

- 3Q15 net domestic production of 12.9 MMBOE exceeded guidance mid-point by 0.4 MMBOE
- Total Company oil production increased 42% year-over-year; domestic oil production up 11% year-over-year adjusted for asset sales
- 3Q15 domestic lease operating expense of \$4.51 per BOE was 15% below guidance; full-year 2015 lease operating expense expected to be down nearly 25% year-over-year per BOE
- Adjusted 3Q15 diluted earnings per share of \$0.21 topped consensus estimates
- Full-year 2015 net domestic production forecast raised for second time to 50.0 - 50.5 MMBOE (previous forecast: 48.5 - 50.0 MMBOE); 2015 consolidated net production raised to 55.3 - 55.8 (previous forecast: 53.5 - 55.0 MMBOE)
- 3Q15 Anadarko Basin average net production was approximately 68,000 BOEPD; 4Q15 average estimated Anadarko Basin net production increased to 74,000 BOEPD (previous forecast: 71,000 BOEPD)
- Milestone: Anadarko Basin daily net production levels surpassed remainder of Company's combined domestic businesses
- Company reported continued improvements in average production rates from recent STACK wells
- Newfield sold approximately \$77 million in non-strategic assets year-to-date
- Company reiterated 2015 capital investment budget of approximately \$1.4 billion

THE WOODLANDS, Texas, Nov. 3, 2015 /PRNewswire/ -- [Newfield Exploration Company](#) (NYSE: NFX) today reported its unaudited third quarter 2015 financial results. In addition, the Company provided an updated @NFX publication on its website and plans to host a conference call at 10:00 a.m. CST on November 4, 2015. To listen to the call and to view the slide deck, please visit Newfield's website at <http://www.newfield.com>. To participate in the call, dial (785) 424-1666 and enter conference code 7962303.

"Despite a challenging macro environment, Newfield is delivering on the key elements of its business plan in 2015, and we expect to enter 2016 with momentum and an improving cost structure," said Lee K. Boothby, Newfield Chairman, President and CEO. "We took decisive steps in early 2015 to improve our balance sheet, reduce expenses and improve margins, and shifted both people and capital resources to our highest return asset &ndash; the Anadarko Basin. Our near-term priorities remain unchanged: maintaining liquidity and a strong capital structure, holding our economically resilient STACK acreage by production, capturing remaining acreage opportunities in the Anadarko Basin and improving our margins across the Company. We are focused on delivering long-term value creation for our stockholders."

### Third Quarter 2015 Results

For the third quarter, the Company recorded a net loss of \$1.2 billion, or \$7.52 per diluted share (all per share amounts are on a diluted basis). The loss was primarily related to a full-cost ceiling test impairment of \$1.9 billion (\$1.2 billion after-tax, or \$7.49 per share). After adjusting for the effect of impairments, unrealized derivative losses and restructuring related costs, net income would have been \$34 million, or \$0.21 per share.

Revenues for the third quarter were \$377 million. Net cash provided by operating activities before changes in operating assets and liabilities was \$280 million.

Newfield's total net production in the third quarter of 2015 was 14.3 MMBOE, comprised of 47% oil, 16% natural gas liquids and 37% natural gas. Domestic production in the third quarter was 12.9 MMBOE.

### 2015 Production Guidance and Capital Investments

Newfield increased its 2015 domestic net production guidance to 50.0 &ndash; 50.5 MMBOE (previous forecast: 48.5 &ndash; 50.0 MMBOE). With recent strong performance from its wells in the Anadarko Basin's SCOOP and STACK, Newfield again increased its expectations for fourth quarter 2015 average net production in the Anadarko Basin to approximately 74,000 BOEPD (previous forecast: 71,000 BOEPD).

Total Company net production guidance was raised to 55.3 &ndash; 55.8 (previous forecast: 53.5 &ndash; 55.0 MMBOE). The Company's 2015 capital budget was reiterated at approximately \$1.4 billion.

