



## EOG RESOURCES REPORTS THIRD QUARTER 2009 RESULTS

- Increases 2009 Total Production Growth Target from 5.5 to 6 Percent and Total Liquids Growth Target from 25 to 27 Percent
- Sets 2010 Target of 13 Percent Total Production Growth and 50 Percent Total Liquids Growth
- Makes Another Tactical Acquisition in Fort Worth Barnett Combo and Announces Positive Drilling Results
- Reports New Core Area in East Texas Haynesville and Increases Acreage Position
- Discloses Seven High Rate Flow Tests in Horn River Basin

FOR IMMEDIATE RELEASE: Thursday, November 5, 2009

HOUSTON - [EOG Resources, Inc. \(EOG\)](#) today reported its third quarter 2009 operating and financial results. For the third quarter, EOG reported net income available to common stockholders of \$4.2 million, or \$0.02 per share. This compares to [third quarter 2008](#) net income available to common stockholders of \$1,556.3 million, or \$6.20 per share.

The results for the third quarter 2009 included a previously disclosed \$20.9 million (\$13.4 million after tax, or \$0.05 per share) net gain on the mark-to-market of financial commodity transactions. During the quarter, the net cash inflow related to financial commodity contracts was \$331.2 million (\$213.1 million after tax, or \$0.84 per share). Consistent with some analysts' practice of matching realizations to settlement months, adjusted non-GAAP net income available to common stockholders for the quarter was \$203.9 million, or \$0.81 per share. Adjusted non-GAAP net income available to common stockholders for the third quarter 2008 was \$588.3 million, or \$2.34 per share. (Please refer to the attached tables for the reconciliation of adjusted non-GAAP net income available to common stockholders to GAAP net income available to common stockholders.)

### **Full Year 2009 and 2010 Production Growth Forecasts**

Based on the performance of its North American liquids plays, EOG has increased its 2009 total company production growth target from 5.5 to 6 percent. For 2010, EOG has set a total company organic production growth target of 13 percent that includes total liquids production growth of 50 percent.

### **Operational Highlights and Targets**

With recent well results from the North Dakota Bakken Core and Lite areas and the Fort Worth Barnett Shale Combo Play showing the impact of substantially more effective completions, EOG is increasing its total company liquids production growth estimate from 25 to 27 percent for 2009. Carrying this momentum into 2010, EOG plans to ramp up operations in these areas and, therefore, is raising its full year 2010 crude oil, condensate and natural gas liquids production growth target from 20 to 50 percent.

In addition, EOG announced a tactical acquisition of core Barnett Shale Combo assets in Montague and Cooke Counties, Texas with the addition of 7,800 net acres during the third quarter.

Two recent horizontal Combo wells, the Christian A #1H and B #1H, in which EOG has 100 percent working interest, were drilled in Cooke County. They began initial production at 1,000 and 600 barrels of oil per day (Bopd) with 2.5 and 2.0 million cubic feet per day (MMcfd) of natural gas, respectively. Reflecting the implementation of EOG's improved completion techniques, recent horizontal wells in eastern Montague and western Cooke Counties indicate estimated per well reserves of over 280,000 barrels of oil equivalent (Boe), net, an 80 percent improvement over EOG's early 2008 per well reserve estimates for the play. In the core area of the Combo where pay intervals are thickest, EOG has been developing its acreage by drilling vertical wells. EOG has 100 percent working interest in the Fitzgerald #1 and Stephenson #1, which reported initial production rates of 1,100 and 450 Bopd with 2.1 and 0.7 MMcfd, respectively. EOG expects to recover over 220,000 Boe, net from vertical wells drilled in this core area.

