

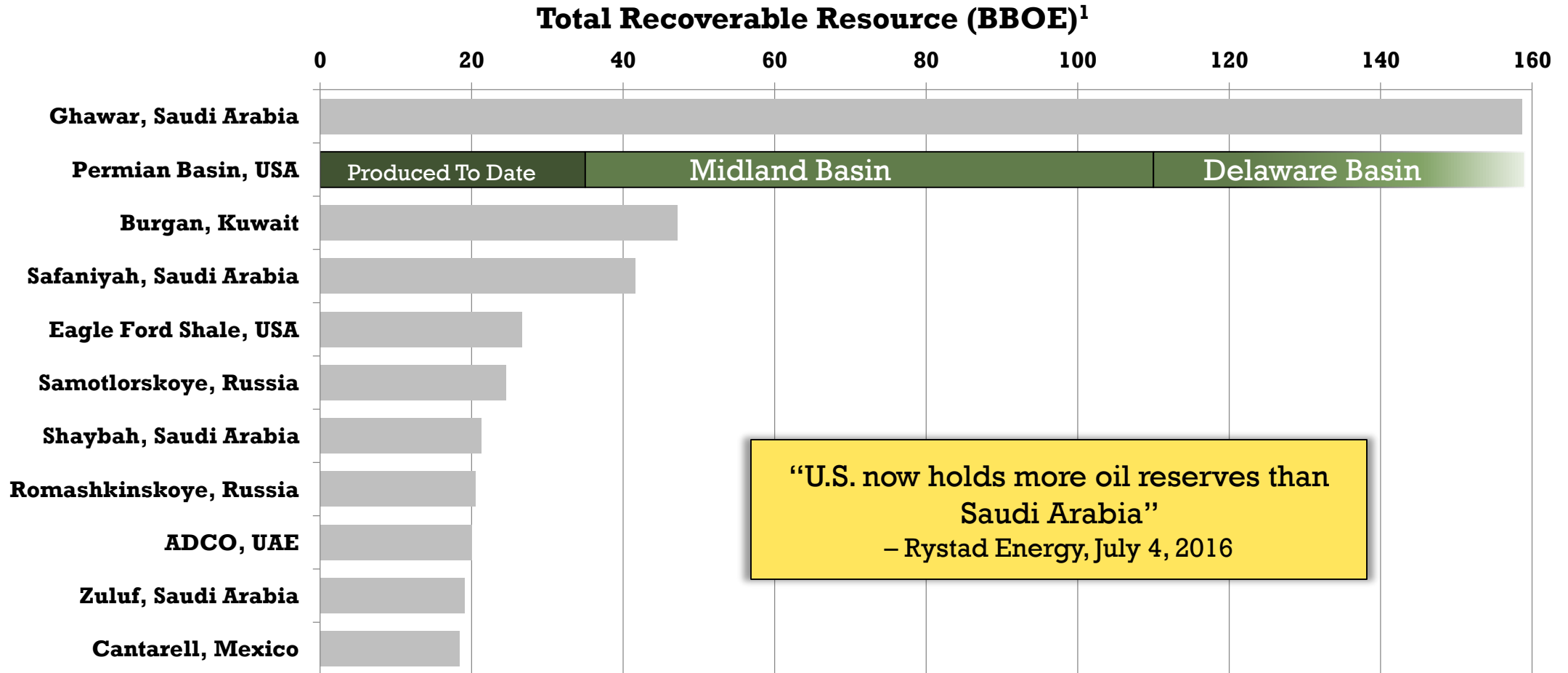
A photograph of an oil rig at sunset. The rig is silhouetted against a bright orange and yellow sky. The sun is low on the horizon, creating a strong glow. The rig's structure is complex, with many levels and pipes. The overall scene is industrial and dramatic.

PIONEER
NATURAL RESOURCES

EIA ENERGY CONFERENCE

JUNE 26, 2017

PERMIAN BASIN TAKES GLOBAL STAGE



“U.S. now holds more oil reserves than Saudi Arabia”

