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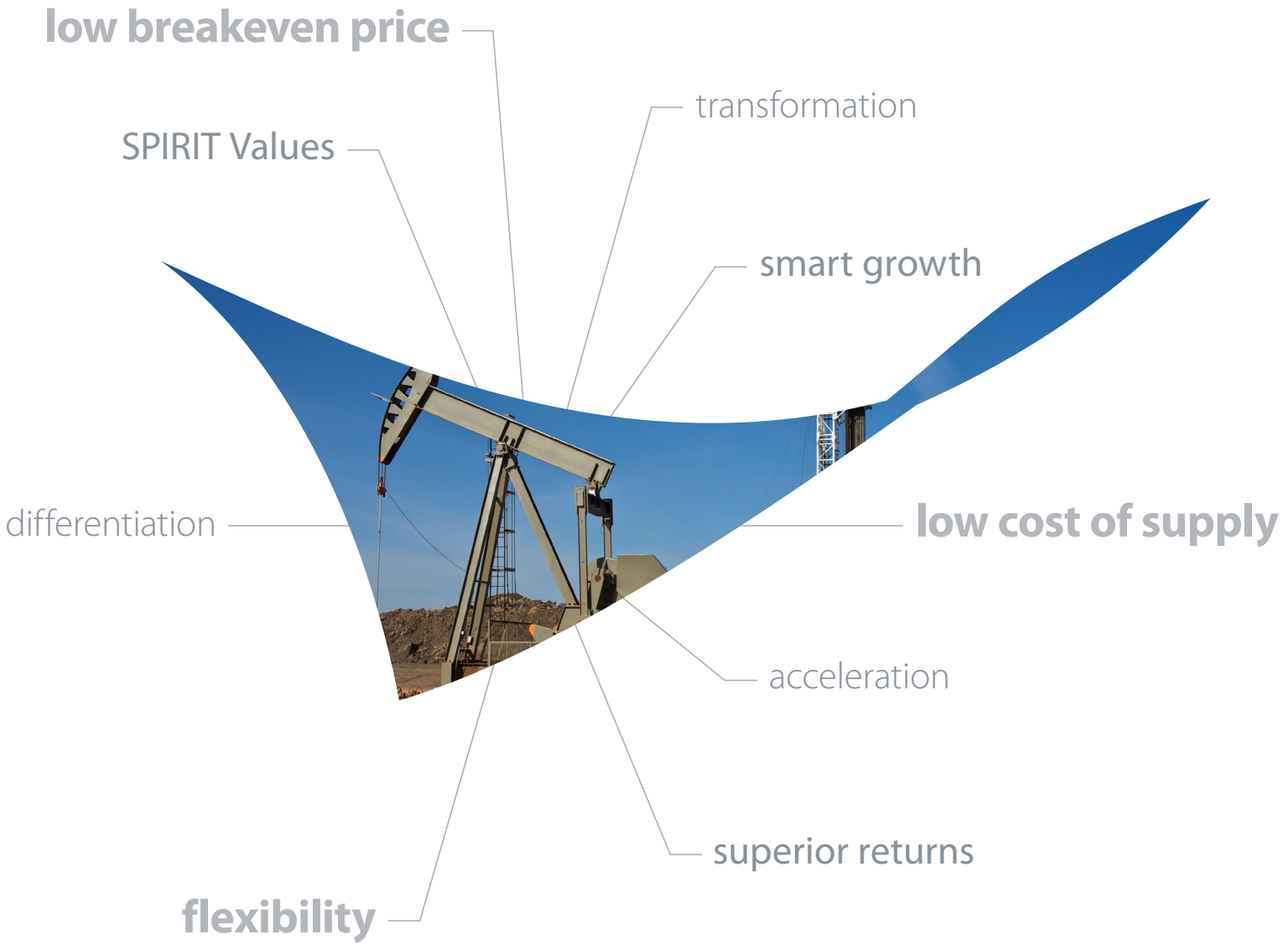
Accelerating Our Value Proposition

Canada Transaction Provides Significant Catalyst

March 29, 2017



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Transaction Conference Call Speakers

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Transaction Overview

Ryan Lance
Chairman & CEO

Accelerating Our Value Proposition

Don Wallette
EVP, Finance, Commercial & CFO

Portfolio & Strategy Impact

Matt Fox
EVP, Strategy, Exploration & Technology

Transformational, Win-Win Transaction

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- Immediate, significant impact on value proposition
- Accelerates rapid reduction of debt and doubling of share repurchases
- Improves portfolio cost of supply and margins
- Retains price upside via contingent payment and Cenovus equity
- Retains focused position in Surmont and Blueberry-Montney

Cenovus

- Achieves scope and scale of Canadian major
- Premier operator in two top-tier asset classes (Deep Basin gas and FCCL)
- Opportunity to accelerate growth and create value
- ConocoPhillips equity ownership demonstrates confidence in Cenovus' outlook

