



Policy Name: External Communications

Policy Number: A160

Policy Owner: Disclosure Review Committee

Policy Approver: Board of Directors

Approval Date: November 28, 2011

Policy Statement:

This External Communications Policy specifies the steps Nexen takes to ensure communication with the public is consistent, accurate, fair and timely and aligned with all disclosure regulations.

1. Definitions

Disclosure Review Committee – shall consist of the, Chief Legal Officer (CLO), the Vice President, Investor Relations (VPIR), Vice President, Corporate Relations (VPCR), the Controller and Vice President, Corporate Audit or their designate(s) .

Employee – refers to a regular, temporary or contract employee of the company.

Nexen (or the company) – refers to Nexen Inc. and its majority owned affiliates.

2. Objectives:

- Nexen will **comply with all laws and regulations** regarding public disclosure of material information (including material facts and material changes), financial results and operations;
- Nexen is committed to the **fair disclosure of information** about Nexen and to the **avoidance of selective disclosure** that would advantage or disadvantage any participant in the financial market place;
- Nexen will **voluntarily disclose** non-material information determined by **senior management** to be in the interest of shareholders, stakeholders, the investment community and the public which is not the subject of a confidentiality agreement or prevented from being disclosed by applicable privacy laws;
- **All disclosure to the media** will be communicated by the **President/Chief Executive Officer (CEO), Chief Financial Officer (CFO), VPCR, VPIR** or their designate(s). , except as outlined in Section 4.3.1 (Guidelines for Interacting with Media during a crisis/emergency);

- **All disclosure to the financial community**, including investment analysts, brokers and current or potential investors will be communicated by the **CEO, CFO or VPIR** or their designate(s); and
- All Nexen media releases, information prepared for the financial community, and all other Nexen related information for public disclosure must follow the procedures for review and approval outlined herein.

3. Persons Affected:

The Policy applies to Nexen and all directors, officers and Employees.

4. Policy:

DISCLOSURE GUIDELINES

Compulsory Disclosure

Nexen will comply with all laws and regulations regarding public disclosure of material information (including material facts and material changes), financial results, operations, and reserves/contingent resources including, without limitation, the following:

- National Policy 51-201 Disclosure Standards;
- National Instrument 51-102 Continuous Disclosure Obligations;
- National Instrument 51-101 Standards for Disclosure of Oil and Gas Activities;
- National Instrument 58-101 Disclosure of Corporate Governance Practices
- Sarbanes-Oxley Act of 2002, and the Securities and Exchange Commission rules made under that Act;
- Regulation FD (17CFR 243) Selective Disclosure;
- Securities Exchange Act of 1934 and rules made under that Act;
- NYSE Section 303A Corporate Governance Rules; and
- TSX Policy Statement on Timely Disclosure.

Voluntary Disclosure

Nexen will disclose any non-material information determined by senior management, in consultation with the Disclosure Review Committee, to be in the interest of stakeholders, shareholders, the investment community and the public, which is not the subject of a confidentiality agreement or prevented from being disclosed by applicable privacy laws.

As described in Policy A132 - Environmental/Safety Incident Investigation by Regulatory Affairs and Policy A131 - Environment, Health & Safety Incident Reporting, all written reports properly labeled "Solicitor-Client Privileged Communication", may be released only on the advice of company counsel.

PROCEDURES

4.1 DISCLOSURE CONTROLS AND PROCEDURES

The members of the Disclosure Review Committee shall assist the CEO and the CFO with respect to their responsibilities for disclosure controls and procedures including:

- advising as to the materiality of certain information and what the associated disclosure requirements may be;
- during the course of the preparation of the periodic reports, meet with the CEO and CFO to: review disclosure issues; assist in the evaluation of the design and effectiveness of the disclosure controls and procedures; and, review the periodic reports to ensure they comply with all line-item requirements of the securities rules and other applicable laws and comply with exchange listing requirements; and
- during the course of preparation of the periodic reports, meet with the CEO and CFO to: review any changes in the internal control over financial reporting to ensure appropriate disclosure is made; and, assist in the disclosure of all significant deficiencies and material weaknesses with respect to the internal control over financial reporting, and of any fraud involving management or other employees who have a significant role in the internal control over financial reporting.

Nexen will review at least annually its disclosure practices, which review will involve the Disclosure Review Committee in consultation with the CEO and CFO.

