NBL

Fourth Quarter 2016 Results and 2017 Guidance

February 2017

noble energy

4Q16 Key Messages and Highlights

Ending an impactful year with another excellent quarter

Fourth Quarter Sales Volumes of 410 MBoe/d, at High End of Guidance

- DJ Basin and Gulf of Mexico volumes above expectations
- Continued strong demand in Israel drove quarterly volumes up 10% from 4Q15

Accelerated USO Activity and Continued to Deliver Additional Operating Efficiencies

- Added 2 rigs within the Delaware, exiting 2016 with 7 rigs across US Onshore
- Improved average drilled footage per day by ~30% from 2015 to 2016

Enhanced Completions Delivering Strong Results

- Delaware wells with 3,000-5,000 lbs/ft proppant performing in line with expectations
- High intensity completions in DJ Basin widening substantially over early time versus type curve

Delivered Production Costs Below Expectations

Closed Sale of 3.5% Working Interest in Tamar

- $431 million value pre-tax, $316 million after-tax proceeds; implied $12.3 billion gross valuation

Reduced Outstanding Debt by $850 Million; Exited 2016 with $5.2 Billion in Liquidity

Organic Reserves Replacement Over 1.9 Times 2016 Production at $4.86/BOE

4Q16 Actuals Versus Guidance

In line and exceeding guidance for majority of items

Financial and Operating Metric	4Q Guidance	4Q Actuals
Total Sales Volumes (MBoe/d)	400 - 410	410
Product Mix (Oil / NGL / Gas)	31% / 14% / 55%	32% / 14% / 54%
Organic Capital ($MM)	425 - 475	404
Equity Investment Income ($MM)	25 - 35	31
Lease Operating ($/Boe)	3.90 - 4.10	3.44
Transportation, Gathering ($/Boe)	2.90 - 3.10	3.41*
DD&A ($/Boe)	16.00 - 16.50	15.78
Production Taxes (% Oil, NGL, Gas Revenues)	3.5 - 4.0	0.5
Marketing & Processing ($MM)	25 - 30	17
Exploration ($MM)	50 - 65	65**
G&A ($MM)	95 - 105	106
Interest, net ($MM)	75 - 85	86

Earnings Reconciliation	4Q ($MM)
GAAP Net Loss attributable to NBL	(252)
GAAP Net Loss attributable to NBL, Before Tax	(553)
Adjustments to Net Loss, Before Tax	513
Adjusted Net Loss attributable to NBL, Before Tax	(40)
Current Tax Expense, Adjusted	(50)
Deferred Tax Benefit, Adjusted	203
Adjusted Income*** (Non-GAAP)	113

Cash Flow Reconciliation	4Q ($MM)
Adjusted Income*** (Non-GAAP)	113
DD&A	595
Exploration	65
Interest, net	86
Current Tax Expense, Adjusted	50
Deferred Tax Benefit, Adjusted	(203)
Adjusted EBITDAX*** (Non-GAAP)	706

** Reflects higher oil volumes transported through pipeline in the DJ Basin, which also contributed to lower oil differential in 4Q ** Excludes $484 million non-cash impairments mainly related to certain West Africa exploration costs recorded to dry hole expense *** Non-GAAP reconciliation to GAAP measure available in 4Q16 earnings release*

2016 Summary Review

Leading operational and strategic execution

Superior Portfolio	De-Risked DJ Basin Development Environment Regulatory Framework Enables Israel's Natural Gas Future Increased Flexibility and Control over Marcellus Asset Expanded Delaware Acreage Position
Operational Excellence	Produced 10 MMBoe Above 2016 Plan with Substantially Less Capital Enhanced Completions Performing Above Expectations Across USO Delivered 2 Offshore Major Project Startups on Time and Budget
Financial Strength	Over $1.5 Billion Proceeds from Portfolio Management Received in 2016, Increasing Future Financial Flexibility Midstream IPO Increased NBL Value Opportunity Reduced Debt and Maintained Investment Grade Credit Rating

2016 Proved Reserves

Performance revisions and additions exceed production and divestitures

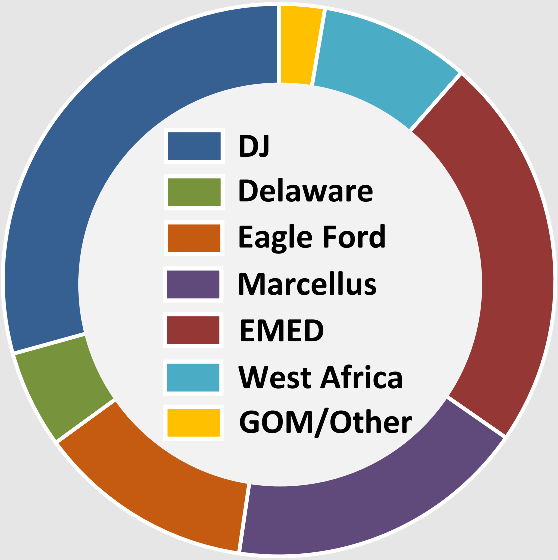
Over 1.9* Times Organic Replacement in 2016

- 2.8* times organic U.S. onshore reserve replacement

Organic Reserve Replacement Costs at $4.86/BOE

- Driven by reserves additions, performance revisions and significant cost efficiencies
- Positive performance revisions in all business units

