

# NBL

**ne** noble  
energy

Energizing the World,  
Bettering People's Lives®

**YEAR-END 2013  
SUPPLEMENTAL  
INFORMATION**

# Forward-looking Statements and Other Matters

This presentation contains certain “forward-looking statements” within the meaning of the federal securities law. Words such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” and similar expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect Noble Energy’s current views about future events. They include estimates of oil and natural gas reserves and resources, estimates of future production, assumptions regarding future oil and natural gas pricing, planned drilling activity, future results of operations, projected cash flow and liquidity, business strategy and other plans and objectives for future operations. No assurances can be given that the forward-looking statements contained in this presentation will occur as projected, and actual results may differ materially from those projected. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. These risks include, without limitation, the volatility in commodity prices for crude oil and natural gas, the presence or recoverability of estimated reserves, the ability to replace reserves, environmental risks, drilling and operating risks, exploration and development risks, competition, government regulation or other actions, the ability of management to execute its plans to meet its goals and other risks inherent in Noble Energy’s business that are discussed in its most recent Form 10-K and in other reports on file with the Securities and Exchange Commission. These reports are also available from Noble Energy’s offices or website, <http://www.nobleenergyinc.com>. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Noble Energy does not assume any obligation to update forward-looking statements should circumstances or management’s estimates or opinions change.

This presentation also contains certain historical and forward-looking non-GAAP measures of financial performance that management believes are good tools for internal use and the investment community in evaluating Noble Energy’s overall financial performance. These non-GAAP measures are broadly used to value and compare companies in the crude oil and natural gas industry. Please also see Noble Energy’s website at <http://www.nobleenergyinc.com> under “Investors” for reconciliations of the differences between any historical non-GAAP measures used in this presentation and the most directly comparable GAAP financial measures. The GAAP measures most comparable to the forward-looking non-GAAP financial measures are not accessible on a forward-looking basis and reconciling information is not available without unreasonable effort.

The Securities and Exchange Commission requires 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. The SEC permits the optional disclosure of probable and possible reserves, however, we have not disclosed our probable and possible reserves in our filings with the SEC. We use certain terms in this presentation, such as “net risked resources”, “resources”, and “estimated ultimate recovery” (EUR). These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized. The SEC guidelines strictly prohibit us from including these estimates in filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in our most recent Form 10-K and in other reports on file with the SEC, available from Noble Energy’s offices or website, <http://www.nobleenergyinc.com>.

# YE 2013 Key Messages and Highlights

*Unique design and execution delivering a unique future*

## ▶ FY 2013 Sales Volumes Up 20 Percent, Excluding Divestitures

- ▲ 4Q sales volumes of 293 MBoe/d tie record quarter

## ▶ Record Reserves of 1.4 BBoe, Up 19 Percent

- ▲ Reserve replacement of 369%
- ▲ All-in finding and development cost of \$12/Boe

## ▶ Additional Exploration Successes Expand Development Opportunities

- ▲ Dantzler (GOM) and Tamar Southwest (Israel)
- ▲ Positive early results at Wilson (Nevada)

## ▶ Acquisitions / Exchanges Enhance Core U.S. Onshore Areas

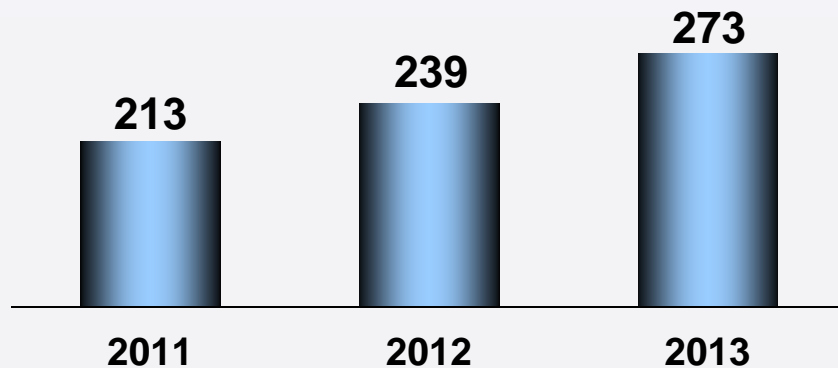
## ▶ Accelerating Momentum into 2014



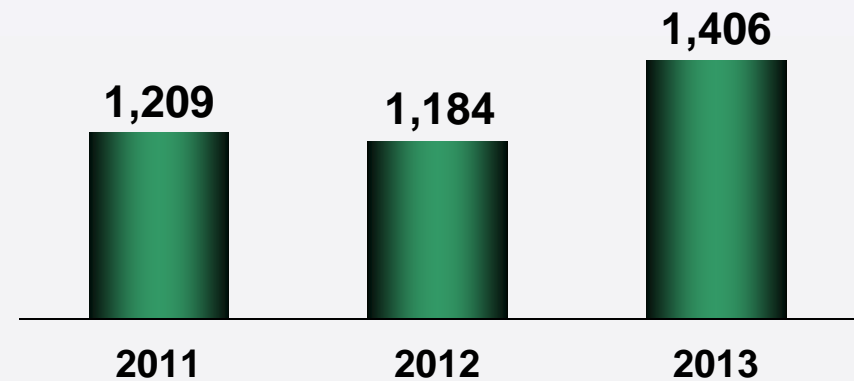
# Full-Year Key Metrics

2013 delivered record results for NBL

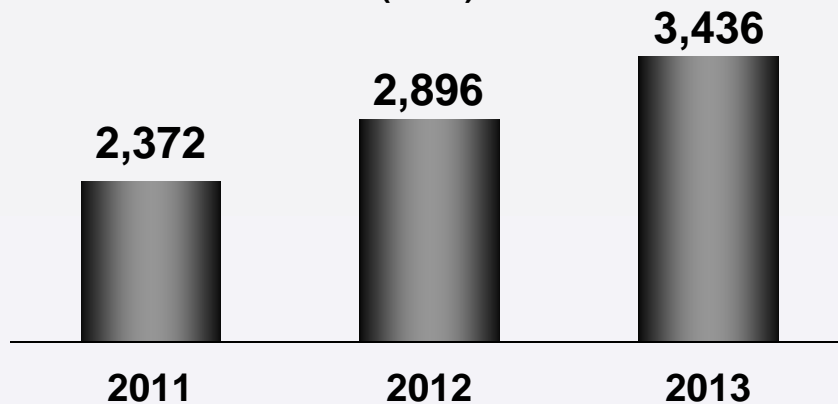
**Sales Volumes – Cont. Ops.**  
(MBoe/d)



