



# 2Q22 Earnings Conference Call

AUGUST 4, 2022

# Cautionary Statement

This presentation contains forward-looking statements as defined under the federal securities laws. Forward-looking statements relate to future events, plans and anticipated results of operations, business strategies, and other aspects of our operations or operating results. Words and phrases such as “anticipate,” “estimate,” “believe,” “budget,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” and other similar words can be used to identify forward-looking statements. 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 be reasonable at the time such forward-looking statement is made. 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**Use of Non-GAAP Financial Information** – This presentation 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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# 2Q22 Highlights and Recent Announcements

## DELIVERING ACROSS ALL ELEMENTS OF THE TRIPLE MANDATE



### STRATEGY

Increased planned 2022  
return of capital to \$15B

Awarded stake in QatarEnergy's North  
Field East LNG project

Signed non-binding agreement with  
Sempra for opportunities to participate  
in large-scale LNG projects, LNG offtake  
and related carbon capture activities

Joined Oil and Gas Methane  
Partnership (OGMP) 2.0 initiative



### FINANCIAL

\$5.1B adjusted earnings;  
\$3.91 adjusted EPS

Generated \$7.8B CFO<sup>1</sup>;  
\$5.9B free cash flow

Returned \$1.0B cash through ordinary  
dividend and VROC;  
repurchased \$2.3B of shares

Ending cash of \$8.5B<sup>2</sup>



### OPERATIONS

2Q production of 1,692 MBOED

Safely completed planned turnarounds in  
Europe and Canada on schedule

Cored up ~25,000 net acres since  
expanding our Permian position, enabling  
optimized development

Willow draft SEIS published

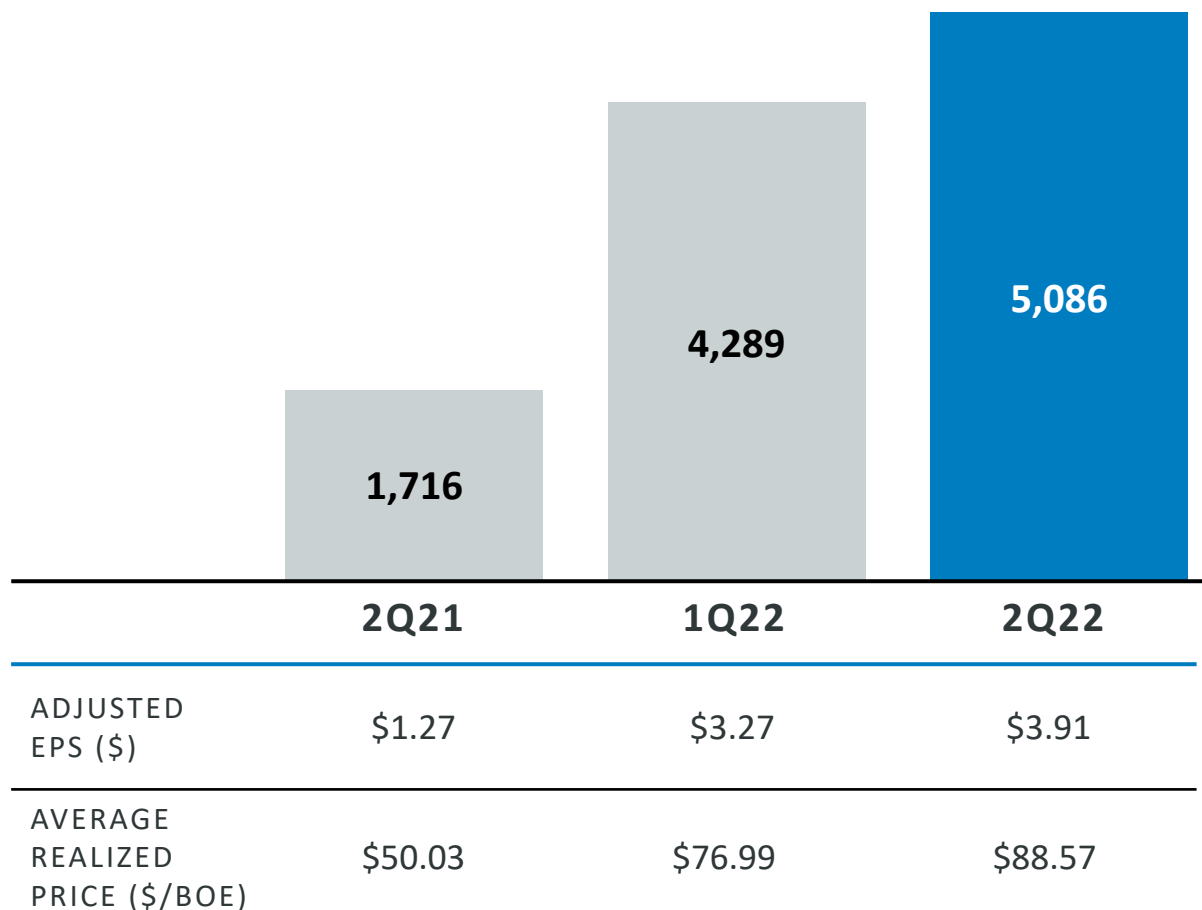
<sup>1</sup>Cash provided by operating activities was \$7.9B. Excluding operating working capital change of \$0.1B, cash from operations was \$7.8B. Cash from operations (CFO) is a non-GAAP measure further defined on our website.

