









President's Message

Dear Alaskan -

What a majestic state this is! Alaska reminds me of my home country,

Norway, with its fiords and mountains. And Denali is breathtaking! While my new job as president of ConocoPhillips Alaska will consume a lot of my time, I am committed to enjoying the wonderful outdoors in Alaska and to being involved in the Alaska community.

Alaska really stands out as a fascinating melting pot of different people and cultures, ripe with opportunities to learn and grow. Alaska also is notable for its vast remaining hydrocarbon potential - both onshore and offshore. This potential, coupled with existing oil and gas fields, the Trans Alaska Pipeline System and the potential for a new gas pipeline, could secure Alaska's position as a key energy provider for many decades to come. This does, of course, depend on drilling and development access to key areas – as well as the fiscal and tax environment.

Despite a number of challenges, which you will have an opportunity to read more about in this report, I'm focused on the future. Looking forward, I would like to share a few principles that I believe are universal to long-term success:

 Positive outcomes are the result of committed people who have passion for their job and are proud of the company. I have only been here for a short time, but

I am very impressed with the quality of our employees and the contractors working for us. People are clearly proud of this world-class operation. One of my kev jobs is to sustain an environment that makes our employees and contractors want to work for and with ConocoPhillips. Being respected in the community is key to accomplishing this.

- I believe in leadership at all levels in our organization - in particular when it comes to embracing our core values, such as safety. We can all be safety leaders and feel empowered to make a difference every day in order to protect ourselves, our co-workers and the environment.
- We need to work together and, at the same time, challenge each other in a constructive way to continue to improve our business, our industry and the state.
- Our company has performed well in Alaska for many decades. Building on the past successes, combined with new ideas, new technology, improved work processes and relationships, should take us to an even higher level.

While the circumstances that brought me here were tragic – Jim and Alan are deeply missed by all of us - I am, ultimately, very happy to be here. As I mourn their loss, I also look forward to seeing what the future has in store for our company, the State and the people of Alaska.

Trond-Erik Johansen

ConocoPhillips in Alaska

ConocoPhillips, through its predecessor companies, has been leading the search for energy in Alaska for more than 50 years. ConocoPhillips is committed to responsibly developing Alaska's resources, operating at the highest safety and environmental standards and being a good neighbor, while providing economic opportunity for Alaska.

Where We Operate

- Kenai Liquefied Natural Gas Plant since 1969
- Tyonek Platform in Cook Inlet since 1969
- Kuparuk River Unit since 1981
- Beluga River Gas Field since 1986
- Colville River Unit (Alpine) since 2000
- Alaska headquarters in Anchorage

Other Alaska Assets

- 36% owner in the Prudhoe Bay Unit
- 28% owner Trans Alaska Pipeline System
- 50% ownership in the Denali Pipeline project

2009 ConocoPhillips Alaska, Inc. Production

- 252,000 barrels of oil per day
- 94 million cubic feet of natural gas per day



Exploration

- Drilled nearly 50 exploration wells, including more than 20 in NPR-A, since 2000
- Formed the Greater Mooses Tooth Unit, the first unit in NPR-A, in 2008
- Hold 98 lease blocks covering approximately 558,000 acres in the Chukchi Sea

Community

- More than \$87 million donated to Alaska nonprofits since 2000
- More than \$27 million to the University of Alaska
- \$5 million to the Cancer Center at Providence Alaska Medical Center
- More than 5,000 employee volunteer hours annually

Investment & Economy

- Invested more than \$800 million on capital projects in Alaska in 2009
- About 1,100 employees, approximately 88% of whom call Alaska home
- Paid more than \$4.5 billion in taxes to the State of Alaska over a two-year period in 2008 & 2009
- Helping to grow Alaska's Permanent Fund
- Playing a key role in helping to secure the state's economic future



2009-2010 Spotlight

Successes:

Kenai LNG Plant Celebrates 40 Years: In 2009, the Kenai LNG plant celebrated 40 years of operation. The Kenai LNG operations, owned by ConocoPhillips and Marathon Oil Company, has shipped LNG to Japan - more than 1,300 tanker runs - safely and without interruption, for the past four decades. Perhaps just as important as the solid plant record, is the technical expertise of the Kenai LNG plant's staff, many of whom travel all over the world to help open new LNG plants. Most importantly for Alaskans, with a lack of existing storage for gas supplies, the Kenai LNG plant has historically played a key role in meeting energy demand in Southcentral Alaska during spells of particularly cold winter weather.

New Rig Increases Recoverable Assets: The CDR2-AC purpose-built coiled tubing drilling (CTD) rig successfully began operations in the Kuparuk Field in May 2009. The project was taken from commitment to launch in 21 months. This was achieved through a close, cooperative relationship with Nabors Alaska Drilling. Since startup, the rig has delivered impressive safety and operations performance, and is allowing ConcoPhillips to more economically deliver millions of barrels of oil reserves. In 2009, the rig drilled a total of 21 lateral wellbores in nine wells, reaching previously inaccessible oil.







New Oil in Greater Mooses Tooth: In the spring of 2009, ConocoPhillips announced that test production rates for two of the Mooses Tooth exploration wells, Pioneer I and Rendezvous II, ranged from about 500 barrels of oil per day to as high as 1,300 barrels of oil per day of high API gravity oil. Gas production rates averaged about 1.5 million cubic feet per day for each well. These two accumulations will be evaluated as possible satellite developments with processing at the Alpine facilities in the Colville River Unit. These projects are dependent on the development of the CD5 project, which is currently on hold pending a permit appeal to the U.S. Army Corps of Engineers (COE) discussed in detail on page 9. Satellite fields now account for over 40 percent of the production flowing through the Alpine facilities, making them integral to the company's efforts to prolong the life of the Alpine field and maximize the useful life of the facilities.

Corporate Giving – A ConocoPhillips Legacy:

In 2009, ConocoPhillips joined the University of Alaska Anchorage in celebrating the grand opening of the ConocoPhillips Integrated Science Building, ConocoPhillips was also honored to have the newly renovated art gallery in Alaska Pacific University's Grant Hall named after the company. ConocoPhillips continued its support of the cancer center at Providence Alaska Medical Center, making the final installment of the company's \$5 million contribution. In total, ConocoPhillips donated approximately \$9 million in 2009 to 330 different nonprofit organizations, benefiting communities throughout the state of Alaska.









2009-2010 Spotlight

Challenges:

Chukchi Sea - Responsible Exploration:

ConocoPhillips acquired 98 lease blocks in the Chukchi Sea and, despite various pending challenges in 2009, ConocoPhillips continued to invest millions of dollars in environmental baseline studies. This investment is in support of proposed exploration drilling on these leases as early as 2012. The U.S Department of Interior's Minerals Management Service (MMS) says the Chukchi Sea basin could contain approximately 15 billion barrels of oil and 77 trillion cubic feet of undiscovered technically recoverable resource. ConocoPhillips favors developing all forms of energy – conventional, renewable and alternative. However, demand for oil and gas is growing; the Energy Information Administration (EIA) estimates that, even with aggressive alternative energy research and development, fossil fuels will still represent more than 80% of the world's total energy supply in 2030. Developing offshore resources like the Chukchi could be key to our state's economy and our nation's future energy supply.

