UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

June 27, 2019
Date of Report (Date of earliest event reported)

DEVON ENERGY CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	001-32318	73-1567067
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

333 W. SHERIDAN AVE., OKLAHOMA CITY, OK	73102-5015
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (405) 235-3611

Former Name or Former Address, if Changed Since Last Report: Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.10 per share	**DVN**	**The New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.01 Completion of Acquisition or Disposition of Assets

As previously disclosed, Devon Canada Corporation and Devon Canada Crude Marketing Corporation (collectively, the "Sellers"), each a wholly-owned subsidiary of Devon Energy Corporation (the "Company"), entered into an Agreement of Purchase and Sale (the "Purchase Agreement") with Canadian Natural Resources Limited (the "Purchaser"), pursuant to which the Sellers agreed to sell substantially all of their oil and gas assets and operations in Canada to the Purchaser for CAD $3.8 billion (USD $2.8 billion) in cash, subject to certain purchase price adjustments.

On June 27, 2019, the transactions contemplated by the Purchase Agreement were completed, pursuant to which the Sellers received proceeds, net of purchase price adjustments, of CAD $3.4 billion (USD $2.6 billion) from the Purchaser.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby is not complete and is subject to and qualified in its entirety by reference to the Purchase Agreement, a copy of which is included as Exhibit 2.1 to the Company's Form 8-K, filed with the Securities and Exchange Commission on May 31, 2019, and the terms of which are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On June 27, 2019, the Company issued a press release in connection with the closing of the transactions described in Item 2.01 above.

The information in Item 7.01 of this Current Report and in Exhibit 99.1 attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 7.01 of this Current Report and in Exhibit 99.1 attached hereto shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits

(b) Pro Forma Financial Information

The unaudited pro forma consolidated financial information of the Company giving effect to the transactions described in Item 2.01 above is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein.

(d) Exhibits

Exhibit Number	Description of Exhibits
2.1	Agreement of Purchase and Sale, dated as of May 28, 2019, among Devon Canada Corporation, Devon Canada Crude Marketing Corporation and Canadian Natural Resources Limited (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed May 31, 2019; File No. 001-32318).
99.1	Press release dated June 27, 2019.
99.2	Unaudited Pro Forma Consolidated Financial Information of Devon Energy Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DEVON ENERGY CORPORATION

Date: July 3, 2019

/s/ Jeremy D. Humphers

Jeremy D. Humphers
Senior Vice President and Chief Accounting Officer

Exhibit 99.1

NEWS RELEASE

Devon Energy Completes Sale of Canadian Business

OKLAHOMA CITY — June 27, 2019 — Devon Energy Corp. (NYSE: DVN) today announced that it has completed the sale of its Canadian business to Canadian Natural Resources Limited for CAD $3.8 billion, or USD $2.8 billion. Devon received net proceeds of USD $2.5 billion, after adjusting for purchase price adjustments and estimated taxes associated with the sale. The company plans to repatriate the net sales proceeds along with Canadian cash balances of approximately USD $500 million to the U.S. to repay debt.

To complete the company's transformation to a high-return U.S. oil growth business, Devon continues to advance the divestiture process for its Barnett Shale gas assets in north Texas. The Barnett assets are currently being marketed and the company expects to exit the assets by the end of 2019.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company. These risks include, but are not limited to: the amount of net proceeds and other cash ultimately repatriated, and the ultimate use of such cash; changes in commodity prices, market conditions or other circumstances that could negatively impact the company's ability to complete the anticipated debt repurchase; our ability to successfully exit the Barnett assets and the timing of any such transaction; and the other risks identified in the Company's Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission (SEC). 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. The forward-looking statements in this press release are made as of the date hereof, and the company does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

About Devon Energy

Devon Energy is a leading independent energy company engaged in finding and producing oil and natural gas. Based in Oklahoma City and included in the S&P 500, Devon operates in several of the most prolific oil and natural gas plays in the U.S. with an emphasis on achieving strong returns and capital-efficient cash-flow growth. For more information, please visit www.devonenergy.com .