Proved Reserves YE 2016

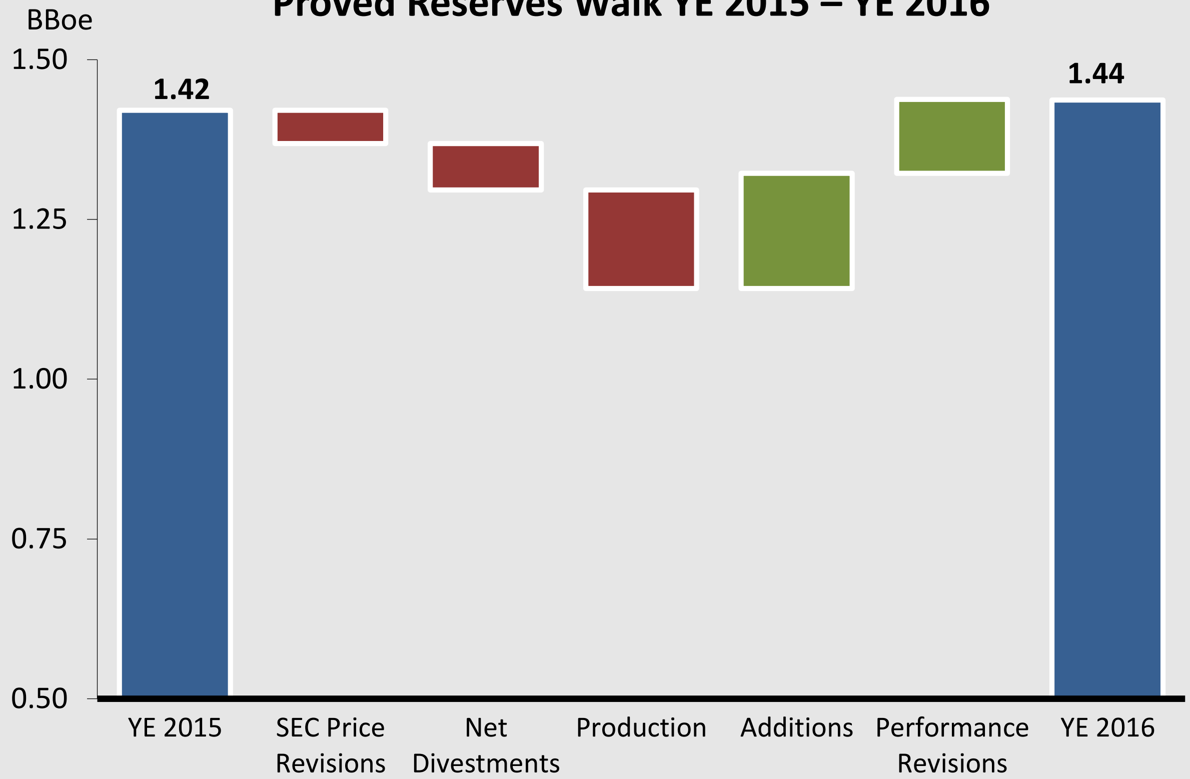


Area
66% U.S. Onshore
23% EMED
11% Other Offshore

Composition
38% Liquids
33% U.S. Gas
29% Int'l Gas

Total Reserves
57% PDP
9% PDNP
34% PUD

Proved Reserves Walk YE 2015 – YE 2016



** Includes additions, extensions, discoveries and performance revisions*

Key 2017 Goals and Objectives

Entering multi-year high-margin growth cycle

Enhance Capital Efficiency While Accelerating Onshore Activity

- Continue to optimize drilling and completion performance across basins
- Deliver material resource upside through enhanced completions and new zone testing

Successful Integration of CWEI into NBL, Expected Closing 2Q 2017

Commence Leviathan Development

Grow Value of Midstream to NBL

- Continue to align infrastructure needs and build-out with upstream activity
- 4 new NBLX designed systems online in 2017

Target Over $1 Billion in Portfolio Proceeds in 2017

- Numerous pathways including EMED farm-downs, other asset options and NBLX drop down

Focus Exploration on Long-term Value

- Suriname Araku prospect to be drilled late 2017

Strategic Acquisition of Clayton Williams Energy, Inc.

