

## XTO ENERGY INC. DIRECTORS AND OFFICERS

### DIRECTORS

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**Bob R. Simpson**  
Chairman and  
Chief Executive Officer  
XTO Energy Inc.

**Keith A. Hutton**  
President  
XTO Energy Inc.

**Vaughn O. Vennerberg II**  
Senior Executive Vice President and  
Chief of Staff  
XTO Energy Inc.

**William H. Adams III** (a, b, c)  
Chief Executive Officer  
JABB Associates, Inc.

**Dr. Lane G. Collins** (a, b, c)  
Professor Emeritus of Accounting  
Baylor University

**Phillip R. Kevil** (a, c)  
Retired Executive  
Certified Public Accountant

**Jack P. Randall**  
Cofounder  
Randall & Dewey  
Division of Jefferies & Company, Inc.

**Scott G. Sherman** (a, b, c)  
Owner  
Sherman Enterprises

**Herbert D. Simons** (a, b, c)  
Retired Tax Attorney  
Certified Public Accountant

a) Audit Committee  
b) Compensation Committee  
c) Corporate Governance and  
Nominating Committee

### ADVISORY DIRECTORS

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**Louis G. Baldwin**  
Executive Vice President and  
Chief Financial Officer  
XTO Energy Inc.

**Timothy L. Petrus**  
Executive Vice President,  
Acquisitions  
XTO Energy Inc.

### EXECUTIVE OFFICERS

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**Bob R. Simpson**  
Chairman and  
Chief Executive Officer

**Keith A. Hutton**  
President

**Vaughn O. Vennerberg II**  
Senior Executive Vice President and  
Chief of Staff

**Louis G. Baldwin**  
Executive Vice President and  
Chief Financial Officer

**Timothy L. Petrus**  
Executive Vice President,  
Acquisitions

### SENIOR OFFICERS

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**Brent W. Clum**  
Senior Vice President and Treasurer

**James L. Death**  
Senior Vice President,  
Land

**Nick J. Dungey**  
Senior Vice President,  
Natural Gas Operations

**Ken K. Kirby**  
Senior Vice President,  
East Texas Operations

**Bennie G. Kniffen**  
Senior Vice President and  
Controller

**Frank G. McDonald**  
Senior Vice President, General  
Counsel and Assistant Secretary

**F. Terry Perkins, Jr.**  
Senior Vice President,  
Reservoir Engineering

**Mark J. Pospisil**  
Senior Vice President,  
Geology and Geophysics

**Edwin S. Ryan, Jr.**  
Senior Vice President,  
Land Administration

**Terry L. Schultz**  
Senior Vice President,  
Marketing

**Douglas C. Schultze**  
Senior Vice President,  
Mid-Continent Operations

**Gary D. Simpson**  
Senior Vice President,  
Investor Relations and Finance

**Kenneth F. Staab**  
Senior Vice President,  
Engineering

**Mark A. Stevens**  
Senior Vice President,  
Taxation

### OTHER OFFICERS

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**Virginia N. Anderson**  
Vice President and  
Corporate Secretary

**Kathy L. Cox**  
Vice President, Associate General  
Counsel and Assistant Secretary

**Delbert L. Craddock**  
Vice President, Operations  
San Juan Division

**Kyle M. Hammond**  
Vice President, Operations  
Permian Division and Alaska

**Nina C. Hutton**  
Vice President, Environmental,  
Health and Safety

**Timothy B. McIlwain**  
Vice President, Operations  
Fort Worth Division

**Robert C. Myers**  
Vice President,  
Human Resources

**L. Frank Thomas III**  
Vice President,  
Information Technology

**Michael R. Tyson**  
Vice President,  
Financial Reporting

**T. Joy Webster**  
Vice President, Facilities

**Scott T. Agosta**  
Assistant Controller

**William B. D. Butler**  
Assistant Treasurer

## XTO ENERGY INC. CORPORATE INFORMATION

### CORPORATE HEADQUARTERS

810 Houston Street  
Fort Worth, Texas 76102  
(817) 870-2800

### OPERATIONS OFFICES

#### EASTERN REGION

6141 Paluxy Drive  
Tyler, Texas 75703  
(903) 939-1200

#### SAN JUAN & RATON

2700 Farmington Avenue  
Bldg. K, Suite 1  
Farmington, New Mexico 87401  
(505) 324-1090

#### ARKOMA

P.O. Box 218  
1541 Airport Road  
Ozark, Arkansas 72949  
(479) 667-4819

#### PERMIAN

200 N. Loraine, Suite 800  
Midland, Texas 79701  
(915) 682-8873

#### MID-CONTINENT

210 Park Avenue, Suite 2350  
Oklahoma City, Oklahoma 73102  
(405) 232-4011

#### FORT WORTH BASIN

600 East Exchange Avenue  
Fort Worth, Texas 76106  
(817) 378-5300

#### ALASKA

52260 Wik Road  
Kenai, Alaska 99611  
(907) 776-2511

### ANNUAL MEETING

Tuesday, May 15, 2007 at 10 a.m.  
Fort Worth Convention Center  
1201 Houston Street  
Ballroom C  
Fort Worth, Texas 76102

