North American Natural Gas

Disclaimer: The information contained herein is accurate as of the date indicated, and EOG undertakes no obligation to update or revise the information, whether as a result of new information, future events or otherwise.

US Natural Gas
Supply Sources

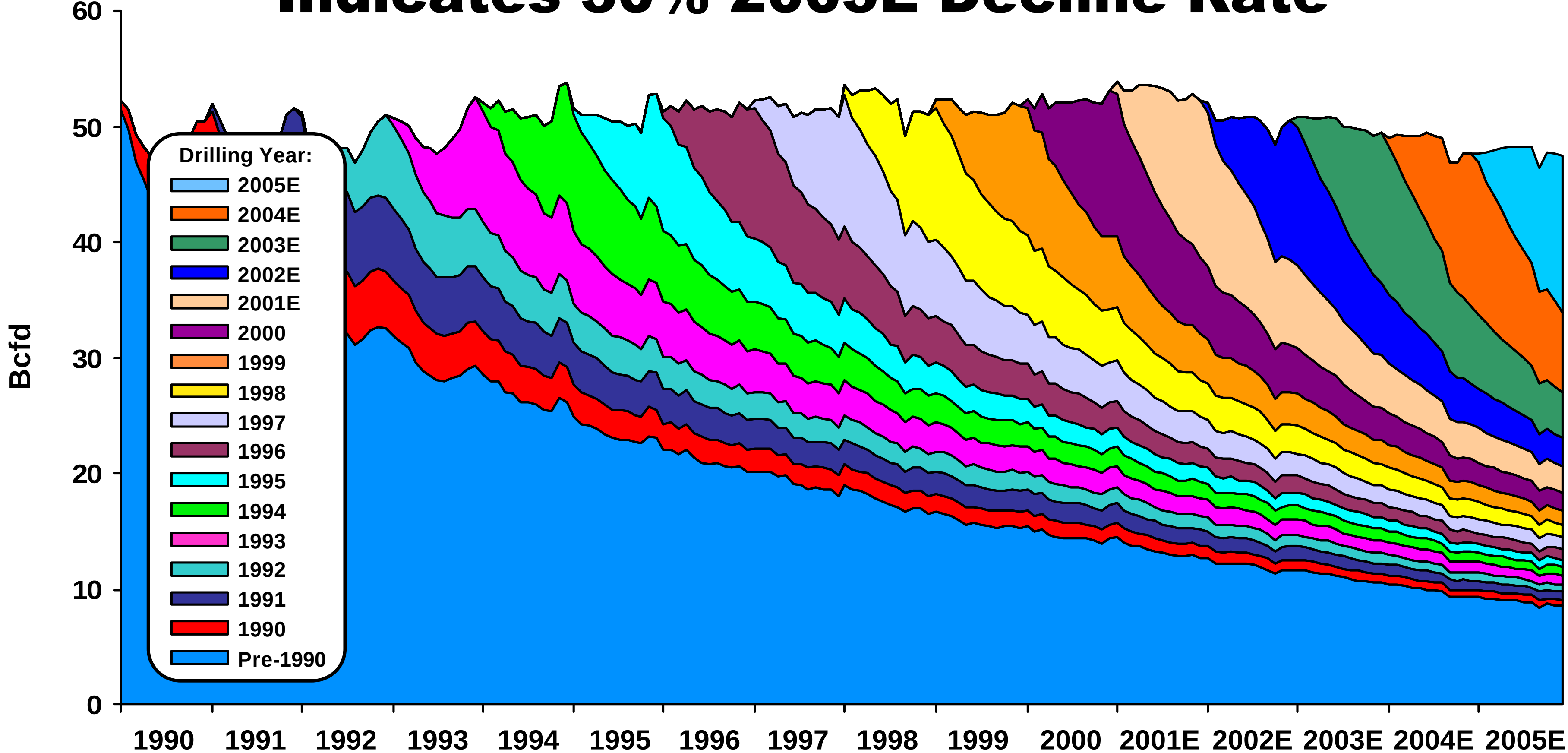
- Unlike Oil, Gas Is Not Fungible i.e. Cannot Readily Be Shipped from The Middle East