Investor Contacts
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Exhibit 99.2

DEVON ENERGY CORPORATION
Unaudited Pro Forma Consolidated Financial Information

Introduction

On June 27, 2019, Devon Energy Corporation (the "Company" or "Devon") completed the previously announced Canadian divest transaction, pursuant to which Devon Canada Corporation and Devon Canada Crude Marketing Corporation (collectively, the "Sellers") sold substantially all of their oil and gas assets and operations in Canada to Canadian Natural Resources Limited (the "Purchaser") and received proceeds, net of purchase price adjustments, of USD $2.6 billion (CAD $3.4 billion). Because this disposition represents a strategic shift in the Company's Canadian business, the Company's Canadian financial information is being recast as discontinued operations.

The Company is using a portion of the proceeds from the sale of Devon's Canadian operations to reduce debt. The pro forma consolidated financial information below includes the early retirement of Devon's $500 million 4.00% Senior Notes due July 15, 2021 and $1.0 billion 3.25% Senior Notes due May 15, 2022 because they are scheduled to be redeemed on July 27, 2019.

The unaudited pro forma consolidated financial information has been prepared in conformity with Article 11 of Regulation S-X. In addition, this unaudited pro forma consolidated financial information is based on currently available information and assumptions the Company believes are reasonable. This unaudited pro forma consolidated financial information is presented for informational purposes only and does not purport to represent what the Company's results of operations or financial position would have been had the disposition of Devon's Canadian operations occurred on the dates indicated, or to project the results of operations for any future periods.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2019
(In millions, except per share amounts)

	As Reported	Pro Forma Adjustments (a)	Pro Forma
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,327	$ —	$ 1,973
		2,633	
		(12)	
		(1,500)	
		(65)	
		(410)	
Cash restricted for discontinued operations	—	410	410
Accounts receivable	1,038	(153)	885
Other current assets	338	(56)	282
Total current assets	2,703	847	3,550
Oil and gas property and equipment, based on successful efforts accounting, net	12,766	(3,858)	8,908
Other property and equipment, net	1,098	(68)	1,030
Total property and equipment, net	13,864	(3,926)	9,938
Goodwill	841	—	841
Right-of-use assets	365	(6)	359
Other long-term assets	304	31	335
Total assets	$ 18,077	$ (3,054)	$ 15,023
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	$ 603	$ (98)	$ 505
Revenues and royalties payable	850	(10)	840
Other current liabilities	515	123	638
Total current liabilities	1,968	15	1,983
Long-term debt	5,786	(1,494)	4,292
Lease liabilities	298	(2)	296
Asset retirement obligations	938	(415)	523
Other long-term liabilities	458	—	458
Deferred income taxes	772	(350)	422
Equity:			
Common stock, $0.10 par value. Authorized 1.0 billion shares; issued 417 million in 2019	42	—	42
Additional paid-in capital	3,518	—	3,518
Retained earnings	3,280	386	3,666
Accumulated other comprehensive earnings (loss)	1,064	(1,194)	(130)
Treasury stock, at cost, 1.5 million shares in 2019	(47)	—	(47)
Total stockholders' equity	7,857	(808)	7,049
Total liabilities and equity	$ 18,077	$ (3,054)	$ 15,023

DEVON ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENTS OF EARNINGS
Quarter Ended March 31, 2019
(In millions, except per share amounts)

	As Reported	Pro Forma Adjustments (b)	Pro Forma
Upstream revenues	$ 710	$ (247)	$ 463
Marketing revenues	791	(26)	765
Total revenues	1,501	(273)	1,228
Production expenses	506	(141)	365
Exploration expenses	13	(9)	4
Marketing expenses	759	(9)	750
Depreciation, depletion and amortization	459	(79)	380
Asset dispositions	(44)	—	(44)
General and administrative expenses	153	(18)	135
Financing costs, net	73	(13)	60
Restructuring and transaction costs	54	(3)	51
Other expenses	(45)	28	(17)
Total expenses	1,928	(244)	1,684
Loss from continuing operations before income taxes	(427)	(29)	(456)
Income tax benefit	(110)	—	(110)
Net loss from continuing operations	$ (317)	$ (29)	$ (346)
Net loss from continuing operations per share:			
Basic	$ (0.74)	$ (0.07)	$ (0.81)
Diluted	$ (0.74)	$ (0.07)	$ (0.81)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENTS OF EARNINGS
Year Ended December 31, 2018
(In millions, except per share amounts)