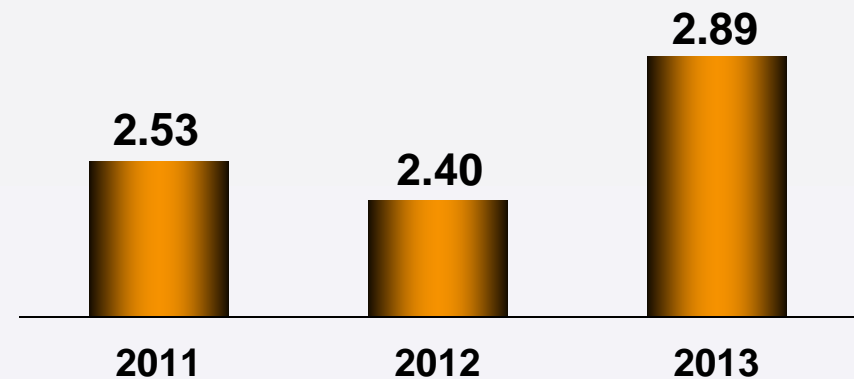
**Total Reserves**  
(MMBoe)



**Disc. Cash Flow\* – Cont. Ops.**  
(\$MM)



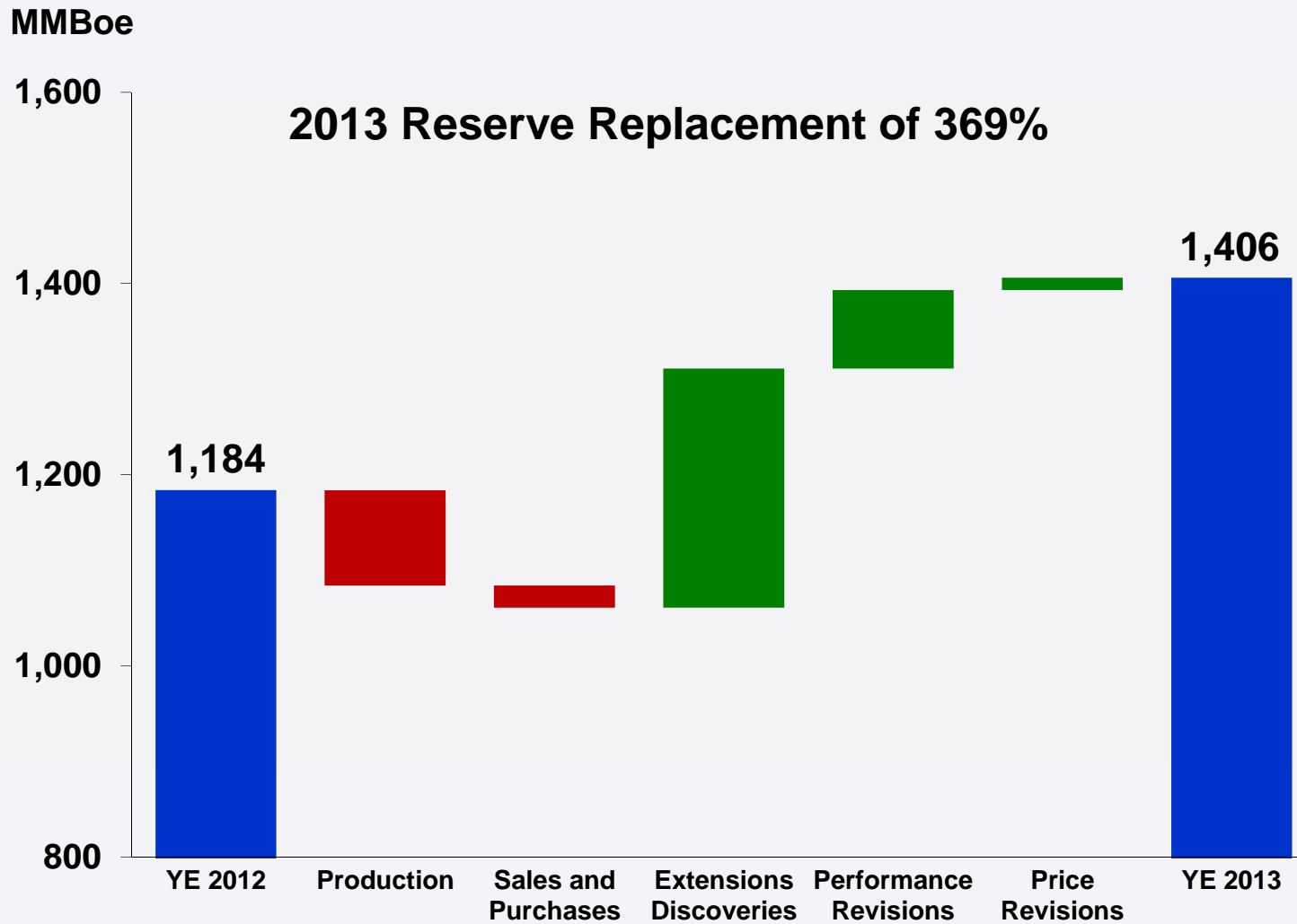
**Adjusted Income\* – Cont. Ops.**  
(Per diluted share)



