

# ***Pioneer Natural Resources***



## ***HITTING OUR STRIDE***

***Resource Development Council Conference***

***November 2003***

# ***Forward-Looking Statements***

***Except for historical information contained herein, the statements in this Presentation are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements, and the business prospects of Pioneer Natural Resources Company, are subject to a number of risks and uncertainties which may cause the Company's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of oil and gas prices, product supply and demand, competition, government regulation or action, foreign currency valuation changes, foreign government tax and regulation changes, litigation, the costs and results of drilling and operations, Pioneer's ability to replace reserves, implement its business plans or complete its development projects as scheduled, access to and cost of capital, uncertainties about estimates of reserves, quality of technical data, environmental and weather risks, acts of war or terrorism. These and other risks are described in Pioneer's 10-K and 10-Q Reports and other filings with the Securities and Exchange Commission. This Presentation does not constitute an offer of any securities for sale.***

# *Well-Balanced Global Operations*

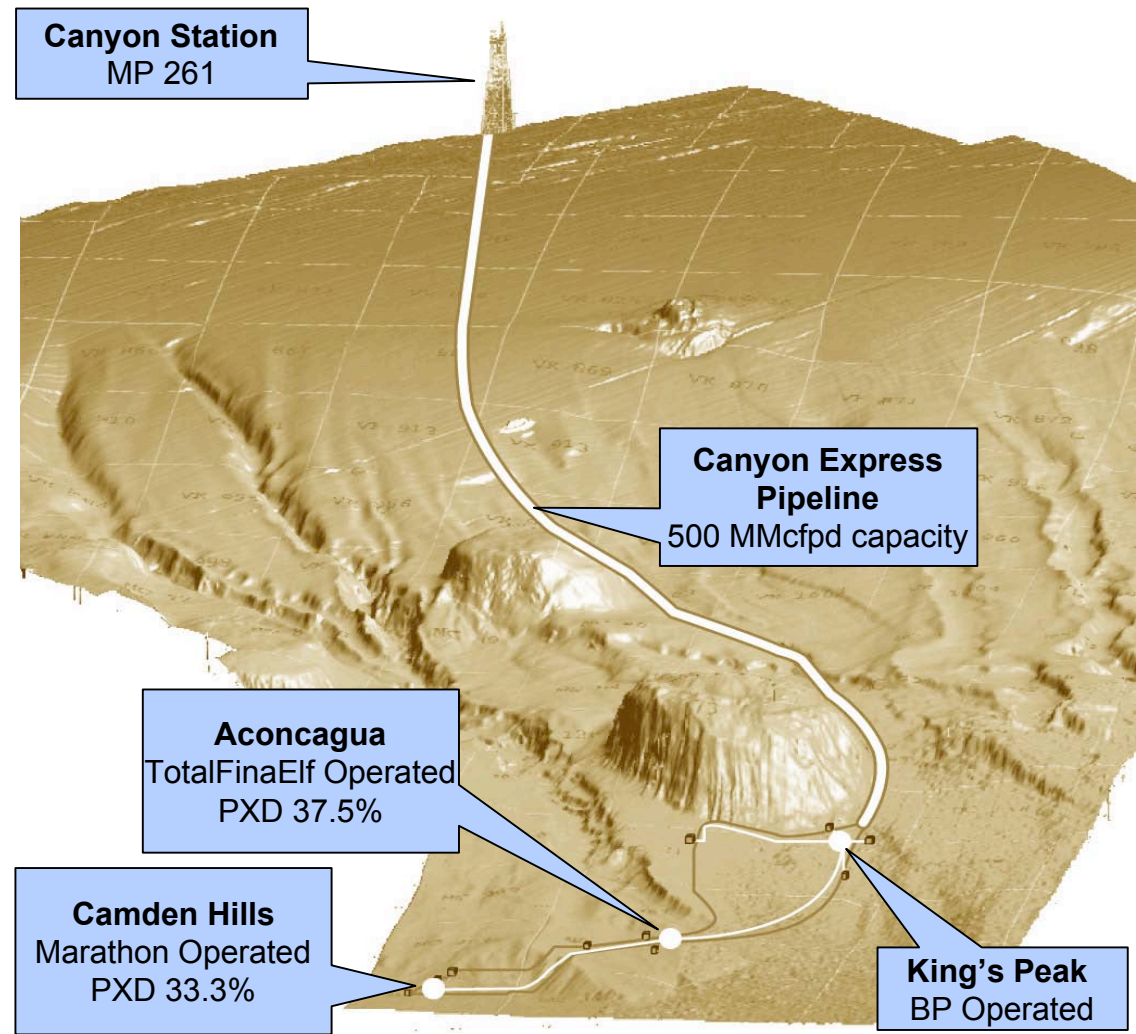


- 737 MMBOE Proved Reserves
- 83% North America
- 60% Gas Production in 2003
- Long-Lived Reserves
  - Reserves/Production Ratio 18 Years
- Financial Flexibility
- Visible Organic Growth From Six Significant Discoveries
- Top Quartile Leader in Finding Costs
- Three Large Projects to Bring on Over the Next Three to Nine Months

# Canyon Express – Deepwater GOM

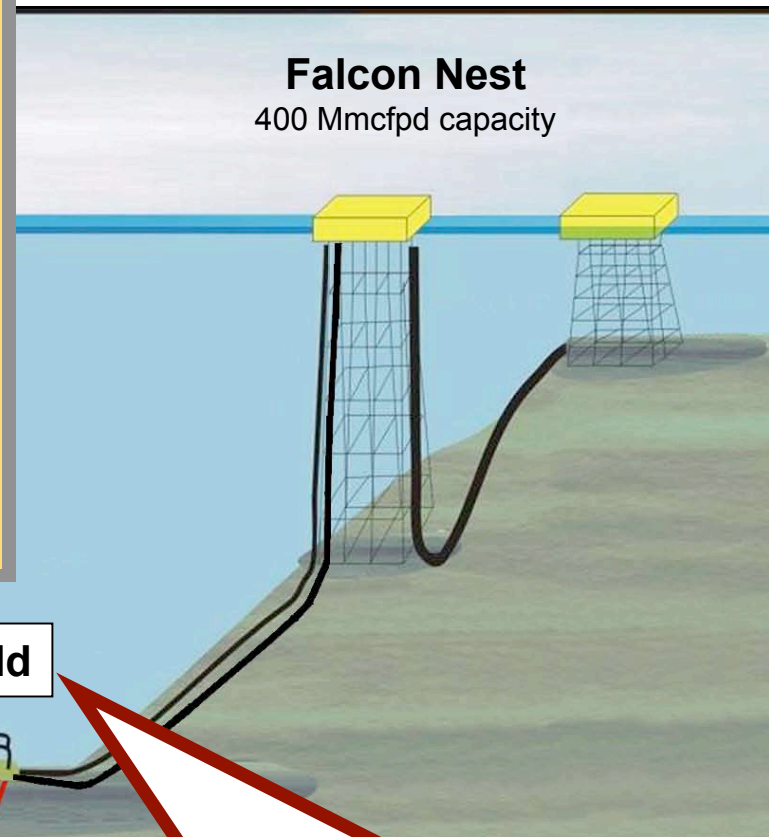
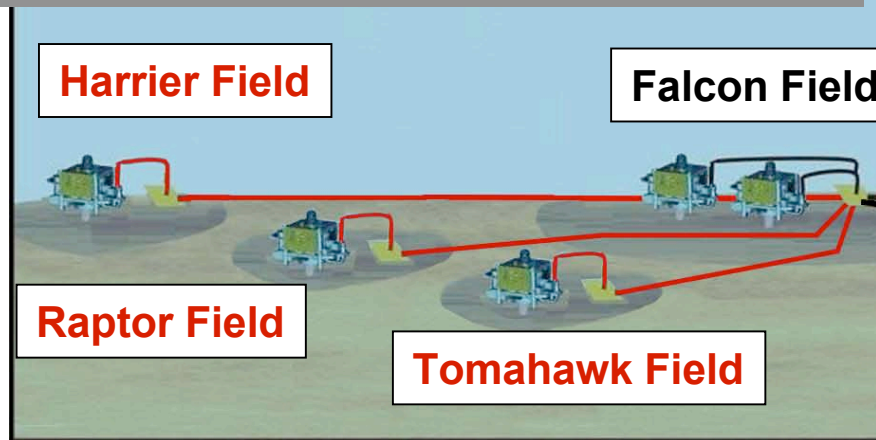
**~\$145 million operating cash flow through first 3 quarters of 2003**