4.2 NEWS RELEASES, TELECONFERENCES, NEWS CONFERENCES & BRIEFINGS

4.2.1 News Releases

General Type and Presentation Format The Audit and Conduct Review Committee of the Board shall review prior to public release the the general types and the presentation format of quarterly and annual earnings news releases and annual cashflow or production guidance. Annual production and cashflow guidance is approved through the Board's approval of the Annual Operating Plan. If such guidance is required to be updated during the year, the Audit and Conduct Review Committee Chair shall review and approve the updates and report any such changes to the Audit and Conduct Review Committee.

Preparation All news releases must be prepared in consultation with the VPIR (or designate), CEO, CFO, VPCR and relevant division personnel or subject matter experts.

Management Review and Approval All news releases that contain information relating to financial or operating performance or which may be material or potentially material, must be reviewed and approved by the Disclosure Review Committee before being publicly released.

Board News releases that reference joint venture assets must be approved by Partners and Governments where appropriate. Divisions are responsible for obtaining this approval following divisional review and approval. All quarterly and annual news releases will be reviewed by the Finance

Review	Committee.
Board Approval	All news releases that contain information relating to financial or operating performance or which may be material or potentially material, shall be approved by the CEO and CFO. All quarterly or annual results (earnings releases) shall be approved by the Audit and Conduct Review Committee of the Board.
Distribution	All news releases containing material or potentially material information shall be distributed by a widely circulated news or wire service.

4.2.2 Teleconferences, News Conferences and Briefings

All external teleconferences (involving public audiences), news conferences and briefings must be arranged in consultation with the VPCR and/or the VPIR or their designate(s).

Preparation	All external teleconference scripts and presentations for news conferences and briefings must be prepared in consultation with the VPIR and relevant division personnel.
Review and Approval	All external teleconference scripts and presentations for news conferences and briefings must be reviewed and approved by the Disclosure Review Committee.
Approval	All external teleconference scripts and presentations for news conferences and briefings must be approved by the CEO, CFO or CLO.

4.3 MEDIA

ALL media inquiries or requests for interviews, statements or information must be forwarded to the VPCR (or designate) for action.

In the event an initial statement to the media is required from Corporation personnel responding to an emergency or crisis event, this statement will be provided by the designated on-site Media Spokesperson and will be immediately reported by telephone to the VPCR or the VPIR or designate.

Local responses for areas other than corporate head office will be immediately referred to the Plant Manager or the most senior employee in such office, who will then contact either the CLO, the VPCR or the VPIR.

4.3.1 Guidelines for Interacting with Media during a Crisis / Emergency

- A trained Media Spokesperson will be available on site at each major facility throughout normal business hours and by telephone during non-business hours.
- Media inquiries or requests should be responded to **ONLY** by the designated **Media Spokesperson**.
- Regardless of whether the media has been involved, the VPCR or the VPIR **must be contacted by a division representative and informed of details** as soon as possible after activation of a Local Emergency Plan (an Incident). During an Incident **contact**

must be maintained with the VPCR or the VPIR. This will allow the VPCR or the VPIR to prepare statements or briefings, respond to any follow up calls and provide support for Nexen's employees on the scene.

4.3.2 Media Preparedness

For any event which involves Media coverage, division personnel and the Disclosure Review Committee may be asked to assist the VPCR (Corporate Communications or Investor Relations team) with the development of key messages and questions and answers (Q&A's). This will ensure:

- consistency in information reported
- consideration is given to both local and Corporate issues
- compliance with public disclosure requirements

4.3.3 Training

The Corporate Communications Department will work with outside consultants to develop, coordinate, schedule and provide media response training. This will ensure:

- consistent program content, in accordance with this Policy
- that within each division designated Media Spokespersons are trained to effectively represent Nexen to the media
- that Media Spokespersons attend refresher courses every three years

4.4 PUBLICATIONS, SEMINARS & PRESENTATIONS

Corporation-related subject matters that meet any of the conditions of the Mandatory Review Conditions noted in 4.4.1 will be subject to this Policy's guidelines for Publications, Seminars & Presentations.

4.4.1 Mandatory Review Conditions

Whether a document requires review and approval is based on:

- the potential for controversy or significant publicity;
- the likelihood it may contain financial and operating information or other material information not previously disclosed to the public; and
- the breadth of circulation (internal or external audiences).

