CHIEF EXECUTIVE OFFICER POSITION DESCRIPTION

In addition to the responsibilities and specific duties set out in the Board Mandate and the Individual Director Mandate, the Chief Executive Officer (CEO) of Nexen Inc. (Nexen) has the responsibility and specific duties described below.

Appointment

The CEO will be a duly elected or appointed member of the Board of Directors (Board), will be appointed as CEO by the Board each year and will have the competencies and skills recommended by the Compensation and Human Resources Committee and determined by the Board. The CEO is not independent under the Categorical Standards for Director Independence adopted by the Board. The CEO shall not be a member of any Board Committee, but is invited to attend Board Committee meetings, except for in camera sessions and, as appropriate, closed sessions.

Responsibility

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

Specific Duties

The CEO will:

Leadership

1. Provide leadership and vision to manage Nexen in the best interests of its shareholders.

2. 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. 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 contributes to the well-being and improvement of the communities in which it operates.

5. Serve as the external spokesperson and principal liaison for Nexen, including effectively managing relations with Nexen's external stakeholders, such as shareholders, the communities in which Nexen operates, customers, creditors, suppliers, the media, governments, non-government organizations and the public generally.

6. Be responsible for communicating Nexen's Mission, Vision, Principles, Values, strategy and business plan to external stakeholders.

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

7. Provide leadership to Management in support of Nexen's commitment to sustainable business practices.

8. Foster ethical and responsible decision making by Management.

9. Set the ethical tone for Nexen and its Management, including (i) overseeing the administration and implementation of, and compliance with, Nexen's policies and procedures; (ii) take all reasonable steps to satisfy the Board as to the integrity of the CEO and other senior officers; and, (iii) take all reasonable steps to satisfy the Board that the CEO and other senior officers create a culture of sustainable business practices throughout the organization.

10. Provide *How We Work: Our Integrity Guide,* which constitutes our code of ethics, to the Audit and Conduct Review Committee and the Board for approval.

Governance

11. Communicate in a timely fashion with the Board on material matters affecting Nexen.

12. Communicate regularly with the Chair of the Board (Board Chair) and other Directors to ensure that their responsibilities are being fully complied with and that Directors are being provided with information necessary to fulfill their responsibilities and statutory obligations.

13. Assist the Corporate Governance and Nominating Committee (CGN Committee) Chair in developing the Board, Board Committee and Individual Director Mandates.

14. Assist the CGN Committee Chair in developing an orientation program for new Directors and a continuing education program for Directors.

Disclosure

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

Strategic Planning

16. 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.

17. 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.

Business Management

18. Provide general supervision and management of the day-to-day 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.

19. 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 and recommend the Annual Operating Plan to the Board for review and, in the Board's discretion, approval.

20. 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.

21. Approve commitments within the limits of delegated approval authorities.

Risk Management

22. 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.

23. 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.

24. Establish and maintain Nexen's disclosure controls and procedures through appropriate policies and procedures.

25. Establish and maintain Nexen's internal control over financial reporting through appropriate policies and procedures.

26. 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.

27. Provide required regulatory certifications regarding Nexen and its activities.

28. Take all reasonable steps to provide that appropriate policies and procedures of Nexen are developed, maintained and disclosed.

29. 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.

Organizational Effectiveness / Succession

30. Develop a strong organization with the right people in the right positions.

31. With the Compensation and Human Resources Committee and the Board, take all reasonable steps to provide that Nexen has an effective Management team below the level of the CEO, that the Board has regular exposure to Management team members, and that there exists an effective plan of succession and development for the CEO and Management.

32. Recommend appointments to Management, monitor performance of Management and provide feedback and training as appropriate.

33. Together with senior Management, take all reasonable steps to provide that people strategies and compensation systems are appropriate to attract and retain the required workforce to execute the Strategic and Annual Operating Plans.

CEO Performance

34. With the CGN Committee and the Board, participate in developing the CEO Position Description.

35. With the Compensation and Human Resources Committee and the Board, participate in developing CEO Annual Accountabilities consisting of personal and corporate goals and objectives aligned with Nexen's Mission, Vision, Principles, Values, Strategic Plan and Annual Operating Plan, as well as indicators to measure the CEO performance, and present them to the Board for review, and in the Board's discretion, approval.

36. Take all reasonable steps to provide that an annual evaluation of CEO performance is conducted by the Compensation and Human Resources Committee and the Board.

Other

37. Carry out any other appropriate duties and responsibilities assigned by the Board.

38. 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 CGN Committee at its next meeting.

39. Once or more annually, as the CGN Committee decides, this Position Description will be fully evaluated and updates recommended to the Board for consideration.

Approved: November 28, 2011