



Discover the Difference



Devon Energy 2008/2009 Corporate Responsibility Report

Contents

Letter to Stakeholders	2
Five Values Comprise 'The Devon Way'	4
Economic Impact	6
Community	8
Employment	10
Industry Issues	11
Government Mandates	12
Alternative Energy	13
Environment	14
Fracturing	14
Water Conservation	15
Emissions	16
Safety	18
Stakeholder Relations	20
Awards and Achievements	21
Contact Information	21

Our Vision

We believe Devon can be the premier independent oil and natural gas producer in North America.

Through entrepreneurialism, innovation, leadership and collaboration, we are building one of the deepest and most comprehensive asset portfolios in the industry.

Being the best, however, requires more than accomplishments in the field, a strong balance sheet and recognition on Wall Street. To be the very best, we also strive to set the standard as a good neighbor, a good community partner, a good environmental steward and a good employer.

Producing natural gas and oil profitably while respecting the environment and showing sensitivity for our neighbors has been at the core of our company's culture since Devon was founded. We look for ways to conserve water, and we embrace opportunities to reduce emissions, reclaim land and give back to our communities. These efforts are among the many things we do that make our business stronger.

However, we would fall short of our role as a leader in the industry if we were to stop there. Corporate stewardship is a responsibility, and part of that duty is communication. Our responsibility calls us to tell neighbors, policymakers, shareholders, employees and even our competition about Devon's community and environmental initiatives.

We hope this year's corporate responsibility report will inform, promote awareness and inspire partnerships among businesses and communities. The pages of our report show how working together and mutual investment can help resolve common challenges that face all of us.

Through communication, we can create stronger relationships, enhance quality of life and motivate others to give back as well. We hope you enjoy reading our story, and we are grateful for your interest in Devon.

Discover the Difference

When my father and I established Devon nearly 40 years ago, we envisioned a company that would embrace new ideas and emerging opportunities.



J. Larry Nichols

Like many in the industry, we came to the business from different professional backgrounds, which influenced our vision and helped shape the company's underlying values. My father, John Nichols, entered the industry as a certified public accountant. My background was from Washington as a law clerk at the U.S. Supreme Court and later as an attorney with the Justice Department.

Our backgrounds shaped our business philosophies and helped cast Devon's unique qualities as a company. We have followed the path of innovation and technology to new energy production as well as to improved environmental stewardship.

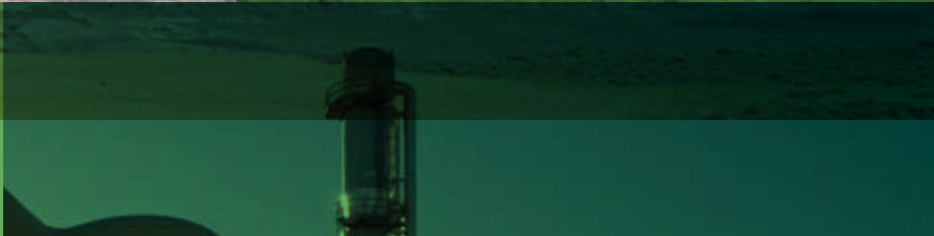
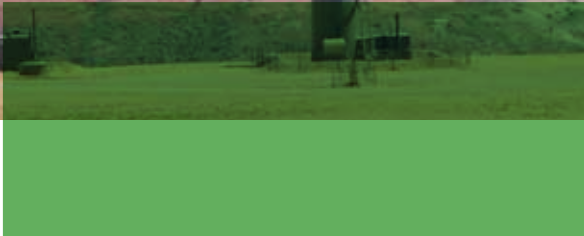
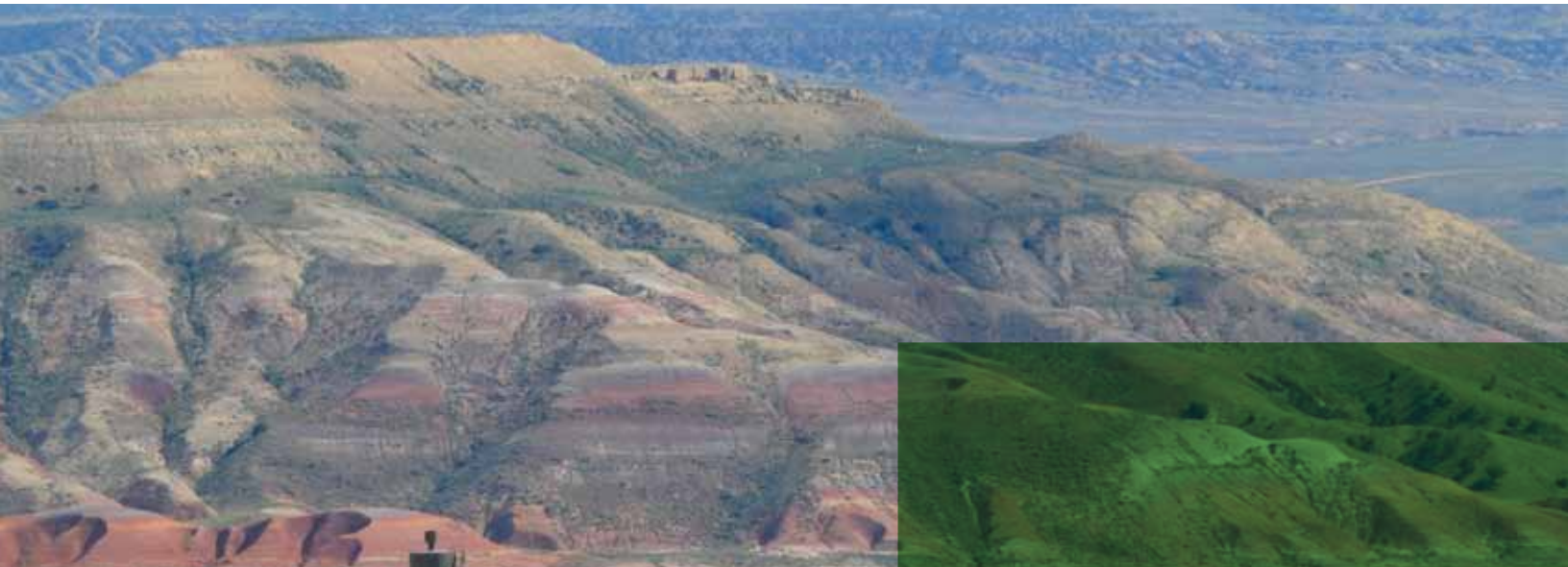
We have built Devon on a system of solid business principles and core beliefs that drive success and ensure integrity. Our objective for this year's corporate responsibility report is to highlight our accomplishments and contributions.



