2017 Analyst & Investor Meeting

UPDATED AS OF OCTOBER 2018
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Agenda

Keeping Our Discipline, Creating Value
Ryan Lance
Chairman & CEO

Our Differentiated Strategy
Matt Fox
EVP, Strategy, Exploration & Technology

Our Portfolio is Aligned to Strategy
Al Hirshberg
EVP, Production, Drilling & Projects

Our Sound Financial Plan
Don Wallette
EVP, Finance, Commercial & CFO

Keeping Our Discipline, Creating Value
Ryan Lance
Chairman & CEO

Question & Answer Session
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

1. **1st Priority**
   - Invest capital to sustain production and pay existing dividend
2. **2nd Priority**
   - Annual dividend growth
3. **3rd Priority**
   - Reduce debt to $15B\(^1\); target ‘A’ credit rating
4. **4th Priority**
   - 20-30% of CFO total shareholder payout annually
5. **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

CFO is a non-GAAP term, which is defined in the appendix.

\(^1\)Achieved second quarter of 2018.
The Market Has Taken Note of Our Accomplishments...

Total Shareholder Return Since 2016 Analyst & Investor Meeting

Delivering on Our Disciplined, Returns-Focused Value Proposition

### 2017: Full Activation of our Plan

| Portfolio reset; ~$16B dispositions; strong organic RRR<sup>1</sup> |
|------------------------|------------------------|------------------------|
| CFO<sup>2</sup> > capital by $2.5B; improving CROCE/ROCE | Free cash flow |
| Reduced debt by ~30% to <$20B; improved credit rating |
| Returned 61% of CFO<sup>2</sup> to shareholders |
| Production of 1,356 MBOED; delivered 19% underlying growth per DASH<sup>3</sup> |
| Strong safety performance; announced GHG reduction target |

### 2018: Execute the Plan, Plus

| Strengthened through focused acquisitions and dispositions |
| Focus on free cash flow generation; strong price upside |
| Debt reduced by $4.7B in 1H; $15B target achieved in 2Q 2018 |
| Increased dividend by ~15% and doubled share buybacks in 2018 |
| Expect ~20% growth per DASH<sup>3</sup> in 2018; activated Lower 48 growth engine |
| Continued focus on ESG excellence |

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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> FY 2017 cash provided by operating activities is $7.1B. Excluding operating working capital, cash from operations ("CFO") is $7.1B. CFO is a non-GAAP term, which is defined in the appendix. Dividends paid of $1.3B and share repurchases of $3.0B.

<sup>3</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 the impact from 2017 and 2018 closed dispositions. 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 $0.9B of share repurchases, representing 13 million of shares using the closing price of $73.27 per-share on 10/15/18 and assuming no other changes in common shares outstanding.

CROCE, ROCE and free cash flow are non-GAAP terms, which is defined in the appendix.

Production excludes Libya.
...But We’re Just Getting Started

**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 transactions
- Unhedged for upside
- Flexibility to increase distributions and capital

Contingent payments are from the 2017 Canada and San Juan Basin dispositions. Operating costs is a non-GAAP term, which are defined in the appendix.
Value Creation Target: >20% CROCE by 2020 at $50/BBL

- ~5% production CAGR
- >5% margin CAGR
- $5.5B average capital
- <$35/BBL average CoS
- >10% reduction of debt-adjusted shares
- $3.5B for flat production
- <$40/BBL sustaining price
- $15B in 2018
- debt/CFO: <2x
- exceeds 20-30% annual target

Reflects $50/BBL WTI flat real. Updated Capital Guidance for 2018 is $6.1B, reflecting a higher WTI price of $65/BBL. CROCE and CFO are non-GAAP terms 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.
Resetting Every Bar; Strategy Aligned with Shareholder Interests

Reflects $50/BBL WTI flat real. Updated Capital Guidance for 2018 is $6.1B, reflecting a higher WTI price of $65/BBL.

CFO and sustaining capital are non-GAAP measures, which are defined in the appendix. Reflects 2017 ending cash balance.