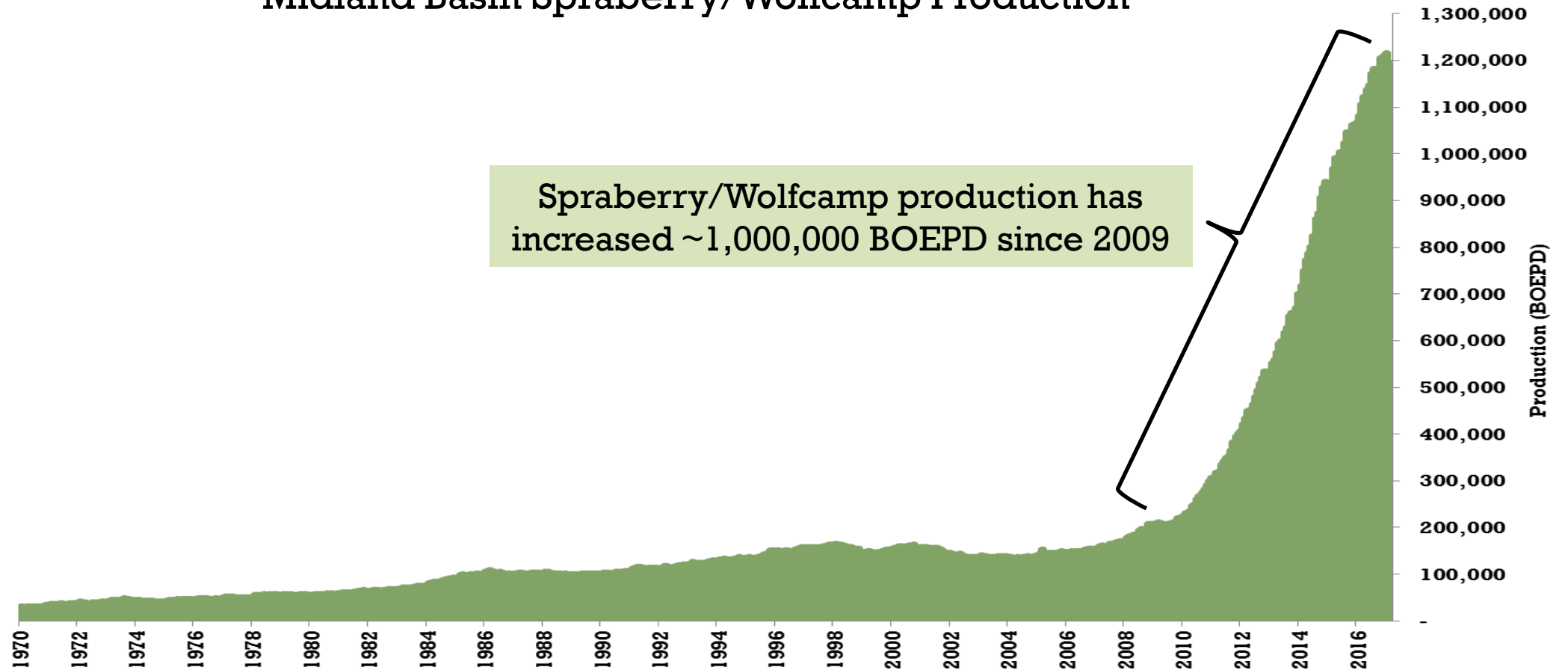
– Rystad Energy, July 4, 2016

“The Midland and Delaware basins hold the largest number of undrilled, low-cost tight oil locations in the Lower 48. No other region comes close.” – Wood Mackenzie

1) Total recoverable resource includes oil and gas for all fields
 Source: Wood Mackenzie for international fields; Permian Basin from internal estimates

