Agenda
June 3 Analyst Conference

- Company Overview
  - Chuck Davidson
    - Chairman and CEO

- Operations Summary
  - Dave Stover
    - President and COO

- Project Management
  - Keith Elliott
    - VP Major Projects

- Gulf of Mexico
  - John Lewis
    - VP U.S. – Southern Region

- U.S. Onshore
  - Ted Brown
    - SVP U.S. – Northern Region

- Eastern Mediterranean
  - Rodney Cook / Susan Cunningham
    - SVP International / SVP Exploration

- West Africa
  - Rodney Cook / Terry Gerhart
    - SVP International / VP Global Gas

- Exploration
  - Susan Cunningham
    - SVP Exploration

- Financial Review
  - Ken Fisher
    - SVP and CFO

- Closing Remarks / Q&A
  - Chuck Davidson
Forward-looking Statement and Non-GAAP Measures

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This presentation includes certain non-GAAP financial measures, which are intended to help facilitate comparison of company operating performance across periods and with peer companies. Reconciliations of the differences between any non-GAAP measures used in this presentation and the most directly comparable GAAP financial measures are included in the Appendix.

The Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Beginning with year-end reserves for 2009, the SEC permits the optional disclosure of probable and possible reserves. We have elected not to disclose the Company’s probable and possible reserves in our filings with the SEC. We use certain terms in this presentation, such as "net resources," that the SEC's guidelines strictly prohibit us from including in filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in our Forms 10-K and 10-Q, File No. 1-07964, available from Noble Energy's offices or website, [http://www.nobleenergyinc.com](http://www.nobleenergyinc.com). These forms can also be obtained from the SEC by calling 1-800-SEC-0330.

For additional information – website [www.nobleenergyinc.com](http://www.nobleenergyinc.com)
Overview

Chuck Davidson
Chairman and CEO
What Differentiates Noble Energy?

*Ability to create long-term value*

- **Diversified … but Focused Global Asset Portfolio**
  - Allows for optimal capital allocation for superior returns
- **Exploration-led Growth**
  - Proven track record, “game-changing” opportunities
- **Broad Lineup of Major Development Projects**
  - Provides sustainable, visible growth
- **Disciplined … yet Flexible Financial Strategy**
  - Designed to support long-term growth
- **Organizational Strength**
  - Talent and experience, “action-oriented” culture
Delivering Results
*Five years of performance*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Shareholder Return</td>
<td>140%</td>
</tr>
<tr>
<td>Debt Adjusted Per Share Production Growth (CAGR)</td>
<td>6%</td>
</tr>
<tr>
<td>Debt to Capital, Net of Cash</td>
<td>Improved 18 points</td>
</tr>
<tr>
<td>Exploration Resources Discovered</td>
<td>960 MMBoe</td>
</tr>
<tr>
<td>Competitive Cost Structure</td>
<td>Top Quartile</td>
</tr>
<tr>
<td>Organic Free Cash Flow**</td>
<td>$1.5 B</td>
</tr>
</tbody>
</table>

* Period ending 2009
** Term defined in appendix
Delivering Results

Consistently building a stronger foundation

- First Gas Sale in Israel
- Patina Acquisition
- GOM Shelf Asset Sale
- W. Africa Discoveries Begin
- Gunflint Discovery
- Tamar Discovery
- Santa Cruz Discovery
- Record Wattenberg Production
- USX Acquisition
- Isabela Discovery
- Tamar Discovery
- DJ Basin Acquisition
Industry Outlook
Opportunities and challenges ahead

- Demand for Energy
  - Value of oil
  - Opportunities for global gas

- Emerging Technologies
  - Still much to learn

- Regulation and Access
  - Hydraulic fracing, Gulf incident

- Service Industry Capabilities
  - Growing capacity and efficiency

- Replenishing the Workforce
  - Window of opportunity
Defined Action Plan for Success

*Implementation already underway*

- Maintain Underlying Production that Provides Base for Incremental Growth
- Progress Major Development Projects to Sanction and Production
- Maintain High-impact Exploration for Long-term Sustainable Future Growth
- Continue to be Opportunistic in Extending the U.S. Onshore Set
- Retain Financial Capacity to Support Business Success
**Key Outcomes by 2015**

*Substantially enhancing operational and financial performance*

<table>
<thead>
<tr>
<th>Production</th>
<th>10% CAGR to 350 MBoe/d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves</td>
<td>14% CAGR to 1.6 BBoe</td>
</tr>
<tr>
<td></td>
<td>5-Yr F&amp;D of $11/Boe</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>BTax Cash Margin* Up 28% to $43/Boe</td>
</tr>
<tr>
<td>Returns</td>
<td>ROACE 17% in 2015</td>
</tr>
<tr>
<td>Flexibility</td>
<td>$1.6 B Free Cash Flow* in 2015</td>
</tr>
<tr>
<td>Portfolio</td>
<td>Remains Balanced with Liquids Contribution Approaching 50%</td>
</tr>
</tbody>
</table>

* Term defined in appendix
Conference Themes to Listen for

- **Depth and Quality of Opportunities**
  - Material in scale and scope

- **Value of a Diversified Portfolio**
  - Retaining flexibility and balance

- **Exposure to Multiple “Company-maker” Prospects**

- **Sustainability of Exploration Success**
  - Quality of process
  - Portfolio depth

- **Confidence in and Visibility of Future Growth**
  - Major projects are real
Operations Summary

Dave Stover
President and COO
Operating Strategy

▸ Focus on Four Key Regions
  ▹ U.S. Onshore, Deepwater GOM, Eastern Mediterranean, West Africa

▸ Execute Major Projects
  ▹ Develop recent exploration discoveries
  ▹ Convert resources to reserves and production

▸ Continue Exploration Success
  ▹ Leverage best-in-class processes
  ▹ Focus on key basins where NBL has a competitive advantage

▸ Manage the Portfolio
  ▹ Acquire “bolt-on” assets in core operating areas
  ▹ Divest higher cost assets with limited development potential
Total Net Risked Resources

Nearly five times proved reserves

Risked Resources (MMBoe)

- US Onshore
- Deepwater GOM
- Eastern Med
- West Africa
- Other

8,400

4,200

870

- Proved Reserves
- Risked Resources
- Unrisked Resources

Proved Reserves
US Onshore New Plays
Discovered Unbooked
Global Offshore Exploration

* Includes 50 MMBoe from 2010 acquisition
Unrisked Resource Growth Since 2008

Substantial growth in opportunity set

MMBoe

2008

2010

5,200

8,400

60% Increase

Proved Reserves

Discovered Unbooked

US Onshore New Plays

Global Offshore Exploration

NBL
Total Proved Reserves Outlook

*Nearly doubles over the next five years*

Proved Reserves (MMBoe)

- 14% CAGR

2009 YE: 820
2014 YE: 1,560

- **Converting Discovered Resources to Reserves**
- **Expected Timing of Initial Reserve Bookings**
  - Aseng and Galapagos – partially booked
  - U.S. Onshore – 2010 forward
  - Tamar – 2010
  - Alen (Belinda) – 2010
  - Gunflint – 2011
  - Diega / Carmen – 2013
  - West Africa Gas – 2013
Production Outlook

*Growth driven by existing discoveries and identified plays*

10% CAGR

- Base
- US Onshore New Plays
- Global Offshore Exploration
- Ongoing Development
- Major Projects
Total Capital Allocation
2010 to 2015 organic capital averages $2.6 B per year

By Area
- US Onshore
- Deepwater GOM
- West Africa
- Eastern Med
- Other

By Type
- Ongoing Development
- Exploration
- Exploration Success
- Major Projects
Volume Profile

*Maintaining product balance ... increasing liquids mix*

- Further Revenue Benefits from Liquids Increasing from 40% to 48%
Geo-Political Risk Profile

*Risk factor remains balanced*

Production

2015

- International
- United States

2010

- International
- United States

NBL Weighted Average Risk Factor

2010 = 4.1
2015 = 4.2

Source: PFC Petroleum Risk Manager
Major Development Project Line-up

Inventory of growth drivers

- Deepwater Gulf of Mexico
  - Galapagos
  - Gunflint

- Eastern Med
  - Tamar

- West Africa
  - Aseng
  - Alen
  - Diega / Carmen
  - West Africa Gas

Development Timeline

- Projects Operated by NBL Except for a Portion of Galapagos
Major Development Projects

*Adds > 100 MBoe/d and $1 B free cash flow in 2015*

Net Impacts

Note: Utilizing reference price case. See appendix

Includes Galapagos, Gunflint, Tamar, Aseng, Alen, Diega/Carmen and WA Gas

* Term defined in appendix
Major Development Projects

Drive significant improvement in operating margins over time

- **Key Contributors**
  - More production from liquids and international gas prices
  - Long-lived and low cost major projects
  - Highly productive wells

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**Average Operating Margin**

