

DEVON ENERGY CORPORATION
UNAUDITED FINANCIAL AND OPERATIONAL INFORMATION

Non-GAAP Financial Measures

The United States Securities and Exchange Commission has adopted disclosure requirements for public companies such as Devon concerning Non-GAAP financial measures. (GAAP refers to generally accepted accounting principles.) The company must reconcile the Non-GAAP financial measure to related GAAP information. Cash flow before balance sheet changes is a Non-GAAP financial measure. Devon believes cash flow before balance sheet changes is relevant because it is a measure of cash available to fund the company's capital expenditures, dividends and to service its debt. Cash flow before balance sheet changes is also used by certain securities analysts as a measure of Devon's financial results.

RECONCILIATION TO GAAP INFORMATION

(in millions)	Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Net Cash Provided By Operating Activities (GAAP)	\$ 1,760	\$ 2,064	\$ 5,109	\$ 4,882
Changes in assets and liabilities - continuing operations	65	(406)	(37)	(232)
Changes in assets and liabilities - discontinued operations	(59)	(121)	(23)	(88)
Cash flow before balance sheet changes (Non-GAAP)	\$ 1,766	\$ 1,537	\$ 5,049	\$ 4,562

Devon believes that using net debt, defined as debt less cash, short-term investments and the market value of Chevron common stock, for the calculation of "net debt to adjusted capitalization" provides a better measure than using debt. Devon believes that because cash and short-term investments can be used to repay indebtedness, netting cash and short-term investments against debt provides a clearer picture of the future demands on cash to repay debt. Included in Devon's indebtedness are \$638 million of debentures exchangeable into shares of Chevron common stock owned outright by Devon. As of September 30, 2007, the market value of the shares (\$1.3 billion) exceeded the related debt obligation. Devon believes deducting the market value of the stock provides a clearer picture of future demands on cash to repay debt. This methodology is also utilized by various lenders, rating agencies and securities analysts as a measure of Devon's indebtedness.

RECONCILIATION TO GAAP INFORMATION

(in millions)	September 30,	
	2007	2006
Total debt (GAAP)	\$ 7,949	\$ 7,401
Adjustments:		
Cash and short-term investments	1,733	1,279
Market value of Chevron Corporation common stock	1,327	920
Net Debt (Non-GAAP)	\$ 4,889	\$ 5,202
Total Capitalization		
Total debt	\$ 7,949	\$ 7,401
Stockholders' equity	20,832	17,217
Total Capitalization (GAAP)	\$ 28,781	\$ 24,618
Adjusted Capitalization		
Net debt	\$ 4,889	\$ 5,202
Stockholders' equity	20,832	17,217
Adjusted Capitalization (Non-GAAP)	\$ 25,721	\$ 22,419