EOG RESOURCES, INC.
FINANCIAL REPORT
(Unaudited; in millions except per share)

	Quarter Ended December 31		Twelve Months Ended December 31	
	2003	2002	2003	2002
Net Operating Revenues	$ 396.5	$ 338.1	$ 1,744.7	$ 1,094.7
Net Income Available to Common	$ 71.8	$ 41.7	$ 419.1	$ 76.1
Net Income Per Share Available to Common				
Basic	$ 0.62	$ 0.36	$ 3.66	$ 0.66
Diluted	$ 0.61	$ 0.36	$ 3.60	$ 0.65
Average Number of Shares Outstanding				
Basic	114.9	114.7	114.6	115.3
Diluted	117.2	116.9	116.5	117.2

SUMMARY INCOME STATEMENTS
(Unaudited; in thousands)

	Quarter Ended December 31		Twelve Months Ended December 31	
	2003	2002	2003	2002
Net Operating Revenues				
Natural Gas	$ 360,554	$ 283,255	$ 1,537,352	$ 915,129
Crude Oil, Condensate and Natural Gas Liquids	78,399	61,778	283,042	227,309
Losses on Mark-to-Market Commodity Derivative Contracts	(43,068)	(7,057)	(80,414)	(48,508)
Other, Net	643	101	4,695	752
Total	396,528	338,077	1,744,675	1,094,682
Operating Expenses				
Lease and Well	56,211	49,473	212,601	179,429
Exploration Costs	18,949	18,714	76,358	60,228
Dry Hole Costs	22,224	14,413	41,156	46,749
Impairments	25,585	33,882	89,133	68,430
Depreciation, Depletion and Amortization	121,265	105,412	441,843	398,036
General and Administrative	28,669	24,669	100,403	88,952
Taxes Other Than Income	22,620	20,901	85,867	71,881
Total	295,523	267,464	1,047,361	913,705
Operating Income	101,005	70,613	697,314	180,977
Other Income (Expense), Net	10,517	1,149	15,273	(1,651)
Income Before Interest Expense and Income Taxes	111,522	71,762	712,587	179,326
Interest Expense, Net	13,954	14,651	58,711	59,654
Income Before Income Taxes	97,568	57,111	653,876	119,672
Income Tax Provision	23,058	12,692	216,600	32,499
Net Income Before Cumulative Effect of Change in Accounting Principle	74,510	44,419	437,276	87,173
Cumulative Effect of Change in Accounting Principle, Net of Tax	-	-	(7,131)	-
Net Income	74,510	44,419	430,145	87,173
Preferred Stock Dividends	2,758	2,758	11,032	11,032
Net Income Available to Common	$ 71,752	$ 41,661	$ 419,113	$ 76,141

EOG RESOURCES, INC.
OPERATING HIGHLIGHTS
(Unaudited)

	Quarter Ended December 31		Twelve Months Ended December 31	
	2003	2002	2003	2002
Wellhead Volumes and Prices				
Natural Gas Volumes (MMcf/d)				
United States	632	647	638	635
Canada	195	160	165	154
North America	827	807	803	789
Trinidad	151	156	152	135
Total	978	963	955	924
Average Natural Gas Prices ($/Mcf)				
United States	$ 4.52	$ 3.47	$ 5.06	$ 2.89
Canada	4.33	3.38	4.66	2.67
North America Composite	4.47	3.45	4.98	2.84
Trinidad	1.41	1.21	1.35	1.20
Composite	4.00	3.09	4.40	2.60
Crude Oil/Condensate Volumes (MBD)				
United States	20.1	17.9	18.5	18.8
Canada	2.7	2.4	2.3	2.1
North America	22.8	20.3	20.8	20.9
Trinidad	2.4	2.8	2.4	2.4
Total	25.2	23.1	23.2	23.3
Average Crude Oil/Condensate Prices ($/Bbl)				
United States	$ 30.27	$ 27.14	$ 30.24	$ 24.79
Canada	27.74	24.69	28.54	23.62
North America Composite	29.98	26.86	30.05	24.67
Trinidad	29.24	26.26	28.88	23.58
Composite	29.91	26.78	29.92	24.56
Natural Gas Liquids Volumes (MBD)				
United States	3.7	2.3	3.2	2.9
Canada	0.7	0.7	0.6	0.8
Total	4.4	3.0	3.8	3.7
Average Natural Gas Liquids Prices ($/Bbl)				
United States	$ 22.44	$ 18.96	$ 21.53	$ 14.76
Canada	19.92	14.67	19.13	11.17
Composite	22.02	17.97	21.13	14.05
Natural Gas Equivalent Volumes (MMcfe/d)				
United States	774	768	768	765
Canada	217	178	183	171
North America	991	946	951	936
Trinidad	164	174	166	150
Total	1,155	1,120	1,117	1,086
Total Bcfe Deliveries	106.3	103.0	407.8	396.3