Discouraging Investment Climate: Oil production – the foundation of Alaska's economy – is declining and, at the same time, Alaska's high production tax discourages investment that is needed to slow that decline. In 2007, the Alaska Legislature enacted the ACES production tax system, which imposed a multi-billion dollar increase in taxes on the oil industry. Since then, the number of exploration wells drilled per year has decreased, drilling activity has declined and spending on capital projects that would create jobs and help increase production has been deferred. Under the ACES progressivity feature, the higher the price of oil, the more "profit" the government takes from the price of each barrel of oil. A system that does not share the benefits of increasing oil prices with the companies taking the risk does not encourage a healthy investment climate. More money invested by the oil industry will mean more production, more jobs and a stronger economy for future generations of Alaskans.





NPR-A Progress On Hold: First production from NPR-A was anticipated in 2012 from CD5, a satellite field located about five miles west of the Alpine field production facilities. The Army Corps of Engineers recently denied ConocoPhillips' application for a Clean Water Act Section 404 permit – a permit that was originally filed with the Corps in September 2005, then re-submitted in December 2008 with location changes developed in cooperation with the local community. The Corps decision stated that horizontal directionally drilled pipelines under a river channel would be a preferred alternative to ConocoPhillips' proposed "roaded bridge development." ConocoPhillips has appealed the decision, and believes that the proposed development with a road and

bridge is the best alternative. The neighboring communities, as well as an Environmental Impact Statement completed by federal agencies in 2004, support this assessment. CD5 is expected to have production rates ranging from 12,000 to 18,000 barrels of oil per day (BOPD). Development costs would be about \$600 million. Peak employment would be about 400 new jobs per year for two years during construction.





Environment

ConocoPhillips is committed to protecting the environment that we share with all Alaskans. In fact, protecting the natural environment while extracting critical energy is one of ConocoPhillips' highest priorities, and we take a multi-faceted approach to being a good steward. By supporting education and outreach efforts, conducting research and implementing high environmental standards, we work to ensure that our actions today will not only provide the energy needed to drive economic growth and social well-being, but also secure a stable and healthy environment for tomorrow.

The Spirit of Conservation

s part of our philanthropic efforts, ConocoPhillips is committed to supporting programs that restore, enhance and provide access to Alaska's key fish and wildlife habitats and populations. Since 2005, ConocoPhillips has invested more than \$4 million in its employee-led Spirit of Conservation initiative alone. The Spirit of Conservation program supports direct habitat improvement programs, public education and outreach programs with a key focus on employee engagement. An employee committee assists in the review and

selection of the projects that receive funding through the Spirit of Conservation program in Alaska. Potter Marsh in Anchorage and Creamer's Field in Fairbanks are two legacy Spirit of Conservation initiatives accounting for more than \$2 million in habitat enhancement, boardwalk expansion, trail upgrades and educational programs. In 2009 ConocoPhillips support focused largely on migratory bird, trail, stream and salmon projects.

The Spirit of Conservation

- ConocoPhillips continued its long-term collaboration with The Nature Conservancy through membership in its Corporate Council on the Environment in 2009. This was in addition to ConocoPhillips' past commitment to the Mat-Su Basin Salmon Conservation effort. This effort was developed to ensure that wild salmon remain a part of life in the Mat-Su Basin. Activities focused on habitat restoration and education.
- As part of the Russian/Kenai River Stream Watch program, ConocoPhillips collaborated with such agencies as the State of Alaska, the Kenai Watershed Forum and the U.S. Fish and Wildlife Service resulting in the riparian protection of two world-class sockeye salmon fisheries.
- Funding was provided to The Kachemak Heritage Land Trust to support the redesign and construction of an interpretive trail system on 28 acres of parkland in Homer.
- ConocoPhillips provided support for renovation of one of the first permanent structures built in Soldotna. The renovated Kenai Watershed Forum building will provide sufficient office space for staff and board members, a laboratory and the latest technology needed to enhance their efforts.





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- The Reflections Lake Interpretive Trail will provide visitors to the Palmer Hay Flats State Game Refuge an opportunity to learn about this key fish and wildlife habitat. The design, construction and installation of this project will be completed in stages and will result in a pedestrian bridge connecting two interpretive trails.
- A grant to Bird Treatment & Learning Center resulted in expansion of venues and improvement to the overall education component of the mission of Bird TLC.
- Support of The Alaska Bird Observatory helps to provide quality education programs. The Alaska Bird Observatory served at least 8,000 people and continued to offer core youth and community education programs as well as internship opportunities for teachers at the University of Alaska Fairbanks.
- A Barrow Arctic Science Consortium grant resulted in continuation of ConocoPhillips' support for the "Eider Journey," an educational program that involves high school students from Barrow in research on Steller's eiders. The Barrow area is the only known nesting area for these birds.

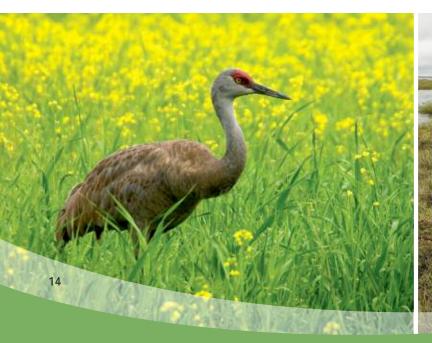


Education & Awareness

ConocoPhillips provides funding and in-kind support to the following groups and organizations that promote environmental research, education, awareness and stewardship.

• A ConocoPhillips staff biologist, who is responsible for managing the company's Environmental Studies Program, sits on a five-person committee for the Angus Gavin Memorial Migratory Bird Research Fund. She assists in the annual review and award of research proposals.

In 2009, two grants totaling \$15,000 were awarded to University graduate student teams. ConocoPhillips also provides in-kind support for select graduate students attending the University of Alaska's Institute of Arctic Biology and Institute of Northern Engineering in Fairbanks.







- · Science of the Sound, an outdoor education program for elementary-aged students, teaches children about responsible decision-making and environmental sustainability. This program is conducted by the Prince William Sound Science Center located in Cordova in southeastern Prince William Sound.
- ConocoPhillips has been a participant in the development of an annual migratory bird calendar, issued by the U.S. Fish and Wildlife Service, featuring pictures drawn by school children from remote Alaskan villages.
- ConocoPhillips also continued its support of Green Star and its mission to encourage businesses to practice waste reduction, energy conservation and pollution prevention.



Green Initiatives

ConocoPhillips takes its commitment to the environment seriously. When it comes to minimizing the company's environmental footprint, no idea is too small and industrial operations aren't the sole focus. ConocoPhillips Alaska is working to ensure that the company's philosophy on the environment is part of the culture for all employees at all Alaska facilities. Below are some examples of energy saving and/or "green" initiatives.

