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Devon Energy Increases Share of Lower Tertiary Cascade Unit; First Production Expected in 2009

OKLAHOMA CITY, Aug. 15 /PRNewswire-FirstCall/ -- Devon Energy Corporation (NYSE: DVN) today announced that it has increased its ownership in a discovery in the deepwater Gulf of Mexico. On August 9, 2006, Devon and its partner, Petrobras America Inc., completed the purchase of BHP Billiton's working interest in the Cascade Unit. Devon increased its working interest from 25 percent to 50 percent in the unit.

The Federal Minerals Management Service approved the Cascade Unit Agreement and a Suspension of Production (SOP) for the unit on July 31, 2006. The 23,000-acre Cascade Unit covers Walker Ridge blocks 205, 206, 249 and 250. The SOP protects the unit from lease expiration and authorizes commercial development of Cascade.

Cascade was the first of three discoveries to date by Devon in the Gulf's emerging lower Tertiary trend. The 2002 Cascade discovery encountered more than 450 net feet of pay and was followed by two delineation wells in 2005. The two wells drilled in 2005 encountered 200 net feet and 500 net feet of pay, respectively.

Future plans for Cascade include drilling a fourth well as part of a phased-development plan. Devon anticipates utilizing a floating production, storage and offloading unit (FPSO). First production from two wells is anticipated in late 2009.

"Our extensive knowledge of the lower Tertiary play, growing confidence in the performance of the reservoir and our partnership with one of the leading producers in deepwater developments encouraged us to increase our share of Cascade and move the project ahead quickly," said Stephen J. Hadden, senior vice president, exploration and production. "We plan to fast-track development and see first production into an FPSO before the end of the decade."

Devon Energy Corporation is an Oklahoma City-based independent energy company engaged in oil and gas exploration, production and property acquisitions. Devon is one of the larger U.S.-based independent oil and gas producers and is included in the S&P 500 Index. For additional information, visit <http://www.devonenergy.com>.

This press release includes "forward-looking statements" as defined by the Securities and Exchange Commission. Such statements are those concerning strategic plans, expectations and objectives for future operations. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the company expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company. Statements regarding future production and resource potential are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas. These risks include, but are not limited to, inflation or lack of availability of goods and services, environmental risks, drilling risks and regulatory changes. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

SOURCE Devon Energy Corporation