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The communication filed herewith is a transcript of a conference call held by Kerr McGee Corporation and Westport Resources Corporation with investors and interested parties on April 7, 2004 at 12 p.m. EDT regarding the proposed merger of Kerr-McGee Corporation and Westport Resources Corporation. The webcast of the conference call is temporarily archived on Westport Resources Corporation's website.

SPEAKERS:

RICK BUTERBAUGH - Vice President, Investor Relations

LUKE CORBETT - Chairman and CEO, Kerr-McGee Corp.

DON WOLF - Chairman and CEO, Westport Resources

DAVE HAGER - Senior Vice President, Kerr-McGee Corp.

BOB WOHLEBER - Senior Vice President and Chief Financial Officer, Kerr-McGee Corp.

P R O C E E D I N G S

MR. BUTERBAUGH: Ladies and gentlemen, I would like to welcome you to the presentation this morning regarding the merger between Kerr-McGee and Westport Resources.

I will remind you that throughout today's presentation, we will be making forward-looking statements. You may remember that the actual results or events may differ materially from our expectations or projections.

Information concerning the factors and risks that could cause materially differences IS identified in the Risk Factors section of our company's Annual Report and Form 10K as well as our SEC filings.

We would ask that you hold your questions today until after the presentation is complete. At that time, we will take your questions. At this time, I would like to introduce

3

Luke Corbett, Kerr-McGee's chairman and chief executive officer to discuss the transaction.

MR. CORBETT: Thank you, Rick. Let me add my welcome to you here. We appreciate the fact for you to come out to hear what we believe is a compelling story on short notice. And this is a compelling transaction in our view, particularly as it creates value for Kerr-McGee shareholders and certainly Westport shareholders.

The bottom line from my perspective is this adds depth, breadth and balance to Kerr-McGee's story here, allowing us to put forward a more predictable performance profile in the years to come and it is underpinned by what we believe are tremendous exploration opportunities in secured areas here from what we believe will be core area resources for our company.

In addition, it does delever the

4

company. You see the financial benefits of that. And beyond that, this lessens the pressure on the drill bit story from Kerr-McGee's regarding exploration opportunities.

So we believe at the end of the day, you are going to see a company that has tremendous balance and depth, and the ability to create value as we go forward.

Now, before we delve into the presentation, I'd like to ask Don Wolf, the chairman and CEO of Westport

Resources, to come up and make a few comments. Don.

MR. WOLF: Thank you, Luke. We are excited about this transaction primarily because of the company that results, the combination of these two organizations.

One of the pleasures that I've had over a number of years in this business and building several companies is trying to assemble a

5

high-quality set of assets while continuing to position the company for future growth.

As we think at Westport, we have been fortunate in doing that over the last three and a half years since our IPO. We went through about 450 BCF and 1.8 TCF. In the meantime, several number of properties, some of which will be reviewed later on.

But as we think strategically about our growth, given the size and scale that we have developed, the issue really is how do you maintain that rate of growth going forward. If you rely entirely on acquisitions and exploitations, that's one business model that works. But there is always the issue of maintaining good discipline and being able to find the right properties and prevailing in the market.

So, as we think strategically about the company two or three years

out, and we would like to position the company so it has a dominant position in some of the high-growth projects around the world -- and certainly domestically -- with that in mind, you can do it organically. And organic basis takes time; it takes a lot of money; it takes steep learning curves; and in many cases you just can't break in to a really high-potential project or area.

So, if you don't do it organically, you look around to see if a combination makes sense to better position your company. And we have done that a couple of times with respect to assets and companies that we have acquired over the last three years.

So we're always looking at the

possibility of either acquiring or being acquired if we can better position the shares for growth going forward.

We consider a lot of acquisitions. Merger possibilities, in many cases. You just get big for big sake. You basically have a property issue where you're either diluting your own assets that you tend to like really well, or you just simply get sized. And that's really not what we're all about. We really want to try to position this thing clearly for long term.

We began to look at the Kerr-McGee assets and looked at it in some depth. We spent the last month, I would say in detailed meetings with outside advisors, with our senior management, with several of our Board members, really trying to get a good look at the prospect, quality, at the reserves, at the position of the company.

We became really excited about how this company looks together. Not very often can you find a deal where you really believe that the company is better together than it is stand alone, and I would say that's true in both sides of this equation.

So, we think that Kerr-McGee has a reputable positioning in the deep waters of the Gulf of Mexico. We think the combination -- we have 66 percent of our reserves in the Rockies in some very nice projects. Kerr-McGee had a premiere Rocky Mountains asset.

The combined companies have a dominant position in the Rocky Mountains with 30 percent of assets.

They have another 30 percent of their assets in the Gulf of Mexico. They have a very strong position in several key core areas. I can't really emphasize enough the power of the dominant position in the core area.

I think that is part of the Kerr-McGee story with respect to deep water. All studies would report or would conclude that the best growth opportunity remaining in North America would be deep water in the Gulf of Mexico and Rocky Mountains.

This company is uniquely positioned in both of those areas with a very strong set of assets.

So I think that this combination, with respect to the balance sheet, with the core positions in some of the best areas really uniquely positions the company.

We became very comfortable and very impressed with the technical work that Kerr-McGee has done on our projects and the prospects, the quality of their management. And I would say on behalf of the Board and some of our significant shareholders, that we are enthused about this transaction. I think on a longer-term position basis, we really have positioned this company for good future growth.

Kerr-McGee is at a point where I

10

think they are just going to be able to reap a lot of their position, which has been put in place with a lot of effort and time over the last half a dozen years. Thank you.

MR. CORBETT: Thank you, Don. I can emphasize what Don says also. I think you can see from his comments why we believe that we have a compelling value story as we go forward collectively in this merger.

What we would like to do now is take you through the operational aspects of the transaction to get you comfortable with the value.

Following that, we will go through the financial benefits associated with the transaction.

So first let me introduce Dave Hager, our senior vice president of exploration and production to carry you through the operational aspects of the transaction. Dave?

MR. HAGER: Thank you, Luke. I

11

must tell you, I am very excited about this transaction. The benefits of these combined assets are going to be truly outstanding.

I would like to start off talking about some of the strategic asset rationale for this transaction.

First off, we're going to be enhancing our core area. We have a transaction here that fits extremely well with our strategy of enhancing our core areas, just as Don spoke of previously. This enhances our core areas in the Rocky Mountains, the Gulf Coast, and the Gulf of Mexico. It makes us a major player in each of these areas.

The company will have 47 percent of its reserves in the U.S. onshore, 76 percent will be U.S. based, and 97 percent either in the U.S. or the U.K. The two most politically stable areas in the world for reserves.

This also increases our

12

production profile, not only just the absolute production levels that will be higher, but our growth profile will also be enhanced on the order of between 10 and 12 percent when you look at the time period from 2003 to 2007. And in addition, the profile of our production, the risk profile of our production will be lower.

And Kerr-McGee has historically had low cost, high-margin production. And this transaction not only maintains that, it also enhances that position. Our barrels will be high cash flow per BOE. They will be primarily gas in the U.S. and oil internationally. That's exactly what you want to maximize your cash flow per BOE.

This will also strengthen our inventory of the low-risk exploitation opportunities. In total, we will have over 9,000 low-risk exploitation opportunities. I will take you

through that throughout the presentation.

