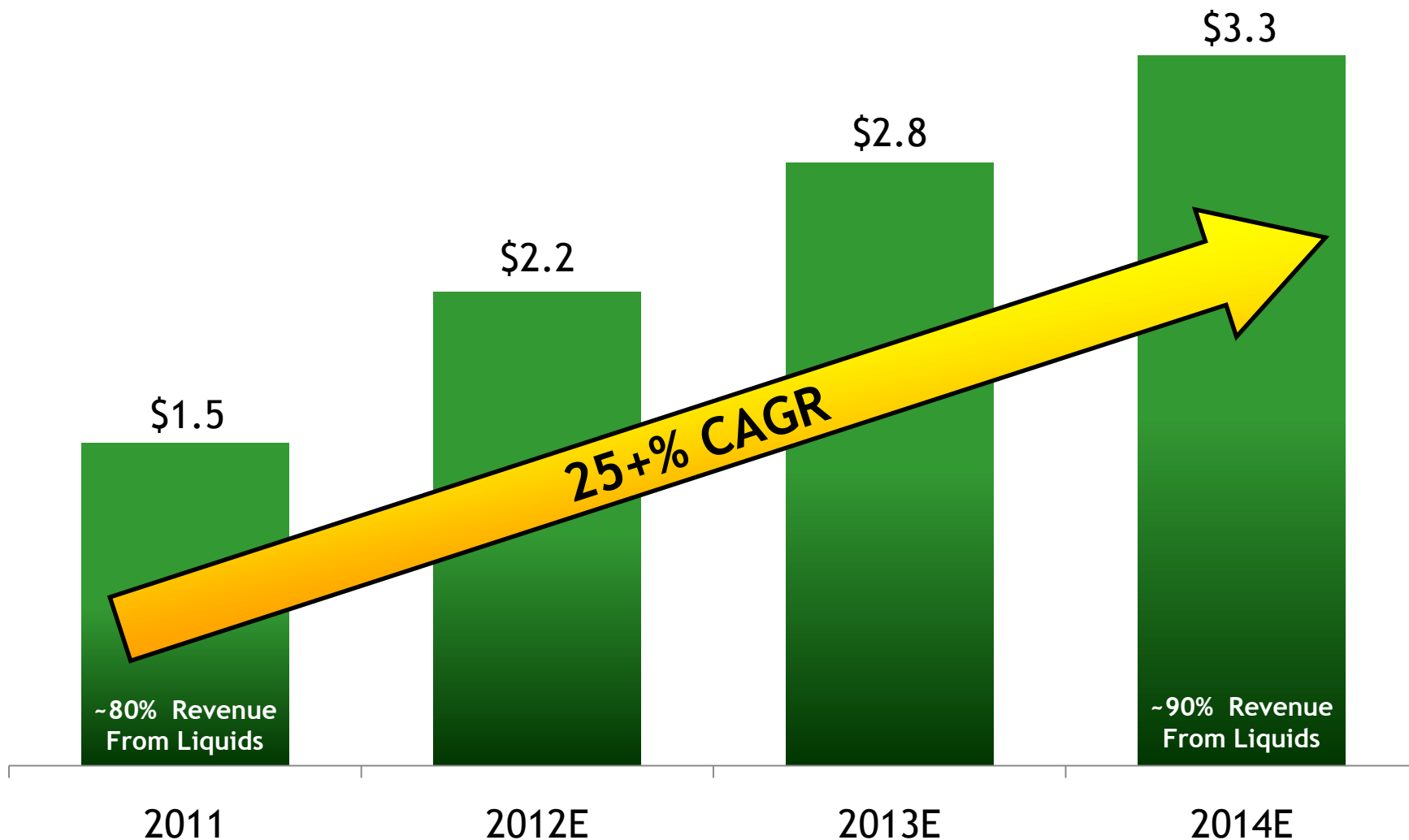


1) Capital spending excludes acquisitions, asset retirement obligations, capitalized interest and G&G G&A

# Substantial Operating Cash Flow Growth<sup>1</sup>

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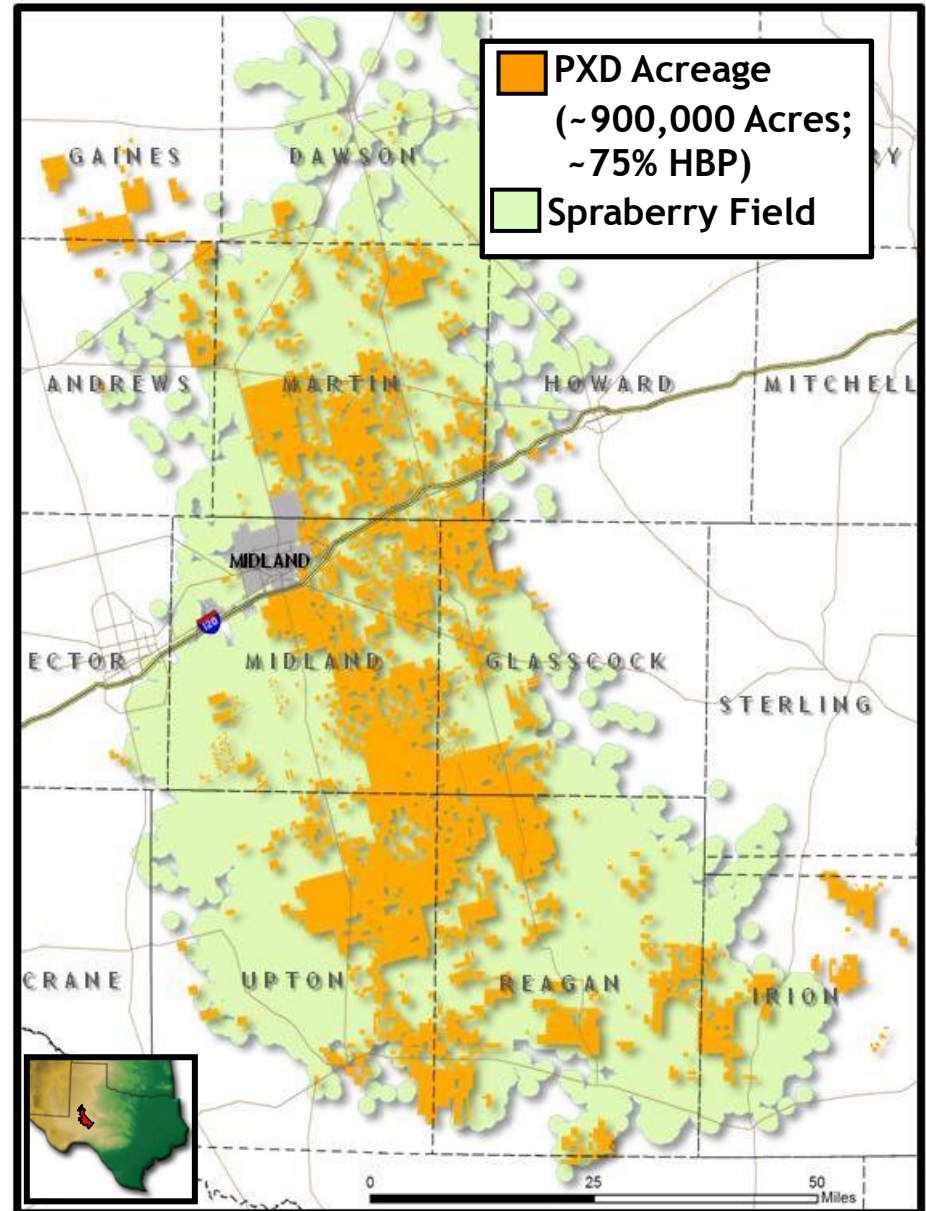
Billions



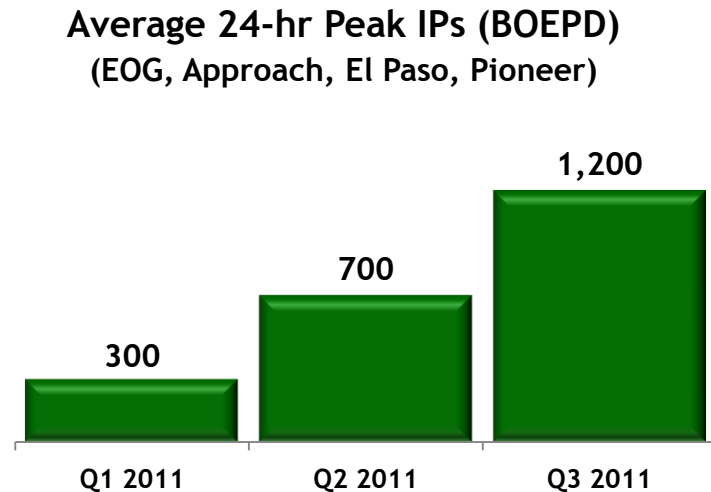
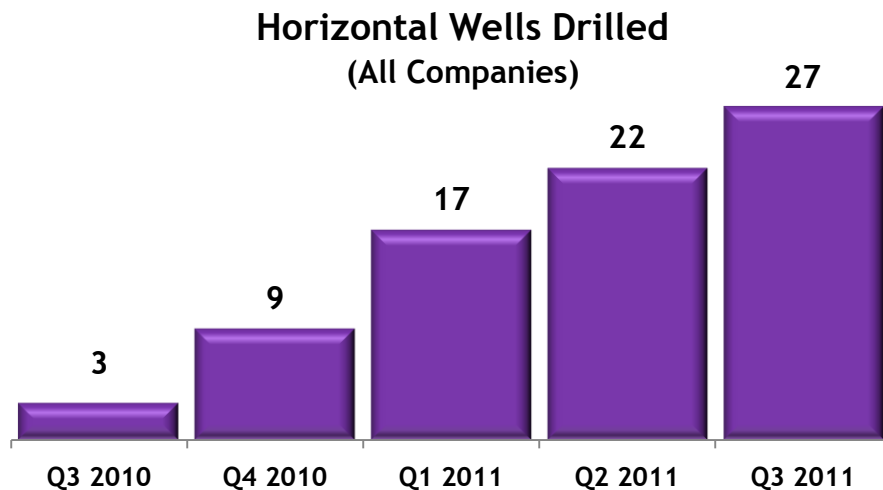
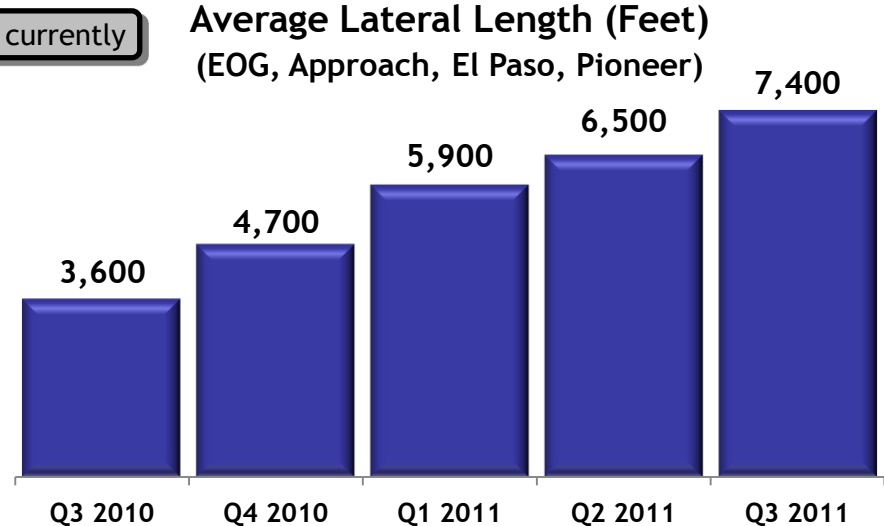
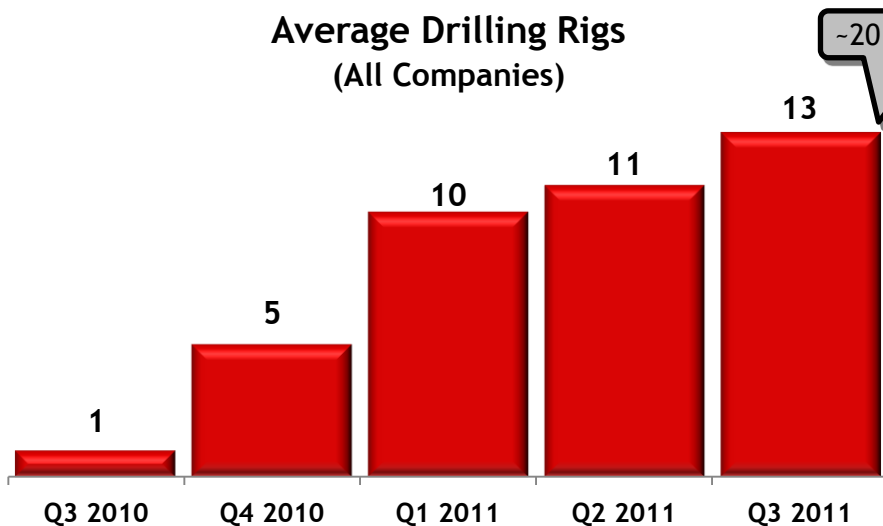
<sup>1</sup>) Based on commodity prices of \$100/bbl oil and \$3/mcf gas for 2012 and \$100/bbl oil and \$4/mcf gas for 2013 and 2014



- PXD leasehold represents ~50% of total Spraberry acreage
- ~75% of PXD leasehold held by production
- ~7,000 operated wells
- Drilling locations:
  - >20,000 vertical (central and northern parts of the field)
  - >2,000 horizontal Wolfcamp (central and southern parts of the field)
- Most active driller in Permian Basin with 44 rigs currently