Sources of Cash

- CFO at $50/BBL
- $5.5B/Yr capital delivers cash flow expansion and reserve replacement
- Debt and planned buybacks are fully funded
- <$40/BBL sustaining price

Sustaining Capital

- CFO at $40/BBL
- $3.5B/Yr

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

<table>
<thead>
<tr>
<th>Sources of Cash</th>
<th>Sustaining Capital</th>
<th>Base Dividend</th>
<th>Dividend Growth</th>
<th>Debt Reduction</th>
<th>Share Buybacks</th>
<th>Disciplined Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment for CFO Expansion ($2B/Yr)</td>
<td>&gt;10% cash flow CAGR</td>
<td>&gt;30% annual payout</td>
<td>&gt;10% debt-adjusted share count reduction</td>
<td>Available Cash</td>
<td>&gt;10% debt-adjusted share count reduction</td>
<td>Disciplined Investment</td>
</tr>
</tbody>
</table>

Updated for Announced 2018 buyback target

Reflects $50/BBL WTI flat real. Updated Capital Guidance for 2018 is $6.1B, reflecting a higher WTI price of $65/BBL. CFO and sustaining capital are non-GAAP measures, which are defined in the appendix. Reflects 2017 ending cash balance.
Activating 5th Priority Within Cash Flow

**Disciplined Investments**
(2018-2020)

- **Investment for CFO Expansion** ($2B/Yr)
- **$1.2B/Yr**
- **$0.5B/Yr**
- **$0.3B/Yr**

**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

**Fully funded from CFO and generates additional free cash flow**

Cash flow CAGR > 10%

Average reserve replacement > 100%

CFO and free cash flow are non-GAAP terms, which are defined in the appendix.

As Shown in November 2017 Investor Deck
Disciplined Investments Deliver Returns and Expand Cash Flows

<table>
<thead>
<tr>
<th>2018-2020 TARGETS at $50/BBL</th>
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<tbody>
<tr>
<td>Grow ROCE</td>
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<tr>
<td>Grow CROCE</td>
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<td>Grow ROCE</td>
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<tr>
<td>Grow CROCE</td>
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<tr>
<td>Production / DASh</td>
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<tr>
<td>Cash margin growth</td>
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<td>Return cash to shareholders</td>
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<td>Balance sheet strength</td>
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<tr>
<td>Low sustaining price, low CoS portfolio</td>
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</tbody>
</table>

Drive Total Shareholder Returns

Drive Business Sustainability

Reflects $50/BBL WTI flat real. ROCE, CROCE and CFO are non-GAAP terms, which are defined in the appendix.

As Shown in November 2017 Investor Deck
Predicting Price is Useless, Scenario Planning is Priceless

**Driven by High Supply**
- **Unrelenting Unconventionals**
  - High pace of unconventional and other supply development

**Driven by High Demand**
- **Great Growth**
  - Global economic recovery supports high oil and gas demand

**Driven by Low Supply**
- **Resource Restriction**
  - Limitations on unconventional development and other supply limitations

**Driven by Low Demand**
- **Demand Destruction**
  - Weak economic growth or carbon constraints and/or technology reduce demand

**Oil Demand & Supply vs. Oil Price**

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

As Shown in November 2017 Investor Deck
Scenarios Highlight Value of Strategic Flexibility and Diversification

Estimated Prices Through 2025\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Resource Restriction/Great Growth</th>
<th>Unrelenting Unconventionals/Great Growth</th>
<th>Resource Restriction/Demand Destruction</th>
<th>Unrelenting Unconventionals/Demand Destruction</th>
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<tbody>
<tr>
<td>2017</td>
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<td>2025</td>
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<td>$90</td>
<td>$90</td>
</tr>
</tbody>
</table>

STRAIGHT DESIGNED FOR OUTPERFORMANCE across a range of prices

Reflects WTI.

\(^1\) Estimated prices derived from internal scenario monitor modeling.