EOG RESOURCES, INC.
SUMMARY BALANCE SHEETS
(In thousands, except share data)

	December 31, 2003 (Unaudited)	December 31, 2002
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 4,443	$ 9,848
Accounts Receivable, net	295,118	259,308
Inventories	21,922	18,928
Income Taxes Receivable	7,976	67,090
Deferred Income Taxes	31,548	12,925
Other	35,007	26,255
Total	396,014	394,354
Oil and Gas Properties (Successful Efforts Method)	8,189,062	6,750,095
Less: Accumulated Depreciation, Depletion and Amortization	(3,940,145)	(3,428,547)
Net Oil and Gas Properties	4,248,917	3,321,548
Other Assets	104,084	97,666
Total Assets	$ 4,749,015	$ 3,813,568
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	$ 282,379	$ 201,931
Accrued Taxes Payable	33,276	22,732
Dividends Payable	6,175	5,007
Liabilities from Price Risk Management Activities	37,779	5,939
Deferred Income Taxes	73,611	39,634
Other	43,299	40,304
Total	476,519	315,547
Long-Term Debt	1,108,872	1,145,132
Other Liabilities	171,115	59,180
Deferred Income Taxes	769,128	621,314
Shareholders' Equity		
Preferred Stock, $.01 Par, 10,000,000 Shares Authorized:		
Series B, 100,000 Shares Issued, Cumulative, $100,000,000 Liquidation Preference	98,589	98,352
Series D, 500 Shares Issued, Cumulative, $50,000,000 Liquidation Preference	49,827	49,647
Common Stock, $.01 Par, 320,000,000 Shares Authorized and 124,730,000 Shares Issued	201,247	201,247
Additional Paid In Capital	1,625	-
Unearned Compensation	(23,473)	(15,033)
Accumulated Other Comprehensive Income (Loss)	73,934	(49,877)
Retained Earnings	2,121,214	1,723,948
Common Stock Held in Treasury, 8,819,600 shares at December 31, 2003 and 10,009,740 shares at December 31, 2002	(299,582)	(335,889)
Total Shareholders' Equity	2,223,381	1,672,395
Total Liabilities and Shareholders' Equity	$ 4,749,015	$ 3,813,568

EOG RESOURCES, INC.
SUMMARY STATEMENTS OF CASH FLOWS
(Unaudited; in thousands)

	Quarter Ended December 31		Twelve Months Ended December 31	
	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Reconciliation of Net Income to Net Operating Cash Inflows:				
Net Income	$ 74,510	$ 44,419	$ 430,145	$ 87,173
Items Not Requiring Cash				
Depreciation, Depletion and Amortization	121,265	105,412	441,843	398,036
Impairments	25,585	33,882	89,133	68,430
Deferred Income Taxes	18,849	43,954	142,280	82,179
Cumulative Effect of Change in Accounting Principle	-	-	7,131	-
Other, Net	(5,730)	1,231	1,033	17,333
Exploration Costs	18,949	18,714	76,358	60,228
Dry Hole Costs	22,224	14,413	41,156	46,749
Mark-to-market Commodity Derivative Contracts				
Total Losses	43,068	7,057	80,414	48,508
Realized Gains (Losses)	2,829	(9,395)	(44,870)	(21,136)
Collar Premium	(1,638)	(1,825)	(3,003)	(1,825)
Tax Benefits From Stock Options Exercised	4,901	952	11,926	5,168
Other, Net	(753)	(440)	2,141	(1,978)
Changes in Components of Working Capital and Other Liabilities				
Accounts Receivable	(20,251)	(62,482)	(36,156)	(61,580)
Inventories	(1,134)	(825)	(2,994)	(57)
Accounts Payable	29,720	26,280	79,748	(19,012)
Accrued Taxes Payable	10,877	(46,363)	57,731	(84,666)
Other Liabilities	(5,170)	8,735	(3,387)	7,816
Other, Net	(18,388)	14,084	(14,400)	(5,578)
Changes in Components of Working Capital Associated with Investing and Financing Activities	(13,864)	7,736	(35,928)	42,782
NET OPERATING CASH INFLOWS	305,849	205,539	1,320,301	668,570
INVESTING CASH FLOWS				
Additions to Oil and Gas Properties	(639,558)	(173,093)	(1,204,383)	(714,127)
Exploration Costs	(18,949)	(18,714)	(76,358)	(60,228)
Dry Hole Costs	(22,224)	(14,413)	(41,156)	(46,749)
Proceeds from Sales of Assets	1,119	1,755	13,480	8,089
Changes in Components of Working Capital Associated with Investing Activities	15,252	(7,656)	37,475	(43,246)
Other, Net	72,798	(2,260)	2,432	(16,277)
NET INVESTING CASH OUTFLOWS	(591,562)	(214,381)	(1,268,510)	(872,538)
FINANCING CASH FLOWS				
Long-Term Debt Borrowings (Repayments)	98,050	54,264	(36,260)	289,163
Dividends Paid	(8,416)	(7,274)	(31,294)	(29,152)
Treasury Stock Purchased	-	(38,750)	(21,295)	(63,038)
Proceeds from Stock Options Exercised	17,421	3,508	35,138	17,339
Other, Net	(1,388)	(840)	(3,485)	(3,008)
NET FINANCING CASH INFLOWS (OUTFLOWS)	105,667	10,908	(57,196)	211,304
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(180,046)	2,066	(5,405)	7,336
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	184,489	7,782	9,848	2,512
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4,443	$ 9,848	$ 4,443	$ 9,848

