Cautionary Statement

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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.

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.
Keeping Our Discipline, Creating Value

RYAN LANCE
Chairman & CEO
Keeping Our Discipline, Creating Value

Value Proposition Principles

- Financial Strength
- Growing Distributions
- Disciplined Per-Share CFO Expansion

Disciplined Priorities

1st Priority
Invest capital to sustain production and pay existing dividend

2nd Priority
Annual dividend growth

3rd Priority
Reduce debt to $15B\(^1\); target ‘A’ credit rating

4th Priority
20-30% of CFO total shareholder payout annually

5th Priority
Disciplined investment for CFO expansion

Our Unique Characteristics

- Low Sustaining Price
- Diverse, Low CoS Portfolio
- Strong Balance Sheet
- Capital Flexibility

Our goal is to deliver **superior returns to shareholders** through cycles

\(^1\)By year end 2018.
The Market Has Taken Note of Our Accomplishments...

Total Shareholder Return Since 2016 Analyst & Investor Meeting

- S&P 500: 17%
- S&P 500 ENERGY: 6%
- S&P 500 E&P: 6%
- S&P 500 INTEGRATED OIL & GAS: 6%
- XOP ETF: 5%

Delivering on Our Disciplined, Returns-Focused Value Proposition

### 2017: Full Activation of our Plan

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Free cash flow</th>
<th>Balance sheet</th>
<th>Shareholder distributions</th>
<th>Growth per DASH</th>
<th>ESG Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Portfolio reset; ~$16B dispositions; strong organic RRR&lt;sup&gt;1&lt;/sup&gt;</td>
<td>▶ CFO&lt;sup&gt;2&lt;/sup&gt; &gt; capital by $2.5B; improving CROCE/ROCE</td>
<td>▶ Reduced debt by ~30% to &lt;$20B; improved credit rating</td>
<td>▶ Returned 61% of CFO&lt;sup&gt;2&lt;/sup&gt; to shareholders</td>
<td>▶ Production of 1,356 MBOED; delivered 19% underlying growth per DASH&lt;sup&gt;3&lt;/sup&gt;</td>
<td>▶ Strong safety performance; announced GHG reduction target</td>
</tr>
</tbody>
</table>

### 2018: Execute the Plan, Plus

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Free cash flow</th>
<th>Balance sheet</th>
<th>Shareholder distributions</th>
<th>Growth per DASH</th>
<th>ESG Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Maintain capital scope; bolt-on transactions in Alaska &amp; Montney</td>
<td>▶ Focus on free cash flow generation; strong price upside</td>
<td>▶ Debt reduced by $2.7B in 1Q; $15B target accelerated to YE 2018</td>
<td>▶ Increased dividend by ~7.5% and 2018 planned share buybacks by 33%</td>
<td>▶ Expect 16% growth per DASH&lt;sup&gt;3&lt;/sup&gt;; activate Lower 48 growth engine</td>
<td>▶ Continued focus on ESG excellence</td>
</tr>
</tbody>
</table>

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<sup>1</sup> Organic RRR (reserve replacement ratio) excludes the reserve impact of 2017 asset dispositions and production includes Libya and fuel gas.

<sup>2</sup> CFO is $7.1B and cash provided by operating activities excluding working capital is $7.1B, as operating working capital had a minimal change. Dividends paid of $1.3B and share repurchases of $3.0B.

<sup>3</sup> Production per debt-adjusted share (DASH) growth is calculated on an underlying production basis using ending period debt divided by ending share price plus ending shares outstanding. Underlying production excludes the full impact from closed and planned asset dispositions. 2018 assumes $2B of share repurchases, representing 33 million of shares using the closing price of $60.49 per-share on 01/24/18 and assuming no other changes in common shares outstanding.

Free Cash Flow is defined as when cash provided by operating activities (CFO) excluding operating working capital covers capital expenditures & investments. A non-GAAP definition is available on our website.

Production excludes Libya. CROCE and ROCE are non-GAAP terms. A non-GAAP definition is available on our website.
COP Works at Lower Prices

- Low capital intensity
- Sustaining price of <$40/BBL
- Relentless focus on operating costs
- Extensive low cost of supply investment portfolio
- Flexible capital program
- Significant balance sheet strength and capacity

COP Works at Higher Prices

- Oil-weighted portfolio
- Predominantly tax and royalty regimes
- Relentless focus on operating costs
- Contingent payments and stock received on recent transactions
- Unhedged for upside
- Flexibility to increase distributions and capital

Contingent payments are from the Canada and San Juan Basin dispositions. Operating costs is a non-GAAP term, which is defined in the appendix.
Value Creation Target: >20% CROCE by 2020 at $50/BBL

- Production & Margin Expansion
  - ~5% production CAGR
  - >5% margin CAGR

- Low Sustaining Capital
  - $3.5B for flat production
  - <$40/BBL sustaining price

- High-Return Investments
  - $5.5B average capital
  - <$35/BBL average CoS

- DASh Reduction
  - >10% reduction of debt-adjusted shares

- Shareholder Payout
  - Reduce Debt
    - $15B in 2018
    - debt/CFO: <2x
  - exceeds 20-30% annual target

Reflects $50/BBL WTI flat real. CROCE is a non-GAAP term and sustaining capital is a non-GAAP measure, which are defined in the appendix.
Our Differentiated Strategy

MATT FOX
EVP, Strategy, Exploration & Technology
ConocoPhillips Strategy Framework

**Portfolio Choices**
- Rigorous high-grading
- Favorable product mix
- Deep inventory of investment options

**Capital Allocation**
- Sustaining capital and growing dividend
- Debt reduction and distributions
- Disciplined investments

**Uncertainty Management**
- Low sustaining price
- Low cost of supply
- Capital flexibility
- Strong balance sheet

---

**Strategic Goal**

*Deliver superior returns to shareholders* through cycles by growing the dividend, reducing debt, reducing share count and growing cash from operations

Sustaining capital is a non-GAAP measure, which is defined in the appendix.
Resetting Every Bar; Strategy Aligned with Shareholder Interests