As Shown in November 2017 Investor Deck
ConocoPhillips is Advantaged Across Price Cycles

Capital Allocation Priorities

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

Higher Prices

- Oil-weighted portfolio
- Predominantly tax and royalty regimes
- Unhedged for upside
- Incremental cash allocated according to priorities

Lower Prices

- Low capital intensity and <$40/BBL sustaining price
- Extensive low cost of supply investment portfolio
- Balance sheet strength and capacity

Sustaining capital and CFO are non-GAAP terms, which are 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**
*Renaisance 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

<$35/BBL AVERAGE CoS OF RESOURCE

As Shown in November 2017 Investor Deck
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

~8 BBOE RESOURCE

<$35/BBL average cost of supply

Montney
Bakken
Niobrara
Delaware
Eagle Ford

Unconventional Resources

15 BBOE

~8 BBOE

$40-50/BBL

$30-40/BBL

<$30/BBL

CONVENTIONAL
LNG & OIL SANDS

Asset Class

Cost of Supply

As Shown in November 2017 Investor Deck
Conventional Assets: The Great Assets People are Now Asking About

~4 BBOE RESOURCE

Conventional Resources

- ~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

Cost of Supply

- UNCONVENTIONAL
  - $30-40/BBL
- CONVENTIONAL
  - <$30/BBL
- LNG & OIL SANDS

Asset Class

<~30/BBL average cost of supply

As Shown in November 2017 Investor Deck
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

Cost of Supply

Megatrend

$40-50/BBL

$30-40/BBL

< $30/BBL

Asset Class

• ~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.

As Shown in November 2017 Investor Deck
Sustaining capital is a non-GAAP measure and free cash flow is a non-GAAP term, which are defined in the appendix.

- **Unique portfolio** is a significant competitive advantage
- **Unconventional production** stays flat at 2017 levels with 5 rigs in the Big 3 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

- 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

Eagle Ford, Bakken and Delaware Production (MBOED)

- REPLACING ~180 MBOED of decline
- 5 RIGS to stay flat

As Shown in November 2017 Investor Deck
### Offsetting Conventional Declines Around the World

#### 2018-2020 Flat Production

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

#### REPLACING ~175 MBOED

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

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As Shown in November 2017 Investor Deck
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

As Shown in November 2017 Investor Deck

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

Source: Wood Mackenzie – Corporate Benchmarking Tool. 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

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

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

Finding the next legacy assets

2018 2019 2020

Production

As Shown in November 2017 Investor Deck
Our Big 3 Unconventionals: Cash Flow Positive Now & Net Cash Flow Grows

**Production**¹ (MBOED)

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

**Positive Net Cash Flow**¹⁻² (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.

As Shown in November 2017 Investor Deck
3-Year Development Plans for the Big 3 Unconventionals

**Eagle Ford**
- Production (MBOED)
  - 2017: 130
  - 2018: 245
  - 2019: 245
  - 2020: 245
- Sustaining production: ~25% CAGR
- Growth production: ~25% CAGR
- 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**
- Production (MBOED)
  - 2017: 20
  - 2018: 85
  - 2019: 85
  - 2020: 85
- Sustaining production: ~60% CAGR
- Growth production: ~60% CAGR
- 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**
- Production (MBOED)
  - 2017: 70
  - 2018: 70
  - 2019: 70
  - 2020: 70
- Sustaining production
- 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

$0.5B/Yr (2018-2020)

Future Major Projects

CONVENTIONAL

LNG & OIL SANDS

Adding ~90 MBOED

Production (MBOED)

2021 2022 2023 2024 2025

EUROPE
APME
ALASKA
BAROSSA

As Shown in November 2017 Investor Deck

Excludes the Willow Discovery in Alaska.
Future Major Projects: Infrastructure-Led Projects with Strong Economics

**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

**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

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**GMT-2 Cost of Supply ($/BBL)**

- 2016: 40
- 2017E: 34

**Cost of Supply ($/BBL)**

- New Build LNG: ~30% DECREASE
- Backfill DLNG: ~50
- 2016 CoS: ~25% DECREASE
- Pre-FEED Enhancements: <40
- 2017 CoS: <40

As Shown in November 2017 Investor Deck
**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

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Alaska: Western NPR-A Discovery Opens New Frontier

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

• Willow discovery with resource potential of 400-750 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

• New proprietary seismic acquisition and processing
• Significantly reduced environmental impact
• Enables optimized well placement
• 7 global surveys to date, 4 planned in 2018+

BETTER quality, FASTER acquisition, CHEAPER data

CONVENTIONAL SEISMIC

COMPRESSIVE SEISMIC IMAGING (CSI)

