

**PIONEER NATURAL RESOURCES COMPANY**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except for per share data)

(Unaudited)

	Three months ended		Year ended	
	December 31,		December 31,	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Revenues:				
Oil and gas	\$ 251,829	\$ 163,409	\$ 852,738	\$ 644,646
Interest and other	11,634	8,518	25,775	89,657
Gain (loss) on disposition of assets, net	<u>6,433</u>	<u>(2,892)</u>	<u>34,184</u>	<u>(24,168)</u>
	<u>269,896</u>	<u>169,035</u>	<u>912,697</u>	<u>710,135</u>
Costs and expenses:				
Oil and gas production	53,275	36,069	189,265	159,530
Depletion, depreciation and amortization - oil and gas	48,919	47,196	199,205	218,250
Depletion, depreciation and amortization - other	3,990	4,263	15,733	17,797
Impairment of oil and gas properties	-	-	-	17,894
Exploration and abandonments	23,348	24,382	87,550	65,974
General and administrative	10,003	11,009	33,262	40,241
Reorganization	-	729	-	8,534
Interest	39,540	39,918	161,952	170,344
Other	<u>6,837</u>	<u>(1,660)</u>	<u>67,231</u>	<u>34,631</u>
	<u>185,912</u>	<u>161,906</u>	<u>754,198</u>	<u>733,195</u>
Income (loss) before income taxes and extraordinary item	83,984	7,129	158,499	(23,060)
Income tax benefit	<u>200</u>	<u>1,100</u>	<u>6,000</u>	<u>600</u>
Income (loss) before extraordinary item	84,184	8,229	164,499	(22,460)
Extraordinary item - loss on early extinguishment of debt, net of tax	<u>-</u>	<u>-</u>	<u>(12,318)</u>	<u>-</u>
Net income (loss)	<u>\$ 84,184</u>	<u>\$ 8,229</u>	<u>\$ 152,181</u>	<u>\$ (22,460)</u>
Net income (loss) per share:				
Basic:				
Income (loss) before extraordinary item	\$ .86	\$ .08	\$ 1.65	\$ (.22)
Extraordinary item	<u>-</u>	<u>-</u>	<u>(.12)</u>	<u>-</u>
Net income (loss)	<u>\$ .86</u>	<u>\$ .08</u>	<u>\$ 1.53</u>	<u>\$ (.22)</u>
Diluted:				
Income (loss) before extraordinary item	\$ .85	\$ .08	\$ 1.65	\$ (.22)
Extraordinary item	<u>-</u>	<u>-</u>	<u>(.12)</u>	<u>-</u>
Net income (loss)	<u>\$ .85</u>	<u>\$ .08</u>	<u>\$ 1.53</u>	<u>\$ (.22)</u>
Weighted average basic shares outstanding	<u>98,367</u>	<u>100,319</u>	<u>99,378</u>	<u>100,307</u>

**PIONEER NATURAL RESOURCES COMPANY**

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)  
(Unaudited)

	<u>December 31,</u> <u>2000</u>	<u>December 31,</u> <u>1999</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 26,159	\$ 34,788
Accounts receivable	125,654	118,575
Inventories	14,842	13,721
Deferred income taxes	4,800	5,800
Other current assets	<u>19,936</u>	<u>10,252</u>
Total current assets	<u>191,391</u>	<u>183,136</u>
Property, plant and equipment, at cost:		
Oil and gas properties, using the successful efforts method of accounting	3,417,094	3,254,918
Accumulated depletion, depreciation and amortization	<u>(902,139)</u>	<u>(751,956)</u>
	<u>2,514,955</u>	<u>2,502,962</u>
Deferred income taxes	84,400	83,400
Other assets, net	<u>163,689</u>	<u>159,975</u>
	<u>\$ 2,954,435</u>	<u>\$ 2,929,473</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt	\$ -	\$ 828
Accounts payable	115,446	86,868
Interest payable	38,142	36,045
Other current liabilities	<u>62,926</u>	<u>73,072</u>
Total current liabilities	<u>216,514</u>	<u>196,813</u>
Long-term debt, less current maturities	1,578,776	1,745,108
Other noncurrent liabilities	225,740	169,438
Deferred income taxes	28,500	43,500
Stockholders' equity	<u>904,905</u>	<u>774,614</u>
	<u>\$ 2,954,435</u>	<u>\$ 2,929,473</u>