Summary of Transaction

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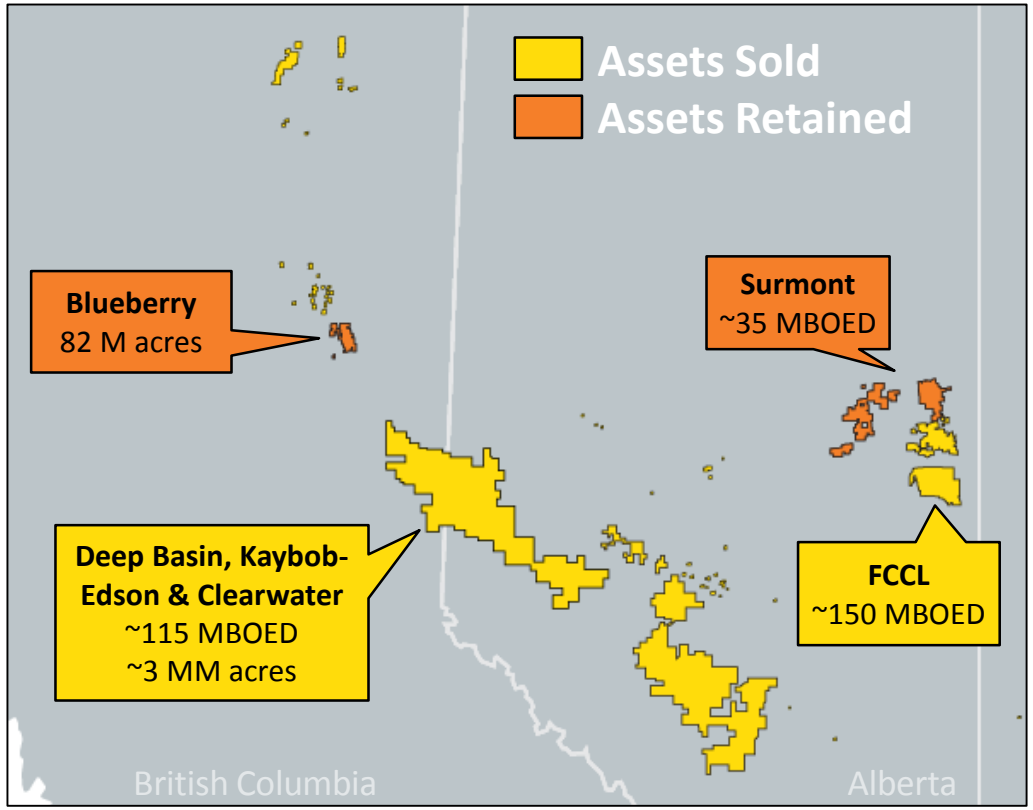
Scope & Terms

Transaction Scope	
Included	FCCL, Deep Basin, Kaybob-Edson & Clearwater
Excluded	Surmont, Blueberry-Montney
Upfront Consideration Elements ($B)	
Cash	10.6
Cenovus Equity[1]	2.7
Purchase Price	**13.3**
Contingent Payment Over 5 Years	
CA$6MM quarterly for every CA$1 WCS price above CA$52/BBL (~$52/BBL WTI[2])	
Closing anticipated 2Q17	

Canada Assets – 2016 Actuals



Transaction Asset Metrics

2016 Net After Royalty (NAR) Production	YE 2016 NAR Reserves (BBOE)
265 MBOED (Liquids: 179 MBD, Gas: 520 MMCFD)	1.3

[1] Equity value based on closing price March 28, 2017.
[2] Assuming CAD/USD of 0.75 and WCS – WTI differential of ~$13/BBL (as of March 28, 2017).

Use of Transaction Cash Proceeds Guided by Principles & Priorities

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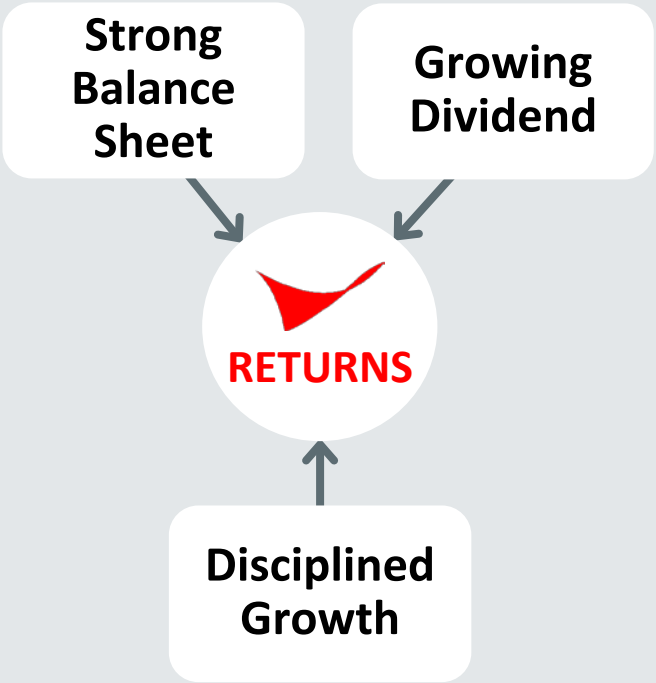
Value Proposition Principles



Cash Allocation Priorities

1st PRIORITY	Invest capital to maintain production and pay existing dividend	*Funded by cash from operations*	• Flat production for <$5B and pay dividend • Expect to grow dividend annually
2nd PRIORITY	Annual dividend growth		
3rd PRIORITY	Reduce debt and target 'A' credit rating	*Funded by transaction cash proceeds*	• Reducing debt to $20B in 2017; reset target to ~$15B • Doubling share repurchase program to $6B
4th PRIORITY	20-30% of CFO total shareholder payout		
5th PRIORITY	Disciplined growth capital	*Future opportunity*	• Maintaining capital discipline

Allocation of Cash Proceeds

Percent of cash returned to shareholders includes dividends and repurchase of company common stock divided by cash provided by operating activities.