# Industry Increasing Horizontal Wolfcamp Shale Activity



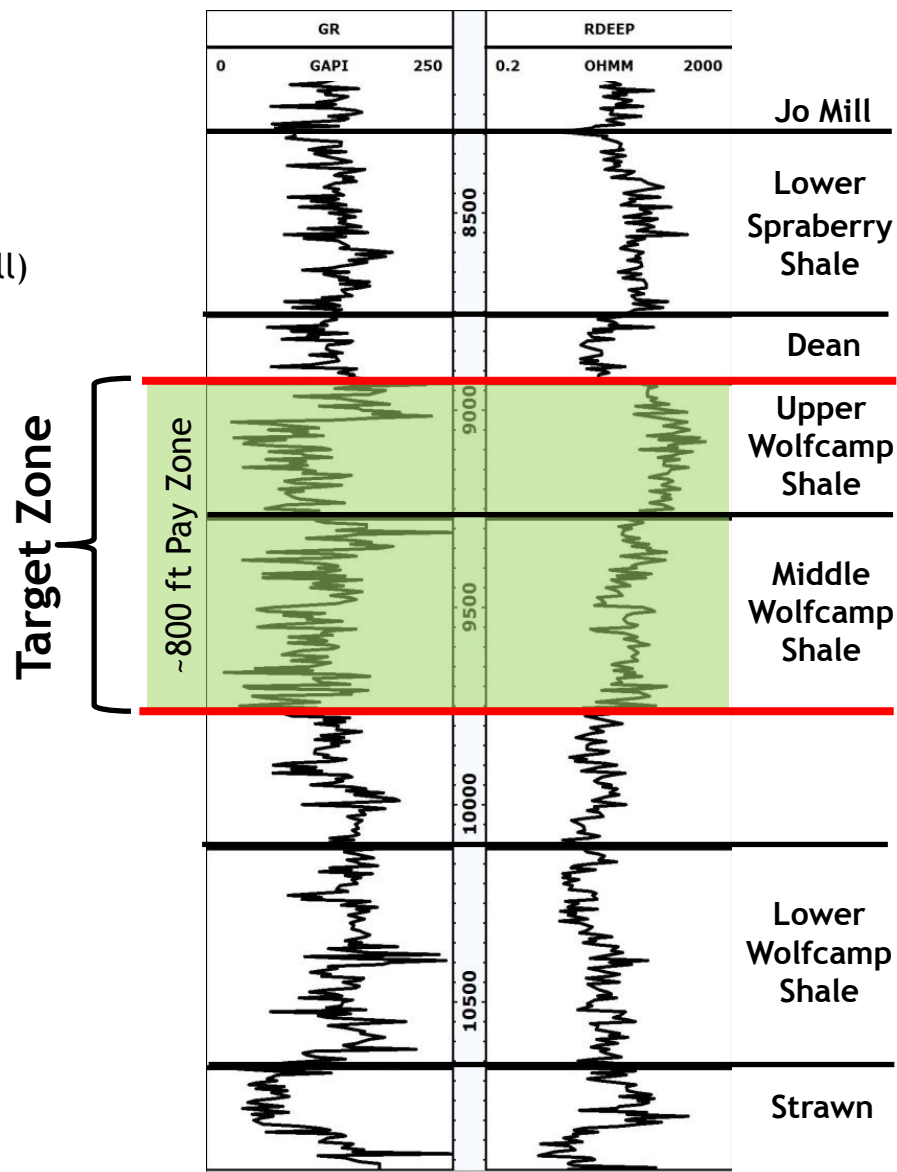
Increasing industry drilling activity and improving well results suggest the horizontal Wolfcamp Shale play could become one of the most active U.S. plays



# PXD's Second Successful Horizontal Wolfcamp Shale Well

## ■ XBC Giddings Estate 2073H

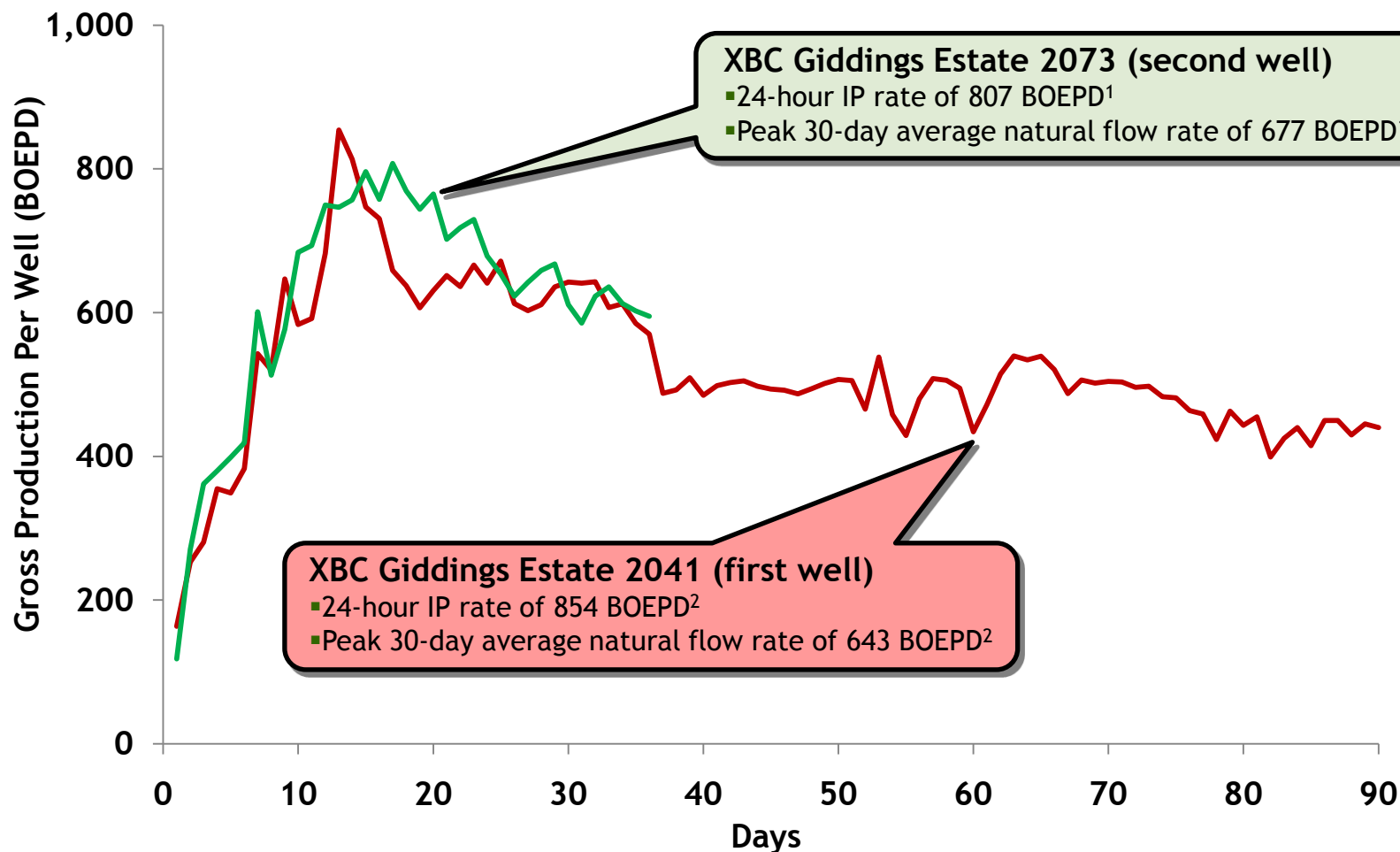
- Second successful horizontal Wolfcamp Shale well in Upton County (similar design and completion to first well)
- 24-hour IP rate of 807 BOEPD<sup>1</sup>  
(602 BOPD + 142 BNGLPD + 382 MCFD)
- Peak 30-day average natural flow rate of 677 BOEPD<sup>1</sup>  
(504 BOPD + 119 BNGLPD + 321 MCFD)
- 5,800 foot lateral with 30-stage completion
- Landed lateral between Upper and Middle Wolfcamp Shale intervals
- Microseismic analysis indicated entire 800 foot target zone successfully stimulated



1) NGL volumes estimated with an average NGL yield of 215 BBL/MMCF and 42% shrink

# First Two Successful Horizontal Wolfcamp Shale Wells Performing Above Expectations

- Peak 30-day average natural flow rates similar for first two Upton County wells
- 90-day cumulative production totaling ~45 MBOE for first Upton County well
  - ~7 times the production from a Spraberry vertical well over the same time period

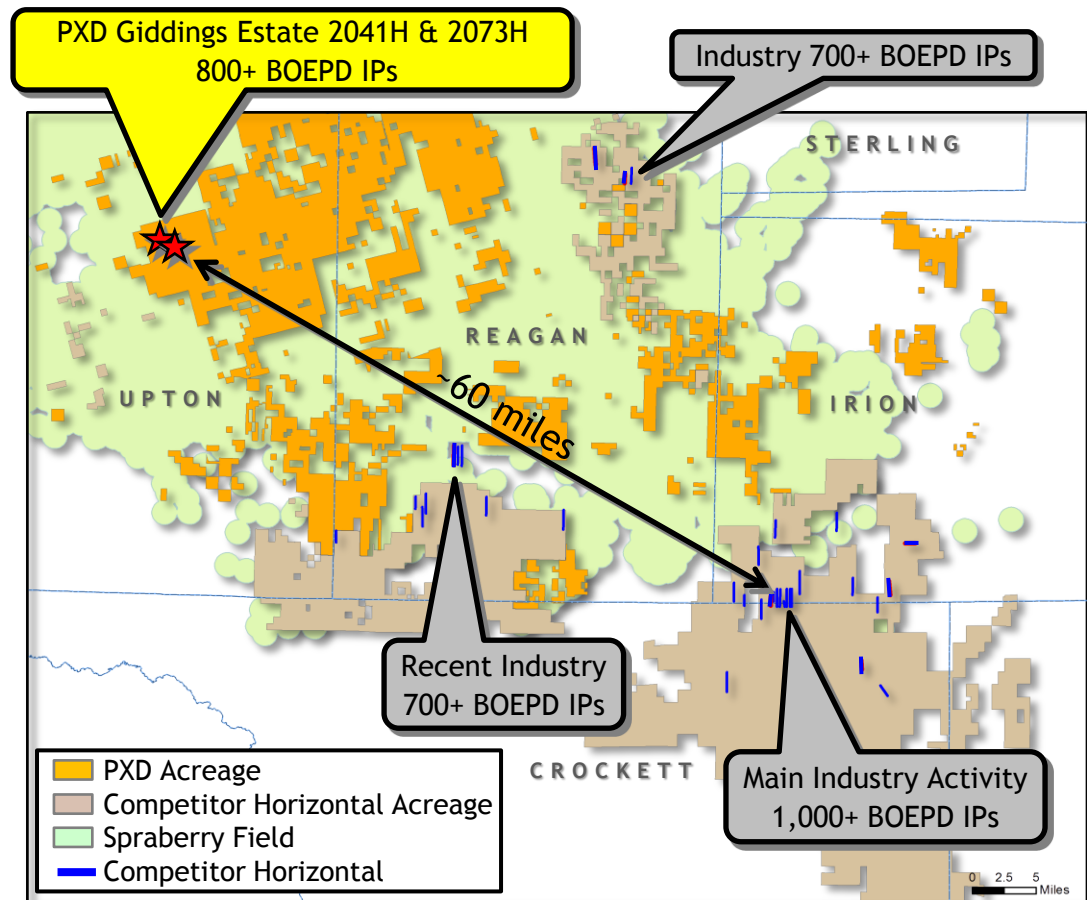


1) NGL volumes estimated with an average NGL yield of 215 BBL/MMCF and 42% shrink

2) NGL volumes estimated with the field average NGL yield of 140 BBL/MMCF and 46% shrink; recent testing indicates NGL yield consistent with second well

# PXD's Acreage Has Significant Horizontal Wolfcamp Shale Potential

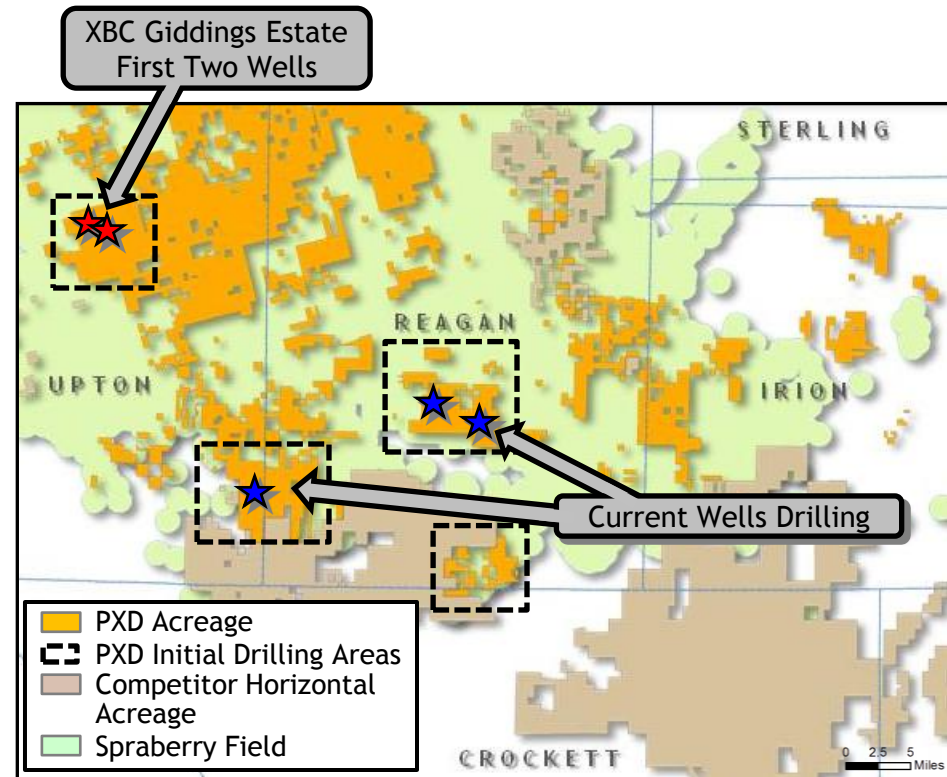
- >400,000 acres potentially prospective for horizontal Wolfcamp Shale (Upper/Middle Wolfcamp interval) within PXD's acreage
  - Largest acreage holder
- Petrophysical and core analysis shows substantial oil in place
  - 50 - 100 MMBO/section
- Total vertical well depth: 9,000 ft - 10,000 ft
- Well design: 7,000+ ft lateral, 30+ stages
- Wells / rig / year: 8
- EUR per well: 350 - 500 MBOE<sup>1</sup>
- Planned spacing: 140 acres
- Blended well cost:
  - Science well: \$8 MM - \$9 MM
  - Development well: \$6 MM - \$7 MM
- Expect IRRs at or above Spraberry vertical wells