- Supply Sources ≈ 58 Bcfd Market

US	84%
Canada	15%
Mexico	(2%)
LNG	3%

US Natural Gas Production History

Indicates 30% 2005E Decline Rate



Production Decline Rate of Base:

Supply Impact of 30% vs. 19-23% is Under Estimated

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001E	2002E	2003E	2004E	2005E
17%	17%	16%	18%	19%	19%	20%	21%	23%	23%	25%	24%	27%	28%	29%	30%

Utilizes Data Supplied by IHS Energy; Copyright 1990-2005 IHS Energy

eog resources

EOG_MIS1005-3

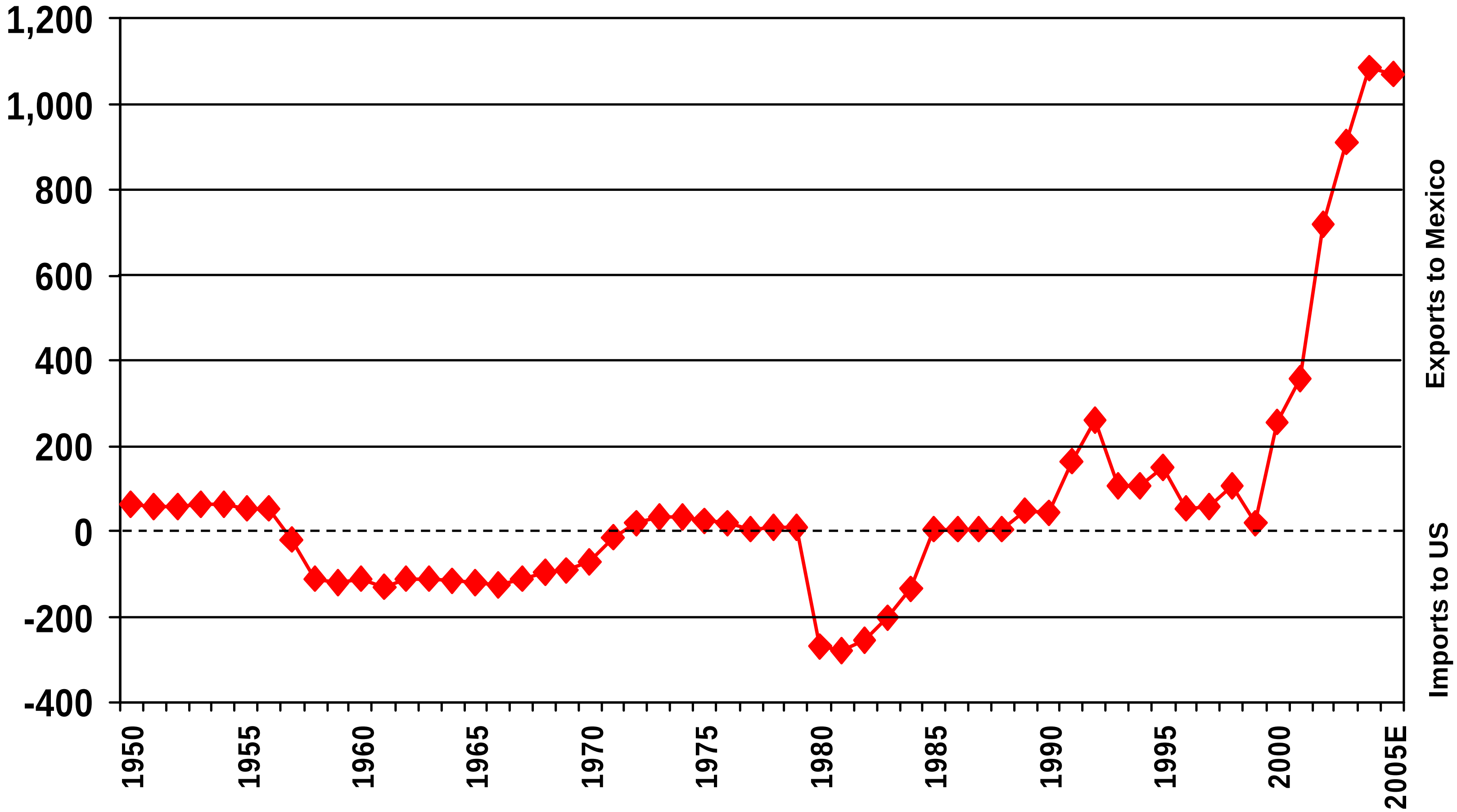
2005E YOY US Production (Pre-Katrina/Rita Impact)