This will also allow us to capitalize on our tight-gas and supply-chain expertise, a new core area in Uinta Basin, this is a greater a Natural Buttes field located in the northeast of the Utah area.

Finally, this all provides a very strong base to support our high-potential exploration.

The addition of the Westport

assets build significantly on our U.S. onshore position. Kerr-McGee already has concentrated assets in the DJ basin at the Wattenberg field, in the Anadarko basin and along the South Texas and East Texas Gulf Coast area as west as the Gulf of Mexico.

Now, what Westport brings is the Uinta Basin, the Greater Natural Buttes field, which we feel is very similar to our Wattenberg field in the DJ basin just outside Colorado; also

have quality assets in the Williston, Powder River and Green River basin in the Rockies, have very complementary mid continent, South Texas Gulf Coast assets, as well as Gulf of Mexico shelf production and increased exploration exposure in the deep shelf exploration points.

We will be a prominent player in each of these basins, and the strategy of enhancing our core is going to work extremely well with this transaction. It adds primarily very high margin, U.S. gas, coupled with significant upside potential.

As a result of the transaction, Kerr-McGee's proven reserves will increase by about 29 percent over 1.3 billion barrels of oil equivalent. It does complement. These reserves, are complementing each of our core areas; it adds overall balance and stability to our reserve base; and it also provides a great deal of outside

potential from the probable and possible locations.

We have an additional 1.8 TCF equivalent, or about 300 million barrels of oil equivalent of probable and possible resources that will be acquired as part of this transaction. And 2,500 drilling locations have already been identified to take advantage of the proven undeveloped and probable and the possible resource base. As a reminder, 87 percent of Westport reserves have been prepared by a third-party engineering firm.

Our reserves will become -- will become slightly more weighted through very toward the very attractive North American gas. By product, it will be 57 percent gas, 43 percent oil. 89

percent of our gas will be in the U.S. We will have a little over four TCF of gas reserves after this transaction. Very high margin reserves. We will still have significantly oil exposure,

about 43 percent of our reserve base will be oil.

As a reminder, 73 percent of our international reserves are oil, and all of the international gas reserves we have are located in the U.K. North Sea where there is already established a very quality gas market. So we have reserves where you need to to maximize margins.

By category, about 54 percent of our reserves will be proved developed and about 46 percent are undeveloped. Kerr-McGee has moved more than 300 million barrels of oil equivalent from the proven undeveloped category to the proved developed category over the past three years.

As a reminder, most of our -- or all of our proven undeveloped reserves are either associated with our existing infrastructure such as

Grhyphon and Hardin field, or are under development in major projects

such as Gunnison, Red Hawk, Bohai, Constitution, or associated with ongoing exploitation.

The cost to move legacy Kerr-McGee's proven undeveloped, and proved developed is just under five dollars per BOE, and it will be just about four dollars per BOE to move the Westport proven undeveloped to the proved developed producing category.

76 percent -- as Don mentioned, 76 percent of our combined reserves will be in the U.S. By region, 29 percent will be in the Gulf of Mexico, 17 percent in the mid-continent Gulf Coast area, 30 percent in the Rockies. And in the international side will have 21 percent located in the U.K., the other three percent that's indicated in the "other international" is located in the Bohai Bay of China where our project is going on very well right now, on time, on budget.

Now, assuming an August 1 closing

date, our 2004 production volumes will increase to 300,000 barrels of oil equivalent per day. That's a 15 percent increase versus our previous guidance.

In 2005, we will have a full year impact of this transaction, as well as a full year impact from the major developments we have going on right now at Gunnison, Red Hawk and Bohai Bay. You can see that those volumes will increase on the order of 18 to 23 percent going from '04 to '05.

Then we have additional upside to this from exploration success that we may have in the Gulf of Mexico on the shelf in the U.K. or onshore where we have quick-cycle time projects going on.

In '06, our volumes will likely be greater, with some exploration success. And overall, our compound average growth rate on this four-year time frame from 2003 to 2007 is 10 to

19

12 percent. So we're back on the

growth track and we're back on the growth track in a big way.

Here you can see our projected oil and gas production split for 2005. Now, for this case, we have taken for the 360,000 barrels of oil equivalent per day, which is on the lower range of guidance I gave you on the previous side.

Natural gas will make up about 54 percent of those volumes in 2005. That's nearly 1.2 BCF per day worldwide, and 94 percent of those gas volumes will be located in the U.S.

You will also have in 2005 approximately 165,000 barrels of oil per day.

70 percent of the total U.S. volumes will be natural gas. That will be about 1.1 BCF a day, and about 80,000 barrels a day strictly in the U.S.

So again, the products are

20

exactly where you want to maximize the margins. Natural gas primarily in the U.S., oil internationally. As a reminder, 88 percent of our production on the international side will be oil.

And in total, 51 percent of our total volumes are now going to be U.S. gas volumes.

The Kerr-McGee has historically has been a low-cost producer, and this transaction is going to further improve our unit costs. It's going to reduce our cost by about four percent.

This does assume the full benefit of $40 million and pre-tax synergies that will be realized in 2005. We're projecting that our lease operating expense will decline by about 20 cent per BOE. That will be for the benefit of gas properties, which typically tend to be lower LOE as well as $15 million in synergy savings.

Our unit production taxes will increase by about 30 cents per BOE due

21

to the onshore nature of the properties. Partially offsetting that, will have the transportation cost decreasing about ten cents per BOE, again, due to the onshore nature of the property, which tend to have lower transportation costs. Our G&A will decrease about 25 cents per BOE, assuming about $25 million in synergies.

Now, the results from all these four categories, lease operating expenses, production tax, transportation and G&A will result in a cash cost from these categories which will be approximately $6.50 in 2005.

So, to summarize all this, we already had very high-margin productions, and this transaction will maintain or enhance a high-margin production.

There are also some other very real synergies that we will be

realizing.

This is an excellent strategic fit with Kerr-McGee core areas: G&G knowledge, drilling experience, completions technology, operational expertise, all will be complemented as a part of this transaction.

This really goes both ways. We will be taking the Kerr-McGee knowledge, and we will be taking the Westport knowledge, technology and expertise, and taking the best of the best -- both in terms of people, technology and expertise.

Our added strengths in our core areas will also allow us to leverage our supply chain efficiencies and increase greater capital efficiencies.

I'd like to give you just one simple example of how that might be accomplished. I'm going to talk a little later about the Greater Natural Buttes field and we will be adding in the Uinta basin of Utah.

The typical cost out there, depending on where you're drilling the well, to walk formation you drill a well out there, whether the Wasatch or Mesa Verde, is on the order currently of about 640- to $850,000 per well.

We're currently drilling wells to equivalent depth in the Wattenberg field, about 8,000 feet, for $330,000 per well. Now, I don't know if we're going to be able to realize all that difference, but I think there is obviously some potential for some additional capital efficiencies as we move forward with this transaction.

And we have a large number of locations to drill in this Greater Natural Buttes field, and which we will review those in detail with you.

These are also areas where we demonstrated the ability to add reserve and add value, the Rockies and the South Texas, Gulf Coast, and the Gulf of Mexico area. We've added

value consistently at Kerr-McGee in each of these areas, and we think we will be able to add value from these transactions.

