

## Independent Assurance Report

To the Board of Directors and Management of Nexen Inc. ("Nexen"):

We have reviewed selected quantitative performance indicators (the "Subject Matter") presented in Nexen's Sustainability Report (the "Report") for the year ended December 31, 2010. We did not review all information included in the Report.

### Subject Matter

We reviewed the selected quantitative indicators listed below and set out in the Report and in Attachment A to this Independent Assurance Report:

- CO<sub>2</sub>-equivalent emissions
- Production carbon intensity
- Fresh water withdrawn and consumed in onshore assets
- Reportable environmental spills
- Environmental exceedances
- Employee total recordable injury frequency
- Contractor total recordable injury frequency
- Combined total recordable injury frequency
- Employee lost time incident rate
- Percentage of Yemeni national employees
- Community investment
- Employee engagement score
- Voluntary employee turnover rate
- Reported and substantiated integrity incidents
- Active employees attending improper payments workshop
- Active employees attending integrity guide roadshow

The selected quantitative performance indicators were chosen by Nexen primarily on the basis of perceived external stakeholder interest. We did not review the narrative sections of the Report, except where they incorporated the Subject Matter.

### Responsibilities

Nexen management is responsible for the collection and presentation of the Subject Matter set out in the Report. Our responsibility is to express a conclusion, based on our assurance procedures, as to whether anything has come to our attention to suggest that the Subject Matter is not presented fairly in accordance with the relevant criteria.

### Methodology & Assurance Procedures

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited assurance with respect to the Subject Matter. We obtained and evaluated evidence using a variety of procedures including:

- Interviewing relevant Nexen management and staff responsible for data collection and reporting;
- Obtaining an understanding of the management systems, processes, and controls used to generate, aggregate and report the data;
- Reviewing relevant documents and records on a sample basis;
- Testing and re-calculating quantitative information related to the selected performance indicators on a sample basis;
- Assessing the information collected for completeness, accuracy, adequacy and consistency; and,
- Reviewing and discussing the final version of the Report with Nexen management to confirm that it reflected our findings

Our evidence-gathering procedures were more limited than required for a reasonable assurance engagement and, consequently, we do not express an audit opinion on the Subject Matter.

We carried out our work on the selected performance indicators at Nexen's offices in Calgary, Long Lake, and the United Kingdom. Information related to other operations was collected and reviewed at the Calgary head office. Our assurance criteria comprised the Global Reporting Initiative Sustainability Reporting Guidelines (2006), industry standards, and Nexen internal management definitions as disclosed in the Report, informed by relevant regulations. Our assurance team included individuals with environmental, health and safety, social and assurance experience.

### Conclusion

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the Subject Matter is not, in all material respects, presented fairly in accordance with the relevant criteria.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Calgary, Canada  
September 28, 2011

## Attachment A: Nexen 2010 Sustainability Report

### Assured Performance Indicators

All figures for the year ending December 31, 2010

| Performance Indicator                                 | Division     | 2010 Value | Notes   |
|---|--------------|------------|---|
| CO <sub>2</sub> -equivalent emissions                 | Company-wide | 6.34       | Million tonnes  |
| Production carbon intensity                           | Company-wide | .28        | Tonnes CO <sub>2</sub> equivalent / m <sup>3</sup> of oil equivalent  |
| Fresh water withdrawn and consumed in onshore assets  | Company-wide | 3.46       | 10 <sup>6</sup> m <sup>3</sup> ; Total company-wide water withdrawn and consumed does not include International and off-shore facilities. It only includes specific Canadian on-shore facilities.   |
| Reportable environmental spills                       | Company-wide | 83         | Reportable incidents are spills or exceedances that must be reported to one or more regulatory agencies in the jurisdiction in which the event occurred; spills do not include the releases of gas; exceedances include all spills or gas releases that exceed permit thresholds. |
| Environmental exceedances                             | Company-wide | 423        |   |
| Employee total recordable injury frequency            | Company-wide | .37        | Number per 200,000 exposure hours; includes Synthetic Oil major projects and resource development for 2010 (not previously included); hours are combination of actual tracked hours and estimated hours calculated using accepted industry guidelines                             |
| Contractor total recordable injury frequency          | Company-wide | .80        |   |
| Combined total recordable injury frequency            | Company-wide | .67        |   |
| Employee lost time incident rate                      | Company-wide | .08        |   |
| Percentage of Yemeni national employees               | Yemen        | 90         | Percentage of total Yemen workforce calculated for Yemen Masila (Block 14) workforce only.  |
| Community investment                                  | Corporate    | 11.4       | Cdn\$ Millions  |
| Employee engagement score                             | Corporate    | 61         | Percentage  |
| Voluntary employee turnover rate                      | Corporate    | 7.72       | Percentage of employees that voluntarily left the organization (excludes retirements). Includes regular employees only.   |
| Reported and substantiated integrity incidents        | Corporate    | 12         |   |
| Active employees attending improper payments workshop | Corporate    | 158        | Number of guests is included in final number of participants. In previous years it has been excluded.   |
| Active employees attending integrity guide roadshow   | Corporate    | 1,740      | Integrity training in Nigeria was conducted by local management and not captured in this data.  |