### INDEPENDENT AUDITORS

KPMG LLP  
Dallas, Texas

### SENIOR NOTES

7.50% Notes due 2012  
CUSIP# 98385XAA4

6.25% Notes due 2013  
CUSIP# 98385XAB2

4.90% Notes due 2014  
CUSIP# 98385XAD8

5.0% Notes due 2015  
CUSIP# 98385XAE6

5.30% Notes due 2015  
CUSIP# 98385XAG1

5.65% Notes due 2016  
CUSIP# 98385XAH9

6.10% Notes due 2036  
CUSIP# 98385XAJ5

### TRANSFER AGENTS AND REGISTRARS

Common Stock:  
Mellon Investor Services LLC  
480 Washington Boulevard  
Jersey City, New Jersey 07310  
[www.melloninvestor.com/isd](http://www.melloninvestor.com/isd)

Senior Notes:  
The Bank of New York  
Trust Company, N.A.  
Corporate Trust Division  
New York, New York

### FORM 10-K

Additional copies of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission may be obtained, without charge, upon request to Investor Relations at our corporate address and are also available free of charge on the Company's web site at [www.xtoenergy.com](http://www.xtoenergy.com). Copies of any exhibits to the Company's Annual Report on Form 10-K may also be obtained, without charge, upon specific request.

### SHAREHOLDER SERVICES

For questions about dividend checks, electronic payment of dividends, stock certificates, address changes, account balances, transfer procedures and year-end tax information call (888) 877-2892.

U.S. SHAREHOLDERS  
(888) 877-2892

TDD FOR HEARING IMPAIRED  
(800) 231-5469  
(Domestic and Foreign)

FOREIGN SHAREHOLDERS  
(201) 329-8660

### DIRECT STOCK PURCHASE/DIVIDEND REINVESTMENT PLAN

A Direct Stock Purchase and Dividend Reinvestment Plan allows new investors to buy XTO Energy common stock for as little as \$500 and existing shareholders to automatically reinvest dividends.

For more information, request a prospectus from: Mellon Investor Services LLC at (800) 938-6387.

### WEB SITE

[www.xtoenergy.com](http://www.xtoenergy.com)

### CERTIFICATIONS

The certifications of the Chief Executive Officer and Chief Financial Officer of XTO Energy required by Section 302 of the Sarbanes-Oxley Act of 2002 have been filed as Exhibits 31.1 and 31.2, respectively, to the Company's Form 10-K for the fiscal year ended December 31, 2006.

As required by the New York Stock Exchange (NYSE) listing standards, an unqualified annual certification indicating compliance with the corporate governance listing standards was signed by the Company's Chief Executive Officer and submitted to the NYSE on May 19, 2006.

## GLOSSARY

### NON-GAAP MEASURES

The following terms are considered non-GAAP measures as defined by the Securities and Exchange Commission. Management uses these measures to evaluate the Company's performance versus the performance of other oil and gas producing companies, as well as to evaluate potential acquisitions.

#### ALL-IN FINDING COSTS

Total costs incurred,<sup>a</sup> excluding the asset retirement obligation accrual. For purposes of evaluating annual costs incurred, management excludes the asset retirement obligation accrual since these estimated costs are related to future activities, and are deducted in the calculation of estimated future net cash flows of proved reserves.

#### ALL-IN RESERVES

The total of proved reserve extensions, additions and discoveries, purchases in place and revisions<sup>a, b</sup>

#### ALL-IN RESERVE REINVESTMENT EFFICIENCY

Operating Cash Flow Margin divided by All-in Reserve Replacement Cost

#### ALL-IN RESERVE REPLACEMENT COST

All-in Finding Costs divided by All-in Reserves

#### ALL-IN RESERVE REPLACEMENT RATIO

All-in Reserves divided by production<sup>a, b</sup>

#### OPERATING CASH FLOW

Cash provided by operating activities before changes in operating assets and liabilities, exploration expense and significant cash flow effects of unusual and infrequently occurring items. Because of these adjustments, this cash flow statistic is different from cash provided by operating activities, as disclosed under GAAP and reconciled to operating cash flow as follows:

(in millions)	2006	2005	2004	2003	2002
Cash provided by operating activities . . . . .	\$ 2,859	\$ 2,094	\$ 1,217	\$ 794	\$ 491
Changes in operating assets and liabilities. . . . .	(5)	158	58	(4)	23
Exploration expense <sup>c</sup> . . . . .	13	24	11	2	2
Current tax related to gain on distribution of royalty trust units . . . . .	211	-	-	-	-
Operating cash flow . . . . .	<u>\$ 3,078</u>	<u>\$ 2,276</u>	<u>\$ 1,286</u>	<u>\$ 792</u>	<u>\$ 516</u>

Management believes operating cash flow is a better liquidity indicator for oil and gas producers because of the adjustments made to cash provided by operating activities, explained as follows:

- Adjustment for changes in operating assets and liabilities eliminates fluctuations primarily related to the timing of cash receipts and disbursements, which can vary from period-to-period because of conditions the Company cannot control (for example, the day of the week on which the last day of the period falls), and results in attributing cash flow to operations of the period that provided the cash flow.
- Adjustment for exploration expense is to provide an amount comparable to operating cash flow for full cost companies and to eliminate the effect of a discretionary expenditure that is part of the Company's capital budget.
- Adjustment for the significant cash flow effects of unusual and infrequently occurring items.