**PIONEER NATURAL RESOURCES COMPANY**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

(Unaudited)

	Three months ended		Year ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Cash flows from operations:				
Net income (loss)	\$ 84,184	\$ 8,229	\$ 152,181	\$ (22,460)
Depletion, depreciation and amortization	52,909	51,459	214,938	236,047
Impairment of oil and gas properties	-	-	-	17,894
Exploration expenses, including dry holes	20,686	21,369	66,959	50,030
Deferred income taxes	(1,000)	-	(10,600)	-
(Gain) loss on disposition of assets, net	(6,433)	2,892	(34,184)	24,168
Interest related amortization	3,520	3,448	12,699	12,520
Derivative mark-to-market	3,021	(4,350)	58,518	26,964
Extraordinary item, net of tax	-	-	12,318	-
Other noncash items	(2,255)	(1,654)	1,258	(40,350)
Changes in operating assets and liabilities:				
Accounts receivable	4,227	(14,268)	(7,486)	(7,393)
Inventories	(2,614)	(3,265)	(2,789)	(952)
Other current assets	(11,889)	(3,097)	(9,896)	(2,335)
Accounts payable	23,756	9,430	26,260	(18,683)
Interest payable	315	12,210	2,097	2,851
Other current liabilities	<u>(23,425)</u>	<u>(13,876)</u>	<u>(52,177)</u>	<u>(23,067)</u>
Net cash provided by operating activities	145,002	68,527	430,096	255,234
Net cash provided by (used in) investing activities	(108,575)	(91,131)	(194,501)	198,995
Net cash provided by (used in) financing activities	<u>(48,155)</u>	<u>23,975</u>	<u>(244,068)</u>	<u>(479,069)</u>
Net increase (decrease) in cash and cash equivalents	(11,728)	1,371	(8,473)	(24,840)
Effect of exchange rate changes on cash and cash equivalents	(11)	171	(156)	407
Cash and cash equivalents, beginning of period	<u>37,898</u>	<u>33,246</u>	<u>34,788</u>	<u>59,221</u>
Cash and cash equivalents, end of period	<u>\$ 26,159</u>	<u>\$ 34,788</u>	<u>\$ 26,159</u>	<u>\$ 34,788</u>

## PIONEER NATURAL RESOURCES COMPANY

### SUMMARY PRODUCTION AND PRICE DATA

		Three months ended		Year ended	
		December 31,		December 31,	
		2000	1999	2000	1999
Average Daily Production:					
Oil (Bbls) -	U.S.	23,873	26,068	24,561	31,366
	Argentina	9,721	7,948	8,847	6,443
	Canada	<u>928</u>	<u>833</u>	<u>841</u>	<u>4,530</u>
	Total	34,522	34,849	34,249	42,339
Natural gas liquids (Bbls) -	U.S.	20,492	22,281	21,538	23,875
	Argentina	571	542	527	594
	Canada	<u>764</u>	<u>714</u>	<u>829</u>	<u>839</u>
	Total	21,827	23,537	22,894	25,308
Gas (Mcf) -	U.S.	218,810	239,695	229,316	290,670
	Argentina	88,710	86,652	97,526	94,457
	Canada	<u>44,575</u>	<u>36,560</u>	<u>44,315</u>	<u>49,003</u>
	Total	352,095	362,907	371,157	434,130
Total Production:					
Oil (MBbls)		3,176	3,206	12,535	15,454
Natural gas liquids (MBbls)		2,008	2,165	8,379	9,237
Gas (MMcf)		32,393	33,387	135,843	158,457
Equivalent barrels (MBOE)		10,583	10,936	43,555	51,101
Average Price*:					
Oil (per Bbl) -	U.S.	\$ 24.21	\$ 17.88	\$ 22.07	\$ 15.03
	Argentina	\$ 28.47	\$ 22.84	\$ 29.09	\$ 18.41
	Canada	\$ 26.92	\$ 21.13	\$ 27.50	\$ 13.28
	Average	\$ 25.48	\$ 19.09	\$ 24.01	\$ 15.36
Natural gas liquids (per Bbl) -	U.S.	\$ 22.84	\$ 15.47	\$ 20.05	\$ 11.61
	Argentina	\$ 25.40	\$ 19.98	\$ 22.91	\$ 11.30
	Canada	\$ 29.21	\$ 21.56	\$ 24.32	\$ 12.62
	Average	\$ 23.13	\$ 15.76	\$ 20.27	\$ 11.64
Gas (per Mcf) -	U.S.	\$ 4.87	\$ 2.37	\$ 3.50	\$ 2.17
	Argentina	\$ 1.13	\$ 1.08	\$ 1.19	\$ 1.10
	Canada	\$ 4.24	\$ 2.15	\$ 2.88	\$ 1.82
	Average	\$ 3.85	\$ 2.04	\$ 2.81	\$ 1.90