Estimated Sources and Uses of Cash (2018-2020) at $50/BBL

- **$5.5B/Yr capital delivers**
  - cash flow expansion and reserve replacement

- **<40/BBL sustaining price**
  - CFO at $40/BBL
  - $3.5B/Yr

Sources of Cash
- **CFO @ $50/BBL**
- Starting Cash & Proceeds
- Debt and planned buybacks are fully funded
- Investment for CFO Expansion ($2B/Yr)
- >$4.5B Available Cash

Disciplined Investment
- >10% annual payout
- >30% cash flow CAGR
- >10% debt-adjusted share count reduction
- >10% debt and planned buybacks
- <$40/BBL sustaining price

Reflects $50/BBL WTI flat real.
Sustaining capital is a non-GAAP measure, which is defined in the appendix.
Reflects 2017 ending cash balance.
Activating 5th Priority Within Cash Flow

**Disciplined Investments (2018-2020)**

- **$1.2B/Yr** for Short-Cycle Unconventionals
- **$0.5B/Yr** for Future Major Projects
- **$0.3B/Yr** for Exploration

**Cash Flow Expansion Benefits**
- Improves financial returns due to low cost of supply investments
- Increases cash flow per debt-adjusted share
- Lowers sustaining price
- Reduces leverage
- Increases payout to shareholders as cash flow expands
- Provides a mix of near- and long-term sustainable growth
- Increases resources and replaces reserves

Free cash flow is a non-GAAP term, which is defined in the appendix.

Fully funded from **CFO** and generates additional free cash flow.
Disciplined Investments Deliver Returns and Expand Cash Flows

### 2018-2020 TARGETS at $50/BBL

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow ROCE</td>
<td>1-2%/Yr</td>
<td>✔️</td>
</tr>
<tr>
<td>Grow CROCE</td>
<td>2-3%/Yr</td>
<td>✔️</td>
</tr>
<tr>
<td>Production / DASH</td>
<td>&gt;10% CAGR</td>
<td>✔️</td>
</tr>
<tr>
<td>Cash margin growth</td>
<td>&gt;5% CAGR</td>
<td>✔️</td>
</tr>
<tr>
<td>Return cash to shareholders</td>
<td>20-30% of CFO annually</td>
<td>✔️</td>
</tr>
<tr>
<td>Balance sheet strength</td>
<td>Debt/CFO &lt;2x</td>
<td>✔️</td>
</tr>
<tr>
<td>Low sustaining price, low CoS portfolio</td>
<td>&lt;$40/BBL</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>&lt;$35/BBL average CoS</td>
<td></td>
</tr>
</tbody>
</table>

**Drive Total Shareholder Returns**

**Drive Business Sustainability**

---

Reflects $50/BBL WTI flat real.
ROCE and CROCE are non-GAAP terms, which are defined in the appendix.
Predicting Price is Useless, Scenario Planning is Priceless

<table>
<thead>
<tr>
<th>Driven by High Supply</th>
<th>Driven by High Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrelenting Unconventionals</strong></td>
<td><strong>Great Growth</strong></td>
</tr>
<tr>
<td>High pace of unconventional and other supply development</td>
<td>Global economic recovery supports high oil and gas demand</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Driven by Low Supply</th>
<th>Driven by Low Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resource Restriction</strong></td>
<td><strong>Demand Destruction</strong></td>
</tr>
<tr>
<td>Limitations on unconventional development and other supply limitations</td>
<td>Weak economic growth or carbon constraints and/or technology reduce demand</td>
</tr>
</tbody>
</table>

### Oil Demand & Supply vs. Oil Price

- **Resource Restriction**
- **Great Growth**
- **Demand Destruction**
- **Unrelenting Unconventionals**
Scenarios Highlight Value of Strategic Flexibility and Diversification

Estimated Prices Through 2025\(^1\)

- Resource Restriction/Great Growth
- Unrelenting Unconventionals/Great Growth
- Resource Restriction/Demand Destruction
- Unrelenting Unconventionals/Demand Destruction

STRATEGY DESIGNED FOR OUTPERFORMANCE across a range of prices

Reflects WTI.

\(^1\) Estimated prices derived from internal scenario monitor modeling.
Priorities Underpin Strategic Flexibility Across a Range of Prices

2018-2020 PLAN DESIGNED FOR $45-$55/BBL

- **1st PRIORITY** Sustaining Capital & Base Dividend
- **2nd PRIORITY** Dividend Growth
- **3rd PRIORITY** Reduce Debt
- **4th PRIORITY** 20-30% of CFO to Shareholders Annually
- **5th PRIORITY** Disciplined Investment

**PRIORITIES INFORM ACTIONS** through cycles

- **Capture deflation to reduce sustaining price**
- **Use cash on hand to consistently fund buybacks**
- **Exercise capital flexibility**

Reflects WTI.
Sustaining capital is a non-GAAP measure, which is defined in the appendix.
Our Strategy to Deliver Superior Returns to Shareholders Through Cycles

- Low Sustaining Price
- Low Cost of Supply
- Capital Flexibility
- Strong Balance Sheet
- Focus on Financial Returns
- Commitment to Shareholder Distributions

Resilience to downside, cash flow expansion & leverage to upside

Superior returns to shareholders through cycles
Our Portfolio is Aligned to Strategy

AL HIRSHBERG
EVP, Production, Drilling & Projects
Each Region Plays an Important Role in Our Strategy

**Alaska**
*Renaissance of a Legacy*
Technology-led advancements in operations and exploration

**Lower 48**
*Growing Unconventionals*
Leveraging innovation to fuel cash flow expansion

**Canada**
*Focused, Resource-Rich Asset Base*
Emerging unconventional play; lowering CoS in oil sands

**Europe & North Africa**
*Leveraging High-Margin Assets*
Delivering robust returns

**APME**
*Best of Both Worlds*
High-margin conventional assets and low-capital intensity LNG

**GLOBAL PORTFOLIO**
of diverse, world-class assets
Our Low Cost of Supply Portfolio Keeps Getting Better

2016 vs. 2017 Resources
<$50/BBL Cost of Supply

~30% INCREASE IN <$40/BBL CoS
2017 vs. 2016

<$50/BBL Cost of Supply Resource

<$35/BBL AVERAGE CoS
OF RESOURCE
Unconventional Assets: Portfolio is World-Class

- 1.5 BBOE resource addition in Montney
- Flexible, short-cycle investments
- High-margin production expands cash flow
- Five core plays at various stages of life cycle
- Leveraging numerous technologies across all plays
- ~10% improvement in average cost of supply from 2016