- **NBL Current**
  - $23.00

- **Major Projects**
  - $31.00

40% Higher

Note: Utilizing reference price case. See appendix

* Term defined in appendix
Project Comparison

Tamar vs. typical U.S. onshore shale gas play

Tamar – Phase 1

- Low finding and development costs
- Long-lived, stable production
- Long-term contract pricing
- Minimal repeat investment

Typical Shale Gas Play

- High entry costs
- Resource intensive
- U.S. gas market exposure
- Continued capital requirements

<table>
<thead>
<tr>
<th></th>
<th>Tamar Ph 1</th>
<th>Shale Gas</th>
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<tbody>
<tr>
<td>Assumed WI</td>
<td>36%</td>
<td>50%</td>
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<tr>
<td>Net Investment</td>
<td>$1 B</td>
<td>$1 B</td>
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<tr>
<td># Wells</td>
<td>5</td>
<td>600</td>
</tr>
<tr>
<td>Gross Resource per Well</td>
<td>1.2 Tcf</td>
<td>4 Bcf</td>
</tr>
<tr>
<td>Gross Well Productivity</td>
<td>250 MMcf/d</td>
<td>4.5 MMcf/d</td>
</tr>
<tr>
<td>Net Resources</td>
<td>2.0 Tcf</td>
<td>950 Bcf</td>
</tr>
<tr>
<td>Net F&amp;D Costs</td>
<td>$0.50 / Mcf</td>
<td>$1.05 / Mcf</td>
</tr>
<tr>
<td>Net LOE</td>
<td>$0.25 / Mcf</td>
<td>$0.50 / Mcf</td>
</tr>
<tr>
<td>Net NPV</td>
<td>$1.4 B</td>
<td>$800 MM</td>
</tr>
<tr>
<td>Investment Efficiency**</td>
<td>1.7</td>
<td>1.3</td>
</tr>
</tbody>
</table>

* Term defined in appendix
** Defined as NPV_{10} / PV_{10} Investment
Onshore Divestment
High-grading the portfolio

- Executing $554 MM in Non-Core Asset Divestitures
  - Expected to close in 3Q 2010
  - 5,700 Boe/d net production
  - 29 MMBoe net proved reserves

- Efficient Deal Structure
  - Capturing NPV from Petro-Canada acquisition like-kind exchange

- Maintaining Focus on Core Areas
  - Reallocating resources toward NBL competitive advantages
  - Redeploying capital to high-value, high-growth projects
Deepwater Gulf of Mexico

*Moratorium on deepwater drilling*

- **Objective is to Provide Enhanced Safety and Environmental Protection and Reduce the Risk of Catastrophic Events**
- **Six Month Suspension for Drilling from Floating Vessels in GOM**
  - Waiting on results of Presidential Commission
- **Interior Department 30 Day Safety Report Recommended**
  - Recertification of subsea blowout preventers (BOPs)
  - Enhanced well control practices
  - Revised BOP intervention procedures
  - Additional inspections for deepwater drilling operations
  - Expanded safety and training programs for rig workers
Deepwater Gulf of Mexico

*Impact of moratorium on NBL*

- Two Deepwater Operations Currently Impacted
- In Discussions with Rig and Service Providers
- Will Consider Near-term Capital Reallocation to Other Opportunities

**Potential Project Impacts**

- Galapagos schedule can absorb 8 month rig delay
- Gunflint looking at host platform options to offset delay
- 10% additional rig cost requirements lower project returns by 1 - 2%
- One year delay on Gunflint and Galapagos decrease project AT NPV10 by $95 MM (~5%)
Operations Summary

- Risked Resources Nearly Five Times Proved Reserves
- Double Digit Average Annual Production Growth Through 2015
- Reserves Increase 90% by 2015
- Major Development Projects on Track
- Portfolio Remains Well Balanced
Project Management

Keith Elliott
VP Major Projects
Building on a Track Record of Successful Projects

- Lost Ark 2001 SS Tieback
- Mari-B 2004 Fixed Jacket/SS Tieback
- Aseng 2012 FPSO
- Tamar 2012 SS Tieback
- Gunflint 2015 FPS/SS Tieback
- Lorien 2004 SS Tieback
- Swordfish 2006 SS Tieback
- Raton 2008 SS Tieback
- Galapagos 2011 SS Tieback
- Alen 2014 Fixed Jacket/SS Tieback

Producing
In Development
Major Project Capital Expenditures

$ B

2010 - 2015 Cumulative Capital

Operated  Non-Operated
Building to Achieve Excellence in Projects

Three necessary elements

Projects Excellence

Organizational Capability

Business Processes

Performance Management
Organizational Capability
Over 2,700 total man years of industry experience

- International Projects
  - NBL Staff
  - In-house Contract Staff

- Operations Readiness
- Project Management
- Flowlines and Risers
- Subsea Production Systems
- Deepwater Completions
- Floating Production Systems

Man-years Experience:
- Galapagos
- Aseng
- Tamar
- Alen
- Gunflint
Organizational Capability
*Integrating talent from across the industry*

**Organization Philosophy**

- **NBL Employees Provide Senior Leadership**
- **Access the Best Skills from Across Oil and Gas Industry**
- **Deploy the Best Discipline Talent in Team**
- **NBL Integrates Across Disciplines and Companies, Ensuring Alignment for Project Delivery**

**Project Organization Structure**

- **Project Manager**
  - **Subsurface Advisor**
  - **EHS Manager**
  - **Engineering Manager**
  - **Interface Lead**
  - **Operations Manager**
  - **Project Controls**
  - **Document Control**
  - **Environ. Advisor**
  - **Safety Advisor**
  - **Regulatory Advisor**

- **Contracts Manager**
  - **Contracts Manager**
  - **Contracts Manager**
  - **Contracts Attorney**
  - **Contracts Analyst**

- **Drilling Supt**
  - **Drilling Engineer**
  - **Drilling Engineer**
  - **Drilling Foreman**

- **NBL Employee**
- **In-house Contractor**
Business Processes

*Creating project value – a staged approach*

- Value is created by design, then realized through execution
Business Processes
*Leveraging best practices across the portfolio*

- Central Project Management Organization
  - The “Noble Way”
- Focus on Front-end Loading
- External Benchmarking and Performance Reviews
- Internal Major Project Reviews
- Global Contracting and Procurement
Performance Management

*Utilizing benchmarks to drive performance*

Subsea Cost Benchmark
Example: Aseng Subsea Systems

- **25% of projects lower**
- **10% of projects lower**
- **80%**
- **50%**
- **75% of projects lower**
- **90% of projects lower**

**Contingency**

**Industry Benchmark for West Africa**

Source: IPA
Performance Management
Managing project delivery risks

- **Cost/Schedule**
  Delivery Risks are Identified
  - Regulatory approval
  - Equipment delivery
  - Installation operations

- **Risk Mitigations are Identified and Enacted**

- **Probabilistic Modeling is Applied**

- **Risk Management is Tracked via Risk Register**

- **Regular Reviews Track Performance and Identify and Address Emerging Concerns**

![Diagram showing project startup date, cumulative probability, post mitigation and pre-risk mitigation examples. Source: Accumen.](source: Accumen)
Performance Management
*Applying project management best practices*

- Projects are Tracked Against Capital and Schedule Commitments
- Key Project Deliverables are Identified and Tracked
- Performance Reporting Systems are an Integral Component of Business Unit Management Processes
- Actions Required to Maintain Project Delivery are Communicated and Managed
- On Schedule and Under Budget
Major Projects Contracting and Procurement

*Capturing the buyers’ market*

- **Soft Market Conditions** Enabling Favorable Pricing
- **Pricing** is Captured for Significant Portions of 2011 - 2012 Projects
- **Strategic Sourcing** Used Where Applicable
- **Opportunities to Standardize** are Being Leveraged

### Total Field Development and Pipeline Construction Activity Levels

![Graph showing total field development and pipeline construction activity levels from 2003 to 2014.](chart)

**Source:** ODS Petrodata
Development Cycle Times

**Significant NBL advantage vs. industry averages**

**Discovery to Production (Years)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Deepwater</th>
<th>Gas Projects</th>
<th>FPSO Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>On Stream</strong></td>
<td>7.0</td>
<td>9.0</td>
<td>11.1</td>
</tr>
<tr>
<td><strong>In Development</strong></td>
<td>9.1</td>
<td>12.3</td>
<td>10.6</td>
</tr>
</tbody>
</table>

**Noble Energy**

<table>
<thead>
<tr>
<th>Project</th>
<th>Deepwater</th>
<th>Gas Projects</th>
<th>FPSO Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galapagos</td>
<td>4.1</td>
<td>3.2</td>
<td>5.1</td>
</tr>
<tr>
<td>Gunflint</td>
<td>6.5</td>
<td>8.1</td>
<td></td>
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</tbody>
</table>

Industry Data Per Goldman Sachs 280
Project Management
Confident in our approach

- Substantial Portfolio of World-class Operated Projects
- Building Upon a Track Record of Successful Projects
- Highly Capable Project Teams Applying Industry-wide Expertise Within an Independent’s Culture
- Employing Project Management Best Practices to De-risk Delivery and Performance
- Capturing Supply Chain Opportunities for Added Value
Gulf of Mexico