- Joint subsea development of 3 deepwater GOM fields
- World's deepest production - based on water depth
- ~96% uptime in 2003



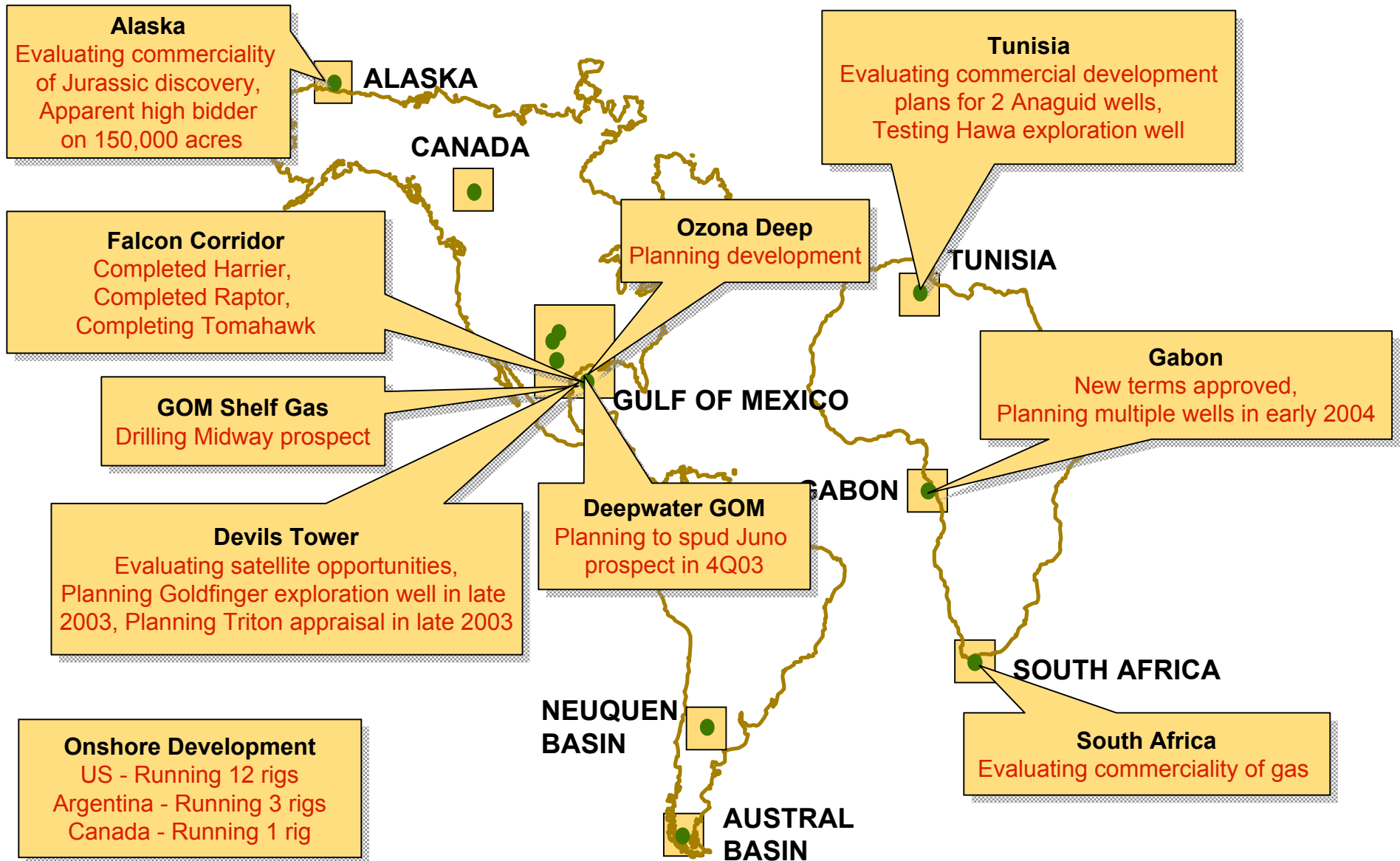
# Falcon Corridor

- Harrier
  - Discovered in January 03
  - **1<sup>st</sup> production expected in 10 – 15 weeks**
- Tomahawk & Raptor
  - Discovered in 3Q '03
- Expect to reach 350+ Mmcfpd from 4 fields
- 2004 Planned Activity
  - Tie in Tomahawk & Raptor
  - Drill additional prospect(s)



