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## NEWS RELEASE

Dec. 14, 2016

### **ConocoPhillips Provides 2016 Asset Disposition Program Update, Continues Debt Repayment and Initiates Share Repurchase Program**

**HOUSTON** – ConocoPhillips (NYSE: COP) today announced it has completed its planned 2016 asset dispositions. The proceeds from these dispositions are being used for debt reduction, share repurchases and general corporate purposes.

The company generated approximately \$1.3 billion of proceeds from asset dispositions in 2016. Approximately \$0.8 billion of these proceeds will be recorded in the fourth quarter, primarily reflecting the sale of the company's interests in Senegal and the Indonesia Block B PSC through sales of shares, as well as its interest in assets in the North Cook Inlet and Minnesota iron ore properties. The 2016 production associated with the asset dispositions is 27 thousand barrels of oil equivalent per day (MBOED). Production guidance for 2016 remains unchanged at 1,560 to 1,570 MBOED. Production in 2017, excluding Libya, is expected to range from flat to 2 percent growth compared with 2016 when adjusted for the full-year impact of the 2016 dispositions.

As previously announced, in October the company paid down \$1.25 billion of debt. Additionally, the company reduced its 2019 term loan by \$0.15 billion in December. Including approximately \$0.8 billion of commercial paper that was retired in the second quarter of 2016, the company has paid down approximately \$2.2 billion of debt this year. These actions further strengthen the company's balance sheet and supported the initiation of the company's \$3 billion authorized share repurchase program. The company began repurchasing shares under this program in mid-November.

"Our 2016 asset disposition program success puts us in a strong position to begin implementing the differential value proposition we outlined at our Analyst and Investor Meeting in early November," said Ryan Lance, chairman and chief executive officer. "Our company is focused on generating free cash flow that will be allocated toward debt reduction, shareholder distributions and modest growth. We surpassed our \$1 billion asset disposition target for 2016 and are confident in our ability to deliver on our planned \$5 to \$8 billion asset disposition program over the next two years, which will accelerate our value proposition."

ConocoPhillips will provide further details on its fourth-quarter and full-year financial performance on its fourth-quarter conference call in early February.

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#### **About ConocoPhillips**

ConocoPhillips is the world's largest independent E&P company based on production and proved reserves. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 20 countries, \$94 billion of total assets, and approximately 14,900 employees as of Sept. 30, 2016. Production averaged 1,560 MBOED for the nine months ended Sept. 30, 2016, and proved reserves were 8.2 billion BOE as of Dec. 31, 2015. For more information, go to [www.conocophillips.com](http://www.conocophillips.com).

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**CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

*This news release contains forward-looking statements. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by a variety of risks and other matters including, but not limited to, changes in commodity prices; changes in expected levels of oil and gas reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; difficulties in developing new products and manufacturing processes; unexpected cost increases; international monetary conditions; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; and general domestic and international economic and political conditions; as well as changes in tax, environmental and other laws applicable to our business. Other factors that could cause actual results to differ materially from those described in the forward-looking statements include other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission. Unless legally required, ConocoPhillips undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*

**Use of Non-GAAP Financial Information** – *To supplement the presentation of the Company's financial results prepared in accordance with U.S. generally accepted accounting principles (GAAP), this news release contains certain financial measures that are not prepared in accordance with GAAP, including free cash flow. Free cash flow is cash from operations in excess of capital expenditures and investments required to maintain flat production, working capital changes associated with investing activities, and dividends paid. Free cash flow is not a measure of cash available for discretionary expenditures since the Company has certain non-discretionary obligations such as debt service that are not deducted from the measure. The company believes that the non-GAAP measure free cash flow is useful to investors as it provides a measure to compare cash from operations after deduction of capital expenditures and investments, working capital changes associated with investing activities, and dividends paid across periods on a consistent basis.*

*The non-GAAP measure included in this news release has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of the Company's results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, the Company's presentation of non-GAAP measures in this news release and the accompanying supplemental financial information may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. The Company may also change the calculation of any of the non-GAAP measures included in this news release from time to time in light of its then existing operations to include other adjustments that may impact its operations.*