As a publicly traded company, our responsibility goes beyond creating value for our shareholders. It also includes social aspects, such as treating the environment with respect and being a good neighbor in our communities.

In this year's report, you will read about our vision for Devon and see tangible examples of how it shapes our company. You will see an overview of operational milestones and discover the impact our company has on local economies. You can learn about the role we play in local communities, about our proactive approach to safety and about the fundamental value we place in our employees.

You also will read about our innovative approaches to the environmental issues that challenge all of us. You can review the progress of our companywide emissions reduction program, and you can see how our water conservation initiatives continue



to develop. Finally, you can learn more about our effort to reclaim land and preserve habitat.

We are proud of our contributions as an energy producer, as a profitable investment for our shareholders, as an employer, as a neighbor and as an environmental steward. We hope that as you explore the pages of this year's report, you will discover our unique vision for Devon and understand how it has shaped our character.

J. Larry Nichols
Chairman and Chief Executive Officer
March 20, 2009

Five values comprise ‘The Devon Way’

In the wilderness of eastern Alberta, we realized that our Jackfish steam-assisted gravity drainage project might strain the area’s fresh water sources. We chose to use undrinkable water in order to minimize the impact. To create the steam we need, we use salt water from a deep aquifer to aid in the recovery of oil from Canada’s oil sands region.



The Jackfish example embodies Devon’s deeply held commitment to be an environmental caretaker wherever the company operates. It is true in the Barnett Shale, where Devon pioneered an award-winning water recycling program, and in southeast New Mexico, where it was recognized for its efforts to restore critical wildlife habitat.

The company’s environmental stewardship policies are just one aspect of its core values and convictions, which we call “The Devon Way.” This philosophy permeates every business deal, every critical decision and every professional relationship that involves us.

We recruit employees who epitomize these principles and who thrive on adding their efforts and talents toward a corporate goal. We nurture our vast talent pool by challenging each other to learn, to stretch and to become better employees. We empower employees in the decision-making process. We advocate teamwork and discourage bureaucracy. Key to this philosophy is the premise that leaders should help develop more leaders, not more followers. To protect our

most valuable resource – our people – we refuse to compromise health and safety standards. This commitment extends to our contractors and other associates.

We consider Devon to be a true partner with the communities in which we operate. This means donating cash, vehicles and equipment to rural fire departments and law enforcement agencies. It means answering the needs of Gulf Coast school districts hit hard by hurricanes. It means supporting employees’ spirit of volunteerism. We do these things because we understand the responsibility that accompanies the role of corporate leader.

We achieve our goals by adhering to one simple yet profound doctrine: Always do the right thing. This is the most fundamental of the five guiding principles that form “The Devon Way.” It means that we are honest and forthright in all dealings. While we are tough negotiators and always pursue our goal of increasing shareholder value, we refuse to manipulate people. In the end, we realize that integrity means always doing the right thing, even when no one is looking.



The Devon Way



Hire the best people: Because its people are Devon's most important resource, we develop employees' knowledge and creativity, and we cultivate an atmosphere where anyone can share an idea and know that it will be heard.

Always do the right thing: In a competitive environment, this mantra too often gets pushed aside. At Devon, we refuse to succumb to ethical lapses. We embrace honesty and uncompromised integrity as our foremost core value.

Deliver results: In our commitment to increase shareholder value, we instill a desire for constant improvement, both as individuals and as a company. We do this through hard work and individual ownership of Devon's goals and objectives.

Be a team player: We foster teamwork and a culture of trust and goodwill, because a focused, fulfilled and engaged workforce brings more job satisfaction and ultimately yields a more successful company.

Be a good neighbor: We believe we have a responsibility to respect the environment and improve the overall quality of life in the communities where we operate. We do this at both the corporate and individual levels.

Economic Impact

Devon's impact goes far beyond our \$630 million annual payroll. As one of the nation's largest natural gas and oil producers, we bring prosperity wherever we do business. In addition to our payroll, Devon makes substantial payments to landowners, vendors and the government. The multiplying effects of those payments on local economies are staggering.



In the Oklahoma City area alone, Devon's 2008 economic impact was estimated at \$760 million, according to a study commissioned by the Oklahoma City Urban Renewal Authority. By 2012, that figure will jump to \$954 million, the study predicts.