Rapid acceleration plan materially enhances oil and long-term growth outlook

Creates an Industry-Leading Southern Delaware Basin Position

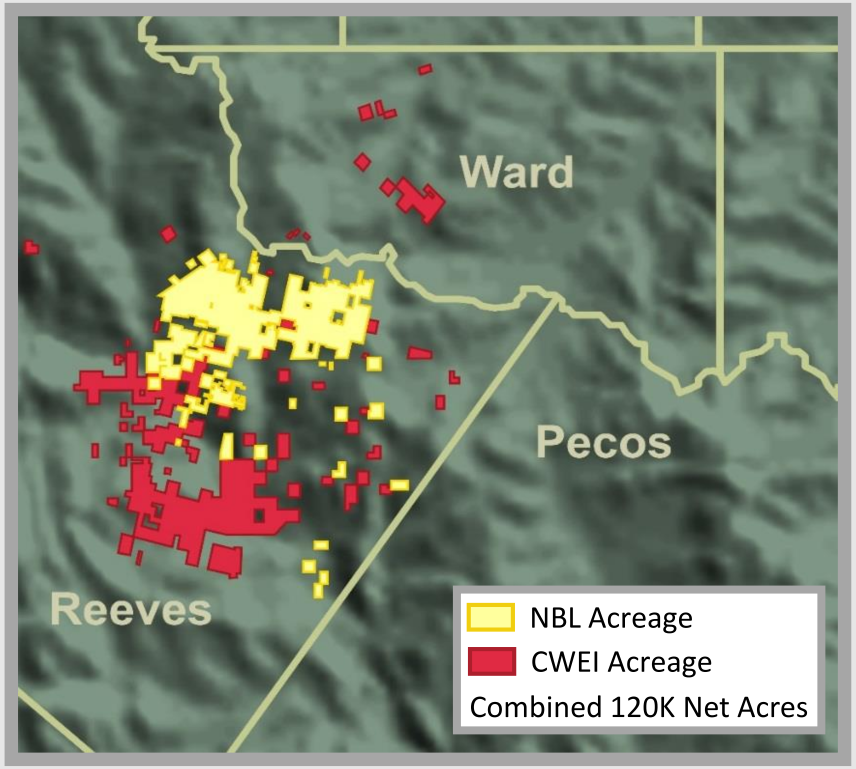
- Nearly 120,000 net acres
- More than 4,200 gross future drilling locations
- Over 2 BBoe net unrisked resources

High-Quality, Contiguous Bolt-on Consistent with Expansion Strategy

- Majority of locations are operated extended-length laterals
- Adjacent to NBL existing Delaware Basin position

Substantial Midstream Value

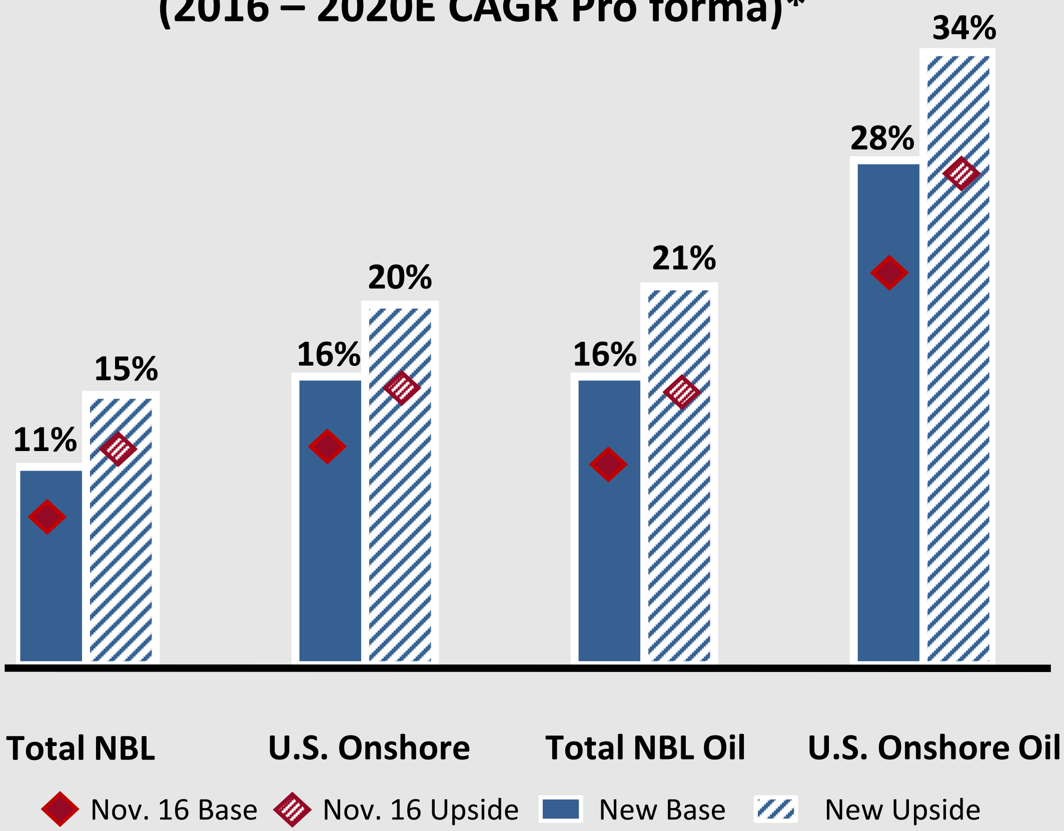
- Existing infrastructure assets and future value potential for NBLX



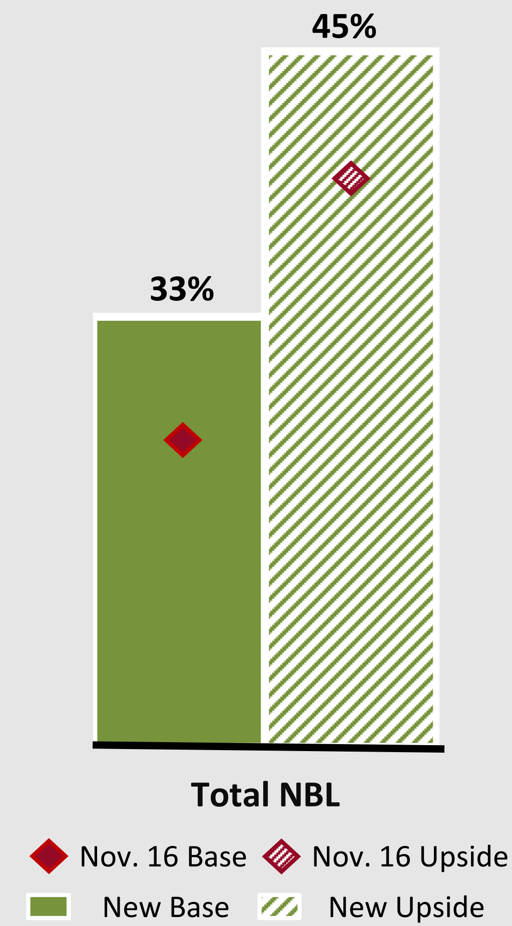
Transaction Accelerates Volumes and Cash Flow Even Faster