- ~\$145 million in operating cash flow from the past two quarters
- Exceeding expected initial production of 175 Mmcfpd

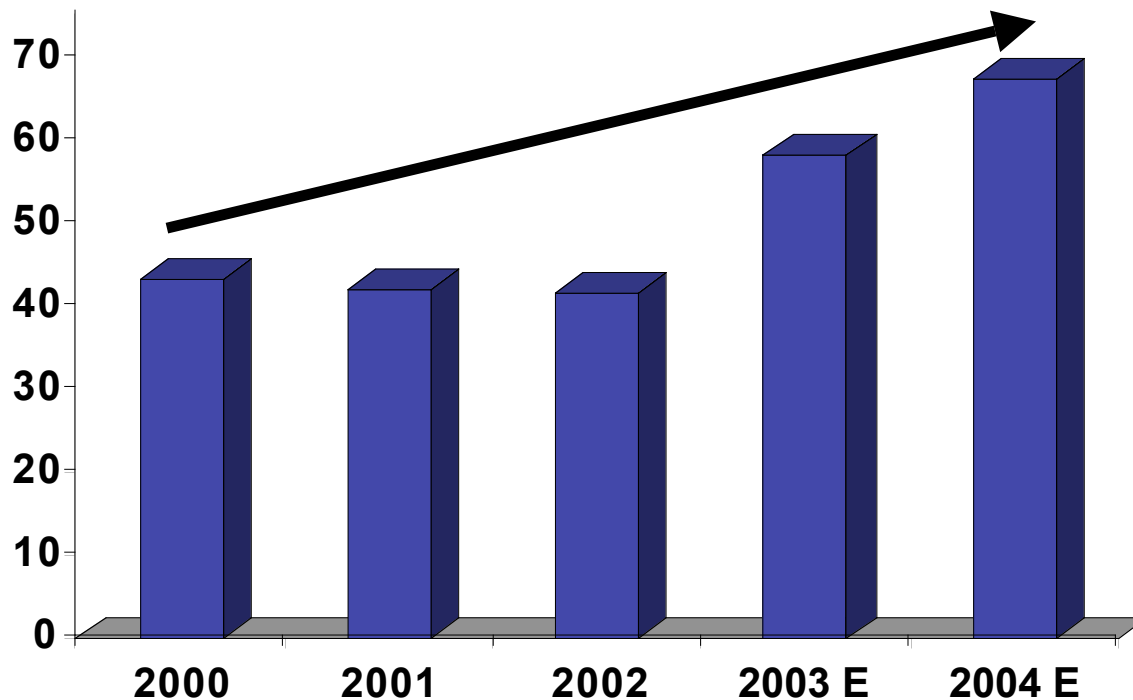
# Current Activity



# Pioneer Natural Resources

5 Year Compound Annual Growth of ~12%

MMBOE



- *Financial strength*
- *Solid base assets*
- *Extending the pipeline of opportunities*
  - *Alaska*
  - *Gabon*
  - *Triton*
  - *Ozona Deep*
  - *Falcon area*
  - *Devils Tower area*
  - *Other Deepwater GOM*
  - *GOM shelf*
  - *Tunisia*
  - *South Africa*

Significant Excess Cash Flow Over Next Three Years

# ***Why Alaska?***

- ***World Class Petroleum System***
- ***Location: North America***
- ***Larger Field Sizes than Lower 48***
- ***Improving Regulatory Environment***
- ***Business Opportunities Opening for Independents***