Transaction Has Immediate & Significant Impact on Value Proposition

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Supercharges value proposition – *three-year financial plan exceeded in less than one year*

- Accelerates priorities and strategy outlined at November 2016 Investor Meeting
  - Expect to achieve gross debt of $20B in 2017
  - Doubling share repurchase authorization to $6B total over three years; tripling 2017 repurchases to $3B
  - Closing expected in 2Q17
- Continuing to market the asset packages announced for sale at November 2016 Investor Meeting
  - Total asset sales now expected to be >$16B in 2017
  - Positions company for differential free cash flow generation & improved returns

Unlocks value of Canadian portfolio

- Top-tier Canadian assets achieve a premium valuation inside Canadian company
- Accelerates value realization from under-exploited Deep Basin assets
- ConocoPhillips retains top-tier, operated oil sands and Blueberry-Montney liquids-rich unconventional

Improves underlying financial and portfolio metrics

- CFO at $50/BBL Brent unchanged; Cenovus equity/contingent payment retain upside exposure at >$50/BBL Brent
- Increases cash margins by 20%[1]
- Portfolio average cost of supply (CoS) improves to ~$35/BBL from ~$40/BBL at November 2016 Investor Meeting
- Capital for flat production unchanged; maintain 30+ years of inventory at an average CoS of ~$35/BBL

[1] At $50/BBL Brent. Cash margins is a non-GAAP term, calculated as cash provided by operating activities divided by production.
Free cash flow is a non-GAAP measure and is defined in the non-GAAP reconciliation on our website.

Cash Proceeds Used to Reduce Debt to $20 Billion in 2017

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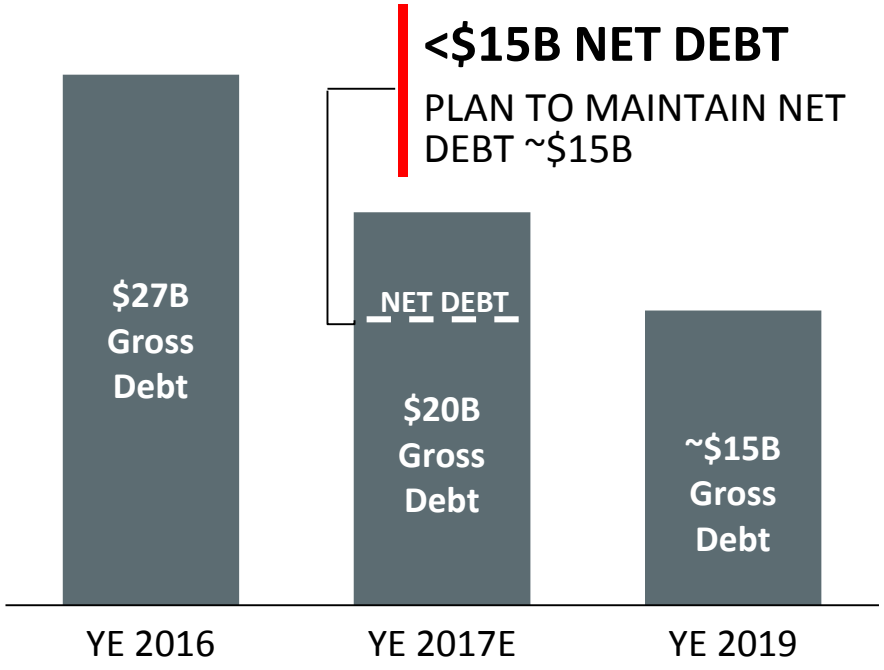
DELEVERAGING ACHIEVED