<sup>2</sup>Ending cash includes cash, cash equivalents and restricted cash totaling \$7.2B and short-term investments of \$1.3B. Restricted cash was \$0.3B.

Adjusted earnings, adjusted EPS and free cash flow are non-GAAP measures. Definitions and reconciliations are available on our website.

# 2Q22 Earnings Summary

## ADJUSTED EARNINGS (\$ MILLIONS)



## OVERVIEW

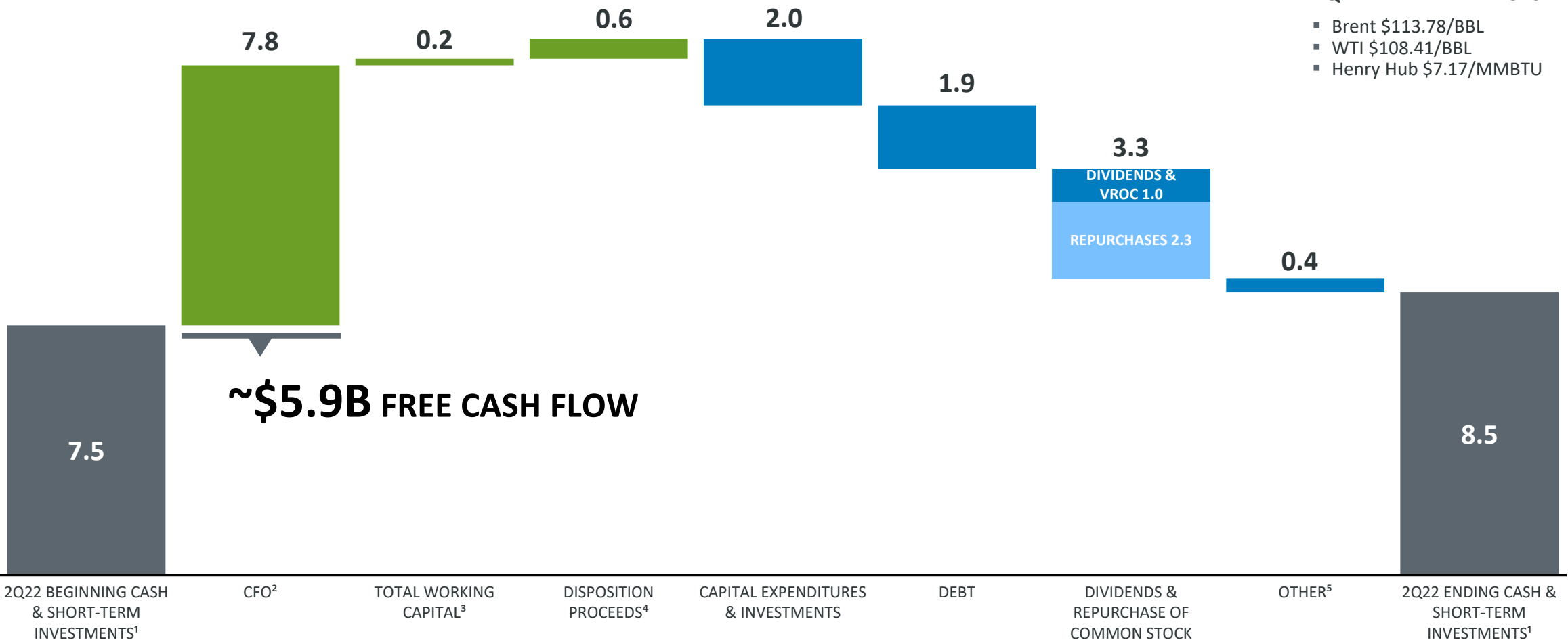
- Sequential adjusted earnings increased due to higher prices
- Year-over-year adjusted earnings increased due to higher prices as well as volumes from the recently acquired Permian acquisition

SEGMENT ADJUSTED EARNINGS (\$MM)	2Q21	2Q22
ALASKA	373	687
LOWER 48	1,185	3,512
CANADA	50	198
EUROPE, MIDDLE EAST & NORTH AFRICA	207	443
ASIA PACIFIC	175	525
OTHER INTERNATIONAL	(5)	-
CORPORATE & OTHER	(269)	(279)
<b>TOTAL</b>	<b>1,716</b>	<b>5,086</b>

Adjusted earnings and adjusted EPS are non-GAAP measures. Definitions and reconciliations are available on our website.