Additional operational highlights for the third quarter of 2015 can be found in @NFX.

[Newfield Exploration Company](#) is an independent energy company engaged in the exploration, development and production of crude oil, natural gas and natural gas liquids. We focus on U.S. resource plays and our principal areas of operation include the Mid-Continent, the Rocky Mountains and onshore Texas. We also have offshore oil developments in China.

See "Explanation and Reconciliation of Non-GAAP Financial Measures" found after the financial statements in this release.

\*\*This release contains forward-looking information. All information other than historical facts included in this release, such as information regarding estimated or anticipated drilling plans, planned capital expenditures, and estimated production, is forward-looking information. Although Newfield believes that these expectations are reasonable, this information is based upon assumptions and anticipated results that are subject to numerous uncertainties and risks. Actual results may vary significantly from

those anticipated due to many factors, including drilling results, oil and gas prices, industry conditions, the prices of goods and services, the availability of drilling rigs and other support services, the availability and cost of capital resources, new regulations or changes in tax legislation, labor conditions and severe weather conditions. In addition, the drilling of oil and natural gas wells and the production of hydrocarbons are subject to numerous governmental regulations and operating risks. Other factors that could impact forward-looking statements are described in "Risk Factors" in Newfield's 2014 Annual Report on Form 10-K and other subsequent public filings with the Securities and Exchange Commission, which can be found at [www.sec.gov](http://www.sec.gov). Unpredictable or unknown factors, not discussed in this press release, could also have material adverse effects on forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. Unless legally required, Newfield undertakes no obligation to publicly update or revise any forward-looking statements.

For additional information, please contact Newfield's Investor Relations department.  
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| 3Q15 Actual Results               | 3Q15 Actual |         |       |
|-----------------------------------|-------------|---------|-------|
|                                   | Domestic    | China   | Total |
| Production/Liftings <sup>1</sup>  |             |         |       |
| Crude oil and condensate (MMBbls) | 5.3         | 1.4     | 6.7   |
| Natural gas (Bcf)                 | 32.1        | &mdash; | 32.1  |
| NGLs (MMBbls)                     | 2.3         | &mdash; | 2.3   |
| Total (MMBOE)                     | 12.9        | 1.4     | 14.3  |

#### Average Realized Prices<sup>2, 3</sup>

|                                    |         |         |         |
|------------------------------------|---------|---------|---------|
| Crude oil and condensate (per Bbl) | \$57.45 | \$42.78 | \$54.31 |
| Natural gas (per Mcf)              | 3.54    | &mdash; | 3.54    |
| NGLs (per Bbl)                     | 16.79   | &mdash; | 16.79   |
| Crude oil equivalent (per BOE)     | \$35.51 | \$42.78 | \$36.25 |

#### Operating Expenses:<sup>3</sup>

|                                                     |        |           |        |
|-----------------------------------------------------|--------|-----------|--------|
| Lease operating (in millions)                       |        |           |        |
| Recurring                                           | \$51.5 | \$13.6    | \$65.1 |
| Major (workovers, etc.)                             | \$5.8  | \$0.4     | \$6.2  |
| Lease operating (per BOE)                           |        |           |        |
| Recurring                                           | \$4.09 | \$9.52    | \$4.64 |
| Major (workovers, etc.)                             | \$0.46 | \$0.25    | \$0.44 |
| Transportation and processing (in millions)         |        |           |        |
| per BOE                                             | \$52.4 | \$&mdash; | \$52.4 |
|                                                     | \$4.20 | \$&mdash; | \$3.77 |
| Production and other taxes (in millions)            |        |           |        |
| per BOE                                             | \$12.7 | \$0.2     | \$12.9 |
|                                                     | \$1.01 | \$0.15    | \$0.92 |
| General and administrative (G&A), net (in millions) |        |           |        |
| per BOE                                             | \$64.1 | \$1.5     | \$65.6 |















|                                                    |           |
|----------------------------------------------------|-----------|
| Capitalized direct internal costs (in millions)    | \$ (14.1) |
| per BOE                                            | \$ (0.99) |
| Other operating expenses, net (in millions)        | \$ 0.9    |
| per BOE                                            | \$ 0.06   |
| Interest expense (in millions)                     | \$ 37.2   |
| per BOE                                            | \$ 2.66   |
| Capitalized interest (in millions)                 | \$ (8.4)  |
| per BOE                                            | \$ (0.60) |
| Other non-operating (income) expense (in millions) | \$ (1.2)  |
| per BOE                                            | \$ (0.09) |