John Lewis
VP U.S. - Southern Region
Gulf of Mexico
*Ongoing development with substantial exploration*

- Building on Successful Track Record
- Two Major Development Projects
- Additional Follow-on Potential to Existing Discoveries
- Large Resource Opportunity Set Captured
- Flexibility to Adapt to Changing Environment
## Offshore Evolution of Noble Energy

*A successful history*

<table>
<thead>
<tr>
<th></th>
<th>2001 - 2006</th>
<th>2007 - 2010</th>
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</thead>
<tbody>
<tr>
<td>Primary Focus</td>
<td>Medium-term High-rate</td>
<td>Long-term Legacy Assets</td>
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<tr>
<td></td>
<td>Production</td>
<td></td>
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<tr>
<td>Predominant</td>
<td>Mini-basin Amplitudes</td>
<td>Subsalt Structural</td>
</tr>
<tr>
<td>Prospect Type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prospect Size</td>
<td>10-50 MMBoe</td>
<td>50-300 MMBoe</td>
</tr>
<tr>
<td>Success Rate</td>
<td>6 of 11 – 55%</td>
<td>4 of 8 – 50%</td>
</tr>
<tr>
<td>Gross Resources</td>
<td>89 MMBoe</td>
<td>378 MMBoe</td>
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<tr>
<td>Found</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Gross</td>
<td>15 MMBoe</td>
<td>95 MMBoe</td>
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<tr>
<td>Discovery Size</td>
<td></td>
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</tbody>
</table>
Deepwater GOM Resource Inventory

Substantial growth in opportunity portfolio

- Focus on Subsalt Miocene for Long-term Growth
- Amplitude Plays for Medium-term Impact
- Significant Investments in Seismic
- Net Unrisked Resource Potential Over 2 BBoe
  - Average prospect 130 MMBBoe gross

Net Unrisked Resources

330% Increase

On-block resources only
Includes high bids from Lease Sale 213
Deepwater GOM Lease Inventory

Majority of acreage acquired last three years

488,000 Net Acres (119 Lease Blocks)

Includes high bids from Lease Sale 213
Deepwater GOM Prospect Inventory

Focus on subsalt Miocene

- 41 Prospects
- 2.1 BBoe Net Unrisked Mean Resources
- 550 MMBoe Net Risked Mean Resources

Prospect Gross Size (MMBoe)

<table>
<thead>
<tr>
<th>Structure</th>
<th>Amplitude</th>
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<tbody>
<tr>
<td>0 - 100</td>
<td>0 - 100</td>
</tr>
<tr>
<td>101 - 200</td>
<td>101 - 200</td>
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<tr>
<td>201 - 530</td>
<td>201 - 530</td>
</tr>
</tbody>
</table>

Includes high bids from Lease Sale 213
Deepwater GOM Amplitude Prospect Inventory
Compares well to industry discoveries

- Industry Success Rate 38%, Avg. Size 25 MMBoe
- NBL Success Rate 53%, Avg. Size 26 MMBoe

Gross Unrisked Resources (MMBoe)

Galapagos (130 MMBoe)

Industry discovery data from Wood Mackenzie
Deepwater GOM Subsalt Prospect Inventory
Compares well to industry discoveries

Industry Success Rate 31%, Avg. Size 163 MMBoe
NBL 2 Discoveries, Avg. Size 130 MMBoe

Gross Unrisked Resources (MMBoe)

NBL Discoveries
NBL Portfolio
Industry Discoveries

Industry discovery data from Wood Mackenzie
## Deepwater GOM Economics

*Development scenarios by prospect size*

<table>
<thead>
<tr>
<th>Prospect Size and Class</th>
<th>50 MMBoe Amplitude Play</th>
<th>100 MMBoe Subsalt Miocene</th>
<th>200 MMBoe Subsalt Miocene</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Scenario</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Project Economics</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Chance of Success (%)</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Risked Economics</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>AT ROR (%)</td>
<td>28%</td>
<td>27%</td>
<td>22%</td>
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<tr>
<td>AT NPV10 ($MM)</td>
<td>$150</td>
<td>$275</td>
<td>$250</td>
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<tr>
<td>F&amp;D ($/Boe)</td>
<td>$25.00</td>
<td>$24.00</td>
<td>$27.25</td>
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<tr>
<td>Success Case Economics</td>
<td></td>
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<tr>
<td>AT ROR (%)</td>
<td>43%</td>
<td>33%</td>
<td>27%</td>
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<tr>
<td>AT NPV10 ($MM)</td>
<td>$600</td>
<td>$1,000</td>
<td>$875</td>
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<tr>
<td>F&amp;D ($/Boe)</td>
<td>$19.50</td>
<td>$21.00</td>
<td>$24.25</td>
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</table>

Note: Utilizing reference price case. See appendix
### Deepwater GOM Exploration Value

*Over $4 billion risked present worth to NBL*

<table>
<thead>
<tr>
<th>Development Scenario</th>
<th>Subsea Tieback</th>
<th>Subsea Tieback</th>
<th>Stand Alone</th>
<th>Total Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Prospect Type</strong></td>
<td><strong>Amplitude Play</strong></td>
<td><strong>Subsalt Miocene</strong></td>
<td><strong>Subsalt Miocene</strong></td>
<td><strong>Subsalt Miocene</strong></td>
</tr>
<tr>
<td>Number in NBL’s Portfolio</td>
<td>20</td>
<td>9</td>
<td>12</td>
<td>41</td>
</tr>
<tr>
<td>Total Net Unrisked Mean Potential (MMBoe)</td>
<td>350</td>
<td>420</td>
<td>1,330</td>
<td>2,100</td>
</tr>
<tr>
<td>Average Chance of Drilling</td>
<td>80%</td>
<td>60%</td>
<td>40%</td>
<td></td>
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<tr>
<td>Prospect Class Totals</td>
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<td></td>
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<tr>
<td>Risked AT NPV10 ($MM)</td>
<td>$1,000</td>
<td>$900</td>
<td>$2,100</td>
<td>$4,000</td>
</tr>
<tr>
<td>Success Case AT NPV10 ($MM)</td>
<td>$4,000</td>
<td>$3,000</td>
<td>$7,000</td>
<td>$14,000</td>
</tr>
</tbody>
</table>

Note: Utilizing reference price case. See appendix

Includes high bids from Lease Sale 213
Gunflint Discovery
*NBL’s largest GOM find to-date*

- NBL Operated with 37.5% WI
  - 2008 discovery
- Complex Subsalt Miocene Reservoir
- Over 550 Feet Net Oil Pay Encountered
- High-quality Sands
  - Porosity 20-26%
  - Permeability 200-1,000 mD
Gunflint Appraisal Program

*Determining ultimate size of reservoir*

- Gross Resources of 70 to 500+ MMBoe
  - 2-3 additional wells to fully evaluate
- Confirm Reservoir Continuity
- Scale Development Plan
  - Economically viable with existing discovered resources

![Diagram of Appraisal Areas, 1st Appraisal Well, Discovery Well, Salt](image-url)
Gunflint Production Outlook

250 MMBoe gross scenario

MBoe/d

Gross  Net

2015  35
2016  110
2017  90
2018  70
2019  50
Gunflint Mean Resource Economics

*Project payout in approximately one year*

- **250 MMBoe Gross**

- **Stand Alone Facility**
  - Seven subsea wells

- **Economic Summary**
  - Net resources 70 MMBoe
  - Net capital $1 B
  - F&D $15/Boe
  - AT ROR 30%
  - AT NPV10 $945 MM

*Term defined in appendix

Note: Utilizing reference price case. See appendix
Galapagos Subsea Development
*Targeting initial production in 2011*

- Upper and Middle Miocene Discoveries
- 130 MMBoe Gross Resources, 29% Average WI
- Sanctioned Development Flowing to NaKika
- Multiple Low-risk Follow-on Opportunities
Galapagos Field Layout
Subsea tieback development
Galapagos Production Outlook
Sustained production plateau

Net Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Case</th>
<th>Upside Recoveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
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<tr>
<td>2014</td>
<td></td>
<td></td>
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<tr>
<td>2015</td>
<td></td>
<td></td>
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<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Development well @ Isabela
Development well @ Isabela / Sleeve Shift @ Santa Cruz
**Galapagos Project Economics**

*Strong cash flow and returns*

- **130 MMBBoe Gross Resources**
  - Upside recoveries adds 65 MMBBoe

- **Initially Three Well Subsea Tieback**

- **Base Case Economic Summary**
  - Net resources 37 MMBBoe
  - Net capital $405 MM
  - F&D $11/Boe
  - AT ROR 47%
  - AT NPV10 $760 MM

*Note: Utilizing reference price case. See appendix*
Galapagos Additional Resource Potential

Complementary follow-on upside

► Four Offsets Identified
  To-date
    ▶ Oil and gas potential
    ▶ 40 MMBoe gross mean resource potential