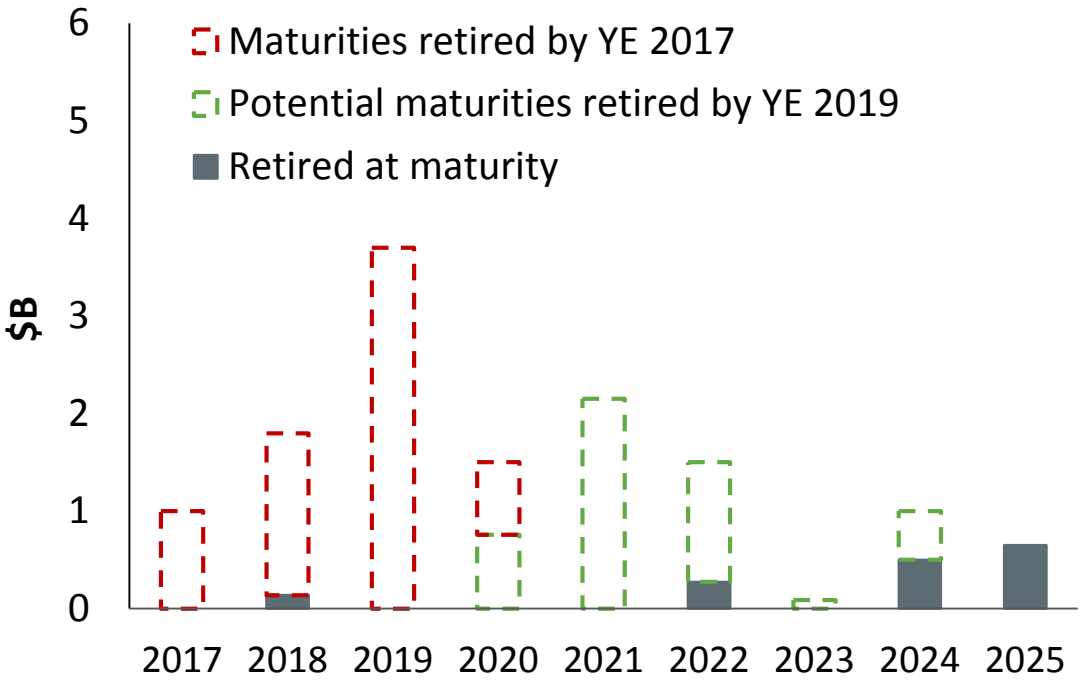


<$15B NET DEBT

PLAN TO MAINTAIN NET DEBT ~$15B

	YE 2016 @ $44/BBL	YE 2017E @ $55/BBL	YE 2019 @ $55/BBL[1]
Debt/CFO	5.6x	~2.8x	~1.6x
Net Debt/CFO	4.8x	~1.8x	<1.6x
Annual Interest	$1.25B	~$0.95B[2]	~$0.80B[2]

Maturity Profile



MOST OBLIGATIONS CLEARED THROUGH 2023

[1] Brent flat real price.
[2] Figures presented on a pro forma basis as if the transaction were completed on Jan. 1, 2017. Actual closing expected in 2Q17.
Net debt is a non-GAAP measure and is defined in the non-GAAP reconciliation on our website.

Cash Proceeds Used to Double & Accelerate Share Repurchases

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- Doubling current repurchase authorization from $3B to $6B
  - Original plan returned >30% of CFO to shareholders through dividend and share buybacks at $50/BBL Brent
  - New plan also returns 30% of transaction cash proceeds
- Tripling share buybacks from $1B to $3B in 2017
- Delivering scope of original three-year program in one year

EXCEEDING TARGET
RETURNS TO SHAREHOLDERS

Percent of cash returned to shareholders includes dividends and repurchase of company common stock divided by cash provided by operating activities.

Transaction Proceeds Retain Exposure to Price Upside

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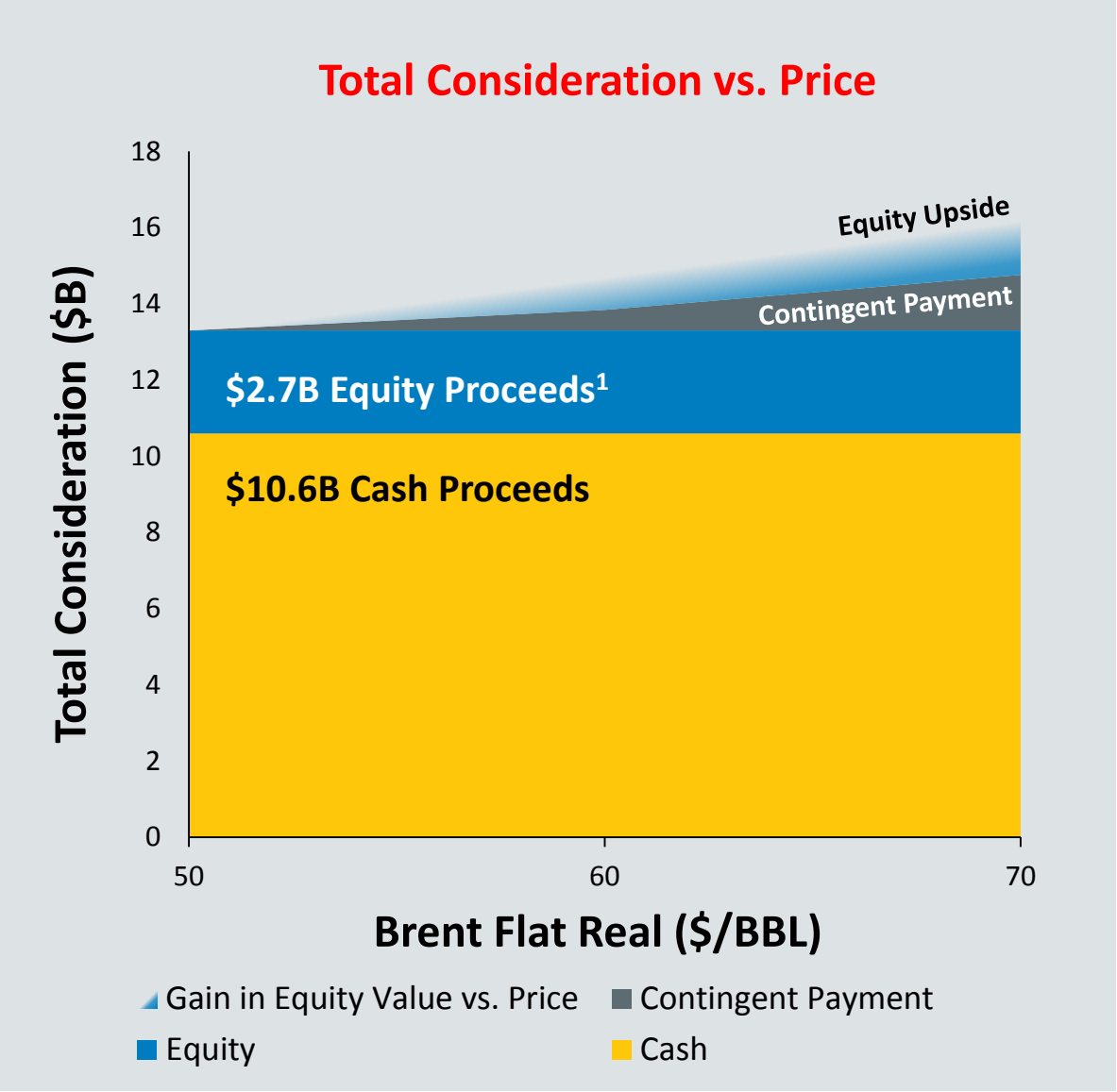
Equity Consideration