Devon's investment in exploration and production has spurred economic growth not only in Oklahoma City, but in Houston, where we have more than 1,000 employees; and in Calgary, where we employ more than 900.

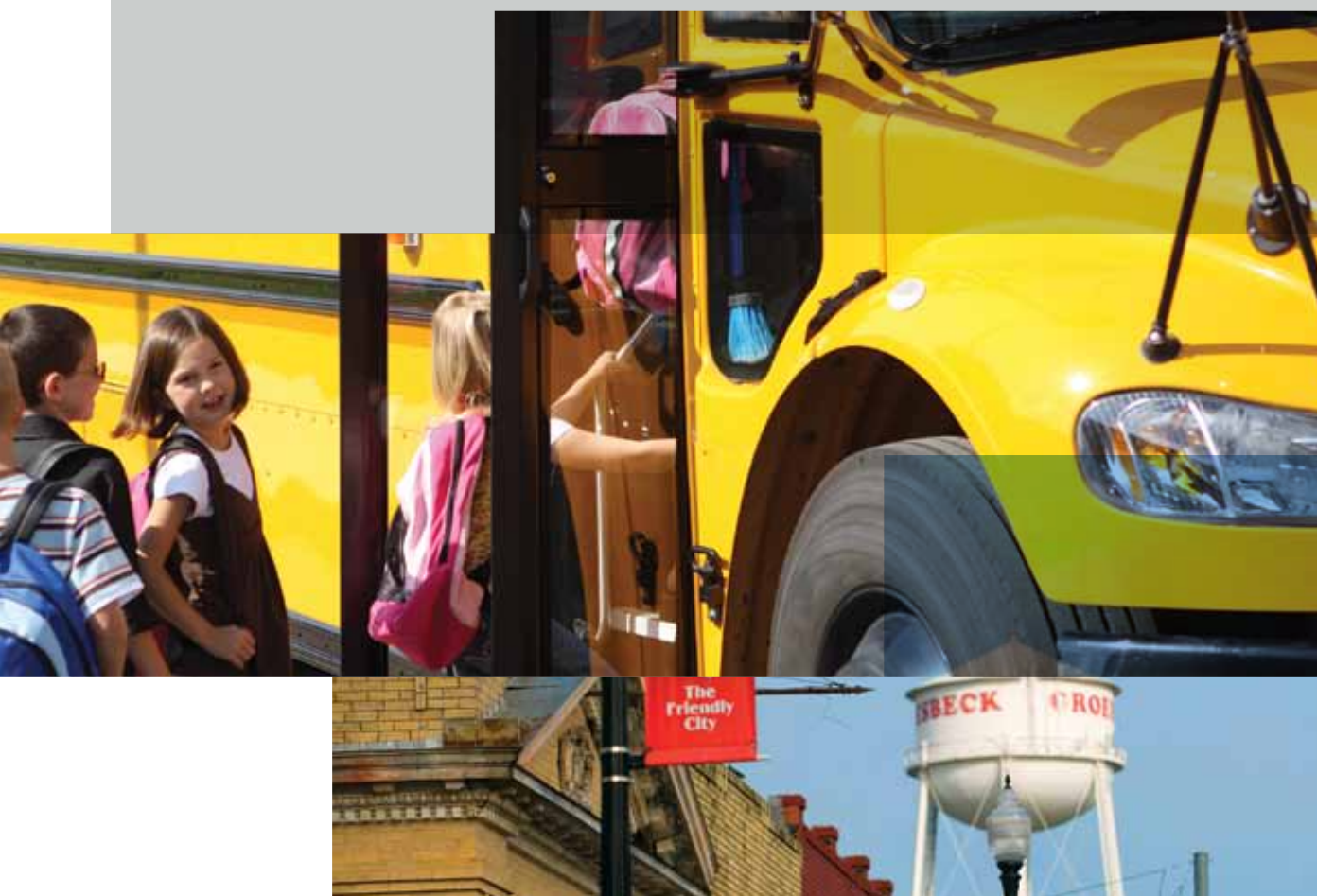
Our operations span North America, employing hundreds of people in field offices serving numerous producing regions. Examples include north Texas, where we employ about 500 people and have drilled nearly 4,000 natural gas wells in the Barnett Shale. In remote eastern Alberta, our Jackfish oil sands production operations employ 80 people and will employ twice that many when we expand operations in 2010.

Local, state and federal government entities also benefit from Devon's presence. In 2008, we paid nearly \$1 billion in taxes in the United States alone. This

figure includes income taxes, property taxes, production taxes and payroll taxes.

As an example, consider Devon's presence in the Northwest Independent School District north of Fort Worth. The district, one of the fastest-growing in Texas, opened two new schools in 2008 and plans to open two more in 2009, including its second high school. The construction is made possible largely because of our natural gas wells and gathering lines. Devon easily is the district's predominant tax source, paying \$16.6 million in property taxes in 2008.

Elsewhere in Texas during 2008, Devon paid \$6.2 million in property taxes to the Carthage School District, \$2.3 million to Denton County, nearly \$2.3 million to Panola County and \$4.5 million to the Decatur School District. In those places and others where Devon operates, we help government fund major projects while helping hold down tax assessments for other property owners. Clearly, these local areas benefit by having Devon as a neighbor.