4.4.2 Guidelines for Publications, Seminars & Presentations

Corporation-related subject matter (which meets any condition in 4.4.1) to be presented in external seminars open to public attendance, general corporate presentations to governments or partners and publication of papers or articles in journals or other media and public communications (which include advertisements, marketing-oriented communications, pamphlets, brochures, internet information, handbooks, appointment notices, speech or audio-visual presentations produced by or on behalf of Nexen, the Annual Report, and corporate profiles) fall under the following guidelines:

Pre-Clearance Review and Approval Investor Relations & Corporate Communications shall review and approve of communications to ensure Corporate consistency. The Disclosure Review Committee shall regularly review roadshow presentations and shall also be consulted if there are concerns as to materiality or Corporate consistency.

Investor Relations & Corporate Communications will, upon request, assist in the preparation of communication materials. Corporate Planning and Investor Relations & Corporate Communications maintain general information on Nexen and its performance which shall be available upon request.

4.5 SECURITIES FILINGS

Review and Approval All securities filings (i.e. current reports, annual reports, quarterly/interim reports, debt or equity offerings, management proxy circulars) shall be reviewed and approved by the Disclosure Review Committee. Securities filings for debt or equity offerings shall also be reviewed by the Finance Committee of the Board. The annual assessment of petroleum and natural gas reserves and disclosure of reserves data and related oil and gas activities shall be reviewed by the Reserves Review Committee of the Board and reported to the Audit and Conduct Review Committee of the Board.

All periodic securities filings (i.e. earnings related current reports, annual reports, quarterly/interim reports) shall be reviewed by the Audit and Conduct Review Committee of the Board prior to filing or any public announcements of the period covered.

4.6 PUBLIC USE OF CORPORATION NAME / LOGO

All requests involving the use of Nexen name or logo (or the logos of any of Nexen's affiliates or subsidiaries) are to be pre-cleared with Corporate Communications.

4.7 DISCLOSURE STANDARDS

To ensure compliance with Canadian and U.S. law on "Selective Disclosure", National Instrument 51-102 and U.S. Regulation FD, all disclosures shall be in accordance with the principles set out in this section 4.7.

4.7.1 Legal Compliance

Nexen will comply with all laws and regulations regarding public disclosure of material information (including material facts and material changes), financial results, operations and reserves/contingent resources.

Breaches of this Policy will be regarded very seriously and could be grounds for disciplinary action, including immediate dismissal.

4.7.2 Non-Selective Fair Disclosure

Nexen operates in two principal jurisdictions and regulatory regimes with respect to its publicly traded securities (Canada and U.S.). Nexen will strive to comply with best practices in addition to regulatory requirements to ensure that all material information about Nexen is disseminated in a timely manner to the financial market place without preference or advantage to any particular market participant – whether analyst or investor or otherwise. Nexen is also of the view that proper stewardship of the best interests of Nexen and its shareholders requires disclosure of its strategies, business plans and opportunities in a manner which builds investor confidence and respect for Nexen.

4.7.3 Authorized Representatives

- a. Persons authorized to communicate on behalf of Nexen to exchange analysts, securities market professionals and major shareholders of Nexen are limited to the Board Chair, CEO, CFO, CLO, Executive Vice President – Canada, Executive Vice President International, Treasurer, VPCR, VPIR, and the Senior Vice President, Corporate Planning and Business Development or others as approved from time to time by the CEO or CFO.
- b. Other officers or employees of Nexen may communicate with analysts and investors (actual or potential) as part of Nexen's investor relations program as requested by the VPIR. No employee is authorized to communicate business or financial information about Nexen that is non-public, material information, except through public disclosure sanctioned by Nexen.
- c. All inquiries as to the performance or status of Nexen's business operations are to be directed to the VPIR or designate. All technical inquiries related to the ownership of shares are to be directed to the CLO or Assistant Corporate Secretary.
- d. Appropriate training will be provided to each authorized representative on compliance with this policy, review of public statements regarding material information and procedures for disclosing non-public information.

4.7.4 Annual or Quarterly Financial Statement Release and Other Conference Calls

- a. Nexen will hold quarterly investor conference calls open to the public and media (in listen-only mode), and provide public notice about the quarterly conference call through a press release which will also be posted on Nexen's website. Nexen may also hold other conference calls open to the public and media and, if so, provide public notice about the conference call through a press release which will also be posted on Nexen's website.
- b. At the beginning of the conference call, Nexen's spokesperson will notify all participants to the call that there may be discussion of forward-looking information on the call and provide appropriate cautionary language.
- c. A play-back of the conference call will be provided on Nexen's website after the conference call. This item will be moved to the archives section of the website and clearly identified as historic information a short time after first posted.
- d. Any updates to quarterly conference calls will be pre-announced through press release and be made available for wide dissemination as would any quarterly conference call.
- e. Estimates of Nexen's annual financial performance, operating performance (for example, production of oil and gas) or reserves/contingent resources consistent with industry accepted practice may be disclosed, provided that it is done through public disclosure such as media releases or conference calls open to the public.
- f. Each conference call will be reviewed to confirm there was no selective disclosure. If questionable information was disclosed, it will be brought to the attention of the Disclosure Review Committee who will determine what action, if any, needs to be taken.