# PXD's Horizontal Wolfcamp Shale Drilling Plan

## 2012 - 2013 Drilling Plan

- PXD currently focused on ~200,000 acres in the southern part of the field (Upper/Middle Wolfcamp interval)
  - Additional >200,000 prospective acres to the north currently held by production (HBP)
- Expect to drill 80 - 90 wells by YE 2013 to hold expiring acreage (~50,000 acres)
  - 30 - 35 wells in 2012
- Currently operating 3 rigs
  - Testing longer laterals (~7,000 feet) in southern Upton and Reagan Counties
- Expect to ramp up to ~7 rigs by year end and ~10 rigs in 2013
- Acquiring 260 sq. mi. 3-D seismic in Q1



Expect horizontal Wolfcamp Shale to be PXD's  
4<sup>th</sup> liquids-rich, high-return growth asset in Texas

# Spraberry Vertical Deeper Drilling Results

## 2011 Strawn Results

- 246 vertical wells completed in the Strawn interval during 2011
- 25+% increase in cumulative production during first 12 months compared to offset Lower Wolfcamp wells
- Production data supports 30 MBOE incremental EUR for wells completed in the Strawn (70% oil, 20% NGLs, 10% gas)
- Strawn interval prospective on 50% - 60% of PXD's acreage

## 2011 Atoka / Mississippian Results

	Wells Completed In 2011	Potential Incremental EUR (MBOE)	Prospective PXD Acreage
Atoka	18	50 - 70	25% - 50%
Mississippian	4	15 - 40	20%

- Limestone Pay
- Sandstone Pay
- Non-Organic Shale Non-Pay
- Organic Rich Shale Pay



# Spraberry Vertical Drilling Program

## 2012 Vertical Drilling Program (~750 Wells)

Deepest Interval Completed	% of Program	Current Blended Well Cost (\$MM)	Before Tax IRR <sup>1</sup>
Wolfcamp	50%	\$1.6 - \$1.7	~40%
Strawn	20%	\$1.65 - \$1.75	~50%
Atoka <sup>2</sup>	20%	\$1.9 - \$2.0	50% - 60%
Mississippian <sup>2</sup>	10%	\$1.9 - \$2.0	40% - 50%

Average Well Cost: \$1.7 MM - \$1.8 MM  
Average Before Tax IRR: 45% - 50%

- Limestone Pay
- Sandstone Pay
- Non-Organic Shale Non-Pay
- Organic Rich Shale Pay



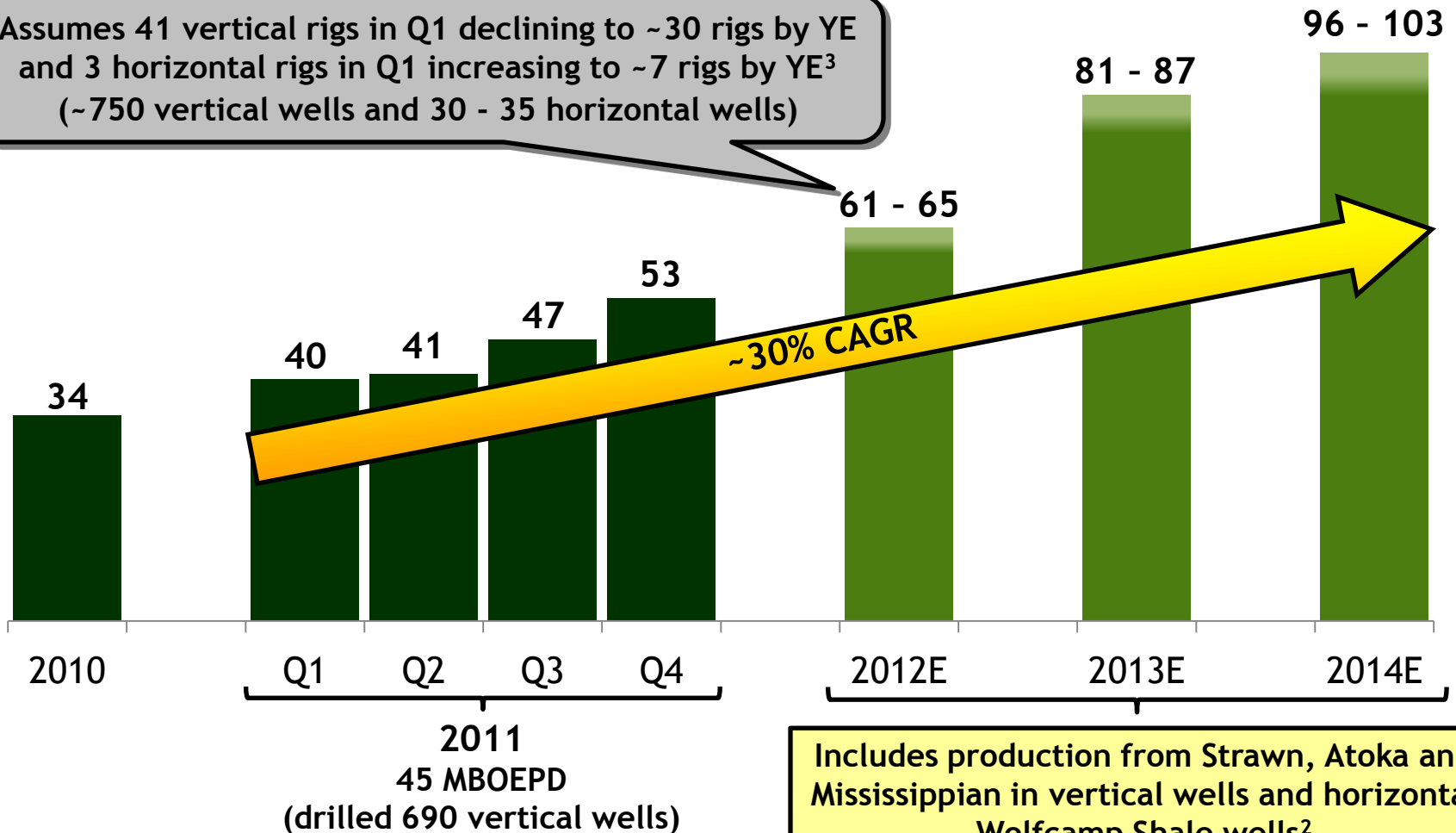
1) Assuming flat commodity prices of \$100/bbl oil and \$4/mcf gas  
2) May include a completion in the Strawn interval



# Continuing to Successfully Grow Spraberry Production

## Spraberry Net Production<sup>1</sup> (MBOEPD)

Assumes 41 vertical rigs in Q1 declining to ~30 rigs by YE  
and 3 horizontal rigs in Q1 increasing to ~7 rigs by YE<sup>3</sup>  
(~750 vertical wells and 30 - 35 horizontal wells)



1) Includes expiration of VPP commitments (3 MBOEPD @ YE 2010 and 4 MBOEPD @ YE 2012)

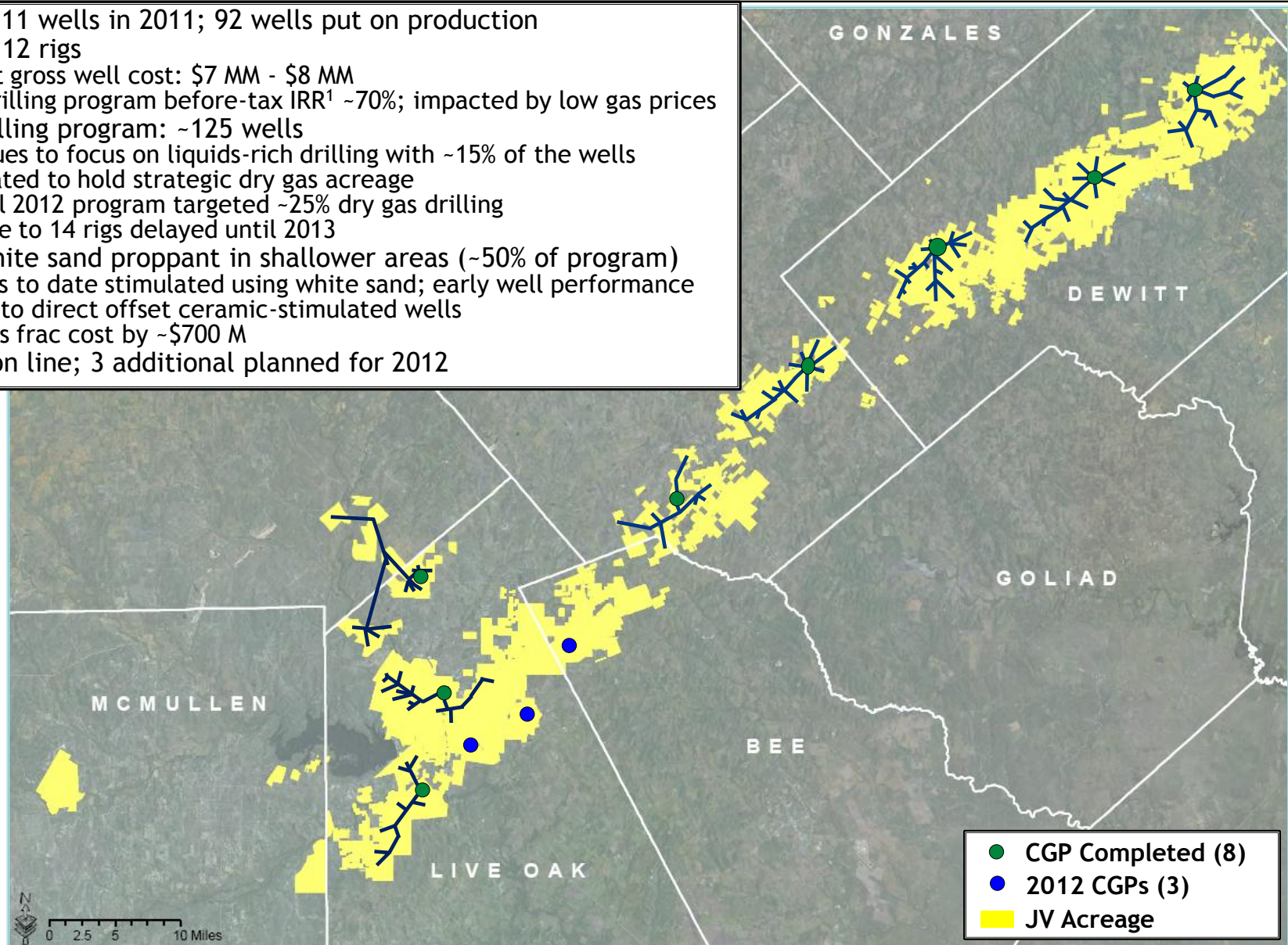
2) Production from horizontal Wolfcamp Shale forecast at ~2 MBOEPD in 2012

3) Production forecast for 2013 and 2014 assumes the vertical rig count remains at ~30 rigs and the horizontal rig count increases to ~10 rigs

# Eagle Ford Shale Operational Update

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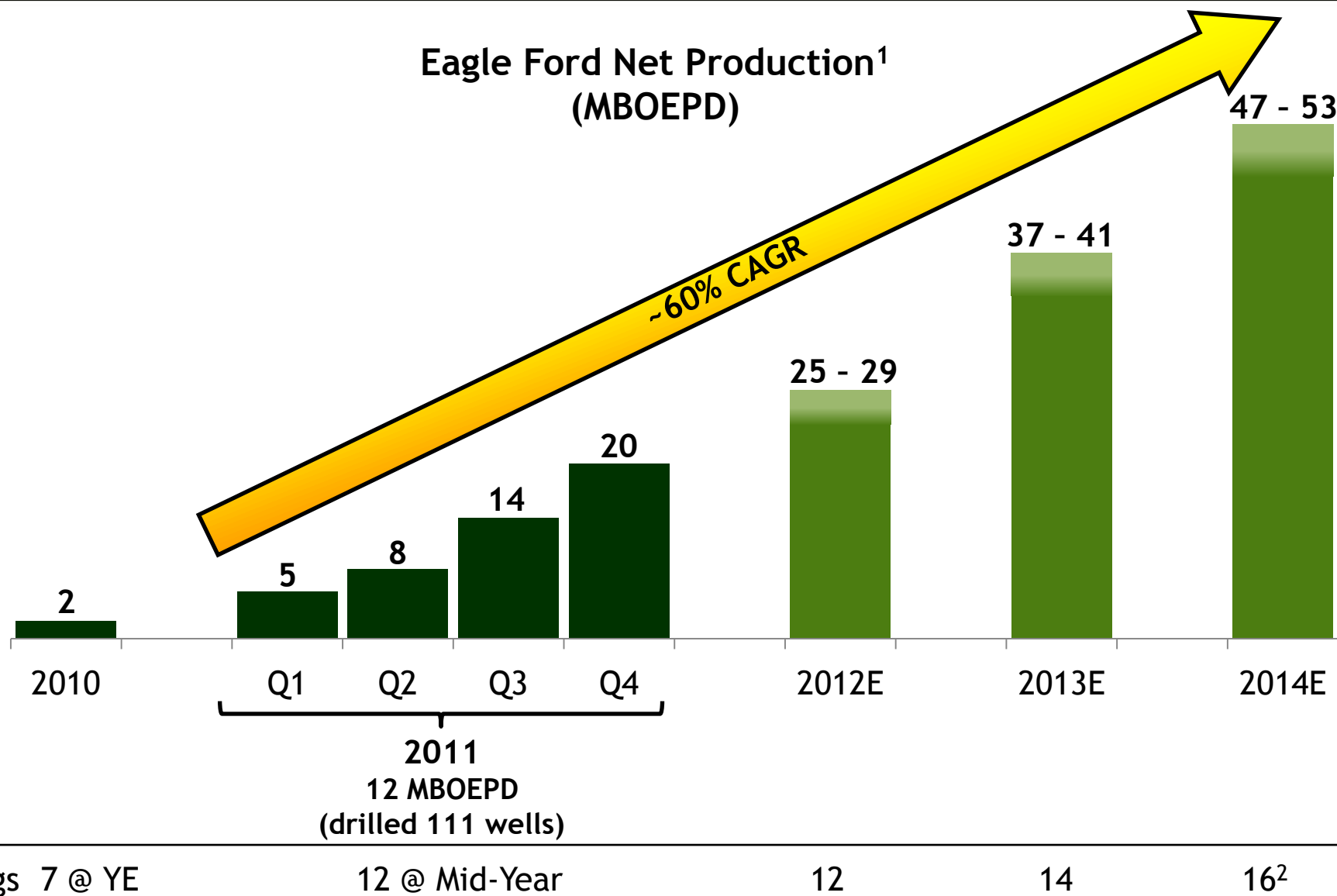
- Drilled 111 wells in 2011; 92 wells put on production
- Running 12 rigs
  - Current gross well cost: \$7 MM - \$8 MM
  - 2012 drilling program before-tax IRR<sup>1</sup> ~70%; impacted by low gas prices
- 2012 drilling program: ~125 wells
  - Continues to focus on liquids-rich drilling with ~15% of the wells designated to hold strategic dry gas acreage
  - Original 2012 program targeted ~25% dry gas drilling
  - Increase to 14 rigs delayed until 2013
- Using white sand proppant in shallower areas (~50% of program)
  - 30 wells to date stimulated using white sand; early well performance similar to direct offset ceramic-stimulated wells
  - Reduces frac cost by ~\$700 M
- 8 CGPs on line; 3 additional planned for 2012



