

Williston Basin Bolt-On Acquisition

June 8, 2022

NYSE: DVN
[devonenergy.com](https://www.devonenergy.com)


devon



Transaction Advances Our Strategic Plan

#1

IMMEDIATELY ACCRETIVE TO PER-SHARE METRICS

Attractive valuation: 2.2-times cash flow with a FCF yield of >25%

#2

INCREASES RETURN OF CAPITAL TO SHAREHOLDERS

Board to approve a 13% increase to the fixed dividend payout

#3

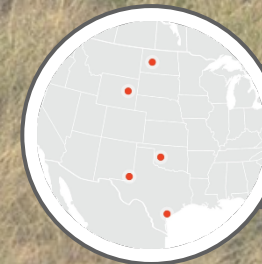
MAINTAINS TOP-TIER BALANCE SHEET

Expect net debt-to-EBITDAX of 0.2x by year-end 2022

#4

ENHANCES WILLISTON BASIN ASSET QUALITY & SCALE

Adds highly-economic inventory to maintain high-margin production



**BOLT-ON ACQUISITION
IN WILLISTON BASIN**

Enhances Williston Basin Asset Quality & Scale

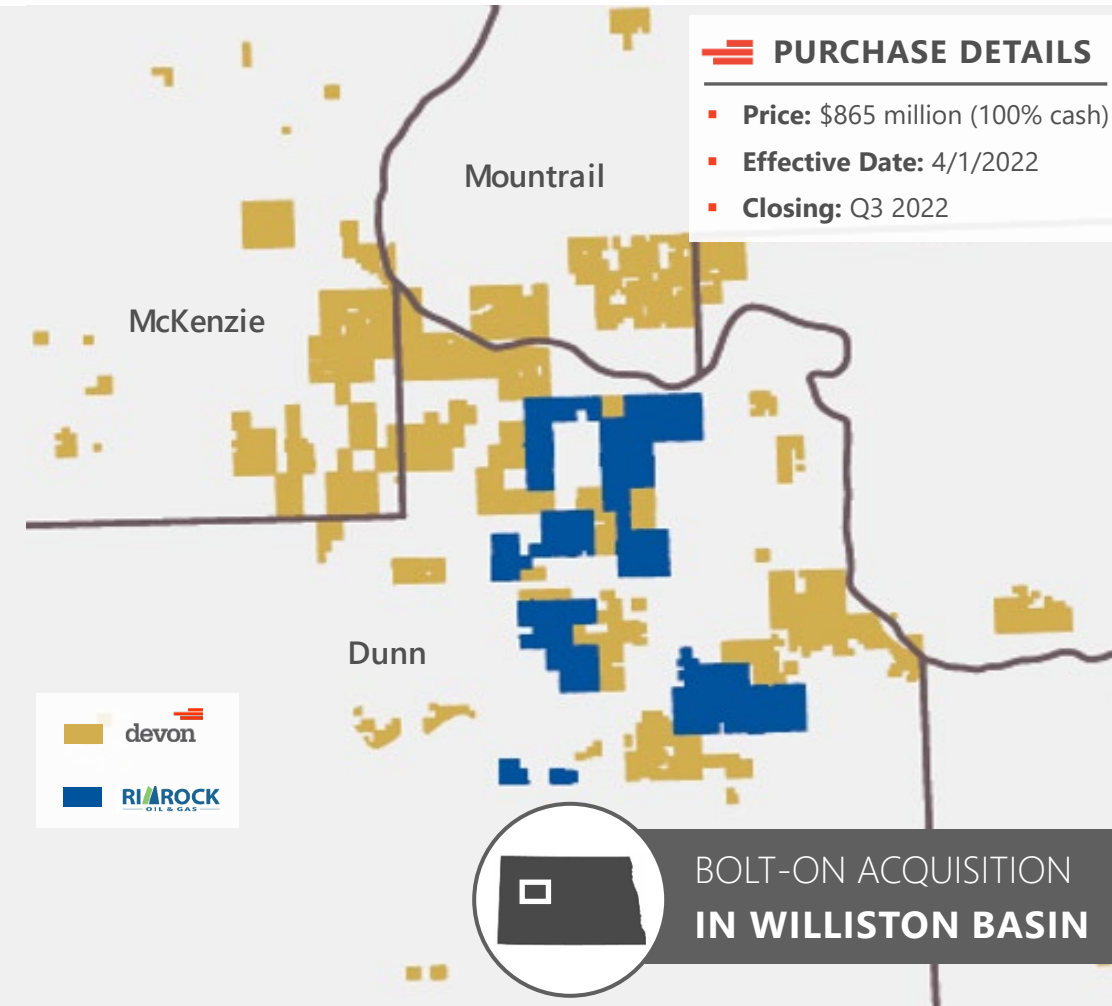
✓ OVERLAPS EXISTING POSITION IN CORE OF THE PLAY

- Contiguous operated position of 38,000 net acres (88% working interest)
- Secures >100 highly economic drilling locations
- Provides inventory depth to maintain production profile

✓ COMPLIMENTS CASH-RETURN BUSINESS MODEL

- Provides high-margin, oil-weighted production mix
- Enhances free cash flow generation capabilities
- Increases return of cash to shareholders (pg. 4)

| KEY METRICS | devon | RIAROCK OIL & GAS | Pro Forma |
|-------------------------------------|--------|-----------------------|----------------|
| Williston Basin Acreage | 85,000 | 38,000 | 123,000 |
| Q1 22 Williston Production (BOED) | 48,000 | 15,000 ⁽¹⁾ | 63,000 |
| Williston Oil Mix (% of production) | 65% | 78% | 68% |
| 2022e Williston Wells Online | 15-20 | ~15 ⁽²⁾ | 30-35 |



(1) Devon expects RimRock volumes to increase to an average of ~20,000 Boe per day over the next year (2) The company estimates ~\$100 million of capital expenditures to be incurred post-closing in 2022

Immediately Accretive to Per-Share Metrics

ACCRETION TO SHAREHOLDERS

(PRO FORMA YEAR-ONE BENEFITS)



ATTRACTIVE
PURCHASE PRICE

2.2x
CASH FLOW
(FCF YIELD: >25%)



EARNINGS & CASH
FLOW GROWTH

3%-5%
PER-SHARE
IMPROVEMENT



MAINTAINS TOP-TIER
FINANCIAL STRENGTH

0.2x
NET DEBT-TO-EBITDAX
YEAR-END 2022



INCREASES
DIVIDEND PAYOUT

+13%
RAISING FIXED
QUARTERLY DIVIDEND



Note: Assumes next 12-month strip pricing as of 6/8/22.

Investor Contacts & Notices

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Investor Notices

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