Devon in the U.S. and Canada

	Employees	Combined Payroll (Millions)
2003	3,892	\$ 251
2004	4,012	336
2005	4,084	358
2006	4,574	433
2007	4,965	531
2008	5,472	629

NOTE: Canadian payroll converted to U.S. dollars

Devon's 2008 Payroll by State

Alabama	\$ 112,748
Arkansas	464,832
Colorado	338,052
Florida	88,759
Kansas	259,397
Louisiana	16,031,604
Mississippi	900,044
Montana	4,173,878
New Mexico	9,481,945
Oklahoma	192,122,567
Texas	230,653,941
Utah	966,491
Wyoming	15,141,367
Total	\$ 470,735,626

Devon's Tax Payments to Local Governments

Federal Income Tax	150,000,000
State Income Tax	25,000,000
Franchise Tax	3,800,000
Severance Tax	399,000,000
Property Tax	128,500,000
Federal Royalties	175,000,000
State Royalties	62,000,000
Tribal Royalties	5,000,000
Employer FICA	32,000,000
	980,300,000

NOTE: Numbers estimated as of Dec. 31, 2008

Connected to Community

For years, Devon's annual food drive produced respectable results. However, what has transpired since 2005 has been nothing short of phenomenal.



While our employees in 2008 donated about the same number of food items as in previous years, interdepartmental competitions this time produced an astounding \$164,000 in cash. Some fundraisers, such as ice cream socials and penny wars, were traditional, while others relied on sheer creativity and grit. One employee shaved his head. Another "sold" photos showing co-workers next to a superimposed likeness of their favorite celebrity.

Combined with a corporate donation, Devon's contribution to the Regional Food Bank of Oklahoma in 2008 exceeded the amount the food bank received from all sources in 2007.

This example demonstrates our commitment to one of our core values: Be a good neighbor. We demonstrate this principle many ways, one of which means improving the quality of life wherever we operate. While this is a corporate value, you can see our employees embrace it as well.

Also in Oklahoma City, Devon's partnership with Mark Twain Elementary has changed many young lives. By tutoring students from an inner-city neighborhood, our employees helped remove the school from the national at-risk list. Many of our Houston employees have taken on a similar role at Thompson Elementary School, where a significant percentage of students are homeless.

Here is one individual success story in the making: A boy at Mark Twain was the same age as his fellow fourth-graders but had never attended school until the 2008-2009 school year and was unable even to use a pencil. Sensing he was deficient somehow, the child seldom spoke with classmates. Our tutor coordinator found the perfect match for him, and by the end his first semester, he was reading aloud. What's more, he has gained the confidence to begin building friendships.

Examples like these prompted the Association of Fundraising Professionals' Oklahoma chapter to honor Devon with the organization's Outstanding Philanthropic Organization award in 2007. Devon was recognized for encouraging and motivating others to take leadership roles toward philanthropy and for its commitment to the Oklahoma City community.



We are equally connected to other communities we operate. For instance, through a partnership with the Fort Worth Stock Show and Rodeo, Devon is a founding sponsor of a new scholarship contest for junior heifer exhibitors. Devon has committed \$125,000 over five years for the program, which rewards Texas students for their knowledge of beef cattle production.

In Canada, we launched a grant program called Investing in People, which is aimed at helping non-profit organizations recruit and retain employees. Because our people are our most important asset, we wanted to help the non-profit sector offer financial incentives to attract and keep the best employees.

In 2008, Devon contributed more than \$530,000 to emergency responders in communities where the company operates. Additionally, Devon is the founding sponsor of the “Wise Eyes” crime watch program. Founded in Wise County, Texas, the program now has 29 locations in six states.

We realize that the title of corporate leader carries the responsibility of enhancing any community where we operate. We also know our investment pays dividends. A robust company helps create a vibrant community, and a vibrant community creates a robust business climate.

2008 Community Contribution Highlights

- The company matched every employee dollar raised for the United Way, making a total pledge of nearly \$4 million.
- Through company funds and employees’ time, we helped build Habitat for Humanity homes in Oklahoma, Texas, New Mexico and Louisiana.
- We pledged \$2 million in relief aid after Hurricane Ike devastated the Houston and Galveston areas in September 2008. This followed a similar commitment Devon made in the wake of Hurricanes Katrina and Rita in 2005.
- Devon contributed \$200,000 toward the creation of the Fort Worth Police and Firefighter Memorial.
- Through its Science Giants program, Devon awarded \$25,000 to Houston’s Seguin Elementary School to reward its significant gains in science education. In addition, we created a “best practices” book for teaching science and distributed copies to each school that submitted a nomination.



For more information on Community Relations:
www.devonenergy.com/CommunityRelations

- Relationships of trust and goodwill.
- Community involvement.
- Corporate giving.

A Great Place to Work

Great companies are built one employee at a time, each filling a single spot in a living, growing culture. When it works just right, one hears that a workplace is “a great place to work,” “a real team environment,” “a place that treats me like an individual,” and “where I can get opportunities I can’t get anywhere else.”



These are all statements that Devon employees submitted anonymously to the Great Place to Work Institute, which compiles data for Fortune magazine's annual “100 Best Companies to Work For” list. Devon was named to this prestigious list in 2008 and 2009.

While salary, benefits and other more traditional measures contribute to employee satisfaction at Devon, the following common themes have emerged among workers, especially in recent years.

Work/life balance is important.

While we have high work expectations of our employees, we also recognize the importance of striking a balance with personal and family time.

Community involvement and contributions are good business. Our employees express pride in working for a company that cares about its people, its communities and the environment.

We're all in this together. A common virtue seen throughout our company is a willingness to help others to benefit the greater good. This teamwork spirit is a reflection of our first core value: Hire the best people.

