



## Howard Weil 36<sup>th</sup> Annual Energy Conference

New Orleans  
April 7, 2008



## Investor Notices

### Safe Harbor

Information provided in this presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. Forward-looking statements are identified as “forecasts, projections, estimates, plans, expectations, targets, etc.” and are subject to a variety of risk factors. For representative risk factors that could cause Devon’s actual results to differ materially from the forward-looking statements contained herein, see Form 8-K filed February 6, 2008.

### Cautionary Note to U.S. Investors

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. In this presentation we may use certain terms, such as resource potential, reserve potential, probable resources, possible resources, contingent resources, prospective resources and exploration target size. The SEC guidelines strictly prohibit us from including these terms in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 8-K, File No. 001-32318, available from us at Devon Energy Corporation, Attn. Investor Relations, 20 North Broadway, Oklahoma City, OK 73102. You can also obtain this form from the SEC by calling 1-800-SEC-0330.



## Devon Today

Proved reserves (12/31/07):  $\approx$  2.5 Billion BOE

Current production (Q4 2007):  $\approx$  632 MBOED

Oil & gas sales (Q4 2007): 50% gas  
50% oil & NGLs

Production profile (Q4 2007): 92% North America

Reserves / production ratio:  $\approx$  11 years

Enterprise value:  $\approx$  \$52 Billion



Largest U.S.-based independent oil and gas producer



## Gas Gathering & Processing

Ownership in 11,320 miles of pipelines

- 4,700 Domestic
- 6,620 Canada

Ownership in 65 plants

- 7 Domestic
- 57 Canada
- 1 International

2008e Marketing & midstream  
operating profit: \$510 - 550 million



Profitable midstream enhances operational effectiveness



# Operating Strategy

- Optimize near-term growth through development of low-risk property base
  - Large individually-significant projects
  - Principally North America
- Provide long-term growth opportunities through investing in high-impact projects

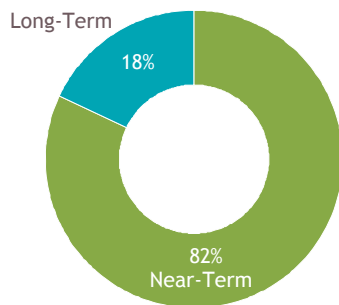


Balanced investments yield sustainable growth



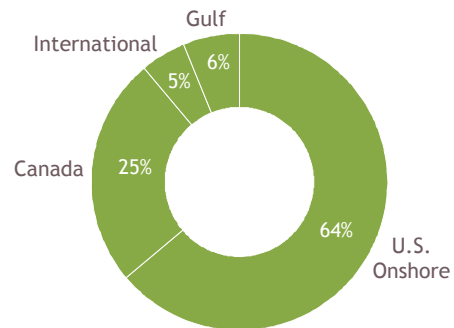
# 2008 E&P Capital Forecast

Time Horizon



≈ \$5.6 - 5.9 Billion

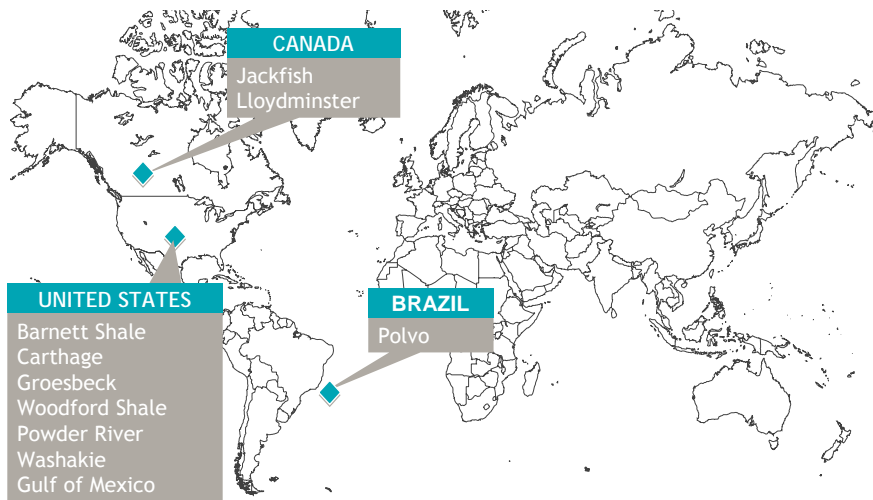
Near-Term by Area



≈ \$4.6 - 4.8 Billion



## Existing Development Inventory



Development inventory of large, individually significant projects



## Barnett Shale Regional Setting Largest Gas Field in Texas



Covers 10 counties

Play-wide production: 3.5 BCFED

> 8,000 producing wells

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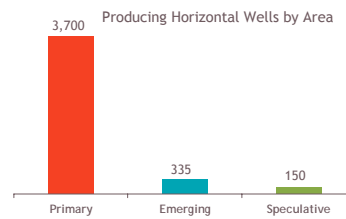
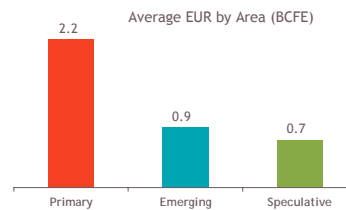
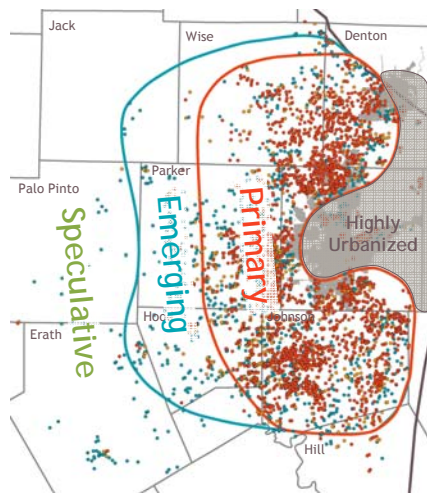
# U.S. Shale Comparison

## Best In Class

	<u>Barnett</u>	<u>Woodford</u>	<u>Fayetteville</u>	<u>Marcellus</u>
Depth	7,500'	7,550'	3,000'	6,350'
Thickness				
Gross	433'	175'	275'	150'
Net	389'	175'	250'	130'
Porosity	6%	6%	7%	6%
Total gas in-place (BCF/square mile)	147	60	68	72
Above ground risk (market, topography, regulatory environment)	Low	Medium	Medium	High

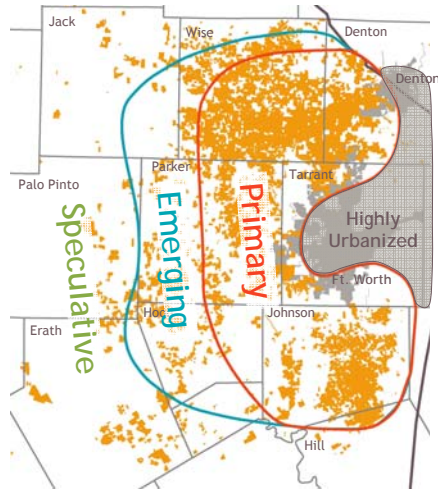
# Defining the Barnett Shale

## Classification of Acreage Based on Industry Results



# Barnett Shale

## Devon's Superior, First-Mover Position



### Net Acreage

- Primary: 527,300 acres (72%)
- Emerging: 121,300 acres (17%)
- Speculative: 78,600 acres (11%)
- Total: 727,200 acres

