

CHIEF FINANCIAL OFFICER POSITION DESCRIPTION

The Chief Financial Officer (CFO) of Nexen Inc. (Nexen) has the responsibility and specific duties described below.

Appointment

The CFO will be appointed by the Board of Directors (Board) each year and will have the competencies and skills recommended by the Chief Executive Officer (CEO) and the Compensation and Human Resources Committee and determined by the Board.

Responsibility

The CFO provides effective strategic and financial leadership for Nexen to grow value responsibly, in a profitable and sustainable manner. With the CEO, the CFO sets the “tone” for Management to foster ethical and responsible decision making, appropriate management and best-in-class corporate governance practices.

Specific Duties

The CFO will:

Leadership

1. Provide financial leadership to manage Nexen in the best interests of its stakeholders.
2. With the CEO, provide leadership in setting the Mission, Vision, Principles, Values, Strategic Plan and Annual Operating Plan of Nexen, in conjunction with the Board of Directors (Board).
3. With the CEO, lead the growth of Nexen’s global energy business in a profitable and sustainable manner.

Community

4. Be a community leader and ensure that Nexen makes and keeps appropriate commitments to the well-being and improvement of the communities in which it operates.
5. Serve as an external spokesperson and liaison for Nexen, including effectively managing relations with Nexen’s external stakeholders, especially stakeholders in the financial and investment communities.

Sustainable Business Practices: Social Responsibility; Ethics and Integrity; Health, Safety and Environment

6. Serve as Nexen’s governance liaison to financial rating agencies.
7. With the CEO, provide leadership to Management in support of Nexen’s commitment to sustainable business practices.
8. Foster ethical and responsible decision making by Management.

Governance

9. Communicate in a timely fashion with the Audit and Conduct Review Committee, the Finance Committee and the Board on material financial and accounting matters affecting Nexen.

Disclosure

10. With the Disclosure Review Committee (DRC), the CEO and other members of Management, as needed, take all reasonable steps to provide appropriate and timely disclosure of material information.

Strategic Planning

11. With the CEO, take all reasonable steps to provide for the development of a Strategic Plan for Nexen to maximize shareholder value consistent with sustainable business practices, and recommend it to the Board for review and, in the Board's discretion, approval.
12. With the CEO, take all reasonable steps to provide for the implementation of the Strategic Plan and report to the Board in a timely manner on progress regarding or deviations from the Strategic Plan or any parameters established by the Board.

Financial and Accounting Management

13. Provide general supervision and management of the day-to-day financial, tax and accounting affairs of Nexen within the guidelines established by the Board, consistent with decisions requiring prior approval of the Board and the Board's expectations of Management.
14. With the CEO, take all reasonable steps to provide for the development of an Annual Operating Plan including business plans, operational requirements, organizational structure, staffing and budgets that support the Strategic Plan.
15. With the CEO, take all reasonable steps to provide for the implementation of the Annual Operating Plan and direct and monitor the activities and resources of Nexen, consistent with the strategic direction, financial limits and operating objectives approved by the Board.
16. Take all reasonable steps to provide that Nexen maintains an appropriate capital structure to support its Annual Operating Plans and Strategic Plans.
17. Take all reasonable steps to provide that Nexen has sufficient liquidity to implement its business plans.
18. Approve commitments within the limits of delegated approval authorities.

Risk Management

19. With the CEO, provide the Board assurance that the proper systems are in place to identify and manage business risks and that such risks are acceptable to Nexen and are within the guidelines established by the Finance Committee, the Audit and Conduct Review Committee and the Board.

20. With the CEO, take all reasonable steps to provide for the accuracy, completeness, integrity and appropriate disclosure of Nexen's financial statements and other financial information through appropriate policies and procedures.
21. With the CEO, establish and maintain Nexen's disclosure controls and procedures through appropriate policies and procedures.
22. With the CEO, establish and maintain Nexen's internal control over financial reporting through appropriate policies and procedures.
23. With the CEO, take all reasonable steps to provide that Nexen has complied with all regulatory requirements for Nexen's financial information, reporting, disclosure requirements and internal control over financial reporting.
24. Provide required regulatory certifications regarding Nexen and its activities.
25. Take all reasonable steps to provide appropriate that financial, risk, accounting and auditing policies and procedures of Nexen are developed, maintained, approved and disclosed, as appropriate.
26. With the CEO, take all reasonable steps to provide that the DRC provides the External Communications Policy to the Board for review, and in the Board's discretion, approval.

Other

27. Carry out any other appropriate duties and responsibilities assigned by the Board or the CEO.
28. To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Position Description is delegated to the Secretary, who will report any amendments to the Corporate Governance and Nominating Committee at its next meeting.
29. Once or more annually, as the Corporate Governance and Nominating Committee decides, this Position Description will be fully evaluated and updates recommended to the Board for consideration.

Approved: November 28, 2011