

NEWS RELEASE

Second-Quarter 2012 Alaska Earnings Facts

ANCHORAGE, July 25, 2012 --- In connection with ConocoPhillips' second-quarter 2012 earnings, which were announced earlier today, ConocoPhillips Alaska (CPA) reported the following second quarter 2012 Alaska earnings facts:

As reported in the earnings supplemental information, CPA had net earnings of \$551 million in the second quarter of 2012. This amount was down from \$620 million in the first quarter primarily due to lower sales volumes and slightly lower crude prices.

During the second quarter of 2012, CPA incurred an estimated \$1.25 billion in obligations to Alaska and the federal government. Of this amount, an estimated \$983 million was due to Alaska in the form of severance taxes, royalties, property taxes and state income tax. This amount equates to approximately \$11 million per day in estimated Alaska taxes and royalties. Since the ACES tax structure was put in place in 2007, the trend continues in which CPA pays approximately twice as much to the State of Alaska as it earns.

"The very high government take on the North Slope created by Alaska's tax structure negatively impacts the investment climate," said Bob Heinrich, vice president of finance for CPA. "We believe a better balance between government and producer share would stimulate additional investment in legacy fields and increases in production and jobs."

Strong margins for oil along with attractive development opportunities have resulted in ConocoPhillips' capital budget in the Lower 48 increasing from \$1.6 billion in 2010 to \$4.8 billion in 2012. Conversely, the company's capital budget in Alaska has remained essentially flat at approximately \$900 million per year.

In addition, CPA reported the following:

Full Year 2011

- CPA taxes and royalties due to Alaska = \$4.1 billion
- CPA taxes and royalties due to Alaska and federal income tax = \$5.0 billion
- CPA earnings = \$2.0 billion

1st half 2012

- CPA estimated taxes and royalties due to Alaska = \$2.2 billion
- CPA estimated taxes and royalties due to Alaska and federal income taxes = \$2.8 billion
- CPA earnings = \$1.2 billion

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ConocoPhillips has been leading the search for energy in Alaska for more than 50 years. We are committed to responsibly developing Alaska's resources, providing economic opportunity for Alaska, operating at the highest safety standards and being good stewards of our community. For more information, visit www.conocophillipsalaska.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 press 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.