► Shallow Zone Upside
  ▶ Discovered in Santa Cruz
  ▶ Confirmed as oil in Santiago
  ▶ 25 MMBoe gross mean resource potential
Swordfish Subsea Development
High-return amplitude project

- Operated by NBL with 85% WI
- Subsea Tieback to Neptune
- Initial Production Late 2005
- Three Wells Currently Producing 12 MBoe/d Net
- Evaluating Additional Potential in Area
Swordfish Production History

Stable flow rates delivered

Net Production

MBoe/d

2005 2006 2007 2008 2009 2010 2011

Oil Gas
Swordfish Project Economics

An asset to replicate

- 43 MMBoe Gross

- Three Well Subsea Tieback

- Economic Summary
  - Net resources 33 MMBoe
  - Net capital $348 MM
  - F&D $9.30/Boe
  - LOE $3.60/Boe
  - AT ROR 74%
  - AT NPV10 $425 MM

* Term defined in appendix

Note: Utilizing reference price case. See appendix
Swordfish Development Area

Further exploitation opportunities

- Additional Near-by Amplitudes
- Operated by NBL with 85% WI
- Same Reservoir as Swordfish
- Reprocessing Seismic
- 20 to 45 MMBoe Gross Resources
Deep Blue Prospect

*Sidetracking updip*

- Operated by NBL with 33.75% WI
- Subsalt Miocene Target
- Original Well Encountered Hydrocarbons
  - Multiple high-quality reservoirs
  - Water – oil contacts
  - 32 net feet of pay
Deep Blue Potential Remains

Results to-date reducing risk

- Pg Increased from 30% to 50%
- Targeting Resources of 90 – 200 MMBoe Gross
Deepwater GOM Portfolio

Candidates for next phase of exploration

Includes high bids from Lease Sale 213
Gulf of Mexico
Converting resources to value

- Maintaining Existing Base Production
- Two Significant Development Projects with $1.7 B AT NPV10
- Executing Strategy to Create Legacy Assets
- Over 2 BBoe Net Unrisked Potential Resources Captured
- Working Options to Mitigate Moratorium Impacts
U.S. Onshore

Ted Brown
SVP U.S. – Northern Region
U.S. Onshore

_Broad portfolio of liquid-rich opportunities_

- Strong Existing Cash Flows
- Organic Growth Coupled with Opportunistic Asset Purchases
- Significantly Expanded Acreage Position
- Large and Growing Inventory of Low-risk Development Projects
- Additional New Play Potential
U.S. Onshore

*Multi-year inventory of projects*

- Cody Shale
- Central DJ Basin Wattenberg
- Tri State
- Piceance
- Cleveland Sand
- Granite Wash
- Haynesville Shale

**Legend:**
- Gas
- Liquids
U.S. Onshore Net Risked Resources

Over three times current reserves

Total Net Risked Resources of 1.6 BBoe

MMBoe

DJ Basin
Piceance
Cody Shale
Iron Horse
Tri State
Haynesville
Other

Proved Reserves
Discovered Unbooked
New Plays

Note: Utilizing reference price case. See appendix
**Discovered Unbooked Opportunity Set**

*Substantial value in low-risk portfolio*

<table>
<thead>
<tr>
<th>Location Inventory</th>
<th>Net Unrisked Resource (MMBoe)</th>
<th>Net Risked Resource (MMBoe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJ Basin Vertical*</td>
<td>3,500</td>
<td>147</td>
</tr>
<tr>
<td>Piceance</td>
<td>900+</td>
<td>204</td>
</tr>
<tr>
<td>Iron Horse</td>
<td>500+</td>
<td>147</td>
</tr>
<tr>
<td>Tri State</td>
<td>2,300+</td>
<td>156</td>
</tr>
<tr>
<td>Haynesville</td>
<td>200</td>
<td>62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,400+</strong></td>
<td><strong>716</strong></td>
</tr>
</tbody>
</table>

Note: Utilizing reference price case. See appendix

* Does not include horizontal potential
U.S. Onshore Footprint
A foundation of growth for NBL

Net Production

- **Production Contribution Up 420%**
  - Liquid stream increased 8 times
  - 2010 exit rate 17% higher than 2009

- **Captured Acreage Up Five-fold**
  - 1.5 million acres undeveloped

Net Acreage

- **Developed**
- **Undeveloped**
U.S. Onshore Production Outlook

Significant contributor for the future

Net Production

- Production Growing Over 40%
- Increasing Liquid Contribution to 45%

Activity Focused on DJ Basin

2010 - 2015 Capital
$7 B
Industry Wattenberg Field Production

Reinventing a true resource play

- Codell Niobrara
- J sand
- Sussex Shannon
- D sand
- Other
## Wattenberg Field – DJ Basin

*NBL’s largest onshore asset*

<table>
<thead>
<tr>
<th>Total Net Risked Resources</th>
<th>MMBoe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proved Reserves</td>
<td>305</td>
</tr>
<tr>
<td>Discovered Unbooked</td>
<td>120</td>
</tr>
<tr>
<td>New Plays</td>
<td>192</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>617</strong></td>
</tr>
</tbody>
</table>

- **391,000 Net Acres**
- **Currently Producing 53 MBoe/d**
  - 50% liquids
- **Expanding Activity Level**
  - 6 to 8 rigs by mid 2010
- **10+ Year Project Inventory**
- **Continued Efficiency Gains**
- **Strong Horizontal Niobrara Results**
- **Additional Zone Potential**

![NBL operated drilling rig]
Wattenberg Field Margins
Benefits from liquids and low-cost operations

- Cash Margin of $42/Boe Using $75 Oil, $5 Gas
- Cash Flow Positive at $20 Oil, $0 Gas

<table>
<thead>
<tr>
<th></th>
<th>NYMEX Oil ($/Bbl)</th>
<th>NYMEX Gas ($/MMBtu)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$75.00</td>
<td>$85.00</td>
</tr>
<tr>
<td>Net Realized Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>($/Boe)</td>
<td>$49.85</td>
<td>$58.20</td>
</tr>
<tr>
<td>Lifting Costs</td>
<td>($2.90)</td>
<td>($2.90)</td>
</tr>
<tr>
<td>Transportation</td>
<td>($1.90)</td>
<td>($1.90)</td>
</tr>
<tr>
<td>Production Tax</td>
<td>($3.35)</td>
<td>($3.90)</td>
</tr>
</tbody>
</table>

| Operating Cash Margin  | $41.70            | $49.50               |
Wattenberg Efficiency Improvements

Advancing the vertical well program

- Application of Latest Technology
  - Record drill times
  - Continual enhancement in stimulation design

- Production Increase from Well-head Automation
  - 3,600 wells automated by YE 2010
  - Early results 3-5% production uplift per well
Horizontal Development Potential

*Enhancing the value of Wattenberg*

- Increase Field Recoveries
- Improve Well Productivity
- Lower Finding and Development Costs
- Unlock Significant Resource Potential
Wattenberg Horizontal Niobrara
Leading the evolution of a new play

- **2004/2005 – Initiate Niobrara Completions**
  - Over 4,700 vertical wellbores to-date

- **2008 – Extensive Data Gathering**
  - Vertical cores and reservoir characterization

- **2009 – First Four Horizontal Wells With Strong Results**

- **2010 – Seismic and Additional Drilling**
  - Target 14 additional wells
  - Shoot 75 square miles of 3D seismic
Wattenberg Horizontal Niobrarar
*Substantial improvement over vertical development*

### Well Production

<table>
<thead>
<tr>
<th>Days</th>
<th>Gemini 500+ MBoe</th>
<th>Four Hz Well Avg. 290 MBoe</th>
<th>Avg. Vertical Well 40 MBoe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1,200</td>
<td>1,000</td>
<td>800</td>
</tr>
<tr>
<td>5</td>
<td>1,100</td>
<td>900</td>
<td>700</td>
</tr>
<tr>
<td>9</td>
<td>1,000</td>
<td>800</td>
<td>600</td>
</tr>
<tr>
<td>13</td>
<td>900</td>
<td>700</td>
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<tr>
<td>17</td>
<td>800</td>
<td>600</td>
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<tr>
<td>21</td>
<td>700</td>
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<td>25</td>
<td>600</td>
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<tr>
<td>29</td>
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<td>0</td>
</tr>
<tr>
<td>57</td>
<td>0</td>
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</table>

### Financial Comparison

<table>
<thead>
<tr>
<th></th>
<th>Vertical Codell/Niobrara</th>
<th>Horizontal Niobrara</th>
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</thead>
<tbody>
<tr>
<td>Well Cost ($M)</td>
<td>$655</td>
<td>$3,500</td>
</tr>
<tr>
<td>IP (Boe/d)</td>
<td>59</td>
<td>585</td>
</tr>
<tr>
<td>Gross EUR (MBoe)</td>
<td>40</td>
<td>290</td>
</tr>
<tr>
<td>AT ROR (%)</td>
<td>35%</td>
<td>64%</td>
</tr>
<tr>
<td>AT NPV10 ($M)</td>
<td>$306</td>
<td>$3,114</td>
</tr>
</tbody>
</table>

