EOG Resources, Inc.

EOG Resources Reports Second Quarter 2010 Results

• Records 43 Percent Total Crude Oil and Condensate Production Increase Over Second Quarter 2009

• Announces Likely 65 Million Barrel Equivalent Horizontal Crude Oil Discovery in New Mexico

•Reports Two Exceptional Haynesville Wells in Texas Core Area

•On Track to Achieve 13 Percent Total Company Organic Production Growth in 2010

HOUSTON – EOG Resources, Inc. (EOG) today reported second quarter 2010 net income of $59.9 million, or $0.24 per share. This compares to a second quarter 2009 net loss of $16.7 million, or $0.07 per share.

The results for the second quarter 2010 included a $2.5 million ($1.4 million after tax, or $0.01 per share) revision in the estimated fair value of a contingent consideration liability associated with a previously disclosed acquisition of unproved acreage and a previously disclosed non-cash net gain of $37.0 million ($23.7 million after tax, or $0.09 per share) on the mark-to-market of financial commodity transactions. During the quarter, the net cash inflow related to financial commodity contracts was $15.9 million ($10.1 million after tax, or $0.04 per share). Consistent with some analysts' practice of matching realizations to settlement months, and making certain other adjustments in order to exclude one-time items, adjusted non-GAAP EOG Resources, Inc.   P.O. Box 4362 Houston, TX 77210-4362 net income for the quarter was $44.9 million, or $0.18 per share. Adjusted non-GAAP net income for the second quarter 2009 was $183.6 million, or $0.73 per share. (Please refer to the attached tables for the reconciliation of adjusted non-GAAP net income to GAAP net income.)

Operational Highlights and Targets During the second quarter, total company crude oil and condensate production increased 43 percent over the same period in 2009. Production increases were greatest from the North Dakota Williston Basin where drilling and production results have proven consistent. In the Bakken Core, the Van-Hook 7-23H and Fertile 37-07H came on-line at 2,525 and 1,654 barrels of crude oil per day (Bopd), respectively. EOG has 99 and 81 percent working interest, respectively in these Mountrail County wells. EOG is drilling development prospects in the Bakken Core, Bakken Lite and Three Forks Formations with a 12-rig program.

EOG announced success from a portion of its acreage tested in the Leonard Shale, a horizontal crude oil play in southeastern New Mexico. The four vertical and seven horizontal wells that EOG has completed in this new area have production characteristics similar to the Barnett Shale Combo - crude oil with a liquids rich natural gas stream contributing to strong well economics. Initial production rates from the Lomas Rojas 26 #1H and #2H were 710 Bopd with 1.7 million cubic feet per day (MMcfd) of liquids rich natural gas and 800 Bopd with 1.5 MMcfd of liquids rich natural gas, respectively. EOG has 100 percent working interest in these two horizontal wells. Based on drilling results to date and other industry data points, EOG estimates the likely reserves on 31,000 of its 120,000 net acres in the play are approximately 65 million barrels of crude oil equivalent, net after royalty.

The Barnett Shale Combo, where EOG is operating a 14-rig drilling program, also continues to add to EOG's crude oil production profile. In Montague County, EOG reported strong results from three horizontal wells. The King #1H began production at 344 Bopd with 2.5 MMcfd of natural gas, the Olden B#1H was completed at 323 Bopd with 1.7 MMcfd of natural gas and the Alamo B#6H commenced production at 500 Bopd. EOG has 98 percent, 97 percent and 96 percent working interest in the wells, respectively. To further test the concept of horizontal drilling in an area previously designated for vertical wells, EOG completed the Richardson #3H in far western Cooke County. The well, in which EOG has a 92 percent working interest, began production at 325 Bopd and is still cleaning up after frac treatment. These Combo wells are producing at restricted rates to minimize frac sand flowback.

In the Eagle Ford horizontal crude oil shale play in South Texas, EOG also reported consistent production results. The Darlene #2H, in which EOG has 50 percent working interest, commenced production at 1,033 Bopd with 423 thousand cubic feet per day (Mcfd) of natural gas. Recently, EOG completed its first two wells in Wilson County. The Borgfeld #1H and #2H began production at 707 and 836 Bopd, respectively. EOG has 100 percent working interest in the wells. As previously reported, EOG is operating a modest five-rig drilling program while gathering and interpreting additional 3D seismic data. To date, EOG has drilled and completed 31 wells and has 25 wells awaiting completion across its 505,000 net acre position in the Eagle Ford trend's mature crude oil window. Toward year-end, EOG plans to ramp up drilling activity to a 12-rig program and operate an average of 14 rigs during 2011.