# 2Q22 Cash Flow Summary

\$ BILLIONS



<sup>1</sup>Beginning cash and short-term investments include cash, cash equivalents and restricted cash of \$6.74B and short-term investments of \$0.73B. Ending cash includes cash, cash equivalents and restricted cash totaling \$7.23B and short-term investments of \$1.27B.

<sup>2</sup>Cash provided by operating activities was \$7.9B. Excluding operating working capital change of \$0.1B, cash from operations was \$7.8B. Cash from operations (CFO) is a non-GAAP measure further defined on our website.

<sup>3</sup>Total working capital includes \$0.1B and \$0.1B of working capital changes associated with operating activities and investing activities, respectively.

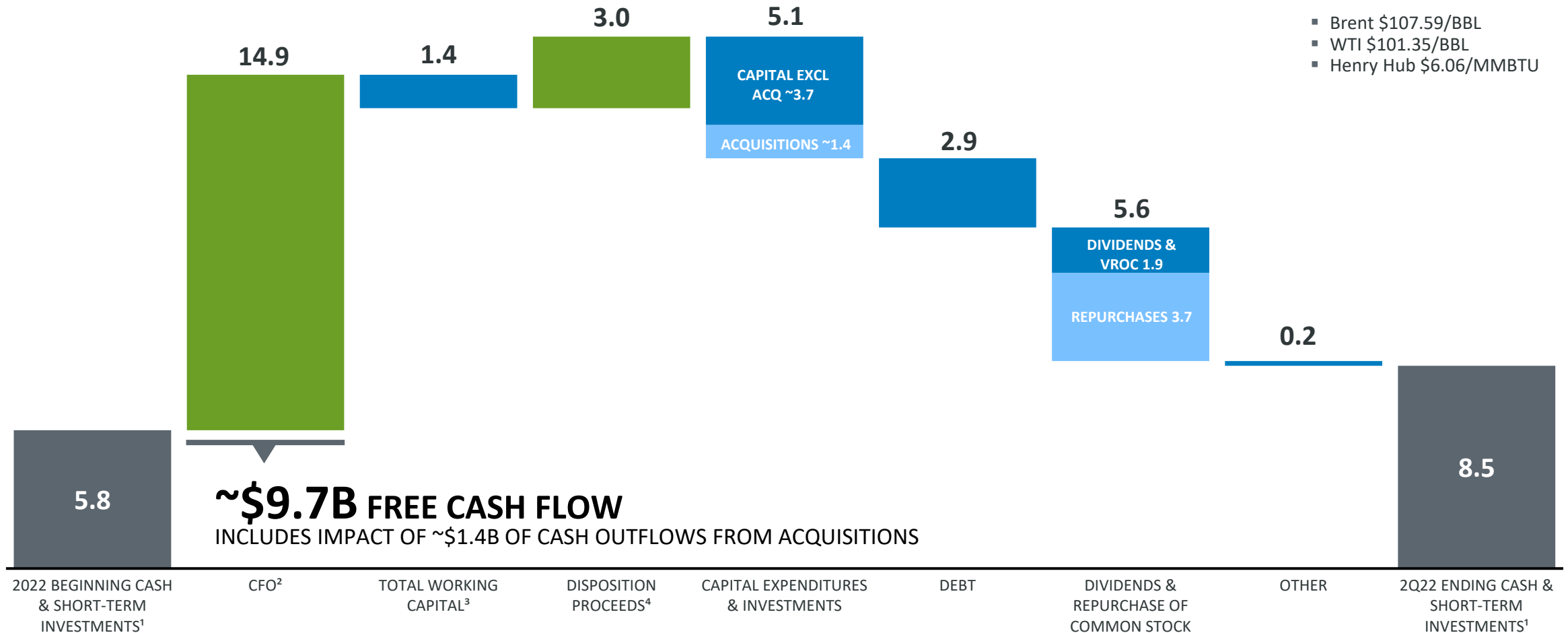
<sup>4</sup>Disposition proceeds include \$0.4B from the sale of noncore assets and \$0.2B from contingent payments associated with prior divestitures.

