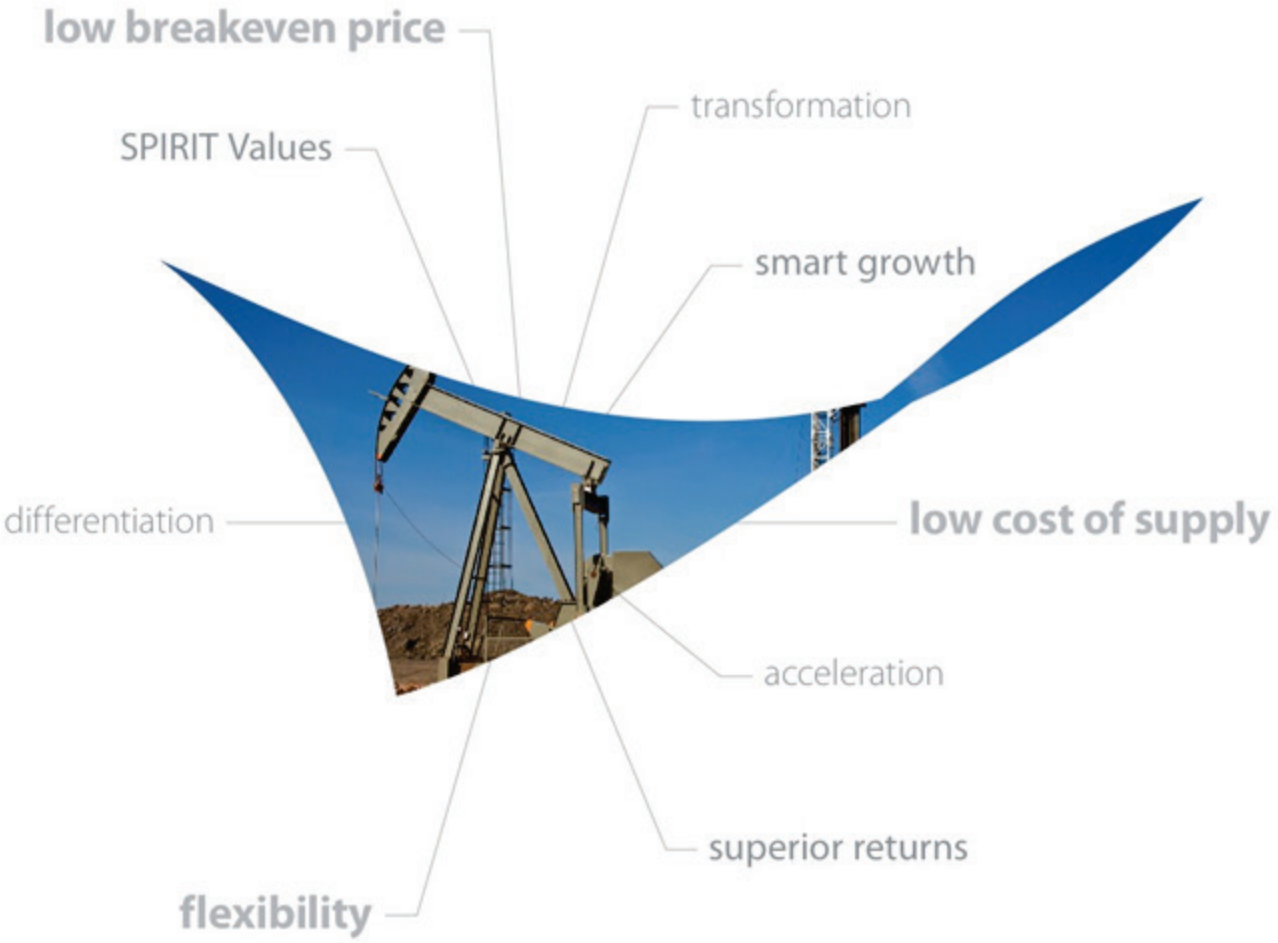
ConocoPhillips

3Q17 Earnings Conference Call

October 26, 2017



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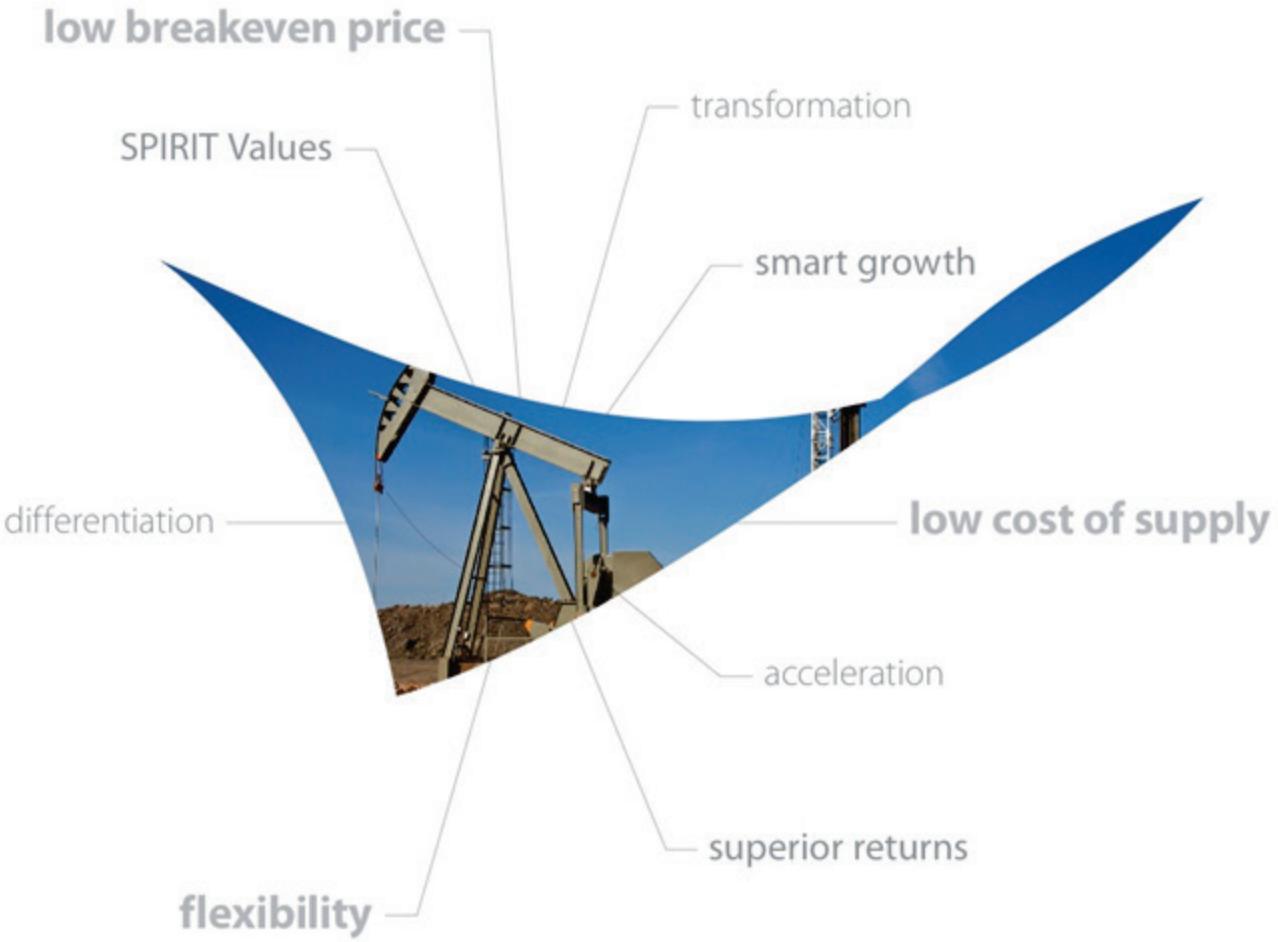
Don Wallette, Jr.