- Receiving 208 million shares of Cenovus common stock
- Lock-up period of 6 months begins at closing

Contingent Payment

- 5-year duration
- No annual or cumulative caps
- CA$6MM quarterly for every CA$1 WCS price above CA$52/BBL (~$52/BBL WTI[2])
- Adjusted for material production outages



[1] Equity priced at closing on March 28, 2017.
[2] Assuming CAD/USD of 0.75 and WCS – WTI differential of ~$13/BBL (as of March 28, 2017).

Maintaining Portfolio Strength

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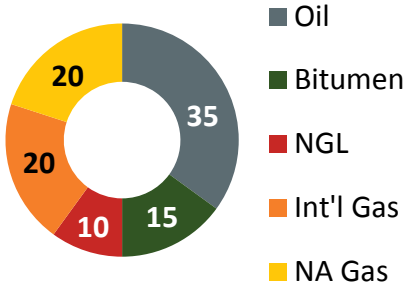
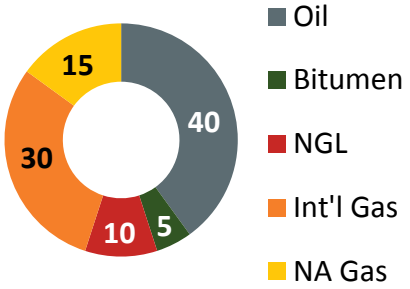
2017 Estimated Pro Forma Metrics[1]

	Pre-Transaction	Post-Transaction
2017 NAR Production	1,540 – 1,570 MBOED	1,260 – 1,290 MBOED
Production Mix		
Asset Class Production Split % (Oil Sands & LNG/Conv./Uncon.)	30/55/15	25/55/20
Adj. Operating Costs ($B)	$6B	$5.6B
CFO @ $50/BBL Brent	$6.5B	$6.5B
GAAP Capital for Flat Production ($B)	<$5B	<$5B
Reserves (YE 2016)	6.4 BBOE	5.1 BBOE

[1] Figures presented on a pro forma basis as if the transaction were completed on Jan. 1, 2017. Actual closing expected in 2Q17.
Adjusted operating costs is a non-GAAP measure. A non-GAAP reconciliation is available in the appendix of this deck.

