

PIONEER

NATURAL RESOURCES

House Resources Committee

Testimony re: House Bill 110

February 16, 2011

NYSE: PXD
www.pxd.com

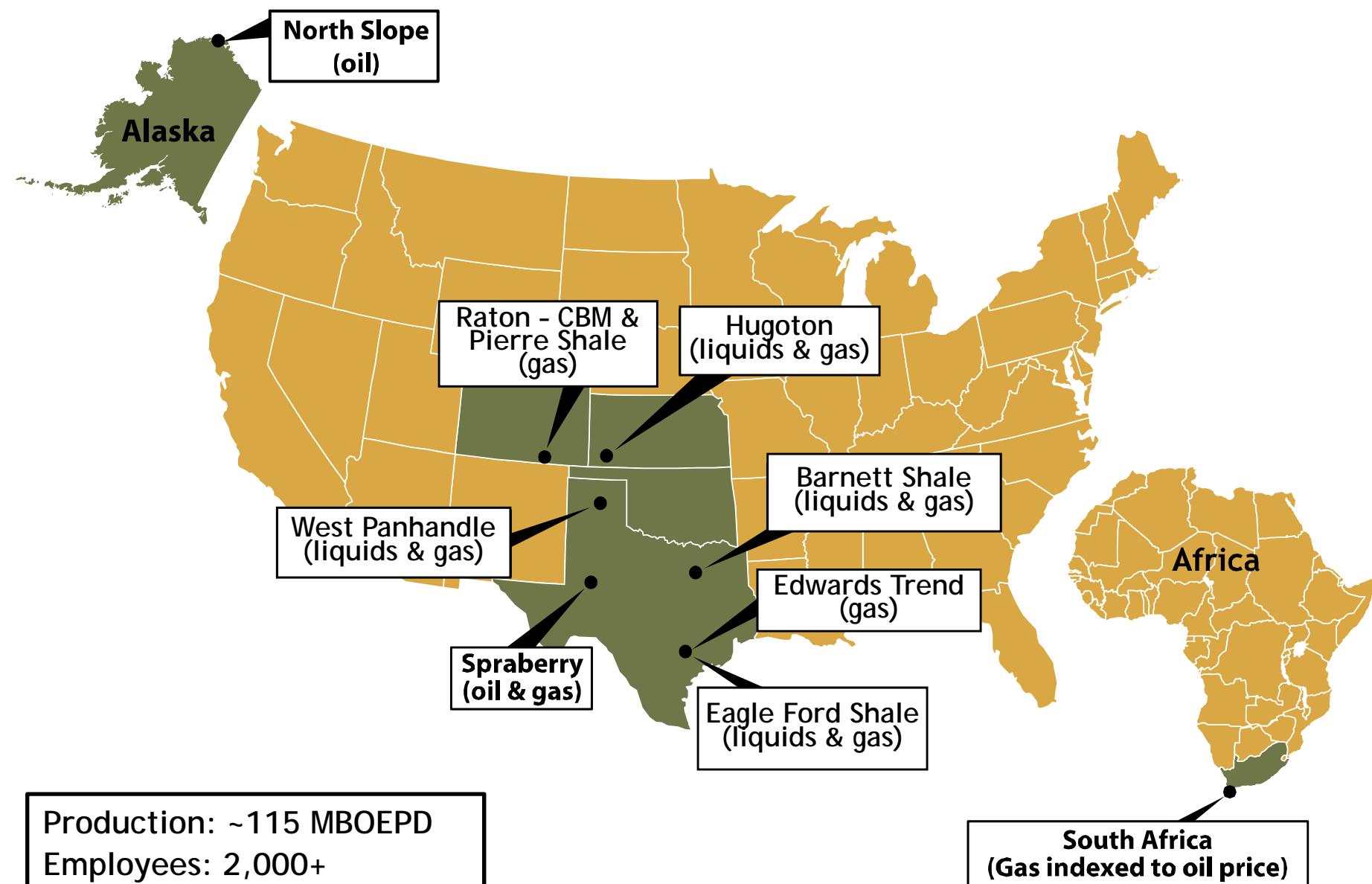
Forward Looking Statements

Except for historical information contained herein, the statements, charts and graphs 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 are subject to a number of risks and uncertainties that may cause Pioneer's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of commodity prices, product supply and demand, competition, the ability to obtain environmental and other permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, international operations and associated international political and economic instability, litigation, the costs and results of drilling and operations, availability of equipment, services and personnel required to complete the Company's operating activities, access to and availability of transportation, processing and refining facilities, Pioneer's ability to replace reserves, implement its business plans or complete its development activities as scheduled, access to and cost of capital, the financial strength of counterparties to Pioneer's credit facility and derivative contracts and the purchasers of Pioneer's oil, NGL and gas production, uncertainties about estimates of reserves and resource potential and the ability to add proved reserves in the future, the assumptions underlying production forecasts, quality of technical data, environmental and weather risks, including the possible impacts of climate change, and 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. In addition, Pioneer may be subject to currently unforeseen risks that may have a materially adverse impact on it. Pioneer undertakes no duty to publicly update these statements except as required by law.