EVP, Finance, Commercial and CFO



3Q17 Summary – Strong Momentum Underway

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Strategic

Transformative reset achieved

- Closed San Juan and Panhandle dispositions; expect >$16B of asset sales in 2017
- Paid down $2.4B of debt; expect <$20B debt by YE 2017; received credit rating upgrade
- Repurchased $1B of shares; on track for $3B share buybacks by YE 2017

Financial

Profitable and cash flow neutral year-to-date at <$50/bbl[1]

- $0.2B adjusted earnings; $0.16 adjusted EPS
- $1.1B 3Q17 CFO[2]; $9.6B ending cash[3]
- $4.5B YTD CFO[2] exceeds capital and dividends by $0.4B
- Reduced adjusted operating costs by 15% year-over-year

Operational

On track to deliver or exceed 2017 operational targets

- Production of 1,202 MBOED; 19% production per debt-adjusted share growth[4] and 1.4% underlying growth[4] year-over-year
- Successfully completed APLNG two-train lenders' test; released project financing loan guarantee
- Lowering full-year capital guidance to $4.5B

[1] Cash flow neutral is defined as when cash provided by operating activities (CFO) covers capital expenditures & investments and dividends and profitable earnings are based on adjusted earnings, both on a WTI basis.
[2] CFO is $1.1B and cash provided by operating activities is $1.1B, as operating working capital had a minimal change. CFO, excluding operating working capital YTD change of $0.1B, is $4.5B and cash provided by operating activities is $4.6B.
[3] Ending cash includes cash and cash equivalents of $6.9B and short-term investments of $2.7B.
[4] Production per debt-adjusted share growth is calculated on an underlying production basis using ending period debt divided by ending share price plus ending shares outstanding. Underlying production growth excludes the full impact of closed or signed 2016 and 2017 dispositions.
Adjusted operating costs, adjusted earnings and adjusted EPS are non-GAAP measures. A non-GAAP reconciliation is available on our website.
Production excludes Libya.

3Q17 Performance – Focused on Profitability

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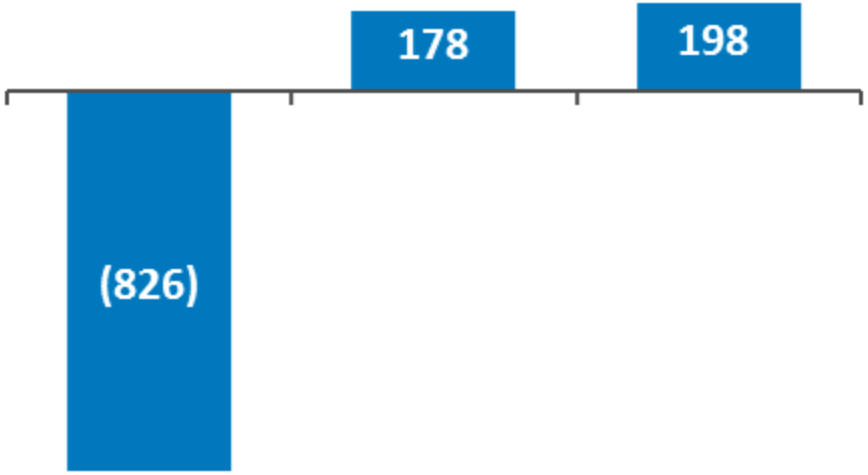
Adjusted Earnings ($MM)



	3Q16	2Q17	3Q17
Adjusted EPS ($)	**($0.66)**	**$0.14**	**$0.16**
Average Realized Price ($/BOE)	**$29.78**	**$36.08**	**$39.49**

Highlights

- Year-over-year adjusted earnings benefited from improved realized prices, depreciation expense, exploration expense, and disposition impacts
- Realized prices improved 33% year-over-year and 9% sequentially

3Q17 Adjusted Earnings ($MM)

Lower 48	($57)
Canada	($24)
Alaska	$103
Europe & North Africa	$85
Asia Pacific & Middle East	$313
Other International	($20)
Corporate & Other	($202)
Total	**$198**

Profitability is based on adjusted earnings.
Adjusted earnings (loss) and adjusted EPS (loss) are non-GAAP measures. A non-GAAP reconciliation is available on our website.

