

# 2019

# ANNUAL MEETING OF STOCKHOLDERS

MAY 14, 2019



 ConocoPhillips



# Cautionary Statement

The following presentation includes forward-looking statements. These statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations, operating results or the industries or markets in which we operate or participate in general. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that may prove to be incorrect and are difficult to predict such as operational hazards and drilling risks; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects; 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 other materials or products (such as aluminum and steel) used in the operation of our business; our ability to collect payment when due under our settlement agreement with PDVSA; our ability to collect payments from the government of Venezuela as ordered by the ICSID; our ability to complete 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; our ability to liquidate the common stock issued to us by Cenovus Energy Inc. at prices we deem acceptable, or at all; 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 or 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; general domestic and international economic and political conditions, and changes in tax, environmental and other laws applicable to ConocoPhillips' business; and other economic, business, competitive and/or regulatory factors affecting ConocoPhillips' business generally as set forth in ConocoPhillips' filings with the Securities and Exchange Commission (SEC). We caution you not to place undue reliance on our forward-looking statements, which are only as of the date of this presentation or as otherwise indicated, and we expressly disclaim any responsibility for updating such information.

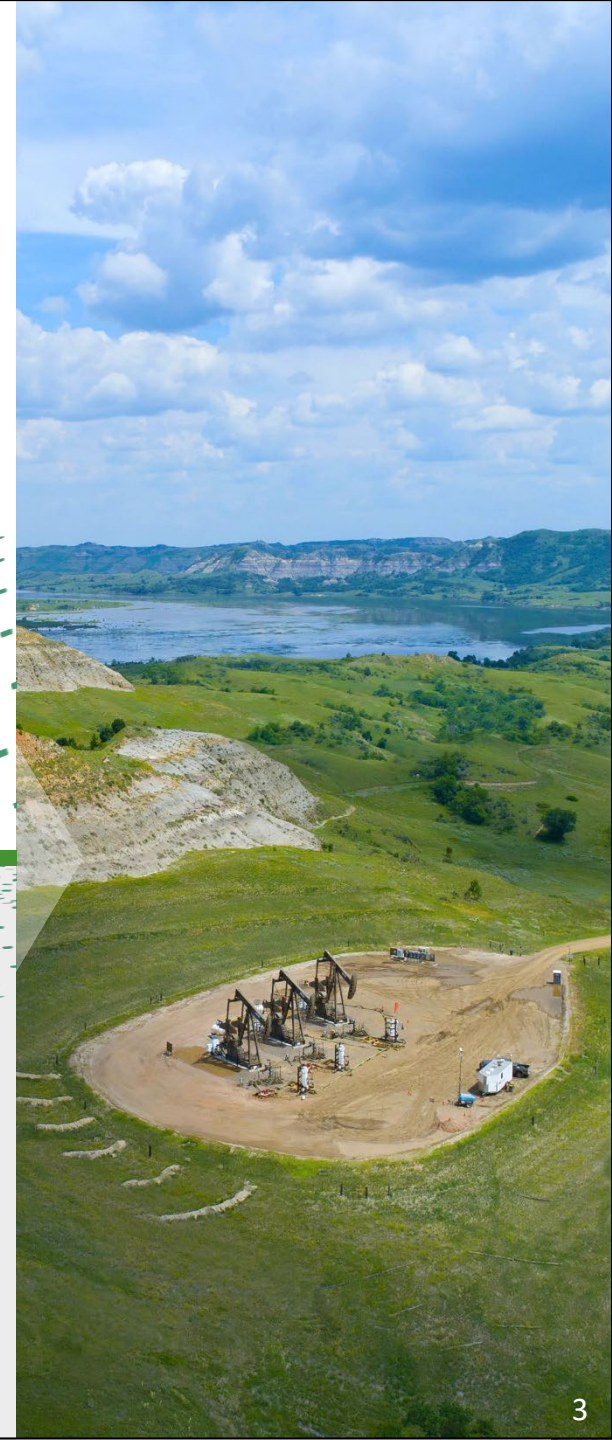
**Use of Non-GAAP Financial Information** – This presentation may include non-GAAP financial measures, which help facilitate comparison of company operating performance across periods and with peer companies. Any non-GAAP measures included herein will be defined and accompanied by a reconciliation to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

**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



# Agenda

- 1 **Value Proposition to Stockholders**
- 2 **2018 Review**
- 3 **2019 Business Plan**
- 4 **Closing Remarks**

# Our Value Proposition Delivers Superior Returns Through Cycles

## THE RIGHT PORTFOLIO + CONSISTENT PRINCIPLES + DISCIPLINED PRIORITIES



<sup>1</sup>Resource for year-end 2018. Cost of supply ("CoS") is the WTI equivalent price that generates a 10 percent return on a point forward and fully-burdened basis. Cash from operations ("CFO") is a non-GAAP term defined on our website.