1) Assuming flat commodity prices of \$100/bbl oil and \$4/mcf gas

# Successfully Growing Eagle Ford Shale Production

Eagle Ford Net Production<sup>1</sup>  
(MBOEPD)

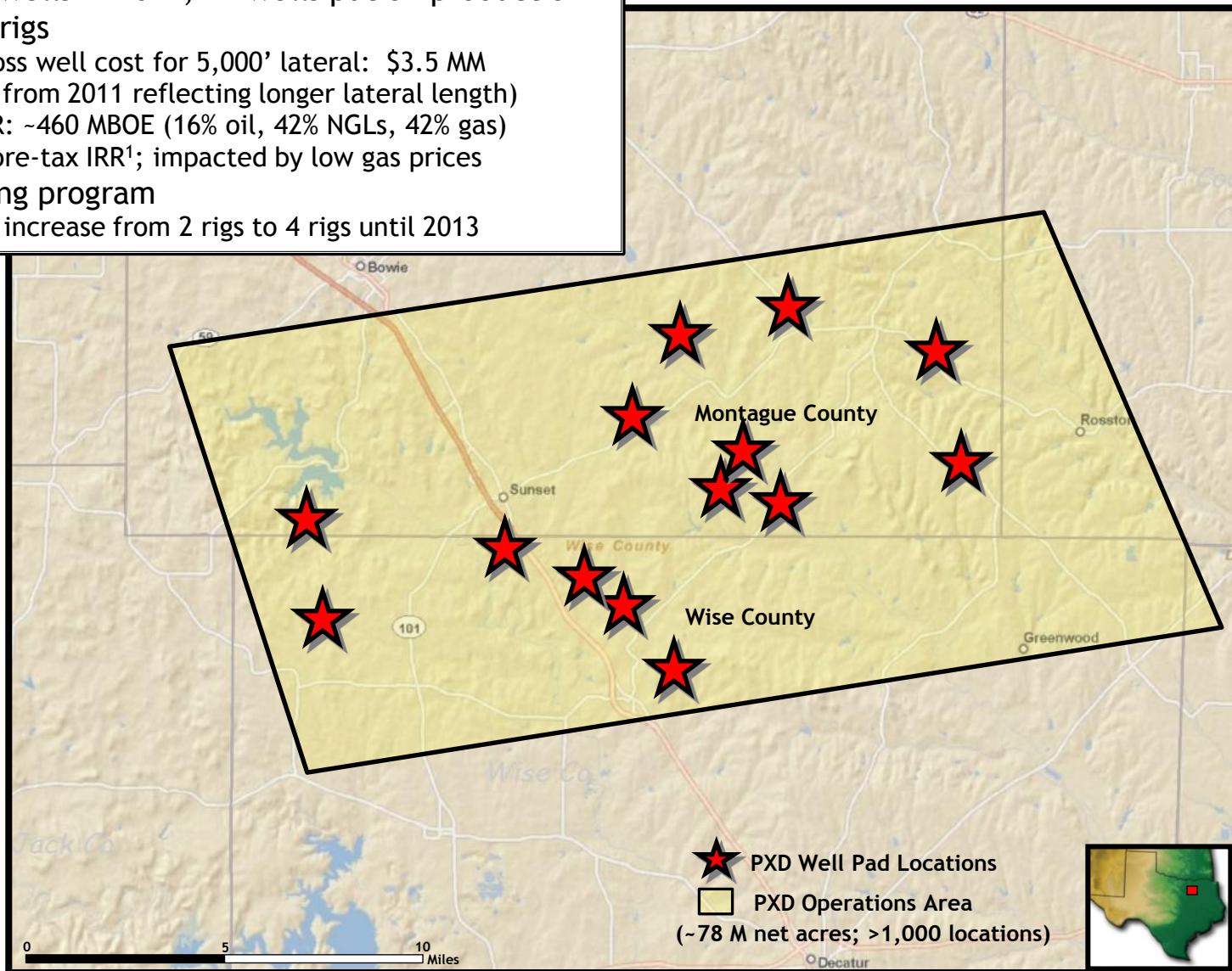


1) Reflects Pioneer's ~33% share of total gross production

2) Targeting 19 rigs by 2015

# Barnett Shale Combo Operational Update

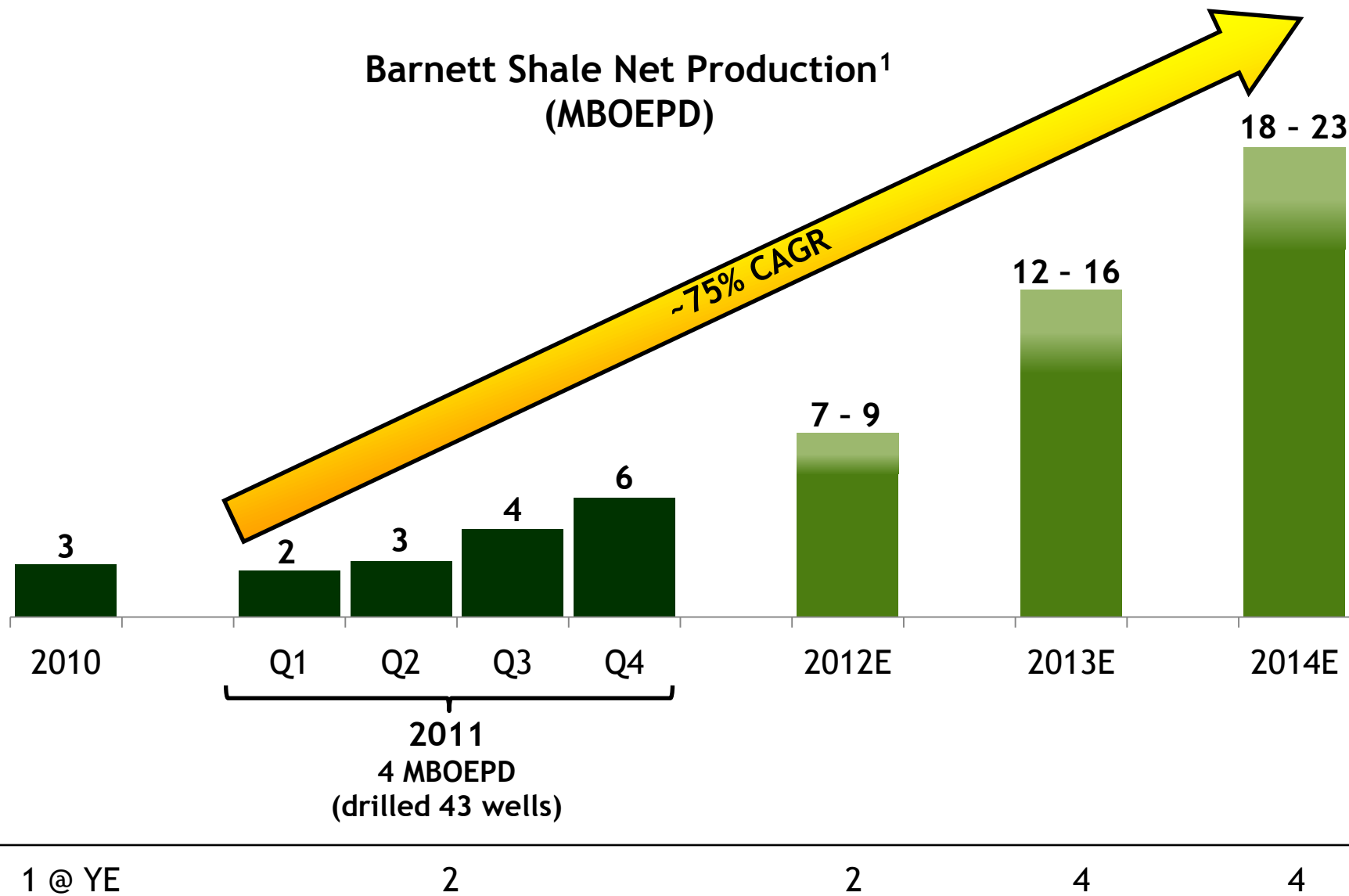
- Drilled 43 wells in 2011; 42 wells put on production
- Running 2 rigs
  - Target gross well cost for 5,000' lateral: \$3.5 MM (increase from 2011 reflecting longer lateral length)
  - Gross EUR: ~460 MBOE (16% oil, 42% NGLs, 42% gas)
  - ~30% before-tax IRR<sup>1</sup>; impacted by low gas prices
- 2012 drilling program
  - Deferring increase from 2 rigs to 4 rigs until 2013



1) Assuming flat commodity prices of \$100/bbl oil and \$4/mcf gas



# Successfully Growing Barnett Shale Combo Production



1) 2010 production reflects legacy Barnett Shale gas production; production growth in 2011 - 2014 driven by Barnett Shale Combo development

## Spraberry

5 frac fleets (~20,000 HP each)  
(adding 70,000 HP by mid-2012)  
15 drilling rigs  
Other service equipment<sup>1</sup>

## Eagle Ford Shale

2 frac fleets  
1 coiled tubing units  
(adding 2<sup>nd</sup> unit Q2 2012)

## Barnett Shale Combo

1 frac fleet  
1 coiled tubing unit

### Year-End 2011

Total Vertical Integration Investment: \$440 MM<sup>2</sup>  
Total Frac Horsepower: 225 M



1) Includes pulling units, frac tanks, hot oilers, water trucks, blowout preventers, construction equipment and fishing tools

2) Includes spending in 2011 for additional frac fleets to be delivered mid-2012



# Vertical Integration Significantly Reduces Well Costs

	<u>Spraberry</u>	<u>Eagle Ford Shale</u>	<u>Barnett Shale Combo</u>
<u>Frac Fleets</u>			
Current (225,000 HP)	5	2	1
% of Total Wells Fraced	~70%	~65%	~100%
Fracs/Fleet/Year	~115	~55	~60
Savings Per Frac <sup>1</sup>	\$0.35 MM	\$1.70 MM	\$0.75 MM
Annual Savings <sup>2,3</sup>	\$200 MM	\$185 MM	\$45 MM
<u>Rigs and Other Services<sup>4</sup></u>			
Annual Savings <sup>1</sup>	\$30 MM	-	-
<b>Total Annualized Cash Savings At Year-End 2011 Run Rate</b>	<b>\$230 MM</b>	<b>\$185 MM</b>	<b>\$45 MM</b>

**Total Year-End 2011 Vertical Integration Investment: \$440 MM<sup>5</sup>**  
**Total PXD Annualized Year-End 2011 Cash Savings: \$460 MM**  
**Additional 70,000 HP frac capacity scheduled for delivery by mid-2012**

1) Generally reflects current savings vs. longer-term contract rates

2) Excludes savings from frac fleets scheduled for delivery in mid-2012

3) Includes direct savings to PXD and charges to third-parties

4) Includes 15 rigs and other service equipment including pulling units, frac tanks, hot oilers, water trucks, blowout preventers, construction equipment and fishing tools