3Q17 Performance – Strong Financial Position

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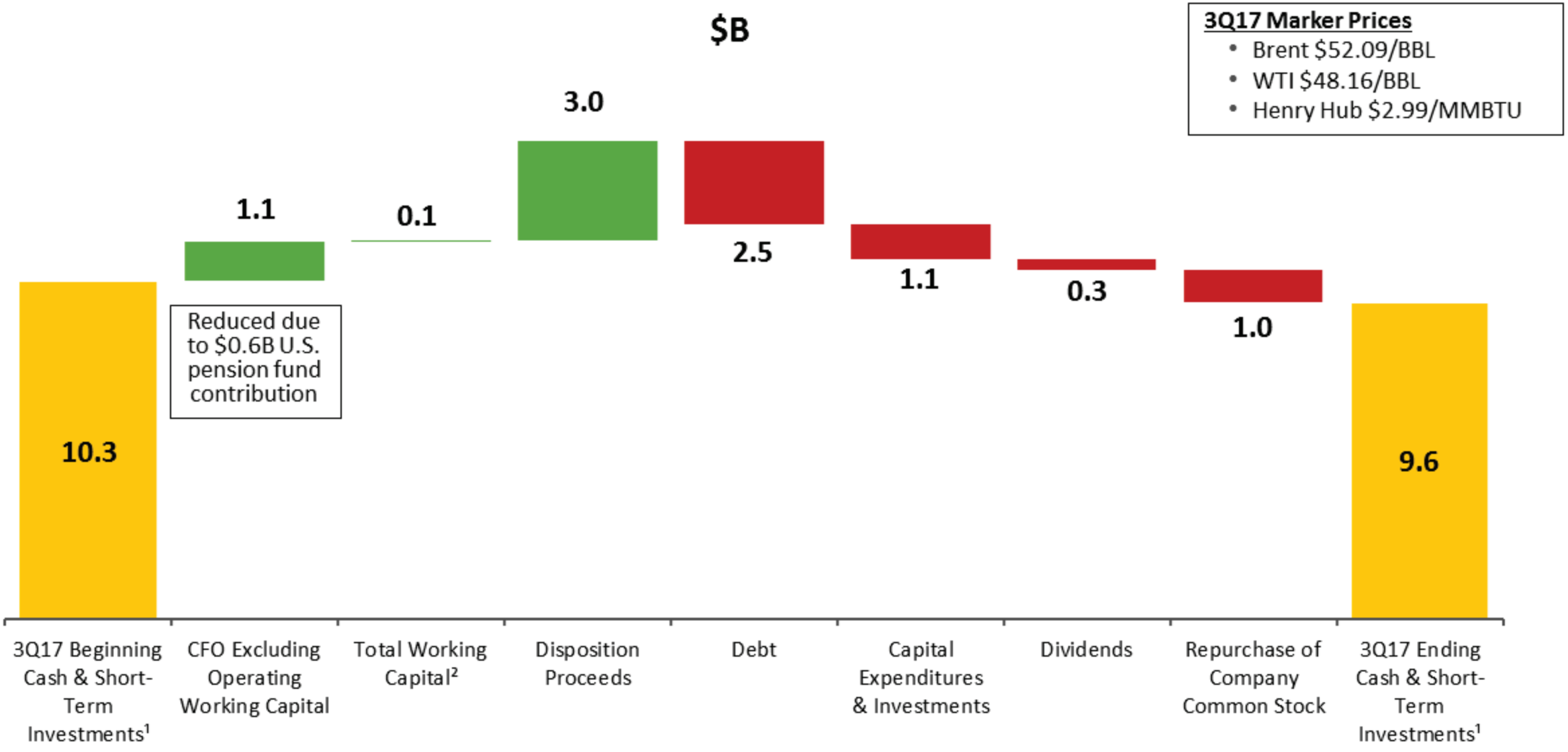

[1] Beginning cash and short-term investments include cash and cash equivalents of $7.53B and short-term investments of $2.73B. Ending cash and short-term investments include cash and cash equivalents of $6.9B and short-term investments of $2.7B.
[2] Total working capital includes $0.0B and $0.1B of working capital changes associated with operating activities and investing activities, respectively.

3Q17 YTD Cash Flow Neutrality – Focus on Free Cash Flow Generation

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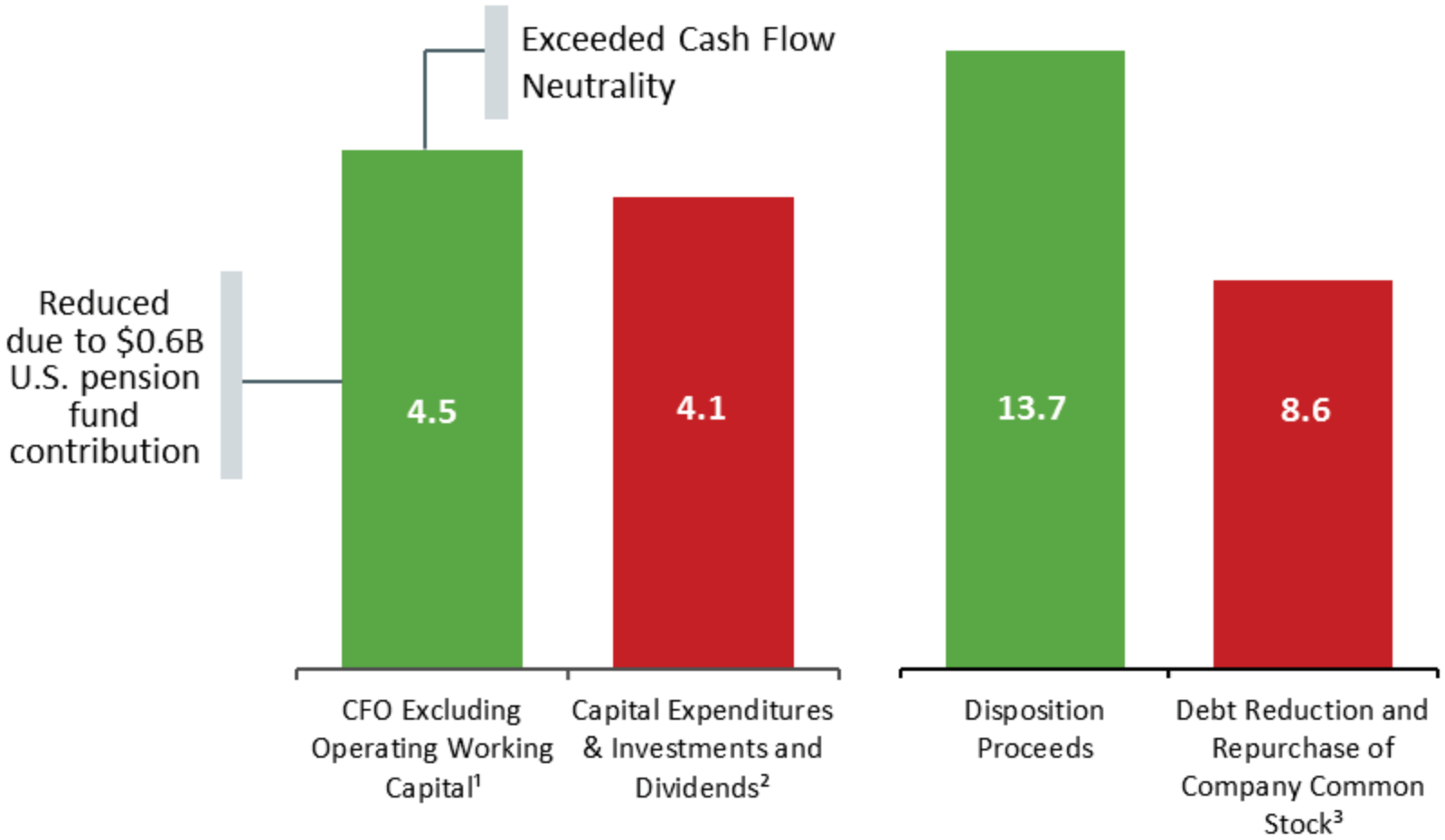
3Q17 YTD Marker Prices
- Brent $51.90/BBL
- WTI $49.41/BBL
- Henry Hub $3.17/MMBTU