# Our Value Proposition Delivers Superior Returns Through Cycles

## + RESILIENCE, WITH UPSIDE

### ConocoPhillips Works at Lower Prices

- ▶ <\$40/BBL<sup>1</sup> sustaining price
- ▶ Growing inventory of <\$40/BBL<sup>1</sup> cost of supply investments
- ▶ Diverse, Brent-weighted portfolio
- ▶ Competitive and resilient balance sheet



### ConocoPhillips Works at Higher Prices

- ▶ Torque from advantaged realizations and margins
- ▶ Predominantly tax and royalty regimes
- ▶ Unhedged with exposure to contingent payments
- ▶ Flexibility to increase distributions

<sup>1</sup>Reflects WTI.



# Relentless Focus on Execution Excellence

## 2018 Operations

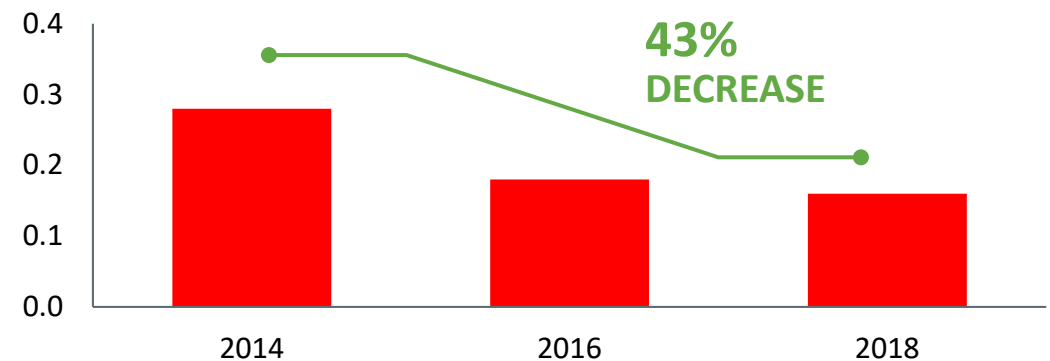
### DELIVERED ON PRIORITIES

- ▶ Grew underlying production > 5%
- ▶ Lower year-over-year adjusted operating costs per BOE
- ▶ Successful execution of development programs, exploration programs and major projects

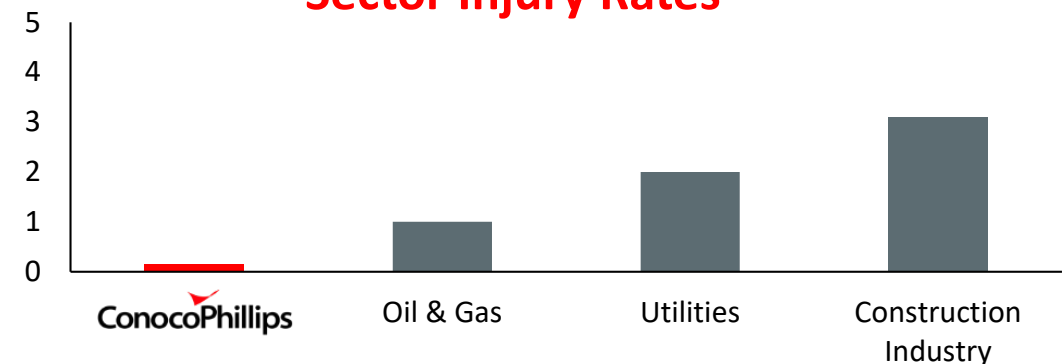
## 2018 HSE

- ▶ Maintained record personal safety performance
- ▶ A safety leader in peer group
- ▶ Continue to focus on personal and process safety

### ConocoPhillips Injury Rate<sup>1</sup>



### Sector Injury Rates<sup>2</sup>



Underlying production excludes the impact of closed asset dispositions and acquisitions.  
Adjusted operating costs is a non-GAAP term defined on our website.

See Proxy for further discussion of operating and HSE targets, performance and results.

<sup>1</sup>Rate of OSHA Recordable Injuries per 200,000 hours worked.

