

NON-GAAP FINANCIAL MEASURES

Drill-bit capital is defined as costs incurred less proved acquisition costs. Drill-bit capital is a non-GAAP measure. Devon believes drill-bit capital is relevant because it provides additional insight into costs associated with current year drilling, facilities and unproved acreage acquisitions unrelated to business combinations and other significant similar transactions. It should be noted that the actual costs of reserves added through Devon's drilling program will differ, sometimes significantly, from the direct comparison of capital spent and reserves added in any given period due to the timing of capital expenditures and reserve bookings. Certain securities analysts also use this methodology to measure Devon's performance.

RECONCILIATION TO GAAP INFORMATION

(in millions)	Total Year Ended December 31,			
	2009e	2008	2007	2006
Costs Incurred (GAAP)	\$ 4,897	10,050	6,101	7,510
Less:				
Proved acquisition costs	-	822	10	1,113
Drill-bit capital (Non-GAAP)	\$ 4,897	9,228	6,091	6,397
Reserves (MMBoe)				
Reserve additions less acquisitions and price revisions	514	584	390	425

(in millions)	North America Onshore Year Ended December 31,			
	2009e	2008	2007	2006
Costs Incurred (GAAP)	\$ 3,521	8,092	4,823	6,410
Less:				
Proved acquisition costs	14	822	10	1,089
Drill-bit capital (Non-GAAP)	\$ 3,507	7,270	4,813	5,321
Reserves (MMBoe)				
Reserve additions less acquisitions and price revisions	511	557	362	392

(in millions)	Gulf and International Year Ended December 31,			
	2009e	2008	2007	2006
Costs Incurred (GAAP)	\$ 1,369	1,958	1,278	1,100
Less:				
Proved acquisition costs	(21)	-	-	24
Drill-bit capital (Non-GAAP)	\$ 1,390	1,958	1,278	1,076
Reserves (MMBoe)				
Reserve additions less acquisitions and price revisions	3	27	28	33