	As Reported	Pro Forma Adjustments (b)	Pro Forma
Upstream revenues	$ 6,285	$ (965)	$ 5,320
Marketing revenues	4,449	(95)	4,354
Total revenues	10,734	(1,060)	9,674
Production expenses	2,225	(605)	1,620
Exploration expenses	177	(48)	129
Marketing expenses	4,363	(42)	4,321
Depreciation, depletion and amortization	1,658	(330)	1,328
Asset impairments	156	—	156
Asset dispositions	(263)	—	(263)
General and administrative expenses	650	(76)	574
Financing costs, net	594	(14)	580
Restructuring and transaction costs	114	(17)	97
Other expenses	140	(182)	(42)
Total expenses	9,814	(1,314)	8,500
Earnings from continuing operations before income taxes	920	254	1,174
Income tax expense	156	124	280
Net earnings from continuing operations	$ 764	$ 130	$ 894
Net earnings from continuing operations per share:			
Basic	$ 1.53	$ 0.26	$ 1.79
Diluted	$ 1.52	$ 0.26	$ 1.78

DEVON ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENTS OF EARNINGS
Year Ended December 31, 2017
(In millions, except per share amounts)

	As Reported	Pro Forma Adjustments (b)	Pro Forma
Upstream revenues	$ 5,307	$ (1,494)	$ 3,813
Marketing revenues	3,571	(58)	3,513
Total revenues	8,878	(1,552)	7,326
Production expenses	1,823	(591)	1,232
Exploration expenses	380	(34)	346
Marketing expenses	3,619	(60)	3,559
Depreciation, depletion and amortization	1,529	(380)	1,149
Asset dispositions	(217)	(1)	(218)
General and administrative expenses	737	(92)	645
Financing costs, net	317	4	321
Other expenses	(83)	104	21
Total expenses	8,105	(1,050)	7,055
Earnings from continuing operations before income taxes	773	(502)	271
Income tax expense (benefit)	15	(8)	7
Net earnings from continuing operations	$ 758	$ (494)	$ 264
Net earnings from continuing operations per share:			
Basic	$ 1.44	$ (0.94)	$ 0.50
Diluted	$ 1.43	$ (0.94)	$ 0.49

DEVON ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENTS OF EARNINGS
Year Ended December 31, 2016
(In millions, except per share amounts)

	As Reported	Pro Forma Adjustments (b)	Pro Forma
Upstream revenues	$ 3,981	$ (988)	$ 2,993
Marketing revenues	2,772	(43)	2,729
Total revenues	6,753	(1,031)	5,722
Production expenses	1,805	(492)	1,313
Exploration expenses	215	(39)	176
Marketing expenses	2,821	(45)	2,776
Depreciation, depletion and amortization	1,592	(414)	1,178
Asset impairments	437	(2)	435
Asset dispositions	(1,496)	541	(955)
General and administrative expenses	733	(96)	637
Financing costs, net	717	1	718
Restructuring and transaction costs	261	(19)	242
Other expenses	101	(60)	41
Total expenses	7,186	(625)	6,561
Loss from continuing operations before income taxes	(433)	(406)	(839)
Income tax expense (benefit)	141	(154)	(13)
Net loss from continuing operations	$ (574)	$ (252)	$ (826)
Net loss per share from continuing operations:			
Basic	$ (1.14)	$ (0.50)	$ (1.64)
Diluted	$ (1.14)	$ (0.50)	$ (1.64)

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS:

1. Basis of Presentation

The historical consolidated balance sheet as of March 31, 2019 and historical consolidated statement of earnings for the three months ended March 31, 2019 is derived from and should be read in conjunction with the Company's unaudited financial statements in its March 31, 2019 Quarterly Report on Form 10-Q, which was filed on May 1, 2019. The historical consolidated statements of earnings for the years ended December 31, 2018, December 31, 2017 and December 31, 2016 is derived from and should be read in conjunction with the Company's audited financial statements in its December 31, 2018 Annual Report on Form 10-K, which was filed on February 20, 2019.