Pioneer Corporate Profile - 2011

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Pioneer Alaska Profile - 2011

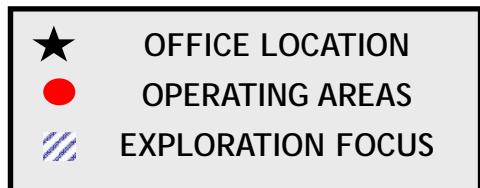
- Anchorage Headquarters
- 60+ Full-Time AK Employees
- ~ 120 AK Contract Workers
- 1st Independent Operator on the North Slope
- World class Oooguruk project
- Challenging environment (North Slope, Offshore)
- State of the art, new technologies
- Higher geologic complexity than close-by analog fields
- Solid support from the State and North Slope producers



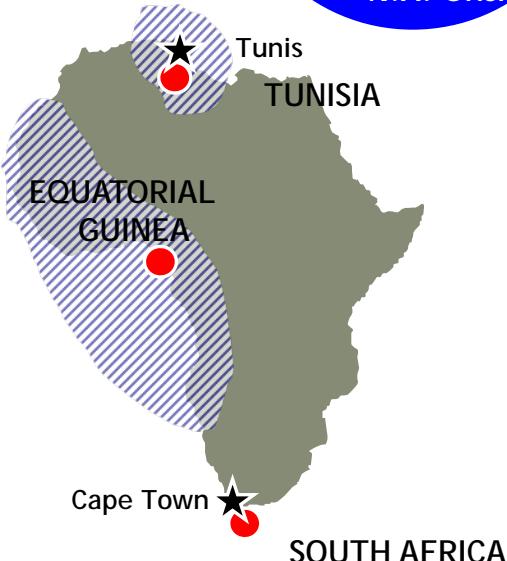
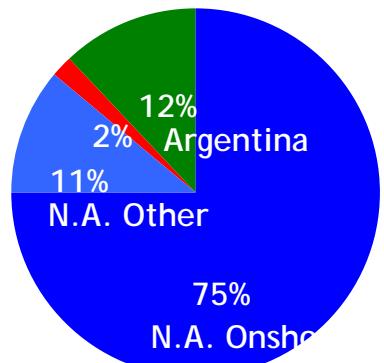
Pioneer Natural Resources 2002 - 2003

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- US Legacy Asset Development
- Deep Water Gulf of Mexico
- World Wide Exploration Focus



Proved Reserves



Why Alaska? Scorecard 2002

Alaska Relative to Lower 48 Resource Plays:

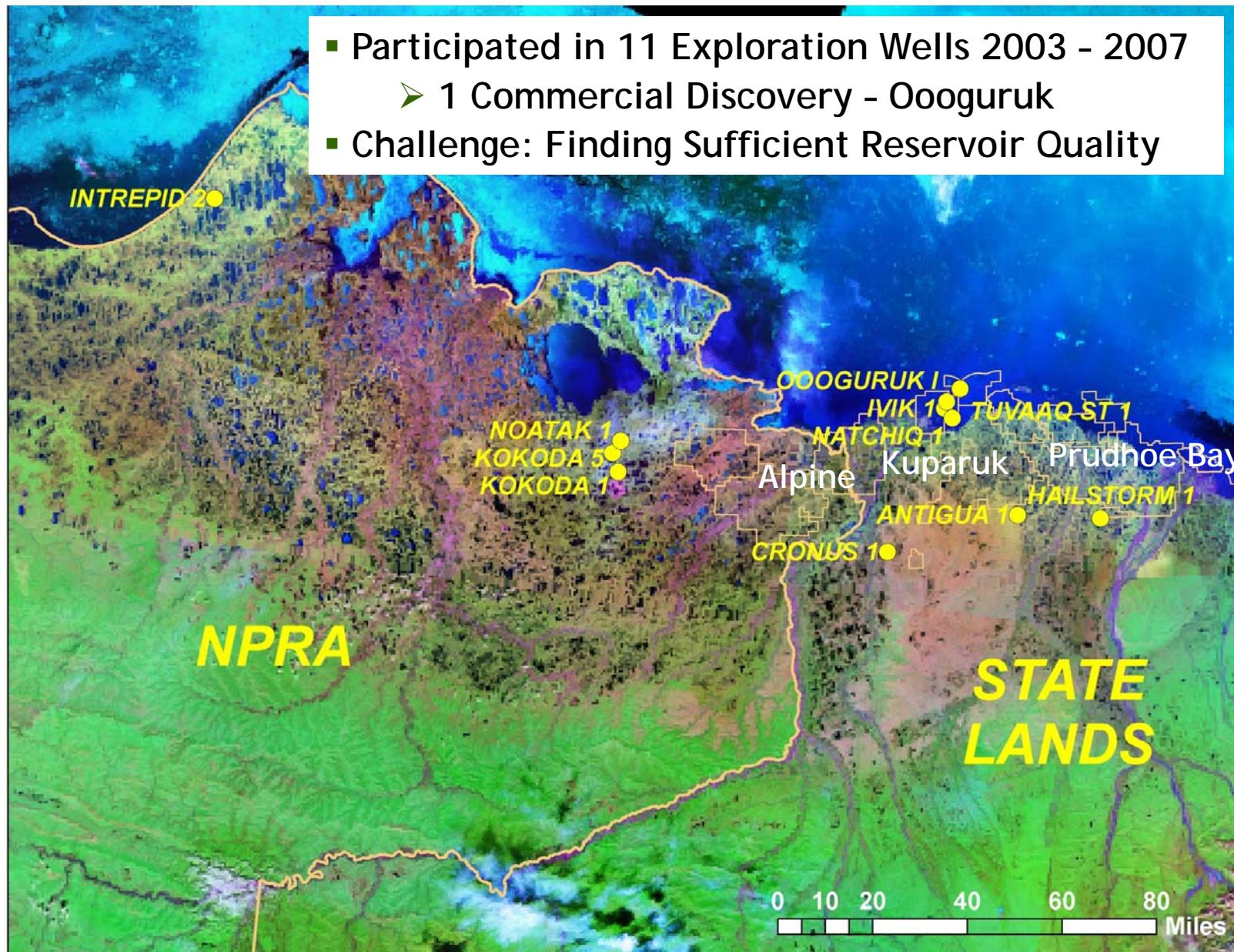
- Resource

	Alaska	Lower 48
Resource Report Card		
Resource Potential	✓	
Resource Competition	✓	
Geologic Risk		✓
Oil Bias	✓	
Regulatory Process Ease		✓
Land Acquisition	✓	