Note: Utilizing reference price case. See appendix.
Wattenberg Horizontal Niobrara

Early stage development results

Horizontal Niobrara Economics

- Drill times reduced 17% to-date
- Further completion design enhancements
- Extended laterals

Note: Utilizing reference price case. See appendix
Wattenberg Horizontal Niobrara
Potential within vertically-developed area

- Well Development Currently at 32 and 20 Acre Spacing
- Analyze Offset Vertical Well Drainage and Fracture Stimulation
  - Niobrara vertical draining less than 10 acre spacing
- Selected Gemini Location – January 2010 Spud
  - Operated by NBL with 100% WI
Wattenberg – Gemini Horizontal Well

Best well in the field’s history

- 4,000 ft Lateral with 16 Stage Fracture Stimulation
- Produced 60 MBoe During First 60 Days
- 10 Times Production and EUR Enhancement
- F&D Costs 25% Lower
Niobrara Reservoir Characteristics

*Widespread distribution*

- Extensive Geologic Control
- Strong Matrix Contribution from High Porosity Chalks
- Success Not Limited to Natural Fracture Systems
Niobrara Reservoir Potential

New technology in a mature field

- Seismic Unlocking Next Steps in Development
- Integrating with Logs, Microseismic, Tracers
- Employing Proven Horizontal Completions
- Evaluating Multi-laterals – Codell Application

- Can Identify Fracture Swarms
- Gives Ability to Steer Wells Within Maximum Porosity
Niobrara Horizontal Application
*Leveraging logging technology to identify fracture swarms*

- Production Influenced by Faults and Fractures
- Completion Design Optimized in Real Time
- Growing NBL Database Contributes to Wellbore Optimization and Production

NBL Niobrara Horizontal Image Log Interpretation
Central DJ Basin Niobrara
Significant acreage position outside Wattenberg

- **360,000 Net Acres**
  - Low entry cost $350 per acre

- **Estimated OOIP 20 – 30 MMBoe per Section**
  - Niobrara hydrocarbons self-sourcing
  - Thermal maturity
  - Organic-rich

- **Recovery of 5% Yields 1.0 – 1.5 MMBoe per Section**

- **130 Square Miles of 3D Seismic Planned for 2010**

- **Drill 9 Horizontal Wells 2H 2010**
Extensive Horizontal Niobrara Opportunity

Combined Wattenberg and Central DJ Basin

- **Built Premier Acreage Position**
  - Total 750,000 net acres
- **Net Unrisked Resource Potential of 1.1 BBoe at 5% Recovery**
- **Competitive Advantage**
  - Basin knowledge
  - Operating capabilities

### Prospective Acreage vs. Net Risked Potential (MMBoe)

<table>
<thead>
<tr>
<th></th>
<th>Net Risked Potential (MMBoe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>275</td>
</tr>
<tr>
<td>33%</td>
<td>360</td>
</tr>
<tr>
<td>50%</td>
<td>550</td>
</tr>
</tbody>
</table>

Note: Assumes 160-acre well density and 290 MBoe per well
Continuing to Explore Wattenberg
Additional prospective zones

- **Current Exploration Program**
  - Evaluating additional formations
  - Three wells currently producing 1,200 Bbl/d

- **Greenhorn Shale/Limestone (Cretaceous)**
  - Self sourcing rock similar to Niobrara
  - 300 ft gross thickness
  - Recompletion potential

- **Horizontal Codell (Cretaceous)**
  - Strong potential where not depleted
  - Multi-lateral upside with Niobrara
U.S. Onshore
Enhancing value for NBL

- Over 2.5 MM Net Acres with Substantial Resource Potential
- 40% Production Growth by 2015
- Liquid Percentage Growing to 45%
- 1 BBoe of Net Unrisked Horizontal Niobrara Potential in DJ Basin
- Applying Best-in-class Technology and Operating Practices
Eastern Mediterranean

Rodney Cook
SVP International

Susan Cunningham
SVP Exploration
Eastern Mediterranean

*World-class potential*

- Best-in-class Operating Reliability
- Leading Operated Position in the Levantine Basin
- World-class Discovery Being Developed
- Significant Exploration Potential
Eastern Mediterranean

Existing asset position

- Tamar 36% WI
- Dalit 36% WI
- Noa 47% WI
- Mari-B 47% WI
- Haifa
- Tel Aviv
Israel Operations
*Low cost with improving margin*

- **Safe, Reliable Operations**
  - Over one million man hours without an OSHA recordable
  - Over 99.9% reliability since inception in 2004

- **Outstanding Field Performance**
  - Adding 50 - 100 Bcf gross to recoverable reserves

- **Low-cost Structure**
  - LOE $0.22/Mcf
  - DD&A $0.50/Mcf

- **Price Realizations Above $4/Mcf**
Mari-B Operations

*Investing to increase operational flexibility*

- **Ensure Deliverability of 600 MMcf/d**
  - Two additional wells available in 3Q 2010
  - Compression project expected online by 2Q 2011

- **Prepare Mari-B as Strategic Storage Facility**
  - Operational flexibility for Tamar
  - Security of supply for Israel
2009 World’s Largest Gas Discovery

*Tamar resources estimate increasing by 33 percent*

- Studies on Core Samples Confirm Reservoir Quality and Gas Content Better than Previously Estimated
  - Lower shale content resulting in higher net sand ratio
  - Increase in average porosity

- Netherland, Sewell Updated Analysis Estimates Mean Recoverable Gas at 8.4 Tcf
Tamar Reservoir
Superior quality and connectivity

- **Excellent Properties**
  - Clean sand with permeability one darcy and porosity 25%
  - Natural gas >99% methane

- **Excellent Lateral and Vertical Connectivity**
  - Similar sand units between wells can be traced on seismic
  - Extensive sand/sand contact across faults
  - Identical contacts and gas/water pressure gradients in both the discovery well and the 3.4 mile offset appraisal well
Tamar Well Completions
*Off the shelf, proven technology*

- Completions Designed to Flow 250 MMcf/d
  - Among the highest natural gas well rates in the world
- Open-hole Gravel Pack Lowers Screen Erosion Risk
- Tubing and Wellhead Built for 30-year Life
Tamar Field Layout

**Phase 1 with 850 MMcf/d deliverability**

- Water depth 5,000 feet and 60 miles offshore
- Subsea production system, no production platform
- Natural gas treatment and measurement handled at onshore receiving terminal
- Dual 16-inch flow lines to onshore terminal
Tamar Update

Progress on markets and regulatory items

- Contracting Underway for New Resources
  - Projected revenue of $11 B for less than 25% of resources
  - Strong price base linked to oil products

- Identified Customer Base Covers Remaining Phase 1 Capacity
  - New industries and potential customers
  - Flexible price structure to meet customer needs

- Permitting and Regulatory Issues Moving Ahead
  - Expect royalty rate to remain unchanged on existing production and known discoveries
# Tamar Timeline

*Fast-track development*

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front-end Engineering</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order Critical Path Equipment</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Detail Design and Engineering</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment Manufacturing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drilling and Completions</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Onshore Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offshore Installation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioning and First Production</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Fast-track Enabled by Subsea Development, Proven Technology, Gas Quality, Committing to Critical Long Leads Prior to Sanction**
- **~25% of Capital Committed**
Tamar Economics

Steady cash flow stream with expansion upside

Phase 1 – Low-cost Development with Sustained Rates
- Capital $2.8 B gross, $1 B net
- Capacity 850 MMcf/d gross
- F&D $0.50/Mcf
- LOE $0.25/Mcf
- AT NPV10** $1.4 B

Phase 2 – Upside at Low Incremental Cost
- Capacity raised to 1.2 Bcf/d gross with long production plateau
- Includes development of Dalit
- ~30% upside on Phase 1 AT NPV10

**Term defined in appendix
** After royalty and income tax
Tamar Benchmarking

*World-class discovery and development*

- Largest Conventional Gas Discovery in 2009
- Fast-track Deepwater Subsea Development Online in Less than Four Years After Discovery

* Wood Mackenzie estimated commercial plus technical reserves on a 2P basis (associated plus non-associated gas)
Eastern Mediterranean Exploration
Leading acreage position in a emerging basin

- NBL Operates ~3 MM Gross Acres
- 20 Prospects and Leads Identified with Gross Unrisked Potential Greater than 30 Tcf
  - Net unrisked resources 9 Tcf
- Leviathan Prospect Expected to Spud 4Q 2010
- Additional 3D Seismic Planned Later this Year
- Evaluating Options to Expand Drilling Program
Multiple Opportunities in Levantine Basin

Additional Tamar sand prospects

Messinian Evaporites

TAMAR SANDS
Leviathan Prospect
*Seismic characteristics similar to Tamar*

- Both Have AVO and Seismic Flat Event
Leviathan Prospect

*Mean resources twice the size of Tamar*

- **80,000 Acres** (Leviathan) vs. **24,000 Acres** (Tamar)
- **16 Tcf** (Leviathan) vs. **8.4 Tcf** (Tamar) Gross Mean Resource
- **50%** Pre-drill Pg (Leviathan) vs. **35%** (Tamar)