Unconventional Resources

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Cost of Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>conventional</td>
<td>~$30-40/BBL</td>
</tr>
<tr>
<td>unconventional</td>
<td>~$40-50/BBL</td>
</tr>
<tr>
<td>LNG &amp; Oil Sands</td>
<td>&lt;$30/BBL</td>
</tr>
</tbody>
</table>

~8 BBOE RESOURCE

~8 BBOE resource

<$35/BBL average cost of supply
Conventional Assets: The Great Assets People are Now Asking About

• ~20% improvement in average cost of supply from 2016
• Expect to add ~175 MBOED of new production over the next 3 years
• Project phasing optimized for efficiency and flexibility

~4 BBOE RESOURCE
<$30/BBL average cost of supply

Conventional Resources

15 BBOE

UNCONVENTIONAL

CONVENTIONAL

LNG & OIL SANDS

Cost of Supply

~4 BBOE

$40-50/BBL

$30-40/BBL

<$30/BBL
LNG & Oil Sands: The Anti-Treadmill Assets Play an Important Role

~3 BBOE RESOURCE

< $35/BBL average cost of supply

LNG & Oil Sands Resources

15 BBOE

UNCONVENTIONAL

CONVENTIONAL

LNG & OIL SANDS

~3 BBOE

$40-50/BBL

$30-40/BBL

< $30/BBL

Asset Class

Cost of Supply

• ~15% improvement in average cost of supply from 2016

• Sustaining capital of $300MM/Yr lowers capital intensity of overall portfolio

Includes equity affiliates. Sustaining capital is a non-GAAP measure, which is defined in the appendix.
Low Sustaining Capital is the Key to Free Cash Flow Generation

Sustaining capital is a non-GAAP measure and free cash flow is a non-GAAP term, which are defined in the appendix.

\[ 1 \text{ Big 3} = \text{Eagle Ford, Bakken and Delaware.} \]

- Unique portfolio is a significant competitive advantage
- Unconventional production stays flat at 2017 levels with 5 rigs in the Big 3\(^1\) unconventional plays
- Inventory of high-return development drilling and medium-cycle projects drives conventional production
- LNG and oil sands deliver stable production for low sustaining capital
Maintaining Our Unconventional Production with 5 Rigs in the Big 3

2018-2020 Flat Production

UNCONVENTIONAL

$1.2B/Yr

$0.1B/Yr

CONVENTIONAL

LNG & OIL SANDS

YE2017  2018  2019  2020

REPLACING ~180 MBOED

of decline

Eagle Ford, Bakken and Delaware Production
(MBOED)

5 RIGS
to stay flat

• Continuously lowering capital intensity of existing production base

• Decline offset by 5 rigs (capital includes infrastructure)

• Delivering >50% more wells per rig line versus 2014
Offsetting Conventional Declines Around the World

2018-2020 Flat Production

- Competitive, repeatable low cost of supply projects
- Leveraging existing facilities and infrastructure
- High-margin development drilling campaigns
- Multi-year inventory of investments

REPLACING ~175 MBOED of decline

- GMT-1
- AASTA HANSTEEN
- BOHAI 3
- CLAIR RIDGE
- GULF OF MEXICO OBO
- ALASKA
- APME
- EUROPE

LNG & OIL SANDS

$0.4B/Yr

CONVENTIONAL

$1.5B/Yr

UNCONVENTIONAL

YE2017 2018 2019 2020
Distinctive Sustaining Price – No Waiting Necessary

<$40/BBL sustaining price

• Cash flow exceeds sustaining capital and dividend over plan period
• Leading low-capital intensity versus U.S. independents
• Optimized capital allocation across the asset classes
• Portfolio upgrades and efficiency improvements drive reduction versus 2016

Cash Sources

CFO at $40/BBL

Cash Uses

Sustaining Capital

Dividend

2018 – 2020 Average

2018 Sustaining Capital for Flat Production ($/BOE)

Reflects WTI.
Sustaining capital is a non-GAAP measure, which is defined in the appendix.

U.S. Independents include: APA, APC, CLR, DVN, EOG, HES, NBL, OXY and PXD.
Capital Investment for Cash Flow Expansion

$1.2B/Yr
DELIVERS ~5% PRODUCTION CAGR

$0.8B/Yr
FUELS OUR FUTURE

$0.5B/Yr
$0.3B/Yr

SHORT-CYCLE UNCONVENTIONALS

High-margin investments in Eagle Ford & Delaware
Quick payouts improve underlying return metrics
High degree of flexibility

FUTURE MAJOR PROJECTS

Mix of investments across legacy assets
Low cost of supply
Optimized to retain flexibility

EXPLORATION

Finding the next legacy assets

Production

UNCONVENTIONAL
CONVENTIONAL
LNG & OIL SANDS

YE2017 2018 2019 2020
Our Big 3 Unconventionals: Cash Flow Positive Now & Net Cash Flow Grows

Production¹ (MBOED)

- 22% PRODUCTION CAGR 2017-2020
- 6 ADDITIONAL RIGS DELIVERS 80% MORE PRODUCTION IN 3 YEARS
- 5 RIGS TO STAY FLAT

Positive Net Cash Flow¹,² (NCF) ($B)

- >$2B NCF CUMULATIVE

¹Production and Net Cash Flow associated with Eagle Ford, Bakken and Delaware at $50/BBL WTI flat real.
²Net Cash Flow is a non-GAAP term, which is defined in the appendix.
3-Year Development Plans for the Big 3 Unconventionals

**Eagle Ford**
- 2.3 BBOE of <$40/BBL CoS resource across ~210 M net acre position
- ~3,400 locations remaining
- Measured pace has yielded highest recovery per acre

