NEWS RELEASE
Dec. 10, 2018

ConocoPhillips Announces 2019 Capital Budget and Operating Plan; Recent Oil Price Volatility Highlights Investment Appeal of Company’s Differentiated Value Proposition

HOUSTON – ConocoPhillips (NYSE: COP) today announced its 2019 capital expenditure budget and operating plan. The operating plan reflects the company’s ongoing commitment to free cash flow generation, differentiated payout to shareholders and superior financial returns through business cycles. The 2019 operating plan is expected to continue driving underlying improvement in return on capital employed. Key highlights are:

- Planned 2019 capital expenditures of $6.1 billion result in free cash flow at prices above $40 per barrel WTI;
- Increased target payout to shareholders to greater than 30 percent of cash from operations from 20-30 percent;
- Expected share repurchases of $3 billion in 2019, representing a payout to shareholders, including dividends, of approximately 50 percent of cash from operations at $50 WTI;
- Expected 2019 production of 1,300 MBOED to 1,350 MBOED, excluding Libya and assuming the previously announced Clair and Kuparuk transactions will close by year-end 2018;
  - At midpoint, this represents year-over-year growth of 8 percent per debt-adjusted share;
- Cash flow sensitivities increased by about $30 million per dollar change in oil price;
- The 2019 operating plan includes activity targeting several high-impact opportunities, notably:
  - Appraisal drilling of the Willow discovery in Alaska;
  - Continued multi-well pad appraisal drilling in the emerging liquids-rich Montney in Canada;
  - Multi-well pilot tests of new completion designs in Eagle Ford and Delaware;
  - Exploration drilling in the Louisiana Austin Chalk;
  - New major projects in Alaska, Europe and Asia Pacific; and
- Expected year-end 2018 resource base of 16 billion BOE at less than $40 per barrel WTI cost of supply.

“The 2019 operating plan follows a successful year in 2018 in which we achieved key strategic and operational goals well ahead of schedule,” said Ryan Lance, chairman and chief executive officer. “As we head into 2019, we plan to keep capital flat, increase our payout target, and deliver high-margin production per-share growth. This plan is focused on executing a consistent, balanced capital program that continues delivering predictable performance from our base business, as well as early-stage investments in attractive opportunities that can add low cost of supply inventory and drive sustained future returns.

“We no longer think of our value proposition as merely disciplined, we view it as the new order. We are running our business for sustained through-cycle financial returns, which is necessary for attracting investors back to the E&P sector. We believe we have designed ConocoPhillips to offer investors both resilience to lower prices and participation in higher prices via an approach that rations capital across a low cost of supply portfolio, competes on per-share versus absolute growth, and pays out a significant portion of cash from the business to shareholders. We view ourselves as being distinctive among E&Ps in our ability to execute this value proposition across a range of prices because of our strong balance sheet, low capital intensity, diverse low cost of supply portfolio and peer-leading low sustaining price.”
2019 Capital Budget Allocation

ConocoPhillips has set a 2019 capital expenditure budget of $6.1 billion, which is flat to expected full-year 2018 capital expenditures excluding acquisition costs. The 2019 capital budget includes funding for ongoing conventional and unconventional development drilling programs, major projects, exploration and appraisal activities, and base maintenance activities. Compared to the 2018 expected capital of $6.1 billion excluding acquisition costs, the 2019 capital budget reflects the roll-off and roll-on of major projects, additional activity associated with Montney success, and the impact of increased scope and a higher working interest in Alaska. The 2019 capital budget does not reflect potential dispositions that may occur in 2019.

By region, the 2019 capital breakdown is as follows:

Lower 48
Approximately $3.1 billion, or about 51 percent, is allocated to the Lower 48, roughly flat to 2018 expected spending. The 2019 Lower 48 capital program anticipates running 10-11 rigs across the Eagle Ford, Bakken and Delaware (Big 3) unconventional plays, with flexibility to shift activity among these plays during the year to maximize value. Included in the 2019 Lower 48 Eagle Ford and Delaware capital budget are provisions to conduct multi-well pilots of new completion designs that the company believes may drive future resource upside and be applicable to other unconventional plays. In addition to spending in the Big 3 plays, a portion of 2019 Lower 48 capital spending will target exploration and appraisal activity in areas such as the Louisiana Austin Chalk play, as well as base maintenance and conventional drilling across the region.

Alaska
Approximately $1.2 billion, or about 20 percent, is allocated to Alaska, compared to 2018 expected expenditures of $0.9 billion excluding acquisition costs. The increase reflects expenditures at the recently sanctioned GMT-2, higher activity and higher working interest in existing fields, and further exploration activity focused on appraising the successful Willow discovery, partially offset by the roll-off of spending on GMT-1. Capital assumes the previously announced Kuparuk transaction, which is subject to regulatory and other approvals, closes by year-end 2018.

