

# ConocoPhillips Completes Acquisition of Concho Resources

## BY THE NUMBERS

**23**  
**BBOE**  
Combined  
resource  
base

**<\$30/BBL**  
**WTI**  
Average cost  
of supply  
(CoS)

**\$500**  
**MILLION**  
Annual cost and  
capital savings  
by 2022

**~\$60**  
**BILLION**  
Combined  
enterprise  
value\*

## HIGHLIGHTS

ConocoPhillips today announced that it has completed its acquisition of Concho Resources. The transaction creates a company with an approximately \$60 billion enterprise value\* that will offer stakeholders a superior investment choice for sustainable performance and returns through cycles. Highlights of the transaction include:

**Low CoS assets** A resource base of approximately 23 billion barrels of oil equivalent with a less than \$40/BBL WTI cost of supply and an average cost of supply below \$30/BBL WTI.

**Strong balance sheet** High quality balance sheet offers superior sustainability, resilience and flexibility across price cycles.

**Disciplined capital allocation** Expects to capture annual cost and capital savings of \$500 million by 2022.

**Enhanced distribution philosophy** Financial framework delivers greater than 30 percent of cash from operations via compelling dividend and additional distributions.

**Environmental, Social, Governance ESG** Elevated commitment to environmental, social and governance excellence with a newly adopted Paris-Aligned Climate Risk strategy.

\*The combined company enterprise value is calculated based on the sum of net debt as of June 30, 2020 and existing outstanding shares of ConocoPhillips and anticipated shares to be issued assuming the fixed conversion ratio, measured at ConocoPhillips' closing share price on October 16, 2020.



**Ryan M. Lance**  
ConocoPhillips,  
Chairman of the Board of Directors  
and Chief Executive Officer

*“This acquisition results in the combination of two premier companies that can lead the structural change for our vital industry that’s critical to investors. We expect the company to deliver differential performance on three key mandates: providing affordable energy to the world, generating superior returns on and of capital and demonstrating ESG leadership.”*

## NEW ERA OF ENERGY LEADERSHIP

Today’s transaction brings together two companies with the leadership, assets and a capital allocation approach to generate growing free cash flow, supported by a top-tier investment-grade balance sheet that provides investors with sustainability, resilience and flexibility. The combined company has competitive advantages across sector fundamentals.

- Leading company with scale and relevance
- Massive, diversified and low cost of supply resource base provides years of high-value investments
- Disciplined capital allocation criterion will drive investment decisions
- Significant cost and capital savings will drive uplift in value and sustained cost structure improvement
- Proven technical and operational expertise will be applied across the portfolio to unlock value
- High-quality balance sheet provides resilience through cycles and supports commitment to sustainable shareholder return of capital
- A track record of and commitment to ESG excellence

## CONTACT INFORMATION

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This communication may include non-GAAP financial measures, which help facilitate comparison of company operating performance across periods and with peer companies. Any non-GAAP measures included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure either within the presentation or on our website at [www.conocophillips.com/nongAAP](http://www.conocophillips.com/nongAAP).

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The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We may use the term “resource” in this presentation that the SEC’s guidelines prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the [ConocoPhillips website](http://ConocoPhillips.com).