It will also allow us the opportunity to high-grade the exploration program, and really to drill the best of the best of the combined prospects. These are all very real synergies, however, none of these have been included in the $40 million synergies that I included on the previous slide.

We believe we paid a very fair value for the Westport assets, and when combined with the future development costs, they are very attractive. I would like to go through this slide very thoroughly through, to make sure I communicate the message on this well.

I recognize it is very tempting to say, to take the total purchase price of $3,427,000, divide it by the

$297 million barrels of BOE and say, on a proved basis, we paid about $11.54 for this transaction. But that really misses the heart of the transaction, which is the low risk, probable, possible and exploitation upside associated with the transaction.

We have allocated about $2.15 billion to the proven reserves, which gives us a purchase price of $7.23 per BOE on a proven reserve.

We went through a very thorough analysis of the probable, possible and exploitation, exploration upside by our technical teams.

Based on that very thorough analysis that we did in each area on each field, we have assigned a probable and possible purchase price of $930 million for 300 million barrels, or the 1.8 TCF, I mentioned earlier of possible and probable resources, which gives an acquisition cost on the possible and probable for

$3.10.

We estimate that the cost to develop these probable and possibles to the proved developed producing category will be about $3.75. You get the 3.75 plus the purchase price, you can see an all-end cost of about $7 per BOE for probable and possible resources.

Now, we went through a very similar exercise on the exploitation and exploration opportunities where we see a potential of 500 million barrels of reserves. This is primarily low risk exploitation in and around the existing fields that Westport has.

We have 1.6 million gross undeveloped acres, about 770,000 net undeveloped acreage. And based on that, you see a purchase price of about 60 percent per BOE for the exploitation and exploration upside.

We also saw about $50 million to the gathering assets that exist in the

Greater Natural Buttes field in the Uinta basin. That business cash flow is about $8 million per year based on the equity and third-party gas that goes through the gathering system.

And so in total, and the point I want to make here very clearly, we studied in great detail these assets. We feel very comfortable with the value allocation.

As I mentioned, we have identified probable and possible resources, about 1.8 TCF equivalent, or about 300 million barrel of oil equivalent. This is primarily in the Rockies. About 63 percent of that is in the Rockies, and the Greater Natural Buttes field represents about 50 of the total. We feel we can apply key technologies and reserve development expertise from our Wattenberg field.

The Gulf Coast is driven by the high value South Texas assets which

are complementary to our current

Kerr-McGee assets, where we have considerable G&G experience and have achieved very solid returns on those areas in recent years.

The Gulf of Mexico is driven primarily by the 3.7 percent override in Green Canyon 640, that is the Tahiti project.

Now, within the proved reserves, the Greater Natural Buttes fields makes up the largest value component, and we will become Kerr-McGee's third-largest field.

This is a listing that shows the fields; the top 30 fields ranked on an SEC PV10 value as of December 31, 2003. You can see the seven fields from the Westport side will be in our combined top 30 fields. And all of these fields have a great deal of value associated with them.

Even excluding the Greater Natural Buttes field, which transfers

29

to number three, if you just take the other six fields that listed over there in 21 through 30, each of those have a value individually between $100 and $200 million in MPV value associated with them.

These 30 fields I'm showing you here make about 73 percent of the total present value of the company.

So what I would like to do now is take you through a little more detail on some of the key assets that will be part of this transaction. I would like to start off with the Greater Natural Buttes field in the Uinta basin in Northeast Utah.

As we come, as I said, Kerr-McGee third highest field based on SEC PV10 value at the end of 2003.

In summary, this is a very immature field at this point, with tremendous upside opportunity. And it's an asset where we can apply the expertise in tight-gas sand

30

development and supply-chain management.

In short it's very similar to the Wattenberg field where development has been extremely successful, and has reserves and production ratios of approximately 20 years. And we see growth, the scope for continued growth of this asset both in terms of production and reserves.

Production is from the Wasatch and the deeper Mesa Verde formations, with additional potential for development in each of these intervals. We will also own and operate a gathering system in the Greater Natural Buttes field, which moves up to 180 million cubic feet per day of third-party gas. The system is composed of about 700 miles of gathering lines and 22,000 horse power of compression.

Owning this system allow us, gives us the advantage to assure that

31

we can transport our equity gas on a priority basis, get our wells hooked up faster, and make improvements and make modifications in conjunction with our production growth.

Here you can see the heart of the Greater Natural Buttes field and the existing production wells are shown in here in red. In total, there are a little over 1100 wells that will come with this transaction.

We will have about 271,000 gross acres, 229,000 net acres, and operate about 88 percent of the net present value. The current production out here is about 92 million cubic feet equivalent per day.

Now, there are already more than 600 identified PUD locations that are shown in green. These are offsets to existing producers, either in the Wasatch, Mesa Verde, or both.

Current production is more heavily weighted towards the Wasatch.

32

Mesa Verde wells will be drilled primarily in the next two to three years.

Total reserves, both developed and undeveloped are 658 BCF equivalent or about 110 million barrels of oil equivalent at year end 2003.

What's really impressive is the amount of low-risk, probable and possible resources in these areas. These possible and probable cases are shown here in blue.

Now, the majority of these

resources are associated with drilling Wasatch and Mesa Verde wells east and south of the core Natural Buttes field. There have been some wells drilled in the Bonanza Creek, Archie's Bench, and East Bench of the field that show these are very low risk, probable and possible resources.

In total over 700 possible and probable locations have been identified. And the probable and

possible locations since we fill in the gaps in each of these areas.

Now, in addition to that, there are over 900 BCF equivalent of exploitation potential not captured anywhere in the three key numbers. I would like to detail that 900 BCF beyond three key potentials a little later.

About 350 of that 900 BCF equivalent is associated with drilling the Wasatch on 28 acres spacing in the core of the field. There are not any regulatory restrictions since the federal unit is not spaced, so the only risk really comes from the aerial extent of the multi-layered Wasatch sands.

There is about another 300 BCF equivalent associated with drilling the majority of the Wasatch PUD locations to the deeper Mesa Verde locations.

So far there have been about 75

Mesa Verde wells drilled to date, and they have had good success.

But this is the equivalent where we talk about our same day deepening from the Codown to the J sands (phonetics). This will be doing the equivalent thing in the Greater Natural Buttes field. You have a PUD location going to the shower of transformation, you take it deeper to the Mesa Verde formation.

Then there is an additional 250 BCF of exploitation potential relating to field extensions in the Bonanza and surrounding areas. And the probable and possible reserve assumption, this assumed those will be developed on 80 acre spacings, it is very possible that eventually these will be drilled on 40 acres spacing, so that provides additional exploitation potential.

I would like to summarize all this detail I've just said with a very simple statement. The gas is here.

It is just exploited in through technology, just as we have done in the Wattenberg field.

In total, this represents about 1.8 TCF equivalent of upside potential from this field alone; 900 BCF from the probable, possible, and another 900 BCF equivalent from the exploration and exploitation potential. We estimate the cost to develop the probable, possible as well as the proven undeveloped locations is about .85 cents per MCF.

We do feel, as I've mentioned, the Greater Natural Buttes field area offers very similar potential to what we have done to Wattenberg field in the DJ basin which we acquired about two years ago, so I would like to highlight our accomplishment since we added that field.