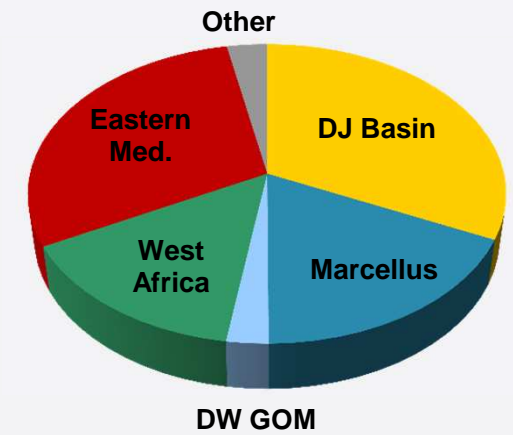
\* Non-GAAP financial measure. See schedules in the FY 2013 earnings release for reconciliation to GAAP measures

# YE 2013 Reserve Roll-Forward

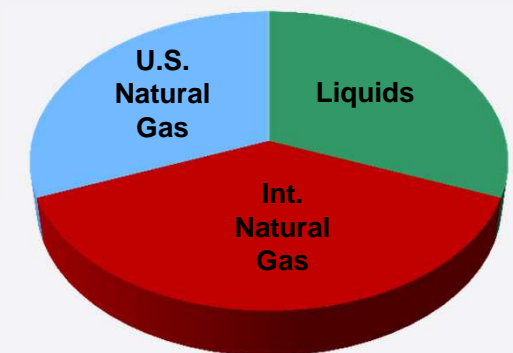
Nearly 20 percent increase driven by all core areas