**Delaware**
- 1.9 BBOE of <$40/BBL CoS resource across ~75 M net acre position
- ~1,400 locations remaining
- Program pace driven by infrastructure, costs and learning curve

**Bakken**
- 0.7 BBOE of <$50/BBL CoS resource across ~620 M net acre position
- ~900 locations remaining
- More than a decade of high-value inventory

Technology-enhanced optimization underway across the Big 3 unconventionals

As Shown in November 2017 Investor Deck
Future Major Projects: Visibility Well Into Next Decade

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (MBOED)</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>~90 MBOED</td>
<td>Eko 2/4V-D, Eldfisk North, Tor II</td>
</tr>
<tr>
<td>2022</td>
<td>$0.5B/Yr (2018-2020)</td>
<td>Clair South</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td>GMT-2</td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td>Fiord West</td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td>NEWS</td>
</tr>
</tbody>
</table>

CONVENTIONAL

LNG & OIL SANDS

Future Major Projects

ADDIING

~90 MBOED

EUROPE
APME
ALASKA
BAROSSA

Bohai Phase 4
Bayu-Undan
Barossa
Darwin LNG

Beaufort Sea
North Sea
China
Australia
Future Major Projects: Infrastructure-Led Projects with Strong Economics

**Barossa**
- Leading backfill candidate for Darwin LNG
- 2017 appraisal program favorably resolved volume uncertainty
- Expected ultimate recovery increased by >40%
- Development capital reduced by ~$1B gross

**Alaska**
- Leveraging CD5 and GMT-1 infrastructure and project lessons to lower costs
- GMT-2 total cost estimate down ~10% since 2016
- Pursuing additional cost of supply improvements via longer laterals and facility debottlenecking

GMT-2 Cost of Supply ($/BBL)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Build LNG</td>
<td>40</td>
<td>34</td>
</tr>
<tr>
<td>Backfill DLNG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 CoS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-FEED Enhancements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017 CoS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost of Supply ($/BBL)

- ~15% DECREASE
- ~30% DECREASE
- ~50
- ~25% DECREASE
- <40
Exploration: Focus on the Future; Built Around Proven Expertise

- ~10 BBOE\(^1\) <$50/BBL cost of supply resource discovered in past decade
- Infrastructure-led programs in Alaska, Europe and APME
- Liquids-rich unconventional plays in the Americas
- Advantaged gas in Latin America

$0.3B/Yr (2018-2020)

\(^1\)Source: COP internal commercial resource discoveries 2007-2016.
Alaska: Western NPR-A Discovery Opens New Frontier

~80% INCREASE
in net acres, 2017 vs. 2016

- Willow discovery with resource potential in excess of 300 MMBOE
- Acquired ~600 M net acres for ~$30/acre in 2017
- 6 exploration and appraisal wells drilled in 2018

50% LOWER COST
than conventional seismic

Seismic Innovation

BETTER quality, FASTER acquisition, CHEAPER data

- New proprietary seismic acquisition and processing
- Significantly reduced environmental impact
- Enables optimized well placement
- 7 global surveys to date, 4 planned in 2018+
Canada Montney: A Case Study in Low-Cost Resource Acquisition

- Acquired additional acreage in best part of the play for ~$1,000/acre
- 100% working interest
- 2017 wells leveraged Lower 48 completion innovations
- Drilling 14-well pad to test stacking and spacing in 2018
- Focus on infrastructure access and margins

Recent Completions Outperforming Others

Drill Speed Doubled Since 2015

Source: IHS.
Our Portfolio is Aligned with Strategy

- **LOW SUSTAINING PRICE**: Able to sustain flat production at <=$40/BBL
- **FLEXIBLE, LOW CoS**: 15 BBOE portfolio of <=$35/BBL average cost of supply resource
- **CASH FLOW GROWTH**: Disciplined investments drive ~5% production CAGR and >10% CFO CAGR
- **INCREASING RETURNS**: Investments drive ROCE and CROCE improvements

ROCE and CROCE are non-GAAP terms, which are defined in the appendix.
Our Sound Financial Plan

DON WALLETTE
EVP, Finance, Commercial & CFO
Our Financial Plan is Aligned with Shareholder Interests

STRONG FREE CASH FLOW GENERATION
- Low capital intensity portfolio fuels free cash flow generation
- Enhancing margin via investment in low-cost unconventionals
- Target doubling free cash flow in 2020

MAINTAIN A STRONG BALANCE SHEET
- Financial strength restored
- Cash balances used to further reduce debt
- Target ‘A’ credit rating

GROWING DISTRIBUTIONS
- Peer-leading shareholder distributions
- Target 20-30% total CFO payout to shareholders annually

FOCUS ON FINANCIAL RETURNS
- Increasing returns on capital

Free Cash Flow is a non-GAAP term, which is defined in the appendix.
Reflects $50/BBL WTI flat real. 2017 reflects pro-forma adjusted for dispositions and planned dispositions.

Free Cash Flow and CROCE are non-GAAP terms, which are defined in the appendix.

- Strong growth in free cash flow
- Differentiated balance sheet strength
- Compelling payout to shareholders
- Growing returns via disciplined, low cost of supply investments
- $4.5B unallocated cash remaining at YE 2020
Already Generating Strong Free Cash Flow Today Versus Sector

### COP Free Cash Flow
Trailing 4 quarters

<table>
<thead>
<tr>
<th>CFO (ex. WC)</th>
<th>Capital</th>
<th>Free Cash Flow</th>
<th>Dividends</th>
<th>FCF less Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.5</td>
<td>3.9</td>
<td>2.6</td>
<td>1.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

40% of CFO

### Competitive Positioning
Free Cash Flow % of CFO

Source: Company filings.
Trailing 4 quarters: 3Q16, 4Q16, 1Q17, 2Q17.
Integrateds include: BP, CVX, RDS, TOT, XOM; U.S. Independents include: APA, APC, CLR, DVN, EOG, HES, NBL, OXY and PXD.
Free Cash Flow is a non-GAAP term, which is defined in the appendix.
Generating Free Cash Flow Today; Doubling in 2020

- CFO comfortably exceeding capital in 2017
- Disciplined investments drive production growth and fuel cash margin enhancement
- Target doubling of free cash flow in 2020, with significant upside at $50-60/BBL