- CFO[1] exceeded capital and dividends, including a reduction to CFO for a $0.6B U.S. pension fund contribution
- Continued progress on debt reduction; expect <$20B debt by YE 2017
- Repurchased shares of $2B; on track for $3B share buybacks by YE 2017

Cash flow neutrality is defined as when cash provided by operating activities (CFO) covers capital expenditures & investments and dividends.
Free cash flow is cash provided by operating activities in excess of capital expenditures and investments required to maintain flat production, working capital changes associated with investing activities, and dividends paid.
[1] CFO, excluding operating working capital YTD change of $0.1B, is $4.5B and cash provided by operating activities is $4.6B.
[2] Capital expenditures & investments and dividends include $3.1B of capital expenditures & investments and $1.0B of dividends.
[3] Debt reduction and repurchase of company common stock include $6.6B of debt and $2.0B of repurchase of company common stock.

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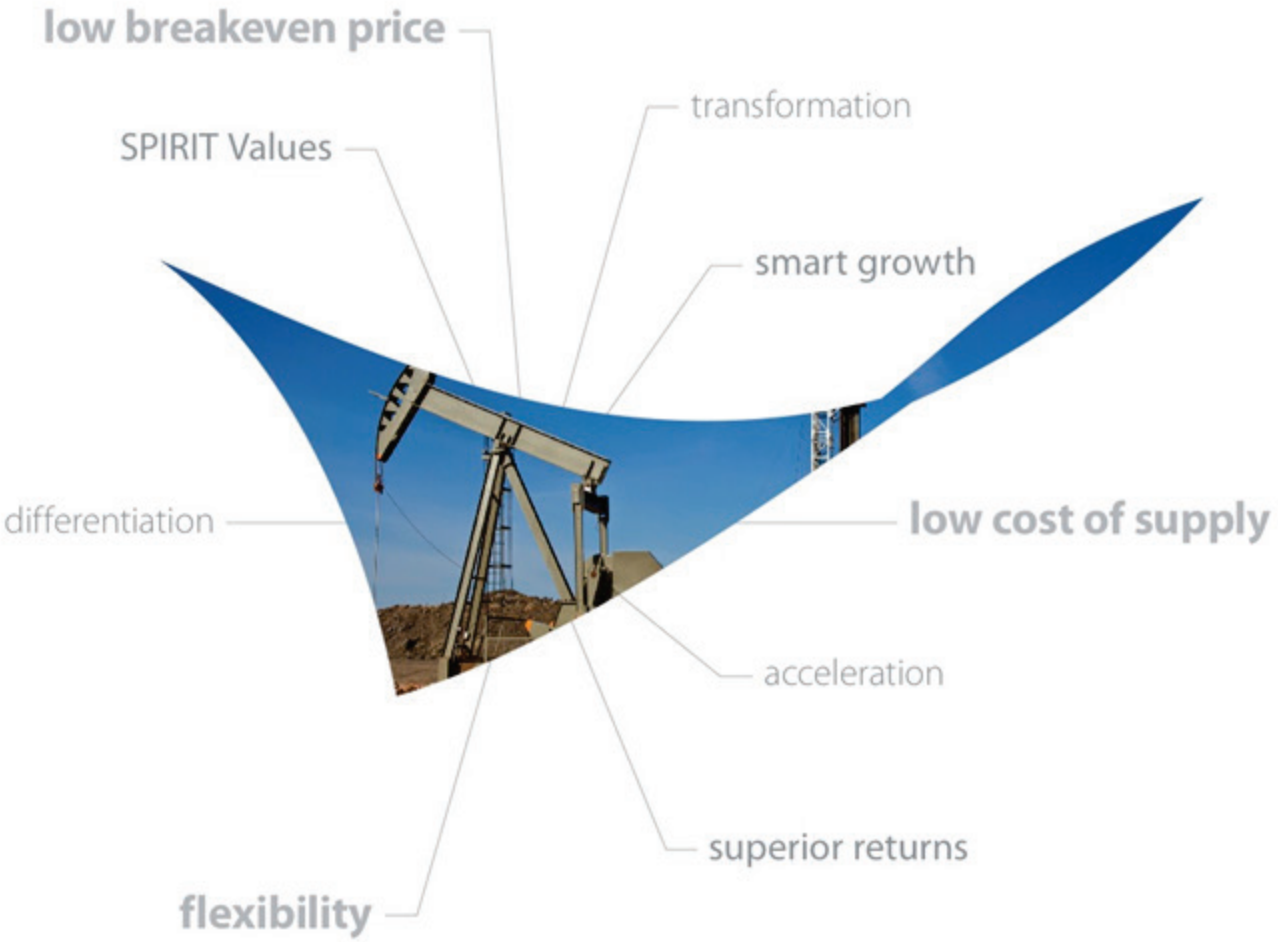
Al Hirshberg