#### OPERATING CASH FLOW MARGIN

Operating Cash Flow divided by production<sup>a, b</sup>

#### RETURN ON CAPITAL EMPLOYED

Ratio of net income plus tax-effected interest expense divided by the average sum of stockholders' equity and long-term debt for the period

#### RETURN ON EQUITY

Ratio of net income divided by average stockholders' equity for the period

#### UPSIDES OR CAPTURED RESOURCE

Reserves beyond proved reserves,<sup>a</sup> which includes probable and possible reserves that are potentially recoverable through additional drilling or recovery techniques. Only proved reserves are disclosed in financial statements prepared in accordance with GAAP, and SEC guidelines prohibit disclosure of these potentially recoverable reserves in filings with the SEC. Management believes it is appropriate to disclose these potentially recoverable reserves in certain communications with investors to provide reserve estimates associated with our inventory of future drill well locations.

a As disclosed in Note 15 to Consolidated Financial Statements

b As calculated on an Mcfe basis

c Net of dry hole expense excluded from cash provided by operating activities beginning in 2006

<b>Bbls</b>	Barrels (of oil or NGLs)	<b>Mcfe</b>	Thousand cubic feet of natural gas equivalent
<b>Bcf</b>	Billion cubic feet (of gas)	<b>MMcf</b>	Million cubic feet (of gas)
<b>Bcfe</b>	Billion cubic feet of natural gas equivalent	<b>MMcfe</b>	Million cubic feet of natural gas equivalent
<b>CBM</b>	Coal bed methane	<b>Tcfe</b>	Trillion cubic feet of natural gas equivalent
<b>Mcf</b>	Thousand cubic feet (of gas)		

One barrel of oil is the energy equivalent of six Mcf of natural gas

## XTO ENERGY INC.

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XTO Energy Inc. is a domestic energy producer engaged in the acquisition, development and exploration of long-lived, high-quality natural gas and oil properties. Established in 1986 as Cross Timbers Oil Company, XTO now owns interests in 20,743 wells in Texas, New Mexico, Oklahoma, Arkansas, Kansas, Louisiana, Colorado, Wyoming, Utah, Mississippi, and Alaska. Headquarters are located in Fort Worth, Texas, and at year end, the Company had 1,939 employees.

As of December 31, 2006, XTO Energy owns 8.55 Tcfe of proved reserves of which 67% are proved developed. Gas volumes account for 81% of total reserves. Under SEC guidelines, the present value before income tax, discounted at 10%, of the Company's proved reserves equals \$16.2 billion. Reserves are engineered each year by the independent engineering firm, Miller and Lents, Ltd.

From the IPO in 1993 through 2006, the Company's stock price has moved from \$13 to \$550 per share, excluding adjustments for stock splits. XTO Energy has created two other publicly traded investments: Cross Timbers Royalty Trust (NYSE:CRT) and Hugoton Royalty Trust (NYSE:HGT) which went public in 1992 and 1999, respectively.

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This Annual Report, other than historical financial information, contains forward-looking statements regarding results of future development expenditures, growth in production, growth in reserves, cash margins, operating cash flow and operating cash flow margins, proved reserves, unbooked reserve potential, identified upsides, cash flow yield, use of free cash flow, availability of properties for strategic acquisitions, profitability, cash flow needed to maintain production rates, economic returns, rate of return on capital, industry performance, industry prosperity, finding and development costs, revenues, drilling success rates, inventory and drilling locations, availability of oil and natural gas supply, demand for oil and natural gas, future stock performance, oil and natural gas prices and other matters subject to a number of risks and uncertainties that are detailed in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by this reference as though fully set forth herein. Although the Company believes that the expectations reflected in such statements are reasonable based on current available information, there is no assurance that these goals and projections can or will be met.

The Securities and Exchange Commission has generally permitted oil and gas companies, in their filings made with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation test to be economically and legally producible under existing economic and operating conditions. We use the terms reserve "potential" or "upside" or other descriptions of volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC's guidelines may prohibit us from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by the Company.

**XTO ENERGY INC.**

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810 Houston Street • Fort Worth, Texas 76102

[WWW.XTOENERGY.COM](http://WWW.XTOENERGY.COM)