5) Includes spending in 2011 for additional frac fleets to be delivered mid-2012

# Sand Mine Purchase Summary

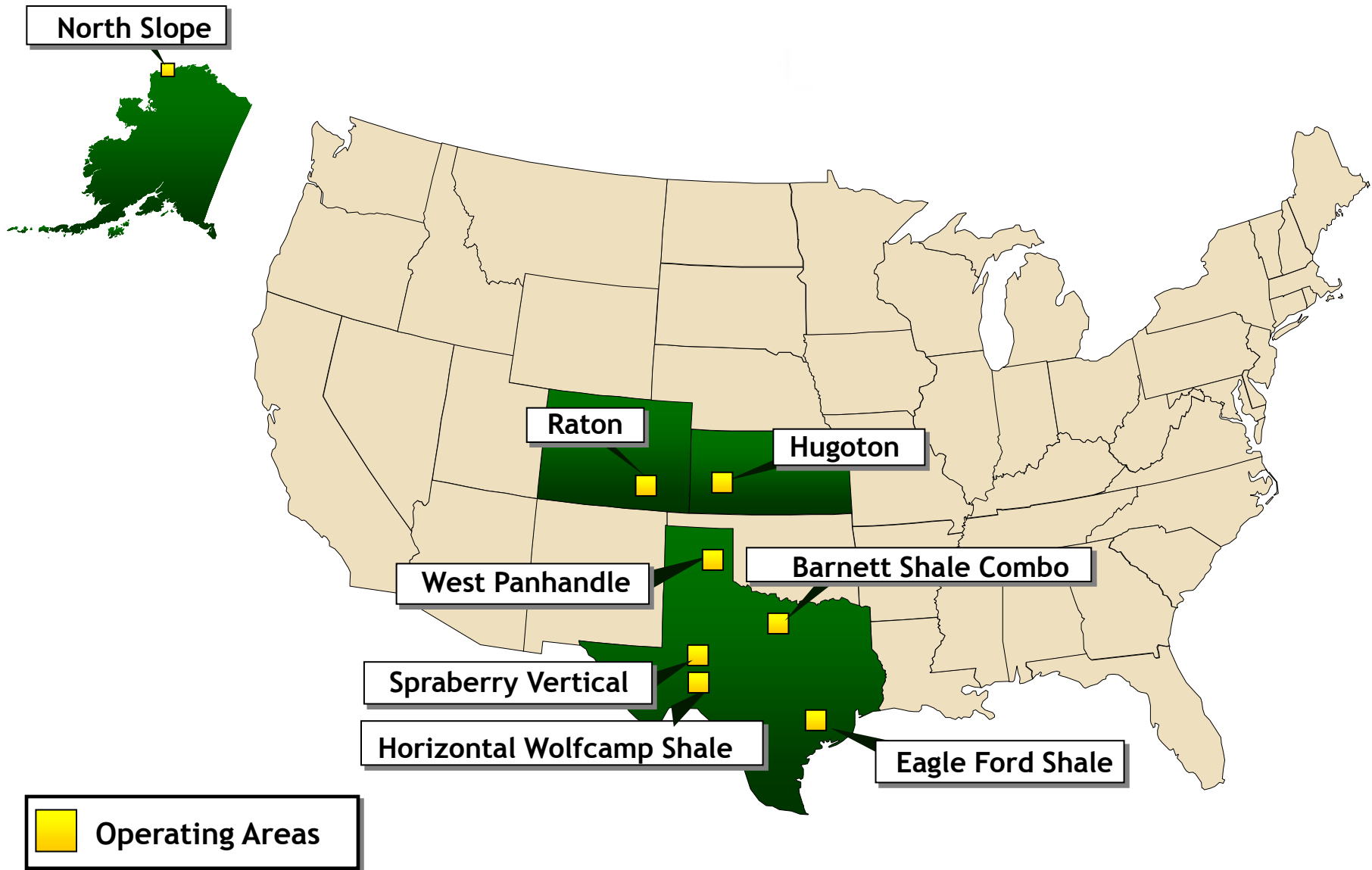
- **PXD acquiring Carmeuse Industrial Sands (CIS) for \$297 MM, before normal closing adjustments**
  - Key asset is Brady, TX mine, where Hickory frac sand is produced (Brady Brown®)
  - Strategic opportunity to secure high-quality, low-cost and logistically-advantaged brown sand supply for PXD's fracture stimulation requirements in the Spraberry vertical, horizontal Wolfcamp Shale and Barnett Shale Combo plays
  - Complements PXD's vertical integration strategy to reduce execution risk and control costs
  - Secures supply at below market prices for next 30+ years
  - Reduces annual capital spending by \$65 MM - \$70 MM based on estimated sand requirements and current market prices
- **Closing expected late Q1 or early Q2**
- **Acquisition funded from available cash**
- **Significant upside potential**
  - Double the capacity of the Brady mine from 1 MM tons per year to 2 MM tons per year
    - Would support Spraberry vertical, horizontal Wolfcamp Shale and Barnett Shale Combo drilling above current plans
  - Develop white sand mine in Wisconsin with a capacity up to 1 MM tons per year
- **CIS is led by a highly experienced and technically proficient management team with over 150 years of experience in the industrial sands business**
  - Management team has agreed to join PXD

- **PXD's annual demand for proppant to support its fracture stimulation operations is forecasted to increase from 1.2 MM tons in 2012 to 1.6 MM tons in 2015**
  - Reflects continuing drilling ramp up in the Spraberry vertical, horizontal Wolfcamp Shale, Eagle Ford Shale and Barnett Shale Combo plays
  - 70% to 80% of proppant demand is brown sand for the Spraberry vertical, horizontal Wolfcamp Shale and Barnett Shale Combo
- **Pioneer's primary source for brown sand is the CIS mine in Brady, TX**
- **CIS recently announced plans to sell its non-core U.S. industrial sands business**
  - CIS is the #1 producer of Hickory frac sand (Brady Brown®)
    - Hickory sand is considered to be the highest quality brown sand for fracture stimulation
  - Brady mine is primary asset with >30 years of brown sand reserve life (industry's largest resource base)
- **Supply of brown sand is tight with prices escalating; other brown sand mines primarily supply large service companies**
- **White and resin coated sand alternatives are more than 2 times and 7 times the cost of Brady sand (inclusive of transportation), respectively, and not necessary for most Spraberry vertical, horizontal Wolfcamp Shale and Barnett Shale Combo fracture stimulations**

## Significant Upside Potential From:

- Oil exposure with large drilling inventory
- Aggressive Spraberry & Eagle Ford Shale drilling program
- Extensive horizontal Wolfcamp Shale potential
- 20+% compound annual production growth for 2011 - 2014
- 25+% compound annual operating cash flow growth for 2011 - 2014
- Strong returns from vertical integration
- Margin protection from attractive derivatives
- Strong balance sheet

# Appendix





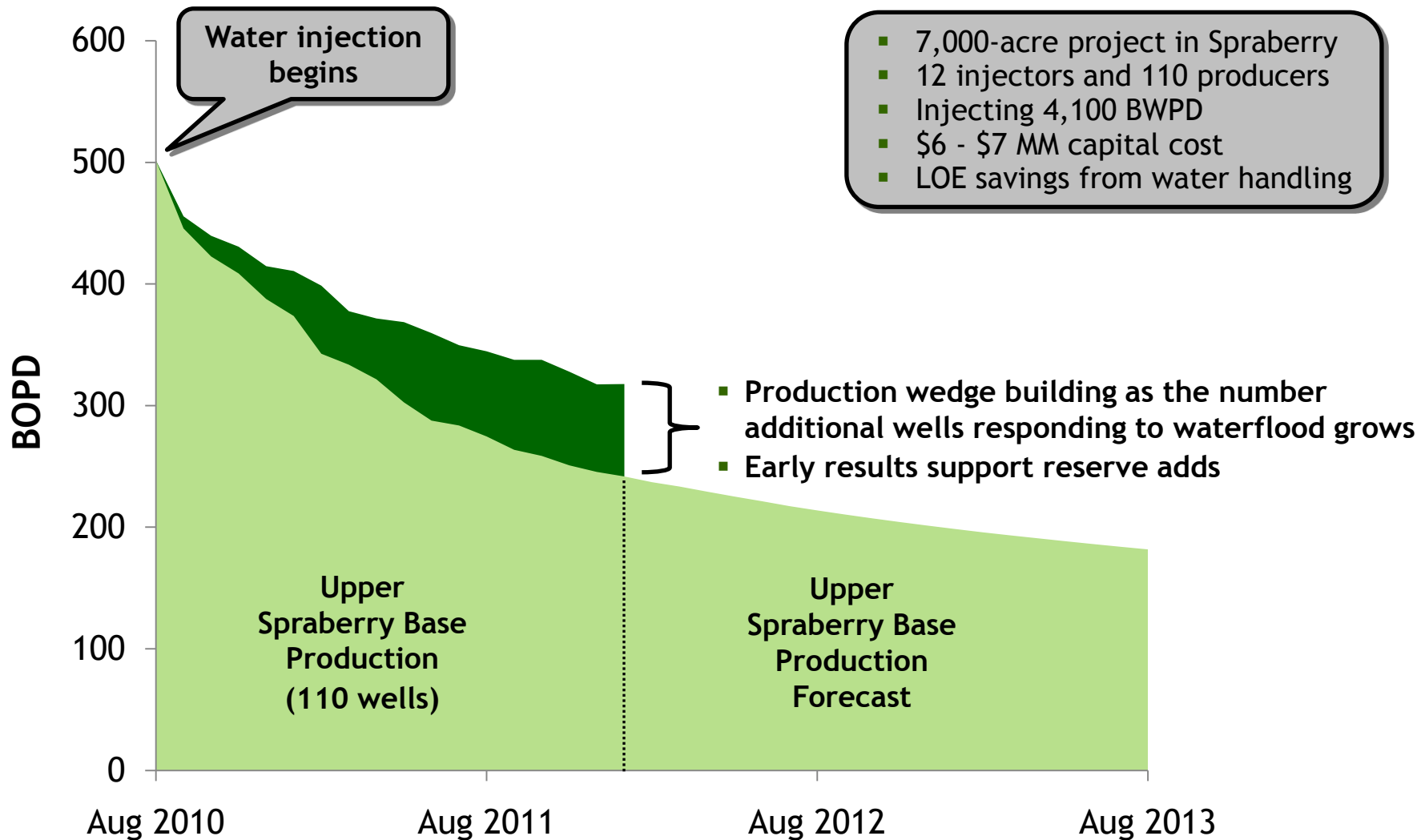
## 20-Acre Drilling (~13,000 locations)

- Drilled 18 wells in 2010 and 16 wells in 2011
  - Most wells drilled to the Lower Wolfcamp with a few drilled to the Strawn
- Results to date indicate production near type curve for a 40-acre Lower Wolfcamp well (EUR of 140 MBOE)
- Targeting ~50 wells in 2012



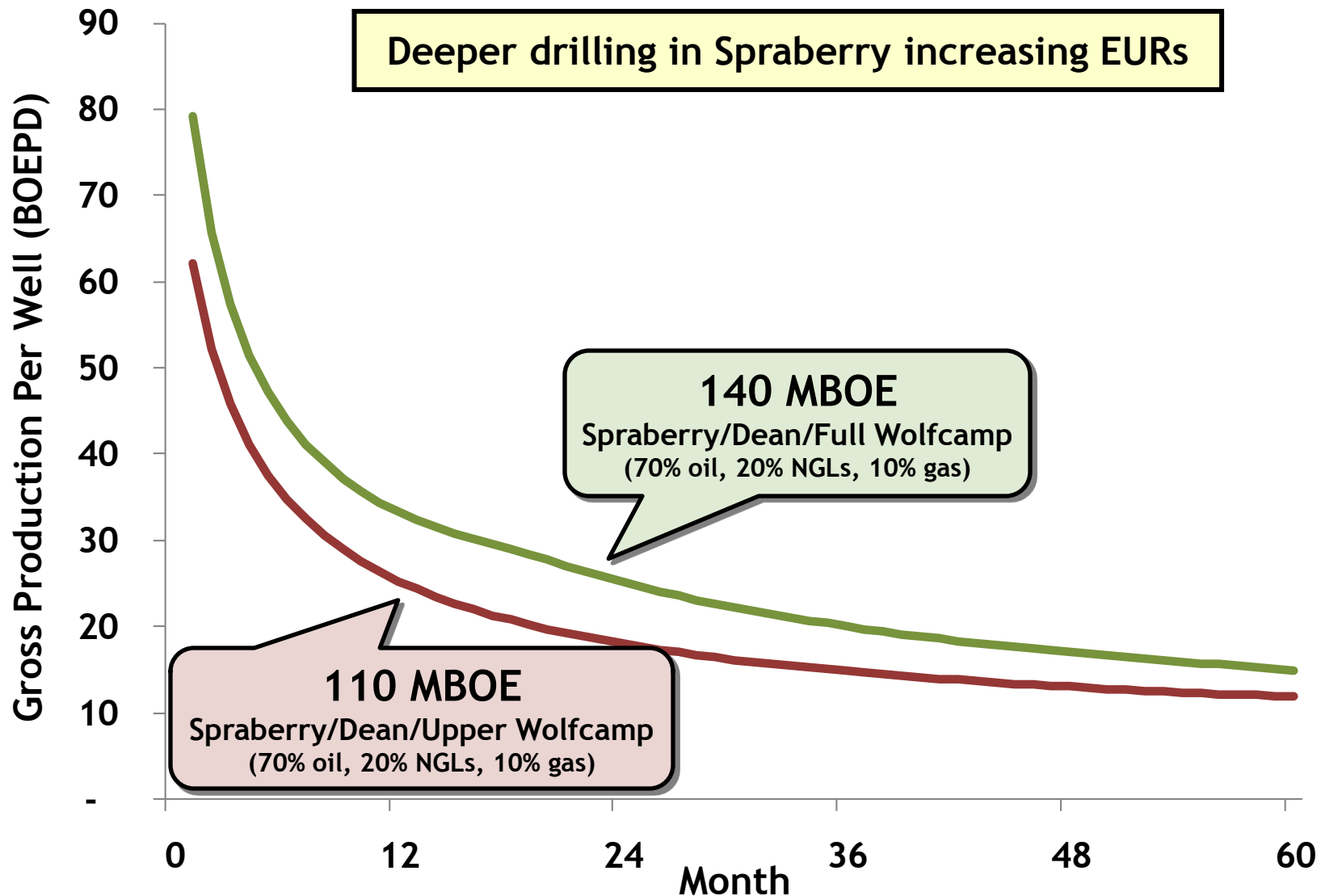
Spraberry Drilling Rig

# Early Results of Spraberry Waterflood Encouraging



Continuing to see uptick in production; cumulative Upper Spraberry production has now increased ~15% within project area compared to base production decline; further increase expected

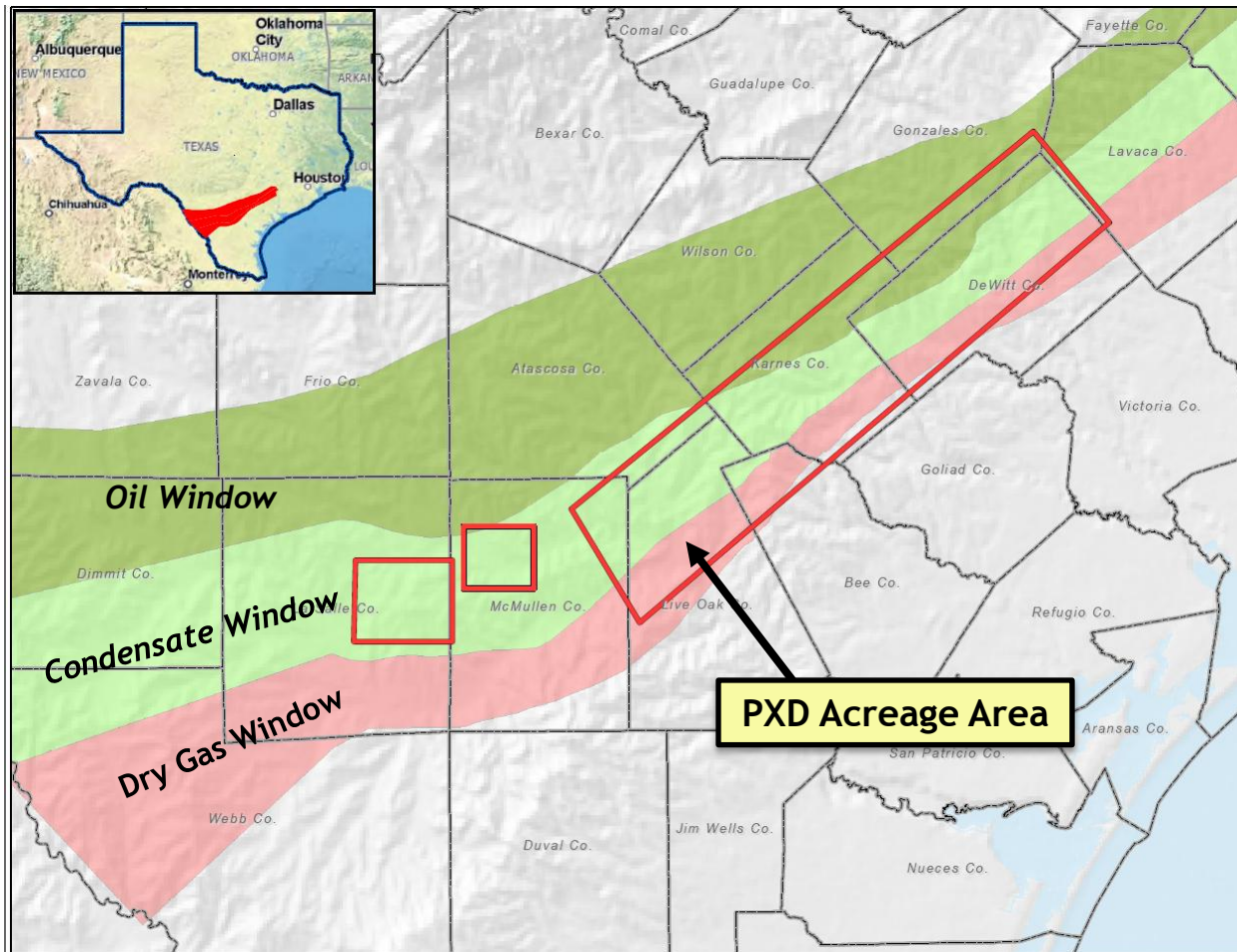
# 140 MBOE Spraberry 40-Acre Vertical Well Type Curve



