"Time for Action": Kimmeridge Releases Letter to the Future Board of Devon Energy

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Kimmeridge, a private investment firm focused on the energy sector, today released an open letter to the future Board o
Energy ahead of the closing of its merger with Coterra (CTRA), expected on May 4th, 2026.

"The merger of Devon and Coterra represents a compelling strategic combination that brings together high-quality asse
operational scale and the potential for durable free cash flow," said Mark Viviano, Managing Partner at Kimmeridge. "Th
company has a clear opportunity to close an unwarranted valuation gap, provided it acts decisively from day one."

Open Letter to the Board of Devon Energy Inc. (NYSE: DVN)
Kimmeridge has long been a constructive shareholder in Devon, and we support the strategic rationale behind the prop
combination with Coterra. However, with the expected closure of that transaction, Devon now stands at a critical inflecti
one that demands a more decisive, shareholder-focused strategy.

We believe the current market environment presents a unique opportunity for Devon to refocus its portfolio and materia
returns to shareholders. As we have previously discussed with Devon's management, the company's valuation continu
a conglomerate discount, driven in part by a lack of clarity around capital allocation priorities and the persistence of non
within the portfolio.

Avoid the "Transition Trap"
History shows that newly formed boards and management teams often face a period of inertia following a major merge
complexity, governance resets, and the natural inclination to "observe before acting" can delay necessary decisions. In
commodity environment, that delay comes with a cost, particularly to shareholders. This Board cannot afford paralysis.

Devon must clearly articulate its post-merger strategy consistent with the vision that drove the parties to come together
will expect clarity on strategic direction, capital allocation, and performance metrics immediately upon closing. Investors
understand not just what assets the company owns, but why it owns them, how capital will be allocated, and what retur
guide decision-making.

Devon has assembled a high-quality set of core positions, particularly in the Delaware Basin. However, the company co
allocate capital and management attention to assets that dilute shareholder returns and obscure the underlying value o
acreage. We strongly encourage the Board to initiate an accelerated program of non-core asset divestitures.

A streamlined portfolio focused on high-margin, scalable assets will not only improve capital efficiency but also position
best-in-class operator that is deserving of a premium valuation multiple. Scale alone does not create value, but disciplin
execution do.

A Blank Sheet for Executive Compensation
Moments of transformation create rare opportunities to reset incentives. This merger is one of them. In articulating a ne
business model, Kimmeridge has spent years engaging across the sector on executive compensation, advocating for s
that better align management decision-making with long-term shareholder value creation. We encourage the Board to t
completely refreshed approach to compensation design based on the principles laid out in our 2020 white paper, "Bring
Alignment and Accountability to the E&P Sector".

In the white paper, we advocate for 100% performance-based long-term incentives, deemphasizing relative TSR in fav
long-term financial measures and ensuring meaningful downside accountability alongside upside participation. Under D
existing plan, only 60% of long-term incentives are performance based. Those incentives are singularly tied to relative T
a narrow peer group and inexplicably still reward poor performance. As noted in Devon's 2025 proxy, the 2022 perform
paid out at 75% of target despite the company only achieving the eighth highest TSR out of a twelve-company and inde

group. Investors have no patience for bottom-tier performance, and neither should the Board.

Closing Perspective
This merger has the potential to set a new standard for the sector. But that outcome is not guaranteed. It will depend on willingness of this Board to act with clarity, discipline, and urgency from day one.

Kimmeridge stands ready to engage constructively as a long-term investor committed to the success of this combined c

The opportunity is significant. So is the responsibility.

About Kimmeridge

Founded in 2012 by Ben Dell, Dr. Neil McMahon and Henry Makansi, Kimmeridge is an alternative asset manager focu energy sector. The firm is differentiated by its direct investment approach, deep technical knowledge, active portfolio m proprietary research, and data gathering. Public engagement is one of the firm's core strategies, launched in early 2020 the public E&P sector and generate differentiated returns. Since inception, the platform has outperformed the S&P 500 relevant indices 2x on an annualized basis, under the direction of Managing Partner, Mark Viviano. Prior to joining Kimm Viviano spent nearly two decades at Wellington Management, responsible for firm-wide equity research coverage of the American and international E&P sectors, as well as co-portfolio manager for the Global Natural Resources and the Sele Opportunity strategies. www.kimmeridge.com

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