- ConocoPhillips retrofitted the neon lighting of the signage on ConocoPhillips' Anchorage Tower with LED lighting. This \$100,000 investment resulted in a 90% reduction in lighting cost. Fluorescent lighting throughout the tower was also replaced with energy-efficient T-8 lighting and electronic ballasts at a cost of about \$300,000.
- With a \$250,000, ConocoPhillips installed 11 new energy-efficient condensing boilers in the Anchorage offices which are 93% energy efficient.
- The Anchorage Tower's data center was primarily battery operated. The system was replaced with a flywheel driven kinetic energy system, similar to an electric vehicle. The project resulted in a 20 percent energy savings and eliminated some 35 tons of lead acid batteries. This project was recognized with a top tier ConocoPhillips corporate environmental achievement award.
- ConocoPhillips uses "green" cleaning supplies and has reduced the overall number of different chemicals needed for various projects throughout our facilities.





- ConocoPhillips installed temp-a-start systems on all heavy equipment at Kuparuk, saving at least 230,000 gallons of diesel in the first year.
- Between sending tires to Fairbanks for retread and a new tire recycling contract, ConocoPhillips no longer sends tires from Kuparuk to landfills.
- Implemented an enclosed automated system to puncture and drain aerosol cans. The hazardous fluids are collected and emptied and then the crushed aerosol cans are drummed and recycled.
- Our recycling program includes metal, wood, electronics, paper products, plastic bottles, aluminum cans, batteries, toner and silver cartridges, x-ray film, packaging material and more.

- A new anchor design for Alpine's spill response storage containers eliminated the need for heavy equipment travel on the tundra.
- A new consumer product testing program at Alpine has resulted in increased use of stainless steel water bottles to replace plastic one-time-use bottles. Additionally, soil created from an indoor composter is used for indoor plants and donated to the nearby village of Nuigsut where teachers at the Trapper School are using it to teach science modules









Environmental Studies

ConocoPhillips has worked closely with governmental and non-governmental agencies over the past decades to protect, preserve and improve the state's natural resources and ecosystems. We routinely conduct environmental studies to support exploration, development and operations activities on the North Slope. These studies have resulted in the accumulation of years of key data used to assess the natural environment and wildlife in current and future areas of operations. These data enable us to plan the routing and placement of gravel roads, pipelines, drilling pads and general operations in a way that minimizes effects to the environment, including migratory birds and other wildlife.

Baseline Studies

To understand and begin to measure potential effects of oil and gas development, a thorough understanding of the pre-development condition of an area or ecosystem is critical. Documentation of "baseline" conditions prior to developing new drill sites and production facilities constitutes ConocoPhillips' most extensive environmental studies program.

Working with federal, state and local regulators, as well as local communities, we routinely develop the following multi-year baseline studies programs:

- For important watersheds such as the Colville River delta, we conduct hydrological surveys.
- We conduct lake surveys to document water quality and quantity, and document usage by various fish species.

- We conduct archeological surveys to ensure we avoid culturally significant sites or artifacts.
- We enlist support from our biological consultants to conduct intensive onshore habitat mapping surveys to understand how key wildlife species use certain habitats.

Continuing the practice of conducting baseline studies, and in cooperation with Shell, ConocoPhillips designed and operated a two-year integrated ecosystem studies program over Chukchi Sea leases in 2008 and 2009, to understand baseline conditions prior to exploration drilling. Representatives from North Slope tribal governments, environmental non-government organizations and the North Slope Borough proclaimed this program as a "model" to be followed by federal agencies in the Outer Continental Shelf (OCS). ConocoPhillips is proud to continue this program with additional collaborators in 2010.





Monitoring Projects

We also fund select ongoing monitoring projects to assess the potential effects of development and production activities on North Slope wildlife and fish species.

- More than 200 species of waterfowl and shorebirds migrate to the North Slope each spring and are seen frequently within the oil fields. ConocoPhillips has more than 15 years of data on bird species such as tundra swans, spectacled eiders and yellow-billed loons. All of the data ConocoPhillips has collected indicates that tundra nesting birds can successfully co-exist with oil and gas operations while environmental protection measures are in place.
- In our diligence to avoid polar bear dens, we provide support to the U.S. Geological Survey's polar bear team in conducting a mark/recapture study on polar bears, fitting sows with a satellite collar to allow scientists to track their movements. We also use forward looking

infrared (FLIR) technology mounted on fixed-wing aircraft to detect a heat signature from denning bears. Not only do these efforts help us avoid potential effects on the bears, but they also help to minimize human/bear interactions.

• ConocoPhillips has conducted caribou monitoring for more than 15 years and the monitoring shows that caribou move freely through the oil fields as the pipelines are sufficiently elevated and separated from an adjacent roads. In fact, the number of Central Arctic Herd caribou (the primary of four herds on Alaska's North Slope) has increased more than twenty-fold—from about 3,000 in 1972, when development began—to more than 60,000 today.

Environmental Studies

Offshore Collaboration

ConocoPhillips has a history of collaboration with multiple stakeholders with our onshore program and has extended that model to the offshore. Working closely with agencies such as the United States Geological Survey (USGS), the National Marine Fisheries Service (NMFS), Alaska Department of Fish and Game (ADF&G), United States Fish and Wildlife Service (USFWS) and the North Slope Borough (NSB), we have significantly advanced our base of knowledge pertaining to the offshore environment.

Examples include support for and/or participation in:

- The USGS's satellite tagging program for Pacific Walrus
- A multi-stakeholder satellite tagging program for Arctic beluga whales
- Satellite tagging of bearded and ringed seals with the Alaska Ice Seal Commission
- A Joint Industry Program under the International Oil and Gas Producers trade group on the effects of sound on marine life.







Air Quality Monitoring

Continuous monitoring for decades in and around North Slope oil fields reveals that air quality is consistently better than national ambient air quality. ConocoPhillips' monitoring stations measure wind speed and direction, as well as the levels of pollutants. The results of the air monitoring are reported on a quarterly basis and the reports document no significant effect on air quality in the villages from oilfield activities. Other monitoring stations are in the planning phase.

- In addition to the monitoring stations at ConocoPhillips facilities, ConocoPhillips operates an air quality monitoring station in the village of Nuigsut, the nearest village to the Alpine field.
- ConocoPhillips has recently installed similar air monitoring equipment in the village of Wainwright to establish baseline conditions prior to offshore drilling in the Chukchi Sea.









Remediation and Rehabilitation

During the early days of North Slope oil operations, producers typically used reserve pits to hold drilling mud, cuttings and associated fluids generated during exploration and drilling operations. As part of the industry's modernization and ongoing efforts to minimize effects to the environment, reserve pits were phased out of use. Today, all drilling mud and fluids are injected via wells into appropriate disposal zones deep underground. ConocoPhillips is diligently working toward permanent closure and rehabilitation of the inactive reserve pits for which the company has assumed responsibility.