## By Core Area



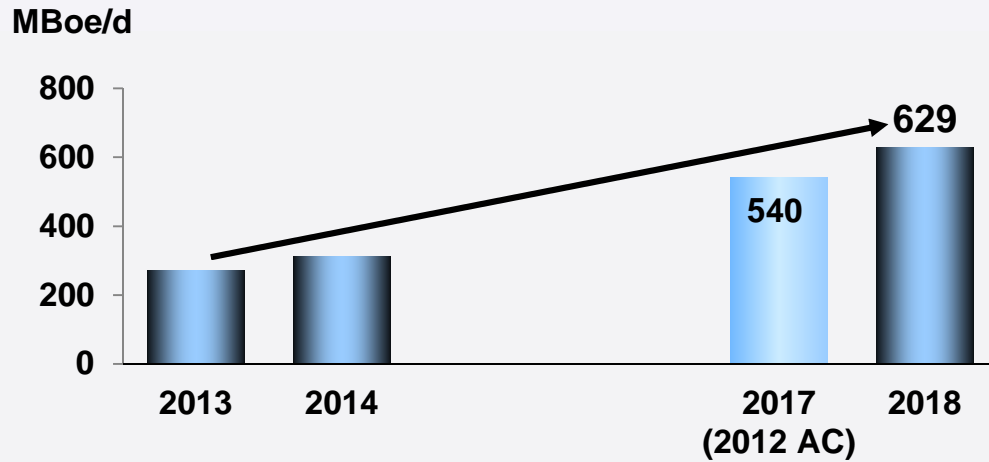
## By Commodity



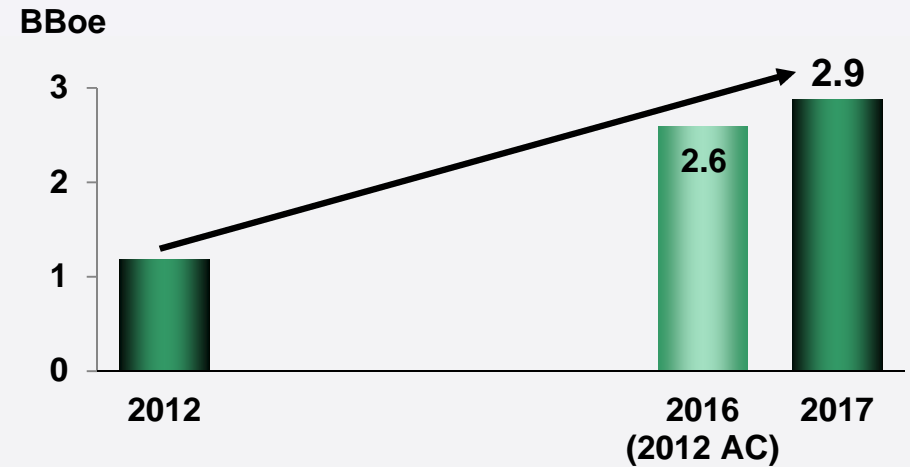
# Key Outcomes by 2018

*Delivering superior operational and financial performance*

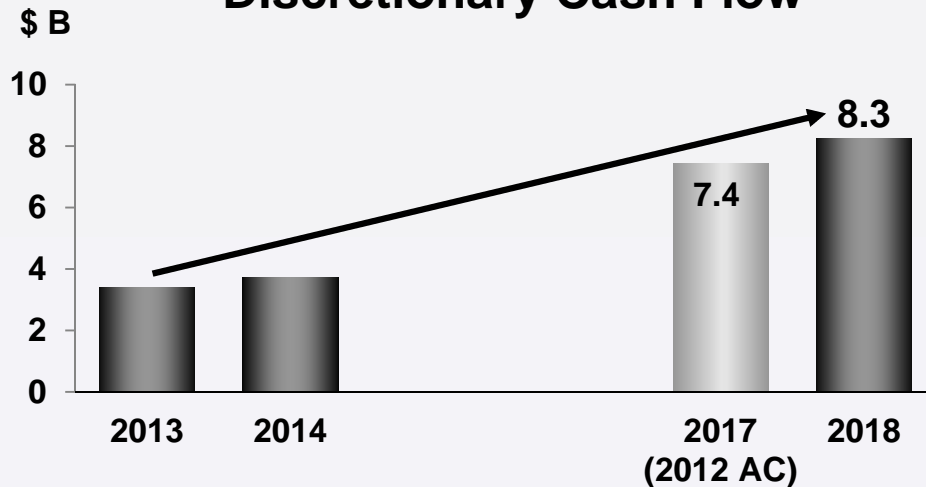
## Net Production



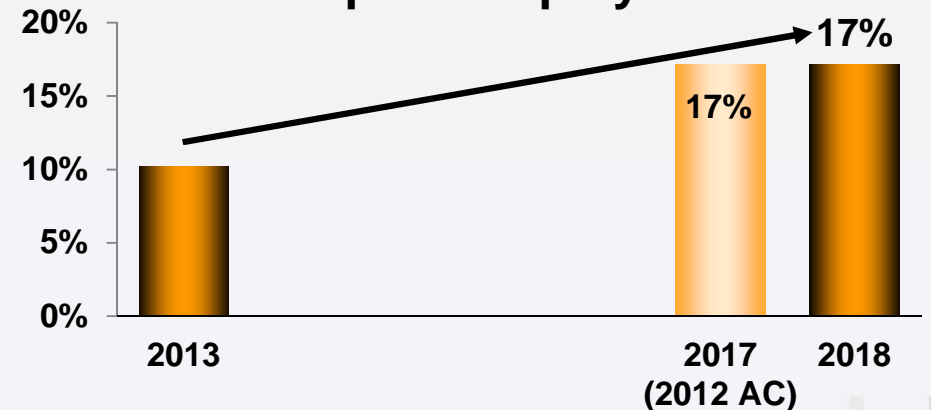
## Proved Reserves



## Discretionary Cash Flow\*



## Return on Average Capital Employed\*





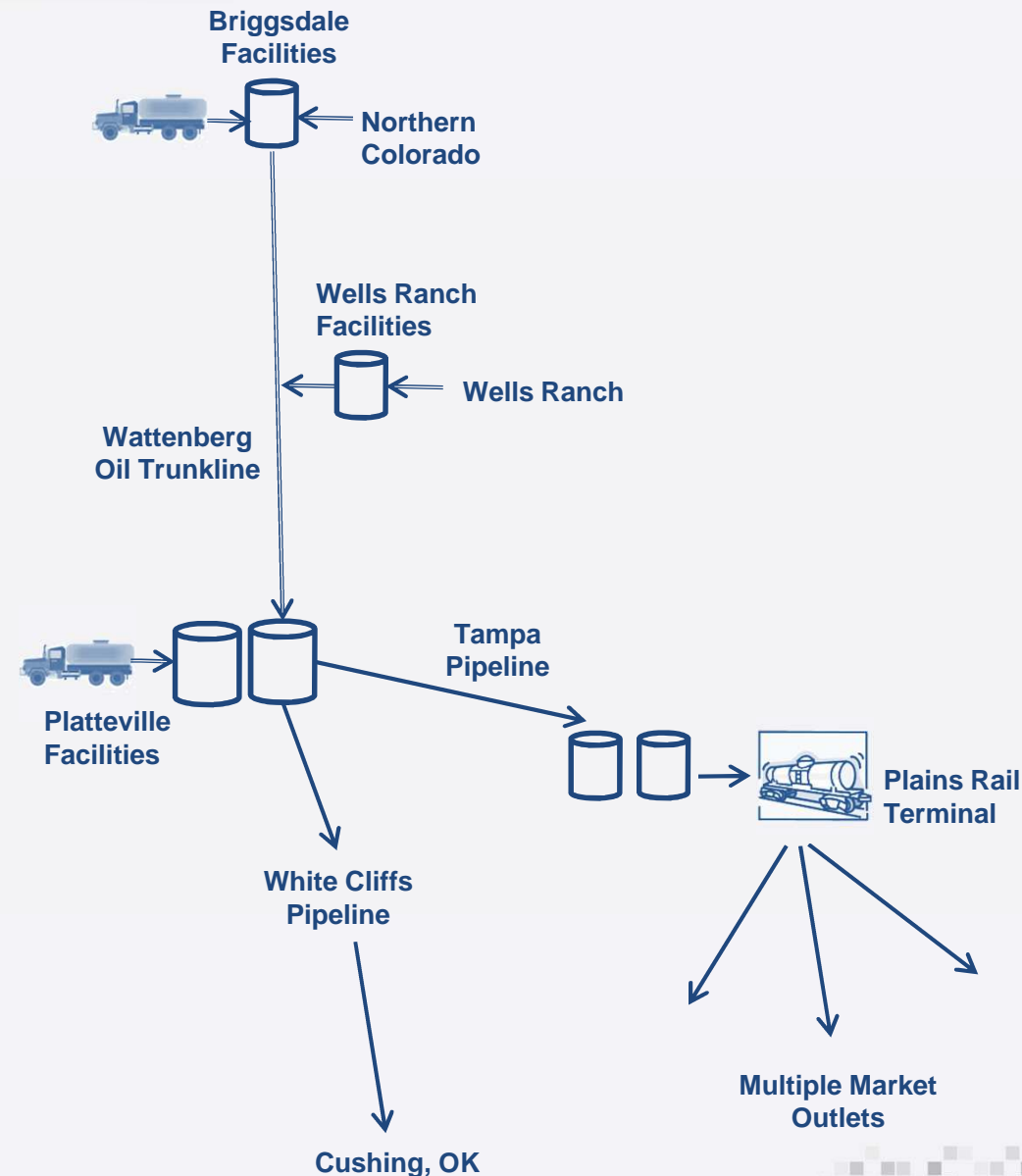
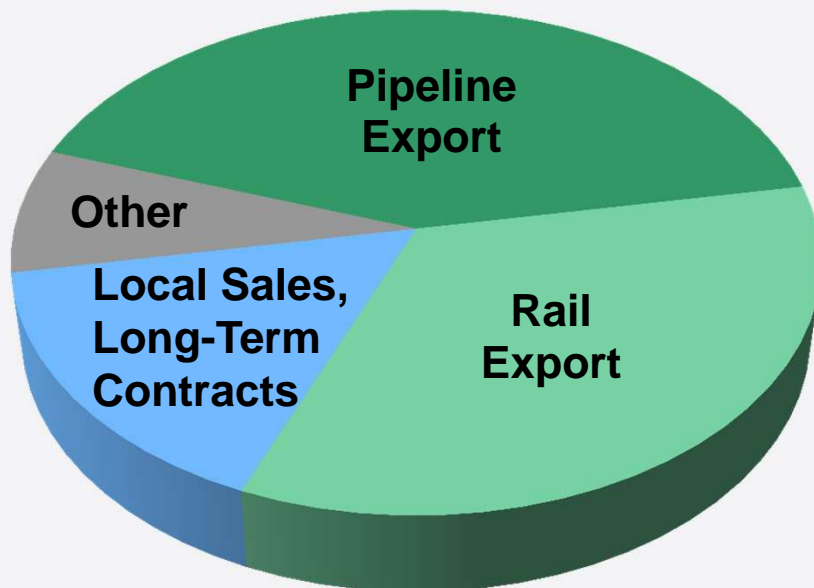
# DJ Basin Oil Infrastructure Expansion