New addition increases volume growth by 3 to 5 percentage points, Cash flow up 7 points

Strong Total and Oil Volume Growth (2016 – 2020E CAGR Pro forma)*



Total Company Operating Cash Flow Grows Even Stronger * (2016 – 2020E CAGR Pro forma)

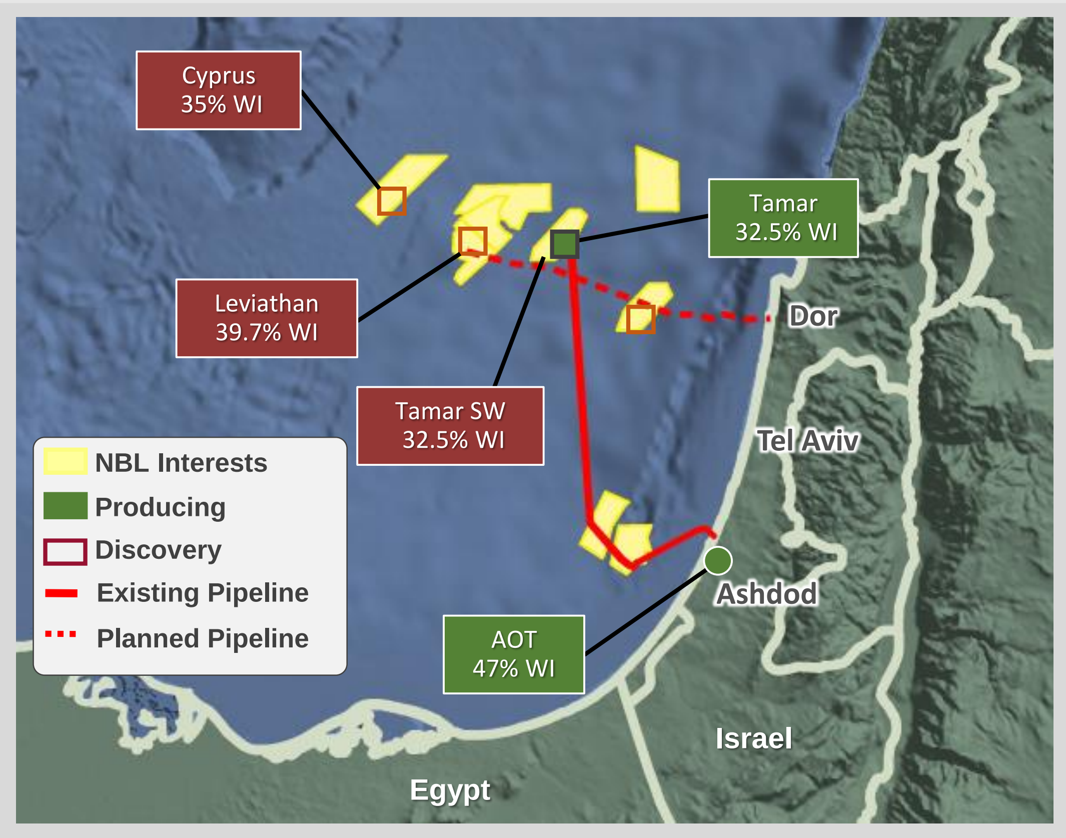


** Ranges represent 2016-202E CAGRs from base plan (avg. $54/Bbl WTI and $3/Mcf Henry Hub) to upside plan (avg. $64/Bbl WTI and $3/Mcf Henry Hub) outcomes and reflect adjustments for divestitures.*

World Class Leviathan Project

Geologic similarities to Tamar, and 2x size at 22 Tcf gross recoverable resource

- **Sanction Anticipated Within 1Q 2017**
- **Doubling EMED Gross Capacity to 2.4 Bcf/d by 2020**
- **Largest Discovery in Region at 34 Tcf Gas in Place**
- **High Deliverability Wells**
  - Capable of 300+ MMcf/d sustained production rates
  - Expected 25+ year well life
- **EMED Cash Margins Competitive with Best U.S. Unconventional Oil Basins**
- **Fully Funded Project with Attractive Cost Structure**

