3Q18 Earnings Conference Call

October 25, 2018
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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.conocophilips.com/nongAAP.

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 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.
RYAN LANCE
Chairman & CEO
3Q18 Summary: Staying Disciplined; Focus on Free Cash Flow; Strong Execution

**Strategic**

- Delivering on disciplined priorities
  - Announced quarterly dividend increase of 7% in October
  - Increased 2018 buybacks to $3B and total authorization to $15B
  - Returned ~35% of CFO to shareholders in 3Q and YTD
  - Reached settlement to recover full ~$2B PDVSA arbitration award; recognized $345MM in 3Q
  - Announced $0.6B of dispositions

**Financial**

- Delivering strong free cash flow
  - $1.6B adjusted earnings; $1.36 adjusted EPS
  - Generated $3.5B CFO in 3Q; $1.9B 3Q free cash flow
  - $9.1B YTD CFO; $4.0B YTD free cash flow
  - Ending cash of $4.8B
  - Received credit rating upgrades from Fitch and Moody’s

**Operational**

- Delivering our operational plan
  - 3Q production of 1,224 MBOED
  - Year-over-year underlying production growth of 6%; 28% per debt-adjusted share
  - Achieved first production from projects in APME and Alaska
  - 2018 disciplined plan on track
  - Strong momentum continuing into 2019

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1. 3Q cash provided by operating activities is $4.4B. Excluding operating working capital change of ($0.1B), cash from operations is $3.5B. YTD cash provided by operating activities is $9.15B. Excluding operating working capital change of $0.04B, cash from operations is $9.11B. Cash from operations (“CFO”) is a non-GAAP measure and is further defined on our website.
2. Ending cash includes caps, cash equivalents and restricted cash totaling $8.3B and short-term investments of $6.8B.
4. Production per debt-adjusted share is calculated on an underlying production basis using ending period debt divided by ending share price plus ending shares outstanding. 3Q18 ending common shares outstanding were 1,151 million shares. Adjusted earnings, adjusted EPS, and free cash flow are non-GAAP measures. A non-GAAP reconciliation is available on our website. Production excludes Libya.
Question & Answer Session
3Q18 Earnings Summary

Adjusted Earnings ($MM)

$1.4B HIGHER

ADJUSTED EARNINGS
YEAR-OVER-YEAR

198
1,291
1,595

Highlights

- Sequential adjusted earnings benefited from improved realized prices and higher sales volumes
- Year-over-year adjusted earnings benefited from a 46% improvement in realizations and higher sales volumes

Adjusted Earnings ($MM)

<table>
<thead>
<tr>
<th>Segment</th>
<th>3Q18</th>
<th>3Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower 48</td>
<td>$550</td>
<td>($57)</td>
</tr>
<tr>
<td>Canada</td>
<td>$2</td>
<td>($24)</td>
</tr>
<tr>
<td>Alaska</td>
<td>$427</td>
<td>$103</td>
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<tr>
<td>Europe &amp; North Africa</td>
<td>$241</td>
<td>$85</td>
</tr>
<tr>
<td>Asia Pacific &amp; Middle East</td>
<td>$577</td>
<td>$313</td>
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<tr>
<td>Other International</td>
<td>($9)</td>
<td>($20)</td>
</tr>
<tr>
<td>Corporate &amp; Other</td>
<td>($193)</td>
<td>($202)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,595</td>
<td>$198</td>
</tr>
</tbody>
</table>

Adjusted earnings (loss) and adjusted EPS are non-GAAP measures. A non-GAAP reconciliation is available on our website.
$1.9B FREE CASH FLOW
GENERATED IN THE THIRD QUARTER

\[ 3Q18 \text{ Beginning Cash} \& \text{ Short-Term Investments}^1 = 4.1 \]
\[ \text{CFO}^2 = 0.1 \]
\[ \text{Disposition Proceeds} = 0.1 \]
\[ \text{Capital Expenditures} \& \text{Investments} = 1.6 \]
\[ \text{Dividends} = 0.3 \]
\[ \text{Repurchase of Company Common Stock} = 0.9 \]
\[ \text{Other} = 4.8 \]

\[ 3Q18 \text{ Ending Cash} \& \text{ Short-Term Investments}^3 = 4.8 \]

1 Beginning cash and short-term investments include cash, cash equivalents and restricted cash totaling $3.5B and short-term investments of $0.6B. Ending cash and short-term investments include cash, cash equivalents and restricted cash totaling $3.9B and short-term investments of $0.9B.

2 Cash provided by operating activities is $3.4B. Excluding operating working capital change of ($0.1B), cash from operations is $3.5B. Cash from operations ("CFO") is a non-GAAP measure and is further defined on our website. Free cash flow is a non-GAAP measure. A non-GAAP reconciliation is available on our website.
3Q18 YTD Performance – Company Cash Flow

$4.0B FREE CASH FLOW
GENERATED YEAR-TO DATE

2018 Beginning Cash & Short-Term Investments¹
CFO²
Disposition Proceeds
Capital Expenditures & Investments
Debt
Dividends
Repurchase of Company Common Stock
Other
3Q18 Ending Cash & Short-Term Investments¹

$B
0.4
9.1
5.1
5.0
1.0
2.1
0.1
4.8

Includes $0.4B Alaska bolt-on and $0.18 Montney acreage acquisition

~35% CFO²
RETURN TO SHAREHOLDERS

3Q18 YTD Marker Prices
• Brent $72.13/BBL
• WTI $66.86/BBL
• Henry Hub $2.90/MMBTU

