NEWFIELD EXPLORATION COMPANY

The Road to EXPLORATION SUCCESS
Exploration seems to be a lost art...

“Exploration” is our middle name
Newfield Creates a Great Environment…

that allows YOU to be successful!
The Process of Exploration...

what makes exploration work at Newfield
1 Invest in the RIGHT Technology

GOM Technology was Proven and Available
1 Invest in the **RIGHT** Technology

- Probability of Decision Being Correct
- Avoid "idiot end"

- Cost of Data to Make Decision

**Technology**
Invest in the **RIGHT** Technology

**Newfield** selects the **RIGHT** technologies!
Decide Where to Explore

2 FOCUS is Imperative to Success

FOUNDBNG BUSINESS PRINCIPLES
TALENTED EMPLOYEES
FOCUS
BALANCE OF EXPLORATION AND ACQUISITIONS
EMPHASIS ON TECHNOLOGY AND TEAMWORK
MINDSET OF AN INDEPENDENT CONTROL OF OPERATIONS
EMPLOYEE OWNERSHIP

NEWFIELD

FOUNDER
FOCUS is imperative to success
FOCUS is imperative to success

Decide Where to Explore
Decide Where to Explore

Newfield Core Areas
Balanced Portfolio of Operations

INTERNATIONAL AREAS

NORTH SEA
UK

BALANCE FOCUS CONTROL
Be a Leader in Exploration

LEAD, don’t Follow
Be a Leader in Exploration

3 LEAD, don’t Follow

Looks like we are the first to arrive!
Be a Leader in Exploration

Woodford Shale Play

- Newfield Acreage: 110,000 net

- Drilled >100 Vertical Wells to Date
- Current Production: 35 MMcf/d (Gross)
- 2006: Approx. 65 Wells / 45 Horizontal wells

- NFX OP WELLS DILLING OR COMPLETING

First Woodford Vertical Completion:
Loftis 3-15  May 2003

First Woodford Horizontal:
Blevins 3H-9  December 2004

North Pine Hollow 3D Seismic

Joint Venture 3-D Seismic with Devon

Coalgate 3-D Seismic

DYN & NFX Horizontal Drilling

SM Horizontal Drilling

Woodford Shale Play Area

NFX Office Tulsa
Know Your Core Competencies

4 Exploit CORE COMPETENCIES to Your Advantage
4. Exploit CORE COMPETENCIES to Your Advantage

Do Your Homework!

Know your Strengths

Know your Weaknesses
5. Don’t be Afraid to Fail, but **LEARN** from Your Mistakes
Exploration Risks

5. Don’t be Afraid to Fail, but LEARN from Your Mistakes

Allow for Mistakes!
Exploration Risks

5. Don’t be Afraid to Fail, but LEARN from Your Mistakes

Newfield Peer Review Process
Be Creative

6 CREATIVITY is a Must in Today's Environment

Kenedy County Joint Venture
Maintain Balance

7 BALANCE of Exploration and Acquisitions
Maintain Balance

- 600 – 800 BCFE
  Expected Reserve Adds

- 250 – 300% Reserve Replacement

- Build for 2007
  - 20 -25% Prod. Growth

<table>
<thead>
<tr>
<th>Resource Plays</th>
<th>2006 Net Unrisked (BCFE)</th>
<th>Net Risked</th>
<th># Wells</th>
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</thead>
<tbody>
<tr>
<td>TI/TB</td>
<td>389</td>
<td>50</td>
<td>1</td>
</tr>
<tr>
<td>Sarawak</td>
<td>504</td>
<td>75</td>
<td>1</td>
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<tr>
<td>U.K. North Sea</td>
<td>80</td>
<td>50</td>
<td>2</td>
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<tr>
<td>GOM Shelf, Deepwater</td>
<td>250</td>
<td>130</td>
<td>20-25</td>
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<tr>
<td>US Onshore Gulf Coast</td>
<td>250</td>
<td>125</td>
<td>95-105</td>
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<tr>
<td>Shallow Water Malaysia</td>
<td>140</td>
<td>115</td>
<td>10-12</td>
</tr>
<tr>
<td>Resource Plays: Rockies &amp; Mid-Continent</td>
<td>1,800*</td>
<td>250**</td>
<td>&gt;500</td>
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<tr>
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<td>~3,413</td>
<td>~795</td>
<td>~637</td>
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* Reserve Exposure  ** EV Reserve Bookings
2006 Exploration Highlights

- Gulf of Mexico – Deep Shelf, Deepwater and Treasure Island
- Malaysia – Conventional and Deepwater
- South Texas – Deeper Tests
- Val Verde
- Monument Butte Deep Gas
Pay for Performance!
Why Newfield is a Great Place to Work...

- Employees are empowered to make decisions
- Fewer layers of management helps to keep ideas flowing
- Flexible work schedule but we keep our priorities straight
- Employees enjoy what they do
The Road to Exploration Success

1. Invest in the Right Technology
2. Focus is Imperative to Success
3. Lead, don’t Follow
4. Exploit Core Competencies to Your Advantage
5. Don’t be Afraid to Fail, but Learn from Your Mistakes
6. Creativity is a Must in Today’s Environment
7. Balance of Exploration and Acquisitions
8. Reward Success