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# NEWS RELEASE

April 16, 2020

## ConocoPhillips to Voluntarily Curtail 225,000 Gross Barrels of Oil per Day; Reduces 2020 Cash Uses by Additional $3 Billion for Total Reduction of Over $5 Billion

**HOUSTON** – ConocoPhillips (NYSE: COP) announced today that it is taking further actions to respond to the oil market downturn. These follow initial actions announced on March 18.

"In March we exercised $2.2 billion of flexibility via reductions in both our planned 2020 capital spending and share repurchases," said Ryan Lance, chairman and chief executive officer. "At that time, we stated we would continue to monitor the market and exercise additional flexibility, if warranted. Today we are announcing further capital, operating cost and share repurchase reductions of $3 billion. We also announced our intention to defer production where we have a compelling economic reason to do so. These actions reflect our view that near-term oil prices will remain weak, largely due to demand impacts from COVID-19 and continued oil oversupply. We are well-positioned with flexibility to take actions that we believe maintain our relative competitive advantages, as well as our ability to resume programs depending on the timing and path of a recovery."

Today's announced actions include:

- An additional reduction in 2020 operating plan capital expenditures of $1.6 billion, bringing the current estimate to $4.3 billion. Including our previously announced reduction of $0.7 billion, this represents a total reduction in operating plan capital expenditures of $2.3 billion, or approximately 35 percent, compared to the 2020 announced guidance. These reductions are sourced from across our global portfolio, primarily focused on Lower 48, Alaska and Canada areas where we have the highest levels of flexibility.
- A reduction in operating costs of approximately $0.6 billion, representing roughly 10 percent of the initial 2020 guidance. This brings the current estimate to $5.3 billion. These reductions were sourced from lease operating expenses, general and administrative costs and foreign exchange impacts.
- The company's share repurchase program has been suspended.
- On a combined basis, the cumulative capital, operating cost and share repurchase actions represent a reduction in 2020 cash uses of over $5 billion versus original operating plan guidance.
- The company also announced it will elect to curtail production in Canada and the Lower 48 regions until market conditions improve.
    - At Surmont, the company is currently cutting back production due to low Western Canada Select prices. By May, the company expects to reduce production by approximately 100,000 barrels of oil per day (BOD) gross to 35,000 BOD gross.
    - In addition, beginning in May, the company plans to begin curtailing production across its Lower 48 region. Initially, the company expects to curtail about 125,000 BOD gross. Curtailment decisions will be made on a month-to-month basis, and are subject to operating agreements and contractual obligations.
    - These announced curtailments represent approximately 200,000 barrels of oil equivalent per day (BOED) net to the company.
- Given ongoing uncertainty, continued market volatility and the potential for both voluntary and involuntary curtailments over the coming months, the company's previous 2020 guidance items should not be relied upon and further guidance will be suspended.

Lance continued, "Over the past few years we worked very hard to position our company with significant flexibility across our capital, operating, distribution and balance sheet channels. We entered this downturn with several competitive advantages, including a very strong balance sheet with over $14 billion of liquidity, a diverse portfolio with low capital intensity, and significant financial and operating flexibility. We believe this puts us in an advantaged position to take rational, economic actions, including voluntary curtailments that align with reasoned views of the market. With today's actions we have exercised a total of over $5 billion of flexibility compared to our 2020 plan, while retaining additional flexibility, if needed. We're doing the right things to protect shareholder value during this downturn, while maintaining our ability to create long-term value for shareholders when market conditions recover."

"Importantly, I want to recognize our employees, contractors and other stakeholders for their continued support," Lance added. "The combination of COVID-19 and the oil market downturn has been difficult on industry and on stakeholders everywhere. As we manage through this unprecedented event, ConocoPhillips' priorities are to protect the health and safety of our stakeholders, help mitigate the spread of COVID-19, and safely execute our business plans."

The company will host a webcast today, April 16, at 10:00 a.m. Eastern time to discuss these actions. The company will not address first-quarter 2020 results, which will be released on April 30. To listen to today's webcast, visit ConocoPhillips' Investor Relations site, www.conocophillips.com/investor and click on the "Register" link in the Investor Presentations section. You should register at least 15 minutes prior to the start of the webcast. The event will be archived and available for replay the same day, with a transcript available later.

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**About ConocoPhillips**

Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 17 countries, $71 billion of total assets, and approximately 10,400 employees as of Dec. 31, 2019. Production excluding Libya averaged 1,305 MBOED for 2019, and proved reserves were 5.3 BBOE as of Dec. 31, 2019. 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 as defined under the federal securities laws. Forward-looking statements relate to future events 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. However, these statements are not guarantees of future performance and involve certain risks, uncertainties and other factors beyond our control. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in the forward-looking statements. Factors that could cause actual results or events to differ materially from what is presented include the impact of public health crises, such as pandemics (including coronavirus (COVID-19)) and epidemics and any related company or government policies and actions to protect the health and safety of individuals or government policies or actions to maintain the functioning of national or global economies and markets; global and regional changes in the demand, supply, prices, differentials or other market conditions affecting oil and gas and the resulting company actions in response to such changes, including changes resulting from the imposition or lifting of crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries and other producing countries; changes in commodity prices; changes in expected levels of oil and gas reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining, or modifying company facilities; legislative and regulatory initiatives addressing global climate change or other environmental concerns; investment in and development of competing or alternative energy sources; disruptions or interruptions impacting the transportation for our oil and gas production; international monetary conditions and exchange rate fluctuations; changes in international trade relationships, including the imposition of trade restrictions or tariffs on 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 collect payments from the government of Venezuela as ordered by the ICSID; 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 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; the impact of competition and consolidation in the oil and gas industry; 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; changes in fiscal regime or tax, environmental and other laws applicable to our business; and disruptions resulting from extraordinary weather events, civil unrest, war, terrorism or a cyber attack; and other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission. Unless legally required, ConocoPhillips expressly disclaims any obligation to update 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 and Other Terms –*** *This news release 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 news release or on our website at* www.conocophillips.com/nongaap*. In addition, this news release may include other terms or measures, which are defined on our website at www.conocophillips.com/nongaap.*