Willow discovery
Kuparuk River
Prudhoe Bay
Trans-Alaska Pipeline

2018 Wells
COP Acreage 2016
COP Acreage 2017
Pipeline

National Petroleum Reserve-Alaska

ALASKA
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

<table>
<thead>
<tr>
<th>2018-2020 Production</th>
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<tbody>
<tr>
<td><strong>UNCONVENTIONAL</strong></td>
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<tr>
<td><strong>CONVENTIONAL</strong></td>
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<tr>
<td><strong>LNG &amp; OIL SANDS</strong></td>
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</tbody>
</table>

**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, CROCE and CFO are non-GAAP terms, which are defined in the appendix.

As Shown in November 2017 Investor Deck
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 and CFO are non-GAAP term, which are defined in the appendix.
Reflects $50/BBL WTI flat real. 2017 reflects pro forma adjusted for dispositions and planned dispositions. Free Cash Flow, CFO and CROCE are non-GAAP terms, which are defined in the appendix.

### 2017 – 2020 Financial Objectives at $50/BBL

**Free Cash Flow Generation**
- FCF % of CFO: 25% → 45%

**Leverage**
- Debt / CFO: 3.5x → 1.0x

**Shareholder Distributions**
- Cumulative Distributions, $B: 0 → 16

**Cash Return on Capital**
- CROCE: 0% → 30%

- **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**
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 ($8)

- 2017
- ~5% Production CAGR
- >5% Margin CAGR
- 2020
- 2020 @ $60/BBL

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 and CFO are non-GAAP terms, which are defined in the appendix.
2017 Portfolio Actions Reset Margins; Cash Margins Expand Further

Higher-Margin Product Mix

<table>
<thead>
<tr>
<th>1Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>N.A. Gas 17%</td>
<td>N.A. Gas 8%</td>
</tr>
<tr>
<td>Bitumen 14%</td>
<td>Bitumen 5%</td>
</tr>
<tr>
<td>NGL 8%</td>
<td>LNG &amp; Oil Sands 14%</td>
</tr>
<tr>
<td>Intl Gas 23%</td>
<td>Intl Gas 29%</td>
</tr>
<tr>
<td>Crude 38%</td>
<td>Crude 50%</td>
</tr>
</tbody>
</table>

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

Continued Cash Margin Expansion$^1$ Through 2020 ($/BOE)

<table>
<thead>
<tr>
<th>2017</th>
<th>Realizations</th>
<th>Operating &amp; Overhead Costs</th>
<th>Interest Expense</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LNG &amp; Oil Sands</td>
<td>&gt;5% CAGR CASH FLOW PER BARREL EXPANSION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conventional</td>
<td>53%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconventional</td>
<td>35%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

$^1$Margins reflect $50/BBL WTI flat real. 2017 reflects pro-forma adjusted for dispositions and planned dispositions. Asset class percentages represent volume-weighted margin contribution. As shown November 2017.
Balance Sheet Strength Restored; Competitive Advantage Through Cycles

DELEVERAGING

$15B DEBT TARGET

Cash

Net Debt

YE 2016
YE 2017E
YE 2018E

$27B
<$20B
$15B

WTI, $/BBL

$43
$50 Flat Real 2017-2019

Debt/CFO
5.6x
~3x
<2x

Net Debt/CFO
4.8x
~2x
<2x

Annual Interest
$1.25B
~$1.0B¹
~$0.85B¹

✓ 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

Net Debt and CFO are non-GAAP terms, which are defined in the appendix.

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

Source: Thomson Reuters 2017 Actuals.

CFO is a non-GAAP term, which is defined in the appendix.

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. Integrateds include: BP, CVX, RDS, TOT, XOM; U.S. Independents include: APA, APC, CLR, DVN, EOG, HES, OXY and PXD.
It’s All About Returns


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.

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

As Shown in November 2017 Investor Deck


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% by 2020

- ~5% PROD CAGR
- >5% MARGIN CAGR
- ~35% REDUCTION in debt
- ~25% REDUCTION in equity
- >20%

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.