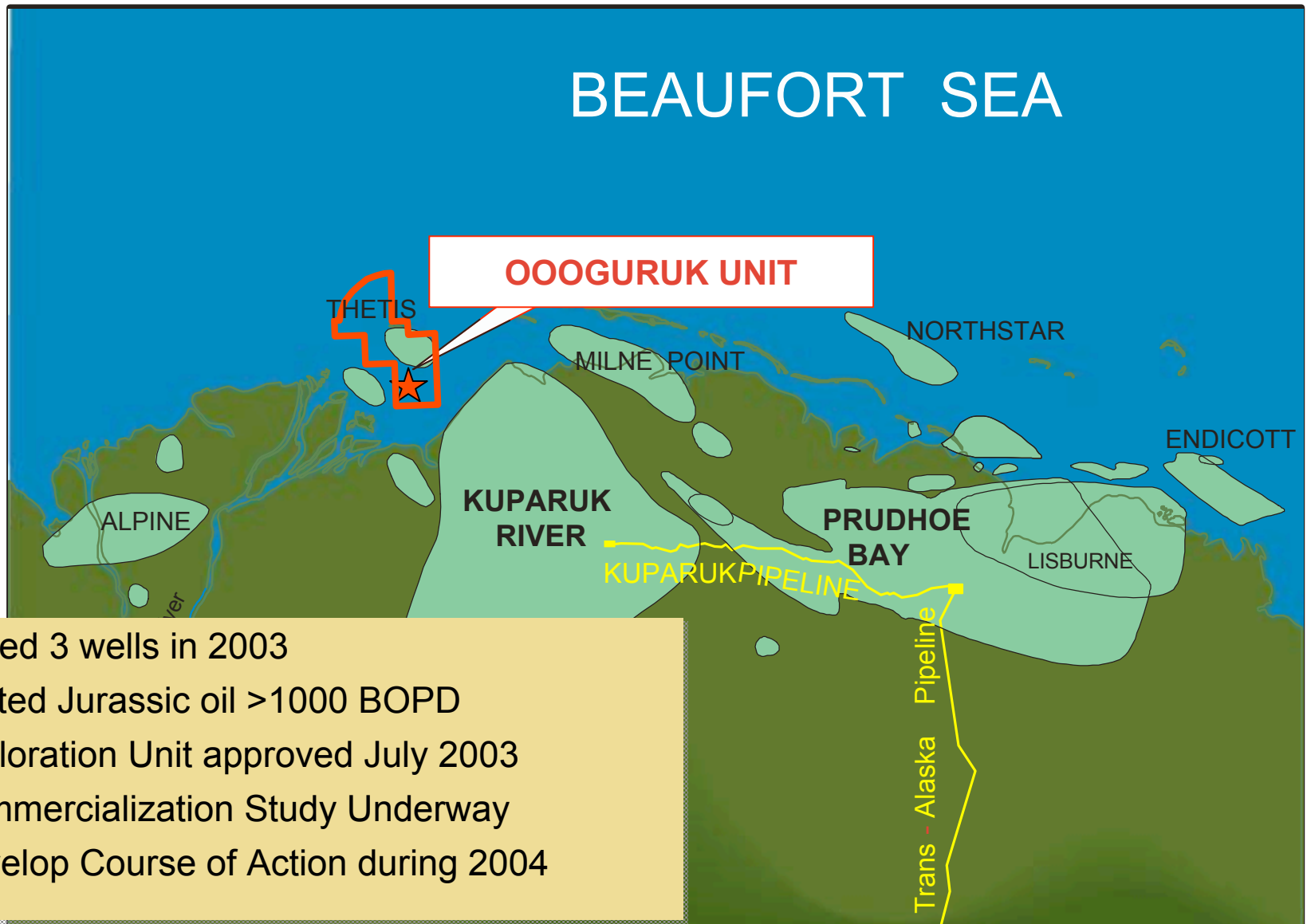
# ***Challenges for Independents in Alaska***

- ***Geologic Risk Like Other Basins***
- ***Remote, Higher Cost Operations***
- ***Low Wellhead Price – Transport Costs to California Market***
- ***Long Project Cycle Times (Winter access)***
- ***Low Activity Levels – Limited Competition in Service Industry***
- ***Overall, a Challenging Environment to Achieve Investment Returns***