\* Average prices include the effects of commodity hedges.

# PIONEER NATURAL RESOURCES COMPANY

## SUPPLEMENTAL INFORMATION

(in thousands)

(Unaudited)

*Discretionary cash flow and EBITDAX (as defined below) are presented herein because of their wide acceptance as financial indicators of a company's ability to internally fund exploration and development activities and to service or incur debt. Discretionary cash flow and EBITDAX should not be considered as alternatives to net cash provided by operating activities, net income (loss) or income (loss) from continuing operations, as defined by generally accepted accounting principles. Discretionary cash flow and EBITDAX should also not be considered as indicators of the Company's financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies.*

	Three months ended		Year ended	
	December 31,		December 31,	
	2000	1999	2000	1999
<b>Discretionary cash flows*:</b>				
Net income (loss)	\$ 84,184	\$ 8,229	\$ 152,181	\$ (22,460)
Depletion, depreciation and amortization	52,909	51,459	214,938	236,047
Impairment of oil and gas properties	-	-	-	17,894
Exploration and abandonments	23,348	24,382	87,550	65,974
Deferred income taxes	(1,000)	-	(10,600)	-
(Gain) loss on disposition of assets, net	(6,433)	2,892	(34,184)	24,168
Interest related amortization	3,520	3,448	12,699	12,520
Derivative mark-to-market	3,021	(4,350)	58,518	26,964
Extraordinary item, net of tax	-	-	12,318	-
Other noncash items	<u>(2,255)</u>	<u>(1,654)</u>	<u>1,258</u>	<u>(40,350)</u>
Discretionary cash flow	<u>\$ 157,294</u>	<u>\$ 84,406</u>	<u>\$ 494,678</u>	<u>\$ 320,757</u>

\* Discretionary cash flows equal cash flows from operations before working capital changes and exploration and abandonments.

### EBITDAX\*\*:

Net income (loss)	\$ 84,184	\$ 8,229	\$ 152,181	\$ (22,460)
Depletion, depreciation and amortization	52,909	51,459	214,938	236,047
Impairment of oil and gas properties	-	-	-	17,894
Exploration and abandonments	23,348	24,382	87,550	65,974
Consolidated interest expense	39,540	39,918	161,952	170,344
Consolidated income taxes	(200)	(1,100)	(6,000)	(600)
(Gain) loss on disposition of assets, net	(6,433)	2,892	(34,184)	24,168
Derivative mark-to-market	3,021	(4,350)	58,518	26,964
Extraordinary item, net of tax	-	-	12,318	-
Other noncash expenses	<u>(2,255)</u>	<u>2,876</u>	<u>1,455</u>	<u>11,494</u>
	<u>\$ 194,114</u>	<u>\$ 124,306</u>	<u>\$ 648,728</u>	<u>\$ 529,825</u>

\*\* "EBITDAX" represents earnings before depletion, depreciation and amortization expense; impairment of oil and gas properties; exploration and abandonments; consolidated interest expense; consolidated income taxes; gain or loss on the disposition of assets; extraordinary items; and, other noncash expenses.