- ConocoPhillips has excavated and disposed of drilling waste from 37 production reserve pits operated on the North Slope.
- ConocoPhillips remediated and/or closed 40 of 43 remote inactive exploration reserve pit sites for which the company assumed responsibility. ConocoPhillips plans to close another inactive reserve pit in 2010 and the last two sites during the 2010/2011 winter season.
- ConocoPhillips closed 17 of 18 sites which were inadvertently contaminated in the early years of North Slope oil and gas exploration and development. Four of the 17 closed sites received conditional closure and are

- monitored annually. This monitoring ensures that controls are in place to adequately stabilize any potential remaining contamination. The remaining site is slated for remediation and closure in 2010.
- ConocoPhillips has a robust, long-term tundra rehabilitation program that is initiated after remediation is complete at each site. Rehabilitation involves seeding, fertilizing and transplanting tundra plants indigenous to the surrounding area. Our goal is to establish productive, diverse and self-sustaining habitats using indigenous plant species. In 2009 we planted or monitored 23 sites.





Waste Reduction & Removal

Good waste management is a win-win for everyone. It reduces the cost of operations, saves energy, reduces air pollution and preserves natural resources that are critically important to people living on the North Slope.

- Grind-and-inject technology, which allows solid drilling wastes to be crushed and re-injected into specially permitted disposal wells, eliminates the need for surface reserve pits, decreasing effects on the environment and dramatically reducing the footprint of new developments.
- Over the initial decades of exploration and oil production, hundreds of drums were abandoned by unknown individuals and entities across Alaska's North

Slope. ConocoPhillips agreed to collect and dispose of many of these drums and has been diligently working on this effort since 2000. ConocoPhillips has removed and properly disposed of about 1,600 abandoned drums, and will finalize abandoned drum retrieval activities during the summer season of 2010. This cleanup effort is another example of ConocoPhillips'commitment to protecting our natural resources.





Safety

We are dedicated to the principle that our operations not only protect the natural environment but also ensure the safety and well-being of our employees, contractors and neighbors. Achieving continuous improvement in health, safety and environmental performance is integral to our operations, a core value for our company and deeply embedded in our business culture.

Target Zero

afety is of paramount importance at ConocoPhillips. We work diligently with employees and contractors toward the goal of cultivating a zero-incident culture in the workplace.

- The company has implemented behavior-based safety programs at each of our facilities to develop a proactive approach to safety awareness and to identify and reduce at-risk behaviors through the involvement and commitment of employees.
- ConocoPhillips has instituted several initiatives to further improve safety, with a special focus on our contractors' work forces. Examples include safety auditing, process safety management, behavior-based safety training, near-miss reporting and daily toolbox meetings. Contractors are required to meet high safety standards and to train and provide their workers with appropriate tools to perform their work safely.

 The Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) is designed to promote excellence in safety and health management systems by recognizing facilities that have implemented outstanding health and safety programs. VPP participants experience 52% fewer workplace accidents than their competitors. ConocoPhillips currently has five sites in Alaska certified under the OSHA VPP Program. Two sites are located in Cook Inlet, the Beluga River Unit (2005) and the Tyonek Platform in the North Cook Inlet Unit (2007), while two additional sites are located on the North Slope of Alaska, the Kuparuk River Unit (2007) and the Alpine field (2008). VPP Star status for the Anchorage Tower office complex was achieved in 2009.

A Safe and Healthy Workforce

ConocoPhillips is committed to recruiting and retaining a qualified workforce. Health and safety initiatives for our employees not only help to create good will in the work force, these initiatives also support the company's core values. Health and safety go hand in hand and ConocoPhillips champions wellness programs for its employees that focus on nutrition, a healthy lifestyle and personal safety. ConocoPhillips is committed to encouraging safe and healthy habits – at work and at home.

- ConocoPhillips in Alaska promotes employee-led Health, Safety and Environmental (HSE) committees that seek continuous improvement of HSE processes applicable to all employees and contractors. Wellness initiatives include the likes of annual health fairs with free health screenings, monthly healthy snack breaks in the Anchorage Tower that promote an HSE topic such as Bike to Work day and fitness challenges for all employees.
- ConocoPhillips provides and encourages the use of various personal protective equipment such as safety glasses and earplugs to all employees and contractors for use at home and for personal activities, such as lawn mowing or carpentry work.
- "Fun runs" among workers are held during the North Slope's brief summer.

- Employees coordinate monthly meetings with a variety of guest speakers that focus on health, safety and environmental topics applicable to Alaskan families such as Internet safety for children, salmon habitat restoration efforts, bear safety in the outdoors, and home fire prevention.
- Every fall ConocoPhillips hosts a contest for employees' and contractors' children who submit drawings of safety tips for the chance of being included in the upcoming year's safety calendar. Over 50 entries were received from children kindergarten through 8th grade.

These work force initiatives demonstrate Conoco-Phillips' dedication to keeping employees healthy and safe both on- and off-the-job.







Response Preparedness

ConocoPhillips is committed to continuously improving the statewide work force's level of spill response preparedness. We do this, first and foremost, by following a comprehensive drill and training program. We also fund current research and development projects for improving spill response technology and provide support to our industry partners and oil spill response organizations.

Training and Drills:

ConocoPhillips has developed a premier drill and training program for all operating areas. The program voluntarily follows the national Preparedness for Response Exercise Program (PREP) guidelines. This unified federal agency effort includes the United States Coast Guard and Environmental Protection Agency, and addresses drill and training requirements that meet response standards set out in the Oil Pollution Act (OPA) of 1990.

Alaska Response Team members regularly participate in training, which provides the essential knowledge needed to respond well to a spill or other critical incident, should one occur. Incident drills allow for the practical application of the information and skills taught, and provide hands-on experience to drive home the lessons learned through training.

 An example of this hands-on experience in 2009 is the successful completion of the two-day Prince William Sound Polar Tankers exercise, conducted in May in Valdez. This major spill response exercise took more than a year to plan and encompassed more than 200 oil industry participants and federal, state and local agency representatives. ConocoPhillips Alaska was a member of the joint planning team and participated in this exercise by providing trained Incident Management Team (IMT) members to manage the exercise scenario's simulated clean-up response.





Response Preparedness

Training and Drills:

- In August 2009, ConocoPhillips supported the 2009 North Slope Mutual Aid Drill, hosted by Pioneer Natural Resources Alaska, Inc., with a variety of trained spill response personnel and essential spill response equipment, including vessels, boom and an on-scene command portable office space. Annual mutual aid drills focus on coordinating response assets and incident management, working together to ensure a coordinated, timely and efficient response in the event of a major North Slope, Cook Inlet or Anchorage Complex incident.
- Experts from the Kenai LNG Facility have voluntarily provided Energy Awareness training for many of the emergency response agencies throughout Alaska and the U.S. In an effort to help prepare these agencies for an incident response, ConocoPhillips provides these agencies with additional information about the properties of various sources of hydrocarbon energy.