Strawn / Atoka / Mississippian Potential Not Included

# Eagle Ford Shale: A Burgeoning Liquids-Rich Shale Play

- Gross resource potential of play: ~25 BBOE (~150 TCFE)<sup>1</sup>
- Estimated Gross Production of ~3.5 MMBOEPD by 2020<sup>2</sup>
- >200 rigs currently running in the play



PXD Acreage Area

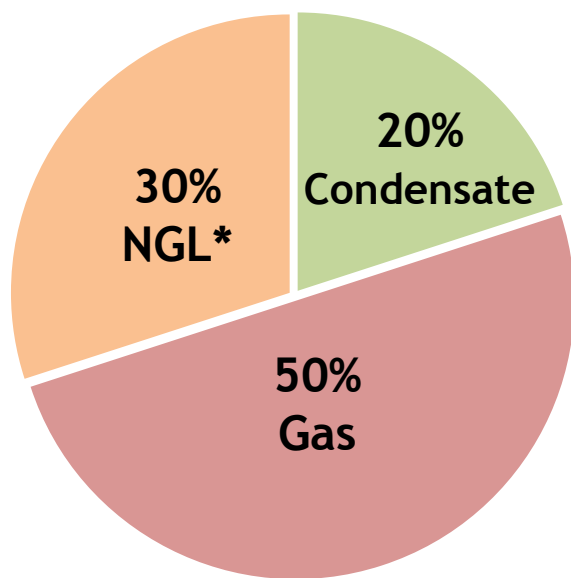
Map source: PXD

1) Source: Tudor, Pickering, Holt & Co.

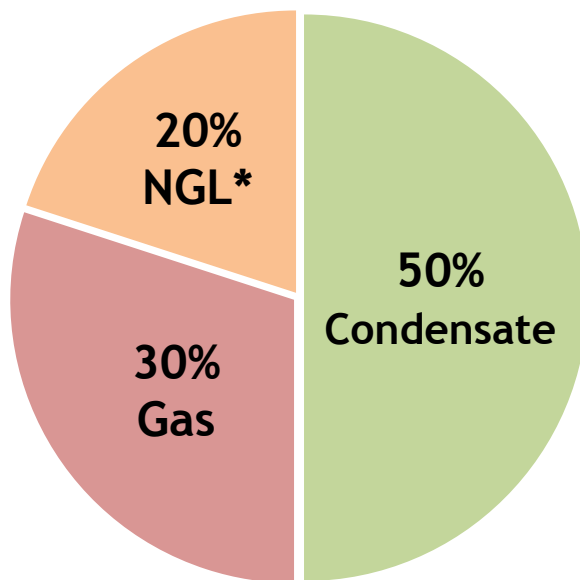
2) Source: FBR

# Eagle Ford Shale Resource Breakdown

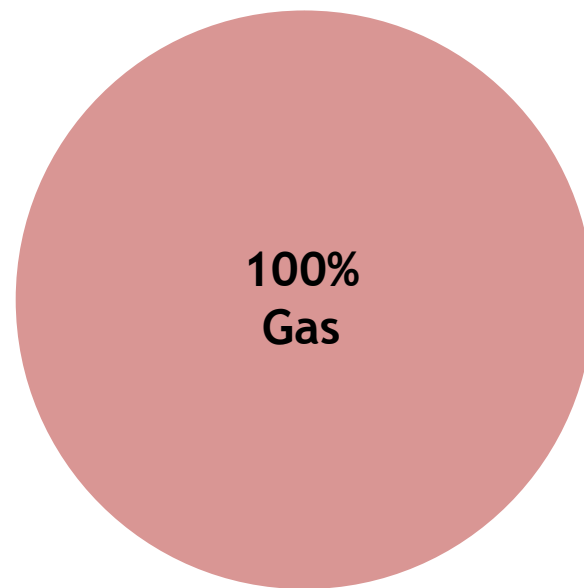
Lean Condensate  
~45% of Acreage  
(60 BBL/MMSCF)



Rich Condensate  
~35% of Acreage  
(200 BBL/MMSCF)



Dry Gas  
~20% of Acreage



\*NGLs are 50% ethane, 25% propane, 15% butanes and 10% heavier liquids

- 
- The map displays the Ivishak and Torok areas in the Gulf of Mexico. Key features include:
- PXD Acreage:** Indicated by a red outline in the upper left.
  - Initial Development Area:** A large area outlined in red, encompassing the Ivishak and Torok regions.
  - Island Drill Site:** Marked by a green dot in the upper right.
  - Ivishak Area:** A region outlined in red on the left side.
  - Ivishak Drill Site:** Marked by a red star in the center-left.
  - Torok Wells:** Indicated by a black line pointing to a specific location in the center-right.
  - Torok Onshore Drill Site:** Marked by a green star in the lower right.
  - Torok Area:** A region outlined in green in the center.
  - Colville River Delta:** Located in the lower left.
  - Colville River:** A river flowing into the Gulf from the bottom left.
  - Ivishak Channel:** A channel running through the center of the map.
  - T13N8E:** A label indicating a specific section of the map.



# Strong 2011 Reserve Additions<sup>1</sup>

- Added 148 MMBOE from the drillbit, or 313% of full-year production, at F&D cost of \$13.83 per BOE
  - Reflects significant drilling campaigns in Spraberry, Eagle Ford Shale and Barnett Shale Combo plays
- All-in reserve replacement of 124 MMBOE, or 256% of full-year production, at F&D cost of \$17.51 per BOE
  - Includes negative pricing revisions of 28 MMBOE primarily attributable to moving Raton dry gas PUDs that are not expected to be drilled in next 5 years to probable reserves
- Reserve mix
  - 99+% U.S.
  - 60% liquids / 40% gas
  - 58% PD / 42% PUD
- Proved Reserves / Production: ~22 years
- PD Reserves / Production: ~13 years

	Year-end '11 Proved Reserves (MMBOE)
Spraberry	609
Raton	170
Mid-Continent	107
Eagle Ford	70
South Texas	36
Barnett Shale	33
Alaska	30
Other	8
Total	1,063

<sup>1</sup>) Reflects 2011 SEC pricing (12-month average) of \$96.13/BBL for oil and \$4.12/MMBTU for gas (NYMEX) as compared to 2010 SEC pricing of \$79.28/BBL for oil and \$4.37/MMBTU for gas (NYMEX)

# Production (MBOEPD)<sup>1</sup>

	Q4 '10	Q1 '11	Q2 '11	Q3 '11	Q4 '11
Spraberry	38	40	41	47	53
Raton	28	27	27	27	26
Eagle Ford Shale	2	5	8	14	20
South Texas	9	8	8	8	7
Mid-Continent	20	18 <sup>2</sup>	21 <sup>2</sup>	19	19
Barnett	2	2	3	4	6
Alaska	6	5	5	4	4
Other	1	2	1	1	2
<b>Total</b>	<b>106</b>	<b>107</b>	<b>114</b>	<b>124</b>	<b>137</b>

1) All periods presented have been restated to exclude discontinued operations

2) ~1 MBPD of NGLs inventoried in Q1 due to third-party fractionator downtime and sold in Q2

# PXD Production By Commodity By Area<sup>1</sup>

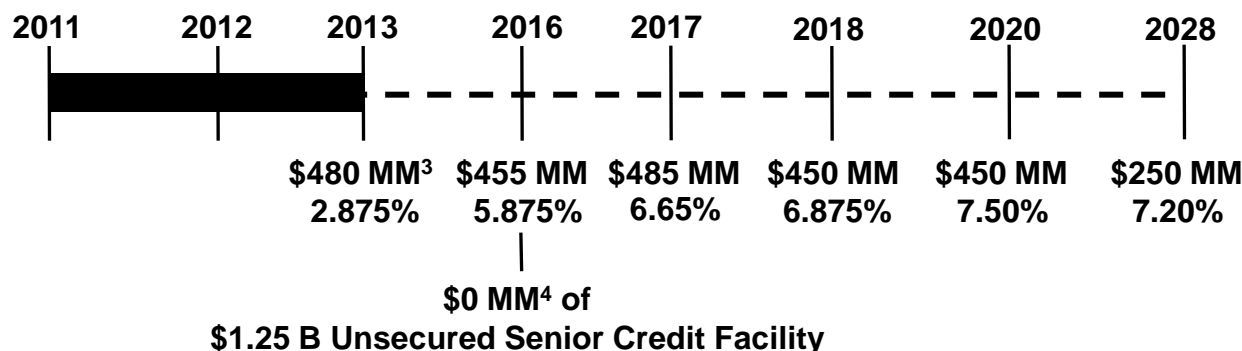
		Q4 '10	Q1 '11	Q2 '11	Q3 '11	Q4 '11
Spraberry	Oil (BOPD)	20,589	23,512	22,950	28,758	34,359
	NGL (BOEPD)	10,341	9,735	10,714	10,513	11,145
	Gas (MCFD)	40,182	39,981	43,085	43,780	47,308
	<b>Total (BOEPD)</b>	<b>37,624</b>	<b>39,911</b>	<b>40,845</b>	<b>46,566</b>	<b>53,389</b>
Raton	Oil (BOPD)	-	-	-	-	-
	NGL (BOEPD)	-	-	-	-	-
	Gas (MCFD)	168,814	162,036	161,610	160,784	157,815
	<b>Total (BOEPD)</b>	<b>28,136</b>	<b>27,006</b>	<b>26,935</b>	<b>26,797</b>	<b>26,303</b>
Eagle Ford	Oil (BOPD)	566	1,741	3,059	5,107	7,553
	NGL (BOEPD)	435	1,348	1,645	3,636	5,248
	Gas (MCFD)	6,511	14,099	20,405	31,711	45,480
	<b>Total (BOEPD)</b>	<b>2,086</b>	<b>5,439</b>	<b>8,105</b>	<b>14,028</b>	<b>20,381</b>
South Texas	Oil (BOPD)	53	100	112	78	82
	NGL (BOEPD)	-	-	-	2	2
	Gas (MCFD)	50,762	46,251	47,073	45,947	42,065
	<b>Total (BOEPD)</b>	<b>8,513</b>	<b>7,809</b>	<b>7,958</b>	<b>7,738</b>	<b>7,095</b>
Mid-Continent	Oil (BOPD)	3,584	3,583	4,309	3,243	3,244
	NGL (BOEPD)	7,692	6,134	7,981	7,095	7,210
	Gas (MCFD)	53,908	51,302	52,702	51,884	49,293
	<b>Total (BOEPD)</b>	<b>20,261</b>	<b>18,267</b>	<b>21,074</b>	<b>18,985</b>	<b>18,670</b>
Alaska	Oil (BOPD)	5,657	4,744	4,984	4,190	3,824
	NGL (BOEPD)	-	-	-	-	-
	Gas (MCFD)	-	-	-	-	-
	<b>Total (BOEPD)</b>	<b>5,657</b>	<b>4,744</b>	<b>4,984</b>	<b>4,190</b>	<b>3,824</b>
Barnett	Oil (BOPD)	99	147	369	782	1,083
	NGL (BOEPD)	989	884	996	1,464	2,116
	Gas (MCFD)	8,831	7,399	8,278	12,366	15,900
	<b>Total (BOEPD)</b>	<b>2,560</b>	<b>2,264</b>	<b>2,745</b>	<b>4,307</b>	<b>5,849</b>
Other US	Oil (BOPD)	202	100	89	89	86
	NGL (BOEPD)	535	544	504	502	442
	Gas (MCFD)	4,181	4,102	4,202	4,214	3,968
	<b>Total (BOEPD)</b>	<b>1,434</b>	<b>1,328</b>	<b>1,293</b>	<b>1,293</b>	<b>1,189</b>
Total U.S.	Oil (BOPD)	30,750	33,927	35,872	42,245	50,231
	NGL (BOEPD)	19,992	18,645	21,840	23,212	26,163
	Gas (MCFD)	333,169	325,170	337,355	350,686	361,829
	<b>Total (BOEPD)</b>	<b>106,271</b>	<b>106,767</b>	<b>113,938</b>	<b>123,905</b>	<b>136,699</b>
S. Africa	Oil (BOPD)	280	526	616	527	452
	NGL (BOEPD)	-	-	-	-	-
	Gas (MCFD)	28,143	23,537	24,193	19,468	15,186
	<b>Total (BOEPD)</b>	<b>4,971</b>	<b>4,449</b>	<b>4,648</b>	<b>3,772</b>	<b>2,983</b>
Total	Oil (BOPD)	31,030	34,453	36,488	42,772	50,683
	NGL (BOEPD)	19,992	18,645	21,840	23,212	26,163
	Gas (MCFD)	361,312	348,707	361,548	370,154	377,015
	<b>Total (BOEPD)</b>	<b>111,241</b>	<b>111,216</b>	<b>118,586</b>	<b>127,676</b>	<b>139,682</b>