We added in the Wattenberg field over 350 BCF of proven reserves through our continued development. We successfully executed over 1100 projects while increasing the project inventory, in the development of concepts such as "fifth spot" locations, refrac and trifracs. You can see overall we increased the project inventory by 12 percent.

We've also created incremental value of nearly a quarter of a million dollars beyond that made in our acquisition assumption by adding new reserves, increase in our capital efficiencies, as well as operating expense reductions.

So in summary, this is a play time we know extremely well. We are excited to have this opportunity to apply these skills to a similar play concept with a large upside potential. The current proved reserves in the Greater Natural Buttes area are about half of our Wattenberg field, where we see the potential to grow to a similar size as Wattenberg.

I would like to move now to talk about some of the other areas, move over and talk about the Moxa Arch area in the Green River basin of Wyoming, a sizeable long-life gas field that offers similar opportunities.

Currently the development drilling is taking place there on about 168 acres spacing, primary willy in the Frontier formation, with a deeper program targeting the Dakota formation.

These Moxa Arch wells tend to be long lives, with the potential really of 25 years of reserve life, proved reserves in these area are about 100 BCF equivalent or about 17 million barrels of oil. And now Westport, and now through this combination, we plan to drill about 35 to 40 wells in these area in 2004.

Once again, these are stable long-life, low-risk resource opportunities.

38

The Moxa Arch area also offers upside potential using the "fifth spot," concept very similar to what we have been doing at Wattenberg.

There are currently about 60 BCF equivalents or probable resources associated with "fifth spot" locations at the center of a section. These are the locations shown here in yellow.

This is essentially down-spacing the reservoir from 160 acres to 128 acres spacing.

And we see additional potential for what we call section line "fifth spots," as they are made available. These potential well locations are shown here in blue.

These are opportunities that are not captured anywhere in the key 3P resource base. Currently, we see potential around 60 BCF, but we think it can easily double beyond that.

Beyond that, there is potential for adding resources through improved

39

stimulation design.

We've see Wattenberg to have in-house dedicated technical team can greatly improve the quality of the design of the stimulation work versus relying on the contracting community.

In the end, that adds reserves and that lowers costs. So we see using that same type approach for these assets.

We will also be acquiring coalbed methane opportunities in the Powder River basin in Wyoming shown here. The Wyodak Coal area is currently producing 15 -- plans for about 15 to 20 additional well plans for 2004 in this area.

In the Big George area, there is a pilot program going on right now. We are going to control about 30,000 gross acres, about 9500 net acres. This pilot program is going to consist of 10 to 16 wells.

Big George production has been

established on trend, both north and south of this acreage. Actually on this acreage, they drilled through the perspective formation going through an oil field below this.

If you take 80 acreage spacing, about 1.5 BCF per well, this is on the order of about 150 BCF resource potential, and there are no proven reserves booked in the Big George area.

In addition to this, we are going to be acquiring acreage in some other active unconventional gas plays, including the Bakken Horizontal Play in the Williston basin in Eastern Montana -- where we will have 5,000 acres in the heart of the play -- in the Barnett Shale play in North Texas -- where we will have 55,000 gross acres and about 18,900 net acres.

You can see the interest on this on the order of about 33 percent. Some of the leases are a little bit

higher. But if you assume 150 to 200 acre spacing on this, about 1.5 BCF average per well, you can easily have about 100 locations or about 150 BCF just off that acreage as well.

So once again, we are going to add low-risk, repeatable play types to our development inventory. This just provides a stable base for our high-impact exploration program, which are extremely proud of and will continue forward with full vigor.

Moving on to the Gulf Coast area. The Westport south and southeast Texas properties are really in the heart of Kerr-McGee's historic operating area, where we have extensive experience.

Westport currently has four rigs active on these opportunities. They are long trend rigs, synergistic with out existing production on this side. On this side, Kerr-McGee's activities are shown in orange, and additional opportunities are shown in red.

42

These will make us some major players in South Texas and southeast Texas, adding about 280 BCF equivalent of proved reserves.

95 percent of these proved reserves of gas are obviously very high-margin properties. Now, in addition to the proved reserve, there is substantial upside throughout this area, including about 160 BCF equivalent of probable and possible resources, and an estimated 190 to 340 BCF equivalent of net unrisk exploration potential.

Our net production in this area shown on this map will be approximately 215 million equivalent per day after close of the transaction, or about ten percent of the pro forma production of the company.

Once again, we are acquiring opportunities in our core producing area. This will create additional scale for cost savings, allow us to

take advantage of our technical expertise.

Kerr-McGee has been active in southeast Texas for many, many years. Kerr-McGee already had a planned program on the order of 20 to 30 wells in this area for 2004. Kerr-McGee has developed about 30 million barrels of oil equivalent over the past three years in this area; a rate of return of around 30 to 35 percent for the program in South Texas, 65 to 75 percent along the Gulf Coast.

We have extensive 3D coverage throughout the area. As a reminder, another property we acquired late last year was the Rincon field in South Texas, where we have 133 development locations identified. So a large number of development opportunities in this area.

This details out a little bit more the upside potential that we have there. It will be an active area for

us in 2004 as well as in the foreseeable future. We have an inventory of over 200 identified exploitation opportunities. As I said, Westport is active right now with four rigs currently drilling on these opportunities.

We are operating over 85 percent of the reserves and the production. That allows us to maintain the timing over -- the control of the timing, the management of the project implementation.

So in summary, these Gulf Coast opportunities fit our core strategy very well by adding high-margin production, strong growth opportunities in an area that we consider in our own backyard.

In North Louisiana, production from the Elm Grove field is continuing to grow, generates very strong cash flow, and many additional opportunities in this area as well.

It continues to be an area of active drilling, targeting primarily Hosston and Cotton Valley sands.

There are about 35 wells planned here for 2004, with an average working interest of 37 percent. There is a good inventory of proven undeveloped probable locations yet to be drilled in this field. And once again, this provides low risk development opportunities to supplement our overall program.

So before I move to offshore, I really would like to summarize the U.S. onshore program a little bit.

As I said in the beginning, we have about 2500 locations associated with the PUDs, probables and possibles who will be part of this transaction with Westport. You can find now with about 6500 projects that we have. In Wattenberg alone, we have an inventory right there of about 9,000 opportunity, not counting any of the other development opportunity we have onshore.

If we can just modestly expand this portfolio, we expanded Wattenberg by about 12 percent in two and a half years, we can easily have a portfolio of ten times active projects to execute in the onshore area. And all of this provides stability and underpinning for our high profile and high growth exploration program which is oriented primarily towards the deep water.

Moving on to the Gulf of Mexico. Westport has meaningful assets that complement our existing deep water opportunities there. About 20,000 barrels of oil per day production. About 68 percent of this is gas. About 80 percent operated.

The Westport assets are going to be enhanced by our strong operating presence there. I will mention a little bit about the probables and

possibles associated with the Gulf of Mexico. They can be characterized primarily as either awaiting sanction -- Tahiti will be the example of this -- or performance related for the probables and possibles for you to have resources below the lowest hydrocarbons that's been penetrated by a well, but within the amplitude and extent indicated by science.

In summary, there is very minimal capital requirement to move these possible and probable resources to the proven category. As the size of Kerr-McGee will increase by approximately 20 percent onshore, it allow us to improve our combined cost structure through synergies.

We have the potential to combine shore basis, to increase our leverage, to supply chain activities, greater efficiencies, the field personnel, leverage our operation experience, our drilling experience, and it also

allows us the opportunity for high-grade property mix.