<sup>2</sup>U.S. Bureau of Labor Statistics. Incidence rates and numbers of nonfatal occupational injuries by sector, released in 2018

# 2018 Highlights – Delivering on Our New Order Value Proposition

## Strategy

- ▶ **Delivered on priorities**
- ▶ **Achieved 12.6% ROCE<sup>1</sup>**
- ▶ Increased dividend 15%
- ▶ Achieved \$15B debt target 18 months ahead of plan
- ▶ Executed \$3B of buybacks; increased total authorization to \$15B
- ▶ **Returned ~35% of CFO<sup>2</sup> to shareholders**

## Financials

- ▶ \$6.3B earnings, \$5.32 EPS; \$5.3B adjusted earnings<sup>1</sup>, \$4.54 adjusted EPS<sup>1</sup>
- ▶ \$12.3B CFO<sup>2</sup>; \$5.5B free cash flow<sup>1</sup>
- ▶ **Ending cash<sup>3</sup> of \$6.4B**
- ▶ **Rated single “A” by three major credit rating agencies**
- ▶ Reached settlement to fully recover ~\$2B PDVSA ICC award; recognized >\$0.4B

## Operations

- ▶ Safely executed capital program scope
- ▶ **Delivered underlying production growth of 18% on a per debt-adjusted<sup>4</sup> share basis**
- ▶ **Grew Lower 48 Big 3 production by 37%**
- ▶ **Achieved planned project startups in AK, UK, Norway & China; sanctioned GMT-2**

## Portfolio

- ▶ **Completed high-value acquisitions in Alaska**
- ▶ Progressed exploration/appraisal in Alaska, Montney, LA Austin Chalk
- ▶ **Generated \$1.1B of disposition proceeds**
- ▶ **147% total reserve replacement<sup>5</sup>; 109% organic replacement<sup>5</sup>**
- ▶ **Grew low-CoS resource base; 16 BBOE with <\$30/BBL CoS average**

<sup>1</sup>Return on capital employed (“ROCE”), adjusted earnings, adjusted EPS and free cash flow are non-GAAP measures. Definitions and reconciliations can be found on our website.

<sup>2</sup>2018 cash provided by operating activities is \$12.9B. Excluding operating working capital change of \$0.6B, cash from operations is \$12.3B. Cash from operations (“CFO”) is a non-GAAP measure and is further defined on our website.

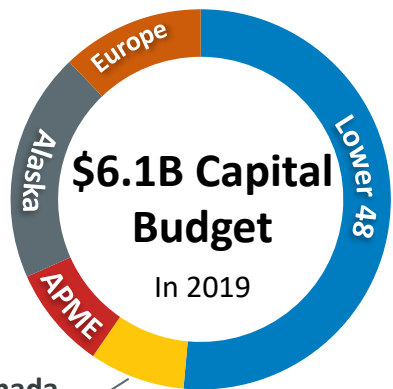
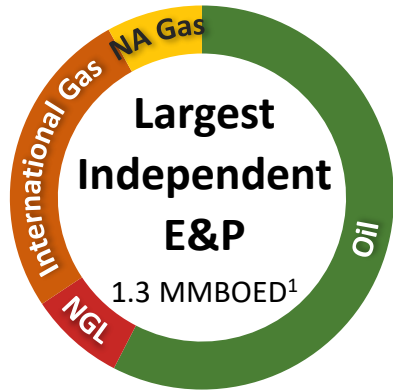
<sup>3</sup>Ending cash includes cash, cash equivalents and restricted cash totaling \$6.2B and short-term investments of \$0.2B. Restricted cash is \$0.2B.

<sup>4</sup>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. Underlying production excludes Libya and the impact of closed asset dispositions and acquisitions.

<sup>5</sup>Reserve replacement and organic reserve replacement are defined and reconciled on our website.



# World-Class Diverse, Global Portfolio is a Key Differentiator



<sup>1</sup> YE2018. Largest independent E&P by production and proved reserves.  
Countries represent focus areas as of year-end 2018.

# 2019: Sticking to the Plan & Keeping Our Discipline

- ▶ FY19 production 1,300 - 1,350 MBOED
- ▶ \$3B planned buybacks, plus growing dividend
- ▶ ESG performance remains a top priority