Transaction Reduces Average Portfolio Cost of Supply to ~$35/BBL

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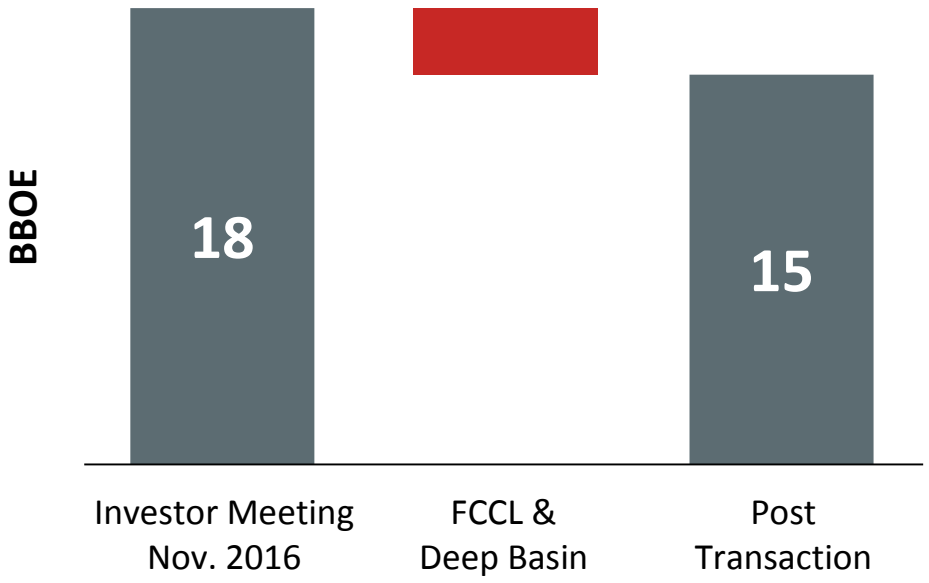
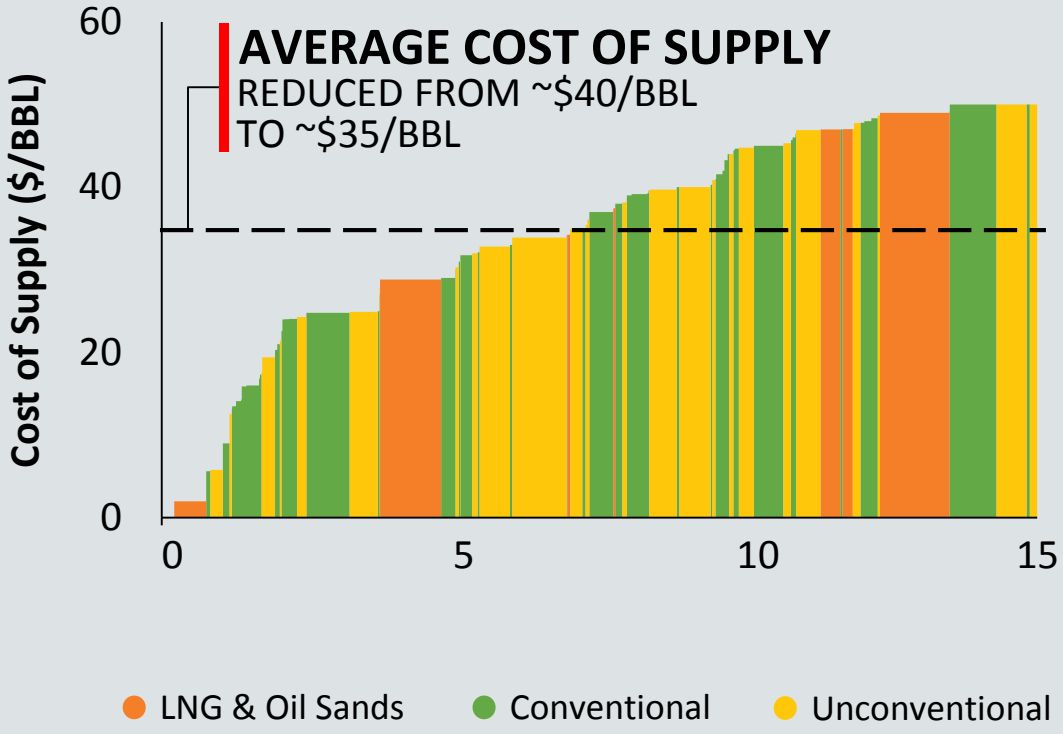
Transaction Impact on Resource with Cost of Supply <$50/BBL



Avg. CoS[1]	~$40/BBL	~$35/BBL
Resource life[1]	31 Years	32 Years

15 BBOE with Cost of Supply <$50/BBL



[1] Average cost of supply and resource life calculated based on total resources with <$50/BBL Brent cost of supply.

Retaining High-Quality, Operated Assets with Upside Potential

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Surmont

- Operated legacy project
- Major investment phase complete
- ~5 BBOE resource; reducing cost of supply
- ~70 MBOED long life base production
- Potential for 50% capacity increase through debottlenecking and brownfield expansion

Blueberry-Montney

- Now entirely focused on 100% owned and operated liquids-rich unconventional play
- Encouraging appraisal well results
- Expect <$40/BBL cost of supply
- Continuing to expand acreage position
- Currently updating our resource assessment based on well results and expanded acreage

The Plan We Presented in November Achieved All Priorities in 3 Years

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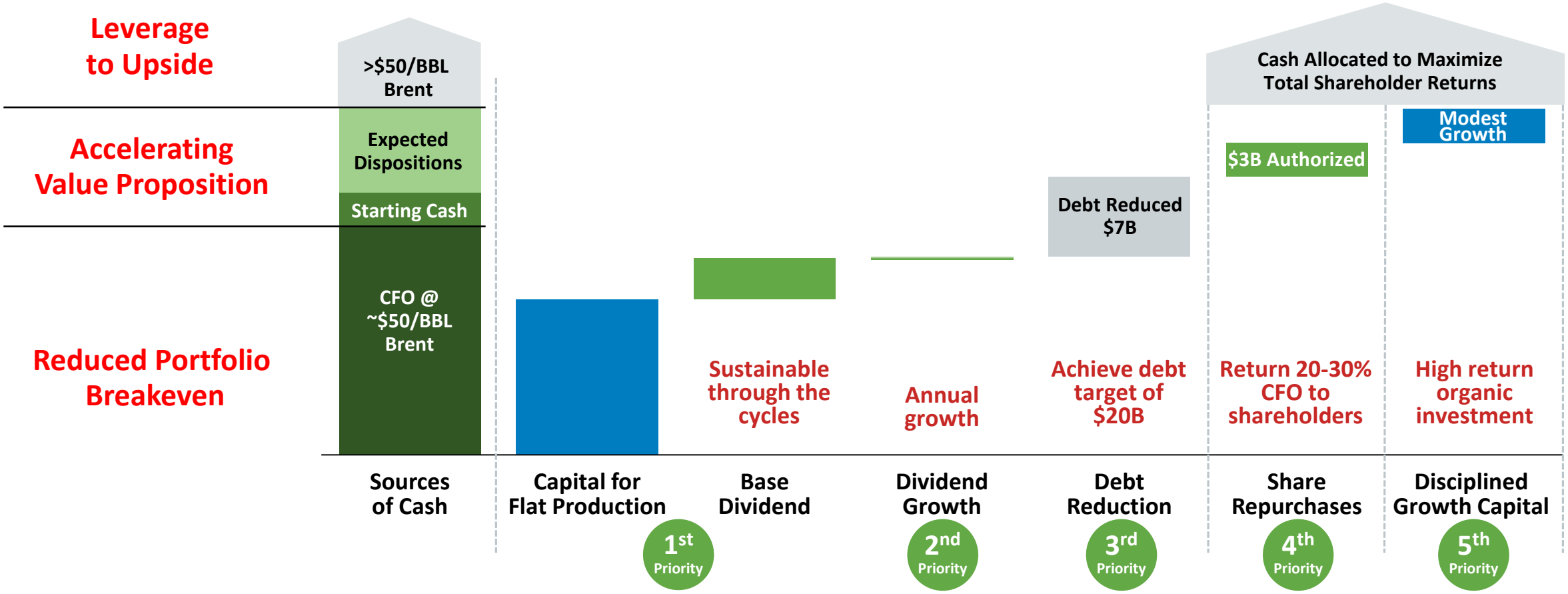
Estimated Sources and Uses of Cash (2017-2019) at $50/BBL Brent