<sup>5</sup>Includes \$0.3B for the purchase of long-term investments.

Free cash flow is a non-GAAP measure. Definitions and reconciliations are available on our website.

# 1H22 Cash Flow Summary

\$ BILLIONS



<sup>1</sup>Beginning cash and short-term investments include cash, cash equivalents and restricted cash of \$5.40B and short-term investments of \$0.45B. Ending cash includes cash, cash equivalents and restricted cash totaling \$7.23B and short-term investments of \$1.27B.

<sup>2</sup>Cash provided by operating activities was \$13.0B. Excluding operating working capital change of (\$1.9B), cash from operations was \$14.9B. Cash from operations (CFO) is a non-GAAP measure further defined on our website.

<sup>3</sup>Total working capital includes (\$1.9B) and \$0.5B of working capital changes associated with operating activities and investing activities, respectively.

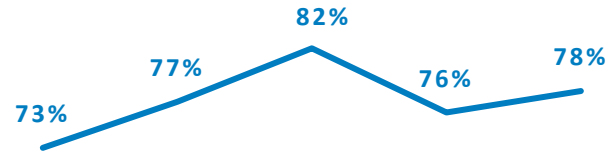
<sup>4</sup>Disposition proceeds include \$1.4B from the sale of Cenovus Energy shares, \$1.2B from the sale of noncore assets and \$0.4B from contingent payments associated with prior divestitures.

Free cash flow is a non-GAAP measure. Definitions and reconciliations are available on our website.

# Price Realizations – 2Q22 Supplemental Information

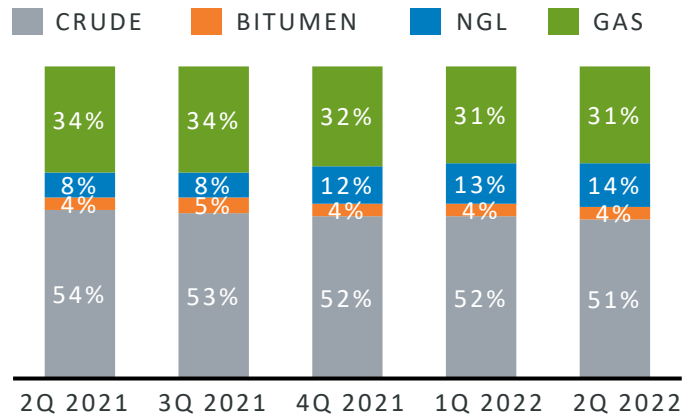


## TOTAL REALIZATIONS AS % OF BRENT (\$/BOE)

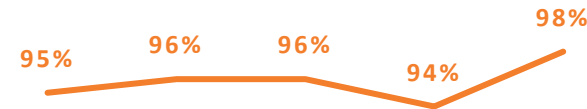


\$50      \$57      \$66      \$77      \$89  
2Q 2021   3Q 2021   4Q 2021   1Q 2022   2Q 2022

## PRODUCTION VOLUME SPLIT



## CRUDE REALIZATIONS AS % OF BRENT (\$/BBL)



\$66      \$70      \$77      \$95      \$111  
2Q 2021   3Q 2021   4Q 2021   1Q 2022   2Q 2022

## LOWER 48

93%      93%      94%      92%      96%

## ALASKA

99%      99%      100%      94%      101%

## NORWAY

96%      98%      98%      91%      103%

## ASIA PACIFIC

98%      102%      100%      103%      103%

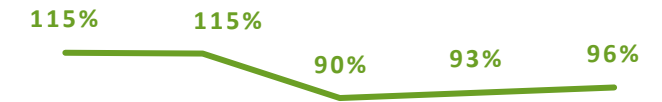
## BRENT/WTI DIFF

\$3      \$3      \$3      \$7      \$5



## NATURAL GAS

## L48 GAS REALIZATIONS AS % OF HENRY HUB (\$/MCF)



\$3.27      \$4.63      \$5.25      \$4.63      \$6.85  
2Q 2021   3Q 2021   4Q 2021   1Q 2022   2Q 2022

- 2Q and 3Q 2021 temporarily improved due to acquired volumes reported on a two-stream basis; beginning in 4Q 2021 acquired contracts were converted from two-stream to three-stream
- 1Q 2022 driven by winter weather
- 2Q 2022 driven by strong regional markers

# 2022 Guidance

	GUIDANCE (AS OF AUG 4, 2022)
FULL-YEAR 2022 PRODUCTION	~1.74 MMBOED
3Q 2022 PRODUCTION	1.70 – 1.76 MMBOED
FULL-YEAR 2022 ADJUSTED OPERATING COSTS	\$7.5B
FULL-YEAR 2022 CAPITAL EXPENDITURES	\$7.8B
FULL-YEAR 2022 DD&A	\$7.6B
FULL-YEAR 2022 ADJUSTED CORPORATE SEGMENT NET LOSS	\$0.9B

Guidance excludes special items.