EVP, Production, Drilling and Projects



3Q17 Operating Highlights – Business Running Well

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- 3Q17 production of 1,202 MBOED; underlying production[1] growth of 1.4%
- Lower 48 big 3 unconventionals running 12 operated rigs
  - 211 MBOED in 3Q17 vs. 213 MBOED in 2Q17 big 3 unconventionals; includes 3Q17 hurricane impact of 15 MBOED
  - Eagle Ford volumes returned to pre-hurricane levels
- Record production achieved at Surmont in Canada
- APLNG performed at 110% of nameplate; 92 LNG cargos loaded YTD
- Completed turnarounds in Alaska and Europe
- Continued progress on conventional projects across portfolio

[1] Underlying production growth year-over-year excludes the full impact of closed or signed 2016 and 2017 dispositions.
Production excludes Libya.
Big 3 unconventionals includes Eagle Ford, Bakken, and Delaware.

2017 Outlook – Getting More for Less; Focus on Per-Share Metrics

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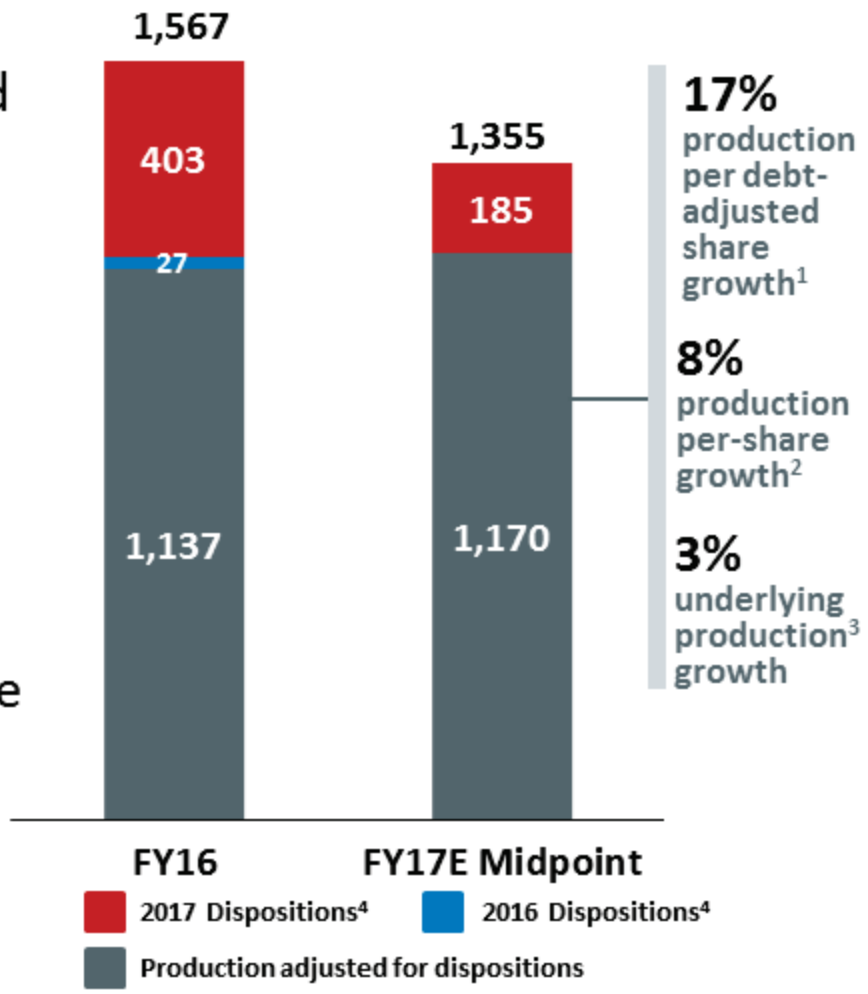
$4.5B
2017 CAPITAL GUIDANCE

1,195 – 1,235 MBOED
4Q17 PRODUCTION GUIDANCE

1,350 – 1,360 MBOED
FY17 PRODUCTION GUIDANCE

$5.7B
2017 ADJUSTED OPERATING COST GUIDANCE

- $4.5B full-year capital guidance projected to deliver 17% production per debt-adjusted share growth
  - Capital reduced by 10% from initial guidance
  - Underlying production growth of 3% versus initial guidance of 0-2%
- Other drivers on track with prior guidance
- Strong momentum heading into Analyst & Investor Meeting on Nov. 8, 2017



[1] Production per debt-adjusted share growth is calculated on an underlying production basis using ending period debt divided by ending share price plus ending shares outstanding. Full year ending share price is using the closing price of $50.25 per-share on 10/20/17.
[2] Production per-share growth is defined as underlying production, divided by ending common shares outstanding. Year-end 2016 common shares outstanding were 1,237 million shares, 3Q17 ending common shares outstanding were 1,196 million shares. 4Q17 assumes a further $1.0 billion of share repurchases, which represent 19 million shares using the closing price of $50.25 per-share on 10/20/17 and assuming no other changes in common shares outstanding.
[3] Underlying production excludes the full impact of closed or signed 2016 and 2017 dispositions.
[4] 2016 and 2017 dispositions include full impact of closed or signed asset dispositions. Guidance assumes Barnett transaction closes 4Q17.
Production excludes Libya. Adjusted operating cost is a non-GAAP measure. A non-GAAP reconciliation is available on our website.