EOG also reported positive well results from crude oil drilling activity in the North Dakota Bakken Core and Lite areas where it is operating a five-rig program. In the Bakken Core, EOG has 100 and 92 percent working interest, respectively, in the Fertile #9-8H and Fertile #13-18H. The wells commenced production at rates of 1,000 and 1,100 Bopd, respectively. In the Bakken Lite, EOG completed the Sidonia #2-5H and Ross #5-08H at initial rates of 626 and 750 Bopd, respectively. EOG has 78 and 100 percent working interest, respectively, in the wells. In addition, EOG drilled and tested its first wells in the Three Forks Formation to determine the extent of prospectivity across its acreage position. Initial results from the first two wells indicate

encouraging pressure and flow rates in a portion of its acreage. By operating a 14-rig drilling program in North Dakota in 2010, EOG plans to focus on the Bakken Core and Lite, as well as further drilling and testing of the Three Forks Formation.

"EOG is successfully transferring its technical expertise in drilling horizontal natural gas wells to unconventional oil and liquids rich reservoirs," said Mark G. Papa, Chairman and CEO. "Although it is late in the year, EOG is on track to target a higher liquids growth rate for 2009 because of the quality of wells that we are making in the Barnett Combo and Bakken Core and Lite. On the strength of the results from our unconventional liquids plays, we have the confidence to raise EOG's 2010 total company crude oil, condensate and natural gas liquids production growth target from 20 percent to 50 percent."

As one of the first operators to test the extension of the Haynesville Play further southwest into Nacogdoches and Shelby Counties, Texas, EOG reported initial production rates from three wells that equal the better wells drilled to date in the Louisiana core area. In Nacogdoches County, the Hill #1, Pop Pop Gas Unit #1 and Hassell Gas Unit #1, which were drilled early in the third quarter, began initial production at rates in excess of 15 MMcfd of natural gas. EOG has 42 percent working interest in the wells. Based on this confirmation and the results of the Gammage #1 exploration well drilled in Nacogdoches County, EOG has increased its acreage position in the play. Including the recent acquisition of approximately 37,000 net acres in Nacogdoches County, EOG now has 153,000 total net acres in the Haynesville Play, after adjusting for the expected exercise of third party preferential purchase rights.

In the Horn River Basin of British Columbia, EOG's summer program concentrated on the completion of seven natural gas wells drilled the previous winter. The wells had initial production rates ranging from 16 to 23 MMcfd. In addition, EOG reached agreement with the British Columbia government on royalty incentives for a significant portion of the company's acreage.

"This has been an especially dynamic quarter for EOG with considerable strides made on both the liquids and gas sides of our business," said Papa. "Although EOG rarely makes an acquisition, we added tactical parcels to two of our core plays - the Barnett Combo and Haynesville. I'm particularly pleased that our focus on horizontal unconventional oil is already yielding meaningful results."

#### **Conference Call Scheduled for November 6, 2009**

EOG's third quarter 2009 results [conference call](#) will be available via live audio webcast at 8 a.m. Central Standard Time (9 a.m. Eastern Standard Time) on Friday, November 6, 2009. To listen, log on to [www.eogresources.com](http://www.eogresources.com). The webcast will be archived on EOG's website through Friday, November 20, 2009.

[EOG Resources, Inc.](#) is one of the largest independent (non-integrated) oil and natural gas companies in the United States with proved reserves in the United States, Canada, Trinidad, the United Kingdom and China. [EOG Resources, Inc.](#) is listed on the New York Stock Exchange and is traded under the ticker symbol "[EOG](#)."

This press release (including the accompanying forecast and benchmark commodity pricing information) includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, including, among others, statements and projections regarding EOG's future financial position, operations, performance, business strategy, budgets, reserve information, levels of production and costs and statements regarding the plans and objectives of EOG's management for future operations, are forward-looking statements. EOG typically uses words such as "expect," "anticipate," "estimate," "project," "strategy," "intend," "plan," "target," "goal," "may," "will" and "believe" or the negative of those terms or other variations or comparable terminology to identify its forward-looking statements. In particular, statements, express or implied, concerning EOG's future operating results and returns or EOG's ability to replace or increase reserves, increase production or generate income or cash flows are forward-looking statements. Forward-looking statements are not guarantees of performance. Although EOG believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that these expectations will be achieved or will prove to have been correct. Moreover, EOG's forward-looking statements may be affected by known and unknown risks, events or circumstances that may be outside EOG's control. Important factors that could cause EOG's actual results to differ materially from the expectations reflected in EOG's forward-looking statements include, among others:

- the timing and extent of changes in prices for natural gas, crude oil and related commodities;
- changes in demand for natural gas, crude oil and related commodities, including ammonia and methanol;
- the extent to which EOG is successful in its efforts to discover, develop, market and produce reserves and to acquire natural gas and crude oil properties;
- the extent to which EOG can optimize reserve recovery and economically develop its plays utilizing horizontal and vertical drilling and advanced completion technologies;
- the extent to which EOG is successful in its efforts to economically develop its acreage in the Barnett Shale, the Bakken Formation, its Horn River Basin and Haynesville plays and its other exploration and development areas;
- EOG's ability to achieve anticipated production levels from existing and future natural gas and crude oil development projects, given the risks and uncertainties inherent in drilling, completing and operating natural gas and crude oil wells and the potential for interruptions of production, whether involuntary or intentional as a result of market or other

conditions;

- the availability, proximity and capacity of, and costs associated with, gathering, processing, compression and transportation facilities;
- the availability, cost, terms and timing of issuance or execution of, and competition for, mineral licenses and leases and governmental and other permits and rights of way;
- competition in the oil and gas exploration and production industry for employees and other personnel, equipment, materials and services and, related thereto, the availability and cost of employees and other personnel, equipment, materials and services;
- EOG's ability to obtain access to surface locations for drilling and production facilities;
- the extent to which EOG's third-party-operated natural gas and crude oil properties are operated successfully and economically;
- EOG's ability to effectively integrate acquired natural gas and crude oil properties into its operations, fully identify existing and potential problems with respect to such properties and accurately estimate reserves, production and costs with respect to such properties;
- weather, including its impact on natural gas and crude oil demand, and weather-related delays in drilling and in the installation and operation of gathering and production facilities;
- the ability of EOG's customers and other contractual counterparties to satisfy their obligations to EOG and, related thereto, to access the credit and capital markets to obtain financing needed to satisfy their obligations to EOG;
- EOG's ability to access the commercial paper market and other credit and capital markets to obtain financing on terms it deems acceptable, if at all;
- the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise;
- the timing and extent of changes in foreign currency exchange rates, interest rates, inflation rates, global and domestic financial market conditions and global and domestic general economic conditions;
- the extent and effect of any hedging activities engaged in by EOG;
- the timing and impact of liquefied natural gas imports;
- the use of competing energy sources and the development of alternative energy sources;
- political developments around the world, including in the areas in which EOG operates;
- changes in government policies, legislation and regulations, including environmental regulations;
- the extent to which EOG incurs uninsured losses and liabilities;
- acts of war and terrorism and responses to these acts; and
- the other factors described under Item 1A, "Risk Factors," on pages 13 through 19 of EOG's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and any updates to those factors set forth in EOG's subsequent Quarterly Reports on Form 10-Q.

In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements may not occur, and you should not place any undue reliance on any of EOG's forward-looking statements. EOG's forward-looking statements speak only as of the date made and EOG undertakes no obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

The United States Securities and Exchange Commission (SEC) currently permits oil and gas companies, in their filings with the SEC, to disclose only 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. As noted above, statements of proved reserves are only estimates and may be imprecise. Any reserve estimates provided in this press release that are not specifically designated as being estimates of proved reserves may include not only proved reserves, but also other categories of reserves that the SEC's guidelines strictly prohibit EOG from including in filings with the SEC. Investors are urged to consider closely the disclosure in EOG's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, available from EOG at P.O. Box 4362, Houston, Texas 77210-4362 (Attn: Investor Relations). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at [www.sec.gov](http://www.sec.gov).

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