Free Cash Flow at $50/BBL ($B)

Reflects $50/BBL WTI flat real. 2017 reflects pro-forma adjusted for closed, signed, and planned dispositions and is based on company data. Free Cash Flow is a non-GAAP term, which is defined in the appendix.
2017 Portfolio Actions Reset Margins; Cash Margins Expand Further

Higher-Margin Product Mix

- Dispositions and unconventional growth shifted mix to higher-value products
- ~75% of product mix tied to higher-value markers

1Q17

- N.A. Gas 17%
- Bitumen 14%
- NGL 8%
- Intl Gas 23%
- Crude 38%

1Q18

- N.A. Gas 8%
- Bitumen 5%
- NGL 8%
- Intl Gas 29%
- Crude 50%

Continued Cash Margin Expansion Through 2020 ($/BOE)

- Growing margins through 2020
- Operating and overhead costs improve due to investments in low-cost unconventional
- Planned debt reduction significantly lowers interest expense

1 Year on year margin increase of ~77% inclusive of price impacts. Margins reflect $50/BBL WTI flat real. 2017 reflects pro-forma adjusted for dispositions and planned dispositions. Product mix excludes Libya. As shown November 2017.

Asset class percentages represent volume-weighted margin contribution.
Balance Sheet Strength Restored; Competitive Advantage Through Cycles

DELEVERAGING

$15B DEBT TARGET
$5B reduction expected in 2018

<table>
<thead>
<tr>
<th>Cash</th>
<th>Net Debt</th>
<th>Net Debt/CFO</th>
<th>Debt/CFO</th>
<th>WTI, $/BBL</th>
<th>Annual Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>YE 2016</td>
<td>$27B</td>
<td>4.8x</td>
<td>5.6x</td>
<td>$43</td>
<td>$1.25B</td>
</tr>
<tr>
<td>YE 2017E</td>
<td>&lt;$20B</td>
<td>~2x</td>
<td>~3x</td>
<td>$50 Flat Real 2017-2019</td>
<td>~$1.0B¹</td>
</tr>
<tr>
<td>YE 2018E</td>
<td>$15B</td>
<td>&lt;2x</td>
<td>&lt;2x</td>
<td></td>
<td>~$0.85B¹</td>
</tr>
</tbody>
</table>

Net Debt is a non-GAAP term and is defined in the appendix.

1 Estimated figures presented on a pro forma basis as if debt balances were held throughout the year. 2017 CFO reflects pro-forma adjusted for dispositions and planned dispositions.

- Further debt reductions fully funded by cash balances
- Credit ratings upgraded
- Strong financial position:
  - Liquidity in excess of $15B
  - No financial covenants
  - Near-term maturities retired

Debt Maturities ($B)

- Maturities retired by YE 2017
- Remaining maturities
Top-Tier Payout to Shareholders

- Exceeding high end of our shareholder payout range
- Highly competitive payout
- Dividend to grow annually
- Continued buybacks an integral component of distribution philosophy
- Opportunity to increase shareholder distributions as cash available


1 Includes additional expected $1.5B buybacks in 2020.

Annualized 2017 cash dividends based on actual dividend paid. Scrip dividends calculated as difference between nominal total dividends and cash dividends. Share buybacks are based on announced amounts, expected amounts, or first half 2017 annualized.

Integrateds include: BP, CVX, RDS, TOT, XOM; U.S. Independents include: APA, APC, CLR, DVN, EOG, HES, NBL, OXY and PXD.

PAYOUT EXCEEDS 20-30% annual target 2018-2020

As Shown in November 2017 Investor Deck
It’s All About Returns

Drivers of ROCE Improvement

- Production growth in low-cost unconventionals
- Growing earnings margin through lower production cost and DD&A per barrel
- Lowering capital employed through debt reduction and buybacks

Targeted ROCE % at $50/BBL

1-2% INCREASE PER YEAR


Integrateds include: BP, CVX, RDS, TOT, XOM. U.S. Independents include: APA, APC, CLR, DVN, EOG, HES, NBL, OXY and PXD.

ROCE is a non-GAAP term, which is defined in the appendix. Reflects $50/BBL WTI flat real. 2017 reflects pro-forma adjusted for dispositions and planned dispositions.
Adding It All Up: Plan Targets “20 by 20”

CROCE % 2017 – 2020 at $50/BBL

TARGET CROCE GROWTH OF 2-3% PER YEAR TO >20%

- Growing high-return production
- Portfolio shift to low-cost unconventionals drives cash margin improvement
- Strengthening balance sheet and continued share buybacks lower capital employed
- Directing future capital to low cost of supply, high-return projects

Reflects $50/BBL WTI flat real. 2017 reflects pro forma adjusted for dispositions and planned dispositions. CROCE is a non-GAAP term, which is defined in the appendix.
Our Financial Plan Targets Superior Returns to Shareholders

**STRONG FREE CASH FLOW GENERATION**
- 25% to 45% FCF % of CFO

**MAINTAIN A STRONG BALANCE SHEET**
- 3.5x to 1.0x Debt/CFO

**GROWING DISTRIBUTIONS**
- 0 to 16 Cumulative Distributions, $B

**FOCUS ON FINANCIAL RETURNS**
- 0% to 30% CROCE

Free Cash Flow is a non-GAAP term, which is defined in the appendix. Reflects $50/BBL flat real. 2017 reflects pro-forma adjusted for dispositions and planned dispositions.
Keeping Our Discipline, Creating Value

RYAN LANCE
Chairman & CEO
Keeping Our Discipline, Creating Value

Value Proposition Principles

1. Financial Strength
2. Growing Distributions
3. Disciplined Per Share CFO Expansion

Disciplined Priorities

1. Invest capital to sustain production and pay existing dividend
2. Annual dividend growth
3. Reduce debt to $15B¹; target ‘A’ credit rating
4. 20-30% of CFO total shareholder payout annually
5. Disciplined investment for CFO expansion

Our Unique Characteristics

1. Low Sustaining Price
2. Diverse, Low CoS Portfolio
3. Strong Balance Sheet
4. Capital Flexibility

Clear, measurable plan to deliver superior returns to shareholders

¹By year end 2018.
2018 Capital and Production Guidance

Underlying production excludes the full impact from closed or planned asset dispositions. 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 assumes $2B of share repurchases, representing 33 million of shares using the closing price of $60.49 per-share on 01/24/18 and assuming no other changes in common shares outstanding.