Q4 '07 net production:  $\approx$  930 MMCFD

Producing wells: > 3,100

2007 activity: Drilled 539 wells

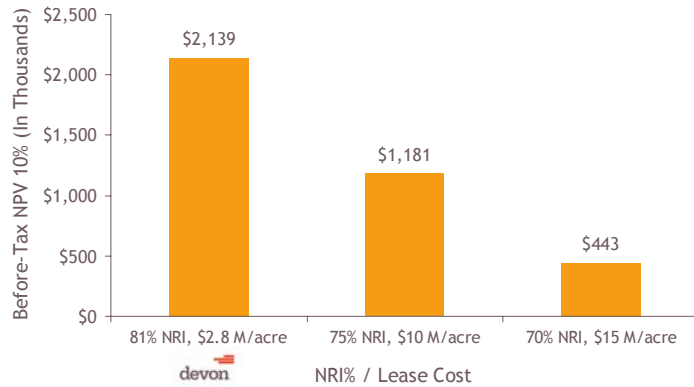
2008 plans: Drill 500 - 600 wells

# Devon Barnett Shale

## History of Firsts

- 1<sup>st</sup> mover in the play
- 2002 1<sup>st</sup> horizontal program (1<sup>st</sup> well: Veale Ranch #1H, August 2002)
- 2003 1<sup>st</sup> horizontal well (Sandefur #2H, February 2003) in Johnson County
- 2005 1<sup>st</sup> 1,000' spaced horizontal infill
- 2005 1<sup>st</sup> to reach 1 TCFE of net cumulative production
- 2007 1<sup>st</sup> to drill 1,000 horizontal wells
- Q2 2008 1<sup>st</sup> to achieve 1 BCFED net production

## Barnett Shale First Mover Yields Superior Economics



Note: Assumes EUR - 2.2 BFCE, drilling & completion costs - \$3 MM, \$7.50 per MCF, 80 surface acres per well (1,000' apart).

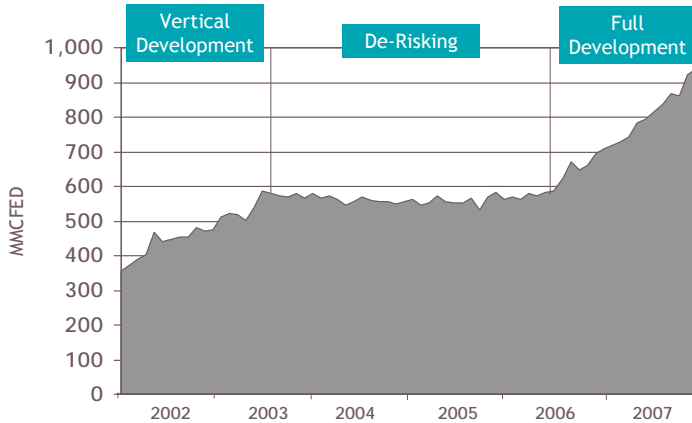
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## Devon Barnett Shale Net Production



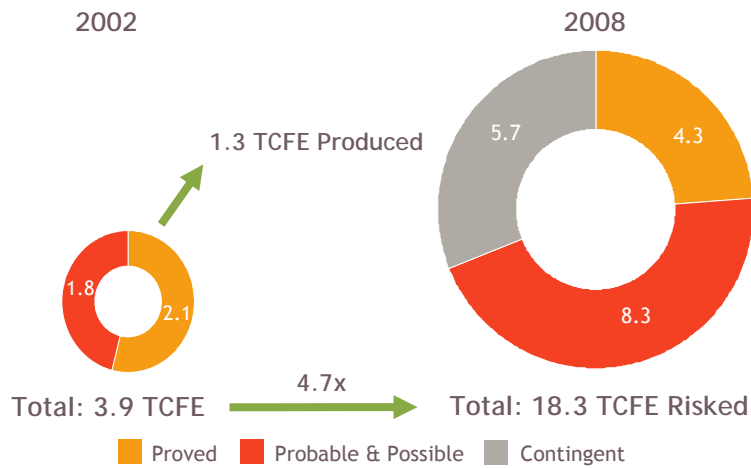
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## Barnett Resources History of Growth



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## Barnett Production Outlook Another Decade of Growth

> 7,500 risked undrilled locations

≈ 13 years of inventory

Rate potential: 1.6 - 2.0 BCFED

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# Canada Oil Sands

## Jackfish and Jackfish 2

### Field characteristics:

- Low F&D
- Flat production profile (35 MBOD)
- Long reserve life > 20 years
- Working interest: 100%

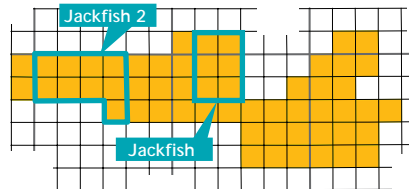
Each project: 300 MMBO EUR

### 2008 plans Jackfish:

- Ramp up production

### 2008 plans Jackfish 2:

- Receive regulatory approval (mid-year)
- Complete engineering and budgeting
- Sanction project
- Begin construction



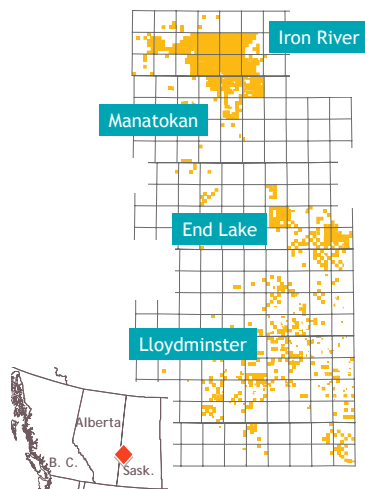
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# Lloydminster



Net acreage: 2.1 million

Q4 '07 net production:  $\approx$  38 MBOED

Multi-year inventory > 2,000 risked locations

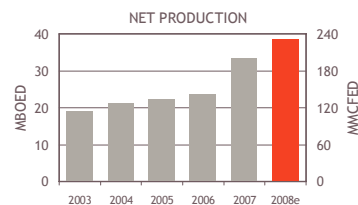
Low-risk development

Manatokan plant expansion underway

- Expected completion: Fall 2008

2007 activity: Drilled 429 wells

2008 plans:  $\approx$  Drill 475 wells



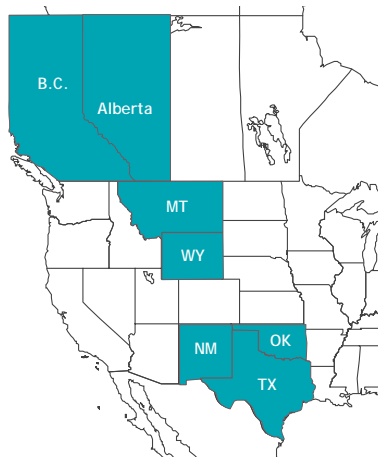
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## North America Onshore Position



<b>Alberta / B.C.</b>	Largest U.S.-based independent producer Net acreage: ≈ 8,111,000 2008 plans: Drill ≈ 740 wells
<b>Montana</b>	2 <sup>nd</sup> Largest independent gas producer Net acreage: ≈ 1,145,000 2008 plans: Drill ≈ 50 wells
<b>Wyoming</b>	Net acreage: ≈ 623,000 2008 plans: Drill ≈ 240 wells
<b>New Mexico</b>	Largest independent gas producer 3 <sup>rd</sup> Largest independent oil producer Net acreage: ≈ 316,000 2008 plans: Drill ≈ 125 wells
<b>Oklahoma</b>	Net acreage: ≈ 295,000 2008 plans: Drill ≈ 175 wells
<b>Texas</b>	Largest independent gas producer Net acreage: ≈ 1,863,000 2008 plans: Drill ≈ 800 wells

