

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,	
	2009	2008	2009	2008
Net Cash Provided By Operating Activities (GAAP)	\$ 1,030	\$ 2,931	\$ 2,077	\$ 5,186
Changes in assets and liabilities - continuing operations	81	(365)	27	2
Changes in assets and liabilities - discontinued operations	(2)	124	(7)	61
Cash flow before balance sheet changes (Non-GAAP)	\$ 1,109	\$ 2,690	\$ 2,097	\$ 5,249

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)	June 30,	
	2009	2008
Total debt (GAAP)	\$ 7,357	\$ 5,450
Adjustments:		
Cash and cash equivalents	648	1,838
Net Debt (Non-GAAP)	\$ 6,709	\$ 3,612
Total debt	\$ 7,357	\$ 5,450
Stockholders' equity	13,682	23,433
Total Capitalization (GAAP)	\$ 21,039	\$ 28,883
Net debt	\$ 6,709	\$ 3,612
Stockholders' equity	13,682	23,433
Adjusted Capitalization (Non-GAAP)	\$ 20,391	\$ 27,045