Canada
Approximately $0.5 billion in capital expenditures, or about 8 percent, is allocated to Canada, compared to approximately $0.3 billion expected in 2018 excluding acquisition costs. The increase primarily reflects ongoing appraisal and development activity in the Montney unconventional program, in which the company significantly expanded its 100 percent owned and operated position in the liquids-rich window of the play during 2018. Operations are currently underway to drill a multi-well pad and install processing capacity to appraise this position. The increase also includes Surmont upgrades to significantly enhance diluent flexibility and improve netbacks.

Europe and North Africa
Approximately $0.7 billion, or about 11 percent, is allocated to Europe and North Africa, compared to 2018 expected expenditures of $0.9 billion. The reduction assumes the previously announced disposition of partial interest in the Clair field in the United Kingdom, which is subject to regulatory and other approvals, closes by year-end 2018. North Sea plans include further development in both the United Kingdom and Norwegian sectors.

Asia Pacific and Middle East
Approximately $0.5 billion, or about 8 percent, is allocated to Asia Pacific and Middle East, compared to 2018 expected expenditures of $0.7 billion. Within the segment, ConocoPhillips is proceeding with plans to backfill the Darwin natural gas liquefaction plant through development of the Barossa offshore producing field, and development projects in China, Malaysia and Indonesia.
Other
Approximately $0.1 billion, or about 2 percent, is allocated to other 2019 activity, including corporate programs, compared to $0.2 billion expected expenditures in 2018.

2019 Production Outlook

The company's full-year 2019 production guidance is 1,300 MBOED to 1,350 MBOED. This excludes Libya and does not reflect potential impacts from dispositions that may occur in 2019 or mandated production curtailment at Surmont. Guidance also assumes that the previously announced Clair and Kuparuk transactions, which are subject to regulatory and other approvals, close by year-end 2018. At the midpoint, this represents 5 percent production growth on a pro-forma basis. Production growth in 2019 will come primarily from continued ramp up of unconventional production in the Lower 48 and conventional production increases in Alaska.

Additional information on the company's capital expenditures and production guidance for 2019 is available at www.conocophillips.com/investor.

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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 17 countries, $71 billion of total assets, and approximately 11,100 employees as of Sept. 30, 2018. Production excluding Libya averaged 1,221 MBOED for the nine months ended Sept. 30, 2018, and proved reserves were 5.0 billion BOE as of Dec. 31, 2017. For more information, go to 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," "on track," "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 or technical difficulties in constructing, maintaining, or modifying company facilities; international monetary
conditions and exchange rate fluctuations; changes in international trade relationships, including the imposition of trade restrictions or tariffs relating to crude oil, bitumen, natural gas, LNG, natural gas liquids and any materials or products (such as aluminum and steel) used in the operation of our business; our ability to collect payments when due under our settlement agreement with PDVSA; our ability to reach a definitive agreement with INEOS Oil and Gas on the terms disclosed, or at all; our ability to liquidate the common stock issued to us by Cenovus Energy Inc. at prices we deem acceptable, or at all; our ability to complete the sale of our announced dispositions or acquisitions on the timeline currently anticipated, if at all; the possibility that regulatory approvals for our announced dispositions or acquisitions will not be received on a timely basis, if at all, or that such approvals may require modification to the terms of our announced dispositions, acquisitions or our remaining business; business disruptions during or following our announced dispositions or acquisitions, including the diversion of management time and attention; the ability to deploy net proceeds from our announced dispositions in the manner and timeframe we currently anticipate, if at all; 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 (SEC). 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.

Cautionary Note to U.S. Investors – 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 news release 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.

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 non-GAAP terms, including free cash flow, return on capital employed, cash return on capital employed and cash from operations, which are defined on our website at www.conocophillips.com/nongaap.

Use of Other Terms – The release contains the terms cost of supply and production per-debt adjusted share growth. Cost of supply is the WTI equivalent price that generates a 10 percent after-tax return on a point-forward and fully burdened basis. Fully burdened includes capital infrastructure, foreign exchange, price-related inflation and G&A. Production per debt-adjusted share is calculated on a pro-forma production basis using ending period debt divided by ending share price plus ending shares outstanding. Proforma production excludes Libya and reflects closed and announced dispositions and acquisitions with an assumed close date of January 1, 2018. 2019 assumes $3B of share repurchases, representing 45 million of shares using the closing price of $66.18 per-share on December 3, 2018 and assuming no other changes in common shares outstanding.