

## NEWFIELD EXPLORATION COMPANY

### INSIDER TRADING POLICY

Amended and Restated Effective as of July 22, 2010

The Board of Directors (the “*Board*”) of Newfield Exploration Company (together with its subsidiaries, “*Newfield*”) adopted this Insider Trading Policy (this “*Policy*”) effective as of the date set forth above. This Policy applies to each director, officer, employee and consultant of Newfield. The Board reserves the right to amend or rescind this Policy or any portion of it at any time and to adopt different policies and procedures at any time. Please read this Policy carefully and, if you have any questions about it, please contact the compliance officer.

#### General Rule

In general, it is a violation of the United States federal securities laws for any person to buy or sell securities if he or she is aware of material inside information. Information is material if it could affect a person’s decision whether to buy, sell or hold the securities. It is inside information if it has not been publicly disclosed. Furthermore, it is illegal for any person in possession of material inside information to provide other people with such information or to recommend that they buy or sell the securities. (This is called “tipping.”) In that case, they may both be held liable. **Please note that the Securities and Exchange Commission (the “SEC”) has imposed large penalties even when the disclosing person did not profit from the trading.**

The SEC, stock exchanges and plaintiffs lawyers focus on uncovering illegal insider trading. The SEC and the stock exchanges use sophisticated electronic surveillance techniques to uncover insider trading. In addition, the SEC and the stock exchanges maintain a very extensive database of officers, directors and certain employees of public companies. It is quite possible that this database includes personal information about you, your relatives and other acquaintances. **As a result, if you or your acquaintances engage in insider trading, it is extremely likely that eventually it will be discovered and prosecuted.**

You are responsible for ensuring that you do not violate federal or state securities laws or this Policy. We have designed this Policy to promote compliance with the securities laws and to protect Newfield and you from the serious liabilities and penalties that can occur as a result from violations of these laws.

If you violate the federal insider trading laws, you may have to pay civil fines of up to three times the profit gained (or loss avoided) by the trading, as well as criminal fines of up to \$5,000,000. You also may have to serve a jail sentence of up to 25 years. In addition, punitive damages may be imposed under applicable state laws. The securities laws also subject controlling persons to civil penalties for illegal insider trading by employees, including employees located outside the United States. Controlling persons include Newfield and may include directors, officers and employees. Newfield could be subject to a criminal fine of up to \$25,000,000 and a civil fine of up to the greater of \$1,000,000 or three times the profit gained (or loss avoided) as a result of your insider trading violations.

Inside information does not belong to individual directors, officers, employees, consultants or others who may handle it or otherwise become aware of it. For any person to use such information for personal benefit or to disclose it to others outside of Newfield violates Newfield’s interests. More particularly, in connection with trading in Newfield’s securities, it is a fraud against members of the investing public and against Newfield.

#### To Whom Does this Policy Apply?

This Policy applies to all of Newfield’s directors, officers and employees, and to consultants and other people who gain access to material nonpublic information regarding Newfield. The restrictions may

also apply to any member of your immediate family or anyone acting on your behalf, and you are responsible for compliance with this Policy by those people. The SEC and prosecutors may presume that trading by family members is based on information that you supplied and treat those transactions as if you had traded yourself. There is no exception for small transactions or transactions that may seem necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure.

### **What Information is Material?**

All information that a reasonable investor would consider important in deciding whether to buy, sell or hold securities is material. Examples of some types of information that may be material are:

- financial results for the quarter or the year;
- projections of future earnings or losses or levels of production;
- impending bankruptcy or financial liquidity problems;
- results of exploratory, development or exploitation activities;
- possible mergers, acquisitions, joint ventures and other purchases and sales of companies or assets and investments in companies or assets;
- gain or loss of a substantial customer or supplier;
- gain or loss of important contracts;
- major financing developments;
- changes in dividend policy;
- significant pricing changes;
- stock splits and stock dividends;
- new equity or debt offerings;
- significant litigation exposure due to actual or threatened litigation; and
- major changes in senior management or other significant personnel changes.

### **Both positive and negative information may be material.**

### **When is Information Considered Public?**

Information is considered nonpublic until it is effectively disclosed to the public. We consider information to be effectively disclosed to the public only when:

- it has been released to the public through appropriate channels, such as by means of a press release or a public filing with the SEC; **and**
- enough time has elapsed to permit the investment market to absorb and evaluate the information.

Although timing may vary depending on the circumstances, for purposes of this Policy, you should consider information to be nonpublic until the second trading day after Newfield discloses it. For example, if Newfield issues a press release on Monday, regardless of the time of day, the information contained in that press release would be deemed publicly disclosed and trading would be permitted on Wednesday.

## Which Activities are Covered by this Policy?

It is important that you understand the scope of the activities that constitute illegal insider trading and the activities that are covered by this Policy.

1. ***Nondisclosure.*** Material inside information must not be disclosed to anyone, except to Newfield personnel whose positions require them to know it, until it has been released to the public by Newfield.

2. ***Trading in Newfield Securities.*** Except pursuant to a pre-approved trading plan otherwise complying with this Policy and the requirements of Rule 10b5-1(c) under the Securities Exchange Act of 1934, you may not:

- purchase or sell;
- place an order to purchase or sell; or
- recommend that another person purchase or sell

any of Newfield's securities when you have knowledge of material information concerning Newfield that has not been disclosed to the public. If you possess material inside information concerning Newfield, you must wait until the second trading day after the information has been publicly disclosed by Newfield before trading Newfield's securities. Newfield's securities include common stock, preferred stock, debt, convertible and any other securities that Newfield may issue from time to time.