We also learned from the anonymous surveys that Devon employees look up to company leaders as people of integrity. This common virtue is not demonstrated just in staged appearances or carefully crafted speeches. Integrity shows in every decision and every action. Our employees have seen firsthand that decisions consistently are driven by integrity. That realization instills employee pride.



Over the next several pages, you will read about the issues and challenges that face Devon and, in most cases, our entire industry. These issues include maintaining a safe work environment, assuring quality working conditions, being a good environmental steward and giving back to the communities where we operate.

While these are separate topics, we consider them to be interwoven because corporate character is defined largely by the way a company treats its employees, its community and the environment. We are proud of our contributions in each of these areas.

Vulnerability to Government Mandates

Changing political and social attitudes toward the environment present a critical challenge for our industry. Devon's business strategy acknowledges this change. That is why for years we have sought to reduce greenhouse gas emissions and conserve water in the areas where we operate.



For example, we recognize water as a precious commodity, and as a good neighbor it is our role to take steps to reduce our consumption for the benefit of communities that surround us.

Two major initiatives illustrate our desire to meet this challenge. The first involves the water recycling method we pioneered in the Barnett Shale of north Texas. In this process, developed in 2005, wastewater produced during fracture stimulation is heated, vaporized and distilled. Then, it is returned to be used again in the field. The result: We recycled 130 million gallons of water during 2008. The Interstate Oil and Gas Compact Commission recognized this accomplishment by awarding Devon its highest honor for environmental care, the 2008 Chairman's Stewardship Award.

In Canada, we took water conservation into consideration when designing Jackfish, our thermal oil production facility in eastern Alberta. Jackfish uses a technology called steam-assisted gravity drainage, which requires large volumes of water. Instead of drawing from surrounding fresh water

resources to create steam, we draw upon a deep aquifer containing salt water that is not suitable for drinking, livestock or irrigation. By doing so, we are able to conserve water for surrounding communities and habitats.

We also seek to reduce the amount of greenhouse gas emissions from our exploration and production operations. Between 1996 and 2008, we reduced emissions by more than 30 million tons. In anticipation of future mandates, we completed an inventory of emissions in late 2007. This inventory will serve as a benchmark for making further reductions in the future.

Devon is prepared to meet challenges posed by the possibility of increased regulation. We believe we can reduce our vulnerability to new regulatory requirements by being proactive. By being a good neighbor and acting with sensitivity, we can exceed expectations from government regulators and from the communities where we live, work and operate.

Our Stance on Alternative Energy



As North America moves into the future, our growing demand for energy will require a broad portfolio of energy resources. In addition to natural gas, oil and coal, alternatives such as wind, solar and biofuels will play an increasingly important role in our energy future.

Devon supports continued development of emerging technologies. In the future, we will need a deeper portfolio of energy sources to fulfill the continent's growing demand. However, most alternative energy technologies are still in the infancy of development, and it may be decades before they can take the place of traditional energy sources.

In the meantime, we will continue to rely on the natural gas, oil and coal that have fueled our economy for more than

a century. As one of North America's largest energy producers, our role is to continue exploring for and producing the sources of natural gas and oil we need to maintain our economic growth.

While alternative sources will be critical to our long-term sustainability, we are committed to providing the oil and natural gas we need today.

Our Role in the Environment

Its arid climate and a dearth of topsoil make southeast New Mexico an unenviable locale to attempt environmental reclamation. However, Devon surpassed all expectations, leading to national acclaim in 2008.



We worked with state officials to restore land near natural gas and oil wells – mainly older wells Devon inherited through acquisitions. The task involved removing pits and other oil-field scars, then planting seed to restore vegetation on more than 200 acres. The ultimate goal: keeping the lesser prairie chicken and the sand dune lizard off the threatened or endangered species lists.

This joint effort, called Restore New Mexico, was part of the U.S. Bureau of Land Management's rationale in honoring Devon with a national Best Management Practices Award for 2008. The BLM also cited our erosion-control efforts in northwest New Mexico and our extensive pre-planning prior to drilling. The latter reduced surface disturbances and the associated impact on wildlife while increasing drilling efficiency.

Devon is preserving the environment through a variety of methods. In Arizona, we donated 300 acres along the Santa Cruz River to the Tucson Audubon

Society, and we brokered a deal to limit development on 500 surrounding acres. In Wyoming, we removed eight miles of barbed wire and replaced it with a wildlife-friendly fence. In Canada, we use specialized equipment to remove and salvage topsoil in some of the country's most sensitive frozen areas.

Another Devon initiative involves drilling multiple wells from a single location. This practice has both economic and environmental benefits. It reduces surface disturbance, guards against soil erosion and improves an area's aesthetics while reducing noise and the impact on wildlife and vegetation. Additionally, this type of consolidated drilling reduces costs, because it requires fewer roads, gathering lines, production separators and other facilities.

We believe much more can be accomplished. Being a good neighbor and preserving the integrity of the environments where we operate remain long-range corporate objectives.

Safeguards Define Fracture Stimulation

Developed in the late 1940s, fracture stimulation, also known as hydraulic fracturing, has become our industry's primary method of obtaining natural gas. The procedure is estimated to have been performed 80,000 times in 2008 alone.

In this process, fracturing fluids are injected into rock at sufficient pressure to cause fractures. Natural gas moves through the cracks to the bore hole and is moved to the surface, where it is channeled for consumer use.