IMPACT OF HORIZONTAL TECHNOLOGY IN THE MIDLAND BASIN

Midland Basin Spraberry/Wolfcamp Production

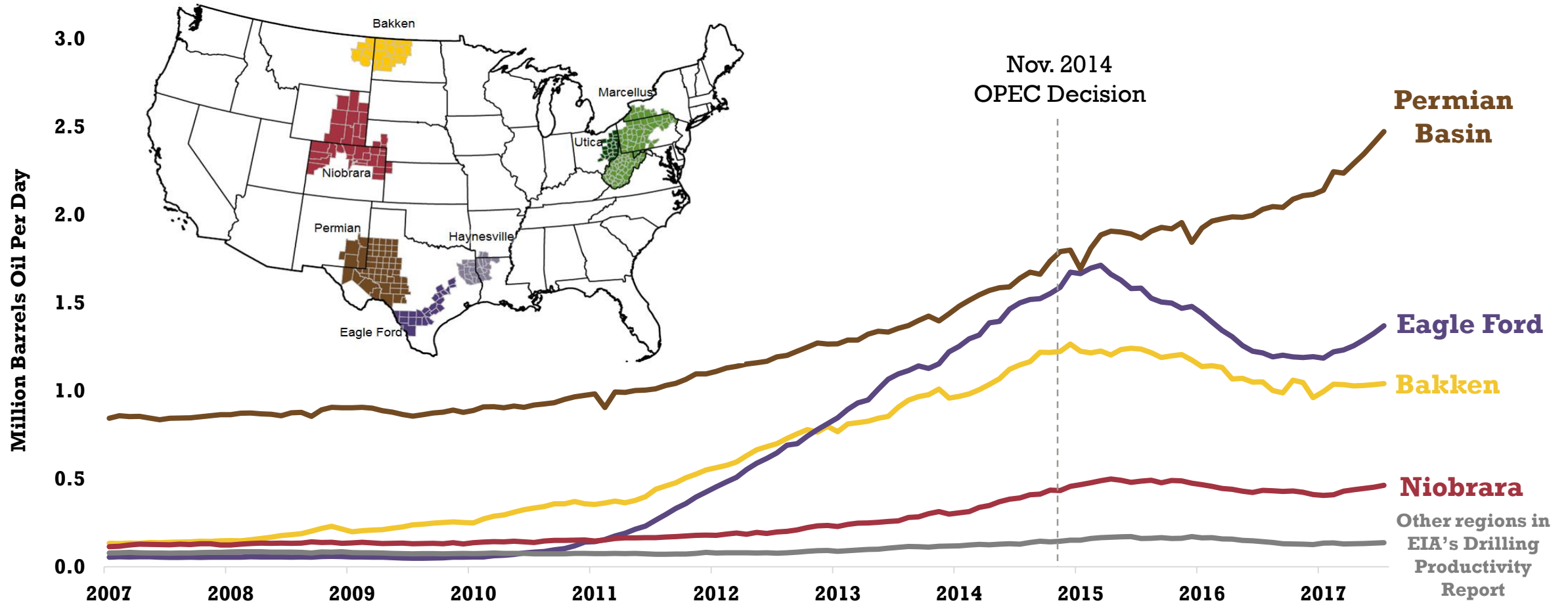


Spraberry/Wolfcamp production has increased ~1,000,000 BOEPD since 2009

- From 2009 to 2012, production growth primarily attributable to increased vertical activity
- Post 2012, production growth driven by horizontal activity

PERMIAN BASIN ONLY GROWING OIL SHALE PLAY

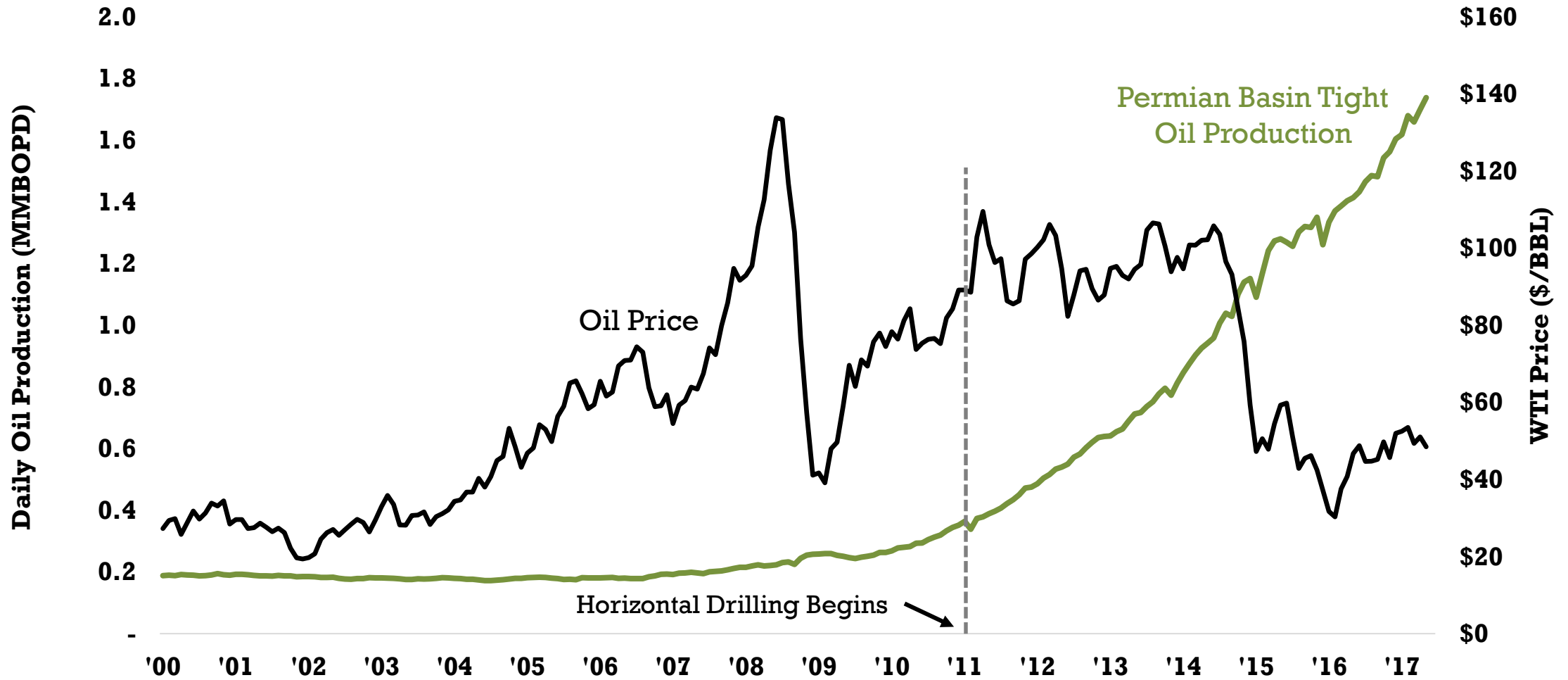
Permian Basin is the only growing major U.S. oil shale since downturn began