Westport retained a 3.7 percent overriding interest in Tahiti, that Green Canyon 640. This is a little bit northeast of our institution field that we're currently developing with our Six Spar project.

There are about 14 million barrels of oil equivalent of unbooked, probable and possible resources associated with this override. We anticipate it will sanction next year. First production is anticipated to be in 2008.

Obviously no capital requirement and no operating expense are associated with these rolling volumes, so there will be very high margin barrels.

You can see here how the Westport acreage expands our shelf presence. It adds about 13 percent, or a total gross acreage position of a little

49

over 100 blocks. Existing Westport shelf properties are less mature. They are going to provide additional exploitation opportunities, and there are also about 12 deep water blocks, some of which are near our existing Kerr-McGee prospects.

Westport has already identified a number of exploratory opportunities in the Gulf of Mexico. There is an existing joint venture with Chevron which will expose Kerr-McGee to an additional deep shelf opportunities. There are four wells currently drilling on the shelf. Three of those are Westport operated. That will be the high island of 119, the Mississippi Canyon 707, as well as the Eugene Island 29 prospect that's part of the Chevron joint venture. And there is one outside operated well drilling at West Hammer in 295.

I think the most important thing, though, is that the addition that the

Westport properties will provide additional opportunities for us to, for -- really and for our combined existing exploratory program. We will be able to combine both of these programs, high-grade the programs and drill the best of the present prospects.

It is also possible that we can even accelerate our exploration program with the additional cash flow that is generated from this transaction.

Bob Wohleber will tell you a little bit more about the incremental cash flow that's generated by this transaction in a few minutes.

Our exploration program is working and is working very well. We announced the Constitution development early this year. We've had success with the deep water program already at the Dawson Deep we talked about previously.

We had success in Alaska, that we

have alluded to in a couple of our previous conference calls. And I can tell you today we've had even another success. The Ticon Coyota (phonetic) prospect will is a 50 percent property for Kerr-McGee and we operate -- Noble is our partner in that property -- has had very encouraging results. This is a satellite opportunity to our Constitution field and will greatly enhance the overall Constitution economics.

So we're having great success with our exploration program. We know how to execute a deep-water exploration program and a large exploration program in total.

We see this transaction as providing additional stability to underpin that exploration program and is very consistent with our core area strategy, which is working very well.

So, in summary, the benefits of this transaction are just outstanding.

This is going to enhance our core areas, it's going to shift our reserve risk, it's going to increase our production profile. It will also enhance our low cost, high margin production base. It strenghtens our inventory of low risk exploitation projects, brings us into a new core area that will allow us to take advantage of our tight gas, supply-chain expertise in the Uinta basin, and provides a very strong base to support high-potential exploration.

I would like to say in summary of all this, we are extremely excited about the benefits of this transaction, and very confident that we will deliver on the value associated with this transaction.

With that, I will like to turn the podium to Bob Wohleber to review the financial impact and benefits of this transaction.

MR. WOHLEBER: Thank you, Dave.

And good afternoon ladies and gentlemen, it is my pleasure to be here to talk about this transaction.

As excited as Dave is about the operational benefits of this transaction, I am equally exited about the financial benefits of what this is going to do for Kerr-McGee going forward.

Let me get into the financial benefits here. Let me summarize number one: This transaction is accretive both on a cash and earnings per share basis in 2005 and 2006. It is going to generate free cash flow from the incremental assets coming in from Westport, 150 to $250 million of incremental cash flow available to Kerr-McGee.

It also will prove our balance sheet, taking us from a net debt capital number of 54 percent number at the end of '03, to approximately 42 percent pro forma at the end of 2004.

54

The synergy cost savings that Dave has talked about will generate $40 million of pre-tax annual cash flow benefits. As I said, the increase and financial flexibility of this transaction is very substantial. Let's go through those benefits one-by-one.

The first part of the transaction, I think you need to understand that we have underpinned the financials with hedging program.

We have hedged up to 90 percent of the Westport production, oil and gas volumes, for the latter half of 2004 -- actually starting August 1st of 2004 through 2006. These hedges are in place, locked in, we completed the last ones yesterday, and they are very attractive as you can see on the slide.

The gas hedges we put in place, we put a fixed price hedge for the second half of 2004 at $5.96 on gas,

55

and $32.60 on oil. For gas in 2005, Westport has about 25 percent of their production currently hedged. We moved that, again, hedged position up to a 90 percent level with these collars. A $5.00 floor price with a $6.25 ceiling price in '05, and a $4.75 floor price in 06, with $5.51 ceiling price in 2006.

This gives us a lot of flexibility and adds additional volume. So the ranges that I mentioned relative to the cash flow and earnings accretion and cash flow accretion are based upon the ranges of what we will generate from the earnings and cash flow standpoint within these collars.

The bottom part of this slide is also important. Obviously Kerr-McGee has been a company that has hedged. We have hedged approximately 80 to 85 percent of our oil production in '04 and 75 percent of our gas production.

56

You can see what this does again for the second half of '04 for gas and oil.

For 2005 and '06, Kerr-McGee has not done any hedging, so we have simply overlaid the hedges from this Westport transaction to the total volumes that we have. So we have approximately 32 percent of our gas hedge for '05 and '06, and 12 percent of our oil production hedged in '05 and '06. Obviously this leaves plenty of opportunity for upside potential.

Let's go into the accretion analysis here for 2005 and 2006. Again, the accretion analysis is based upon First Call estimates.

In 2005, First Call is using a $4.75 gas price and $27 oil price. So you can see the floor price of our hedges -- again, primarily gas is the main driver here -- at the $5 floor price, it is three percent accretive to earnings, and positively accretive

57

on a cash flow basis.

But if prices move up to the high-end of the range within the collar up to the ceiling, we will get the full benefit of that taking us close to a 19 percent accretion number of our earnings per share. It is about 70 cents per share accretive in 2005. Almost five percent accretive on a cash flow basis.

In 2006, First Call numbers are $3.75 per gas and $23 for oil, so the magnitude again of what these hedges do is rather significant.

There is only about three data points relative to the earnings number. But, again, based upon those numbers that are out there, we are looking at earnings per share having accretive effect of 25 to 51 percent in 2006, and cash flow from three percent to eight percent.

Very significant, very important benefits that this transaction has.

We locked in the economics associated with this transaction based upon the floor price. So the evaluation that we have used for this acquisition is tied to the floor price.

We had the opportunity with the strong gas and oil market to basically use the collars to not only have the floor prices locked in, and our base level of economics locked in, but then again have the upside potential if the prices should be realized within these collars.

The cash flow contribution that I mentioned of 150 to 250 million is shown here. Westport is, again, from the Westport assets only, we are projecting $600 to $700 million of operating cash flow. Again, depending upon the floor-to-ceiling on the hedge prices.

The capital allocation to the Westport asset is $387 million. This is really Westport's existing

management plan.

After-tax synergy savings of $26 million give us 239 to $339 million of cash flow. Prior to the dividend payout -- we are issuing approximately 49 million additional Kerr-McGee shares associated with this at $1.80 per share, that will result in an $89 million additional payout in our dividend.

So after accounting for all those factors in the incremental free cash flow, 150 to $250 million for Kerr-McGee exploration, exploitation and other purposes.