Percent of cash returned to shareholders includes dividends and repurchase of company common stock divided by cash from operating activities.

…This Transaction Allows ConocoPhillips to Achieve Priorities in 1 Year

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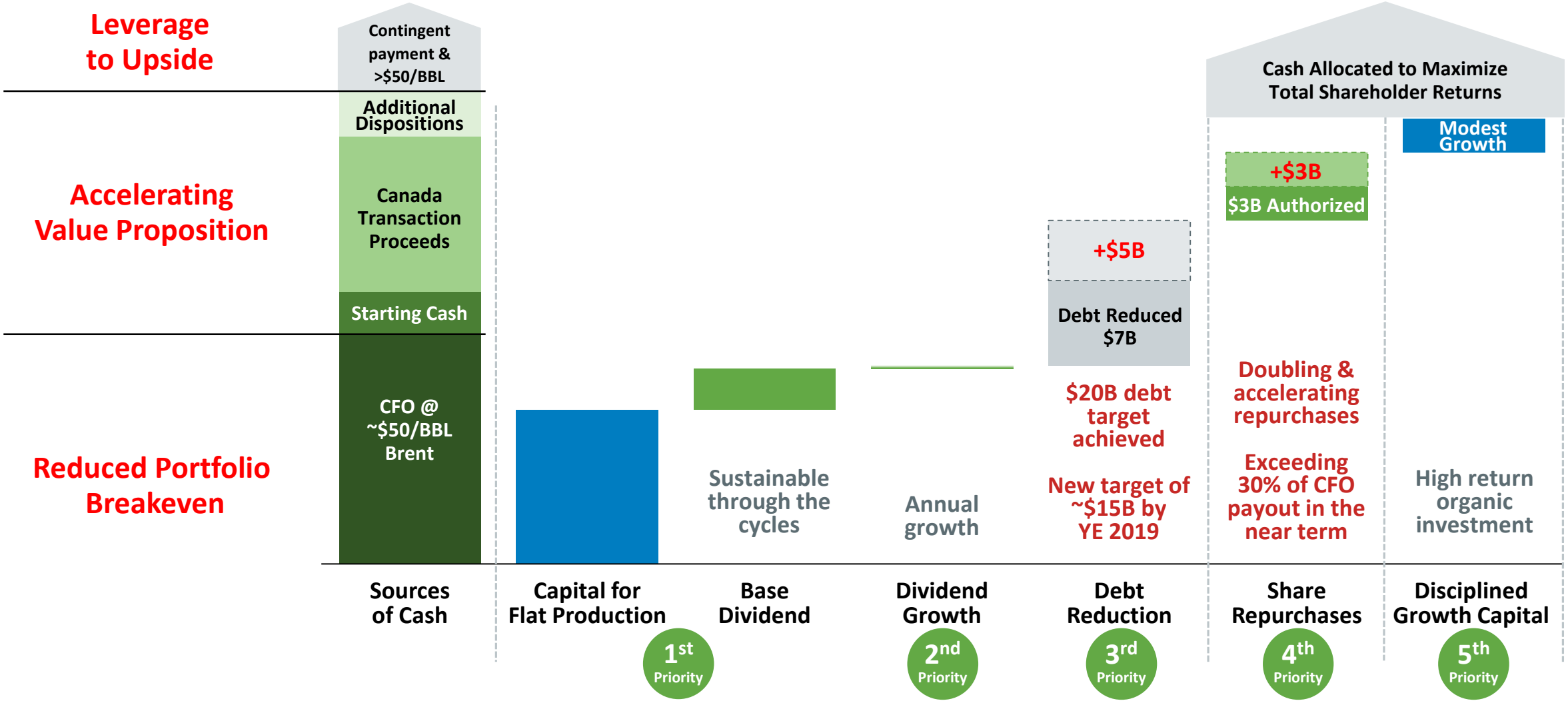
Estimated Sources and Uses of Cash (2017-2019) at $50/BBL Brent



Percent of cash returned to shareholders includes dividends and repurchase of company common stock divided by cash from operating activities.