Production excludes Libya. Adjusted operating cost is a non-GAAP measure. A non-GAAP reconciliation is available on our website.
Full-Year 2018 Guidance

- Full-year 2018 production: 1,200 – 1,240 MBOED
  - 2Q18 production: 1,170 – 1,210 MBOED
- Adjusted operating costs: $5.7B
- Capital expenditures: $5.5B; excludes announced acquisitions of $0.4B Alaska bolt-on transaction and $0.1B Montney acreage
- DD&A: $5.8B
- Adjusted corporate segment net loss: $1.0B
- Exploration dry hole and leasehold impairment expense: $0.2B

Adjusted operating cost, adjusted corporate segment net loss, and exploration dry hole and leasehold impairment expense are non-GAAP measures. A non-GAAP reconciliation is available on our website. Guidance excludes special items. Production excludes Libya.
2018 Annualized Net Income Sensitivities

**Crude**
- **Brent/ANS**: $105-125MM for $1/BBL change
- **WTI**: $45-55MM for $1/BBL change
- **WCS¹**: $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

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

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. Additionally, the above sensitivities apply to a range of commodity price fluctuations as of Feb. 1, 2018, but may not apply to significant and unexpected increases or decreases.
2018 Annualized Cash Flow Sensitivities

Consolidated Operations ($45-$65/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 Affiliates¹ ($50-$65/BBL WTI)

- Expect distributions from all equity affiliates at >$50/BBL
- $1/BBL movement in Brent: ~$30-40MM

Net Cash Flow from Contingent Payment

- 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 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. Additionally, the above sensitivities apply to a range of commodity price fluctuations as of Feb. 1, 2018, but may not apply to significant and unexpected increases or decreases.
<table>
<thead>
<tr>
<th>Capital Expenditures and Investments</th>
<th>2018 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Cycle Unconventionals</td>
<td>1.2</td>
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<tr>
<td>Future Major Project Capital Spend</td>
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</tr>
<tr>
<td>Exploration Capital Spend</td>
<td>0.3</td>
</tr>
<tr>
<td>Sustaining Capital</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Reconciliation of Capital Expenditures and Investments to Sustaining Capital
($ Billions)
Adjusted operating costs: The sum of production and operation expenses, selling, general and administrative (SG&A) expenses, and exploration G&A expenses, geological and geophysical and lease rental and other expenses further adjusted to exclude expenses that are applicable as adjustments to adjusted earnings.

Breakeven price: Breakeven price is the WTI price at which cash provided by operating activities equals the capital expenditures and investments required to maintain flat production, working capital changes associated with investing activities and dividends paid.

Cash flow neutrality: Cash provided by operating activities covers capital expenditures and investments, working capital changes associated with investing activities, and dividends paid.

Cost of supply: 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.

CROCE: Net income plus after-tax interest expense and DD&A, and the denominator of which is average of total equity plus total debt. The net income is adjusted for full-year disposition impacts, non-operational and special items impacts.

Debt-adjusted shares: Ending period debt divided by ending share price plus ending shares outstanding.

Dividend yield: Dividend yield is calculated as: annual dividend per share divided by price per share.

Free cash flow: Cash provided by operating activities in excess of capital expenditures and investments. Free cash flow terms are not a measure of cash available for discretionary expenditures since the company has certain non-discretionary obligations such as debt service that are not deducted from the measures.

GHG emissions intensity: Gross operated scope 1 (process) and scope 2 (imported) GHG emissions on a kilograms of carbon dioxide equivalent per gross operated barrel of oil equivalent basis.

Margin growth: Increase in cash provided by operating activities per barrel.

Net cash flow: Net change in cash and cash equivalents.

Net debt: Total debt less cash and cash equivalents and short-term investments.

Operating costs: The sum of production and operation expenses, selling, general and administrative (SG&A) expenses, and exploration G&A expenses, geological and geophysical and lease rental and other expenses.

Additional information on non-GAAP measures is included on our website.
Operating and overhead costs: Includes Production & Operating Expenses, SG&A, Exploration Expense, Taxes Other Than Income, Income Taxes, and certain other Cash From Operations line items.

Production / DASh: Calculated as production per ending period debt divided by ending period share price plus shares outstanding.

Resources: Based on the Petroleum Resources Management System, a system developed by industry that classifies recoverable hydrocarbons into commercial and sub-commercial to reflect their status at the time of reporting. Proved, probable and possible reserves are classified as commercial, while remaining resources are categorized as sub-commercial or contingent. The company’s resource estimate includes volumes associated with both commercial and contingent categories. The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. 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.

ROCE: Measure of the profitability of average capital employed in the business. Calculated as a ratio, the numerator of which is net income plus after-tax interest expense, and the denominator of which is average total equity plus total debt. The net income is adjusted for full-year disposition impacts, non-operational and special items for unusual transactions outside the normal course of business which are over a certain threshold.

Sustaining capital: Capital expenditures that sustain production; $3.5B/Yr 2018-2020.