1) All periods presented have been restated to exclude discontinued operations

# Liquidity Position (12/31/11)<sup>1</sup>

Net debt (net of cash balance of \$537 MM):	\$2.0 B
Unsecured Senior Credit Facility availability:	\$1.2 B
Net Debt-to-Book Capitalization:	26%

## Maturities and Balances<sup>2</sup>



**Unsecured Senior Credit Facility matures in 2016**  
**No bond maturities until 2013**  
**Investment Grade Rated by Standard & Poor's**

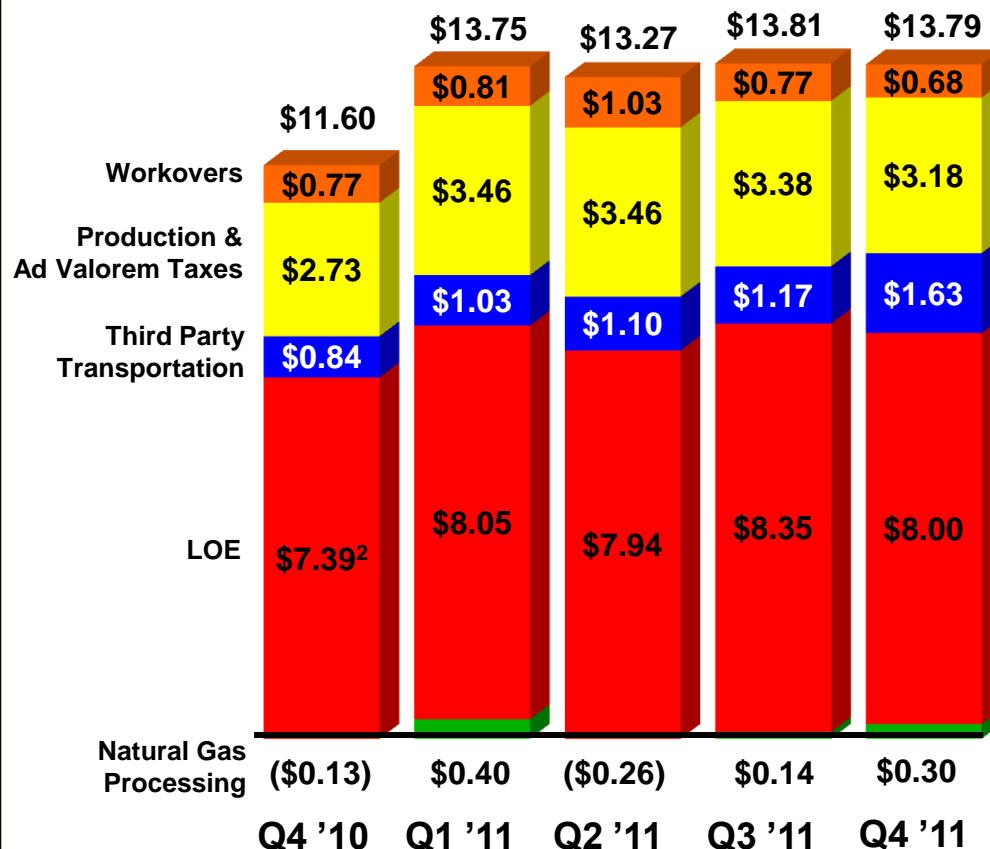
1) Excludes \$32 MM of borrowings under PSE's \$300 MM Credit Facility that matures in May 2013

2) Excludes net discounts and deferred hedge losses of ~\$73 MM

3) Convertible senior notes due 2038, with first put/call in 2013

4) Excludes ~\$65 MM of outstanding letters of credit on Senior Credit Facility

# Production Costs (per BOE)<sup>1</sup>



- Q4 '11 vs. Q3 '11 essentially flat
  - Third party transportation increased \$0.46 primarily due to higher Eagle Ford Shale trucking and treating costs

VPP-Adjusted <sup>3</sup>					
Production Cost	\$10.90	\$13.28	\$12.85	\$13.41	\$13.43

1) All periods presented have been restated to exclude discontinued operations

2) Q4 LOE benefited from a non-recurring \$10 MM Alaska processing fee recovery (~\$1.00/BOE benefit in LOE)

3) See supplemental information slides

# VPP - Adjusted Production Costs<sup>1</sup>

*Pioneer presents VPP-Adjusted Production Costs (per BOE) to assist investors in considering the Company's costs in relation to the total BOEs (reported sales volumes plus VPP delivered volumes) in connection with which those costs were incurred. VPP-Production Costs (per BOE) are calculated as follows:*

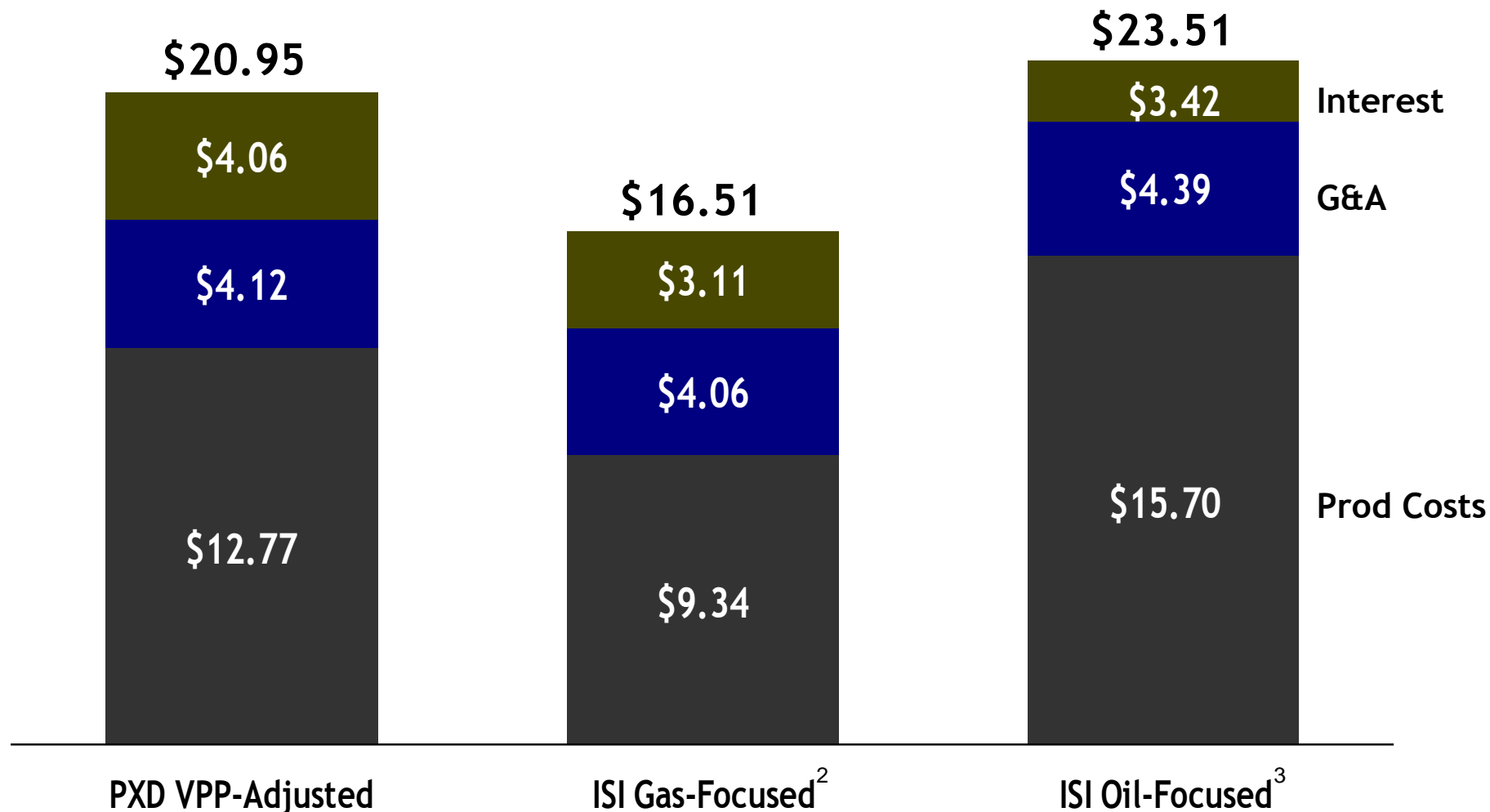
	<u>Q4 '10</u>	<u>Q1 '11</u>	<u>Q2 '11</u>	<u>Q3 '11</u>	<u>Q4 '11</u>
Production costs as reported (thousands)	\$ 113,304	\$ 132,131	\$ 137,605	\$ 157,530	\$ 173,483
Production (MBOE):					
As reported	9,768	9,609	10,368	11,399	12,576
VPP deliveries	<u>622</u>	<u>338</u>	<u>341</u>	<u>345</u>	<u>345</u>
VPP-adjusted production	<u>10,390</u>	<u>9,947</u>	<u>10,709</u>	<u>11,744</u>	<u>12,921</u>
Production costs per BOE:					
As reported	\$ 11.60	\$ 13.75	\$ 13.27	\$ 13.81	\$ 13.79
VPP-adjusted	\$ 10.90	\$ 13.28	\$ 12.85	\$ 13.41	\$ 13.43

1) All periods presented have been restated to exclude discontinued operations



# PXD Cash Costs vs. Peers For First 9 Months of 2011

## 9 Months 2011 Cash Costs (\$ / BOE)<sup>1</sup>



1) Includes production costs, production taxes, G&A (excluding capitalized G&A for full-cost companies), and interest expense

2) ISI group gas-focused companies include APC, CHK, CRK, CRZO, DVN, ECA, EOG, EQT, FST, KOG, KWK, NFX, QEP, ROSE, RRC, SD, SWN & UPL

3) ISI group oil-focused companies include APA, BRY, CXO, DNR, MUR, NBL, PXD, PXP, REXX, SFY, VQ, WLL & XEC

# PXD Open Commodity Derivative Positions as of 2/3/2012 (includes PSE)

Oil	2012	2013	2014	2015
<b>Swaps - WTI (BPD)</b>	3,000	3,000	-	-
NYMEX WTI Price (\$/BBL)	\$ 79.32	\$ 81.02	-	-
<b>Collars - (BPD)</b>	2,000	-	-	-
NYMEX Call Price (\$/BBL)	\$ 127.00	-	-	-
NYMEX Put Price (\$/BBL)	\$ 90.00	-	-	-
<b>Three Way Collars - (BPD)<sup>1</sup></b>	41,610	39,000	17,000	-
NYMEX Call Price (\$/BBL)	\$ 118.24	\$ 118.96	\$122.92	-
NYMEX Put Price (\$/BBL)	\$ 82.36	\$ 85.08	\$88.53	-
NYMEX Short Put Price (\$/BBL)	\$ 66.52	\$ 67.00	\$ 71.47	-
<b>% Total Oil Production</b>	<b>~80%</b>	~55%	~20%	-
<b>Natural Gas Liquids</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Swaps - (BPD)</b>	750	-	-	-
Blended Index Price (\$/BBL) <sup>2</sup>	\$ 35.03	-	-	-
<b>Three Way Collars - (BPD)<sup>1</sup></b>	3,000	-	-	-
NYMEX Call Price (\$/BBL)	\$ 79.99	-	-	-
NYMEX Put Price (\$/BBL)	\$ 67.70	-	-	-
NYMEX Short Put Price (\$/BBL)	\$ 55.76	-	-	-
<b>% Total NGL Production</b>	<b>~15%</b>	-	-	-
<b>% Total Liquids</b>	<b>~60%</b>	<b>~40%</b>	<b>~10%</b>	-

1) When NYMEX price is above Call price, PXD receives Call price. When NYMEX price is between Put price and Call price, PXD receives NYMEX price. When NYMEX price is between the Put price and the Short Put price, PXD receives Put price. When NYMEX price is below the Short Put price, PXD receives NYMEX price plus the difference between the Short Put price and Put price  
2) Represents weighted average index price of each NGL component price per barrel

# PXD Open Commodity Derivative Positions as of 2/3/2012 (includes PSE)

Gas	2012	2013	2014	2015
<b>Swaps - (MMBTUPD)</b>	200,000	112,500	50,000	-
NYMEX Price (\$/MMBTU) <sup>1</sup>	\$ 5.17	\$ 5.62	\$6.05	-
<b>Collars - (MMBTUPD)</b>	65,000	150,000	140,000	50,000
NYMEX Call Price (\$/MMBTU) <sup>1</sup>	\$ 6.60	\$ 6.25	\$ 6.44	\$ 7.92
NYMEX Put Price (\$/MMBTU) <sup>1</sup>	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Three Way Collars - (MMBTUPD)<sup>1,2</sup></b>	75,000	-	60,000	30,000
NYMEX Call Price (\$/MMBTU)	\$ 7.01	-	\$ 7.80	\$ 7.11
NYMEX Put Price (\$/MMBTU)	\$ 6.00	-	\$ 5.83	\$ 5.00
NYMEX Short Put Price (\$/MMBTU)	\$ 4.50	-	\$ 4.42	\$ 4.00
<b>% U.S. Gas Production</b>	<b>~90%</b>	~65%	~55%	~20%

Gas Basis Swaps	2012	2013	2014	2015
<b>Spraberry (MMBTUPD)</b>	32,500	52,500	45,000	-
Price Differential (\$/MMBTU)	\$ (0.38)	\$ (0.23)	\$ (0.27)	-
<b>Mid-Continent (MMBTUPD)</b>	50,000	30,000	30,000	-
Price Differential (\$/MMBTU)	\$ (0.53)	\$ (0.38)	\$ (0.27)	-
<b>Gulf Coast (MMBTUPD)</b>	53,500	60,000	40,000	-
Price Differential (\$/MMBTU)	\$ (0.15)	\$ (0.14)	\$ (0.16)	-

1) Represents the NYMEX Henry Hub index price or approximate NYMEX price based on historical differentials to the index price at the time the derivative was entered into

2) When NYMEX price is above Call price, PXD receives Call price. When NYMEX price is between Put price and Call price, PXD receives NYMEX price. When NYMEX price is between the Put price and the Short Put price, PXD receives Put price. When NYMEX price is below the Short Put price, PXD receives NYMEX price plus the difference between Short Put price and Put price