*Over 80 percent of NBL oil exits the basin*

## ► Growing Oil Takeaway Capacity

- ▲ Wattenberg Oil Trunkline online
- ▲ Tampa Pipeline and Plains Rail Terminal online
- ▲ White Cliffs Pipeline expansion in mid '14
- ▲ N. CO. Gathering Pipeline online late '14
- ▲ Pony Express N. CO online late '14 / early '15

## NBL Oil Market Diversification



# Integrated Development Plan Impact

*Decreasing footprint and increasing economics in all phases of the asset life-cycle*

## ▶ Reduced Development Costs

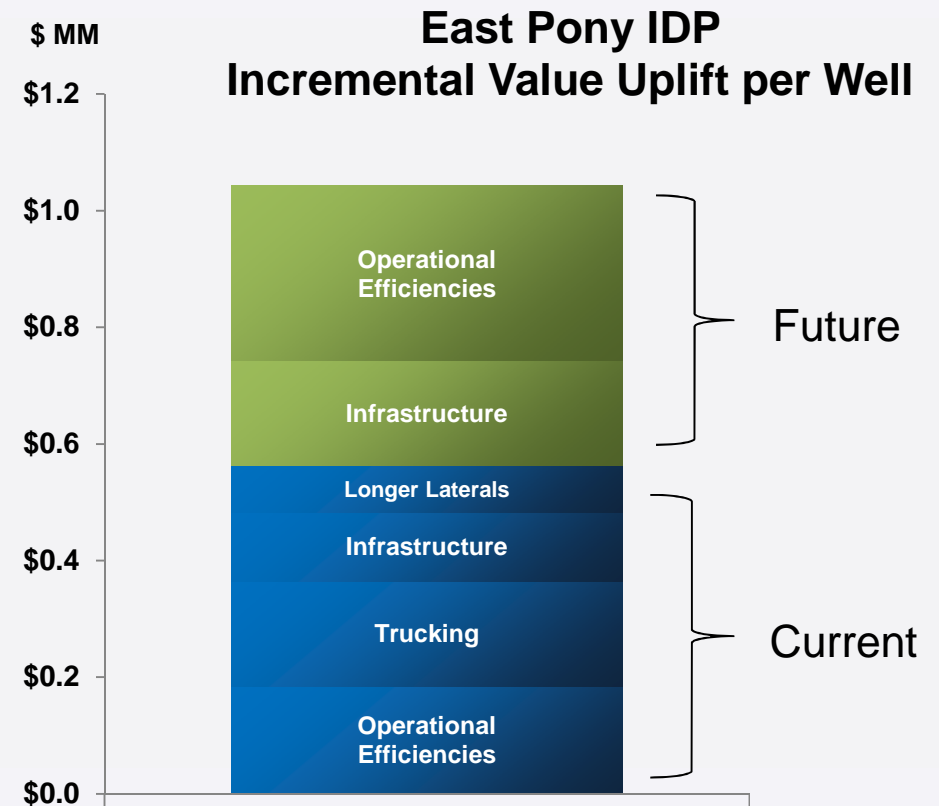
- ▲ \$0.4 to \$0.8 MM per well (\$1.15 – 2.30 per Boe\*)
- ▲ No need for tanks on each well
- ▲ Less water trucking due to distribution lines
- ▲ Pad drilling & ERL efficiencies

## ▶ Reduced Operating Costs

- ▲ \$0.1 to \$0.3 MM per well (\$0.30 - 0.90 per Boe\*)
- ▲ Eliminates oil hauling
- ▲ Eliminates water hauling
- ▲ More efficient use of pumpers
- ▲ Reduced emissions