As Shown in November 2017 Investor Deck

• 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
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, CFO and CROCE are non-GAAP terms, which are 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 + Disciplined Priorities + Our Unique Characteristics

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

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

RETURNS

Our goal is to deliver superior returns to shareholders through cycles

CFO is a non-GAAP term, which is defined in the appendix.
1Achieved second quarter of 2018.
Appendix:

GUIDANCE MATERIAL
2018 Production Guidance (MBOED)

- **1,219** (4Q17)
- **1,275 - 1,315**
- **1,215** (FY17)
- **1,356** (FY17)
- **1,235 - 1,245** (FY18E)

**~22% PRODUCTION PER DEBT-ADJUSTED SHARE GROWTH**

- **1,219** (4Q18E)
- **1,356** (FY18E)

**~10% PRODUCTION PER-SHARE GROWTH**

- **1,215** (FY17)
- **1,175** (FY17)

**~7% UNDERLYING PRODUCTION GROWTH**

- **1,219** (4Q18E)
- **1,175** (FY17)

**~21% PRODUCTION PER DEBT-ADJUSTED SHARE GROWTH**

- **1,215** (FY17)
- **1,175** (FY17)

**~9% PRODUCTION PER-SHARE GROWTH**

- **1,219** (4Q18E)
- **1,175** (FY17)

**~5% UNDERLYING PRODUCTION GROWTH**

- **1,215** (FY17)
- **1,175** (FY17)

---

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. 3Q18 ending common shares outstanding were 1,151 million shares. 2018 assumes an additional $0.9B of share repurchases, representing 13 million shares using the closing price of $73.27 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 $0.9B of share repurchases, representing 13 million of shares using the closing price of $73.27 per-share on 10/15/18 and assuming no other changes in common shares outstanding. Production excludes Libya.
• 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 Annualized Net Income Sensitivities

Crude

- **Brent/ANS**: $105-125MM for $1/BBL change
- **WTI**: $45-55MM for $1/BBL change
- **WCS\(^1\)**: $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-$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
($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 in the appendix. 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.
Reconciliation of Capital Expenditures and Investments to Sustaining Capital

($ Billions)

<table>
<thead>
<tr>
<th></th>
<th>2018 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures and Investments</td>
<td>5.5</td>
</tr>
<tr>
<td>Short-Cycle Unconventionals</td>
<td>1.2</td>
</tr>
<tr>
<td>Future Major Project Capital Spend</td>
<td>0.5</td>
</tr>
<tr>
<td>Exploration Capital Spend</td>
<td>0.3</td>
</tr>
<tr>
<td>Sustaining Capital</td>
<td>3.5</td>
</tr>
</tbody>
</table>

1Updated Capital Guidance for 2018 is $1.16B, reflecting a higher WTI price of $65/BBL.
ConocoPhillips Definitions

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 from operations (CFO): Cash provided by operating activities less the impact from operating working capital. Estimated CFO based on sensitivities assumes no operating working capital changes, and therefore CFO equals cash provided by operating activities.

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 from operations 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 from 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
Appendix:

ENVIRONMENTAL, SOCIAL & GOVERNANCE MATERIAL
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**

- 30% REDUCTION
- 2013, 2015, 2017*

**Serious Event Rate**

- 80% REDUCTION
- 2013, 2015, 2017*

---

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.
Leadership in Environmental, Social and Governance Programs

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

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.

Integrateds include: BP, CVX, RDS, TOT, XOM.

Participating U.S. Independents include: APA, APC, DVN, EOG, HES, NBL, OXY and PXD.
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

3-Year Development Plan (2018-2020)

- Sustaining production
- Growth production

- 2.3 BBOE resource <$40/BBL CoS
- ~25% CAGR 2017-2020

As Shown in November 2017 Investor Deck
Eagle Ford: Our Position Leads Competitors on Key Metrics

1. Lowest Cost of Supply
   - ConocoPhillips: $40/BBL
   - Competitors: $50/BBL

2. Highest Oil Rates per Well
   - ConocoPhillips: 120 BPD
   - Competitors: 100 BPD

3. Highest NPV per Acre
   - ConocoPhillips: $60M
   - Competitors: $50M

Source: Texas Railroad Commission, 2017
Source: Rystad NasCube (Aug 2017)