Major player throughout central / western U.S. and Canada



## 2007 Results & 2008 Targets

	<u>2007</u>	<u>2008e</u>
E&P capital budget:	\$5.4 Billion	≈ \$5.6 - 5.9 Billion
Capitalized G&A and interest:	\$0.4 Billion	≈ \$0.5 Billion
Drill-bit capital:	\$5.8 Billion	≈ \$6.1 - 6.4 Billion
Drill-bit reserve additions:	390 MMBOE	390 - 410 MMBOE
Estimated production <sup>(1)</sup>	224 MMBOE	240 - 247 MMBOE

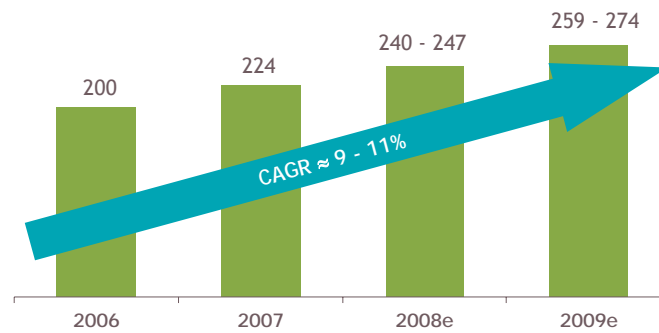
(1) Production from continuing operations.  
Note: Includes non-GAAP measures, see appendix for required disclosures.

Delivering competitive results



## Low-Risk Production Growth

MMBOE



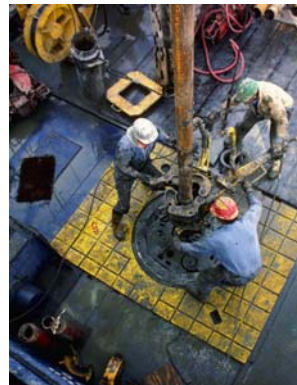
Note: Production from continuing operations.

Strong production growth from existing assets



## Operating Strategy

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  - Large individually-significant projects
  - Principally North America
- Provide long-term growth opportunities through investing in high-impact projects

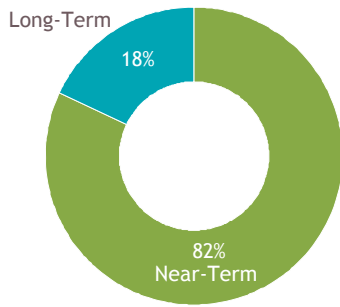


Balanced investments yield sustainable growth



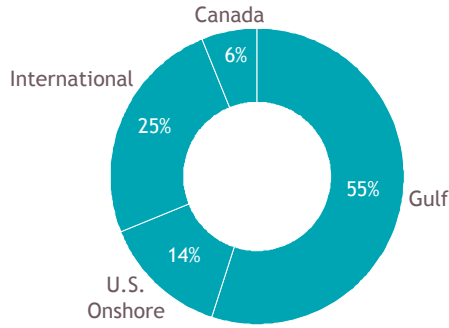
# 2008 E&P Capital Forecast

Time Horizon



≈ \$5.6 - 5.9 Billion

Long-Term by Area



≈ \$1.0 - 1.1 Billion

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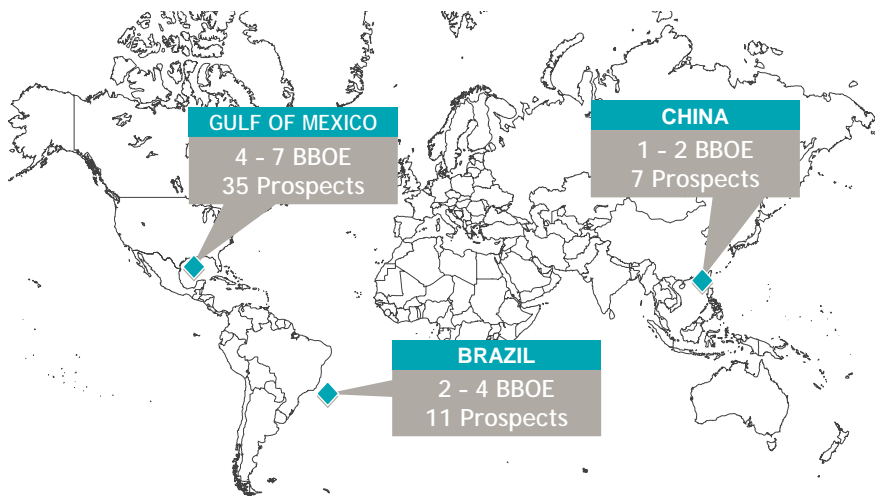
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# Exploration Inventory

## Net Unrisked Resource Potential



Multi-year, high-impact



# China Exploration



Exploring on 4 licensed blocks

1 - 2 BBOE of net unrisked resource potential

2008 plans:

- 42/05: Drill BY6-1-1 exploration well
- 11/34: Drill in 2008/2009
- 53/30 & 64/18: Acquire 2D & 3D seismic to accelerate evaluation programs

■ 2008 Planned Exploration Activity

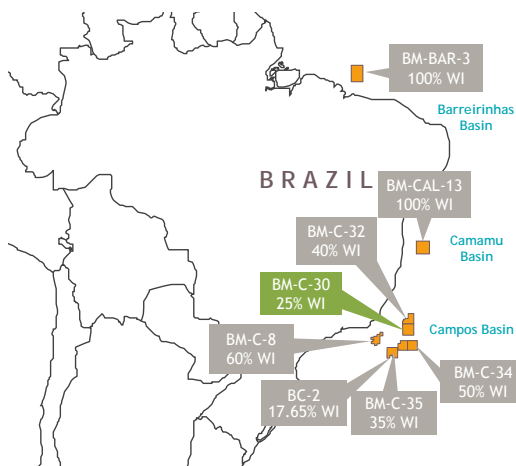
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# Brazil Exploration



Exploring on 9 licensed blocks (4 blocks with Petrobras)

2 - 4 BBOE of net unrisked resource potential

2008 plans:

- Finish 3-D seismic reprocessing over 4 concessions
- BM-C-30: Drill exploration well
- Mobilize Deepwater Discovery drill ship to Brazil late 2008 / early 2009
- Pursue partners for BAR-3 and CAL-13

■ 2008 Planned Exploration Activity

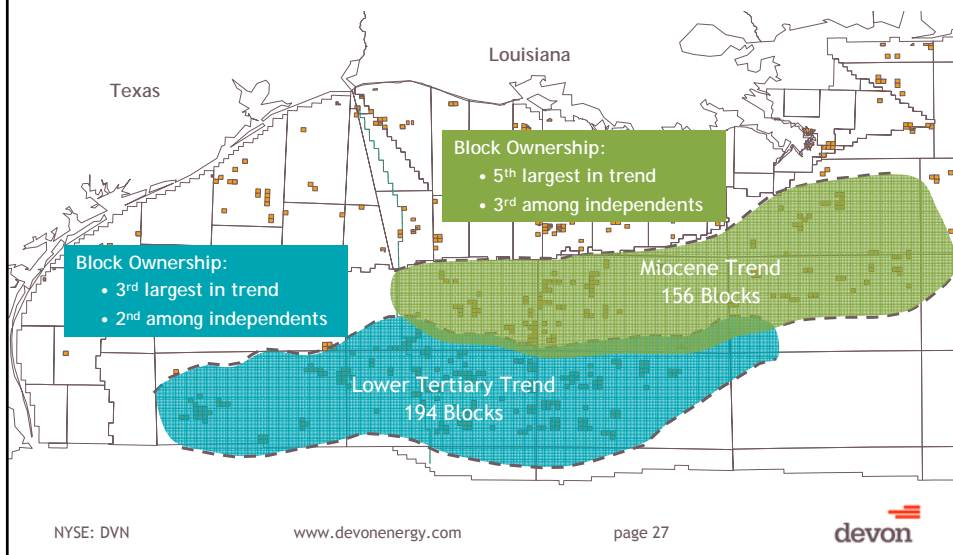
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## Deepwater Gulf of Mexico Exploration Trends

