

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		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Net Cash Provided By Operating Activities (GAAP)	\$ 1,397	\$ 1,030	\$ 2,892	\$ 2,077
Changes in assets and liabilities - continuing operations	(566)	1	(596)	(98)
Changes in assets and liabilities - discontinued operations	(81)	78	(113)	118
Cash flow before balance sheet changes (Non-GAAP)	\$ 750	\$ 1,109	\$ 2,183	\$ 2,097

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 and cash equivalents 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

	June 30,	
	2010	2009
Total debt (GAAP)	\$ 5,624	\$ 7,357
Adjustments:		
Cash and cash equivalents (including cash from discontinued operations)	2,916	656
Net debt (Non-GAAP)	\$ 2,708	\$ 6,701
Total debt	\$ 5,624	\$ 7,357
Stockholders' equity	16,830	13,682
Total capitalization (GAAP)	\$ 22,454	\$ 21,039
Net debt	\$ 2,708	\$ 6,701
Stockholders' equity	16,830	13,682
Adjusted capitalization (Non-GAAP)	\$ 19,538	\$ 20,383