Source: EIA, Drilling Productivity Report, June 2017

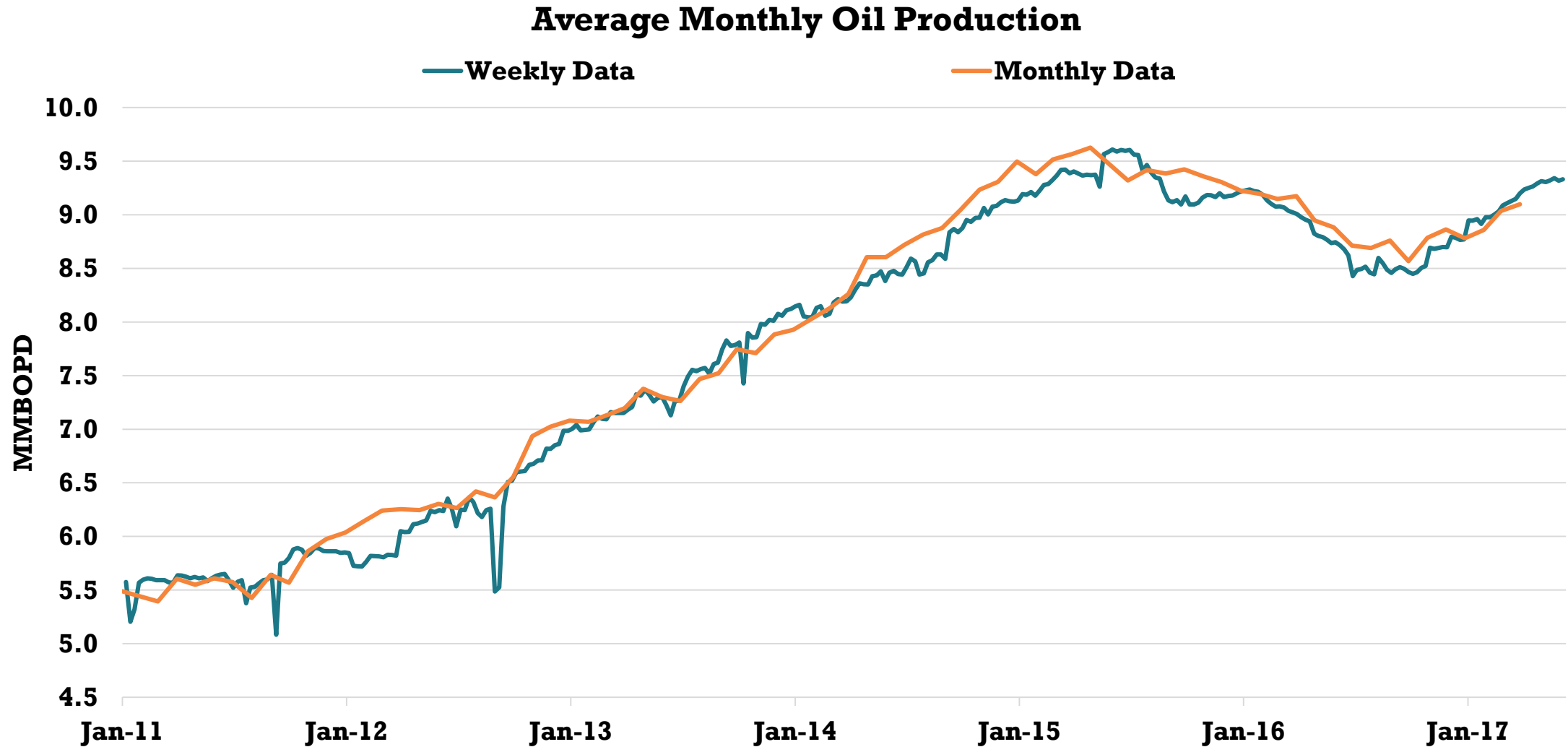
PERMIAN BASIN HORIZONTALS ARE A GAME CHANGER