EOG RESOURCES, INC.
ADJUSTED (Non-GAAP) NET INCOME AVAILABLE TO COMMON RECONCILIATION
(Unaudited; in thousands, except per share)

The following chart adjusts reported fourth quarter and twelve months ended December 31 net income to reflect actual cash realized from previously disclosed oil and gas hedges and to eliminate the mark-to-market loss or gain from these previously disclosed oil and gas hedges, the after tax impact of the cumulative effect of change in accounting principle and the tax benefit related to the Canadian tax rate reduction. EOG believes this presentation may be useful to investors who follow the practice of some industry analysts who adjust reported company earnings to match realizations to production settlement months and exclude the impact of one-time items. EOG management uses this information for comparative purposes within the industry.

	Quarter Ended December 31		Twelve Months Ended December 31	
	2003	2002	2003	2002
Reported Net Income Available to Common	$ 71,752	$ 41,661	$ 419,113	$ 76,141
Mark-to-Market (MTM) Commodity Derivative Contracts Impact				
Total Losses	43,068	7,057	80,414	48,508
Realized Gains (Losses)	2,829	(9,395)	(44,870)	(21,136)
Collar Premium	(1,638)	(1,825)	(3,003)	(1,825)
Subtotal	44,259	(4,163)	32,541	25,547
After tax MTM Impact	28,481	(2,679)	20,940	16,439
Impact of One-Time Items				
Add: Cumulative Effect of Change in Accounting Principle, Net of Tax	-	-	7,131	-
Less: 2003 Tax Benefit related to the Canadian Tax Rate Reduction	(14,126)	-	(14,126)	-
Adjusted (Non-GAAP) Net Income Available to Common	$ 86,107	$ 38,982	$ 433,058	$ 92,580
Adjusted (Non-GAAP) Net Income Per Share Available to Common				
Basic	$ 0.75	$ 0.34	$ 3.78	$ 0.80
Diluted	$ 0.73	$ 0.33	$ 3.72	$ 0.79
Average Number of Shares Outstanding				
Basic	114,893	114,742	114,597	115,335
Diluted	117,209	116,908	116,519	117,245

EOG RESOURCES, INC.
DISCRETIONARY CASH FLOW AVAILABLE TO COMMON RECONCILIATION (Non-GAAP)
(Unaudited; in thousands)

The following chart reconciles fourth quarter and twelve months ended December 31 net operating cash flows to discretionary cash flow available to common. EOG believes this presentation may be useful to investors who follow the practice of some industry analysts who adjust operating cash inflows for changes in components of working capital, other liabilities and preferred stock dividends. EOG management uses this information for comparative purposes within the industry.

	Quarter Ended December 31		Twelve Months Ended December 31	
	2003	2002	2003	2002
Net Operating Cash Inflows	$ 305,849	$ 205,539	$ 1,320,301	$ 668,570
Adjustments				
Changes in Components of Working Capital and Other Liabilities				
Accounts Receivable	20,251	62,482	36,156	61,580
Inventories	1,134	825	2,994	57
Accounts Payable	(29,720)	(26,280)	(79,748)	19,012
Accrued Taxes Payable	(10,877)	46,363	(57,731)	84,666
Other Liabilities	5,170	(8,735)	3,387	(7,816)
Other, Net	18,388	(14,084)	14,400	5,578
Changes in Components of Working Capital Associated with Investing and Financing Activities	13,864	(7,736)	35,928	(42,782)
Preferred Dividends	(2,758)	(2,758)	(11,032)	(11,032)
Discretionary Cash Flow Available to Common	$ 321,301	$ 255,616	$ 1,264,655	$ 777,833