## Alaska

Advance GMT-2;  
Willow and Narwhal  
appraisal drilling

## Montney

Progress multi-well  
appraisal drilling

## Lower 48 Big 3

~350 MBOED  
10 – 11 operated rigs;  
Vintage 5 pilots

## Austin Chalk

Complete 4-well test

## Bohai Phase 4

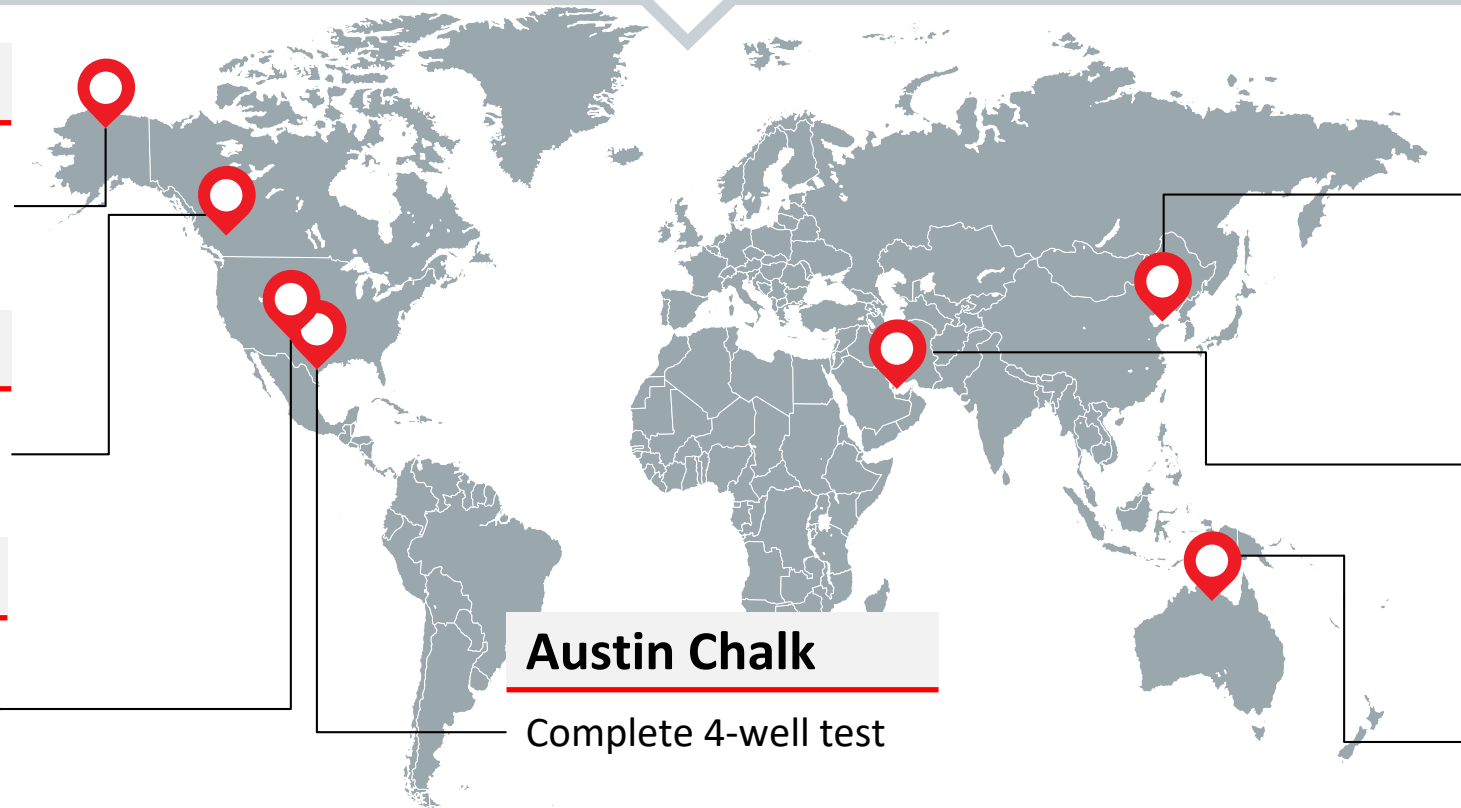
Expect FID in 2019

## QG Expansion

Decision expected  
mid-2019

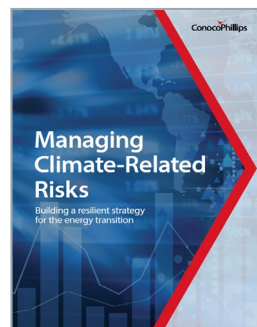
## Barossa

Expect FID early 2020



# ESG Performance Remains a Top Priority

## Environmental



## Social



## Sustainable Development Governance

### Board of Directors

Public Policy Committee

### Executive Leadership Team (ELT)

ELT Champions for Human Rights, Stakeholder Engagement, Water, Biodiversity, Climate Change

### Sustainable Leadership Team (ELT)

Sustainable Development Team

### Health, Safety & Environment Leadership Team (ELT)

Environmental Assurance Group

### Business Units

BU Leadership Teams, Subject Matter Experts and Global Issue Working Groups for Human Rights, Stakeholder Engagement, Water, Biodiversity, Climate Change



# Positioned for Differential Value Creation

## Smart Growth

- ▶ Focused on disciplined CFO growth per debt-adjusted share
- ▶ Enabled by low sustaining price and low cost of supply
- ▶ World-class portfolio; 16 BBOE of resource

## Superior Returns

- ▶ Strong free cash flow generation across range of prices
- ▶ Differential return of capital; top tier payout to shareholders
- ▶ Disciplined investments drive ROCE and CROCE

## SPIRIT Values





RYAN LANCE

CHAIRMAN & CEO