	Change
US Natural Gas Production	(1.7%)
E&P Industry Capex	+ 20 - 25%

Canadian YOY Production Thru July 2005

YTD July – 0%

US Exports to Mexico
MMcfd



Sources: DOE, Pemex, EOG

2005E YOY US Natural Gas Supply Total (Pre-Katrina/Rita)

Supply	Bcfd
Domestic	(0.6)
Canada	0.0
Mexico	0.0
LNG	0.0
Total	(0.6)

Multiyear Supply Constrained North American Natural Gas Market

- 2006, 2007 – No Supply Help
- 2008+ – Greenfield LNG Terminals
  - 2010 ≈ 10% of U.S. Demand Supplied by LNG
- ≈ 2011 – MacKenzie Delta Pipeline (Only + 1.2 Bcfd)
- 2015+ Alaska Pipeline (4 Bcfd)
- Power Generation Gas Utilization Expected to Increase ≈ 0.9 Bcfd Each Year

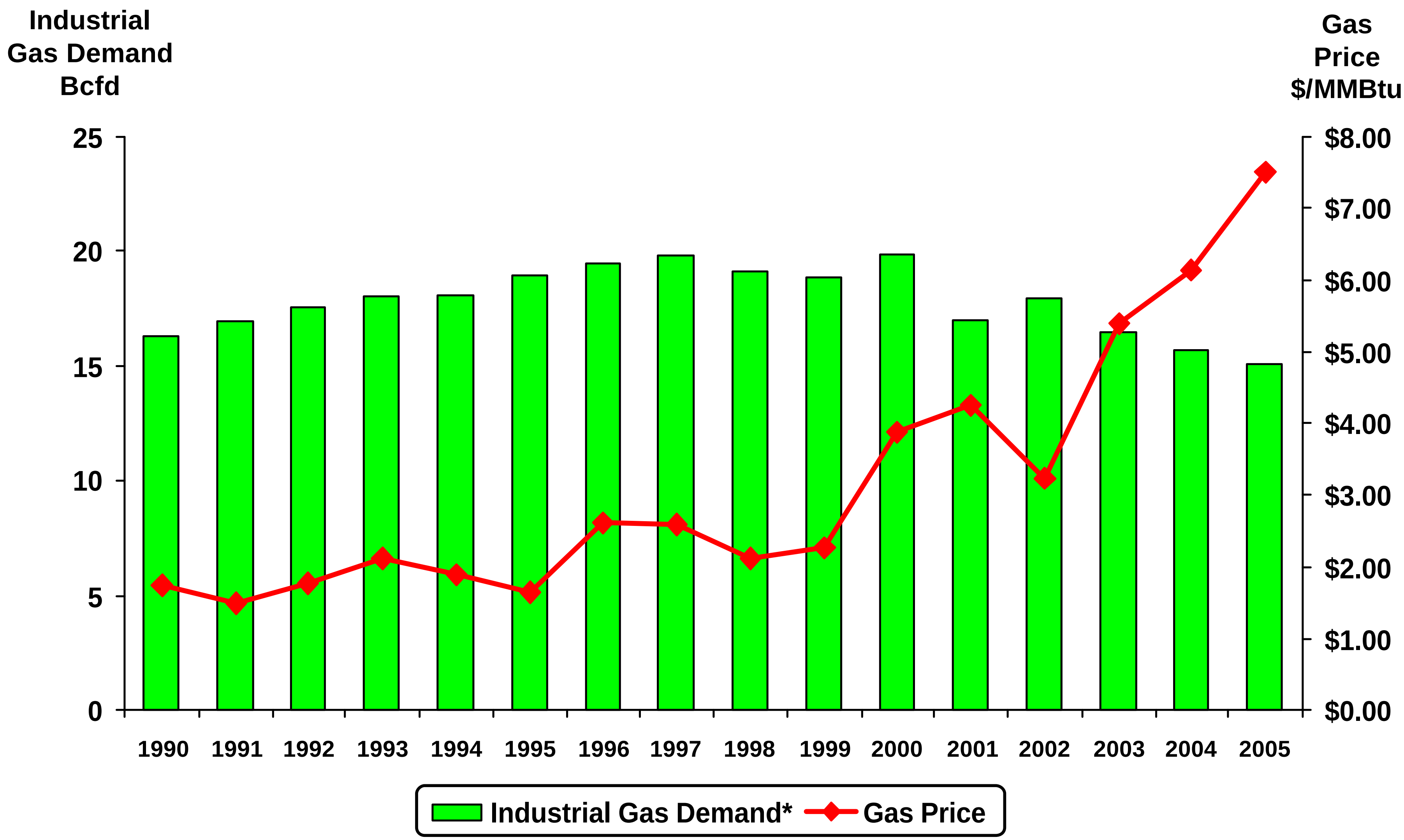
Katrina/Rita Effect on Natural Gas Supply