- Profitability

	Alaska	Lower 48
Profitability Report Card		
Cycle Times / Payback		✓
Execution Risk		✓
Capital Cost		✓
Operating Margins	✓	

North Slope Exploration History



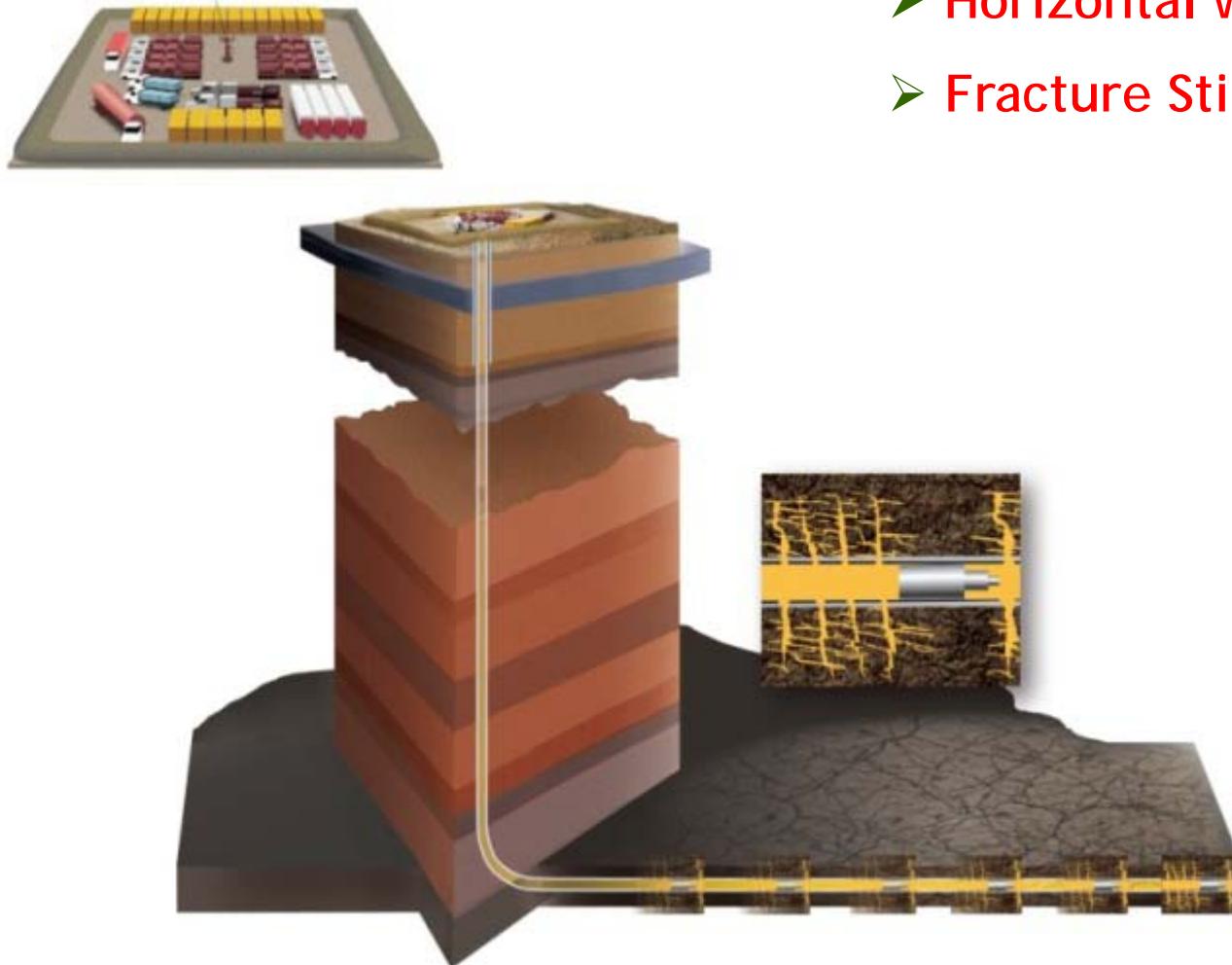
Oooguruk Profile

- Total CAPEX ~\$1Billion
- 5-Year Project Cycle-Time
- 600+ Jobs at Peak Construction
- First Production June 2008
- 2010 Production ~10MBOPD
- Gross Resource Potential 120-150MMBO