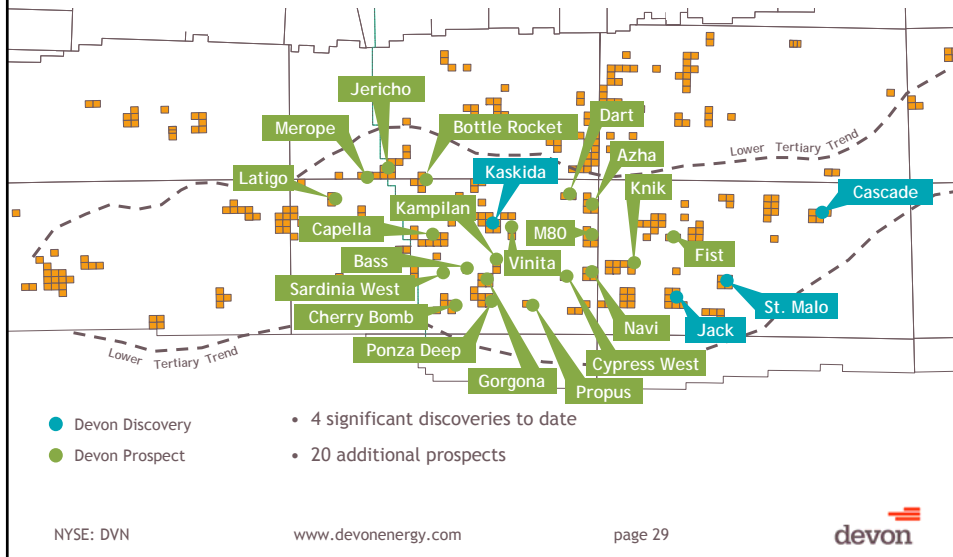


## Devon's Lower Tertiary Summary of Discoveries

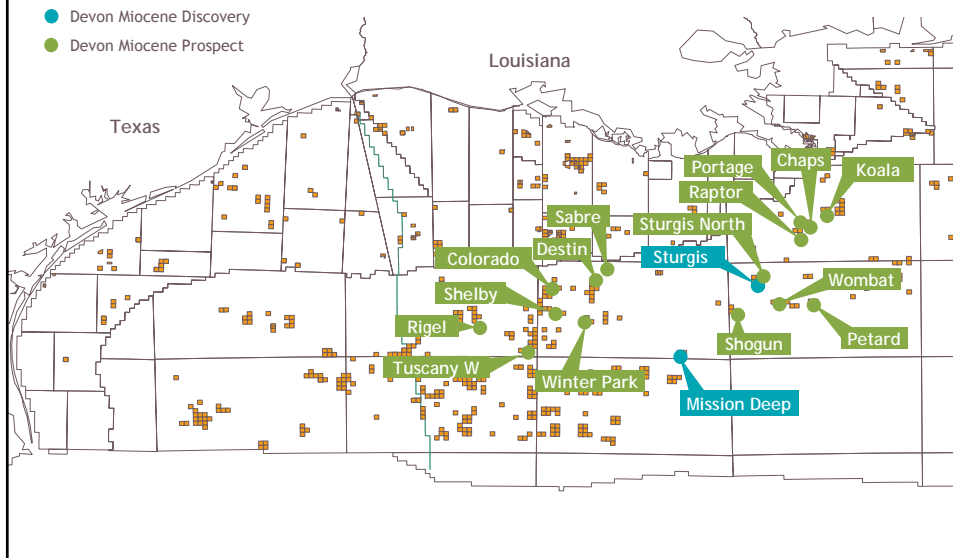
Project	Year Discovered	Working Interest	Net Feet of Hydrocarbon Sands	Wells Drilled
Cascade	2002	50.0%	> 450'	2
St. Malo	2003	22.5%	> 450'	3
Jack	2004	25.0%	> 350'	2
Kaskida	2006	20.0%	≈ 800'	2

Estimated Discovered Resource Net to Devon: 300 - 900 MMBOE

## Devon's Lower Tertiary Prospect Inventory



## Devon's Miocene Prospect Inventory



## Gulf of Mexico Deepwater

	Lower Tertiary	Miocene	Total
Undrilled prospects identified:	20	15	35
Average working interest:	50%	55%	50%
Gross potential per prospect (MMBOE):	300 - 500+	100 - 250	100 - 500+
Devon's net unrisks potential (BBOE):	3 - 5	1 - 2	4 - 7

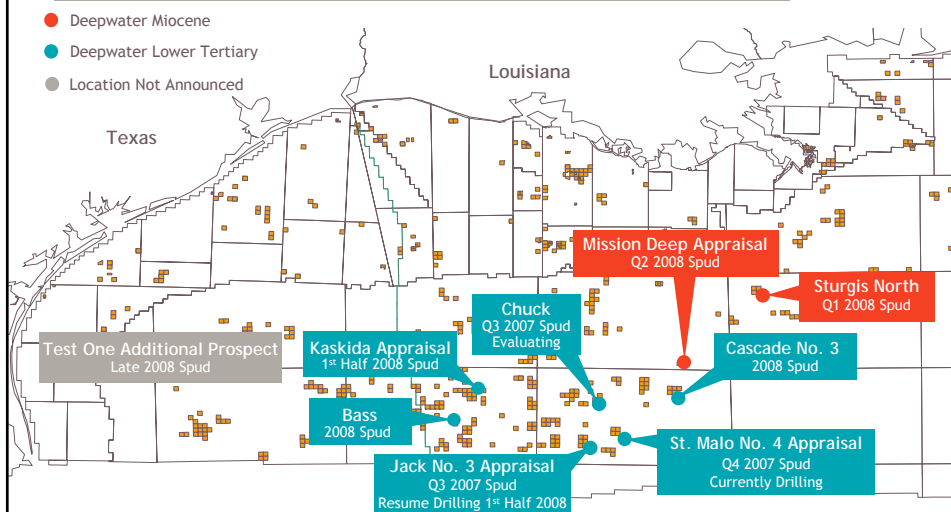
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## Upcoming Deepwater Gulf Exploration Activity



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## Resource Potential Inventory

### Strong Foundation for Growth

	Total Unrisked Resources (MMBOE)	Risked Total Resources (MMBOE)	Total Risked Undrilled Locations
Barnett Shale	6,840	3,050	7,500
Gulf of Mexico Deepwater	6,240	2,270	67
Canada Oil Sands	1,170	1,150	2,260
International	4,740	950	480
Canada Conventional	980	790	2,230
East Texas	890	610	1,280
Rocky Mountains	830	580	3,550
Mid Continent	720	510	1,570
Canada Unconventional	820	330	530
Permian Basin	280	250	500
Gulf of Mexico Shelf	390	180	47
South Texas	180	100	225
<b>Total</b>	<b>24,080</b>	<b>10,770</b>	<b>20,319</b>