The Permian Basin has produced >35 BBOE in the past 90 years with an estimated >150 BBOE recoverable resource remaining

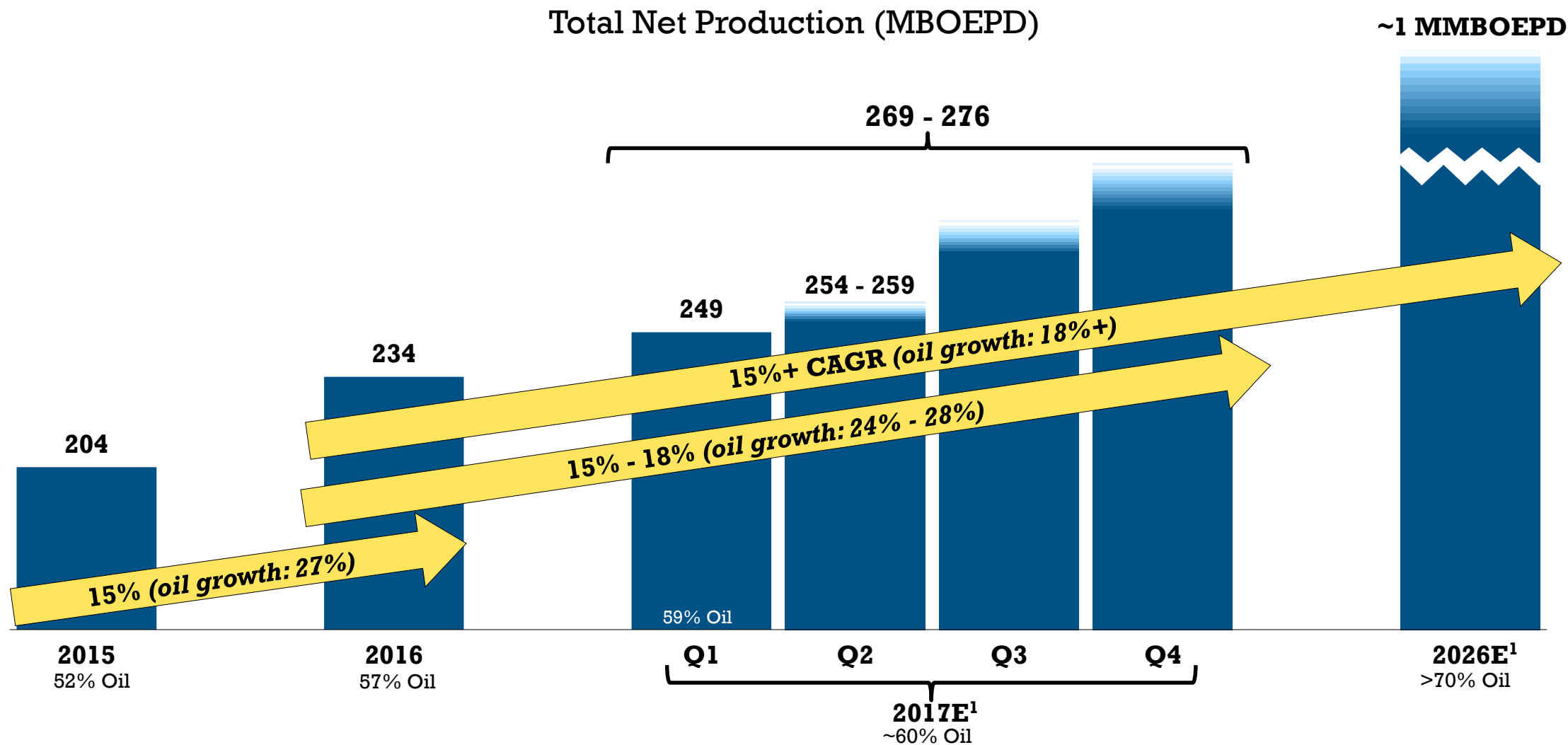


Source: Production data from EIA (U.S. tight oil production – selected plays) through May 2017; historical WTI price from EIA