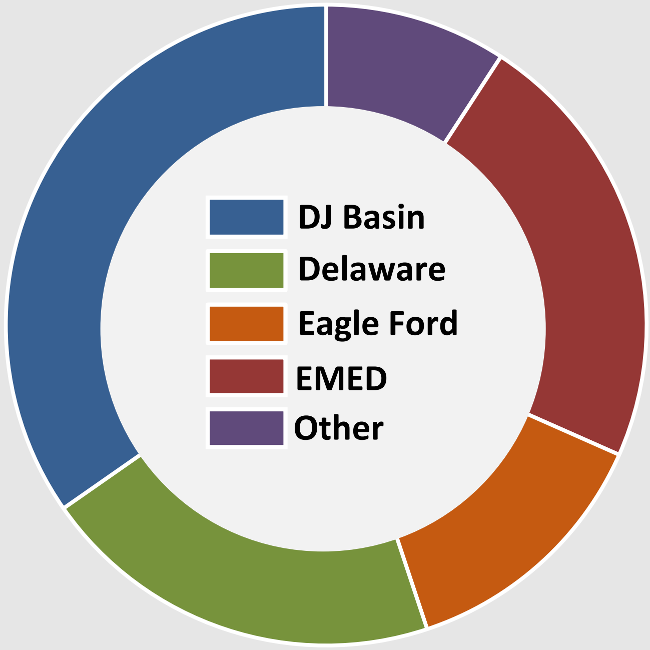


2017 Outlook and Capital Program

Steady growth throughout 2017

- **Organic Capital Expenditures* Expected between $2.3 - $2.6 B**
- **Capital Focused on U.S. Onshore and Leviathan Development**
  - 75% allocated to U.S. Onshore, over 20% to EMED
- **Total Volumes Expected Between 415 - 425 MBoe/d for Full Year 2017, Up 5% Adjusted for 2016 Divestments**
  - Total oil up 9% adjusted for 2016 divestments
  - U.S. Onshore oil up nearly 30% from FY 2016, up 40% 2H 2016 to 2H 2017 (adjusted for 2016 divestments)
  - GOM and West Africa anticipate declines

2017 Capital Program*



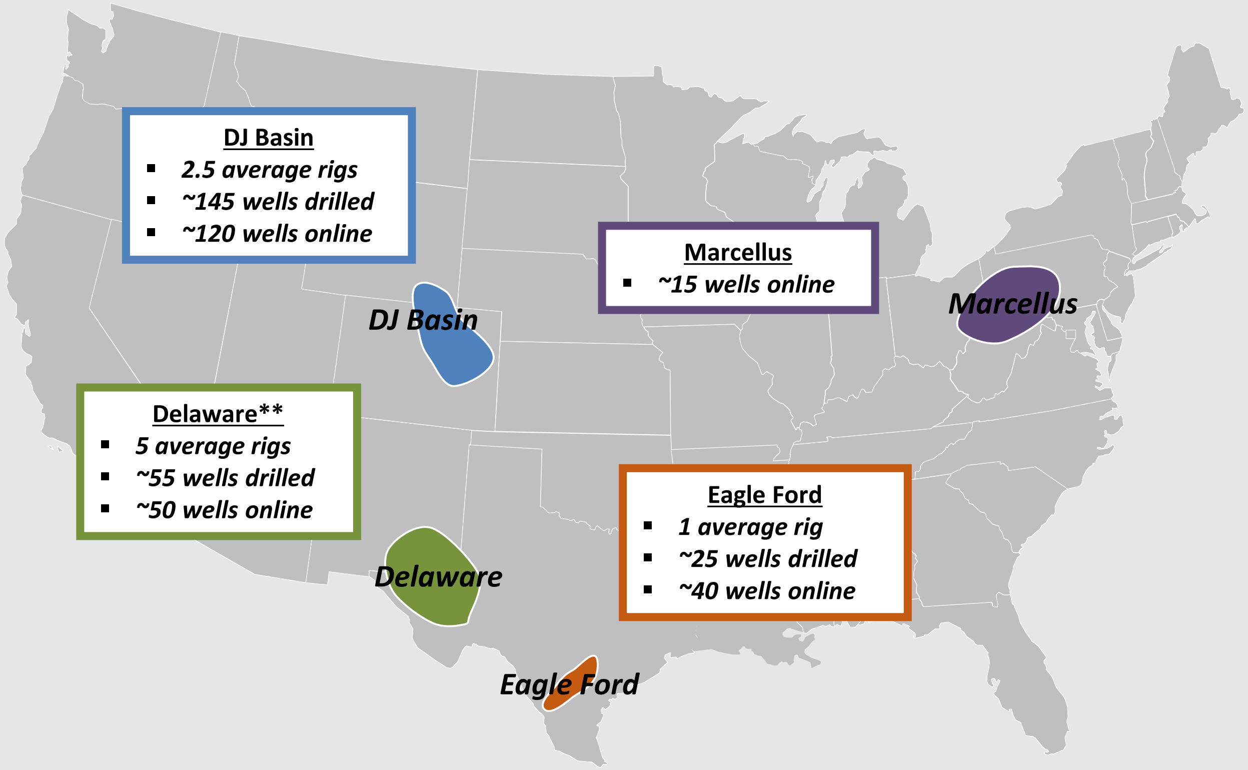
Total Company Volumes Increase Through 2017

370 - 380 MBoe/d *1Q17E* → **395 - 415*** MBoe/d *2Q17E* → **440 - 460*** MBoe/d *2H17E*