Note  
 1:  
 Represents  
 volumes  
 lifted  
 and  
 sold  
 Average  
 realized  
 regardless  
 of  
 offices  
 where  
 produced.  
 Includes  
 effects  
 of  
 natural  
 gas  
 derivative  
 contracts.  
 Excluding  
 consumed  
 in  
 effects,  
 operations  
 the  
 average  
 realized  
 price  
 for  
 the  
 domestic  
 three  
 months  
 ended  
 September  
 30,  
 2015.  
 Have  
 been  
 \$2.51  
 per  
 Mcf  
 and  
 the  
 average  
 realized  
 price  
 for

our domestic and total crude oil and condensate would have been \$38.41 per barrel and \$39.34 per barrel, respectively. We did not have any derivative contracts associated with our NGL or China production as of September 30, 2015.

Note 3: All per unit pricing and expenses exclude natural gas produced and consumed in operations.

|                                                  | Domestic          | China   | Total             |
|--------------------------------------------------|-------------------|---------|-------------------|
| Production:                                      |                   |         |                   |
| Oil (Mmbbls)                                     | 21.3              | 5.3     | 26.6              |
| NGLs (Mmbbls)                                    | 8.5               | &ndash; | 8.5               |
| Natural gas (Bcf)                                | 123               | &ndash; | 123               |
| Total (MMboe)                                    | 50.0 &ndash; 50.5 | 5.3     | 55.3 &ndash; 55.8 |
|                                                  |                   |         |                   |
| Expenses (\$ mm) <sup>1</sup>                    |                   |         |                   |
| LOE <sup>2</sup>                                 | \$250             | \$58    | \$308             |
| Transportation                                   | \$209             | &ndash; | \$209             |
| Production & other taxes                         | \$57              | \$1     | \$58              |
|                                                  |                   |         |                   |
| General & administrative (G&A), net <sup>3</sup> | \$202             | \$7     | \$209             |
| Interest expense                                 | \$164             | &ndash; | \$164             |
|                                                  |                   |         |                   |
| Capitalized interest and direct internal costs   | (\$111)           | &ndash; | (\$111)           |
| Tax rate <sup>4</sup>                            | 37%               | 60%     | 40%               |
|                                                  |                   |         |                   |

Note: Based on actual commodity prices through 9/30/15 and 4Q15e commodity prices of \$47.90 NYMEX WTI and \$2.62 per Mcf Henry Hub

<sup>1</sup>Cost and expenses are expected to be within 5% of the estimates above

<sup>2</sup>Total LOE includes recurring, major expense and non E&P operating expenses

<sup>3</sup>Net G&A excludes one-time expenses of an estimated \$38mm associated with 1Q15 reduction in force and the announced reorganization

<sup>4</sup>Estimated China tax rate reflects a 25% taxation in-country, as well as an additional non-cash U.S. income tax of 35%, due to Newfield's current tax position and its inability to utilize foreign tax credits.