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## Emerging Play Exposure

	Net Acreage (In Thousands)	Unrisked Resource Potential (MMBOE)
Rocky Mountain Unconventional Gas #1	400	190
Rocky Mountain Unconventional Gas #2	130	210
Mid Continent Unconventional	100	770
East Texas Unconventional	190	560
Canada Unconventional Gas	130	410
<b>Total</b>	<b>950</b>	<b>2,140</b>

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## Capital Allocation Criteria

Optimize per share growth on a debt-adjusted basis through:

- E&P capital projects
- Share repurchases
- Debt reduction
- High-grading asset portfolio



Organizational focus on per share results



## Property Divestitures

2002-2007

Area	Proceeds (In Billions)
U.S. Onshore	\$1.3
U.S. Offshore	\$0.5
Canada	\$1.4
International	\$0.4
Midstream	\$0.3
<hr/> Total	<hr/> \$3.9



## African Divestitures

	Expected Closing	Proceeds (In Millions)	Reserves (MMBBL)
Gabon	June 2008	\$205	4
Angola & Ghana	Mid-2008	\$8	-
Cote d'Ivoire	June 2008	\$205	17
Egypt	Closed	\$375	8
Equatorial Guinea	TBA	TBA	55

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## Common Stock Repurchases

	Number of Shares (In Thousands)	Percent of Outstanding Shares	Average Price Per Share
2004	5,000	1%	\$37.78
2005	46,783	10%	\$48.28
2006	4,241	1%	\$59.61
2007	4,086	1%	\$79.80
Total	60,201	13%	\$50.35

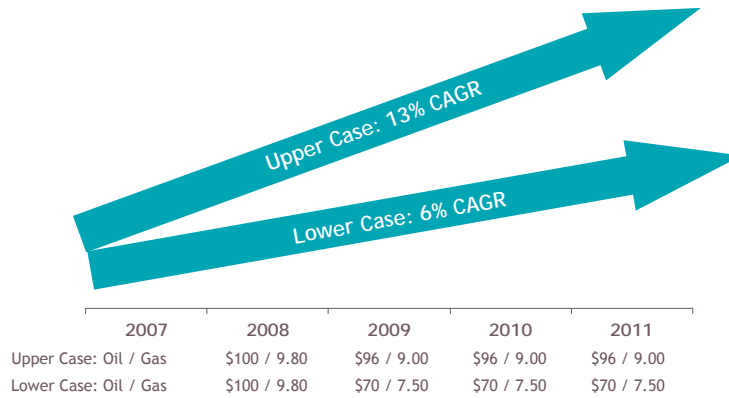
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## Potential Growth Rates Production Per Debt-Adjusted Share



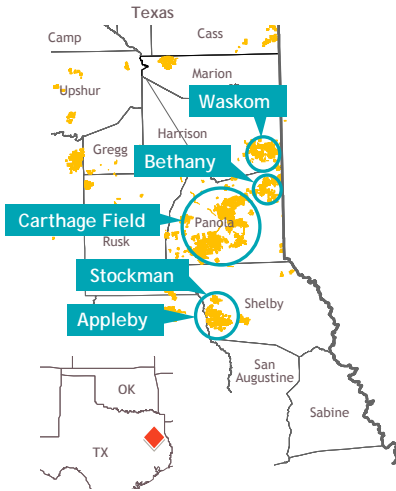
Notes: Excludes the impact of any potential proceeds from the sale of Equatorial Guinea.  
Production per debt-adjusted share converts annual average net debt into common shares outstanding based on annual average stock price.

## Why Own Devon

- Assets: The best of North America
- Significant resource potential
  - >20,000 risked undrilled locations
  - 10.8 BBOE risked potential
- Focus on growth per share



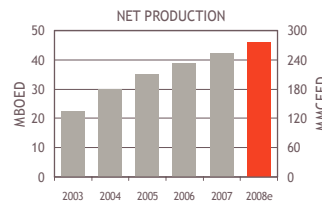
# Carthage



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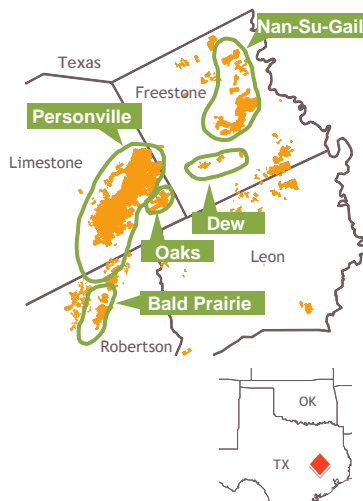
Net acreage: 131,000  
 Working interest: 85%  
 Q4 '07 net production: 277 MMCFED  
 Potential horizontal locations: ≈ 100  
 2007 activity: Drilled 139 vertical wells  
 13 horizontal wells  
 2008 plans: Drill ≈ 120 vertical wells  
 ≈ 23 horizontal wells



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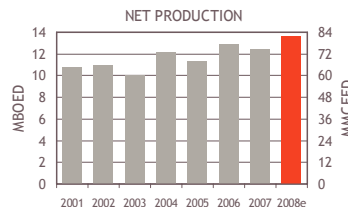
# Groesbeck



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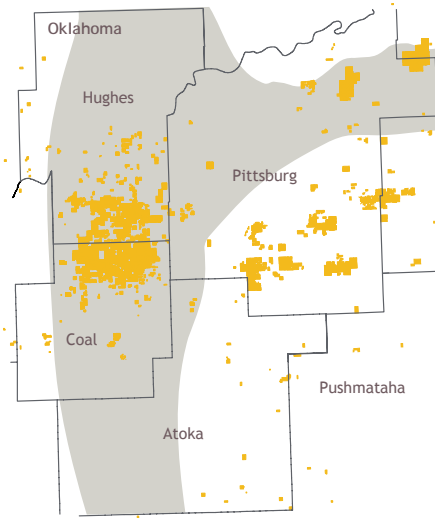
Net acreage: 172,000  
 Working interest: 72%  
 Q4 '07 net production: 75 MMCFED  
 Horizontal success at Nan-Su-Gail and Oaks  
 Potential horizontal locations: ≈ 125  
 2007 activity: Drilled 17 vertical wells  
 4 horizontal wells  
 2008 plans: Drill ≈ 11 horizontal wells  
 ≈ 5 vertical wells



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# Woodford Shale



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Net acreage: 54,000

Q4 '07 gross operated production:  
≈ 47 MMCFD

5 operated rigs running

Constructing gas processing plant

- Processing capacity: 200 MMCFD
- Completion expected: Mid-2008

2007 activity: Drilled 39 operated wells

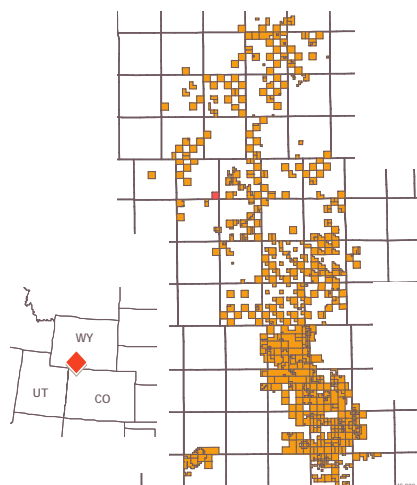
2008 plans: Drill ≈ 60 operated wells



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# Washakie



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Net acreage: 157,000

Working interest: 76%

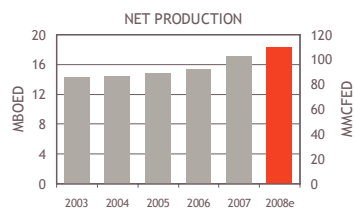
Q4 '07 net production: 103 MMCFD

Undrilled locations: > 300

Low-risk, tight sand gas

2007 activity: Drilled 161 wells

2008 plans: Drill ≈ 110 wells



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# Powder River

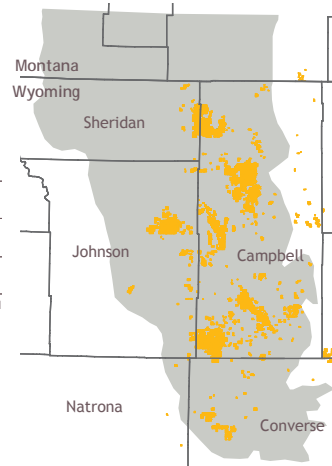
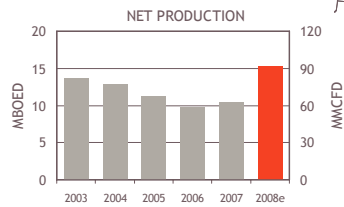
Net acreage: 252,000