# PSE Derivative Position as of 2/3/2012

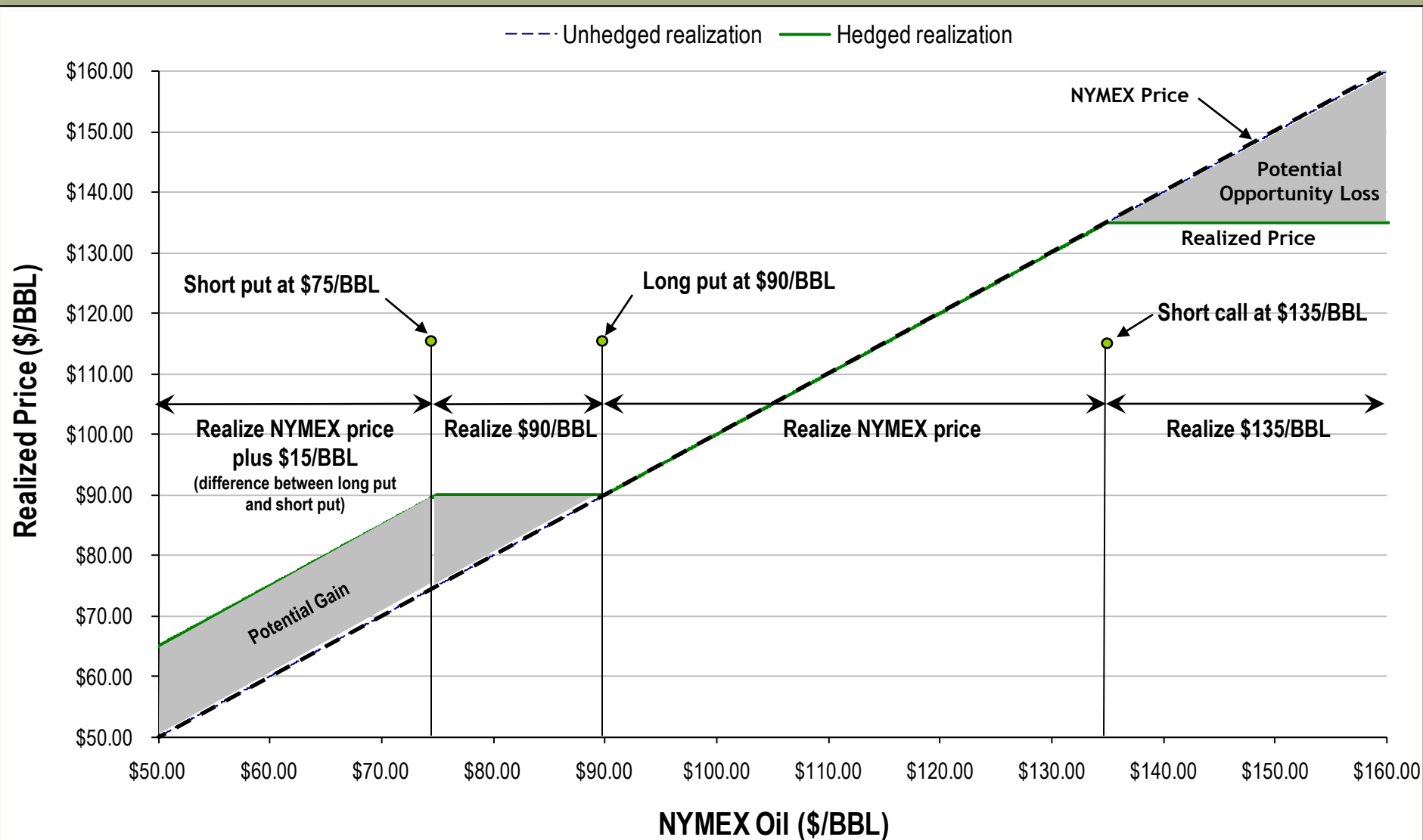
Oil	2012	2013	2014
Swaps (BPD)	3,000	3,000	-
NYMEX Price (\$/BBL)	\$79.32	\$81.02	-
<b>Three-Way Collars (BPD)<sup>1</sup></b>	<b>1,000</b>	<b>1,000</b>	<b>4,000</b>
NYMEX Call Price (\$/BBL)	\$103.50	\$111.50	\$124.75
NYMEX Put Price (\$/BBL)	\$80.00	\$83.00	\$90.00
NYMEX Short Put Price (\$/BBL)	\$65.00	\$68.00	\$72.50
<b>% Oil Production</b>	<b>~80%</b>	<b>~75%</b>	<b>~70%</b>
<b>Natural Gas Liquids</b>			
Swaps (BPD)	750	-	-
Blended Index Price (\$/BBL) <sup>2</sup>	\$35.03	-	-
<b>% NGLs Production</b>	<b>~45%</b>	<b>-</b>	<b>-</b>
<b>Gas</b>			
Swaps (MMBTUPD)	5,000	2,500	-
NYMEX Price (\$/MMBTU) <sup>3</sup>	\$6.43	\$6.89	-
<b>% Gas Production</b>	<b>~75%</b>	<b>~35%</b>	<b>-</b>
<b>% Total Production</b>	<b>~70%</b>	<b>~55%</b>	<b>~45%</b>
<b>Gas Basis Swaps</b>			
<b>2012</b>	<b>2013</b>	<b>2014</b>	
Spraberry (MMBTUPD)	2,500	2,500	-
Price Differential (\$/MMBTU)	(0.30)	(0.31)	-

1) When NYMEX price is above Call price, PSE receives Call price. When NYMEX price is between Put price and Call price, PSE receives NYMEX price. When NYMEX price is between the Put price and the Short Put price, PSE receives Put price. When NYMEX price is below the Short Put price, PSE receives NYMEX price plus the difference between the Short Put price and Put price

2) Represents the weighted average index price of each NGL component price per Bbl

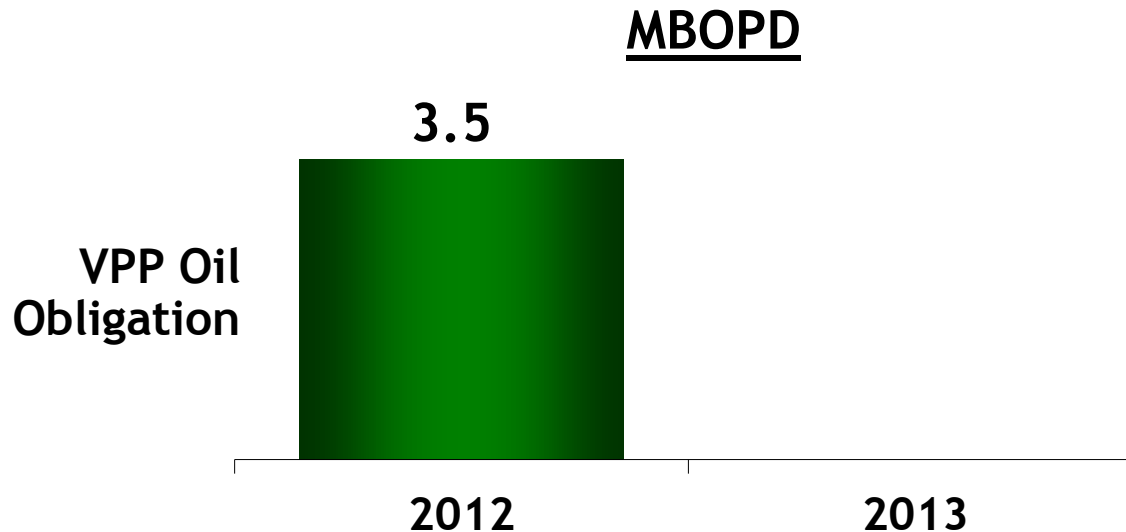
3) Approximate NYMEX price based on differentials to index prices at the date the derivative was entered into

# Three-Way Collars (\$75 by \$90 by \$135 example)



Three way collars protect downside while providing better upside exposure than traditional collars or swaps

At the end of 2012, the VPP commitment will expire and provide 3.5 MBOPD increase in production

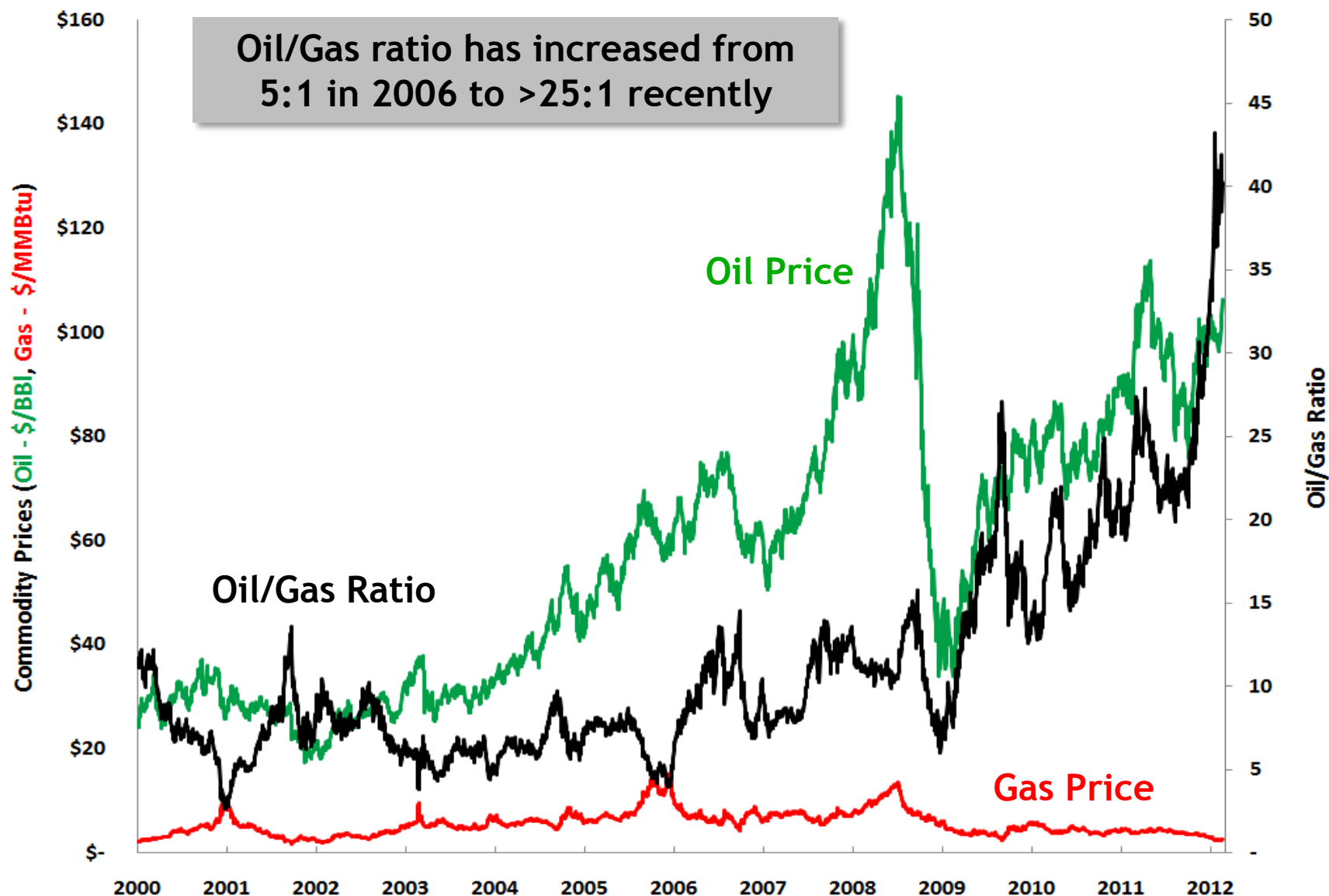


## *Schedule of Oil VPP Volumes*

(MMBLS)	Q1	Q2	Q3	Q4	Total
2012	0.3	0.3	0.3	0.3	1.2



# Oil/Gas Ratio Trending Up Since 2006



*An audit of proved reserves follows the general principles set forth in the standards pertaining to the estimating and auditing of oil and gas reserve information promulgated by the Society of Petroleum Engineers ("SPE"). A reserve audit as defined by the SPE is not the same as a financial audit. Please see the Company's Annual Report on Form 10-K for a general description of the concepts included in the SPE's definition of a reserve audit.*

*"Finding and development cost per BOE," or "all-in F&D cost per BOE," means total costs incurred divided by the summation of annual proved reserves, on a BOE basis, attributable to revisions of previous estimates, purchases of minerals-in-place, discoveries and extensions and improved recovery. Consistent with industry practice, future capital costs to develop proved undeveloped reserves are not included in costs incurred.*

*"Drillbit finding and development cost per BOE," or "drillbit F&D cost per BOE," means the summation of exploration and development costs incurred divided by the summation of annual proved reserves, on a BOE basis, attributable to technical revisions of previous estimates, discoveries and extensions and improved recovery. Consistent with industry practice, future capital costs to develop proved undeveloped reserves are not included in costs incurred.*

*"Reserve replacement" is the summation of annual proved reserves, on a BOE basis, attributable to revisions of previous estimates, purchases of minerals-in-place, discoveries and extensions and improved recovery divided by annual production of oil, NGLs and gas, on a BOE basis.*

*"Drillbit reserve replacement" is the summation of annual proved reserves, on a BOE basis, attributable to technical revisions of previous estimates, discoveries and extensions and improved recovery divided by annual production of oil, NGLs and gas, on a BOE basis.*

Cautionary Note to U.S. Investors --The U.S. Securities and Exchange Commission (the "SEC") prohibits oil and gas companies, in their filings with the SEC, from disclosing estimates of oil or gas resources other than "reserves," as that term is defined by the SEC. In this presentation, Pioneer includes estimates of quantities of oil and gas using certain terms, such as "resource," "resource potential," "EUR", "oil in place" or other descriptions of volumes of reserves, which terms include quantities of oil and gas that may not meet the SEC's definitions of proved, probable and possible reserves, and which the SEC's guidelines strictly prohibit Pioneer from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being recovered by Pioneer. U.S. investors are urged to consider closely the disclosures in the Company's periodic filings with the SEC. Such filings are available from the Company at 5205 N. O'Connor Blvd., Suite 200, Irving, Texas 75039, Attention Investor Relations, and the Company's website at [www.pxd.com](http://www.pxd.com). These filings also can be obtained from the SEC by calling 1-800-SEC-0330.