Let me spend a moment just on price sensitivity, showing '05. The price sensitivities that are shown here for oil and gas. Really, the sensitivities assume that the prices move within the collars.

So in effect, we get the full benefit and the full sensitivity of price ranges within $5 to 6.25 on the

gas side, and on oil from 28.50 to 29.81. It is based upon the total production of Kerr-McGee/Westport combined.

So you can see that a dollar change in oil will generate $37 million in earnings in cash flow, 23 cents per share; a ten-cent change in gas price will result in $26 million impact on earnings in cash flow, approximately 16 cents per share.

The credit improvements for this transaction we think are very significant as well. We think this transaction does a lot of things for us from the financial flexibility standpoint. Let me go through each of these one-by-one. We have already talked about the net debt to cap from 54 percent to 42 percent on a pro forma basis. That's a 22 percent improvement in our debt to cap number.

It also basically recognizes the promise that we made that we were

going to bring our debt below 50 percent following the HS Resources acquisition. The same promise we made in 1999 when we made the Orich (phonetic) transaction.

Kerr-McGee manages within its budget, within its cash flow, within its plan, and we deliver on our promises.

Interest coverage is also significant. We are going from seven and a half times interest coverage to 11 times interest coverage on an EBITDA basis. 47 percent improvement on the amount of cash flow that we have to cover our interest cost.

Operating cash flow: Kerr-McGee in 2003 generate approximately $1.6 billion. Again, Westport will add about $600 million on an operating cash flow number. Again, at the low-end of the floor prices. So about 38 percent improvement in our operating cash flow.

Cash margin per BOE is a very, I think important number. We talked about this number a number of times at our conferences, but the reason it's important, it takes into account all of the metrics of our production, our costs and realized prices. So this is looking at our cash flow per BOE equivalent.

The realized prices we receive on oil and gas, including the impact of hedges that we had in 2003, less our cash production cost.

$21.67 was one of the highest numbers within our peer group. Number three within our peer group in 2003. We further improved upon that measure in 2004 during the $23.14 as a result of this transaction on a pro forma basis. That's a seven percent improvement in their cash margin number.

The production Dave talked about, going from 271,000 barrels of oil

63

equivalent per day to 300,000 barrels of oil equivalent per day. This is bringing in the Westport production only from the assumed closing date of August 1 through the end of the year.

So it's not an annualized number. We are just taking Kerr-McGee's production of 260,000 barrels of oil equivalent adding in the Westport contribution for the last five months of the years -- 11 percent change in that production number.

Proven reserves are up 29 percent. Reserve life are very strong. Ten years of reserve life. That gives us good stability to run our program.

Total debt to proved reserve. We are going from $3.08 total debt to our reserves to $2.63, an 18 percent reduction in the amount of debt we have behind every barrel of oil.

The final number is a number that the rating agencies focused on; adjusted debt which takes into account

64

some of our operational leases and other factors, into our total debt, against proved development reserves. You can see that metric is also improving from $6.62 to $5.13; 23 percent improvement on a pro forma basis at the end of 2004.

So good improvement across all the metrics, very strong financial transaction.

Let me go through some of the capital structure numbers, so you understand where the debt is now and where the debt is going to be on a pro forma basis. At the end of 2003, Kerr-McGee had $3.6 billion of debt, $2.6 billion of equity, for a debt to cap number of 54 percent, as I mentioned.

On a stand-alone basis, we've announced that we plan to pay down approximately $550 million of debt. That will take us to 3.1 billion, and earnings will increase based upon our

65

earnings projection for this year.

Again, resulting in about 51 percent debt to cap number. So we were already in the process of improving on our capital structure.

But then on a pro forma basis, adding in the U factor of the Westport transaction, we'll be adding approximately $880 million of debt of Westport. Now, Westport's debt at the end of 2003 was $980 million. What we are assuming is $180 million paydown of that debt throughout this year. Conservative number, given again that we are expecting 150 to 250 million of cash flow generation from this entity.

But also look at the equity. We are increasing our equity by three-fold to 5.3 billion, giving us book capitalization of 9.3 billion or 42 percent, again, debt to cap number.

We also thought it would be helpful for you for us to walk through the purchase price allocation.

This is a preliminary number. Obviously the number will get finalized as we close the transaction. The equity price of Kerr-McGee at that time will be the equity purchase price that will be utilized, and there will be some reallocation of the asset values.

But this is a close approximation to what we see as the purchase price allocation for this transaction.

Based upon last night's close of $51.51, 49.4 million shares that we expect to issue in this transaction will result in a $2.5 billion increase or equity purchase price number.

The $882 million of debt is assumed to come in from the Westport assets giving an enterprise value of $3.4 billion, which is the total value we have assumed for this transaction.

Westport has other liabilities. Primarily in this number is accounts payable, abandonment, some of the

67

existing hedge contracts basically are out of the money, and we factored in the liability associated with those hedges.

And then we added deferred income taxes of $664 million. This is a calculated number based upon the tax cost basis of the Westport assets, which is $1.5 billion.

We are paying $3.4 billion approximately of enterprise value. That leaves $2 billion of differential. The tax effect on that differential, on a 35 percent tax rate, grosses up at $664 million for deferred tax.

So the total transaction value about 4.5 billion. The allocation of that purchase price will go to the following areas. These again match the numbers that Dave has mentioned earlier.

Proved properties will be allocated a value of approximately 2.1 billion; 1.2 billion for the unproved,

50 million for gathering assets, 120 million for others.

Goodwill basically is representing the deferred income tax component of that. That is, again, consistent with the accounting methodology that has been used over the last ten MP transactions. So we feel very comfortable with the goodwill and the numbers that are shown here.

You should also recognize that as a result of this transaction, the DD&A rate for Kerr-McGee, which is approximately $6.75 will be going to a number of around $8.00 of BOE. We recognize with our cash cost, which David mentioned earlier around $6.50, this still puts us as full-up cost of less than $15 of BOE, which is very competitive within the industry.

Also remember the cash flow per BOE, which is one of the highest in the industry averaging the $21.63.

69

Let me spend a moment on the transaction terms. I think again David well recognized and outlined in the term sheet -- or, excuse me, in the press release.

This transaction does represent .71 shares of Kerr-McGee for each outstanding share of Westport share. That's a fixed exchange ratio. It will be tax free, Section 368 reorganization.

There will be customary nonsolicitation provisions subject to the fiduciary outs. There is a

$90 million plus expense and termination fee. Westport's major shareholders, representing 42 percent of the outstanding shares, agreed to vote in favor of the merger.

The conditions to closing, Kerr-McGee and Westport shareholder approvals will be required and there is Hardscott-Rodino filing approval that will be necessary as well.

We expect to close this transaction some time during the third quarter of 2004.

Let me just recap again the rationale for the merger again. We think the operational and the financial benefits to this transaction are very compelling.

As Dave mentioned, this enhances our U.S. core areas with quality and natural gas assets. We expand our base of lows risk exploitation projects. We accelerate our production growth profile 10 to 12 percent over the next three years. We are looking to generate additional free cash flow of $150 to $250 million. Accretive to earnings in cash flow 2005 and 2006, which have been underpinned by very attractive hedges.

As you can see, we're very excited about the operational and financial benefits of this

transaction. We feel it is going to provide significant long-term value to our shareholders.