Research:

Over the past 10 years, ConocoPhillips has spent about \$2 million for Arctic spill response research. In 2009 ConocoPhillips contributed almost \$200,000 for research and development projects that focused on innovative spill response technology and processes that assist in the prevention, detection, recovery and removal of oil in a harsh Arctic environment. This year's projects included:

- Research for detecting oil on and under sea ice using ground-penetrating radar
- Research on improving methods for recovering residues from in situ burning of marine oil spills
- Research for performance of the crucial coated oleophilic disc skimmers in Arctic conditions
- Revisions and updates to the Tundra Treatment guidelines manual published by the State of Alaska.

In 2009 ConocoPhillips also provided staff, funding and equipment for the final phase Joint Industry Program for oil spill response planning in ice-infested water. The full-scale offshore field experiments were conducted in Norway.







Response organizations:

ConocoPhillips also works closely with and supports our dedicated Oil Spill Response Organizations in Alaska: Alaska Clean Seas (ACS) on the North Slope, Cook Inlet Spill Prevention and Response Inc. (CISPRI) for Kenai operations and Ship Escort Response Vessel System (SERVS) in Valdez.

- Through ACS's efforts, we have at total of 27 Village Response Team (VRT) members trained to support a spill response incident on the North Slope located in the villages of Barrow, Atgasuk, Nuigsut, Kaktovik and Point Lay.
- ConocoPhillips continued funding the ACS spill response internship program. In 2009 an intern from Barrow completed the program. An intern from Nuigsut worked at the Kuparuk field over the summer to get hands-on experience in an operating field.

- CISPRI recently added an outdoor equipment-testing tank, making it more assessable and practical to conduct local tests on equipment here in Alaska.
- ConocoPhillips routinely meets with our SERVS spill response counterparts to ensure familiarity with their operations and seamless integration for any necessary incident management operations.

These contributions and efforts demonstrate the priority the company places on spill response preparedness.





Safety at Sea

What happens after North Slope crude oil completes its 800-mile journey through the Trans-Alaska Pipeline System to Valdez? It's transported, via tanker, thousands of miles to the Lower 48 states and Hawaii. Polar Tankers, Inc., a wholly-owned ConocoPhillips subsidiary, safely and responsibly transports ConocoPhillips' oil, playing a key role in the approximately 20,000 shipments delivered from Alaska since North Slope oil production began in 1977.

Polar Tankers owns and operates five Endeavour Class, state-of-the-art, double-hull tankers. Polar Tankers completed a phased conversion of the fleet to an all-double-hull fleet in mid-2007—two years ahead of schedule.

Polar Tankers has made a series of investments and developed some unique methods to achieve health, safety, quality and environmental excellence (HSQE). Together, large and small, these industry-leading initiatives are important components of Polar Tankers' comprehensive strategy for safe and effective operations.





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- The Quality Assurance Officer (QAO) Program, dedicating a rotating pool of senior deck and engine officers to support the HSQE management system, is a pioneering effort in crew management by Polar Tankers. The QAO position relieves the Master and Chief Engineer of some of their administrative tasks so they can provide greater focus to their core responsibility of safe vessel operation.
- Training is a crucial piece of HSQE excellence. Polar Tankers has taken the lead in this area and developed training programs with the Alaska Vocational Technical Center. An Advanced and Emergency Shiphandling training course enhances ship-handling skills and promotes master/pilot collaboration for safe passage and recovery from emergency conditions. A Polar-specific Bridge Resource Management (BRM) Course was designed to enhance the characteristic qualities of highly effective Bridge Teams. The BRM course has been approved by the U.S. Coast Guard.
- Polar Tankers is a part of the Prince William Sound Response Planning Group, an effective cooperative effort that allows information and resources to be shared amongst various stakeholders for emergency response. As part of this group, Polar Tankers provides financial resources and project support to a joint research effort for the development of advanced skimming technologies. The technology currently being tested has the potential to provide a step-change improvement in mechanical spill-response technologies. Results indicate that the new technology oil recovery rates are four times higher than existing technology.





Best-in-Class Pipeline Management

ConocoPhillips uses a best-in-class, multi-layered approach to prevent, mitigate and detect corrosion on its extensive North Slope pipeline network.

- Corrosion is prevented by using good engineering design practices and continuously reviewing and improving these practices.
- A mitigation program is employed to further reduce corrosion rates, primarily involving measures such as effective maintenance pigging and application of corrosion-inhibiting chemicals and biocides.
- A comprehensive monitoring program is designed to measure corrosion tendencies so that mitigation measures can be adjusted appropriately.
- An extensive inspection program using several different inspection technologies is designed to detect corrosion in the early stages and to ensure necessary repair and renewal projects can be efficiently planned and implemented.





Our pipeline asset integrity programs undergo routine review by regulatory agencies such as the Alaska Department of Environmental Conservation (ADEC), Department of Transportation (DOT) and the U.S. Coast Guard, as well as ConocoPhillips specialists and industry experts.

The combination of good design practices and effective mitigation, monitoring and inspection programs provides a comprehensive approach to managing the risks associated with corrosion. In 2009, ConocoPhillips Alaska won a ConocoPhillips company-wide SPIRIT of Performance award for having a best-in-class corrosion inspection program.









Community

ConocoPhillips and its employees are committed to building relationships and working together with community leaders to enhance the quality of life in the communities where we live and work. From creation of jobs and government revenues to charitable contributions and volunteerism, ConocoPhillips is invested in the state's economic health and the well-being of the people who call Alaska home.

n 2009, ConocoPhillips continued its long history of giving in spite of an uncertain economy, rising costs and volatile oil prices. The drop in oil prices in 2009, in the face of continuing high costs, was a challenge to our industry. Nonetheless, we wanted to assure Alaskans that we will continue to work closely with community leaders to help address the needs of people and communities across the state.

We continued to demonstrate significant support through the gifts of time and corporate philanthropic dollars while maintaining our role as an important driver in the economic engine for Alaska.

We are pleased to be able to participate in such a significant fashion in Alaska, to work with communities and hundreds of nonprofit organizations across the state to help Alaskans in need and to fund programs that support education, social services, the arts, civic and youth groups and the environment.

Since 2000, the company has given more than \$87 million to Alaska-based nonprofit programs and projects, including more than \$27 million to the University of Alaska. In 2009, ConocoPhillips donated more than \$9 million to 330 nonprofit organizations benefiting our fellow Alaskans. We also worked diligently to respect the rich culture and learn from the traditions of our neighbors across this great state.

Tradition and Culture

We listen and continue to learn from the Native traditions and culture. Additionally, we strive to aid communities in meeting basic needs and in stimulating economic and social development while ensuring that our operations do not adversely affect local residents or the environment in which they live.

By consulting nearby landowners and seeking the traditional knowledge of local elders as we plan our activities, ConocoPhillips demonstrates its commitment to building strong and lasting relationships with the Native people and communities of Alaska's North Slope.

Listening and Learning

 Local subsistence representatives provide guidance and advice regarding onshore exploration, construction and development activities. We have modified the design of pipelines and production pads based on the input of traditional hunters.