The primary ingredients of fracturing fluid are water and sand. Water accounts for 99 percent of the liquid. Composing the remainder are environmentally benign substances found in most American homes, including: guar, which is used to make chewing gum; biocides, which eliminate bacteria; and detergent compounds.

The fluid is injected several thousand feet below the water table. Once well production begins, a substantial amount of that fluid is recovered. Steel pipe and cement casing create a strong barrier between the drilling operations and groundwater.

Innovative Measures

Water can be both a byproduct and a requirement in the exploration and production of oil and natural gas. This is true in nearly every petroleum-producing region of the world.



Decisions on how to manage water – and whether it is considered waste or resource – often determine the economic success of a project. As a company always in search of increasing efficiency, Devon has emerged as a leader in water conservation technology.

The result has been success in generating measurable improvements in water conservation through a range of methods in a variety of circumstances. Our efforts have resulted in more water for wildlife and livestock in a region where the climate is arid. We have used innovation to reduce our demand from local fresh water supplies, and we are leading the way in introducing water-recycling technology to the natural gas industry.

In Wyoming, potable water from our natural gas wells serves wildlife and ranching needs. State and federal agencies have recognized Devon repeatedly for water conservation and habitat restoration programs in Wyoming.

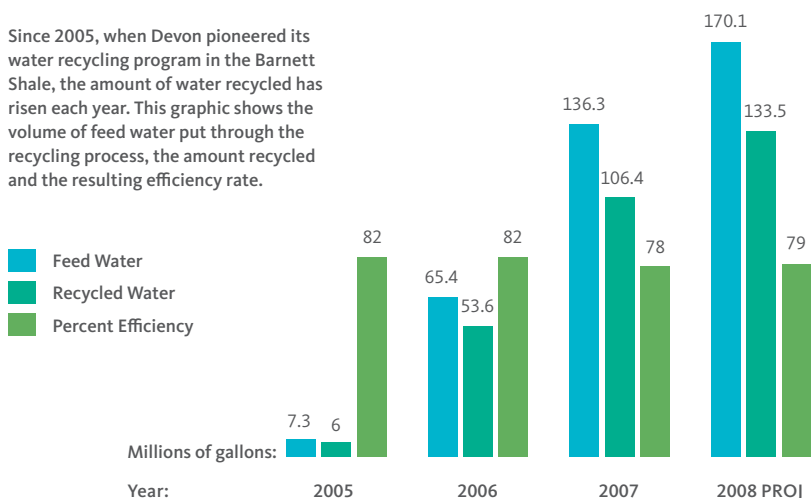
In Canada, our Jackfish oil sands project employs brackish water – instead of drinking water sources – to serve as feedstock for steam-producing plants at our production facility. Our commitment to using water that is unsuitable for drinking, livestock or irrigation helps set a high standard for water conservation in the industry.

In north Texas, Devon has pioneered water recycling in the production of natural gas, using thermal distillation technology to reclaim water recovered from well completion operations at hundreds of wells drilled every year. Through recycling, we can reclaim water, reuse it and reduce our demand for fresh water sources that serve surrounding communities. The Interstate Oil and Gas Compact Commission recognized this pioneering technology by presenting its 2008 Chairman's Stewardship Award to Devon.

Such success stories are the product of this belief: that doing the right thing is beneficial to the environment and frequently makes better business sense. While there remains much potential ahead in water conservation, we are excited about our progress and looking forward to future accomplishments.

Water Processed by Year

Since 2005, when Devon pioneered its water recycling program in the Barnett Shale, the amount of water recycled has risen each year. This graphic shows the volume of feed water put through the recycling process, the amount recycled and the resulting efficiency rate.



For more information on water recycling:
www.devonenergy.com/CorpResp/initiatives
 • How the 4-step recycling process works.

Clean Air Accountability

Greenhouse gas emissions, carbon trading and climate change are among the world's central environmental issues, and energy companies are being held accountable. Our communities are asking the industry to take a lead role in finding solutions and helping set the standards for reducing the amount of carbon we emit into the atmosphere.



It is a call we acknowledge and embrace with confidence earned through nearly two decades of experience. We began our emissions reduction effort in 1990, employing innovations designed to enhance efficiency and improve natural gas production volumes. A lot has changed from when emissions reduction was simply good business. Today, emissions reduction is also an opportunity to respond to concerns about the environment.

We take pride in our accomplishments, and we believe they will lead us to future achievements. Our participation in government-industry partnerships in the United States and Canada has created the foundation of a program that positions us to take on future challenges.

Devon has been diligent in its emission-reduction efforts in the United States and Canada have been for many years. These efforts reached a milestone in 2007, when we established a greenhouse gas emissions inventory system that includes all of our U.S. production sites. Information from the inventory allows us to identify opportunities to further reduce emissions through new technology. It also increases our accountability by providing current and accurate emissions information we can share with all of our stakeholders.

Devon's emissions inventory evolved from our participation in the EPA's Natural Gas STAR program. This voluntary program partners with energy companies to track the emission of natural gas, or methane, which is a greenhouse gas. Our corporate commitment to Natural Gas STAR originated in 2003 and threads its way from our executive offices to our field offices and to the men and women on the ground floor of our daily operations.

The results are impressive. Through technology and innovation, we prevented more than 6.4 billion cubic feet of natural gas from escaping into the atmosphere in 2007. That is enough natural gas to serve more than 90,000 homes for a year. In terms of air quality, it is equivalent to planting nearly 800,000 acres of trees or removing more than 570,000 cars from the road for a year.