U.S. OIL PRODUCTION

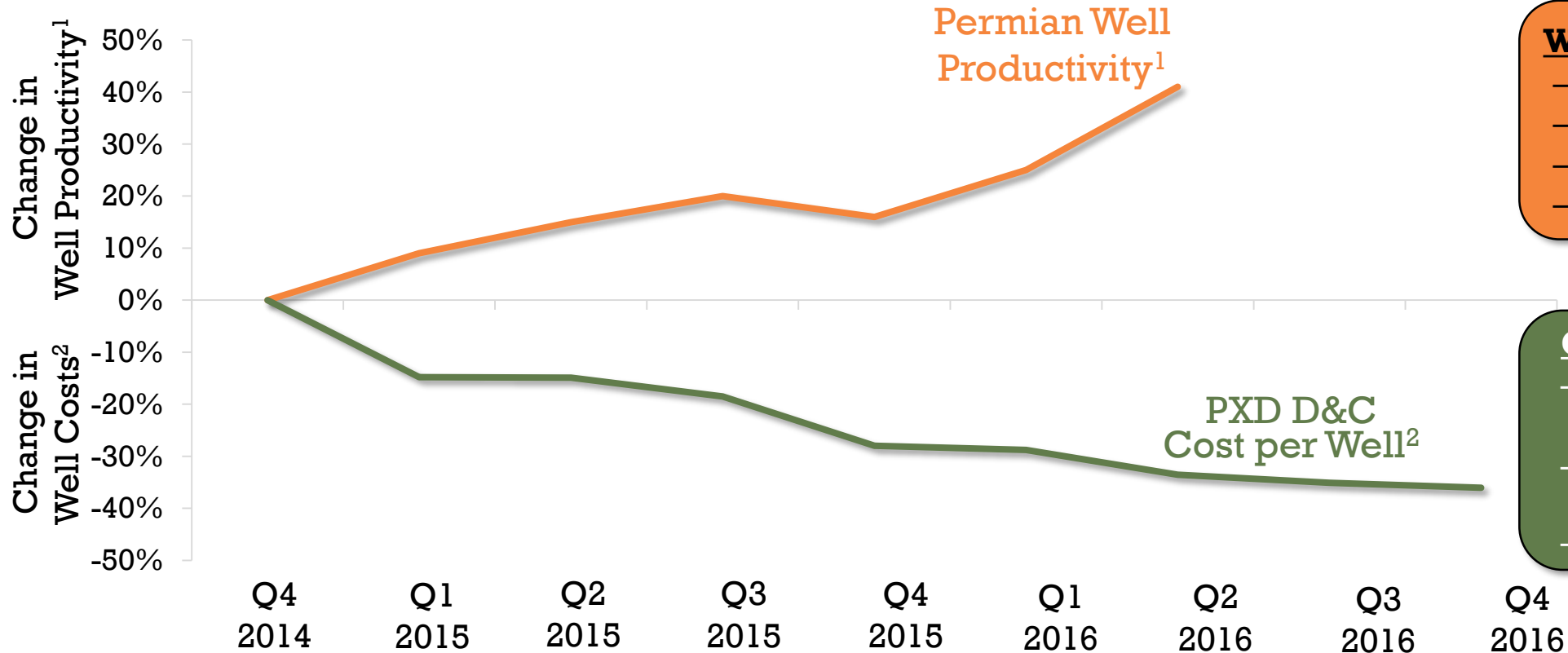


PRODUCTION GROWTH FORECAST



1) Assumes ethane rejection continues in Spraberry/Wolfcamp (~5 MBOEPD of ethane was rejected in Q1 2017)

WELL PRODUCTIVITY AND COSTS CONTINUE TO IMPROVE



Well Productivity Drivers

- Increased water volumes
- Increased sand volumes
- Reduced cluster spacing
- Longer lateral lengths