Sustaining price: WTI price at which cash provided by operating activities covers sustaining capital and growing dividend.
# ConocoPhillips Abbreviations

**ANS:** Alaska North Slope  
**B:** billion  
**BBL:** barrel  
**BBOE:** billions of barrels of oil equivalent  
**BOE:** barrels of oil equivalent  
**BOED:** barrels of oil equivalent per day  
**CAGR:** compound annual growth rate  
**CFO:** cash provided by operations  
**CoS:** cost of supply  
**CROCE:** cash return on capital employed  
**DASH:** debt-adjusted share  
**DD&A:** depreciation, depletion and amortization  
**DJSI:** Dow Jones Sustainability Index  
**E&A:** exploration and appraisal  
**ESG:** environmental social governance  
**EUR:** estimated ultimate recovery  
**FCF:** free cash flow  
**GAAP:** generally accepted accounting principles  
**GHG:** greenhouse gas emissions  
**HSE:** health, safety and environment  
**LNG:** liquefied natural gas  

**M:** thousand  
**MM:** million  
**MBO:** thousands of barrels of oil  
**MBOE:** thousands of barrels of oil equivalent  
**MBOED:** thousands of barrels of oil equivalent per day  
**MMBTU:** million British thermal units  
**MMlbs:** million pounds  
**NGL:** natural gas liquids  
**NPV:** net present value  
**NCF:** net cash flow  
**P&A:** plug and abandon  
**ROCE:** return on capital employed  
**SOR:** steam oil ratio  
**WCS:** Western Canada Select  
**WTI:** West Texas Intermediate
Focus on Safety and Execution Delivers Record Results

- Record personal safety performance
- Reduced occurrence of Serious Events and Process Safety Events
- Life Saving Rules compliance improves HSE performance
- Continued focus on process safety, human performance, environmental footprint and driving business performance improvements

---

**ConocoPhillips Injury Rate**

- 2013: 0.3
- 2015: 0.2
- 2017*: 0.1

30% REDUCTION

---

**Serious Event Rate**

- 2013: 0.08
- 2015: 0.02
- 2017*: 0.005

80% REDUCTION

---

1. Injury rate refers to OSHA Total Recordable Rate defined as number of safety incidents per 200,000 hours for the combined workforce of employees and contractors.
2. Serious Incidents and Near Miss Events where potential consequence would be considered serious based upon the company’s Risk Rating Process.
* January – August 2017 Data.
Strong Sustainable Development Governance and Oversight

**Sustainable Development Governance**

- **Public Policy Committee (Board)**
- **Executive Leadership Team (ELT)**: ELT Champions for Sustainable Development (SD), Human Rights, Stakeholder Engagement, Water/Biodiversity, Climate Change
- **Sustainable Development Leadership Team (SDLT)**: Health, Safety & Environment Leadership Team
- **Sustainable Development Team**
  - Water Issues Working Group
  - Climate Change Issues Working Group
  - Biodiversity Issues Working Group
  - Stakeholder Issues Working Group

**Networks of Excellence**
Leadership in Environmental, Social and Governance Programs

**Dow Jones Sustainability Index Ranking – 2017**
*(Total Percentile Ranking)*

- **95** Integrateds
- **90** U.S. Independents
- **83** ConocoPhillips
- **81** BP, CVX, RDS, TOT, XOM
- **66** Participating U.S. Independents include: APA, APC, DVN, EOG, HES, NBL, OXY and PXD

**TOP 20%**
of N.A. O&G companies, 11th consecutive year

- Index includes >600 indicators on economic, environmental and social dimensions of sustainability performance
- 80-120 industry-specific questions
- Indicators address:
  - Corporate governance
  - Risk and crisis management
  - Biodiversity
  - Climate strategy
  - Water-related risks
  - Human rights
  - Social impacts on communities

Source: Dow Jones Sustainability Index.
Appendix:

SUPPLEMENTAL PORTFOLIO MATERIAL
Eagle Ford: Still In Its Prime

- Large acreage position in recognized sweet spot of the play
- Integrated operations and applied technology driving significant improvements across the play
- Maintaining <$2/BOE lifting cost, while increasing well count
- Piloting Austin Chalk and longer laterals

ConocoPhillips Eagle Ford Acreage Position

As Shown in November 2017 Investor Deck

3-Year Development Plan (2018-2020)

Production (MBOED)

- 2017: 130 MBOED
- 2018: 130 MBOED
- 2019: 245 MBOED
- 2020: 245 MBOED

2.3 BBOE resource <$40/BBL CoS

~25% CAGR 2017-2020
Eagle Ford: Our Position Leads Competitors on Key Metrics

**Lowest Cost of Supply**
- Average Break-even Price ($/BBL Brent)

**Highest Oil Rates per Well**
- Gross Operated Oil Production per Well (BPD)
- Source: Texas Railroad Commission, 2017

**Highest NPV per Acre**
- NPV10 per Acre ($M)
- Source: Rystad NasCube (Aug 2017)

1 Operators with >100 M acres.
Eagle Ford: Years of Running Room at Measured Pace

LEARNING MAXIMIZES VALUE

Optimized by Geologic Area

Completions

Higher Recovery per Acre and Higher Well Production

ConocoPhillips Acreage
ConocoPhillips Wells
Competitor Wells
Leveraging Data Analytics Globally, Realizing Local Improvements

Eagle Ford Data Analytics

Integrated Data Warehouse

Data Visualization & Advanced Analytic Tools

DATA-DRIVEN DECISIONS

NEW INSIGHTS

Global Implementation of Data Analytics

- ~4,000 analytic tool users
- 100s of proprietary applications
- 17 integrated data warehouses
- Data scientists with E&P expertise

Eagle Ford Lifting Cost ($/BOE)

- 2015:
- 2017E:
- ~20% DECREASE

Eagle Ford Well Count/Operator

- 2015:
- 2017E:
- ~35% INCREASE
Delaware: Prudent Development Begins

- 1.9 BBOE of <$40/BBL cost of supply resource across 75 M net acre position
- Moving to prudent development mode using integrated project approach
- Program plan driven by infrastructure, service costs and pace of learning
- Completing 80 acre high-low confined pilot
- Proprietary seismic shoot and additional spacing/stacking pilots planned in 2018

3-Year Development Plan (2018-2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (MBOED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>20</td>
</tr>
<tr>
<td>2018</td>
<td>85</td>
</tr>
<tr>
<td>2019</td>
<td>85</td>
</tr>
<tr>
<td>2020</td>
<td>85</td>
</tr>
</tbody>
</table>

~60% CAGR 2017-2020

Source: RSEG. As of November 2017.
Permian: Focus on Core of Delaware Basin

- Cored up acreage to enable long-lateral development
- Infrastructure and hub facility strategy in place with offtake agreements
- Measured pace allows optimized development and efficient capital spend
- Maximizing long-lateral development