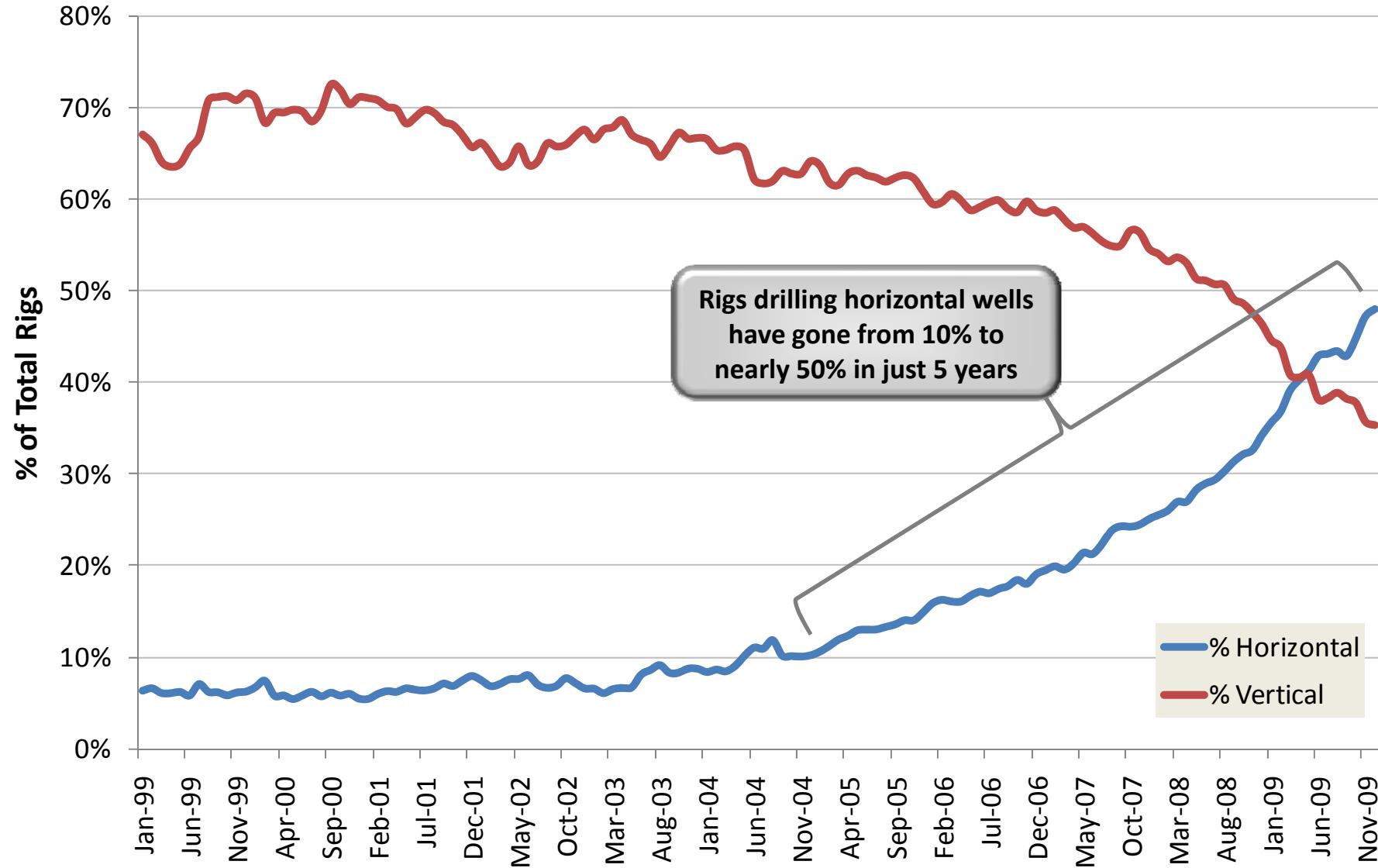
8 Years Later - What has Changed?

- Technology
- Oil and Gas Prices
- Resource Play Development