In the Haynesville, EOG drilled two wells that may be among the industry's most prolific to date in the entire play. Due to pipeline constraints, the 30-day average restricted flow rates from the Crane #26-1H and Murray #1H were 27 and 25 MMcfd of natural gas at 7,800 and 8,100 psi flowing pressure, respectively. The wells had initial production rates of 32 and 30 MMcfd at 9,700 and 9,200 psi flowing pressure, respectively. EOG has 96 percent working interest in these Texas core area wells. Extending the boundary of the sweet spot further east into San Augustine County, Texas, the Walters #1H was completed with a restricted initial production rate of 21 MMcfd of natural gas. EOG has 49 percent working interest in this well. EOG confirmed success from the Bossier Formation in DeSoto Parish, Louisiana with the Red River 5#3H. EOG has a 100 percent working interest in the well, which began production at over 15 MMcfd of natural gas. In the Niobrara Formation in Colorado, EOG is operating a four-rig exploratory drilling program currently concentrating on 100,000 of its 400,000 total net acre position. During the second quarter, EOG drilled and completed the Critter Creek #02-03H and Critter Creek #04- 09H, which are producing at managed restricted rates of 570 and 600 Bopd, respectively. EOG has 100 percent working interest in these wells.

“For the first time in EOG’s history, during the second quarter total revenues generated from crude oil, condensate and natural gas liquids production exceeded those from natural gas. This mix is in-line with EOG’s target to organically evolve toward a predominantly liquids weighted portfolio in North America by 2011 to 2012,” said Mark G. Papa, Chairman and Chief Executive Officer.

Capital Structure At June 30, 2010, EOG’s total debt was $3,734 million for a debt-to-total capitalization ratio of 27 percent. Taking into account cash on the balance sheet of $650 million, at the end of the quarter EOG’s net debt was $3,084 million and the net debt-to-total capitalization ratio was 23 percent. (Please refer to the attached tables for the reconciliation of net debt (non-GAAP) to current and long-term debt (GAAP) and the reconciliation of net debt-to-total capitalization ratio (non-GAAP) to debt-to-total capitalization ratio (GAAP).)

As EOG continues to pursue its extensive organic high rate-of-return horizontal crude oil and liquids rich investment opportunities, it is making incremental capital expenditures for crude oil related facilities and infrastructure. To maximize long-term project economics on crude oil developments such as the Eagle Ford, EOG is raising its 2010 capital expenditure program by $500 million from previous estimates. The increase will be offset by a greater amount of acreage sales than previously anticipated.

“We plan to sell certain non-core North American producing natural gas assets, as well as acreage in both natural gas and liquids plays, to execute the drilling and development of our suite of outstanding horizontal oil drilling opportunities. The cash generated will partially fund our capex program in 2010 and 2011,” Mr. Papa said. “In addition, we are focused on maintaining a strong balance sheet, while on track to deliver 13 percent total company organic production growth this year.”

Conference Call Scheduled for August 6, 2010 EOG’s second quarter 2010 results conference call will be available via live audio webcast at 8 a.m. Central Daylight Time (9 a.m. Eastern Daylight Time) on Friday, August 6, 2010. To listen, log on to www.eogresources.com. The webcast will be archived on EOG’s website through August 20, 2010.

EOG Resources, Inc. is one of the largest independent (non-integrated) oil and natural gas companies in the United States with proved reserves in the United States, Canada, Trinidad, the United Kingdom and China. EOG Resources, Inc. is listed on the New York Stock Exchange and is traded under the ticker symbol “EOG.”