Indirect "acquisitions" or "dispositions" arising from elections with respect to your common stock account under Newfield's 401(k) plan or Deferral plan are covered under this Policy. Similarly, an election to borrow money from your 401(k) account is covered under this Policy if the loan would result in the sale of any Newfield stock in your 401(k) account.

In addition, any Newfield stock that you acquire upon exercise of a stock option or pursuant to Newfield's employee stock purchase plan will be treated like any other Newfield stock, and may not be sold by you if you are in possession of material inside information. Please remember that a "cashless" exercise of a stock option and the simultaneous sale of the shares are covered under this Policy just like any other purchase or sale of a Newfield security.

3. ***Trading Restrictions Applicable to the Preclearance Group.*** Newfield's officers and directors are required to comply with the following preclearance procedures at all times, and other employees may be informed by the compliance officer or his or her designee that they are required to comply with these procedures on a permanent or temporary basis. For purposes of this Policy, these individuals are referred to as the "***Preclearance Group.***"

Members of the Preclearance Group must preclear all transactions in Newfield securities with the compliance officer or his or her designee. Approved preclearance requests are valid for up to five business days beginning on the date of the preclearance approval (unless otherwise determined by the compliance officer or his or her designee), and must be renewed if you fail to execute the purchase or sale within such time.

In addition, if you are a member of the Preclearance Group, you may trade only during an approved trading period that begins on the second trading day after the issuance of Newfield's earnings release for the preceding quarter and ends on the last day of the current quarter.

4. ***Trading in the Securities of Other Companies.*** You may not:

- purchase or sell;
- place an order to purchase or sell; or
- recommend that another person purchase or sell

the securities of another company if you learn in the course of your employment or involvement with Newfield confidential information about the other company that is likely to affect the value of those securities. For example, it would be a violation of this Policy and the securities laws if you learned through Newfield sources that Newfield intended to purchase assets from a company and then, before that information became public, you bought or sold stock of that other company because of the likely increase or decrease in the value of its securities.

5. ***Avoid Speculation.*** You are strongly encouraged to avoid speculating in Newfield's securities. Through several plans and programs, we offer opportunities to invest in Newfield. But investing means buying to share in Newfield's growth – it does not mean short-term speculation based on fluctuations in the market. You are strongly encouraged to avoid frequent trading in Newfield securities.

6. ***Margin Accounts and Pledges.*** Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. Such a margin or foreclosure sale may occur at a time when you are aware of material nonpublic information or otherwise are not permitted to trade in Newfield securities. Accordingly, Newfield officers and directors are prohibited from holding Newfield securities in a margin account or pledging Newfield securities as collateral for a loan, and we strongly encourage all other Newfield employees to avoid doing so.

7. ***Prohibition on Trading in Options and "Short" Sales.*** Trading in options, warrants, puts and calls and selling stock "short" (the sale of a security at a time when the seller does not own the security) are highly speculative and very risky. People who buy options are betting that the stock price will move rapidly. For that reason, when a person trades in options in his or her employer's stock, it will arouse suspicion in the eyes of the SEC that the person was trading on the basis of inside information, particularly where the trading occurs before a Newfield announcement or major event. It is difficult for an employee to prove that he or she did not know about the announcement or event.

If the SEC or a stock exchange were to notice active options trading or "short" sales by one or more of Newfield's directors, employees, officers or consultants before an announcement, they would investigate. Such an investigation could be embarrassing to Newfield (as well as expensive) and could result in severe penalties and expense for the persons involved.

**For all of these reasons, all directors, officers and employees are prohibited from trading in options, warrants, puts and calls on any of Newfield's securities or selling any of Newfield's securities "short."**

## **Other Securities Matters**

Section 16(b) of the Securities Exchange Act of 1934 provides that any executive officer, director or holder of 10% or more of Newfield's securities who makes both a purchase and a sale or a sale and a purchase of Newfield's securities within a period of six months must, unless an available exemption applies, pay to Newfield any gain (or loss avoided) by such transactions. Section 16(b) may continue to be applicable to officers and directors for a six month period after they cease to serve in that capacity. If you are, or were within the preceding six months, an executive officer or director of Newfield, before effecting any transaction in Newfield securities you should consult with the compliance officer regarding the implications of Section 16(b).

If you hold "restricted securities," you should consult with the compliance officer prior to selling any of those securities. Restricted securities are those that cannot be resold unless (a) registered under the Securities Act of 1933, (b) sold pursuant to Rule 144 under the Securities Act or (c) disposed of pursuant to another exception from the registration requirements of the Securities Act.

## **Personal Responsibility; Assistance**

You should remember that you bear the ultimate responsibility for adhering to this Policy and avoiding improper trading. If you violate this Policy, Newfield may take disciplinary action against you, including termination of employment. If you have any questions about this Policy or the application of this Policy to your particular case, you should seek additional guidance from the compliance officer or his or her designee. In addition, Frequently Asked Questions and other training materials related to this Policy will be made available from time to time on the Newfield intranet site.