- Alaska's Severance Tax System

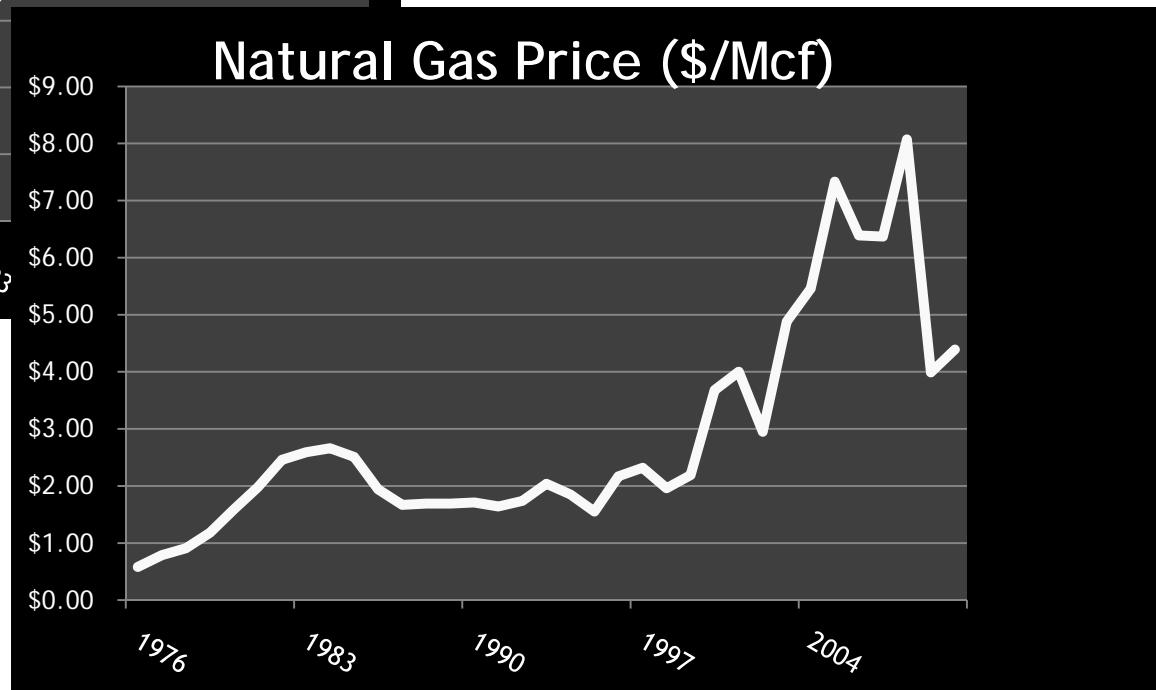
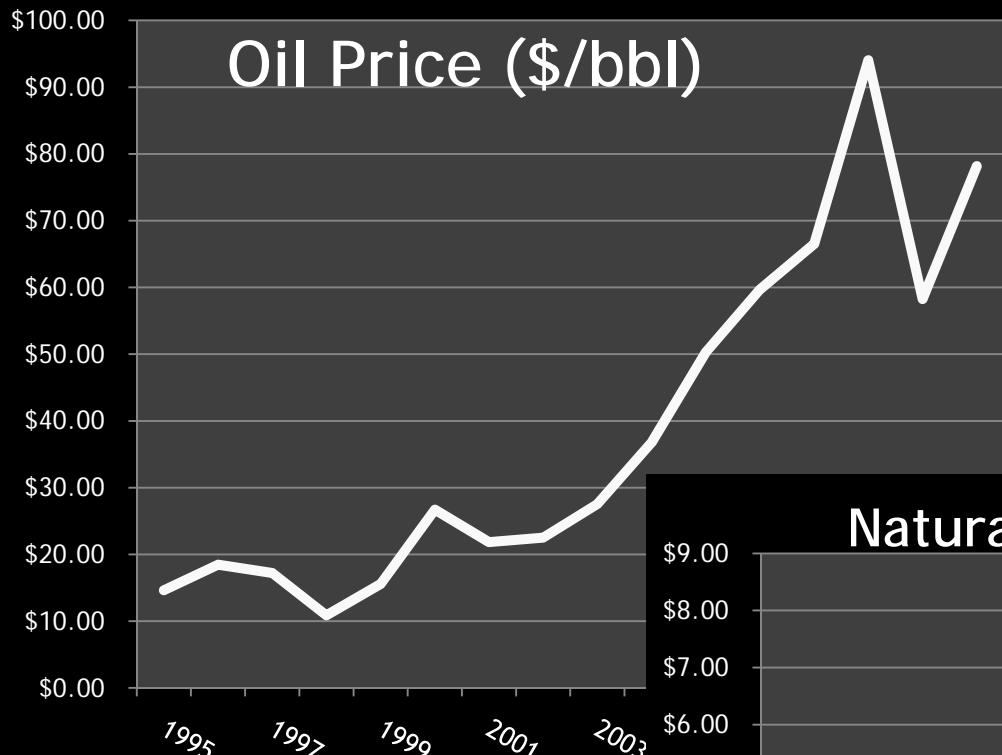