I would like to turn the program back now to our chairman and CEO, Luke Corbett.

MR. CORBETT: Thank you, Bob, I think you can see from this presentation that is a valued transaction. We are creating value today, value in the future; breadth, depth, balance to the Kerr-McGee program, but the upside potential still remains.

This follows totally what we set out as our strategic plan beginning in 1998: Organic growth, supplemented with strategic and tactical transactions to create value.

Again, we are doing that today. We are excited about this transaction. We hope you are, too. We are now prepared to take your questions.

We are going to use microphones here so those on the Webcast can hear.

AUDIENCE MEMBER: On the probable and possible reserves 1.8 tcn you mentioned, over what time period do you expect to be able to realize, assuming you realize on that potential?

MR. HAGER: The bulk of those will be realized over the next five years.

AUDIENCE MEMBER: Are you accelerating spending the Westport plan to do stand-alone?

MR. HAGER: I think we have to take a little closer look before I can commit to that for sure. Certainly we see the opportunities are there, but I would like to get in and study it in a little more detail before I can commit.

AUDIENCE MEMBER: Do you have an estimate for the combined company's budget for '05 and '06?

MR. HAGER: No further guidance other than what's already out there.

On the Kerr-McGee side, we are going to spend about $900 million on the capital side, about $300 million on the exploration side; and on the Westport side is about $370 million including core capital and exploration.

MR. CORBETT: That's for 2004. We have not put forward a budget for 2005 as yet.

AUDIENCE MEMBER: Thank you.

AUDIENCE MEMBER: Luther, are there potential areas of the Westport portfolio that you might deem to be non-core going forward and, therefore, candidates of monetization?

MR. CORBETT: Mark, not at this time. I think what we want to do is the gist of the transaction, certainly look at those areas where we can appreciate we can create value.

And as we do with all transactions of this type, we want to flesh out the maturity level of those

transactions before we make any

tactical decision like that.

Dave, do you want to add anything like that?

MR. HAGER: I think that summarizes it well. These are all very high margin properties, considering excellent cash flow. You can see the average lease operating expense on these are very compelling, very competitive, and so just like the Kerr-McGee assets for a longer time period, we will look at. But there is no need. There is some good set of assets.

AUDIENCE MEMBER: Hi, a question for Bob. On the 90 percent hedge, what sort of a basis differential are we speaking historically for these synergies on oil and gas?

MR. WOHLEBER: Overall on the Westport, as is 20 to 25 percent now. Obviously with their Rocky Mountains and their Western assets, the

75

differential there is about 75 to 80 cents.

We have not yet put in basis differential in hedges, but we will be looking to do that in the future. We've done that with the Wattenberg hedging as you know. The market has remained fairly constant really over the last six months, in the 75 to 80 cents range. The current record, the Chyian pipeline is coming in I think are beginning to moot the effect there.

But again to get the fully effective hedge, we will be adding basis differentials over time.

AUDIENCE MEMBER: Is it 20, 25 cents for the oil?

MR. WOHLEBER: Yeah. Really the overall basis differential is 20 to 25 cents when you look at the combined basis of oil and gas.

MR. CORBETT: Doctor?

AUDIENCE MEMBER: Hi. Can you

guys discuss the background of the merger, how you guys got together on the topic?

MR. CORBETT: I think Don summarized from their standpoint what they were searching for. The opportunities that they were looking towards, issues that face them.

Kerr-McGee has always -- as I mentioned just a few minutes ago, we have always searched for tactical and strategic opportunities that add value to our company. That's how we grow.

And when you look at these assets and appreciate what they bring to this portfolio, it accomplished the very things we were looking for, breadth, balance to the portfolio.

I take a great deal of comfort when I appreciate that 30 percent of our gas volumes are coming out of the Rocky Mountain areas, and we got identified already, without enhancements, some 9,000 projects. So there is a

77

lot of balance and breadth associated with that.

So any time you can look towards a transaction of this magnitude and create that kind of value and underpin it with quality assets, you should be talking. And we found an opportunity to have that kind of conversation simply because of what they were and part of their progress and where we were in our progress.

AUDIENCE MEMBER: S&P put the Company on watch negative this morning for its staff rating, and Moody's placed it negative outlook last week.

Can you comment on where you would like your debt ratings to be going forward and what the status of your discussions with the rating agencies are?

MR. CORBETT: I'm going to let Bob answer that. My answer is probably higher than his. Bob, why don't you take that question?

MR. WOHLEBER: I think an answer to the question of where we would like to be. We want to be a strong investment grade credit. Kerr-McGee is committed to its capital structure, and we think that's important and we continue to do that.

We, again, manage our affairs from a financial standpoint using hedges, making sure we have the available cash to pay down debt.

So we're looking to be a strong investment grade credit is where we want to be. We think this transaction moves us closer to that.

S&P basically came out on the credit watch, but also within their announcement said they wanted to meet with the company before they made a final decision. They have not made a final decision. They need more information.

We have not met with the S&P on this transaction other than giving

them preliminary information.

As to Moody's, we had a meeting with Moody's on the Kerr-McGee projections for 2004, 2005 prior to this transaction and, again, it was before they were able to take into account the full benefits of what this transaction does.

I can tell you that based upon my recent conversations, they do see it as a positive transaction, basically the balance it adds to our program, adding the U.S. domestic gas position, again, the hedges underpinning it.

It is positive. They need to -- again, what they want to look at is those pro forma numbers that we put up there, which I think everyone will agree are very compelling. Obviously, they need to look at that as of 12/31/2004.

So I think it will come in time. We intend to go up and talk to them, both Moody's and S&P -- and Fitch also

provides a rating service for Kerr-McGee. And really give them the full benefit of hearing this story.

I think you have to hear the story; you have to understand what this does for us. And we will be spending our time to make those efforts to improve the rating to a stronger investment grade credit.

AUDIENCE MEMBER: When as you list today 42 percent shareholders -- 14 for the merger, does that mean if there is a high -- I'm not suggesting there is a highgrade. If there is a highgrade, they cannot opt out and vote for the new offer if there is one on the table in?

MR. CORBETT: No. You always have fiduciary outs in any kind of transaction like this.

AUDIENCE MEMBER: But I mean, 42

percent shareholders, the Board has that. But how about the shareholders?

MR. CORBETT: Greg?

MR. PILCHER: If the transaction is submitted to the shareholders, and they are obligated under the Voting Agreements to vote for the transaction.

As Luke mentioned, the Company has the customary fiduciary outs. If there was a superior proposal and it was not submitted to the shareholder, then of course they would not be voting for it.

AUDIENCE MEMBER: The second question relates, there was a footnote over there for $500 million debt allocated to the chemist.

Is that included in the total debt when you calculate your 42 percent debt to equity ratio? Or is that excluded or off balance sheet type of debt?

MR. WOHLEBER: The 42 percent includes the $500 million. The purpose of that is really in the last component of that slot where we have adjusted debt to prove developed reserves. It is basically a rating agency calculation. And when we look at that, obviously they are looking at debt to barrels of oil.

We have a chemical business, if you're familiar with Kerr-McGee Titanium Dioxide, that generates strong cash flow on its own.

So really to be fair, relative to the amount of debt supportive by those barrels, there is a component of debt that our chemical business could support. So we just allocated $500 million which we feel is reasonable for the debts that can go to those chemical assets.