## ▶ Drives \$2B in Incremental Value for Two Currently Sanctioned IDPs

- ▲ Accounts for only 18% of acreage





# Basin Wide Downspacing Tests

*Maximizing value through optimal spacing plan*

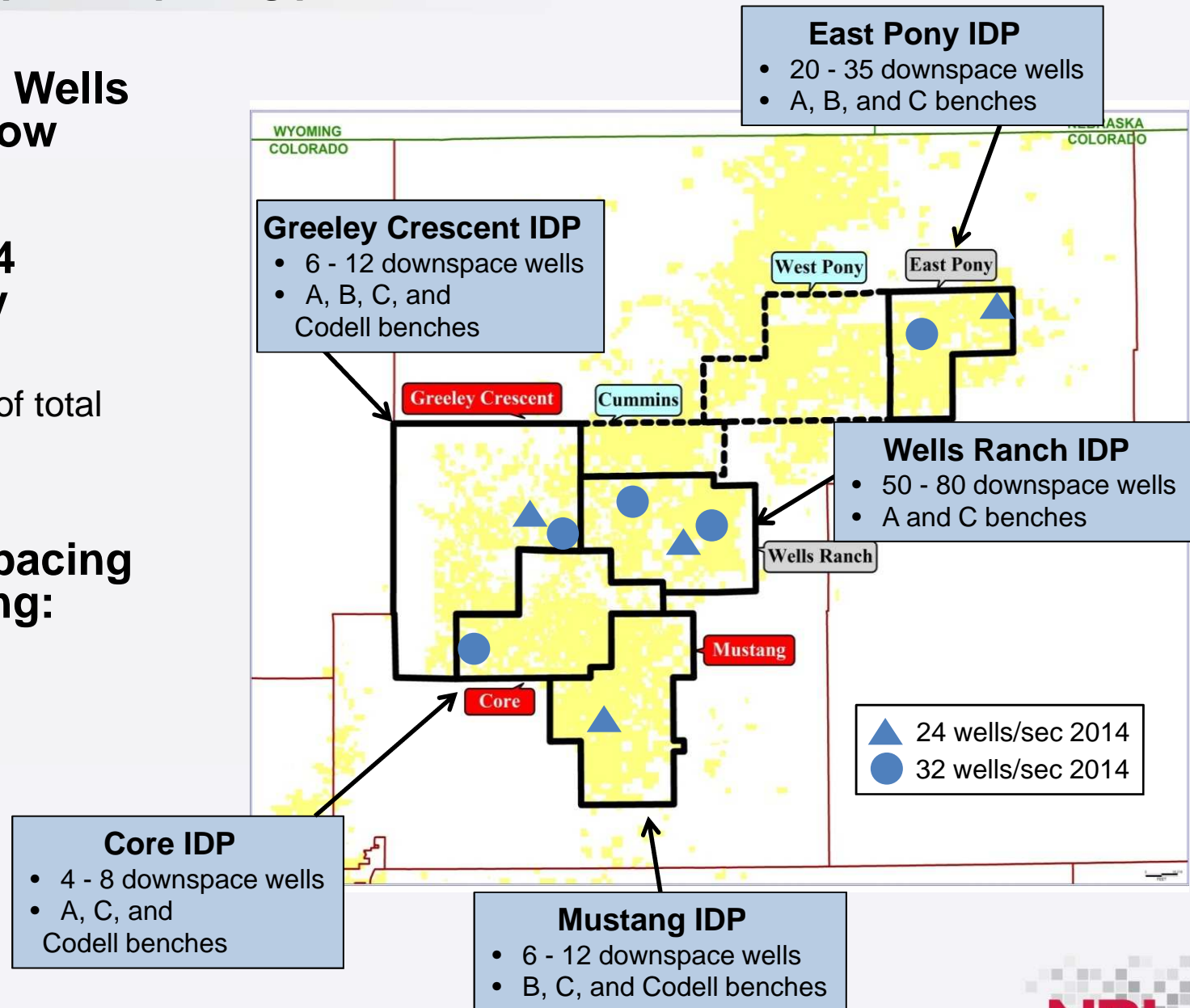
▶ **Confirmed Minimum 16 Wells per Section in Oil Window**

▶ **30 to 40 Percent of 2014 Wells At Higher Density Spacing**

▲ Five IDPs represent over 50% of total DJ Basin acreage

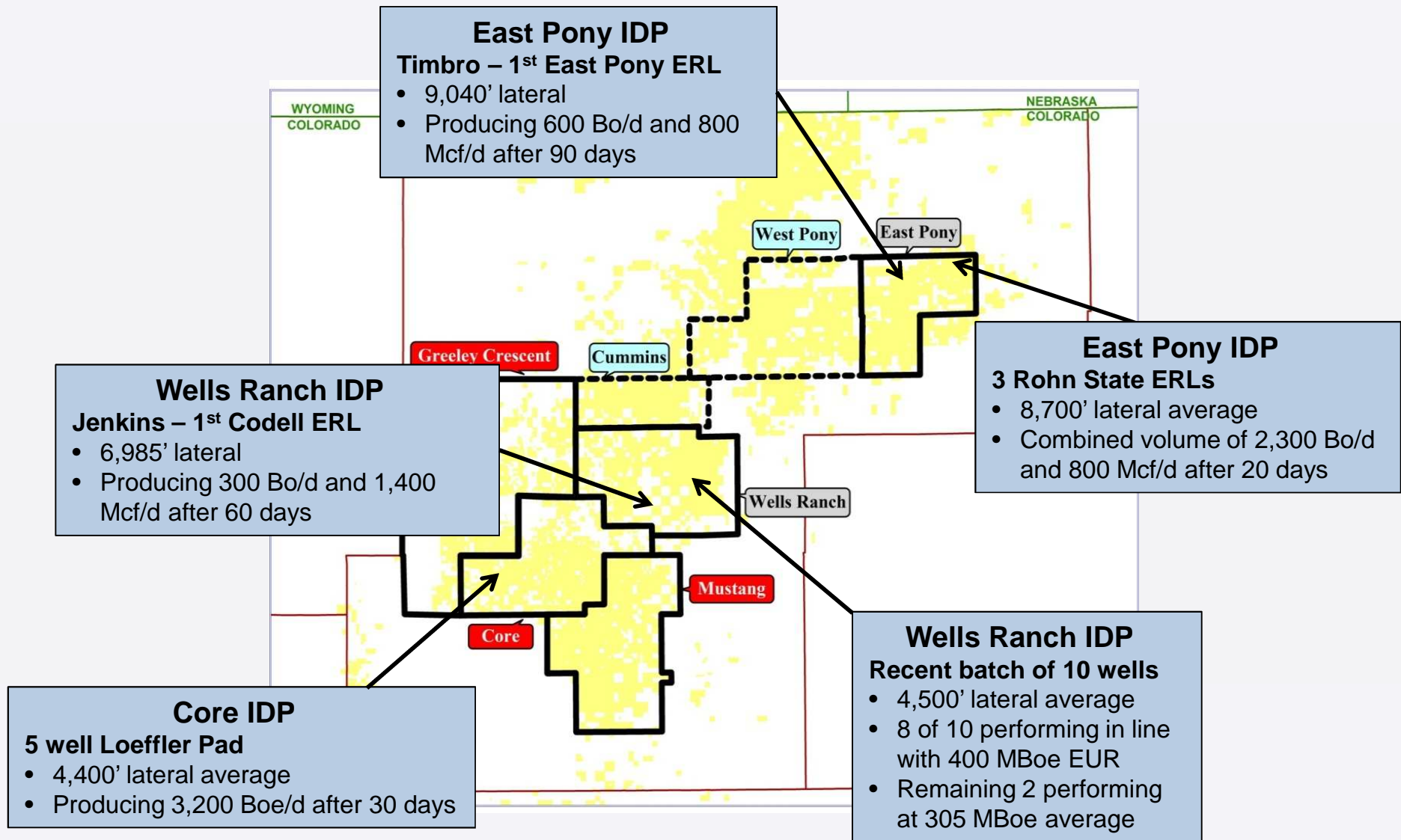
▶ **Determining Optimal Spacing for each IDP Considering:**