*Unrisked*
Multiple Opportunities in Levantine Basin

*High-risk deeper potential*
Electricity Markets in Israel
*Natural gas fueling Israel’s future*

Electricity Generation and Fuel Mix

2009: 53 Terawatt Hours

- Coal
- Fuel Oil/Diesel
- Natural Gas

2013: 62 Terawatt Hours

- Coal
- Fuel Oil/Diesel
- Natural Gas

**Electricity Generated by Natural Gas Expected to Increase 70%**

- Higher utilization of current gas-fired generation capacity
- New gas-fired generation capacity to satisfy growing domestic electricity demand

Source: IEC, NBL estimates
Industrial Gas Markets in Israel
*Significant room for growth*

- **Compelling Economics to Convert from Fuel Oil to Natural Gas**
- **New Gas-enabled Demand**

**MMcf/d**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial - New Projects</th>
<th>Industrial - Existing Projects*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>2020</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td>2025</td>
<td>500</td>
<td>700</td>
</tr>
<tr>
<td>2030</td>
<td>700</td>
<td>900</td>
</tr>
</tbody>
</table>

*Existing demand/projects and new projects that are in an advanced stage. Industrial market includes desalination, commercial, refinery, chemicals and other industrial plants.

Source: Poten and Partners
Natural Gas Demand Outlook in Israel

Robust long-term demand growth

Gas Demand Growth to-date Driven by Conversion from Fuel to Gas-fired Electricity Generation

Source: Historical - NBL; Forecast - Poten and Partners
Natural Gas Supply Outlook in Israel

Supplied by current offshore discoveries

- Expected 2012 Demand Fully Covered >35 Years by Existing Offshore Discoveries
Eastern Mediterranean
*World-class potential*

- Mari-B Capable of High Deliverability Through 2012
- Tamar Development on Track for 2012 Start up
  - Resources increased to 8.4 Tcf gross, 2.6 Tcf net
- Significant Exploration Potential on NBL Acreage
  - Gross mean resources greater than 30 Tcf in Tamar sands
  - Potential deep play
- Israel Natural Gas Demand Forecasted to Grow 10% CAGR through 2020
West Africa

Rodney Cook
SVP International
West Africa

*Building long-term value*

- Existing Core Assets Providing Strong Cash Flows
- Initial Major Projects Focused on Liquid Developments
- Additional Upside in Under-explored Basin
- Progressing Regional Gas Monetization Plans
West Africa

Key position for NBL

- Alba Field 34% WI
- Methanol Plant 45% WI
- LPG Plant 28% WI
- Bioko Island
- Block O 45% WI
- Block I 40% WI
- Cameroon
- YoYo Mining License 50% WI
- Equatorial Guinea
- Tilapia PSC 50% WI
- West Africa
Alba Field

Core existing asset with strong cash flows

- Current Net Volumes 240 MMcf/d, 21 MBbl/d
- 2009 Net Reserves 65 MMBbl Liquids, 942 Bcf Natural Gas
- Natural Gas Commercialized with LPG Processing and Sales to Methanol and LNG Plants
- Low Unit Costs
  - LOE $3.40/Boe
  - DDA $2.15/Boe

* Term defined in appendix
Note: Utilizing reference price case. See appendix
Includes Alba field and LPG
West Africa – Operated Discoveries

Setting the stage for growth

- **300 MMBoe Net Discovered**
  - 105 MMBbl liquids and 1.2 Tcf natural gas

- **Project Lineup**
  - Aseng – sanctioned, first oil mid 2012
  - Alen (Belinda) – FEED underway, sanction expected late 2010
  - Carmen and Diega – appraisal drilling being planned
  - Gas monetization – ongoing evaluation and planning
Aseng Project
*Provides hub for future expansions*

- **Project Sanctioned in 2009**
  - Operated by NBL with 40% WI
- **Remains on Schedule and on Budget**
- **All Major Contracts Awarded and Development Drilling in Progress**
- **Resource Estimate Increased to 220 MMBoe Gross, 67 MMBoe Net**
- **First Production Expected Mid 2012**
  - Initial rate 50 MBbl/d gross, 17 MBbl/d net (includes cost recovery)
Aseng Drilling and Subsurface Plan

Resource estimate growing with development

- 39 MMBbl Net Liquid Resource for Oil Recovery Phase
  - 170 Bcf net gas resource
- Five Producers, Three Water Injectors and Two Gas Injectors
- Pressure Maintenance System to Maximize Recovery
- Reservoir Quality Requires Fewer Wells
- Horizontal Well Design Improves Recovery and Productivity
Aseng – World-class Reservoir

*High performance capacity*

**Thin Section**

- Avg. Porosity 26%
- Avg. Permeability 5 Darcy

**Gross Production**

- High Per Well Rates Give Additional Production Potential
- Shallow Production Declines
- API Oil Gravity 30 Degrees
Aseng Field Layout

**FPSO development**

- 3,000 feet water depth
- Two, four-slot manifolds
- Four risers
- Gas lift provided in umbilicals
Aseng FPSO

Infrastructure for additional developments

- 80 MBbl/d oil treating capacity
- 120 MBbl/d total fluids production
- 150 MBbl/d water injection
- 170 MMcf/d gas production
- 1.6 MMBbl storage
Aseng FPSO
*Refabrication underway*

Vessel arrives in Singapore Shipyard March 30, 2010

Initial Topsides – April 8, 2010

Current Topsides – May 12, 2010
## Aseng Development Schedule

*On schedule and on budget*

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>FPSO Engineering &amp; Fabrication</td>
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<tr>
<td>Project Sanction</td>
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<td>Drilling and Completion</td>
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<td>Subsea Fabrication and Deliver</td>
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<tr>
<td>Subsea Installation</td>
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<tr>
<td>FPSO Delivery and Installation</td>
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<tr>
<td>Final Commission</td>
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<tr>
<td>First Production</td>
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<td></td>
<td>red</td>
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</table>

▶ **All Major Contracts Awarded**

- FPSO, drilling and completions and subsea infrastructure
Aseng Economics
Strong cash flow contributor

Economics Summary

- Net Resources 39 MMBbl
- Net Capital $510 MM
- F&D $13/Bbl
- LOE $19/Bbl (includes FPSO lease cost of $10.50/Bbl)
- AT ROR 32%
- AT NPV10 $535 MM

Note: Utilizing reference price case. See appendix

* Term defined in appendix
Alen Project
*Liquid-rich development*

- Front End Engineering Design Study Initiated 1Q 2010
- Project Sanction Expected Late 2010
  - Operated by NBL with 45% WI
- Resource Estimate at 247 MMBoe Gross, 89 MMBoe Net
- First Production Expected End of Year 2013
  - Initial rate 30,000 Bbl/d gross, 15,000 Bbl/d net (includes cost recovery)
- Gross Capital Estimate $1.1 – 1.5 B
Alen Drilling and Subsurface Plans

Gas-cycling project

- 34 MMBbl Net Liquid Resources
  - 334 Bcf net gas resources
- Three Producers, Three Water Injectors
- Gas-cycling Increases Liquids Recoveries
- Preparing for Future Gas Sales
- Utilize Aseng FPSO for Liquid Export
Alen – High Quality Reservoir

Strong performance capacity

- Thin Section
- Gross Condensate Production

- Avg. Porosity 24%
- Avg. Permeability 2 Darcy
- High Per Well Rates
- Shallow Production Declines
- API Condensate Gravity 50 Degrees
Alen Platform Design

*Designed as regional gas hub*

- Platform water depth 250 ft
- 30 - 40,000 Bbl/d oil handling
- 350 - 400 MMcf/d gas reinjection
- Deck weight 9,000 tons
- Operating weight 10,000 tons
- Quartering for 50 persons
### Alen Development Timeline
*Progressing toward sanction*

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td>Plan of Development and FEED Work</td>
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<tr>
<td>Project Sanction</td>
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<td>Well Head Platform</td>
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<tr>
<td>Central Production Platform</td>
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<td>Subsurface Infrastructure and Delivery</td>
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<td></td>
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<tr>
<td>Development Drilling and Completions</td>
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<tr>
<td>Hookup and Commission</td>
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<tr>
<td>First Production</td>
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</tbody>
</table>
Alen Economics

*Strong cash flow contributor*

**Economics Summary**

- Net Resources 34 MMBbl
- Net Capital $620 MM
- F&D $18/Bbl
- LOE $8/Bbl
- AT ROR 30%
- AT NPV10 $446 MM

Note: Utilizing reference price case. See appendix

* Term defined in appendix
West Africa Production Outlook

Substantial liquid growth

2010 - 2015 Capital
$2.6 B

Net Production

2010 2011 2012 2013 2014 2015

MBoe/d

Alba Gas  Alba Liquids  Aseng  Alen  Diega

Exploration  Development
West Africa – Exploration
*Meaningful potential with multiple play types*