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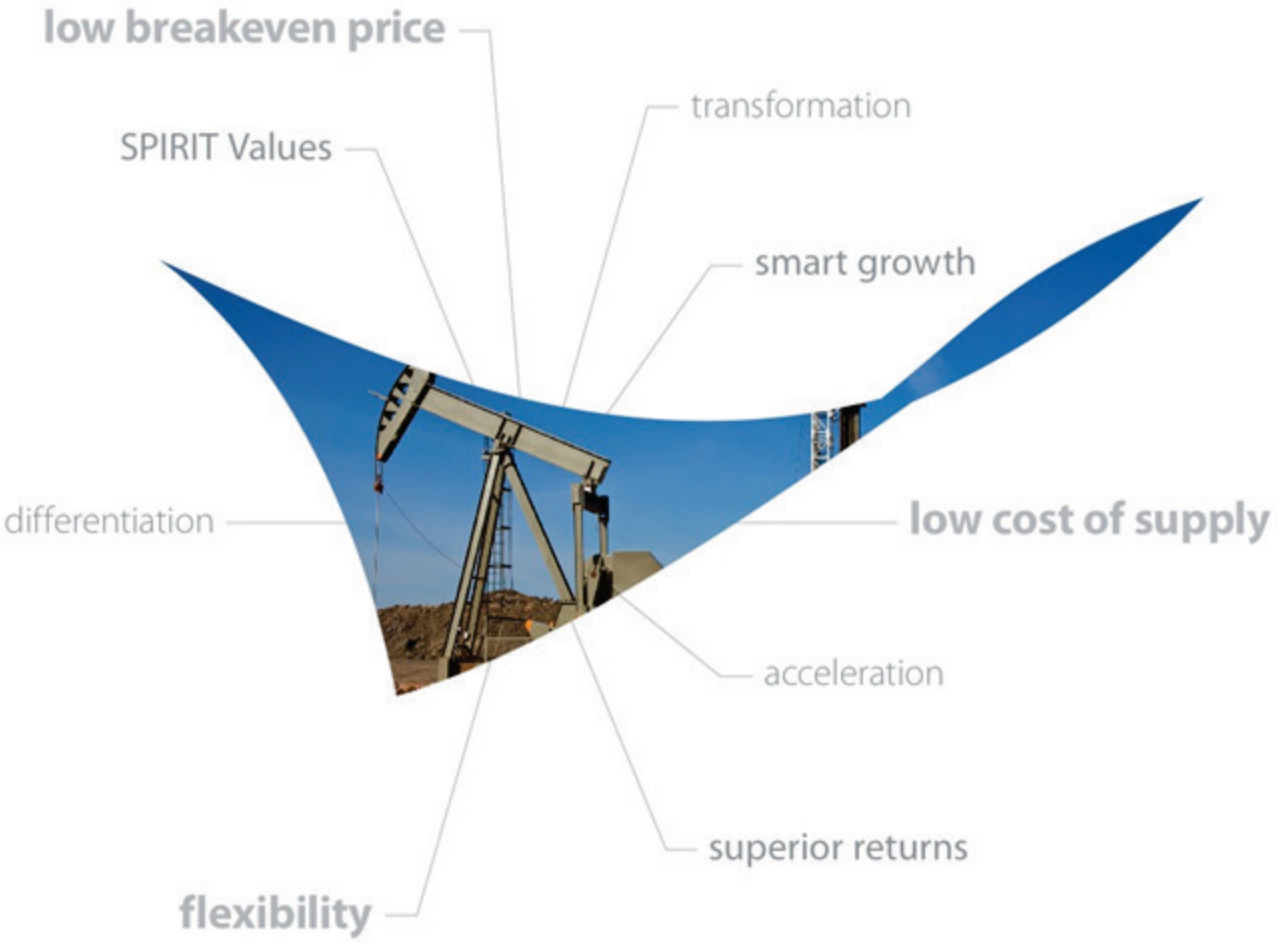
Q&A



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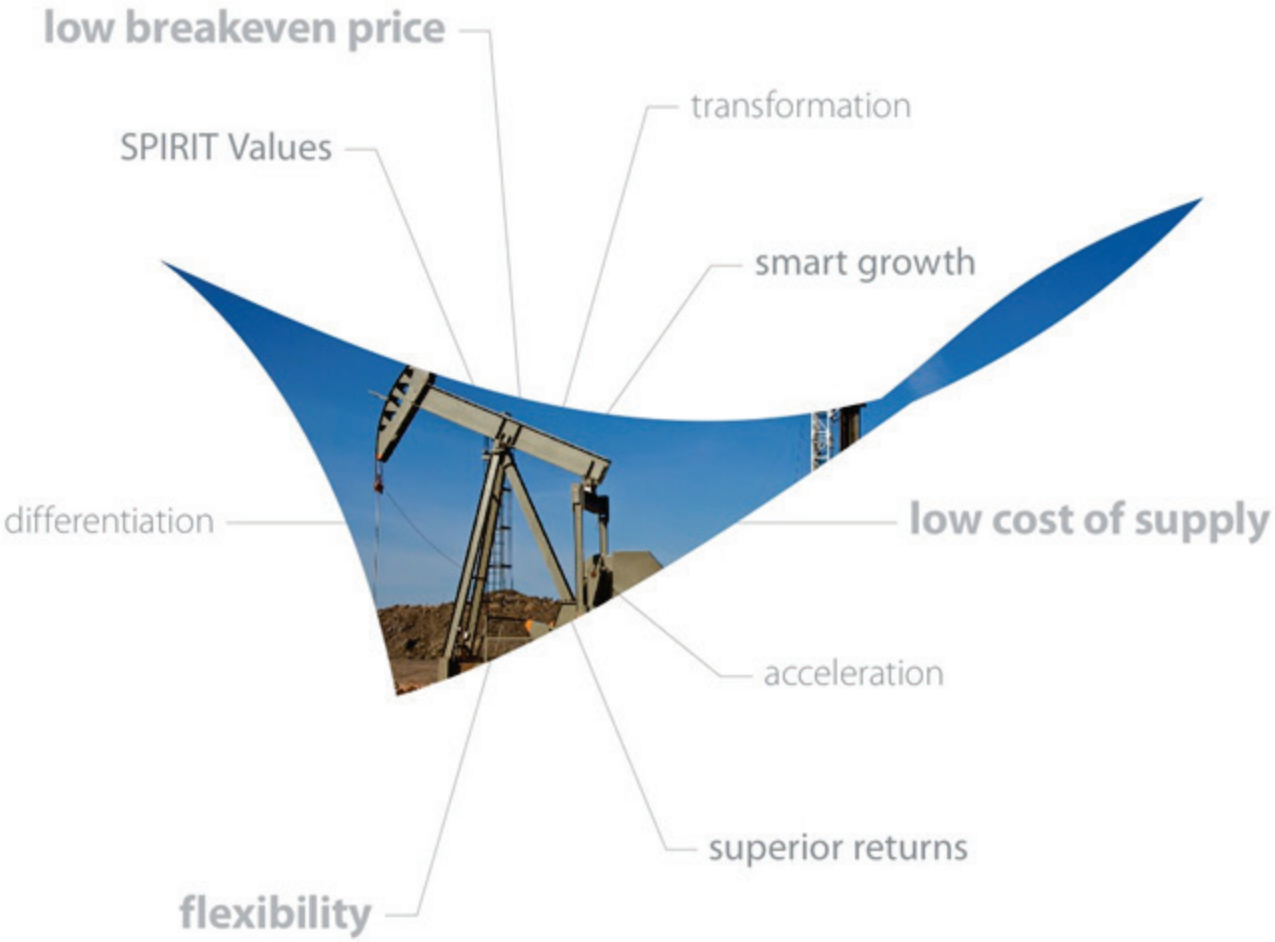
Appendix