** Excludes NBLX estimated capital expenditures, includes CWEI post assumed close in middle 2Q17*

2017 USO Activity Outlook

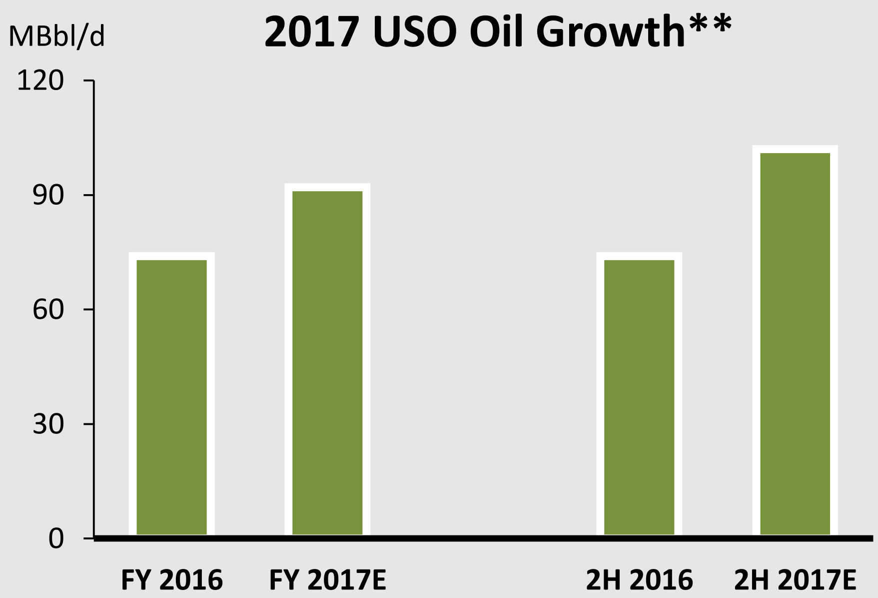
Accelerating activity and oil growth



- **U.S. Onshore Capital Estimated at $1.8 Billion***
  - Liquids focus – DJ Basin, Delaware, Eagle Ford
- **Expect to Exit 2017 with 9 Rigs USO**
  - Currently running 7 rigs onshore

Combined DJ Basin, Delaware & Eagle Ford 2H Rate Increases Nearly 35%

~170 MBoe/d *2H 2016* → **~230 MBoe/d** *2H 2017E*



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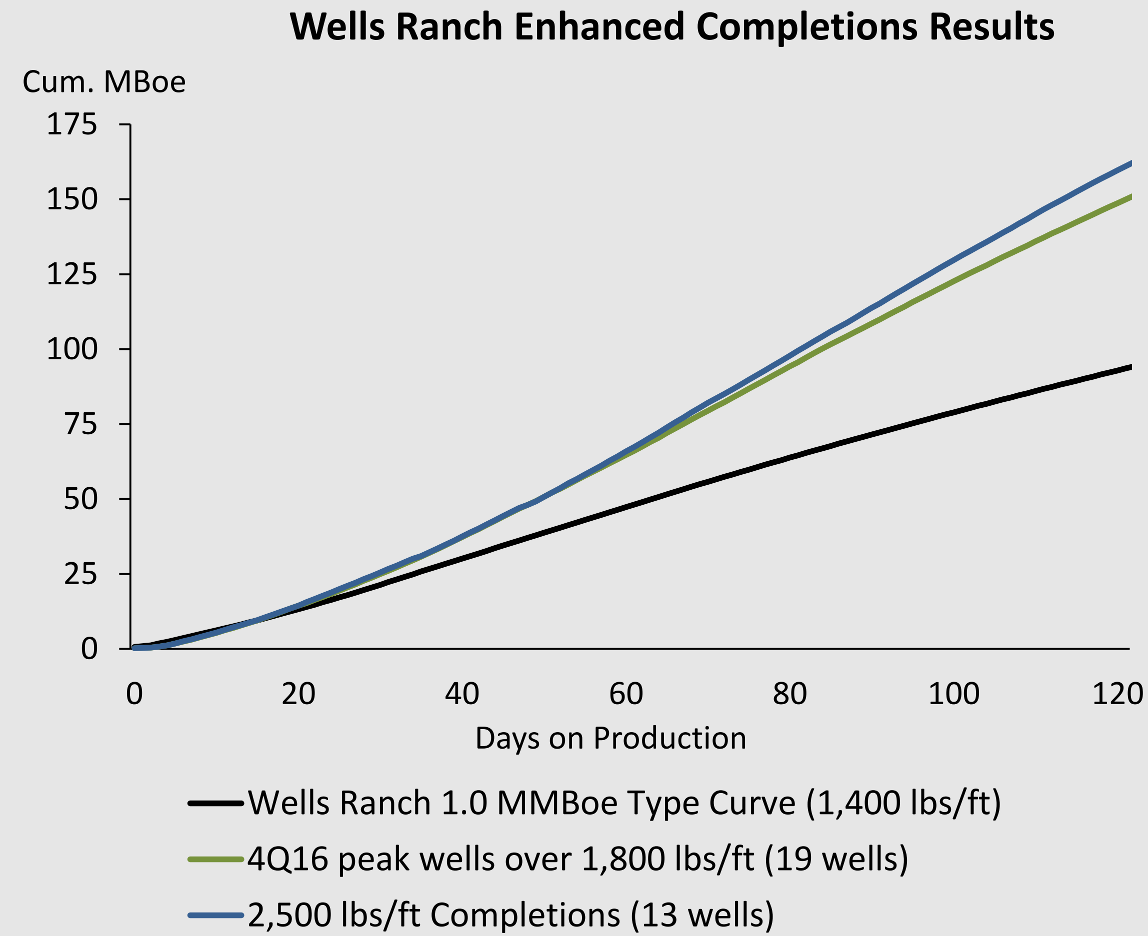
Strong DJ Basin Well Performance