Working interest: 75%

Q4 '07 net production:  $\approx$  71 MMCFD

2007 activity: Drilled 193 wells

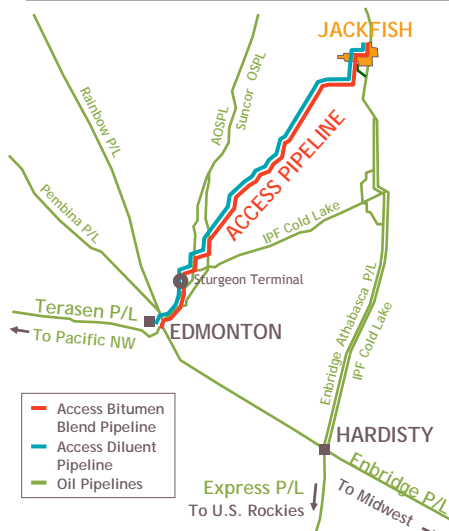
2008 plans: Drill  $\approx$  120 wells



Projected net production of 100 MMCFD by the end of 2008



# Access Pipeline



From Edmonton, Alberta to Jackfish:  
 $\approx$  200 miles

Devon ownership: 50%

Bitumen Blend Pipeline:

- Jackfish to Sturgeon Terminal: 24" pipe
- Sturgeon Terminal to Edmonton: 30" pipe

Diluent Pipeline:

- Edmonton to Jackfish: 16" pipe
- Can access condensate, synthetic crude and light oil markets in Edmonton

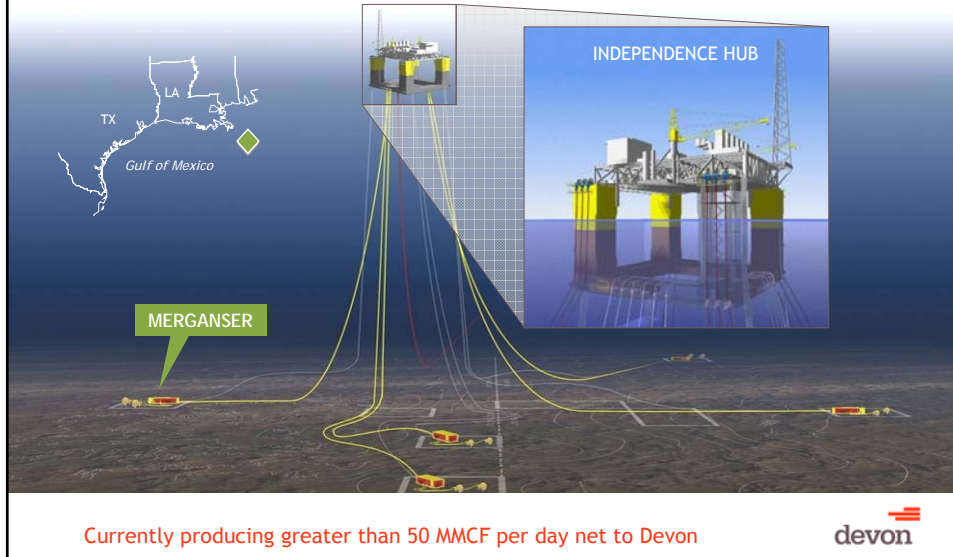
System designed for expansion to service additional phases of Jackfish and/or third party crude