Because this disposition represents a strategic shift in the Company's Canadian business, the Company's Canadian financial information is being recast as discontinued operations in its historical financial statements. However, the accompanying unaudited pro forma statements of earnings do not include the Company's Canadian discontinued operations financial information. The unaudited pro forma consolidated balance sheet of the Company as of March 31, 2019 is presented as if the disposition of Devon's Canadian operations had occurred on March 31, 2019. The unaudited pro forma consolidated statements of earnings for the three months ended March 31, 2019 as well as for the years ended December 31, 2018, December 31, 2017, and December 31, 2016, are presented as if the disposition of Devon's Canadian operations had occurred on January 1, 2016, the beginning of the earliest period presented.

The Company's historical consolidated financial statements have been adjusted in the unaudited pro forma consolidated financial information to present events that are (i) directly attributable to the sale of its Canadian operations, (ii) factually supportable and (iii) are expected to have a continuing impact on the Company's consolidated results following the Canadian disposition.

These pro forma financial statements do not purport to be indicative of the financial position or results of earnings of the Company as of such date or for such periods, nor are they necessarily indicative of future results.

2. Pro Forma Adjustments

The following pro forma adjustments are included in the Company's unaudited pro forma consolidated financial information:

(a) These adjustments reflect the disposition of the Company's Canadian business for $2.6 billion (CAD $3.4 billion), in cash, net of customary purchase price adjustments, and include derecognizing disposed assets and liabilities and cumulative foreign currency translation within accumulated other comprehensive earnings. The adjustment to retained earnings reflects an estimated $457 million after-tax gain, net of approximately $12 million of transaction related costs, and reflects approximately $65 million early retirement premium and $6 million of noncash charges associated with the early debt retirement discussed below.

After closing the transaction, the Company's Canadian business held cash equal to $3.2 billion. As previously announced, on July 27, 2019, the Company intends to redeem the entire principal amount of the $500 million 4.00% Senior Notes due July 15, 2021 and $1.0 billion 3.25% Senior Notes due May 15, 2022. Therefore, a pro forma adjustment has been made to reflect the debt repayment and recognize the associated early retirement premium and other noncash charges. Additionally, approximately $410 million of the Canadian cash balance is restricted for funding certain tax and other obligations related to the Canadian business. A pro forma adjustment has been made to classify these cash balances as restricted.

(b) These adjustments reflect the elimination of revenues and expenses associated with the Company's Canadian operations and include the historical net financing costs associated with the $1.5 billion of debt being retired early.

3. Costs Associated With Exit or Disposal Activities

In the second quarter of 2019, the Company anticipates recognizing approximately $270 million of restructuring and asset impairment related charges associated with the divestment of its Canadian business. The Purchaser has reimbursed the Company for approximately $50 million of these restructuring costs, under the terms of the disposition agreement. Along with certain tax obligations, these costs will be funded with the restricted cash described in Note 2. These charges, which are described below, are not included as adjustments to the unaudited pro forma consolidated financial statements.

- Firm transportation agreement abandonment charge of approximately $150 million. This estimate represents the present value of estimated future cash payments over the remaining term of the agreement. Cash payments approximate $5 million each quarter pursuant to the agreement.
- Office lease abandonment and related asset impairment charges of approximately $60 million. Of this amount, approximately $20 million represents the present value of future cash payments, which are expected to be less than $1 million each quarter through the end of the lease.
- Employee severance and related termination benefits of approximately $60 million, including approximately $40 million of noncash accelerated vesting of employee stock awards. The Purchaser has reimbursed the Company for approximately $50 million of these employee severance costs pursuant to the disposition agreement. The Company expects to fund the remaining costs in the second half of 2019.