- ▲ Reservoir characterization
- ▲ Legacy vertical wellbores
- ▲ Surface constraints



# Multiple IDP Areas Delivering Superior Results

*Strong performance of standard length and ERLs*



# Marcellus Shale SHL 17 Pad – Majorsville

*Enhancing value with longer laterals*

## ▶ Longest Laterals Ever Drilled By NBL

- ▲ Six wells with 10,000 foot laterals

## ▶ Continuous Improvement in Costs

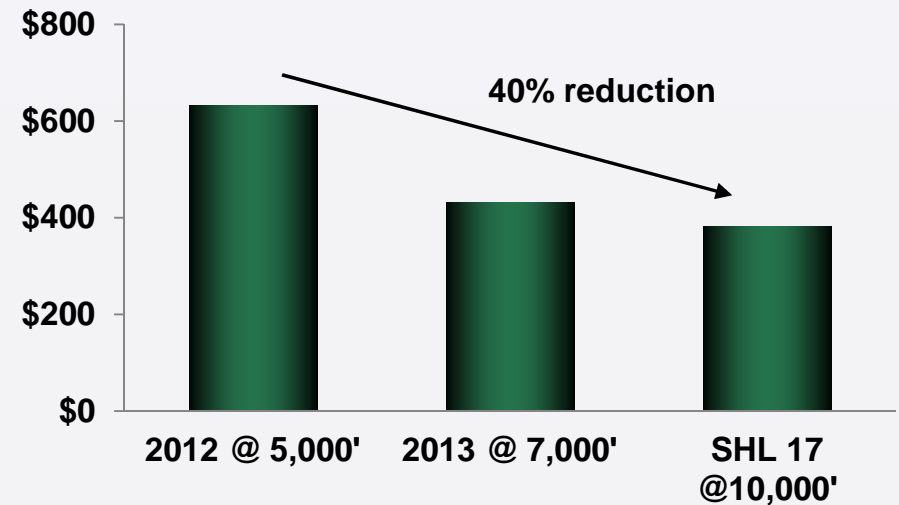
- ▲ D&C average less than \$9 MM
- ▲ 35% reduction of completed well cost per lateral foot versus 2012 average

## ▶ Operating Excellence

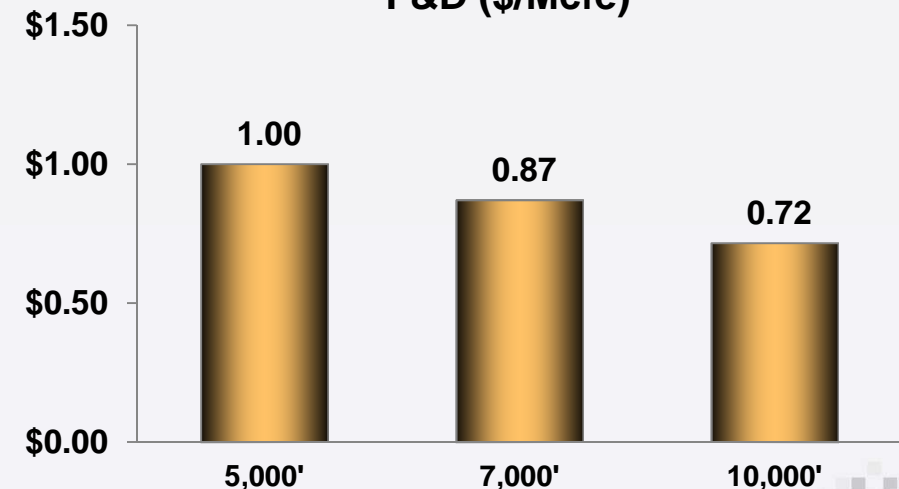
- ▲ Pad came on-line ahead of schedule
- ▲ First time to utilize 2 frac crews simultaneously

## ▶ Initial Production Ramp to Nearly 40 MMcfe/d

Drilling Avg. (\$/Lateral Foot)



F&D (\$/Mcf)