Capital guidance excludes \$1.4 billion for the closed acquisition of an additional 10% interest in APLNG and does not include potential capital for the North Field East LNG project in Qatar as timing is uncertain.

Adjusted operating cost and adjusted corporate segment net loss are non-GAAP measures. Non-GAAP definitions and reconciliations are available on our website.

Guidance includes impacts from acquisitions and dispositions closed as of Aug 4, 2022.



# 2022 Annualized Cash Flow Sensitivities

## CONSOLIDATED OPERATIONS

(APPLIES FOR WTI PRICE RANGE OF \$60-\$110/BBL)



### CRUDE

- **Brent/ANS:** ~\$80-90MM for \$1/BBL change
- **WTI:** ~\$115-125MM for \$1/BBL change
- **WCS:** ~\$25-30MM for \$1/BBL change



### NATURAL GAS

- **Henry Hub:** ~\$90-100MM for \$0.25/MCF change
- **Int'l Gas:** ~\$4-6MM for \$0.25/MCF change



### LOWER 48 NGL

- **Representative Blend:** ~\$45-50MM for \$1/BBL change



## EQUITY AFFILIATES<sup>1</sup>

(APPLIES FOR BRENT PRICE RANGE OF \$60-\$110/BBL)

- Expect distributions from equity affiliates at >\$45/BBL Brent
- **Brent:** ~\$25-30MM for \$1/BBL change
- Distributions may not be ratable each quarter



## NET CASH FLOW FROM CONTINGENT PAYMENTS<sup>2</sup>

- CA\$6MM quarterly for every CA\$1 WCS price above CA\$52/BBL; **ended May 2022**
- \$7MM monthly if average Henry Hub price is at or above \$3.20/MMBTU; ends Dec 2023

<sup>1</sup>Representative of CFO within equity affiliates, may not all be distributed. Contracted LNG within equity affiliates is subject to a three-month pricing lag. CFO is a non-GAAP term defined on our website.

<sup>2</sup>Contingency payments are recognized as disposition proceeds. Contingency payments are paid annually in the year following recognition for San Juan (priced to HH; ends Dec. 2023) and paid quarterly in the quarter following the recognition for Cenovus (priced to WCS; ended May 2022).

The published sensitivities above reflect annual estimates based on full-year average production and may not apply to quarterly results due to lift timing/product sales differences, significant turnaround activity or other unforeseen portfolio shifts in production. Annual results can also differ for the same reasons. Additionally, the above sensitivities apply to a range of commodity price fluctuations but may not apply to significant and unexpected increases or decreases. Sensitivities as of August 4, 2022 and reflect impacts from the Shell Permian acquisition.

# 2022 Annualized Net Income Sensitivities (\$60-110/BBL WTI)



## CRUDE

- **Brent/ANS:** ~\$110-120MM for \$1/BBL change
- **WTI:** ~\$105-115MM for \$1/BBL change
- **WCS:** ~\$15-20MM for \$1/BBL change
  - Does not incorporate contingent payment of CA\$6MM quarterly for every CA\$1 WCS price above CA\$52/BBL<sup>1</sup>; **ended May 2022**



## NORTH AMERICAN NGL

- **Representative Blend:** ~\$45-50MM for \$1/BBL change



## NATURAL GAS

- **Henry Hub:** ~\$90-100MM for \$0.25/MCF change
  - Does not incorporate contingent payment of \$7MM monthly if average Henry Hub price is at or above \$3.20/MMBTU (capped at \$300MM)<sup>1</sup>
- **Int'l Gas:** \$4-6MM for \$0.25/MCF change

<sup>1</sup>Contingency payments are recognized as disposition proceeds. Contingency payments are paid annually in the year following recognition for San Juan (priced to HH; ends Dec. 2023) and paid quarterly in the quarter following the recognition for Cenovus (priced to WCS; ended May 2022).

The published sensitivities above reflect annual estimates based on full-year average production and may not apply to quarterly results due to lift timing/product sales differences, significant turnaround activity or other unforeseen portfolio shifts in production. Annual results can also differ for the same reasons. Additionally, the above sensitivities apply to a range of commodity price fluctuations but may not apply to significant and unexpected increases or decreases. Sensitivities as of August 4, 2022 and reflect impacts from the Shell Permian acquisition.