- Horizontal well improvements
- Fracture Stimulation

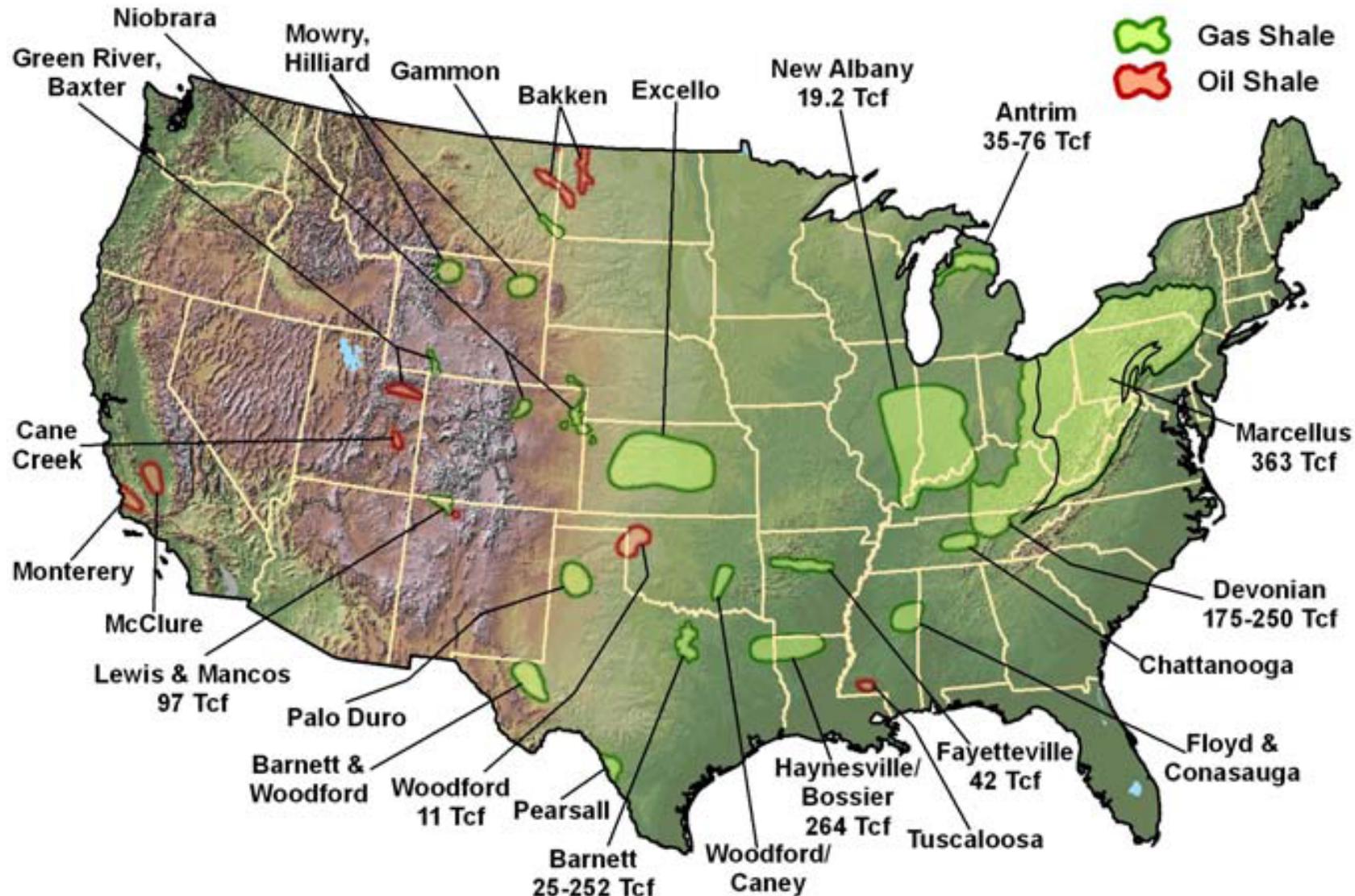
Growth in U.S. Horizontal Drilling



Oil and Gas Price History

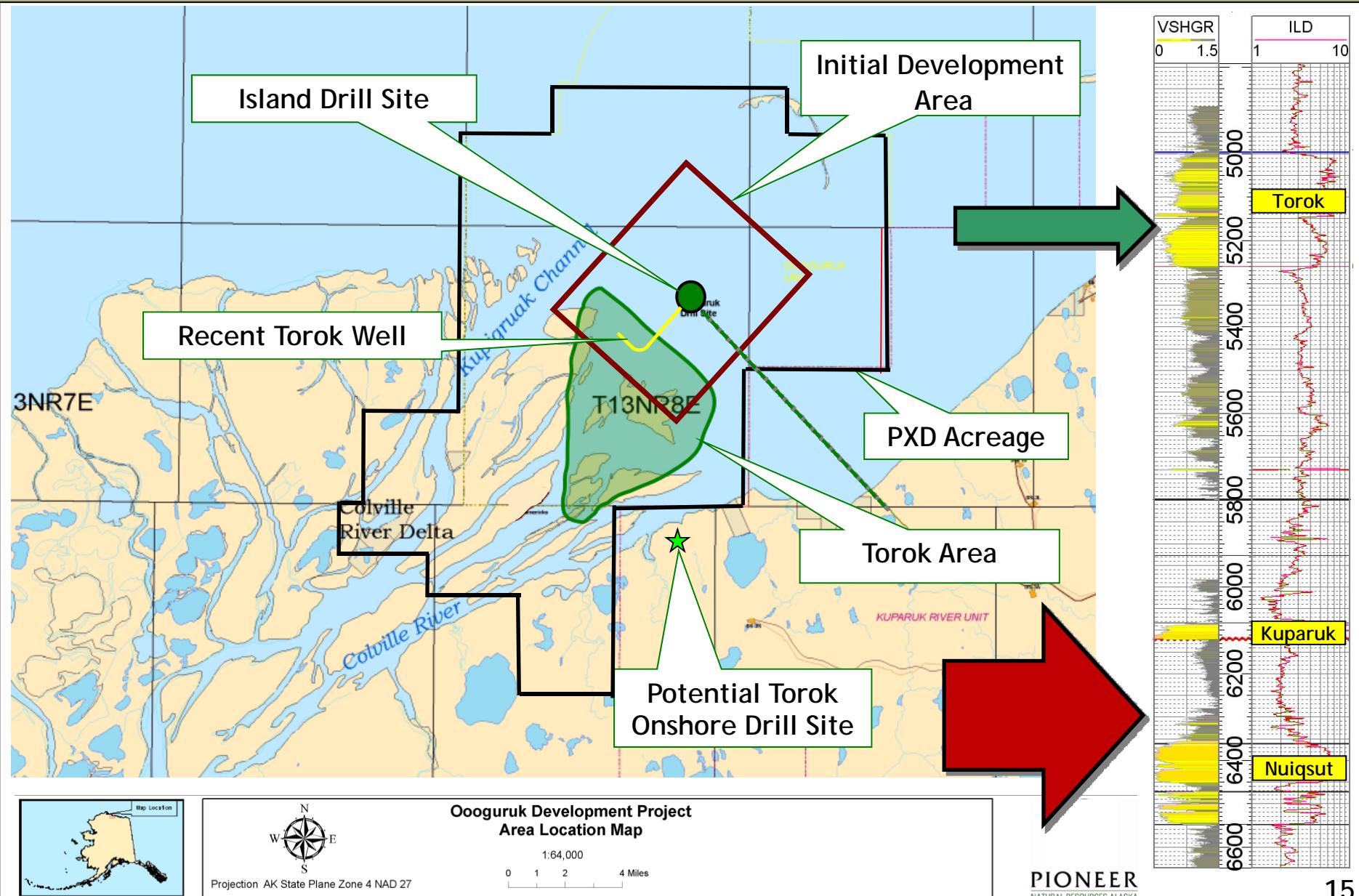


US Shale Resource Plays



- Pre 2007: ELF (Oooguruk Project Sanction)
 - Low Rate Fields - No Severance Tax
- 2007: PPT (Oooguruk Construction)
 - 20% Investment Tax Credit
 - 22.5% Net Profits Tax
 - No Progressivity
- 2008: ACES (Oooguruk First Production)
 - 20% Investment Tax Credit
 - 25% Base Tax Rate
 - Aggressive Progressivity (not indexed)
 - Maximum Tax Rate 75%