EOG RESOURCES, INC.
RESERVES SUPPLEMENTAL DATA
(Unaudited)

2003 RESERVES RECONCILIATION SUMMARY

NATURAL GAS (Bcf)	United States	Canada	North America	Trinidad	United Kingdom	Other Int'l	Total Int'l	Total
Beginning Reserves	2,006.2	777.9	2,784.1	1,306.5	-	-	1,306.5	4,090.6
Revisions of previous estimates	(24.9)	(18.5)	(43.4)	(74.9)	-	-	(74.9)	(118.3)
Purchases in place	43.9	361.0	404.9	-	-	-	-	404.9
Extensions, discoveries and other additions	345.5	118.3	463.8	129.3	59.2	-	188.5	652.3
Sales in place	(30.8)	-	(30.8)	-	-	-	-	(30.8)
Production	(238.3)	(60.2)	(298.5)	(55.4)	-	-	(55.4)	(353.9)
Ending Reserves	2,101.6	1,178.5	3,280.1	1,305.5	59.2	-	1,364.7	4,644.8
LIQUIDS (MMBbls) (1)								
Beginning Reserves	63.3	7.2	70.5	14.7	-	-	14.7	85.2
Revisions of previous estimates	1.5	0.2	1.7	(1.1)	-	-	(1.1)	0.6
Purchases in place	0.7	1.4	2.1	-	-	-	-	2.1
Extensions, discoveries and other additions	15.7	0.6	16.3	1.2	0.1	-	1.3	17.6
Sales in place	(0.3)	-	(0.3)	-	-	-	-	(0.3)
Production	(7.9)	(1.1)	(9.0)	(0.9)	-	-	(0.9)	(9.9)
Ending Reserves	73.0	8.3	81.3	13.9	0.1	-	14.0	95.3
NATURAL GAS EQUIVALENTS (Bcfe)								
Beginning Reserves	2,386.3	820.9	3,207.2	1,394.7	-	-	1,394.7	4,601.9
Revisions of previous estimates	(15.9)	(17.2)	(33.1)	(81.7)	-	-	(81.7)	(114.8)
Purchases in place	48.3	369.3	417.6	-	-	-	-	417.6
Extensions, discoveries and other additions	439.6	121.8	561.4	136.5	59.7	-	196.2	757.6
Sales in place	(32.9)	-	(32.9)	-	-	-	-	(32.9)
Production	(285.7)	(66.7)	(352.4)	(60.7)	-	-	(60.7)	(413.1)
Ending Reserves	2,539.7	1,228.1	3,767.8	1,388.8	59.7	-	1,448.5	5,216.3

(1) Includes crude oil, condensate and natural gas liquids.

2003 EXPLORATION AND DEVELOPMENT EXPENDITURES ($ Million)

Acquisition Cost of Unproved Properties	$ 43.9	$ 14.5	$ 58.4	$ 0.2	$ -	$ -	$ 0.2	$ 58.6
Exploration Costs	145.1	15.4	160.5	20.5	21.0	4.6	46.1	206.6
Development Costs	480.2	145.6	625.8	23.2	2.8	-	26.0	651.8
Total Drilling	669.2	175.5	844.7	43.9	23.8	4.6	72.3	917.0
Acquisition Cost of Proved Properties	18.4	386.5	404.9	-	-	-	-	404.9
Total	687.6	562.0	1,249.6	43.9	23.8	4.6	72.3	1,321.9
Proceeds from Sales in Place	(3.4)	(2.7)	(6.1)	-	-	-	-	(6.1)
Net Expenditures	$ 684.2	$ 559.3	$ 1,243.5	$ 43.9	$ 23.8	$ 4.6	$ 72.3	$ 1,315.8
Asset Retirement Costs	$ 8.2	$ 3.5	$ 11.7	$ -	$ -	$ -	$ -	$ 11.7
FINDING COSTS ($ / Mcfe)								
Total Drilling, Before Revisions	$1.52	$1.44	$1.50	$0.32	$0.40	$ -	$0.37	$1.21
All-in Total, Net of Revisions & Dispositions	$1.56	$1.18	$1.36	$0.80	$0.40	$ -	$0.63	$1.28
RESERVE REPLACEMENT								
Drilling Only	154%	183%	159%	225%	N/A	-	323%	183%
All-in Total, Net of Revisions & Dispositions	154%	710%	259%	90%	N/A	-	189%	249%