Since Devon joined the partnership, the EPA recognized the company with its "Rookie of the Year" award in 2004 and its "Partner of the Year" award in 2005. In 2008, the EPA honored Devon with its "Continuing Excellence" award for its strong and consistent record of emissions reporting.

Emission Reduction Equivalents

Through technology and innovation, we prevented more than 6.4 billion cubic feet of natural gas from escaping into the atmosphere in 2007. Here is what that equates to:

In Canada, we continue to build on a foundation of emissions reduction that began in 1994. Our engineers and geoscientists are exploring carbon sequestration and storage technology as well as other innovations that could enhance our efficiency even more and further reduce our emissions.

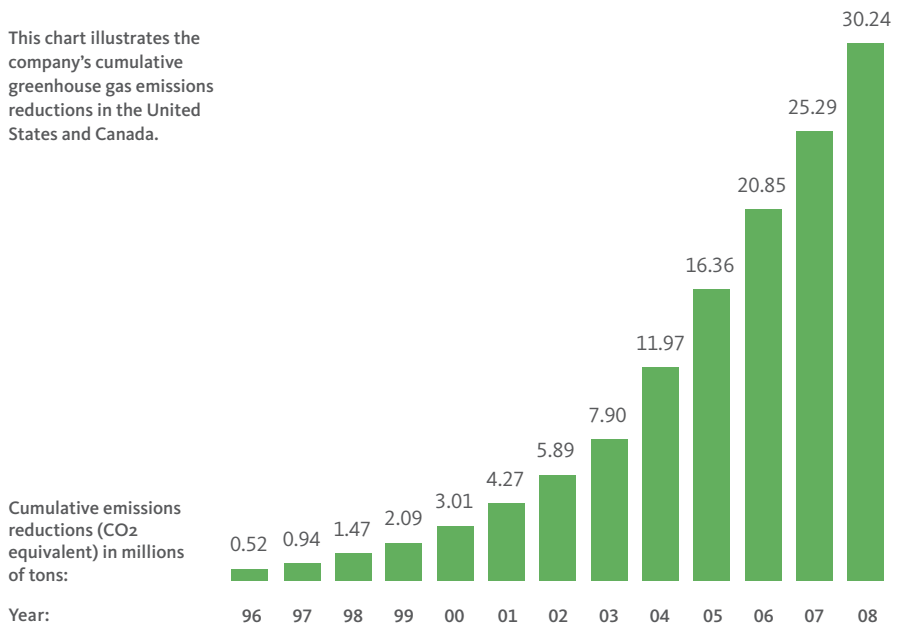
For example, we recently joined two research initiatives that are focused on emissions reduction opportunities in Alberta. Through one initiative, Devon and other companies are analyzing the economics and technical challenges of capturing, transporting and storing carbon. The project could lead to cleaner oil sands production in the years to come. We also are working with the Alberta Saline Aquifer Project to identify deep saline aquifers in Alberta that could be used in a carbon sequestration pilot project.

Respect for the environment and preservation of our natural resources demands a long-term commitment. Devon has come a long way in our journey toward greater efficiency and lower emissions. While we are gratified by our progress to date, we are even more excited about future possibilities and our potential to advance even further.



Greenhouse Gas Emission Reductions

This chart illustrates the company's cumulative greenhouse gas emissions reductions in the United States and Canada.





A Reputation for Safety

A drilling rig can be a challenging environment to ensure safety. At Devon, however, we are taking unprecedented steps to reduce injuries not only on rigs, but everywhere our employees and contractors work.



For many years, Devon has taken a proactive approach to addressing safety by shaping the behavior of employees working in hazardous environments. We have led the industry with innovative ideas, and we continue to apply new ways to promote safety.

We value the fundamental link between an organization's culture and its safety. This emphasis is demonstrated through the Safe Actions for Everyone (SAFE) program we implemented in north Texas in 2003. The SAFE initiative involves frequent peer observations, leading to either accolades for a job well done or coaching when risky behavior is observed. The program cultivates an appreciation among employees for their co-workers' well-being. It teaches this mantra: "We're all part of the same family, so we must look out for one another as we would a close relative."

Such an attitude hasn't always been characteristic of our industry's culture. Despite advances made over the past several decades, the oilfield has been a tough environment where following safety tips might be interpreted as a sign of weakness. Even field managers who promote safety can send a mixed message by rewarding quick actions that can lead to safety shortcuts.

The SAFE program helped alter that mindset. Participation has spread, and the program consistently has improved our safety record in areas where it was implemented. In the Permian Basin, for instance, the contractor injury rate fell by 42 percent between 2005 and 2008.



Our dedication to safety could be seen through our actions before, during and after Hurricane Ike, which struck the south Texas coast in September 2008. Less than five months before Ike, our incident management team in Houston held an all-day training exercise based on the premise of a Category 5 hurricane predicted to strike the Galveston coast. That simulation proved invaluable. It revealed areas needing improvement and established working relationships among those ultimately pressed into duty for Ike.

When Ike struck, the training paid off. All our offshore people, along with the more than 1,000 employees in our Houston office, were evacuated well ahead of the hurricane's arrival. Devon Energy Tower in Houston lost part of its roof and sustained significant interior damage, mainly from flooding. To reduce the potential for health risks posed by the damage, we took extensive measures to replace damaged walls and carpet on several floors. This safety-first approach got our employees back to work sooner – and in a safer environment.