4.7.5 Presentations, Meetings and Briefings

- a. Nexen will use the safe harbour guidelines for forward looking information as part of individual, group and conference investor communications formats.
- b. Nexen will continue to participate in securities firms' sponsored and other investor conferences. Information presented at such conferences will be posted on our website.
- c. Authorized representatives of Nexen will continue to meet with individual investors, groups of investors, and in Corporation-sponsored facility tours. Nexen will also participate in other public forums in which analysts or investors could be present including industry seminars, trade shows, annual shareholder meetings, and the like.
- d. Nexen does not intend to disclose any material non-public information during any forum, meeting or briefing in which it participates including with analysts, institutional investors and other market professionals. If it is determined that material non-public information has been disclosed, appropriate public disclosure will be made promptly after any such inadvertent disclosure.

- e. All presentations will be pre-screened by appropriate personnel and approved by authorized personnel to ensure compliance with this part of the Policy.

4.7.6 Analyst Reports

- a. Nexen will not comment on draft or published Analyst Reports, except for accuracy of publicly disclosed facts. Appropriate representatives of Nexen may dialogue with analysts on facts and assumptions which they make in modeling Nexen's operations and performance, but will not comment on conclusions which they reach as a result.
- b. Nexen will not circulate or, in the case of electronic distribution, hyper-link to analyst reports for the purpose of providing them to shareholders or potential investors. If Nexen discloses on its website the names of analysts that cover its securities, it shall ensure that the list is complete as possible.
- c. For two weeks prior to normal quarterly earnings and operating results announcements, Nexen will not comment on analysts inquiries or rumours regarding these matters.

4.7.7 Response to Rumours

Absent a separate duty to disclose arising as a result of a material change or a material fact, or a stock exchange inquiry, Nexen takes the position that it will respond as "no-comment" to hypothetical questions or rumours.

4.7.8 Posting on Website

Nexen will ensure its website is maintained so that information posted is as current and accurate as reasonably possible. The information will be prominent, user friendly and convenient and will include appropriate disclaimers where applicable.

This Policy will be posted on Nexen's website.

4.7.9 Exceptions to Selective Disclosure Restrictions

There are, of course, circumstances where Nexen will disclose material non-public information solely in the necessary course of business to persons subject to duties of trust or confidence not to disclose the information or to make use of it. In these circumstances, including any circumstances which involve disclosure to a person who has agreed to receive information in confidence subject to a written or oral agreement, disclosure may be made. This includes disclosures to, including but not limited to, legal counsel, investment bankers, lenders, accountants, government departments and credit rating agencies. Nexen will, in these circumstances, ensure that those receiving the information understand they cannot pass the information onto anyone else, or trade on that information, until it has been generally disclosed.

5. Roles and Responsibilities:

Management will be responsible for ensuring that this policy and related procedures are communicated and followed consistently in their operations.

All inquiries regarding the provisions or procedures of this policy or any questions of interpretation should be directed to the CLO or the VPIR.

6. Revision History:

DATE	REVISION #	DESCRIPTION OF CHANGE
November 28, 2011	9 th Revision	Minor changes for clarity
December 6, 2010	8 th Revision	Reformatted according to new corporate standards, updated definitions and other housekeeping/process changes.
December 7, 2009	7 th Revision	Minor changes.
December 9, 2008	6 th Revision	Minor wording changes throughout to improve clarity, clarify process and address SEC guidance regarding websites.
December 3, 2007	5 th Revision	Minor changes to address privacy laws and to harmonize with the Audit and Conduct Review Committee Mandate.
December 5, 2006	4 th Revision	Minor wording changes including express language that material information must be publicly disclosed, and adding the TSX Policy Statement on Timely Disclosure to the list of laws and regulations referenced. Also improved clarity regarding processes: for review of disclosure practices, approvals of periodic results, review of reserves data and related activities, for conference calls, and disciplinary actions for breach of policy.
October 13, 2005	3 rd Revision	Minor changes.
December 9, 2003	2 nd Revision	
September 1, 2001	1 st Revision	
February 1995	Policy Creation	New Policy created and approved