- Hurricane Ivan Impact – 172 Bcf
- Hurricane Katrina/Rita Impact Thru October 7 – 246 Bcf
- Total Katrina/Rita Impact Currently Unclear
  - Likely 500 - 650 Bcf

2005 - 2006
Katrina/Rita Implications

- Likely November 1 Storage Level ≈ 3.1 Tcf vs. 3.3 Tcf Last Year
- System Very Vulnerable to an Average or Cold Winter
- Likely April 2006 Storage Levels Very Low With Normal Weather
- $13 Gas Prices Will Cause Demand Destruction – Quantity Unknown

Industrial Gas Demand Elasticity

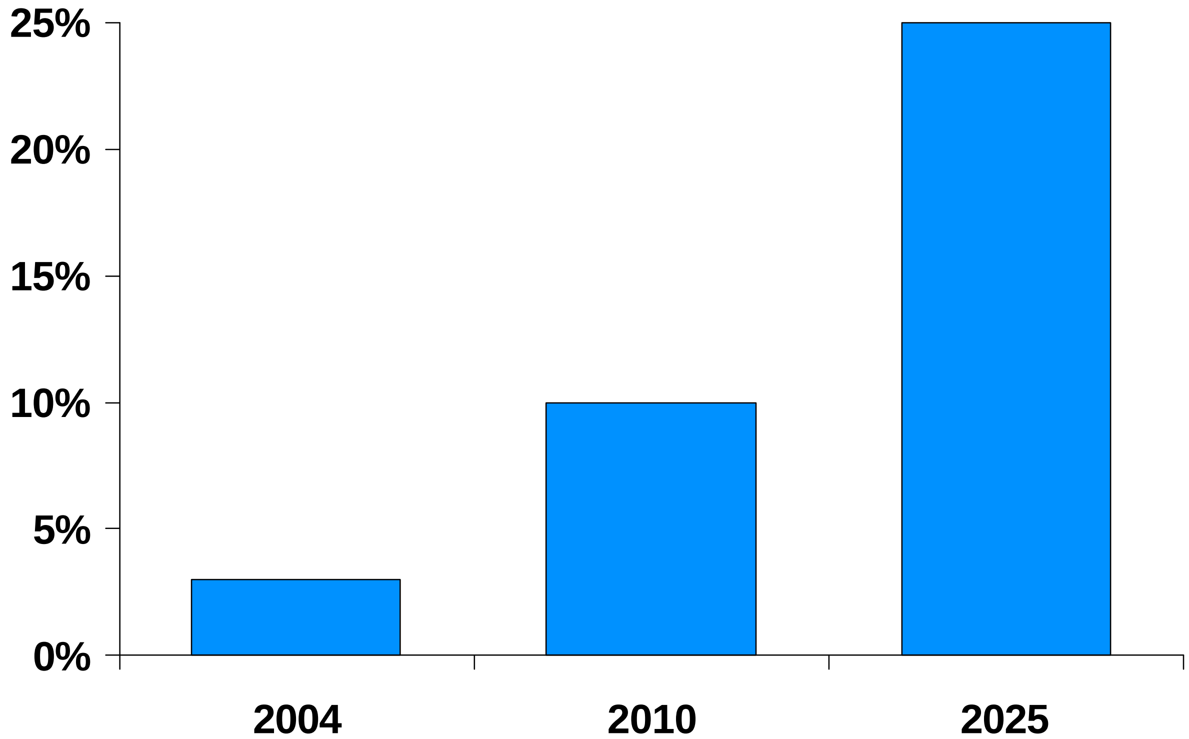


Sources: DOE, EOG

** All industrial sector fuel use except "lease and plant fuel" and "industrial combined heat and power"*

What About LNG ?

LNG Imports - Only A Partial Solution
% US Demand



Conclusion: In 2025 - 75% of Domestic Gas Demand Must Be Met by Indigenous Sources

Source: National Petroleum Council, September 2003 Gas Study

LNG Pricing Impact 2008+

- North America Will Compete for Worldwide LNG Supply
- Since Most Worldwide LNG Is Priced at 6:1 vs. Crude Oil, North American Gas Will Be Tied More Closely to Oil
- Because of World Competition, Likely Not a Flood of Low Cost LNG into US

North American Natural Gas Supply
Overall Conclusions

1. Katrina/Rita Has Exacerbated an Already Tight Supply/Demand Situation

2. The 2005 - 2006 Winter Weather Will Be Particularly Critical Given These Stressed Supply/Demand Conditions

3. In 2008+ LNG Will Play a Bigger Role in The Supply Picture

4. The Impact of LNG Imports on North American Gas Pricing Is Not Likely to Cause a Significant Diminution to North American Drilling Economics

eog resources

 This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are not guarantees of performance. Although EOG believes its expectations reflected in forward-looking statements are based on reasonable assumptions, no assurance can be given that these expectations will be achieved. Important factors that could cause actual results to differ materially from the expectations reflected in the forward-looking statements include, among others: the timing and extent of changes in commodity prices for crude oil, natural