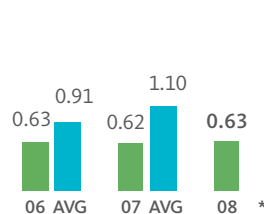
While we lost two offshore platforms and some of our employees lost their homes, we are proud that none suffered serious injury. We are equally proud of the intense hurricane simulation training that produced this result. It is reflective of the overall commitment to safety that has become a Devon trademark.

Employee and Contractor Safety Records

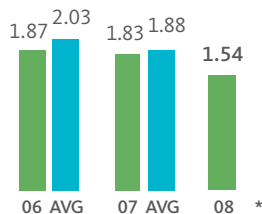
The graphics reflect the total number of injury incidents recorded for every 200,000 hours worked.

- Devon
- Peer Group Average

Employees



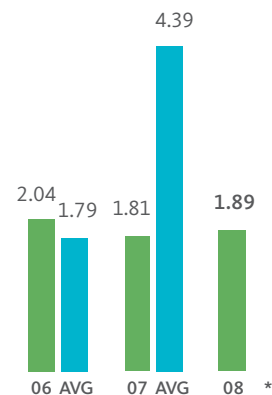
Contractors



* Peer group data not available for 2008

Vehicle Safety Record

The graphic reflects the total number of preventable accidents per million miles driven compared with the peer group average.



More on Being a Good Neighbor

Under our value system, we believe it is our responsibility to be open with our neighbors and considerate of their needs.

With wide-ranging operations both in North America and internationally, the relationships we form in the communities where we live and work are important to us. We recognize these communities can be culturally unique, and we strive to understand these differences as we build relationships with our neighbors, local business partners and those who have a vested interest in what we do.

In Canada, for instance, Aboriginal peoples (such as the Métis and Inuit) have constitutionally protected rights. Oil and gas operations often are situated in or near Aboriginal communities, many of which rely on a traditional lifestyle of hunting, trapping and fishing to sustain their people and culture. Devon realizes that, to be a good neighbor, our staff must understand aboriginal history, values and rights. To emphasize this, we have included an aboriginal relations policy in our Canadian Code of Conduct.

Devon also has an Aboriginal Relations Team dedicated to working with all Aboriginal communities. This team is focused on building relationships with aboriginal communities and ensuring that our employees and contractors are aware of and respect aboriginal culture.

Aboriginal awareness training, the celebration of Aboriginal Awareness Week and one-on-one discussions with Devon's staff are a few examples of how the Aboriginal Relations Team helps to foster understanding of aboriginal people in Canada. The team also provides aboriginal communities with opportunities to learn about Devon and the oil and gas industry.

We work to create positive, respectful relationships in these communities in a variety of ways. In Conklin, Alberta, for example, Devon sought advice from community leaders on how we could be respectful to Aboriginal values prior to constructing our thermal heavy oil projects, Jackfish and Jackfish 2. A traditional ground blessing ceremony was conducted by community leadership and elders

in advance of each phase of project construction. Our operations near Conklin also have created jobs for local residents. Other contributions to the community include partnering to build an ice skating rink and warming house next to the community center.

These activities, combined with a strong community investment program, demonstrate how our Aboriginal Relations Team helps Devon in its efforts to be a good neighbor.

While this is our most prominent example of relationship building, we see it as the model for how all stakeholders should be treated: with respect and understanding, punctuated with action.

Awards and Achievements

Year	Awarding Entity	Award Received
2009	Fortune Magazine	100 Best Companies to Work For
2009	Fortune Magazine	Most Admired Companies
2008	U.S. Bureau of Land Management	National Best Management Practices Award
2008	U.S. Bureau of Land Management	Excellence in Use of Technology Award
2008	U.S. Environmental Protection Agency	Natural Gas STAR Continuing Excellence Award
2008	U.S. Minerals Management Service	District Safety Awards for Excellence (two awards)
2008	U.S. Interior Department	Cooperative Conservation Award
2008	Fortune Magazine	100 Best Companies to Work For
2008	Fortune Magazine	Most Admired Companies
2008	Interstate Oil and Gas Compact Commission	Chairman's Stewardship Award
2008	Gas Processors Association	2008 Facility Safety Award
2008	Canadian Association of Petroleum Producers	President's Environmental Stewardship Award
2007	U.S. Bureau of Land Management	"Restore New Mexico" Award
2007	Canadian Association of Petroleum Producers	Platinum Level Member of Stewardship
2007	Fortune Magazine	Most Admired Companies
2006	U.S. Minerals Management Service	District Safety Awards for Excellence (two awards)
2006	U.S. Environmental Protection Agency	Best Workplace for Commuter
2006	Gas Processors Association	President's Award for Safety Improvement
2005	U.S. Environmental Protection Agency	Best Workplace for Commuters
2005	U.S. Environmental Protection Agency	Natural Gas STAR Production Partner of the Year
2005	Alberta Chamber of Resources	Major Reclamation Award
2005	Canadian Association of Petroleum Producers	Steward of Excellence Award
2005	Interstate Oil and Gas Compact Commission	Chairman's Stewardship Award
2005	U.S. Minerals Management Service	District Safety Awards for Excellence (two awards)
2005	National Association of Royalty Owners	Industry Relations Award
2004	U.S. Minerals Management Service	District Safety Awards for Excellence (two awards)
2004	Canadian Association of Petroleum Producers	Steward of Excellence Award
2004	U.S. Bureau of Land Management	Director's Four C's Award
2004	U.S. Environmental Protection Agency	Natural Gas STAR "Rookie of the Year"
2004	U.S. Environmental Protection Agency	Best Workplace for Commuters

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