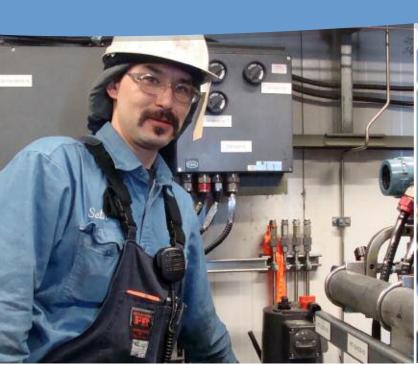






- In 2009, ConocoPhillips conducted environmental studies offshore in the Chukchi Sea. To ensure that environmental surveys did not conflict with subsistence outings, nearby residents were informed of vessel locations and movements in the Chukchi Sea through a Communication Station in Wainwright and a network of subsistence advisors in Barrow, Wainwright, Point Hope and Point Lay. In addition, ConocoPhillips arranged for local Marine Mammal Observers to be onboard the vessels. Their jobs were to assist the onboard scientists with the observations of marine mammals and seabirds near the vessel. The Marine Mammal Observers would initiate shut-down protocols if a marine mammal entered or approached the designated safety zone.
- ConocoPhillips conducted more than 15 community meetings in 2009 in communities along the northwestern coast to review the Chukchi Sea exploration program, present results from the environmental baseline studies program and to preview the proposed 2010 program.
- In 2009 ConocoPhillips hosted a science fair for Nuigsut school children, followed by an evening community meeting. Hands-on displays at the science fair encouraged kids to learn about science and their surrounding environment. An evening meeting included a presentation on the results of the previous summer's environmental studies and plans for studies in the following year. Subsequent input from the community helps ConocoPhillips design studies that avoid conflicts with subsistence activities.







Working with the Community

• ConocoPhillips and its co-owner in the Alpine field Anadarko Petroleum Corporation, supply the 14-mile Nuiqsut gas pipeline with up to 1 million cubic feet of natural gas per day from Alpine as part of the surfaceuse agreement with Kuukpik Corporation, the Alaska Native village corporation for Nuiqsut. The North Slope Borough financed the \$10 million pipeline project connecting the field gas supply to the village, which dramatically lowers heating costs for the approximately 125 households in Nuiqsut.

• ConocoPhillips has recently been working closely with Olgoonik Oilfield Services, an affiliate of Olgoonik Corporation, an Alaska Native Corporation located in Wainright, Alaska. ConocoPhillips is helping Olgoonik prepare for potential future oil and gas industry work. ConocoPhillips helped this company purchase a crew change and supply vessel and assisted in the training of its captains. Recently, Olgoonik provided ConocoPhillips shore-based support, air-monitoring-station maintenance, communication-center staffing and webcam installation. Additionally, Olgoonik aided ConocoPhillips in its outreach programs and participated in various health, safety and environmental (HSE) functions in support of ConocoPhillips' Chukchi Sea environmental studies program.





• The Autaaqtuq Fund, supported by contributions from ConocoPhillips, Anadarko Petroleum Corporation and Pioneer Natural Resources Alaska, Inc., is a special revenue fund established by the North Slope Borough to address education and work skills, substance abuse and effects of oil and gas development on sub-

sistence resources on the North Slope. The first grant applications were submitted in 2009 and the board approved support to the North Slope Borough School District, the Inupiat Community of the Arctic Slope and the local public radio station, KBRW.

Employee Involvement

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Involvement in community projects fuels individual passions, develops new skills and facilitates teamwork. Individual involvement in the community benefits our employees because they become more a part of the fabric of the community in which they work. The community benefits from the time and skills contributed. Company authorized and sponsored volunteer efforts also encourage employees to understand and appreciate the interdependence between the company they work for and the communities where we do business. To demonstrate support for employees and their respective personal involvement with charitable organizations, the company offers grants to help fund employee-championed programs.

In 2009, ConocoPhillips employees requested more than 190 employee volunteer grants, directing nearly \$170,000 to 125 different youth, educational, civic and social service nonprofit organizations in Alaska. Our employees volunteered more than 5,500 hours in local communities through efforts such as serving on boards, coaching local teams, United Way Day of Caring activities and participating in charity athletic events including walks, runs and biking fundraisers.







Throughout 2009, ConocoPhillips employees formed teams and participated in outdoor activities which served dual purposes. Through these activities, the company's emphasis on healthy living and enjoyment of the outdoors is reinforced. Just as importantly, these activities benefit worthy causes because ConocoPhillips donated up to \$100 per employee participant for events like:

- · Ski for Women charity event benefiting Abused Women's Aid in Crisis (AWAIC)
- The Multiple Sclerosis Bike Tour joining the fight against MS

- The 5K Heart Run supporting the American Heart Association
- The Tour de Cure cycling event which raises funds and public awareness of diabetes
- Alaska Run for Women, a walk/run to raise awareness of breast cancer and other health issues
- The Alaska Men's Run which supported research and prostate cancer screening clinics throughout Alaska.







Education and Youth

Equipping youth with practical skills and education to help them achieve their full potential is the key to the future. For this reason, about half of ConocoPhillips' annual contributions have historically been directed toward education and youth programs.

- In 2009, ConocoPhillips joined the University of Alaska Anchorage in celebrating the grand opening of the ConocoPhillips Integrated Science Building. Additionally, ConocoPhillips continued its commitment to the University of Alaska by making its first \$2.2 million payment toward the \$11 million ConocoPhillips Arctic Science and Engineering Endowment Fund for the University of Alaska Anchorage. The fund, when fully endowed, will suppport ongoing work in arctic sciences and engineering for decades to come.
- ConocoPhillips supported Ilisagvik College in Barrow, Alaska, with a donation of \$100,000. Located in the northernmost point of Alaska, Ilisagvik College is a two-year college offering quality post-secondary academic, vocational and technical education dedicated to matching workforce needs while perpetuating and strengthening Inupiat (Eskimo) culture, language, values and traditions. ConocoPhillips has supported this college since 1997.





ConocoPhillips

- ConocoPhillips provided \$100,000 to Alaska Pacific University in 2009 and celebrated the dedication of the ConocoPhillips Gallery. This gallery was the final phase in the renovation and renaming of Alaska Pacific University's Grant Hall.
- In 2009, ConocoPhillips continued its collaboration with the National Energy Education Development (NEED) program to present energy education workshops for more than 40 teachers in the Anchorage area. The workshops are designed to equip K-12 teachers with tools to improve their students' energy knowledge and encourage classroom dialogue about energy.
- ConocoPhillips continued its work with Healthy Futures to further the mission of empowering youth to build positive lifelong physical fitness habits. In 2009, ConocoPhillips provided \$30,000 in support of the Healthy Futures program, for a total of more than \$655,000 in grants we have awarded since 2004. This initiative was given a National Award in 2007 by the American Alliance for Health, Physical Education, Recreation and Dance for outstanding contribution to our community.
- Best Beginnings is a public private partnership with efforts directed toward ensuring that more children are beginning school happy, healthy and ready to succeed. ConocoPhillips believes that the solution to more successful children lies in early childhood, and that the first five years of life set the blueprint for cognitive, social and emotional development. Toward this end, ConocoPhillips donated \$25,000 in 2009 totaling \$390,000 in contributions since 2007.





