

## 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.

(in millions)	March 31,	
	2009	2008
<b>Net Cash Provided By Operating Activities (GAAP)</b>	<b>\$ 1,047</b>	<b>\$ 2,255</b>
Changes in assets and liabilities - continuing operations	(54)	367
Changes in assets and liabilities - discontinued operations	(5)	(63)
<b>Cash flow before balance sheet changes (Non-GAAP)</b>	<b>\$ 988</b>	<b>\$ 2,559</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 cash equivalents. Devon believes that because cash can be used to repay indebtedness, netting cash and cash equivalents against debt provides a clearer picture of the future demands on cash to repay debt.

## RECONCILIATION TO GAAP INFORMATION

(in millions)	March 31,	
	2009	2008
Total debt (GAAP)	\$ 6,924	\$ 7,817
Adjustments:		
Cash and cash equivalents	397	1,898
<b>Net Debt (Non-GAAP)</b>	<b>\$ 6,527</b>	<b>\$ 5,919</b>
Total debt	\$ 6,924	\$ 7,817
Stockholders' equity	12,942	22,398
<b>Total Capitalization (GAAP)</b>	<b>\$ 19,866</b>	<b>\$ 30,215</b>
Net debt	\$ 6,527	\$ 5,919
Stockholders' equity	12,942	22,398
<b>Adjusted Capitalization (Non-GAAP)</b>	<b>\$ 19,469</b>	<b>\$ 28,317</b>