|                                                  |                   |                  |                   |
|--------------------------------------------------|-------------------|------------------|-------------------|
| 4Q15e Production, Cost and Expense Guidance      |                   |                  |                   |
|                                                  |                   |                  |                   |
|                                                  | Domestic          | China            | Total             |
| Production:                                      |                   |                  |                   |
| Oil (Mmbbls)                                     | 5.5               | 1.3              | 6.8               |
| NGLs (Mmbbls)                                    | 2.3               | &ndash;          | 2.3               |
| Natural gas (Bcf)                                | 32                | &ndash;          | 32                |
| Total (Mmboe)                                    | 13.0 &ndash; 13.4 | 1.3              | 14.3 &ndash; 14.7 |
|                                                  |                   |                  |                   |
| Expenses (\$ mm) <sup>1</sup>                    |                   |                  |                   |
| LOE <sup>2</sup>                                 | \$65              | \$16             | \$81              |
| Transportation                                   | \$55              | &ndash;          | \$55              |
| Production & other taxes                         | \$14              | &ndash;          | \$14              |
|                                                  |                   |                  |                   |
| General & administrative (G&A), net <sup>3</sup> | \$63              | \$2              | \$65              |
| Interest expense                                 | \$36              | &ndash;          | \$36              |
|                                                  |                   |                  |                   |
| Capitalized interest and direct internal costs   | (\$31)            | &ndash;          | (\$31)            |
| Tax rate                                         | 37%               | 60% <sup>4</sup> | 43%               |
|                                                  |                   |                  |                   |

Note: Based on 4Q15e commodity prices of \$47.90 NYMEX WTI and \$2.62 per Mcf Henry Hub

<sup>1</sup>Cost and expenses are expected to be within 5% of the estimates above

<sup>2</sup>Total LOE includes recurring, major expense and non E&P operating expenses

<sup>3</sup>4Q15e net G&A excludes an estimated \$4mm associated with announced reorganization

<sup>4</sup>Estimated China tax rate reflects a 25% taxation in-country, as well as an additional non-cash U.S. income tax of 35%, due to Newfield's current tax position and its inability to utilize foreign tax credits.

## CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited, in millions, except per share data)

|                               | Three Months Ended |        | Nine Months Ended |          |
|-------------------------------|--------------------|--------|-------------------|----------|
|                               | September 30,      |        | September 30,     |          |
|                               | 2015               | 2014   | 2015              | 2014     |
| Oil, gas and NGL revenues     | \$ 377             | \$ 610 | \$ 1,195          | \$ 1,793 |
| Operating expenses:           |                    |        |                   |          |
| Lease operating               | 71                 | 74     | 219               | 228      |
| Transportation and processing | 52                 | 51     | 153               | 125      |
| Production and other taxes    |                    |        |                   |          |











|                                                                                     |           |         |           |         |
|-------------------------------------------------------------------------------------|-----------|---------|-----------|---------|
| Depreciation, depletion and amortization                                            | 236       | 228     | 721       | 633     |
| General and administrative                                                          | 66        | 48      | 180       | 172     |
| Ceiling test and other impairments                                                  | 1,889     | &mdash; | 4,202     | &mdash; |
| Other                                                                               | 1         | 10      | 8         | 15      |
| Total operating expenses                                                            | 2,328     | 443     | 5,526     | 1,263   |
| Income (loss) from operations                                                       | (1,951)   | 167     | (4,331)   | 530     |
| Other income (expense):                                                             |           |         |           |         |
| Interest expense                                                                    | (37)      | (51)    | (127)     | (153)   |
| Capitalized interest                                                                | 8         | 13      | 23        | 39      |
| Commodity derivative income (expense)                                               | 87        | 303     | 230       | 33      |
| Other, net                                                                          | 1         | 1       | (13)      | 4       |
| Total other income (expense)                                                        | 59        | 266     | 113       | (77)    |
| Income (loss) from continuing operations before income taxes                        | (1,892)   | 433     | (4,218)   | 453     |
| Income tax provision (benefit)                                                      | (665)     | 155     | (1,519)   | 170     |
| Income (loss) from continuing operations                                            | (1,227)   | 278     | (2,699)   | 283     |
| Income (loss) from discontinued operations, net of tax                              | &mdash;   | &mdash; | &mdash;   | 257     |
| Net income (loss)                                                                   | \$(1,227) | \$ 278  | \$(2,699) | \$ 540  |
| Earnings (loss) per share:                                                          |           |         |           |         |
| Basic:                                                                              |           |         |           |         |
| Income (loss) from continuing operations                                            | \$(7.52)  | \$ 2.04 | \$(17.17) | \$ 2.07 |
| Income (loss) from discontinued operations                                          | &mdash;   | &mdash; | &mdash;   | 1.89    |
| Basic earnings (loss) per share                                                     | \$(7.52)  | \$ 2.04 | \$(17.17) | \$ 3.96 |
| Diluted:                                                                            |           |         |           |         |
| Income (loss) from continuing operations                                            | \$(7.52)  | \$ 2.02 | \$(17.17) | \$ 2.05 |
| Income (loss) from discontinued operations                                          | &mdash;   | &mdash; | &mdash;   | 1.87    |
| Diluted earnings (loss) per share                                                   | \$(7.52)  | \$ 2.02 | \$(17.17) | \$ 3.92 |
| Weighted-average number of shares outstanding for basic earnings (loss) per share   | 163       | 137     | 157       | 137     |
| Weighted-average number of shares outstanding for diluted earnings (loss) per share | 163       | 138     | 157       | 138     |

# CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited, in millions)

|                                                             | September 30, December 31, |          |
|-------------------------------------------------------------|----------------------------|----------|
|                                                             | 2015                       | 2014     |
| <b>ASSETS</b>                                               |                            |          |
| Current assets:                                             |                            |          |
| Cash and cash equivalents                                   | \$ 7                       | \$ 14    |
| Derivative assets                                           | 334                        | 431      |
| Other current assets                                        | 322                        | 495      |
| Total current assets                                        | 663                        | 940      |
| Oil and gas properties, net (full cost method)              | 4,418                      | 8,232    |
| Derivative assets                                           | 148                        | 190      |
| Deferred taxes                                              | 49                         | &mdash;  |
| Other assets                                                | 235                        | 236      |
| Total assets                                                | \$ 5,513                   | \$ 9,598 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                 |                            |          |
| Current liabilities:                                        |                            |          |
| Derivative liabilities                                      | \$ 8                       | \$ 8     |
| Other current liabilities                                   | 710                        | 1,093    |
| Total current liabilities                                   | 718                        | 1,101    |
| Other liabilities                                           | 47                         | 45       |
| Derivative liabilities                                      | 6                          | &mdash;  |
| Long-term debt                                              | 2,498                      | 2,892    |
| Asset retirement obligations                                | 192                        | 183      |
| Deferred taxes                                              | 21                         | 1,484    |
| Total long-term liabilities                                 | 2,764                      | 4,604    |
| Stockholders' Equity:                                       |                            |          |
| Common stock, treasury stock and additional paid-in capital | 2,405                      | 1,567    |
| Accumulated other comprehensive gain (loss)                 | (2)                        | (1)      |
| Retained earnings (deficit)                                 | (372)                      | 2,327    |
| Total stockholders' equity                                  | 2,031                      | 3,893    |
| Total liabilities and stockholders' equity                  | \$ 5,513                   | \$ 9,598 |

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, in millions)