# ***Critical Success Factors***

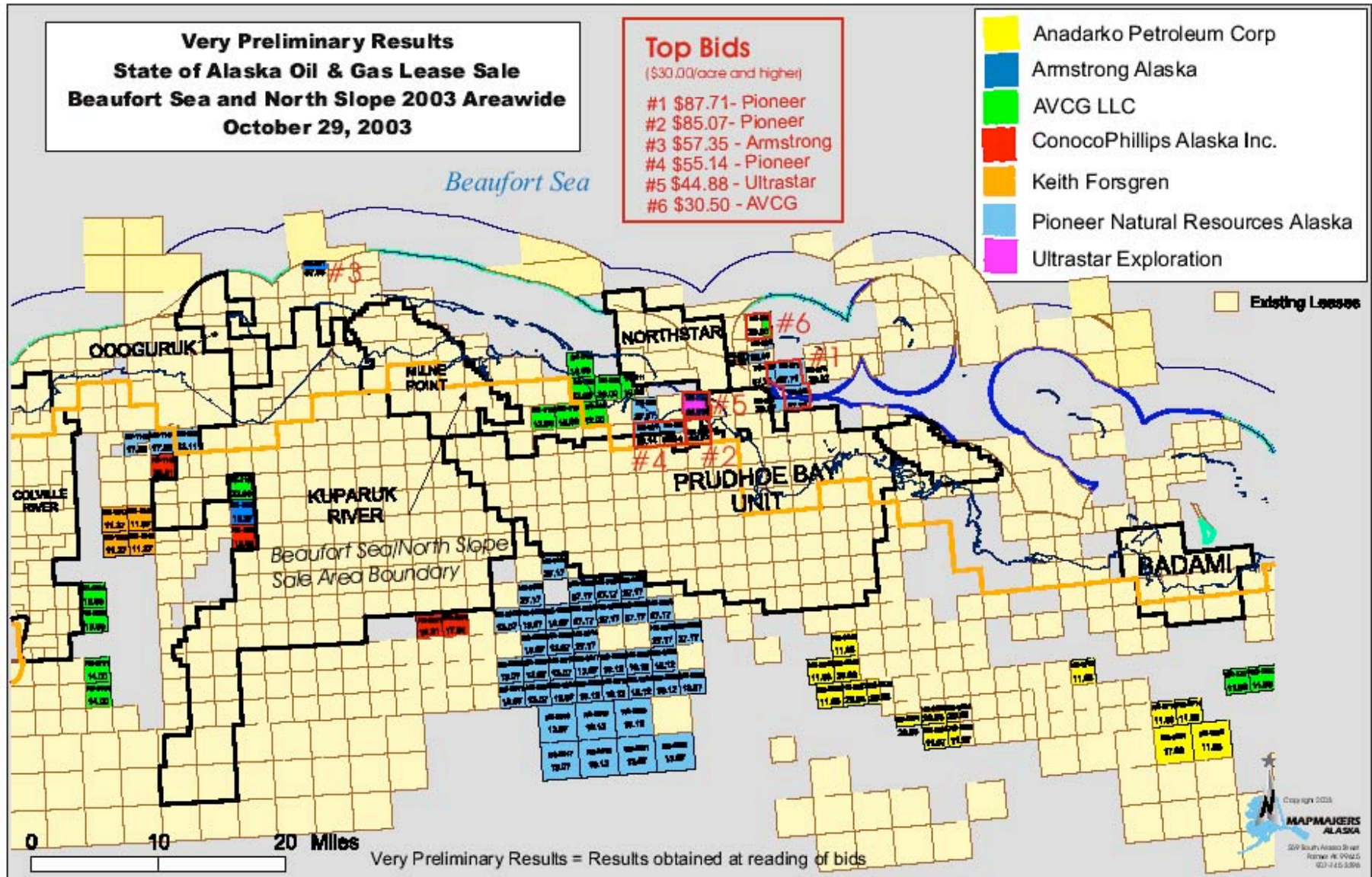
- ***Top Shelf Technical Work***
- ***Develop a Portfolio of Opportunities***
- ***Achieve a Step Change in the North Slope Cost Structure***
  - ***Independent Mindset***
  - ***Cooperation from Contracting Community***
- ***Streamlined Regulatory Process***
- ***Facility Access – Owner Cooperation***

# Oooguruk Unit



- Drilled 3 wells in 2003
- Tested Jurassic oil >1000 BOPD
- Exploration Unit approved July 2003
- Commercialization Study Underway
- Develop Course of Action during 2004

# October 29, 2003 Alaska State Lease Sale



# ***Summary***

- ***Pioneer Natural Resources***
  - *A large, growth oriented independent*
  - *Goal in Alaska: Establish a new core area*
- ***Alaska***
  - *World Class Basin – Declining Field Sizes*
  - *Challenging environment for investment returns*
  - *Critical Success factors: adequate portfolio, cost structure improvement, regulatory streamlining, facility access*
- ***Pioneer Committed to Building a Portfolio of Opportunities***
  - *Oooguruk Unit – Commercialization*
  - *New Leases Oct 29 – PXD off to a Fast Start*

# ***Pioneer Natural Resources***



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