Transaction Represents Significant Catalyst

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- Achieved three-year plan in less than one year
- Provides catalyst for investors
  - Immediate deleveraging of balance sheet
  - Commitment to return capital to shareholders via growing dividend and buybacks
  - Confidence in execution of the business plan
- Transaction clears the way for delivering unique value proposition
  - Focus on free cash flow generation
  - Allocate cash flow according to priorities
  - Disciplined growth from low cost of supply portfolio
- Goal to deliver double-digit returns to shareholders annually

Free cash flow is a non-GAAP measure and is defined in the non-GAAP reconciliation on our website.

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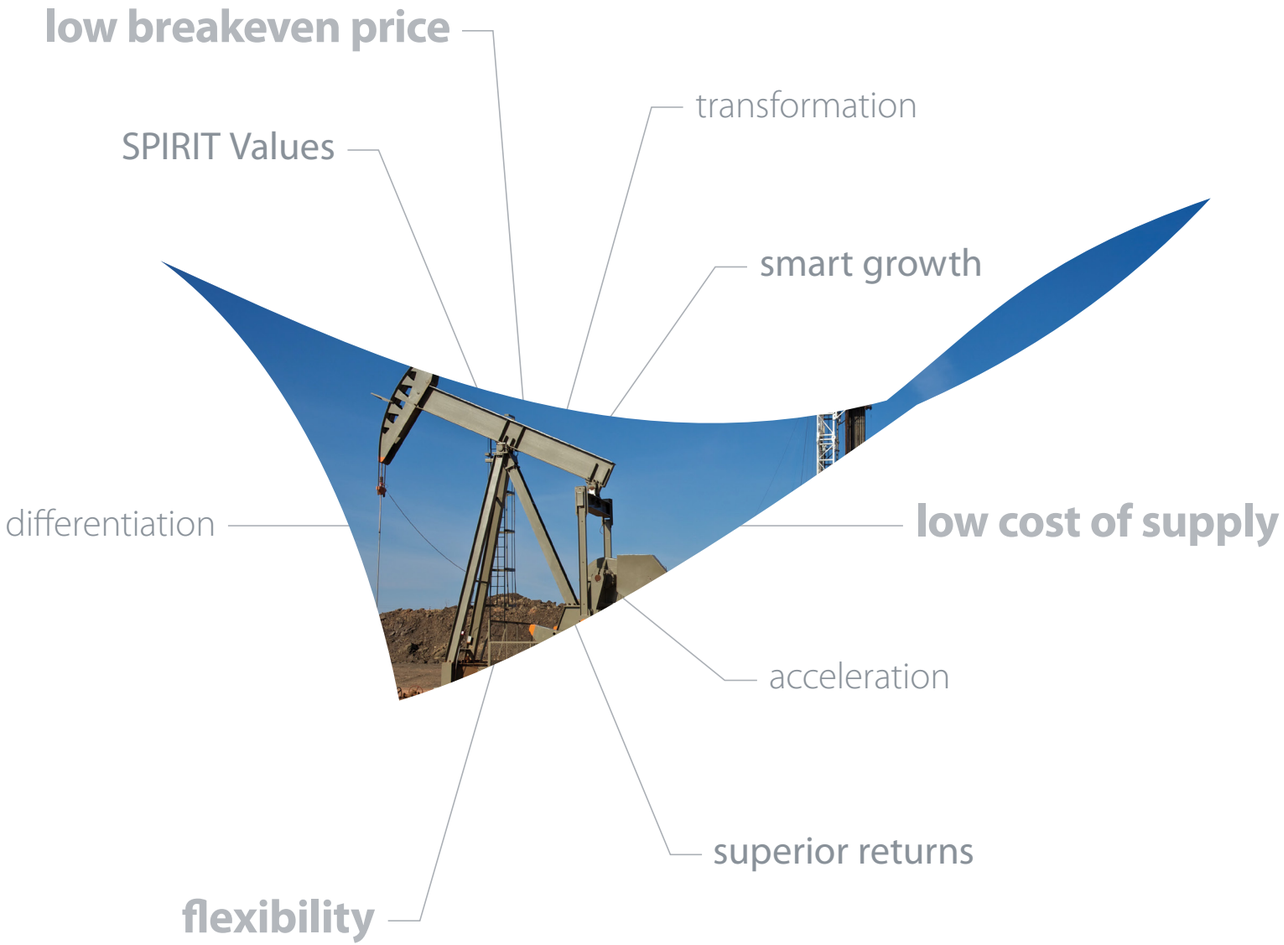
Appendix



Reconciliation

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Reconciliation of Production and Operating Expenses to Adjusted Operating Costs
$ Millions, Except as Indicated

	FY 2017 Guidance at 2/4/2017	2017 Estimated Pro Forma Post-Canadian Asset Dispositions[1]
Production and operating expenses	**5,200**	**4,850**
Adjustments:		
Selling, general and administrative (G&A) expenses	550	550
Exploration G&A, G&G and lease rentals	350	350
Operating costs	6,100	5,750
Adjustments to exclude special items		
Less pension settlement expense	(150)	(150)
Adjusted operating costs	**~6,000**	**5,600**

[1] Figures presented on a pro forma basis as if the announced Canadian asset dispositions were completed on Jan. 1, 2017. Actual closing expected in 2Q17. 2017 guidance will be revised as needed at a later date.