Cost Reduction Drivers

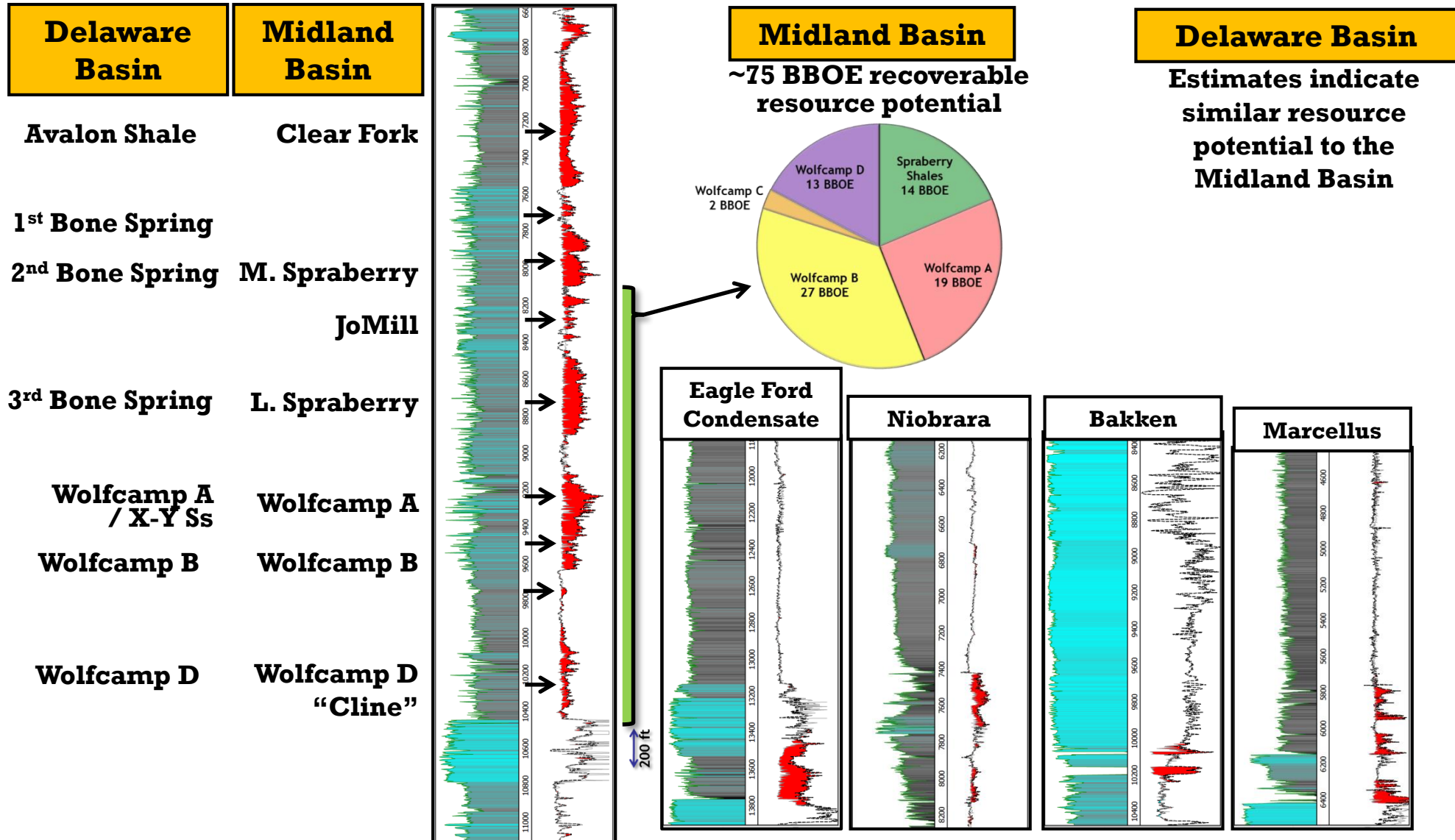
- Focused drilling on 3 zones vs. 8 zones
- Decreased drilling and completion times
- Reduced service costs

Increases in well productivity coupled with decreasing well costs allow for strong returns in the current oil price environment

1) Source: IHS Energy Blog "The Permian Basin: A magnet for risk capital" January 31, 2017