# Marcellus Shale Bolt-on

*Adds 1.8 Tcfe of net risked resource\* potential*

## ▶ 90,000 Gross Acres in West Virginia

- ▲ \$190 MM acquisition cost (NBL 50%)
- ▲ HBP 100%, NRI 80 - 85%

## ▶ 350 Identified Locations

- ▲ Commence drilling late 2015

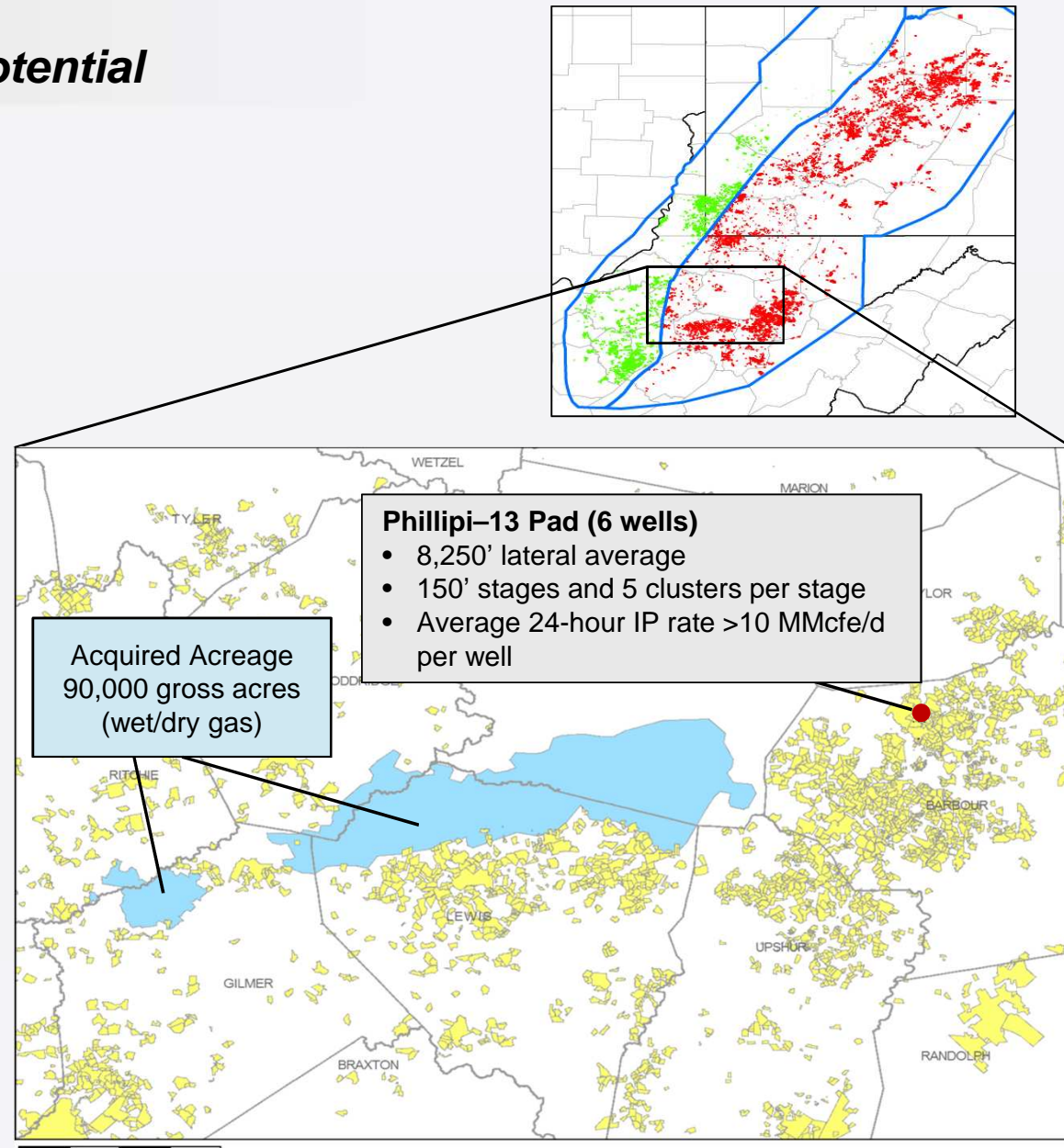
## ▶ Contiguous Acreage Ideal for IDP

- ▲ Efficient infrastructure and long laterals

## ▶ Significant Burkett / Upper Devonian Potential

## ▶ Very Strong Adjacent Wells Drilled by NBL/CNX Joint Venture

- ▲ Utilizing reduced stage and cluster spacing
- ▲ Significantly enhanced IPs





# A Closer Look at 2014

*Delivering growth and investing for the future*

## ▶ High Double-digit Production Growth Continues

- ▲ Led by DJ, Marcellus, and Israel

## ▶ Preparing and Investing for the Future

- ▲ Accelerating U.S. onshore programs
- ▲ Developing our next round of major projects

## ▶ Maintaining High-impact, Strategic Exploration Program

- ▲ NE Nevada play, Cameroon, deepwater Gulf of Mexico
- ▲ Maturing other frontier areas for new drilling

## ▶ Increasing Optionality of Eastern Mediterranean Gas

- ▲ Growing Israel domestic and regional export markets
- ▲ Executing contracts
- ▲ Scoping LNG and FLNG

# 2014 Guidance

	FY 2014	1Q 2014
Sales Volumes (MBoe/d)	302 – 322	280 – 288
Product Mix (Oil / Gas / NGL)	38% / 54% / 8%	38% / 54% / 8%
Capital* (\$B)	\$4.8	\$1.2
Equity Investment Income (\$MM)	\$110 – 140	\$30 – 40
Lease Operating (\$/Boe)	\$5.45 – 5.95	\$5.70 – 5.95
Transportation, Gathering (\$/Boe)	\$1.20 – 1.40	\$1.20 – 1.40
DD&A (\$/Boe)	\$16.45 – 16.95	\$16.45 – 16.95
Production Taxes (% Revenues)	3.9 – 4.4%	3.9 – 4.4%
Exploration (\$MM)	\$400 – 500	\$85 – 105
G&A (\$MM)	\$470 – 540	\$130 – 140
Interest, net / Capitalized (\$MM)	\$155 – 175 / \$140 – 160	\$45 – 50 / \$30 – 35
Effective Tax Rate / Deferred Ratio	28 – 34% / 35 – 45%	28 – 34% / 35 – 45%

\*Capital does not assume any joint venture carry in the Marcellus Shale program (maximum potential FY impact \$225MM)



# Price Assumptions and Defined Terms

Period	WTI (\$/Bbl)	Brent (\$/Bbl)	Henry Hub (\$/MMbtu)
2014	\$95.00	\$100.00	\$3.75
2015	\$90.00	\$95.00	\$4.25
2016	\$90.00	\$95.00	\$4.50
2017	\$90.00	\$95.00	\$4.75
2018 +	\$90 through 2020 then + 2% / yr	\$95 through 2020 then + 2% / yr	+ \$0.25 / yr through 2023 then + 2% / yr

Term	Definition
<b>Discretionary Cash Flow</b>	Cash Flow from Operations excluding working capital changes plus cash exploration expense
<b>Net Risked Resources</b>	Estimated gross resources multiplied by the probability of geologic success and NBL's net revenue interest
<b>Return on Average Capital Employed (ROACE)</b>	Earnings before interest and tax (EBIT) plus asset impairments and unrealized mark to market derivatives divided by average total assets plus impairments less current liabilities

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