This press release, including the accompanying forecast and benchmark commodity pricing information, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, including, among others, statements and projections regarding EOG's future financial position, operations, performance, business strategy, returns, budgets, reserves, levels of production and costs and statements regarding the plans and objectives of EOG's management for future operations, are forward-looking statements. EOG typically uses words such as "expect," "anticipate," "estimate," "project," "strategy," "intend," "plan," "target," "goal," "may," "will" and "believe" or the negative of those terms or other variations or comparable terminology to identify its forward-looking statements. In particular, statements, express or implied, concerning EOG's future operating results and returns or EOG's ability to replace or increase reserves, increase production or generate income or cash flows are forward-looking statements. Forward-looking statements are not guarantees of performance. Although EOG believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, EOG's forward-looking statements may be affected by known and unknown risks, events or circumstances that may be outside EOG's control. Important factors that could cause EOG's actual results to differ materially from the expectations reflected in EOG's forward-looking statements include, among others:

• the timing and extent of changes in prices for natural gas, crude oil and related commodities;

• changes in demand for natural gas, crude oil and related commodities, including ammonia and methanol;

• the extent to which EOG is successful in its efforts to discover and market reserves and to acquire natural gas and crude oil properties;

• the extent to which EOG can optimize reserve recovery and economically develop its plays utilizing horizontal and vertical drilling and advanced completion technologies;

• the extent to which EOG is successful in its efforts to economically develop its acreage in, and to produce reserves and achieve anticipated production levels from, its existing and future natural gas and crude oil exploration and development projects, given the risks and uncertainties inherent in drilling, completing and operating natural gas and crude oil wells and the potential for interruptions of production, whether involuntary or intentional as a result of market or other conditions;

• the availability, proximity and capacity of, and costs associated with, gathering, processing, compression and transportation facilities;

• the availability, cost, terms and timing of issuance or execution of, and competition for, mineral licenses and leases and governmental and other permits and rights of way;

• changes in government policies, laws and regulations, including environmental and tax laws and regulations;

• competition in the oil and gas exploration and production industry for employees and other personnel, equipment, materials and services and, related thereto, the availability and cost of employees and other personnel, equipment, materials and services;

• EOG's ability to obtain access to surface locations for drilling and production facilities;

• the extent to which EOG's third-party-operated natural gas and crude oil properties are operated successfully and economically;

• EOG's ability to effectively integrate acquired natural gas and crude oil properties into its operations, fully identify existing and potential problems with respect to such properties and accurately estimate reserves, production and costs with respect to such properties;

• weather, including its impact on natural gas and crude oil demand, and weather-related delays in drilling and in the installation and operation of production, gathering, processing, compression and transportation facilities;

• the ability of EOG's customers and other contractual counterparties to satisfy their obligations to EOG and, related thereto, to access the credit and capital markets to obtain financing needed to satisfy their obligations to EOG;

• EOG's ability to access the commercial paper market and other credit and capital markets to obtain financing on terms it deems acceptable, if at all;

• the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise;

• the timing and extent of changes in foreign currency exchange rates, interest rates, inflation rates, global and domestic financial market conditions and global and domestic general economic conditions;

• political developments around the world, including in the areas in which EOG operates;

• the extent and effect of any hedging activities engaged in by EOG;

• the timing and impact of liquefied natural gas imports;

• the use of competing energy sources and the development of alternative energy sources;

• the extent to which EOG incurs uninsured losses and liabilities;

• acts of war and terrorism and responses to these acts; and • the other factors described under Item 1A, "Risk Factors," on pages 14 through 19 of EOG's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements may not occur, and, if any of such events do, we may not have anticipated the timing of their occurrence or the extent of their impact on our actual results. Accordingly, you should not place any undue reliance on any of EOG's forward-looking statements. EOG's forward-looking statements speak only as of the date made and EOG undertakes no obligation, other than as required by applicable law, to update or revise its forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

Effective January 1, 2010, the United States Securities and Exchange Commission (SEC) now permits oil and gas companies, in their filings with the SEC, to disclose not only “proved” reserves (i.e., quantities of oil and gas that are estimated to be recoverable with a high degree of confidence), but also “probable” reserves (i.e., quantities of oil and gas that are as likely as not to be recovered) as well as “possible” reserves (i.e., additional quantities of oil and gas that might be recovered, but with a lower probability than probable reserves). As noted above, statements of reserves are only estimates and may not correspond to the ultimate quantities of oil and gas recovered. Any reserve estimates provided in this press release that are not specifically designated as being estimates of proved reserves may include estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC’s latest reserve reporting guidelines. Investors are urged to consider closely the disclosure in EOG’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009, available from EOG at P.O. Box 4362, Houston, Texas 77210-4362 (Attn: Investor Relations). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC’s website at www.sec.gov.