3Q17 YTD Performance – Company Cash Flow

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3Q17 YTD Marker Prices

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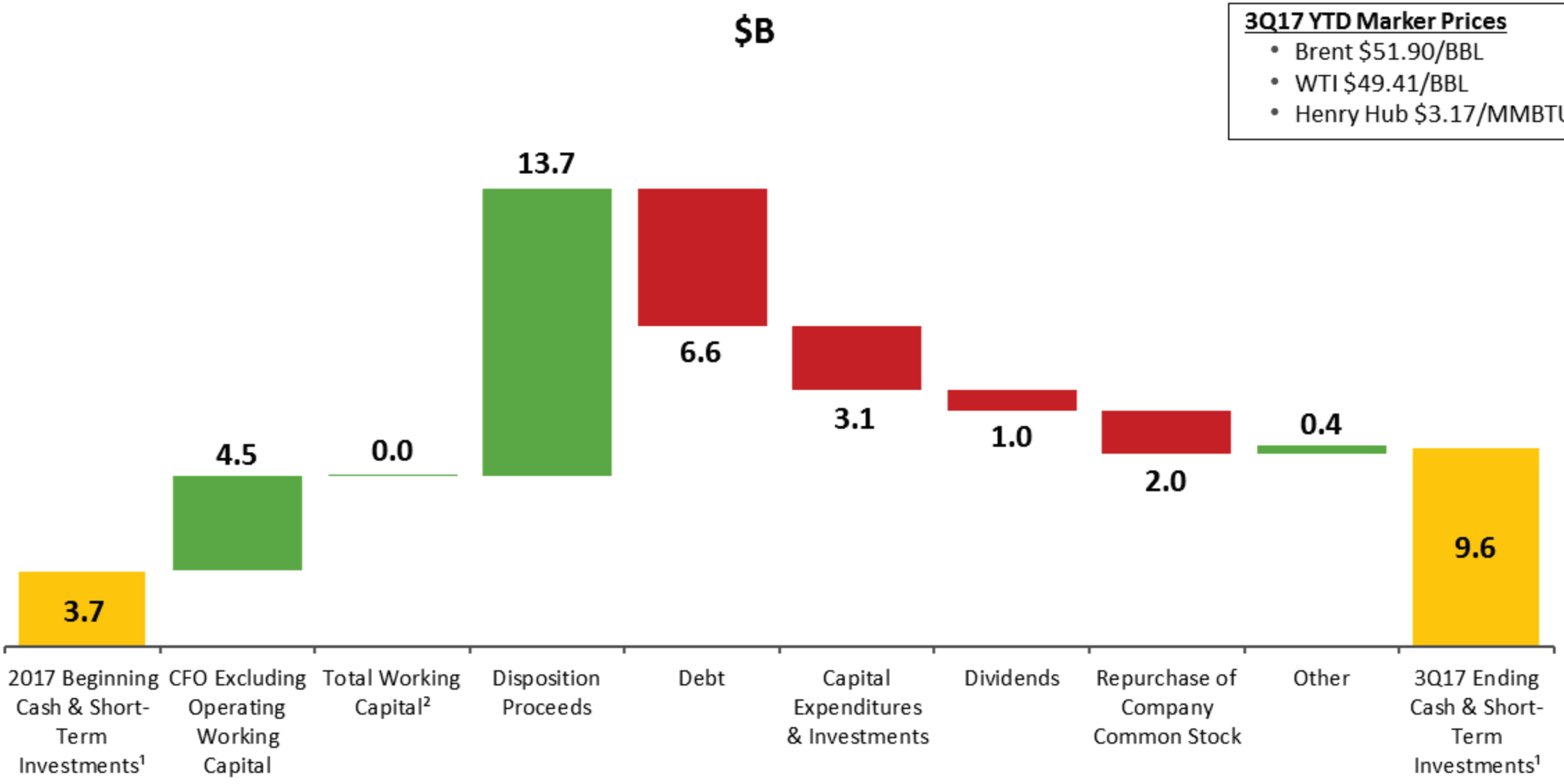
- Henry Hub $3.17/MMBTU



[1] Beginning cash and short-term investments include cash and cash equivalents of $3.6B and short-term investments of $0.1B. Ending cash and short-term investments include cash and cash equivalents of $6.9B and short-term investments of $2.7B.
[2] Total working capital includes $0.06B and ($0.02B) of working capital changes associated with operating activities and investing activities, respectively.