Health & Social Services

In 2009 ConocoPhillips donated more than \$4 million to health and social service organizations including key agencies like the United Way. Our contributions supported shelters for the homeless and abused women and children. We gave to the Food Bank of Alaska and facilities like Bean's Café that offer meals to those in need. ConocoPhillips also contributed to service organizations such as the Red Cross, the Salvation Army and Camp Fire.

• ConocoPhillips has supported statewide United Way campaigns throughout Alaska for over 30 years. In 2009 ConocoPhillips and its employees continued this leadership role with combined company and employee contributions and event proceeds exceeding \$1 million.

Giving generously of their time, 350 employees volunteered for the annual Day of Caring, undertaking a range of projects throughout the community, from cleaning up local parks to making quilts donated to clients of social service agencies.



ConocoPhillips

- ConocoPhillips recognized the increasing number of hungry and homeless individuals and families in our communities and focused on support organizations that address these issues. For example, ConocoPhillips sponsored Bean's Café, food banks throughout Alaska and the Children's Lunchbox, all of which share a common goal of feeding Alaska's hungry. Catholic Social Services operates a variety of programs that provide emergency food and shelter and Covenant House provides shelter and other support services for homeless teens.
- The Pick.Click.Give. public awareness campaign, launched in 2009, encouraged Alaskans filing on-line for their Permanent Fund Dividend to donate to qualifying nonprofit organizations or community foundations. ConocoPhillips provided financial support to help promote this initiative. In the first year of this program, Alaskans donated well over \$500,000.
- ConocoPhillips proudly donated to Camp Kushtaka, a program of Camp Fire USA Alaska Council, to help update housing and install utilities. This seasonal, residential camp on the shores of Kenai Lake in Cooper Landing hosts over 600 youth each year. Employees also volunteered their time, installing solar panels and wiring as part of the camp's solar power project.









Civic & Art

Many small communities throughout Alaska host hometown community events that celebrate their regional or cultural uniqueness. Civic and arts opportunities often bring communities together in a way that other types of activities cannot. Whether it is an Independence Day parade or simply getting the family outdoors during the long winter, ConocoPhillips is proud to contribute to events throughout Alaska that enrich the quality of life for all Alaskans.

- In 2009, ConocoPhillips Alaska received the Outstanding Business of the Year Award from the Kenai Chamber of Commerce. This award was given in recognition of the many employees from the Kenai LNG plant serving on various nonprofit boards and commissions as well as serving in the capacity of coaches and volunteers. The award also acknowledges ConocoPhillips' corporate support of the Chamber and many charitable organizations in the vicinity.
- The Mount Marathon Race in Seward is one of the premier running races of the Alaskan summer. Conducted in celebration of the July 4th holiday weekend, hundreds of competitors and spectators descend on the small seaside community of Seward to participate in this historic event. ConocoPhillips was one of two major sponsors in 2009.
- ConocoPhillips was proud to be a sponsor of the Ketchikan Area Arts and Humanities Council Blueberry Arts Festival. The annual festival is held the first weekend of August during the height of tourist season and peak of the autumn berry harvest.





- ConocoPhillips supported the Anchorage Opera's 2009/2010 season The Power of Love with a grant of \$25,000 designated to support educational programs. These programs included the Opera Apprentice Program and student dress rehearsals as well as collaborations with opera organizations in Juneau.
- ConocoPhillips continued its long-time support of the Anchorage Museum of History and Art with a \$25,000 grant in support of the "Gold!" exhibition that took place in the newly opened gallery space in the building expansion. We also granted \$25,000 to The Imaginarium for its traveling science exhibition, which provides hands-on science curriculum for students in rural communities who are unable to travel to Anchorage to participate in the science programs in the Anchorage facility.
- 2009 was a big year for Alaska as it celebrated Fifty Years of Statehood. ConocoPhillips is proud to have been a part of the festivities by awarding a grant of \$35,000 to support the Day of Statehood Celebration and Gala.
- ConocoPhillips continued its role as presenting sponsor of the Anchorage Mayor's Marathon. This event has become one of the top-tier destination marathons attracting more than 3,000 runners from all 50 states as well as several other nations.
- ConocoPhillips has sponsored the Fairbanks Heart Walk since 2001. Participating in the Heart Walk is an important step in fighting the leading killer in Alaska. In 2009 more than 2,000 walkers raised almost \$225,000 for lifesaving programs. ConocoPhillips was proud to be a part of this effort by being a major sponsor of this event. It will continue its sponsorship along with the Fairbanks Memorial Hospital in 2010.





Civic & Art

- In 2009 and 2010, ConocoPhillips was the title sponsor for the U.S. Cross Country Ski Championships hosted at Kincaid Park in Anchorage. The two-year event brought national and international Nordic skiers to Anchorage, including those who qualified for the 2010 Olympics in Vancouver. The ConocoPhillips U.S. Cross Country Ski Championships continued our tradition of sponsoring outdoor, sporting and recreational activities that are important to Alaskans.
- An example of a collaborative partnership, the Alaska Marketplace is an initiative to stimulate economic development in rural Alaska. It is modeled after The World Bank Development Marketplace and has been managed by the Alaska Federation of Natives. ConocoPhillips Alaska has supported the AFN Marketplace since 2005, giving \$50,000 in 2009 for a cumulative amount of \$560,000.
- ConocoPhillips supported the 2009 Arctic Economic Development Summit held in Point Hope, Alaska. The conference was a joint effort by the North Slope Borough and the Northwest Arctic Borough in an effort to celebrate the opportunities brought to residents when the two boroughs work together.
- ConocoPhillips provided a \$5,000 sponsorship for the 2009 Kivgiq, a mid-winter Inupiat tradition that brings together Native peoples from Alaska, the Lower 48 and international communities to enjoy dancing, bartering of native arts and crafts, as well as storytelling and gift giving.
- In 2009, ConocoPhillips supported public broadcasting throughout the state of Alaska for a total of over \$200,000. The largest single donation went to Alaska Public Telecommunications Inc., which provides support to public radio stations all over Alaska. Direct support was also provided to KBRW in Barrow, Koahnic Broadcast Corporation in Anchorage, CoastAlaska supporting stations in Southeast Alaska and others.







In-kind contributions

ConocoPhillips continued its long tradition of supplementing our monetary contributions with generous in-kind support for the non-profit community.