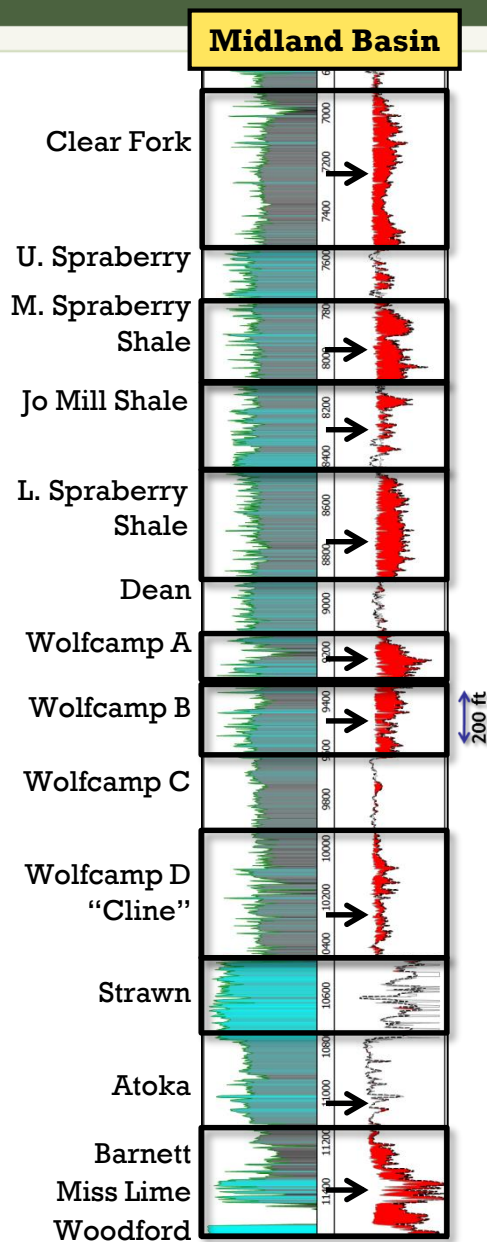
2) Drilling and completion costs per perforated lateral foot; represents all PXD horizontal wells in Spraberry/Wolfcamp since Q4 2014

THE TWO LARGEST U.S. OIL SHALE PLAYS

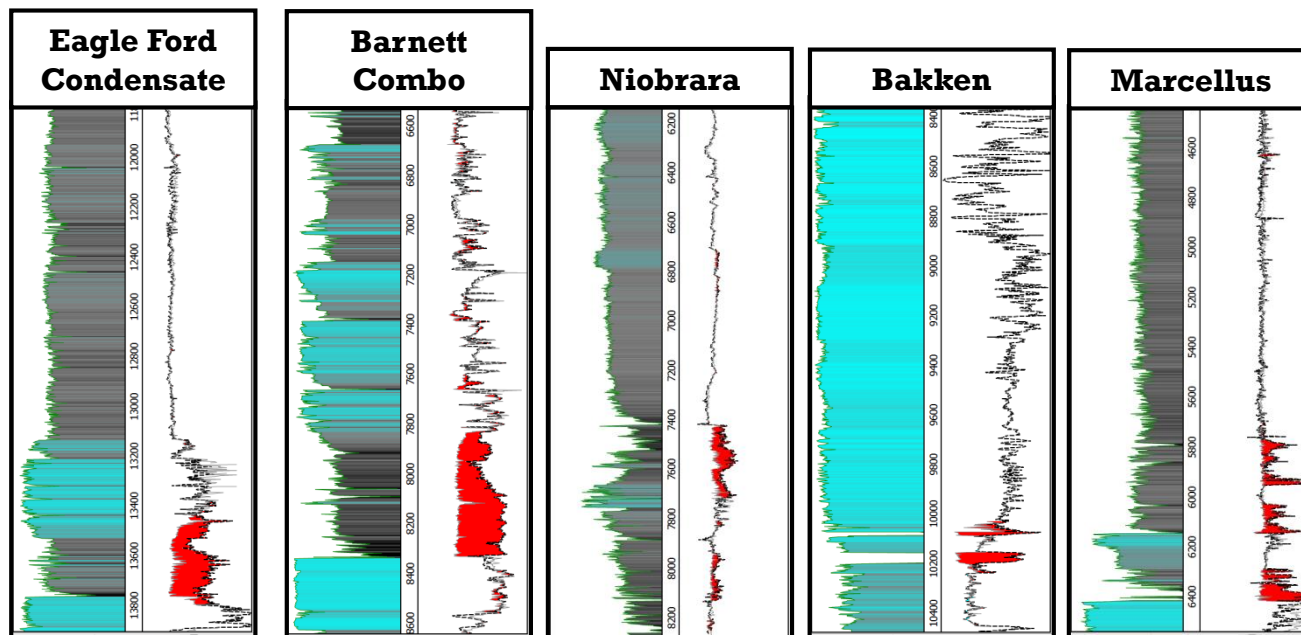


Source: PXD

MIDLAND BASIN: STACKED PLAY POTENTIAL



- “Delta log R” (excess electrical resistance)
- Red intervals indicate hydrocarbons
- Petrophysical analysis indicates significantly more oil in place in the Wolfcamp and Spraberry Shale intervals in the Midland Basin compared to other major U.S. shale oil plays



Source: PXD

EVOLUTION OF EIA'S US LOWER-48 PRODUCTION FORECAST