Flexibility enhances economics

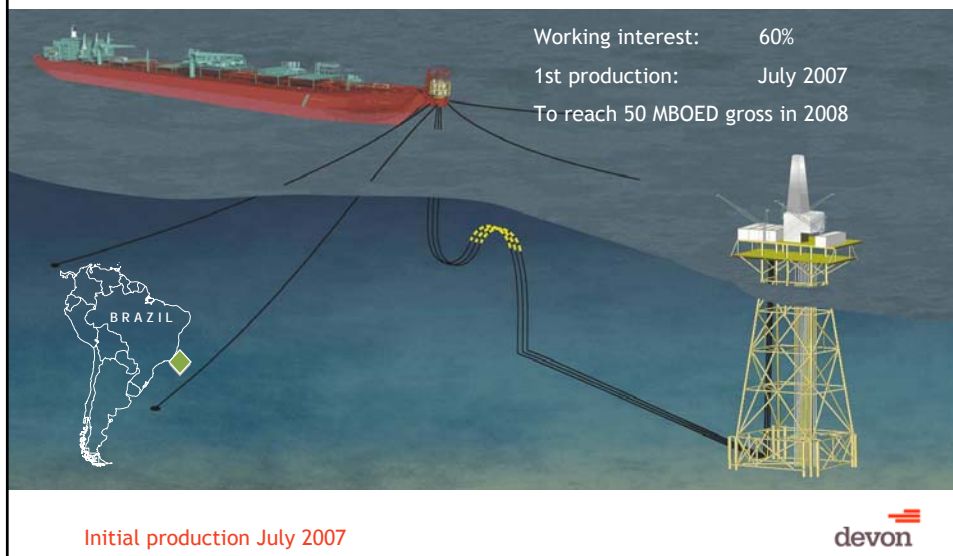




## Merganser / Independence Hub



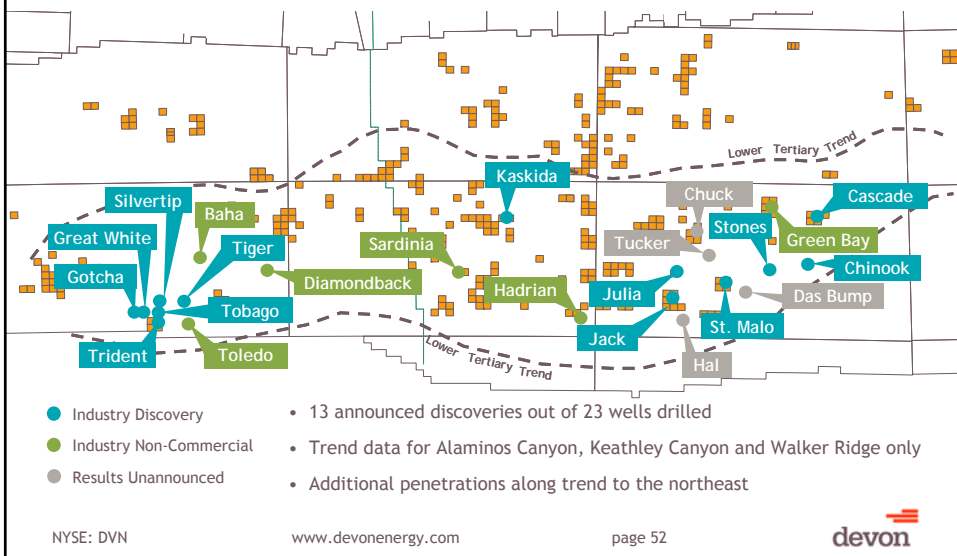
## Polvo Project



# Appendix B

## Additional High-Impact Exploration

### Lower Tertiary Trend Industry Results to Date



## Upcoming Milestones Devon's Lower Tertiary Discoveries

### Cascade

- Drill first development well at Cascade in 2008
- FPSO conversion underway

### Jack

- Finish drilling Jack No. 3 appraisal well in 1st half of 2008

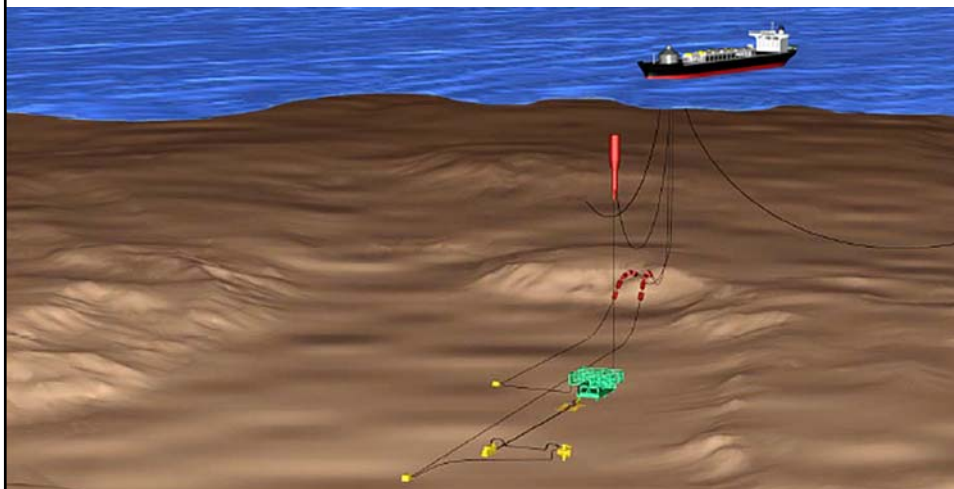
### St. Malo

- Currently drilling St. Malo No. 4 appraisal well

### Kaskida

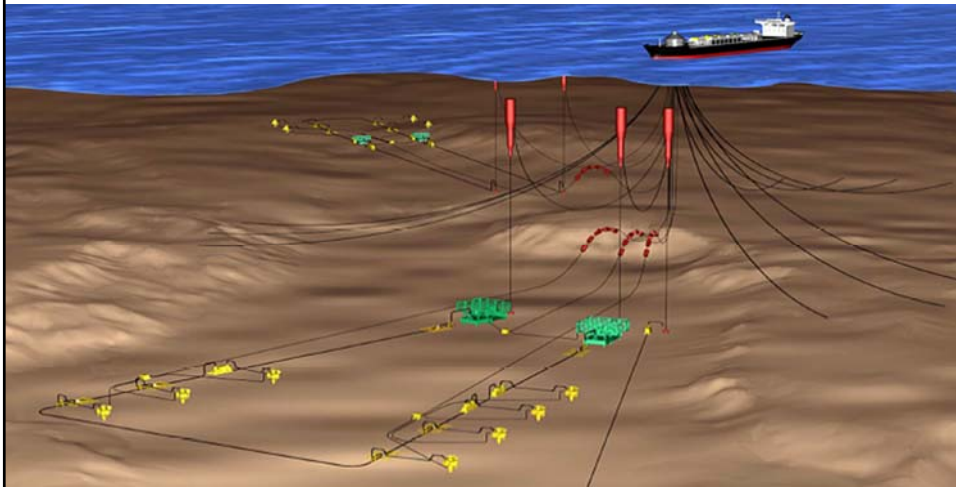
- Additional appraisal activity in the 1<sup>st</sup> half of 2008

## Phased Development Option Leased FPSO



# Phased Development Option

Owned FPSO



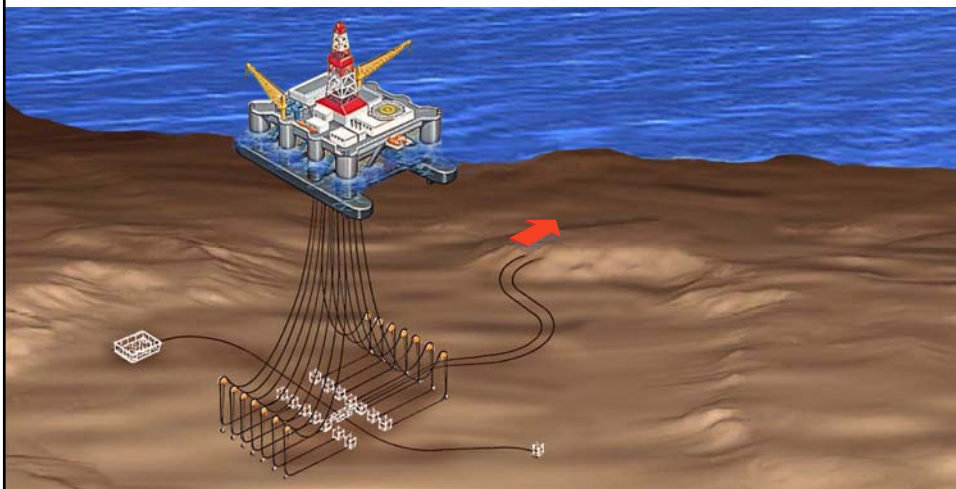
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# Large Field Development Option



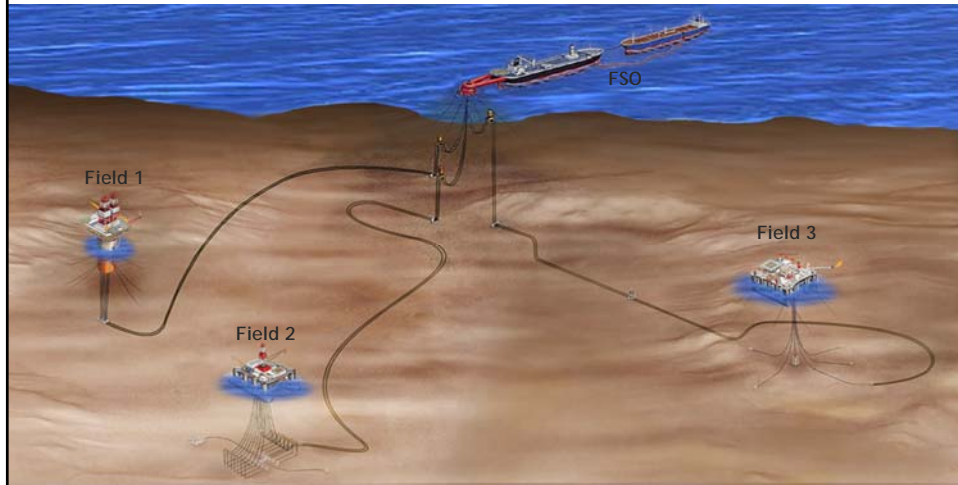
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## Multi-Field Development Option



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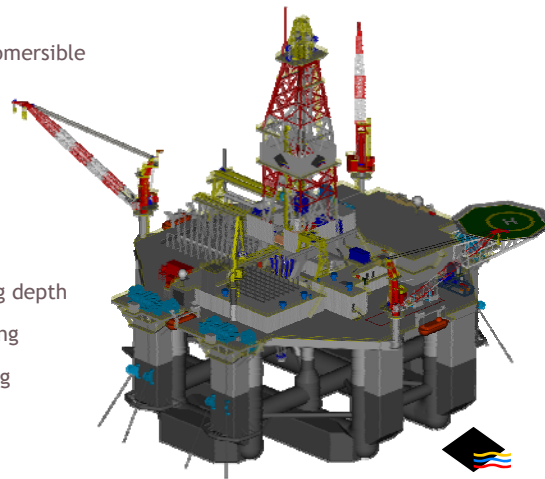
## Ocean Endeavor

5<sup>th</sup> generation moored semi-submersible owned by Diamond Offshore Drilling Inc.