¹ Beginning cash and short-term investments include cash, cash equivalents and restricted cash totaling $6.5B and short-term investments of $1.9B. Ending cash and short-term investments include cash, cash equivalents and restricted cash totaling $3.9B and short-term investments of $0.9B.
² Cash provided by operating activities is $9.15B. Excluding operating working capital change of $0.04B, cash from operations is $9.11B. Cash from operations (“CFO”) is further defined on our website.
Total working capital includes $0.04B ($0.06B) of working capital changes associated with operating activities and investing activities, respectively.
Free cash flow is a non-GAAP measure. A non-GAAP reconciliation is available on our website.
3Q18 Operations Highlights

- 3Q18 production of 1,224 MBOED; up 6% versus 3Q17 underlying production\(^1\) of 1,150 MBOED
- Lower 48 Big 3 unconventional production up 48% year-over-year
- Successfully executed Alaska and APME turnarounds
- Recently achieved first production from Bohai Phase 3, Bayu-Undan final development phase and GMT-1
- Sanctioned GMT-2 in October; leverages existing infrastructure to lower cost of supply and minimize environmental footprint
- Spud first Louisiana Austin Chalk appraisal well; results expected in 1H 2019
- Announced Barnett and Greater Sunrise dispositions for $580MM before customary adjustments

\(^1\) Underlying production excludes the full impact of 2017 and 2018 closed asset dispositions. Production excludes Libya. Big 3 unconventional includes Eagle Ford, Bakken and Delaware.
Full-Year 2018 Guidance

• Capital expenditures: $6.1B; excludes announced acquisitions of $0.4B Alaska Western North Slope bolt-on transaction and $0.1B Montney acreage

• Full-year 2018 production: 1,235 – 1,245 MBOED
  • 4Q18 production: 1,275 – 1,315 MBOED

• Adjusted operating costs: $5.7B

• DD&A: $6.0B

• Adjusted corporate segment net loss: $1.0B

• Exploration dry hole and leasehold impairment expense: $0.2B
2018 Production Guidance (MBOED)

- **1,219**
  - 4Q17
  - Underlying Production

- **1,215**
  - 4Q18E
  - Underlying Production

- **1,356**
  - FY17
  - Production per Debt-Adjusted Share Growth

- **1,235 - 1,245**
  - FY18E
  - Production per Debt-Adjusted Share Growth

- **1,219**
  - 4Q17
  - Closed Dispositions

- **1,251**
  - 4Q18E
  - Closed Dispositions

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1. Underlying production excludes the full impact of 2017 and 2018 closed asset dispositions. Full-year 2018 expected production includes the impact of Alaska Western North Slope acquisition of 7 MBOED.

2. Production per debt-adjusted share growth is calculated on an underlying production basis, using ending period debt divided by ending share price plus ending shares outstanding. 2018 ending common shares outstanding were 1.151 million shares. 2018 assumes an additional 50.98 million shares purchased, representing 51 million shares using the closing price of $72.27 per-share on 10/15/18 and assuming no other changes in common shares outstanding.

3. Production per share growth is defined as underlying production, divided by ending common shares outstanding. Year-end 2017 common shares outstanding were 1.177 million shares. 3Q18 ending common shares outstanding were 1.151 million shares. 2018 assumes an additional 50.98 million shares purchased, representing 51 million shares using the closing price of $72.27 per-share on 10/15/18 and assuming no other changes in common shares outstanding. Production excludes Libya.
2018 Annualized Net Income Sensitivities

Crude

- **Brent/ANS**: $105-125MM for $1/BBL change
- **WTI**: $45-55MM for $1/BBL change
- **WCS**: $10-15MM for $1/BBL change
  - Does not incorporate contingent payment of CA$6MM quarterly for every CA$1 WCS price above CA$52/BBL

North American NGL

- **Representative blend**: $5-10MM for $1/BBL change

Natural Gas

- **Henry Hub**: $25-35MM 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)
- **International gas**: $10-15MM for $0.25/MCF change

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1. WCS price used for the sensitivity represents a volumetric weighted average of Sourcan and Net Energy Indices.

The published sensitivities above reflect annual estimates and may not apply to quarterly results due to lifting/product sales differences, significant turn around activity or other unforeseen portfolio shifts in production. Additionally, the above sensitivities apply to a range of commodity price fluctuations as of Jul 26, 2018, but may not apply to significant and unexpected increases or decreases.
2018 Annualized Cash Flow Sensitivities

Consolidated Operations
($45-$75/BBL WTI)

Crude:
- Brent/ANS: ~$100-110MM for $1/BBL change
- WTI: ~$55-65MM for $1/BBL change
- WCS: ~$15-20MM for $1/BBL change

Lower 48 NGL
- Representative Blend: ~$10-15MM for $1/BBL change

Natural Gas
- Henry Hub: ~$35-45MM for $0.25/MCF change
- Int’l Gas: ~$10-15MM for $0.25/MCF change

Equity Affiliates\(^1\)
($50-$75/BBL WTI)

- Expect distributions from equity affiliates at >$50/BBL
- $1/BBL movement in Brent: ~$30-40MM
- Distributions may not be ratable each quarter

Contingent Payments
- CA $6MM quarterly for every CA$1 WCS price above CA$52/BBL
- $7MM monthly if average Henry Hub price is at or above $3.20/MMBTU (capped at $300MM)

\(^1\) Representative of cash from operations (CFO) within Equity Affiliates may not all be distributed. Assumes WCS moves proportionally to WTI. Contracted LNG within equity affiliates is subject to a 3-month pricing lag. The published sensitivities above reflect annual estimates and may not apply to quarterly results due to lift timing/product sales differences, significant turnaround activity or other unforeseen portfolio shifts in production. CFO is a non-GAAP term, which is defined on our website. Additionally, the above sensitivities apply to a range of commodity price fluctuations as of Jul 25, 2018, but may not apply to significant and unexpected increases or decreases.