Enhanced completions continue to widen versus expectations

- **Longer Plateau Production and Flatter Declines from Enhanced Completions**
  - High initial rates extend beyond 60 days
- **Wells that Reached Peak Production in 4Q16 Significantly Above Type Curve**
  - Oil represented 60% of production mix
- **Wells Ranch High Proppant Concentration Test Outpacing Type Curve by Over 50%**
- **Continuing to Test High Intensity Completions in 2017 in Wells Ranch and East Pony**
  - Guidance reflects an average of 1,800 lbs/ft proppant, with some above 2,000 lbs/ft proppant
  - Average lateral length over 9,000 feet

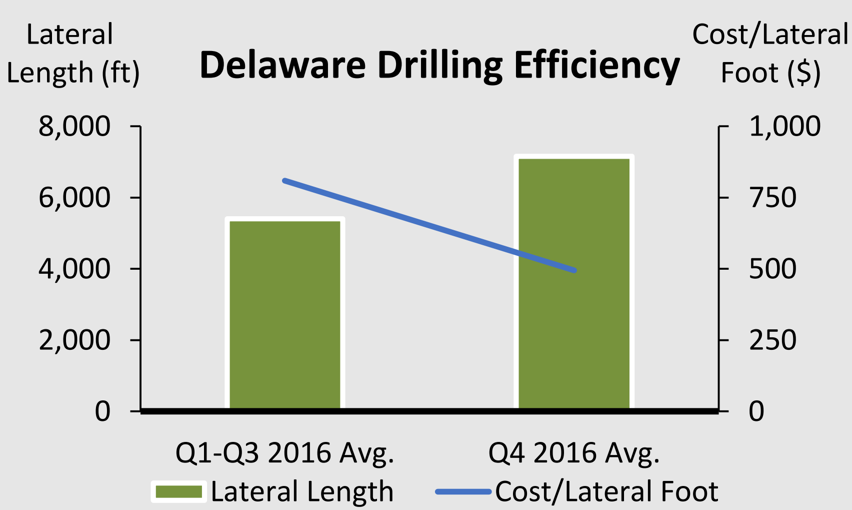


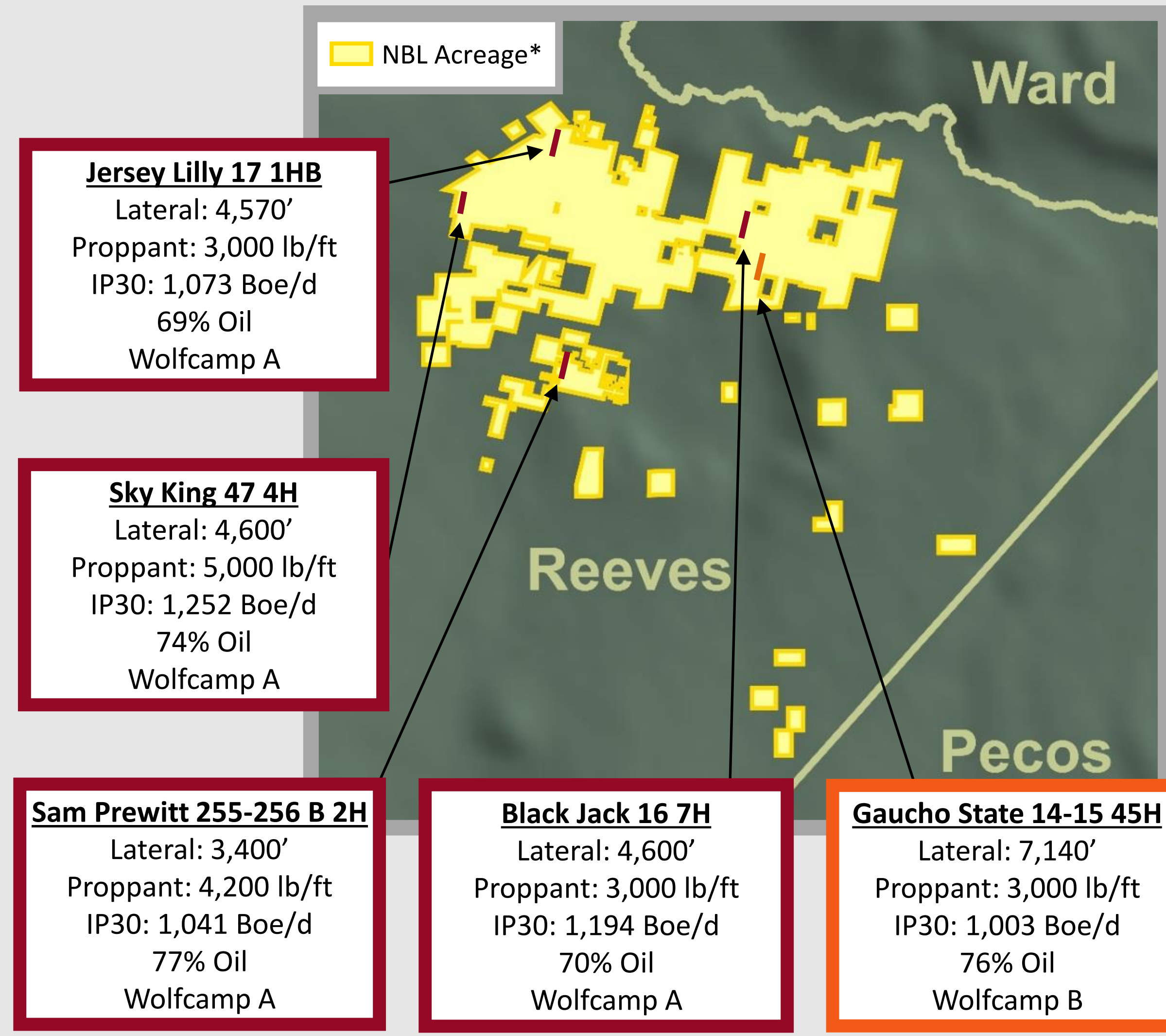
Gross 3 Stream, Normalized to 9,500 ft

Solid 4Q16 Delaware Results

Exiting 2016 in full development mode

- **Top Tier Wolfcamp A Re-affirmed Across Entire Acreage Position**
  - Sam Prewitt southern-most well with enhanced completion, above 1.2 MMBoe type curve
  - Sky King and Jersey Lilly confirm far western acreage
- **Initial Wolfcamp B Well Performing In-line with 1.1 MMBoe Type Curve**
- **Reduced Average Drill Time by 2 Days As Lateral Length Extended by Over 30%**
  - Currently operating 3 drilling rigs





** Reflects NBL current acreage, not including CWEI acquisition*

2017 Full Year and First Quarter Guidance

Sales Volume*	Crude Oil and Condensate (MBbl/d)		Natural Gas Liquids (MBbl/d)		Natural Gas (MMcf/d)		Total Equivalent (MBoe/d)	
	Low	High	Low	High	Low	High	Low	High
First Quarter 2017								
United States Onshore	70	75	45	48	690	705	230	240
United States Gulf of Mexico	22	24	1	2	18	20	27	29
Israel	-	-	-	-	255	270	42	45
Equatorial Guinea	18	20	-	-	240	250	58	62
Equatorial Guinea - Equity method investment	1	2	5	6	-	-	6	8
Total Company	**113**	**119**	**51**	**56**	**1,210**	**1,240**	**370**	**380**
Full Year 2017								
United States Onshore	90	95	60	64	750	785	277	287
United States Gulf of Mexico	19	22	1	2	15	20	23	27
Israel	-	-	-	-	255	270	42	45
Equatorial Guinea	20	22	-	-	240	250	60	64
Equatorial Guinea - Equity method investment	1	2	5	6	-	-	6	8
Total Company	**132**	**138**	**66**	**72**	**1,275**	**1,305**	**415**	**425**

* *Includes CWEI post assumed close in middle 2Q17*

2017 Full Year and First Quarter Guidance

Capital & Cost Metrics*	1Q 2017		FY 2017	
	Low	High	Low	High
Capital Expenditures ($B)**				
Total Company Organic Capital	0.55	0.65	2.3	2.6
Cost Metrics				
LOE ($/BOE)	3.60	3.90	3.60	3.90
Transportation and Gathering ($/BOE)	3.70	4.00	3.70	4.00
Production Taxes (% Oil, Gas, NGL Revenues)	3.5	4.0	3.5	4.0
Marketing and Processing ($MM)	15	25	70	90
DD&A ($/BOE)	15.00	15.90	15.00	15.90
Exploration Expense ($MM)	30	50	140	170
G&A ($MM)	95	110	390	430
Interest, net ($MM)	80	90	340	370
Other Items Guidance				
Equity Investment Income	25	35	110	140
Effective tax rate (%)			30	40
Deferred tax ratio (%)			80	100