**Significantly Increased Long Lateral Well Inventory**

- 50% of Development >7,500' laterals in 2015
- 95% of Development >7,500' laterals in 2017E

As Shown in November 2017 Investor Deck
Permian: Focus on Core of Delaware Basin

Cost of Supply Improvement

- 2016 CoS Development Optimization
- Infrastructure
- Future Optimization
- 2017 CoS
- ~20% REDUCTION

Significant cost of supply reduction due to development optimization:
- 95% long-lateral development
- Concurrent development of zones
- Improved productivity through continued completion optimization

Line of sight to future cost of supply improvements:
- Infrastructure plan has enabled produced water recycling, additional $1-2/BBL savings
- Additional drilling and completion optimizations

Cumulative Production (MBOE)

As Shown in November 2017 Investor Deck

Source: RSEG. As of November 2017.
Bakken: A Smart Plan to Deliver Sustained Performance

3-Year Development Plan (2018-2020)

- Efficiency gains enable sustained production for 50% fewer rigs versus 2016
- Large acreage position in the sweet spot of the play
- High degree of flexibility to manage development pace
- More than a decade of high-value inventory
- Capturing improvements that are delivering additional efficiencies

Production (MBOED)

2017: 70
2018: 70
2019: 70
2020: 70

0.7 BBOE resource <$50/BBL cost of supply

Source: RSEG. As of November 2017.
Bakken: Optimizing Across Every Aspect of the Play

Low Cost Leader with a Prime Acreage Position

2017 Improvement Drivers

- Continuing significant reductions in drilling time
- Doubled completion size and reduced cluster spacing
- Machine learning is informing complex technical decisions

Data Analytics Drives Faster Improvement

~40% REDUCTION

Spud-to-Spud Days

Source: COP actuals and 2Q 2017 OBO ballots. Competitors include: HES, XTO, CLR and WLL.

Source: RSEG. As of November 2017.

As Shown in November 2017 Investor Deck
Niobrara: Unlocking Value by Lowering Cost of Supply

**Well Cost/Liquids EUR**

- **Innovating to Lower Cost of Supply**
  - Competitive position in a liquids-rich play
  - Recent improvements in drilling time and completion costs
  - Drilling multi-lateral pilot in 4Q 2017
  - Accelerating pad development with 2018 program

**Significant Spud-to-Spud (Days) Improvements in 2017**

Two Case Studies of Lowering Cost of Supply to Grow Legacy Assets

**Bohai Phase 3**
- Successfully negotiated lower contract prices for facilities and drilling services
- Focus on optimizing all aspects of operations
- On track for first oil in 2H 2018

**Alaska GMT-1**
- On track for first oil in December 2018
- Trending at ~15% lower cost than original project estimate
- Strengthens strategic link to westward opportunities
Alaska: A Case Study in How Innovative Drilling Increases Oil Recovery

Kuparuk “Shark Tooth” Project Setting Records

Smaller Footprint, More Reserves per Well & Lower Cost of Supply

- Managed Pressure Drilling (MPD) allows drilling of extended reach laterals through unstable rock formations
- Developed the first rotary drilling operation with an automated MPD system
- Decreased cost of supply by ~$4/BBL
- Two recent CD5 wells, drilled with MPD, hold record for highest initial production in Alaska; >10,000 BOPD
- Deployed technology in Norway to assist in drilling

>40% INCREASE IN LENGTH

>28,000 FEET total length, a record in Alaska

\(^1\)Source: AOGCC well production data, peak 30-day average rate (BOPD) 2012-Aug 2017.
Europe: Leveraging Legacy Infrastructure

<$25/BBL COST OF SUPPLY

20-well 2018 drilling plan

- Development well programs advantaged from legacy infrastructure and efficient operations in Ekofisk, Judy and Britannia
- New Greater Ekofisk Area rig contract secures low day rates
- 4-D seismic at Ekofisk is improving well placement and reservoir management
- Line of sight to further improvements in cost of supply
- Future major projects (e.g., Tor II, Eldfisk North) will also utilize existing infrastructure

Norway Average Well Cost ($MM)

As Shown in November 2017 Investor Deck
• Norway continues to lower cost of supply through drilling and operations efficiencies
• UK delivered top-quartile operating costs in 2016\(^1\)
• Norway and UK successfully developing new P&A technology that reduces time and cost to complete the work

**UK Leading the Sector on Operating Costs\(^1\)**

**Industry Leading P&A Technology Development**

- Prior P&A Technology
- Improved P&A Technology
- Conductor cutting with lasers

\(~50\% \text{ COST REDUCTION}\)

**Norway Drilling Non-Productive Time (%)\(^3\)**

2. Net Unit Operating Costs exclude hub costs, G&A and tariffs.
**Surmont: All-Out Effort to Lower Cost of Supply and Increase Margins**

**Alternative Diluent Strategy Underway**
- Modifying facilities to create Synbit/Dilbit flexibility
- Optionality expected to improve netbacks and reduce exposure to disruptions in diluent supplies

**Netback Improvement per BOE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Netback</th>
<th>Alternative Diluent</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Successful Non-Condensable Gas (NCG) Pilot**
- 3-well pair pilot testing NCG injection in 2016/2017
- Expanded to 9-well pair pilot in 3Q 2017
- Potential for 10-15% GHG reduction field-wide

**~20% STEAM-OIL RATIO REDUCTION**
across pilot to date

**STEAM-OIL RATIO REDUCTION**

- Non-Reservoir Overburden
- Insulating Gas Blanket
- Reduce heat losses to overburden
- NCG
- Steam
- Bitumen
- Reduce steam injection
LNG: Decades of Stable Production

**APLNG**
- Successful first year of operations
- Performance exceeding original design by ~10%
- 98% uptime achieved over an extended period

**Qatargas 3**
- Sustained production for the next two decades
- 97% uptime achieved over an extended period
- Evaluating participation in debottlenecking and expansion opportunities

**Bayu-Undan and Darwin LNG**
- Bayu-Undan 3-well infill program in 2018 extends production to 2022
- Darwin LNG uniquely positioned for multiple backfill options
- 95% uptime achieved over an extended period
Investor Information

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