But it is only in that one calculation of adjusted debt to approved development reserves if that is used.

MR. CORBETT: As a footnote to that. There has been a proxy in the

last few months here for evaluating

chemical companies. TI-2 assets, if you look at Millennium, and the range was about ten times cash flow.

So if you take our chemical assets and look at $150 to $200 million cash flow, you are looking at one and a half to $2 million in terms of value so we can handle the debt capacity.

Mark?

AUDIENCE MEMBER: Luke, I got a couple of quick things I could. Can I assume the Tahiti reserves were not booked as proven as of year end of '03?

MR. CORBETT: That's correct. Probable, possible.

AUDIENCE MEMBER: Who is the consulting engineer they referred to in terms of the 87 percent?

MR. HAGER: Westport's historic engineer has been Rider Scott. Westport did a transaction where they

84

acquired the assets of United Resources late in 2003.

United Resources had historically used Netherlands Stool. So for the purpose of 2003, United Assets were still using Netherland Stool, and the bulk were Rider Scott.

AUDIENCE MEMBER: Are there any headcount reduction numbers, Luke, that you might be able to cite that underpins the $40 million in synergies?

MR. CORBETT: No headcount reductions, per se. But, Mark, I think it is fair for all of us to all appreciate that there is absolutely no reason to replicate corporate functions and staff style functions.

You will also appreciate, we want to do as we did with HS Resources. We want to maintain operating personnel. This is where we can extract value and apply synergies to the program.

AUDIENCE MEMBER: One more if I

could. You have a provision, Bob for calling the converts, I guess, is the intention. Is it about 100 million bucks and is there an opportunity to call it as opposed to a forced conversion?

MR. WOHLEBER: Yes. There is a

$75 million convertible preferred on Westport's books, six and a half percent yield.

The provision is that Westport will redeem that issue between now and closing, and they have that option to do that. There is 2.9 million shares. The call price is $25.65 resulting in that $75 million figure that I quoted.

AUDIENCE MEMBER: Are you planning on leaving Westport's bonds outstanding?

MR. CORBETT: Bob?

MR. WOHLEBER: At the present time, we will be assuming Westport's bonds, yes.

MR. CORBETT: Another question in

86

the back.

AUDIENCE MEMBER: Given the opportunity that you realized in Westport portfolio and the fact you are issuing 50 million shares, has Kerr-McGee's Board given any consideration to changing the dividend?

MR. CORBETT: The Board is comfortable with where the dividend is. We have looked at this opportunity several times with the Board, and they have chosen to continue with the dividends. That's why you saw the pro forma number of $89 million.

AUDIENCE MEMBER: Are any of the Westport major shareholders locked up in this transaction so that we don't -- are any of the major shareholders from Westport locked up?

MR. CORBETT: Greg, do you want to answer that?

MR. PILCHER: The three major

87

Westport shareholders have existing Registration Rights Agreements with Westport now. We are not assuming the Registration Rights Agreement, but we are putting a shelf in place for them so they can maintain the flexibility they have now with Westport.

As to the specifics of a lockout, they're prohibited by their Voting Agreement from selling between now and closing. Following closing, they'll have the same ability to sell as they have had at Westport.

MR. CORBETT: Any other questions?

Well, ladies and gentlemen, thank you very much. We appreciate your time. And again, we believe we are creating a value story here and we hope you have enjoyed this presentation. Thank you.

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The joint proxy statement/prospectus will be filed with the U.S. Securities and Exchange Commission (SEC) by Kerr-McGee Corporation and Westport Resources Corporation. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus when it becomes available and other documents filed or furnished by Kerr-McGee Corporation or Westport Resources Corporation with the SEC at the SEC's website at www.sec.gov. The joint proxy statement/prospectus and other documents filed or furnished by Kerr-McGee Corporation or Westport Resources Corporation may also be obtained for free by directing a request to Kerr-McGee Corporation, Attn: Corporate Secretary, P.O. Box 25861, Oklahoma City, Oklahoma 73125 or to Westport Resources Corporation, Attn: Investor Relations, 1670 Broadway, Suite 2800, Denver, Colorado 80202.

Kerr-McGee, Westport Resources and their respective directors and officers may be deemed to be participants in the solicitation of proxies with respect to the transactions contemplated by the merger agreement. Information regarding Kerr-McGee's directors and officers is available in the Proxy Statement for its 2004 Annual Meeting of Stockholders, filed March 26, 2004 with the SEC, and its Annual Report on Form 10-K, filed March 12, 2004 with the SEC. Information regarding Westport Resources' directors and officers is available in the Proxy Statement for its 2003 Annual Meeting of Stockholders, filed April 21, 2003 with the SEC. Other information about the participants in the solicitation will be set forth in the Joint Proxy Statement/Prospectus and other relevant materials to be filed with the SEC.

Safe Harbor Language on Forward Looking Statements:

(Statements in this transcript regarding the company's or management's intentions, beliefs or expectations, or that otherwise speak to future events, including resource estimates, production rate estimates, development schedule and cost estimates, are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements include those statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "estimates," "projects," "target," "budget," "goal," "plans," "objective," "outlook," "should," or similar words. These "forward-looking" statements also include statements relating to (1) the impact the companies expect the proposed transaction to have on the combined entity's operations, financial condition, and financial results, (2) the companies' expectations about their ability to successfully integrate the combined businesses, (3) the amount of cost savings and overall operational efficiencies the companies expect to realize as a result of the proposed transaction, (4) when the companies expect to close the proposed transaction, (5) anticipated drilling and development opportunities and (6) the ability of the companies to meet their stated financial goals. In addition, any statements regarding possible commerciality, development plans, capacity expansions, drilling of new wells, ultimate recoverability of reserves, future production rates, future cash flows and changes in any of the foregoing are forward-looking statements.

Matters discussed in these statements involve risks and uncertainties which may cause results to differ materially from those set forth in these statements. The following factors, among others, could cause actual results to differ from those set for in these forward-looking statements: the ability to obtain governmental approvals of the merger on the proposed terms and schedule; the failure of Kerr-McGee or Westport Resources stockholders to approve the merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any synergies from the merger may not be fully realized or may take longer to realize than expected; disruption from the merger making it more difficult to maintain relationships with customers, employees or suppliers; the accuracy of the assumptions that underlie the statements, the success of the oil and gas exploration and production program, the price of oil and gas, drilling risks, uncertainties in interpreting engineering data, demand for consumer products for which Kerr-McGee's oil and gas business supplies raw materials, the financial resources of competitors, changes in laws and regulations, the ability to respond to challenges in international markets, including changes in currency exchange rates, political or economic conditions in areas where Kerr-McGee operates, trade and regulatory matters, general economic conditions, and other factors and risks identified in the Risk Factors sections of Kerr-McGee's Annual Report on Form 10-K and Westport Resources' Annual Report on Form 10-K as well as other of their SEC filings.

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves. We use certain terms in this transcript, such as "probable and possible" resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in Kerr-McGee's Forms 10-K and 10-Q, File No. 1-16619, available from its offices or web site, www.kerr-mcgee.com, and in Westport Resources' Forms 10-K and 10-Q, File No. 1-14256, available from its offices or web site, www.westportresourcescorp.com. You can also obtain these forms from the SEC by calling 1-800-SEC-0330.)