Outstanding shares – diluted	430	435	465	475

** Includes CWEI post assumed close in middle 2Q17 ** Excludes NBLX estimated capital expenditures*

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This presentation contains certain "forward-looking statements" within the meaning of federal securities laws. 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 and Clayton Williams' current views about future events. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving Noble Energy and Clayton Williams, including future financial and operating results, Noble Energy's and Clayton Williams' plans, objectives, expectations and intentions, the expected timing of completion of the transaction, and other statements that are not historical facts, including 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 and uncertainties include, without limitation, the ability to obtain the requisite Clayton Williams shareholder approval; the risk that Clayton Williams or Noble Energy may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger, the risk that a condition to closing of the merger may not be satisfied, the timing to consummate the proposed merger, the risk that the businesses will not be integrated successfully, the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected, disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers, the diversion of management time on merger-related issues, 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 and Clayton Williams' businesses that are discussed in Noble Energy's and Clayton Williams' most recent annual reports on Form 10-K, respectively, and in other Noble Energy and Clayton Williams reports on file with the Securities and Exchange Commission (the "SEC"). These reports are also available from the sources described above. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Noble Energy undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

The SEC 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 unrisked resources”, “type curve”, “MMBoe type curve”, “gross recoverable resources”, and “EUR” or “estimated ultimate recovery”. 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.

This presentation also contains certain forward-looking non-GAAP financial measures, including return on average capital employed, net free cash flow, operating cash flow margin, EBITDA and net debt. Due to the forward-looking nature of the aforementioned non-GAAP financial measures, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures, such as future impairments and future changes in working capital. Accordingly, we are unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures. Amounts excluded from these non-GAAP measures in future periods could be significant. Management believes the aforementioned non-GAAP financial measures 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.

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