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

LEARNING MAXIMIZES VALUE

- Higher Recovery per Acre and Higher Well Production
- Customized Well Completions
- ConocoPhillips Acreage
- ConocoPhillips Wells
- Competitor Wells

Optimized by Geologic Area

Completions

- Austin Chalk
- Upper Eagle Ford
- Lower Eagle Ford

Yearly Comparisons

- 2012: 70 Clusters, 3.5 MMlbs
- 2017+: 100 Clusters, 7.5 MMlbs, 300 Clusters, 15.5 MMlbs, Customized
Leveraging Data Analytics Globally, Realizing Local Improvements

Eagle Ford Data Analytics

Integrated Data Warehouse

Data Visualization & Advanced Analytic Tools

DATA-DRIVEN DECISIONS

NEW INSIGHTS

Eagle Ford Lifting Cost ($/BOE)

2015

~20% DECREASE

2017E

Eagle Ford Well Count/Operator

2015

~35% INCREASE

2017E

Global Implementation of Data Analytics

~4,000 analytic tool users

100s of proprietary applications

17 integrated data warehouses

Data scientists with E&P expertise

Integrated Data Warehouse

Data Visualization & Advanced Analytic Tools

Eagle Ford Data Analytics

UNCONVENTIONAL

CONVENTIONAL

LNG & OIL SANDS
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)

- 2017: Sustaining production 20 MBOE/D, Growth production 0 MBOE/D
- 2018: Sustaining production 20 MBOE/D, Growth production 40 MBOE/D
- 2019: Sustaining production 20 MBOE/D, Growth production 85 MBOE/D

As Shown in November 2017 Investor Deck

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
- 5,000'
- 7,500'
- 10,000'

95% of Development >7,500’ laterals

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

Cost of Supply Improvement

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

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**

![Chart showing cost efficiency improvements](chart.png)

- 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**

- Spud-to-Spud Days: ~40% reduction

![Graph showing spud-to-spud days](graph.png)

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

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

~40% REDUCTION


Well Cost/Liquids EUR\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>ConocoPhillips</th>
<th>Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
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<tr>
<td>2017</td>
<td></td>
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</tbody>
</table>
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

As Shown in November 2017 Investor Deck
Kuparuk “Shark Tooth” Project
Setting Records

>40% INCREASE IN LENGTH

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

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

1Source: AOGCC well production data, peak 30-day average rate (BOPD) 2012-Aug 2017.
2018 Exploration Program Confirms Stand-Alone Hub at Willow

Greater Willow Area

Greater Willow Area

Preliminary Discovered Resource Range Increased

400 – 750 MMBOE

Current discovered resource

• 2018 Willow appraisal activities and analysis:
  • Confirmed oil-filled reservoir with 3 new appraisal wells and 3 flow tests
  • API viscosity range: 41° to 44°
  • Facility-limited vertical test rate ~1,000 BOPD

• Appraisal results combined with CSI data indicate more potential on-trend resource to north and south

• Additional oil discovery at West Willow creates possibility for tie-back to Willow hub

• 2019 Greater Willow Area appraisal season needed to optimize development plan

1Gross discovered resource in the Greater Willow Area since 2016.
Willow Development: Optimize Based on Cost of Supply

- Entering pre-FEED to size development concept
- Horizontal MWAG development from inception
- $2-3B of capital over 4-5 years required to achieve 1st oil
- Multiple years of development drilling post-1st oil
- Cost of supply <$40/BBL

PLANNING FOR FID IN 2021

1st oil 2024-2025
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
Europe: Driving Value in Every Phase of Asset Life Cycle

- Norway continues to lower cost of supply through drilling and operations efficiencies
- UK delivered top-quartile operating costs in 2016¹
- Norway and UK successfully developing new P&A technology that reduces time and cost to complete the work

UK Leading the Sector on Operating Costs¹

Industry Leading P&A Technology Development

![Conductor cutting with lasers]

~50% COST REDUCTION

Prior P&A Technology

Improved P&A Technology

Norway Drilling Non-Productive Time (%)³

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

As Shown in November 2017 Investor Deck
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

As Shown in November 2017 Investor Deck
**Stock Ticker**

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