Production Adjusted for Dispositions

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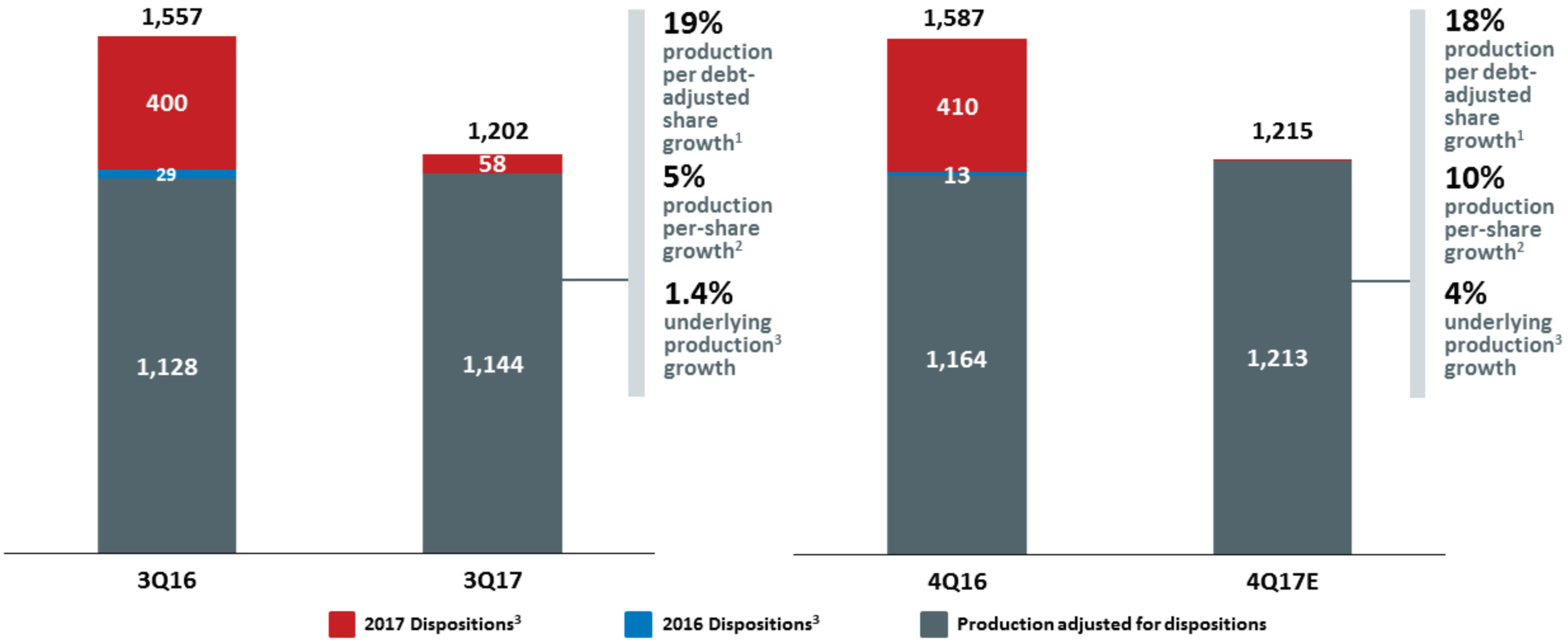

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[3] Underlying production excludes the full impact of closed or signed 2016 and 2017 dispositions.

[4] 2016 and 2017 dispositions include full impact of closed or signed asset dispositions. Guidance assumes Barnett transaction closes 4Q17.

All numbers exclude Libya, which produced 24 MBOED in 3Q17, 0 MBOED in 3Q16, and 9 MBOED in 4Q16.

Full-Year 2017 Guidance

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- Full-year 2017 production: 1,350 – 1,360 MBOED
  - 4Q17 production: 1,195 – 1,235 MBOED
- Adjusted operating costs: $5.7B
- Capital expenditures: $4.5B
- DD&A: $7.0B
- Adjusted corporate segment net loss: $1.0B
- Adjusted exploration dry hole and leasehold impairment expense: $0.45B

Adjusted operating cost, adjusted corporate segment net loss, and adjusted exploration dry hole and leasehold impairment expense are non-GAAP measures. A non-GAAP reconciliation is available on our website.
Guidance excludes special items. Production excludes Libya and guidance is based on $50/bbl Brent.

2017 Annualized Net Income Sensitivities

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$45-$65/BBL Brent

- Crude
  - **Brent/ANS**: $100-120MM for $1/BBL change
  - **WTI**: $30-40MM for $1/BBL change
  - **WCS**[1]: $5-10MM for $1/BBL change
    - Does not incorporate contingent payment of CA$6MM quarterly for every CA$1 WCS price above CA$52/BBL
- North American NGL
  - **Representative blend**: $5-10MM for $1/BBL change
- Natural Gas
  - **Henry Hub**: $20-30MM for $0.25/MCF change
  - **International gas**: $10-15MM for $0.25/MCF change

[1] WCS price used for the sensitivity represents a volumetric weighted average of Shorcan and Net Energy indices.
Pro forma figures are shown as if the transactions were completed on Jan. 1, 2017. Canada transaction closed 2Q17; San Juan and Panhandle closed in 3Q17. Barnett expected to close in 4Q17.
The published sensitivities above reflect annual estimates and may not apply to quarterly results due to lift timing/product sales differences, significant turnaround activity or other unforeseen portfolio shifts in production.
Additionally, the above sensitivities apply to a range of commodity price fluctuations as of October 26, 2017, but may not apply to significant and unexpected increases or decreases.

2017 Annualized Cash Flow Sensitivities

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Consolidated Operations ($45-$65/BBL Brent)

- Crude:
  - **Brent/ANS:** ~$105-115MM for $1/BBL change
  - **WTI:** ~$50-60MM for $1/BBL change
  - **WCS:** ~$10-15MM for $1/BBL change
- Lower 48 NGL
  - **Representative Blend:** ~$10-15MM for $1/BBL change
- Natural Gas
  - **Henry Hub:** ~$35-45MM for $0.25/MCF change
  - **Int'l Gas:** ~$20-25MM for $0.25/MCF change

Equity Affiliates[1] ($50-$65/BBL Brent)

- Expect distributions from all equity affiliates at >$50/BBL
- $1/BBL movement in Brent: ~$25-35MM

Net Cash Flow from Contingent Payment

- CA$6MM quarterly for every CA$1 WCS price above CA$52/BBL

[1] Representative of cash provided by operating activities (CFO) within equity affiliates, may not all be distributed. Assumes WCS moves proportionally to Brent. Contracted LNG within equity affiliates is subject to a 3-month pricing lag.
Pro forma figures are shown as if the transactions were completed on Jan. 1, 2017. Canada transaction closed 2Q17; San Juan and Panhandle closed in 3Q17. Barnett expected to close in 4Q17.
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