What's Next? Oooguruk Expansion

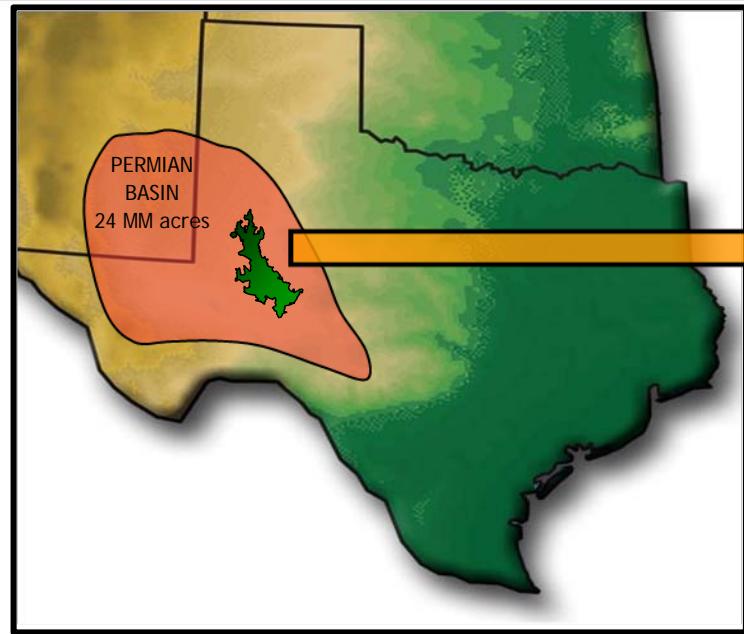


Expansion Project Scope

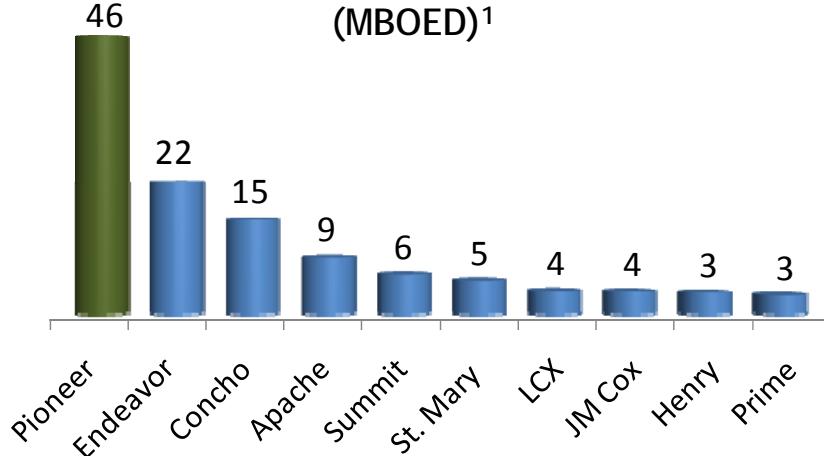
- 1 or 2 Onshore Drillsites connected to Oooguruk Tie-In Pad
- ~25 Development wells envisioned
- Large, but challenged oil resource
- Project contingent upon pilot waterflood success
- Must compete for funding with low risk, high margin projects in Lower 48



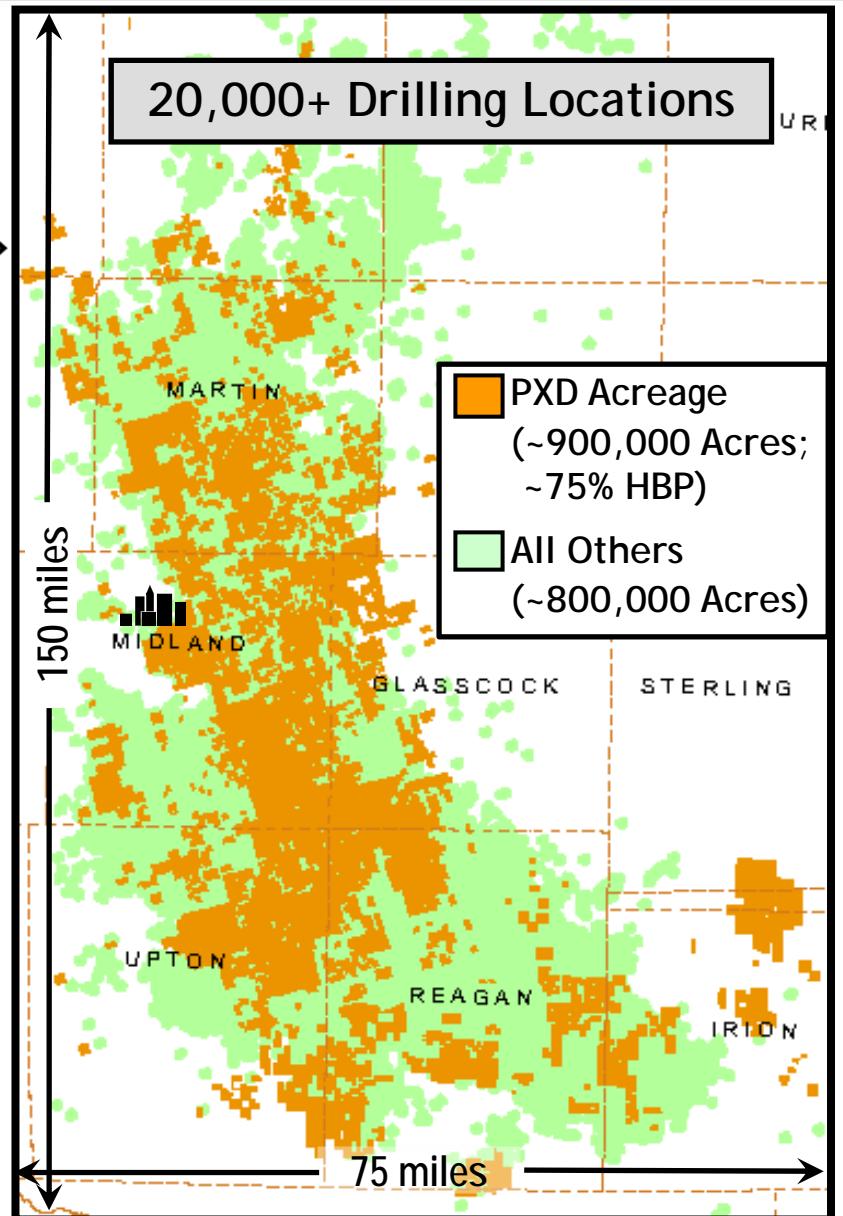
Competition - West Texas Spraberry Development