- Continuing to Mature Deeper Oil Opportunities
- High Grading Additional Gas Prospects
- Cameroon 3D Seismic Acquisition
- Net Unrisked Resources of 370 MMBoe
  - 1.5 MM gross acres in Douala basin
  - Previously under-explored area
Equatorial Guinea Exploration
Maturing multiple oil prospects

Sofia and Regina – Block I
- AVO Supported Miocene Channel Sand
- 120 MMBoe Gross Unrisked Resources
- Pg 50%
- Adjacent to Aseng FPSO

Carla – Block O
- Lower Miocene Channel Sands
- 45 MMBoe Gross Unrisked Resources
- Pg 25%
- Adjacent to Alen

This area intentionally left blank.
West Africa

Building long-term value

- Alba Generating Significant Cash Flows
- High-deliverability Reservoirs in Major Project Discoveries
- Increasing Liquid Production 150% by 2014
- Resuming Exploration Late 2010
- Progressing Gas Monetization
Global Gas

Terry Gerhart
VP Global Gas Monetization
Global Gas Outlook

- 13 Tcf Gross Gas Resources Discovered by NBL and Partners
  - West Africa 4 Tcf, Eastern Mediterranean 9 Tcf
- Additional Gas Resources Expected from Ongoing Exploration
- Created Interdisciplinary Team to Evaluate Development Options
  - Global supply and demand assessments
  - Market alternatives
  - Evaluating investment options
- Targeting Mid to Late Decade Delivery of New Volumes
Global Gas Demand Expected to Grow Substantially

- World Gas Demand to Increase by 36% from 2010 to 2030
- Cost Effective in New Power Generation vs. Competing Fuels

70% Capacity Increase is Needed to Meet Anticipated LNG Demand Growth
Major Companies Building Global Gas Portfolios

US Shale Gas

- TOTAL
- Statoil
- ExxonMobil

Australia CBM

- noble energy

- PETRONAS
Planned LNG Projects

*NBL’s projects are cost competitive*

<table>
<thead>
<tr>
<th>Region</th>
<th>Relative Upstream plus LNG plants Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arctic</td>
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</tr>
<tr>
<td>Australia CBM</td>
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</tr>
<tr>
<td>Australia Conventional</td>
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</tr>
<tr>
<td>North Africa</td>
<td></td>
</tr>
<tr>
<td>West Africa</td>
<td></td>
</tr>
</tbody>
</table>

NBL range of upstream plus LNG plant costs

Source: Poten & Partners
Equatorial Guinea and Cameroon

*Studying gas export options with governments*

- **Significant Gas Resources to Monetize**
- **Working with EG in Effort to Create Gas Hub Based on LNG Export**
  - Expanding existing plant
  - Low cost, secure location to build new plants
- **SNH / GdF Suez Studying Feasibility of a LNG Plant in Cameroon**
  - Current phase of study will conclude late 2010 or early 2011
West Africa LNG
Well placed to target global LNG markets

Fallback position is the US markets
~$1.4 /MMBtu Shipping/Regas

LNG markets in southern Europe typically paying prices above 50% of crude oil energy equivalent
~$0.8 /MMBtu Shipping Cost

Forecast Netback to Upstream: $2.8 to $9.6

Counter Seasonal Markets
~$0.5 /MMBtu Shipping Cost
LNG shipping to new South American markets is low cost
Prices at a premium to Henry Hub

LNG shipping to premium oil-indexed markets in Asia is competitive
~$1.5 /MMBtu Shipping Cost

LNG markets in Asia typically paying prices at around 90% of crude oil energy equivalent
Key Markets Accessible from Eastern Mediterranean

Multiple export options

- Current Gas Discoveries Expect to Fulfill Israel Demand
- Significant New Gas Discovery Will Trigger Gas Export Projects
- Close Proximity to Oil-linked Markets
Eastern Mediterranean LNG
Well placed to target global premium LNG markets

LNG markets in southern Europe typically paying prices above 50% of crude oil energy equivalent

LNG markets in Asia typically paying prices at around 90% of crude oil energy equivalent

Forecast Netback to Upstream: $3.6 to $7.7

~$1.4 /MMBtu Shipping Cost

~$0.3 /MMBtu Shipping Cost
Global Gas Summary

- NBL’s Discovered Resources Positioned to Compete in Global Gas Markets
  - Location and reservoir quality contribute to low cost developments

- Exploration Program Provides Exposure to Significant Additional Gas Resources

- Expected to Provide Substantial Growth Second Half of the Decade
  - Timed to meet growing global gas demand
  - Project participation based on strategic partnerships
Exploration

Susan Cunningham
SVP Exploration
Exploration and Geoscience Excellence

*Focus on discovering substantial resources*

- Solid Track Record of Value Creation
- Balanced and Extensive Global Portfolio
- Continuous Improvement Effort
- Robust Investments in Technology
- Attracting Outstanding Talent
- Building a Unique Culture
Exploration Resources Discovered

Significantly exceeding reserves and production

- Discovered 275% of Cumulative Production Since 2005
- Represents 1.2 Times Current Reserves
- Low Finding Costs
Global Exploration Portfolio
A substantial inventory of opportunities in four key basins

<table>
<thead>
<tr>
<th>Total Resources</th>
<th>Net Unrisked</th>
<th>Net Risked</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMBoe</td>
<td>6,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

- **US Onshore**: 2,000 MMBoe
- **Eastern Med**: 1,600 MMBoe
- **Deepwater GOM**: 6,000 MMBoe
- **West Africa**: 400 MMBoe

Net Unrisked (MMBoe) and Net Risked (MMBoe)
Global Exploration Portfolio

Substantial worldwide resource exposure

- US Onshore
- Eastern Med
- Deepwater GOM
- West Africa
- Additional High Impact

Includes high bids from Lease Sale 213

Net Unrisked (MMBoe) and Net Risked (MMBoe)
U.S. Exploration Overview

Onshore tight rock approach

- Identify the Opportunity
- Collect the Right Data
  - Appropriate combination of technologies early in the program
- Comprehensive Evaluation From Regional to Micro Scale
  - Integration of analysis and data
- Address the Key Uncertainties
  - ‘Sweet Spot’ characteristics
- Apply Disciplined Exploration Process
  - Robust technology and organization capacity
  - Leverage knowledge and ideas
  - Probabilistic assessment of opportunities from basin to well recovery
  - Establish pilot program to test uncertainties
  - Learnings leveraged and integrated into full program
U.S. Onshore – Tight Rock Approach

Building the regional picture

- Thermal Maturation Model
- Potential Fields Data
- 3D Seismic

- Reconstruct Basin History
- Analyze Fault and Fracture Systems
- Identify and Map Sweet Spot Characteristics
- High Grade Target Areas

Data licensed from GETECH
Processing by Wintermoon Technologies
U.S. Onshore – Tight Rock Approach

Utilizing unconventional geophysics

- Investigate Fracture Systems
- Characterize Lateral Changes
- Facilitate Multi-discipline Integration
- Impact Well Design and Completion
- Look Deep to Understand Total Potential

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U.S. Onshore – Tight Rock Approach

Comprehensive well evaluation

Data Collection in Pilot Drilling Phase

- Whole core analysis
- Image logs
- Elemental capture spectroscopy
- Fluid, pressure, temperature sampling
- Micro-seismic
U.S. Exploration Overview

Offshore deepwater approach

- Identify the Opportunity
  - Focus on large subsalt prospects

- Comprehensive Evaluation from Regional to Prospect Scale
  - Combine advanced rock property analysis, subsalt imaging interpretation and geologic models

- Apply Disciplined Exploration Process

- Apply Disciplined Appraisal Process
  - Evaluate key uncertainties for sanction
  - Establish well location options and wellbore data requirements
Offshore Deepwater Imaging

Technology decreases risk

- Acquisition – Wide vs. Narrow Azimuth
  - Multi-vessel wide azimuth increases seismic illumination
  - Reduces noise and false-inferred geologic imaging

- Processing – RTM Depth Migration Algorithms
  - Reverse Time Migration (“RTM”) has fewer assumptions and approximations
  - Handles steep salt edges, horizon dips and complicated wave fronts

- What NBL is Doing Differently
  - Proprietary input on processing
  - Enhanced subsurface models and work flow
Subsalt Depth Imaging

*Complex salt creates challenges*

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Subsalt Depth Imaging

Gunflint 2006 – narrow azimuth 3D, wave equation migration

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Subsalt Depth Imaging
*Gunflint 2008 – narrow azimuth 3D, beam migration*

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Subsalt Depth Imaging
Gunflint 2010 – wide azimuth 3D with NBL proprietary RTM

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Continuum Prospect – Green Canyon 774
*Subsalt Miocene target*

- NBL Operated with 100% WI
- Water Depth 4,875 Feet
- Proposed Well Depth 33,000 Feet
- Gross Mean Resources 250 MMBoe
- Pg 30%
International Exploration Overview

