

**DEVON ENERGY CORPORATION**  
**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	
	September 30,	
	2011	2010
<b>Net Cash Provided By Operating Activities (GAAP)</b>	<b>\$ 1,404</b>	<b>\$ 1,344</b>
Changes in assets and liabilities - continuing operations	471	347
Changes in assets and liabilities - discontinued operations	1	76
<b>Cash flow before balance sheet changes (Non-GAAP)</b>	<b>\$ 1,876</b>	<b>\$ 1,767</b>

Devon believes that using net debt for the calculation of "net debt to adjusted capitalization" provides a better measure than using debt. Devon defines net debt as debt less cash and short-term investments. 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.

**RECONCILIATION TO GAAP INFORMATION**

(in millions)

	September 30,	
	2011	2010
<b>Total debt (GAAP)</b>	<b>\$ 9,257</b>	<b>\$ 5,629</b>
Adjustments:		
Cash and short-term investments	6,849	3,998
<b>Net debt (Non-GAAP)</b>	<b>\$ 2,408</b>	<b>\$ 1,631</b>
<b>Total debt</b>	<b>\$ 9,257</b>	<b>\$ 5,629</b>
<b>Stockholders' equity</b>	<b>21,102</b>	<b>18,652</b>
<b>Total capitalization (GAAP)</b>	<b>\$ 30,359</b>	<b>\$ 24,281</b>
<b>Net debt</b>	<b>\$ 2,408</b>	<b>\$ 1,631</b>
<b>Stockholders' equity</b>	<b>21,102</b>	<b>18,652</b>
<b>Adjusted capitalization (Non-GAAP)</b>	<b>\$ 23,510</b>	<b>\$ 20,283</b>