Spraberry Field Gross Production by Operator (MBOED)¹



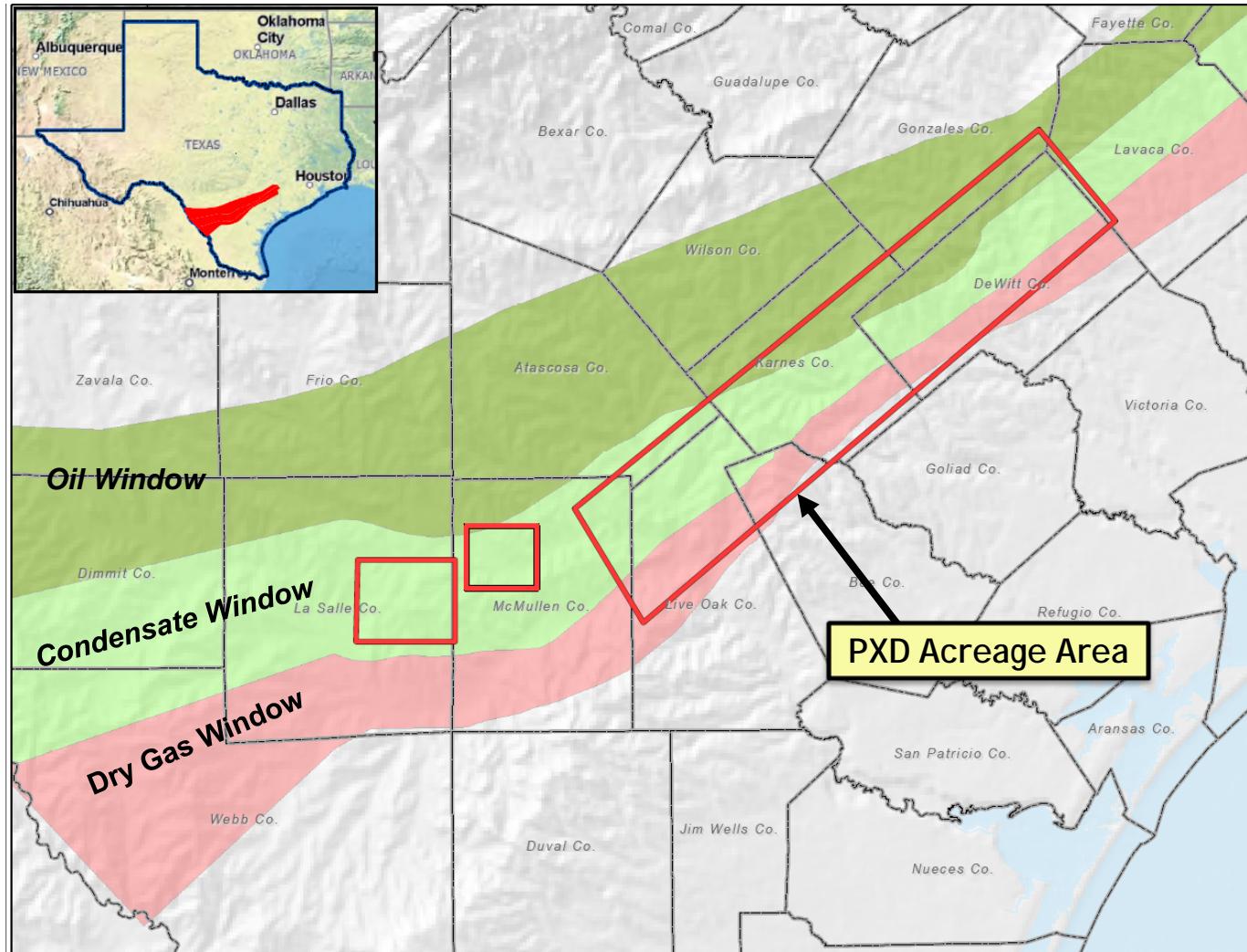
¹) Based on 2009 data from Railroad Commission of Texas



Competition: Eagle Ford Shale Development

Map source: PXD

- Gross resource potential of play: ~150 TCF¹
- >100 rigs currently running in the play



Current Alaska Scorecard

Alaska Relative to Lower 48 Resource Plays:

- Resource

	Alaska	Lower 48
Resource Report Card		
Resource Potential		✓
Resource Competition	✓	
Geologic Risk		✓
Oil Bias	✓	
Regulatory Process Ease		✓
Land Acquisition	✓	

- Profitability

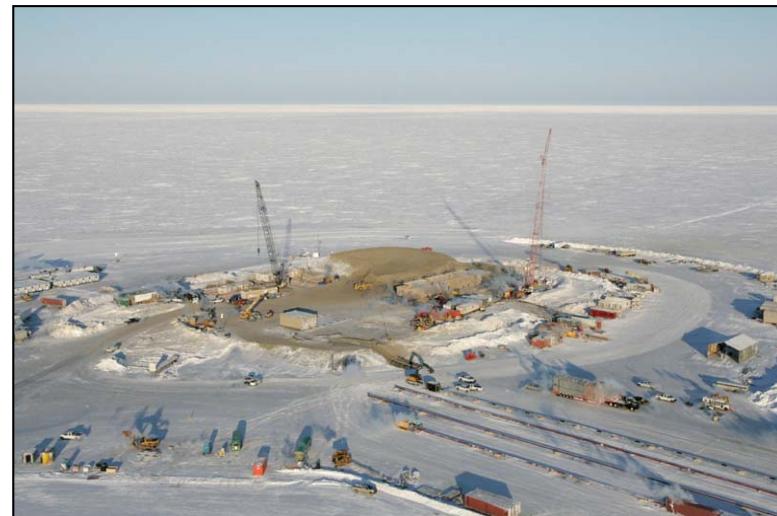
	Alaska	Lower 48
Profitability Report Card		
Cycle Times / Payback		✓
Execution Risk		✓
Capital Cost		✓
Operating Margins		✓

- Pioneer is evaluating an Oooguruk expansion that must compete with L48 resource plays with:

- Large resource potential in Pioneer's back yard
- Short project cycle times and high margins
- Very favorable fiscal terms
- Much lower capital cost

- Oooguruk Expansion

- New project - new barrels in TAPS
- Create ~500 construction jobs
- Create ~100 development jobs



- HB 110 will have a positive, material impact

- Increased investment credits for well related costs
- Indexing of progressivity
- Provide administrative certainty