4-year fixed term contract secured by Devon following rig conversion

Rig specs:

- Rated to 35,000' drilling depth
- 8,000' water depth rating
- Enhanced 12 pt. mooring



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## West Sirius

New build 5<sup>th</sup> generation semi-submersible  
owned by Seadrill Management AS

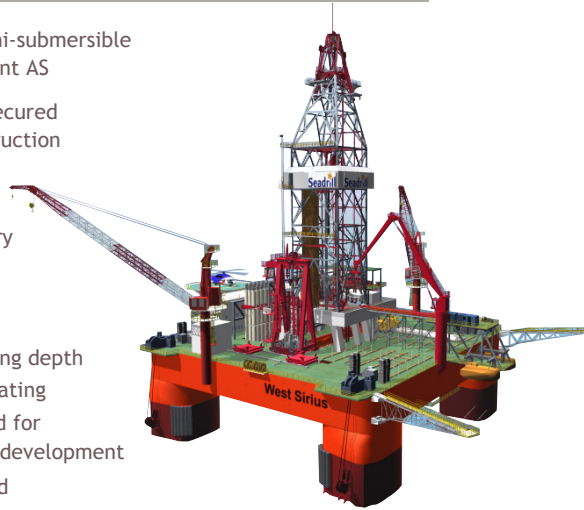
4-year fixed term contract secured  
by Devon following rig construction

Option to extend  
contract for an additional  
12-24 months prior to delivery

Expected delivery: Mid-2008

Rig specs:

- Rated to 37,500' drilling depth
- 10,000' water depth rating
- Designed and outfitted for  
subsea completions / development
- Dynamically positioned



## Enabling Technology for Success

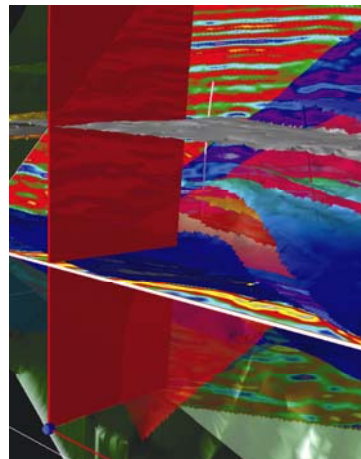
Sub-salt Imaging

New acquisition techniques  
New processing algorithms

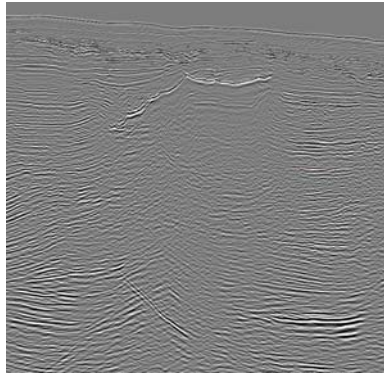
3-D Volume Interpretation  
Rapid assessment of prospectivity

Multi-Disciplinary Well Planning

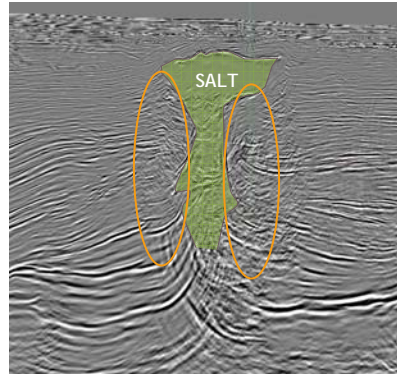
Advanced Drilling Techniques  
Salt and sub-salt environments  
High pressured environment



## Sub-Salt Seismic Imaging



Time Migration



Depth Migration

Source: TGS-NOPEC Geophysical Company

NYSE: DVN

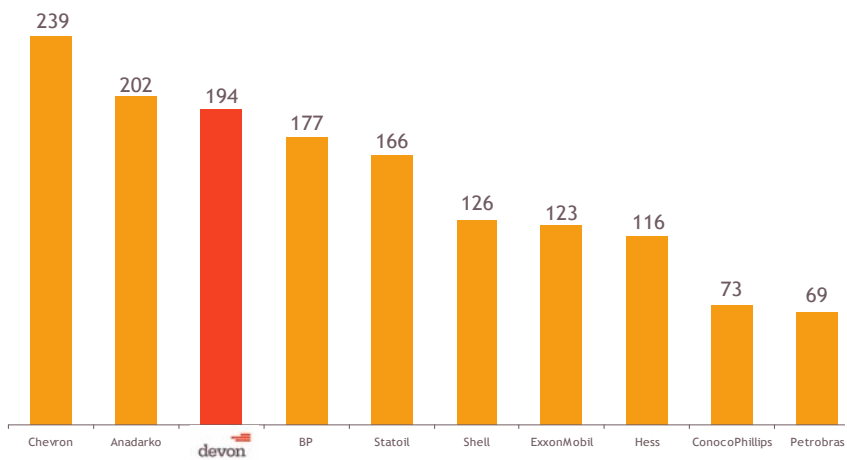
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## Lower Tertiary Block Ownership

Alaminos Canyon, Keathley Canyon & Walker Ridge



Source: OWL Database ©1991-2007, Lexco Data Systems, Inc. - December 2007

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## Lower Tertiary Prospect Inventory

Prospect	Area	Operator	DVN Block W.I.	Water Depth
Azha	Keathley Canyon	Devon	100%	5,583'
Bottle Rocket	Keathley Canyon	Anadarko	16.7%	4,189'
Bass	Keathley Canyon	Devon	100%	6,475'
Capella	Keathley Canyon	Devon	75%	5,511'
Cherry Bomb	Keathley Canyon	Chevron	33.3%	6,324'
Cypress West	Keathley Canyon	Chevron	12.5%	6,237'
Dart	Keathley Canyon	Devon	50%	4,685'
Fist	Walker Ridge	Devon	50%	5,820'
Gorgona	Keathley Canyon	Chevron	25%	6,059'
Jericho	Garden Banks	Devon	100%	4,200'

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## Lower Tertiary Prospect Inventory - Continued

Prospect	Area	Operator	DVN Block W.I.	Water Depth
Kampilan	Keathley Canyon	Petrobras	50%	6,500'
Knik	Walker Ridge	Devon	100%	6,764'
Latigo	Keathley Canyon	Devon	50%	4,094'
M80	Keathley Canyon	Chevron	50%	5,645'
Merope	Garden Banks	Devon	100%	3,422'
Navi	Keathley Canyon	Devon	50%	6,364'
Ponza Deep	Keathley Canyon	Chevron	25%	6,219'
Propus	Keathley Canyon	Chevron	50%	6,482'
Sardinia West	Keathley Canyon	Chevron	35%	6,062'
Vinita	Keathley Canyon	Devon	75%	5,525'

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