gas and related products, foreign currency exchange rates and interest rates; the timing and impact of liquefied natural gas imports and changes in demand or prices for ammonia or methanol; the extent and effect of any hedging activities engaged in by EOG; the extent of EOG's success in discovering, developing, marketing and producing reserves and in acquiring oil and gas properties; the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise; the availability and cost of drilling rigs, experienced drilling crews, materials and equipment used in well completions, and tubular steel; the availability, terms and timing of governmental and other permits and rights of way; the availability of pipeline transportation capacity; the extent to which EOG can economically develop its Barnett Shale acreage outside of Johnson County, Texas; whether EOG is successful in its efforts to more densely develop its acreage in the Barnett Shale and other production areas; political developments around the world; acts of war and terrorism and responses to these acts; weather; and financial market conditions. In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements might not occur. Forward-looking statements speak only as of the date made and EOG undertakes no obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. As noted above, statements of proved reserves are only estimates and may be imprecise. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include not only proved reserves, but also other categories of reserves that the SEC's guidelines strictly prohibit EOG from including in filings with the SEC. Investors are urged to consider closely the disclosure in EOG's Annual Report on Form 10-K for fiscal year ended December 31, 2004, available from EOG at P.O. Box 4362, Houston, Texas 77210-4362 (Attn: Investor Relations). You can also obtain this form from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov. In addition, reconciliation and calculation schedules for Non-GAAP Financial Measures referred to in this presentation can be found on the EOG Resources website at www.eogresources.com.