|                                                                                                    | Nine Months Ended |         |
|----------------------------------------------------------------------------------------------------|-------------------|---------|
|                                                                                                    | September 30,     |         |
|                                                                                                    | 2015              | 2014    |
| Cash flows from operating activities:                                                              |                   |         |
| Net income (loss)                                                                                  | \$ (2,699)        | \$ 540  |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: |                   |         |
| Depreciation, depletion and amortization                                                           | 721               | 665     |
| Deferred tax provision (benefit)                                                                   | (1,544)           | 308     |
| Stock-based compensation                                                                           | 19                | 15      |
| Unrealized (gain) loss on derivative contracts                                                     | 145               | (139)   |
| Ceiling test and other impairments                                                                 | 4,202             | &mdash; |
| Gain on sale of Malaysia business                                                                  | &mdash;           | (388)   |
| Other, net                                                                                         | 38                | 1       |
|                                                                                                    | 882               | 1,002   |
| Changes in operating assets and liabilities                                                        | 7                 | 68      |
| Net cash provided by (used in) operating activities                                                | 889               | 1,070   |
| Cash flows from investing activities:                                                              |                   |         |
| Additions to oil and gas properties and other                                                      | (1,428)           | (1,578) |
| Proceeds from sales of oil and gas properties                                                      | 86                | 616     |
| Proceeds received from sale of Malaysia business, net                                              | &mdash;           | 809     |
| Redemptions of investments                                                                         | &mdash;           | 39      |
| Proceeds from insurance settlement, net                                                            | 57                | &mdash; |
| Net cash provided by (used in) investing activities                                                | (1,285)           | (114)   |
| Cash flows from financing activities:                                                              |                   |         |
| Net proceeds (repayments) under credit arrangements                                                | (398)             | (649)   |
| Proceeds from issuance of senior notes                                                             | 691               | &mdash; |
| Repayment of senior subordinated notes                                                             | (700)             | &mdash; |
| Proceeds from issuances of common stock, net                                                       | 817               | 4       |
| Other, net                                                                                         | (21)              | (10)    |
| Net cash provided by (used in) financing activities                                                | 389               | (655)   |

|                                                  |      |        |
|--------------------------------------------------|------|--------|
| Increase (decrease) in cash and cash equivalents | (7)  | 301    |
| Cash and cash equivalents, beginning of period   | 14   | 95     |
| Cash and cash equivalents, end of period         | \$ 7 | \$ 396 |

#### Explanation and Reconciliation of Non-GAAP Financial Measures

##### Earnings Stated Without the Effect of Certain Items

Earnings stated without the effect of certain items is a non-GAAP financial measure. Earnings without the effect of these items are presented because they affect the comparability of operating results from period to period. In addition, earnings without the effect of these items are more comparable to earnings estimates provided by securities analysts.

A reconciliation of earnings for the third quarter of 2015 for our continuing operations stated without the effect of certain items to net income (loss) is shown below:

|                                                               | 3Q15          |
|---------------------------------------------------------------|---------------|
|                                                               | (in millions) |
| Net Income (loss)                                             | \$ (1,227)    |
| Ceiling test                                                  | 1,889         |
| Unrealized (gain) loss on derivative contracts <sup>(1)</sup> | 44            |
| Restructuring related costs                                   | 18            |
| Income tax adjustment for above items                         | (690)         |
| Earnings stated without the effect of the above items         | \$ 34         |

(1)  
The calculation of "Unrealized (gain) loss on derivative contracts" for the third quarter of 2015 is as follows:

|                                                    | 3Q15          |
|----------------------------------------------------|---------------|
|                                                    | (in millions) |
| Commodity derivative income (expense)              | \$ 87         |
| Less: Realized gain (loss) on derivative contracts | 131           |
| Unrealized loss on derivative contracts            | \$ (44)       |

## Net Cash Provided by Operating Activities Before Changes in Operating Assets and Liabilities

Net cash provided by operating activities before changes in operating assets and liabilities is presented because of its acceptance as an indicator of an oil and gas exploration and production company's ability to internally fund exploration and development activities and to service or incur additional debt. This measure should not be considered an alternative to net cash provided by operating activities as defined by generally accepted accounting principles.

A reconciliation of net cash provided by operating activities to net cash provided by operating activities before changes in operating assets and liabilities is shown below:

|                                                          |               |
|----------------------------------------------------------|---------------|
|                                                          | 3Q15          |
|                                                          | (in millions) |
| Net cash provided by operating activities                | \$ 312        |
| Net changes in operating assets and liabilities          | (32)          |
| Net cash provided by operating activities before changes |               |
| in operating assets and liabilities                      | \$ 280        |

To view the original version on PR Newswire,  
visit:<http://www.prnewswire.com/news-releases/newfield-exploration-reports-third-quarter-2015-results-300171596.html>

SOURCE [Newfield Exploration Company](#)