- In 2009, the ConocoPhillips Anchorage Tower Atrium hosted more than 25 fundraising events for non-profit organizations such as Dollars for Dogs, Catholic Social Services, Alaska Federation of Natives, the Alaska Museum of Natural History and Alaska Public Telecommunications, Inc., to name a few. By being able to host fundraisers with a minimum of overhead, these organizations were able to reduce costs and increase the effectiveness of the funds received for their programs.
- We also provide more than 6,500 square feet of office space to the United Way of Anchorage. This prime office space is commercially valued at over \$200,000 per year.
- ConocoPhillips' graphics department provided unique graphics support to more than 25 nonprofit organizations including the Anchorage Downtown Partnership, Peninsula Winter Games in Soldotna, the Tustumena Alaska 200 Dog Sled Race, the Alaska Sports Hall of Fame, Wild Salmon on Parade, the Alaska Federation of Natives, the Mt. View Book Drive and Koahnic **Broadcasting Corporation.**
- ConocoPhillips donated four crew-cab pickup trucks and one king-cab pickup truck with a snowplow to the Fairbanks Pipeline Training Center. This training center offers real-world experience for the pipeline trades. Students at this center receive hands-on instruction in conditions similar to those they will experience on the job.







Economy

ConocoPhillips and its heritage companies have been contributing to the Alaska economy since before Prudhoe Bay was discovered in 1968. We are proud to be part of an industry that has moved more than 15 billion barrels of oil, created thousands of jobs, supported communities and developed technologies that have unlocked additional resources on the North Slope.

ccording to the Institute of Social and Economic Research (ISER), Alaska's oldest public policy research organization, one in three jobs in Alaska is supported by the oil and gas industry. ISER also notes that the petroleum sector supports 75% of state government jobs and more than half of local government jobs.

In these times, we all need to collaborate to ensure a vibrant economy and business climate in Alaska today and for future generations of Alaskans. A focus on North Slope's core producing assets, with a goal of finding and producing more oil and generating jobs for Alaskans, is the key.

Recruiting for Today

- ConocoPhillips has about 1,100 employees in Alaska. Of those, 88 percent call Alaska home.
- Of the 13 new employees hired in 2009, only 2 were hired from outside of Alaska.
- When we recruit, we use Alaska Job Center Network postings on Alaska's Job Bank, as well as listings in the local newspapers.
- We participate in local job fairs such as the Barrow Career Fair, Kenai Peninsula College Career Fair and the Oil and Gas Industry Career Fair.
- ConocoPhillips also regularly alerts interested and diverse groups, including job centers across Alaska, of job vacancies through e-mail notification.



The Next Generation

Energy developments of the future, from oil and gas to alternative sources, will require an educated, highly trained and skilled workforce. As the future unfolds, one of industry's greatest challenges will be recruiting qualified workers locally. ConocoPhillips provides thousands of direct and indirect local job opportunities and continues to sponsor initiatives aimed at recruiting local trainees for future employment.

- ConocoPhillips is a proponent and sponsor of the Alaska Native Science & Engineering Program (ANSEP).
 ANSEP focuses on increasing Native student university recruitment and retention rates in a variety of ways: hands-on high school outreach initiatives, focused academic learning communities, networks of peer and professional mentors, professional internships and undergraduate research projects. ConocoPhillips is proud to support ANSEP and participates by sponsoring interns every summer.
- ConocoPhillips is also an active sponsor of Alaska Process Industry Career Consortium (APICC) and its initiatives designed to prepare Alaskans for careers in the oil and gas industry. APICC, ConocoPhillips and other industry participants collaborated with the University of Alaska in creating a process technology degree program at the Anchorage, Fairbanks and Kenai campuses. Today, ConocoPhillips offers an Operator Internship program that provides valuable hands-on experience and opportunities for employment to students in the process technology field.





ConocoPhillips

- For many years ConocoPhillips has worked closely with the community of Nuigsut, adjacent to the Alpine oil fields, to provide training and employment opportunities. Opportunities begin as early as high school through Career Quest, a job-shadowing experience with Alpine employees in the winter, and local Nuigsut businesses and organizations in the summer.
- Alpine field internship opportunities for local residents include drill rig roustabout training, spill response training, electrical, plumbing or water/wastewater programs, camp management and security positions. Most of these positions last for a year and include an indepth training component. When they complete the program, participants are better prepared to apply the experience gained during the internship to relevant job opportunities across the Slope.
- ConocoPhillips looks to Alaska's universities when building its Alaska workforce. About 80 employees have degrees from the Univeristy of Alaska, more than 35 of whom have engineering science degrees.
- Our many North Slope contractors from across the state play a vital role in supporting the recruitment and development of Alaskan workers in staffing their operations. Contractors participate in various job fairs across the state, provide Alaskans with internship programs, support training programs and offer job shadow programs to provide operations exposure along with a window into the work environment. ConocoPhillips supports local hire in Alaska and on the North Slope. ConocoPhillips also encourages its major contractors working near Nuigsut, the community closest to our oil fields on the North Slope, to hire locally.



Supporting Local Business

In 2009, ConocoPhillips invested more than \$800 million in capital projects in Alaska. Eighty-five percent of all dollars the company spent for goods, services and transportation went to Alaska-based companies.

These companies employ thousands of Alaska workers who buy and rent houses and purchase cars, clothing and groceries; in short, their earnings energize and expand the local economy. We place a high priority on

purchasing goods and services locally. We are committed to giving local contractors and suppliers the opportunity to participate in projects through a competitive bid process.

Alaska businesses provide ongoing support for drilling operations, field maintenance, engineering, construction and other significant tasks.

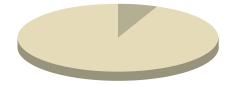
Creating Jobs

ConocoPhillips Alaska-Based Contractors



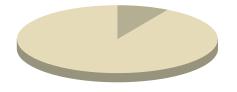
ASRC Energy Services

Total Work Force: 2,969 Alaska Residents: 2,364 (79.6%) Alaska Native: 441 (14.8%)



Doyon Universal Services

Total Work Force: 932 Alaska Residents: 872 (93.6%) Alaska Native: 251 (26.9%)



Kuukpik Arctic Catering

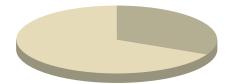
*Work Force for CPAI: 70
Alaska Residents: 64 (91.4%)
Alaska Native: 6 (8.6%)

* Statistic applies to ConocoPhillips
contract only



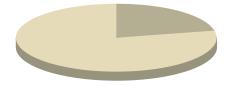
Doyon Drilling

Total Work Force: 299 Alaska Residents: 265 (88.6%) Alaska Native: 148 (49.5%)



Halliburton Energy Services

Total Work Force: 355 Alaska Residents: 240 (67.6%) Alaska Native: 10 (2.8%)



Nabors Alaska Drilling

Total Work Force: 524 Alaska Residents: 409 (78.1%) Alaska Native: 21 (4.0%)

In memory

The friends and family of Jim Bowles and Alan Gage, along with the employees of ConocoPhillips, thank the many individuals and organizations that offered their support and sympathy as we all dealt with the difficult loss of these two men. Your support, kind words and expressions of caring are greatly appreciated. Jim and Alan, who died in an avalanche in February 2010, will live on in our memories and in the varied legacies of their families, their relationships and their careers.