Running room with initial success

- **West Africa**
  - Basin opening discovery in 2005
  - Continue exploration with increased focus on oil prospects

- **Eastern Mediterranean**
  - Trend opening discovery in 2009
  - Follow-up exploration to recommence late 2010
  - Shooting additional 3D

- **New Ventures**
  - Focus on high-impact plays worldwide
  - Leveraging core competencies
West Africa Approach

*Seismic inversion for net gas sand prediction*

Example: Alen Field, Equatorial Guinea

- Established Track Record of Success
- Adjusting Seismic, Reservoir and Geochemical Models
- Focus on Additional Oil Prospects
- Integrating New Cameroon Seismic
West Africa Approach

Cameroon prospectivity

- 1,600 Square Miles of 3D Seismic Acquired
- Data Processing During 2010
- Multiple Plays Identified on Existing 3D and 2D
- Planning for 2011 Drilling Program
Cameroon – Bwabe Prospect
*Amplitude-supported Oligocene target*

- Tilapia Block – Offshore Cameroon
- NBL Operated with 50% WI
- Water Depth 1,800 Feet
- Proposed Well Depth 12,000 Feet
- Gross Mean Resources 275 MMBoe
- Pg 20%

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3D acquired in 2010 to infill older 2D coverage
New Ventures Approach

*Focus on high-impact plays worldwide*

- **Example: Offshore Nicaragua**
  - Massive carbonate platform
  - 170,000 acres
  - Gross mean resources of 1 BBoe (based on 2D)
  - NBL operated with 100% WI
New Ventures Example
Offshore Nicaragua – Tyra lead

- Isolated Pinnacles 3,000-6,000 Acres Each
- Multi-stage Reef Growth
- Analagous to Both Large Present Day and Ancient Producing Reefs
Exploration and Geoscience Excellence

*Discovering next phase of legacy projects*

- Discovered 960 MMBoe Over Last Five Years at Very Low Cost
- Global Exploration Portfolio Increased to 6 BBoe Net Unrisked (2 BBoe Net Risked)
- Applying Exploration Processes to Unconventional, Tight Rock Plays
- Sizeable New Opportunities in Early Stages
- Appropriately Leveraging Best Technology
- Disciplined Approach to Exploration, Appraisal and Development Programs
Financial Review

Ken Fisher
SVP and CFO
Financial Strategy

Ensure capital structure to support business

- Continue to Deliver Sustained Growth, High Shareholder Returns

- Fund Organic Exploration Program

- Develop “Long-cycle”, Long-life Major Projects

- Proactively Manage Portfolio Exposures
  - Commodity price
  - Henry Hub and differentials
  - Liquids and gas
  - Domestic and international
  - Credit and event risk

- Ensure “Fire Power” for Opportunistic Business Development
  - e.g., Petro-Canada
Exploration Capital Spending

Continuing commitment to organic value creation

$MM

2007 2008 2009 2010

Drilling & Completions  Seismic  Leasehold
Capital Spending

Material shift to long cycle, long life major projects

*Includes FPSO capital lease amount of $234 MM
Financial Position – 1Q 2010
Remains strong with $2.5 billion liquidity

- $1 B Cash on Hand
- $2.5 B Liquidity
- Total Debt $2.4 B
- Strong Ratios:
  - Debt-to-book capital: 27%
  - Net debt-to-book capital: 17%

Well Managed Maturity Profile

Favorable Leverage to Peers

Debt-To-Cap Ratio
Net Debt-To-Cap Ratio

NBL Peers NBL Peers

Note: Total debt and debt related metrics includes the Aseng FPSO lease

* Peers as of Q4 2009 including APA, APC, CHK, COG, DVN, EOG, FST, MUR, NFX, PXD, PXP, RRC, SWN, TLM
Capital Structure Approach

Robust to ensure delivery of value

- Ensure Strong Liquidity to Deliver High Return Growth
  - Robust to commodity price cycles
  - Supports long cycle capital commitments
  - Funds exploration success, new business development particularly in “down markets”
  - Ensures resource access and host government / partner confidence

- Keep a “Conservative” Balance Sheet and Retain Investment Grade Rating

- Continue Proactive Risk Management Across the Business
  - Commodity hedging program
  - Insurance program
  - Credit management
  - Enterprise Risk Management
  - Cash Flow at Risk (CFAR)

- Manage Portfolio for Value
Volumes

*Maintaining geographic balance... growing liquids, international gas*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total MMB~e</th>
<th>United States</th>
<th>International</th>
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<tbody>
<tr>
<td>2004</td>
<td>39</td>
<td>73</td>
<td>44%</td>
</tr>
<tr>
<td>2007</td>
<td>58%</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>~79</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>2015</td>
<td>~128</td>
<td>63%</td>
<td>37%</td>
</tr>
</tbody>
</table>
Commodity Hedging – U.S. Gas

- **2010** ~70% Hedged in $5.95 - $6.72 Range
- **2011** ~50% Hedged via Swaps, Collars and 3-way Collars with Downside Protection at ~$5.78
- **2012** ~10% Hedged via 3-way Collars $4.75 / $5.50 / $7.92

NBL as of 4/29/2010

Peers include APA, APC, CHK, COG, DVN, EOG, FST, MUR, NFX, PXD, PXP, RRC, SWN, TLM
Commodity Hedging – Global Oil

- **2010** ~40% Hedged via Swaps and Collars with Downside Protection at ~$65.48
- **2011** ~25% Hedged via Collars and 3-way Collars with Downside Protection at ~$79.00
- **2012** ~5% Hedged with Swaps at $91.84

NBL as of 4/29/2010

Peers include APA, APC, CHK, COG, DVN, EOG, FST, MUR, NFX, PXD, PXP, RRC, SWN, TLM
Cash Flow at Risk
A framework for capital structure planning

Illustrative Example

Cash Flow Probability Distribution (Monte Carlo)
- Commodity Price Scenarios
- Business Outcomes

Prioritization of Cash Needs
- Interest & Principal Payments
- Dividends
- Ongoing Maintenance CAPEX
- Sustaining CAPEX
- Growth CAPEX
- Strategic CAPEX

Operating Cash Flow

Potential Stress

1. Pre-CFAR Operating Cash Flow Distribution
   Lower Probability of Funding Strategic CAPEX

2. Revised Operating Cash Flow Distribution, Levers Include (e.g.):
   - Commodity Hedging
   - Capital Structure Changes
   - Portfolio Changes
   - Others (e.g. Contracting, etc.)

   Higher Probability of Funding Strategic CAPEX
Financial Projections

Well positioned to fund business

Liquidity*
($B)

% Debt to Cap

*Cash plus revolver availability
Financial Summary

- Continued Strong Financial Discipline
- Proactively Managing Capital Structure and Business Risks
- Well Positioned to Fund Exploration and Major Project Growth
- Will Maintain Ample Liquidity and Conservative Balance Sheet
Closing Remarks / Q&A

Chuck Davidson
Chairman and CEO
Conference Themes Presented Today

- **Depth and Quality of Opportunities**
  - Material in scale and scope

- **Value of a Diversified Portfolio**
  - Retaining flexibility and balance

- **Exposure to Multiple “Company-maker” Prospects**

- **Sustainability of Exploration Success**
  - Quality of process
  - Portfolio depth

- **Confidence in and Visibility of Future Growth**
  - Major projects are real
Appendix
## Price Assumptions

<table>
<thead>
<tr>
<th>Period</th>
<th>Crude Oil WTI ($/Bbl)</th>
<th>Natural Gas HH ($/Mcf)</th>
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<tbody>
<tr>
<td>2010</td>
<td>$80.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>2011</td>
<td>$82.50</td>
<td>$5.50</td>
</tr>
<tr>
<td>2012</td>
<td>$85.00</td>
<td>$6.00</td>
</tr>
<tr>
<td>2013+</td>
<td>Inflated at 2%</td>
<td>Inflated at 2%</td>
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<tr>
<td>5-Year Average</td>
<td>$84.50</td>
<td>$5.75</td>
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# Defined Terms

<table>
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<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Free Cash Flow</td>
<td>Discretionary cash flow less capital</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>Revenue less lease operating expenses, production taxes, transportation, and income taxes</td>
</tr>
<tr>
<td>AT Cash Flow</td>
<td>Revenue less capital, lease operating expenses, production taxes, transportation, and income taxes</td>
</tr>
<tr>
<td>BTax Cash Margin</td>
<td>Revenue less lease operating expenses, production taxes, and transportation</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>Revenue less lease operating expenses, production taxes, transportation, and DD&amp;A</td>
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## Definition / Calculation

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition / Calculation</th>
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<tbody>
<tr>
<td>Organic Free Cash Flow</td>
<td>Cash Flow from Operations less non-acquisition capital</td>
</tr>
<tr>
<td>2005 to 2009 Organic Free Cash Flow</td>
<td>$8.8 B less $7.3 B* = $1.5B</td>
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* Capital excludes 2007 acquisition of W. Oklahoma assets for $292 MM