

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name  ConocoPhillips		<b>2</b> Issuer's employer identification number (EIN)  01-0562944	
<b>3</b> Name of contact for additional information  Investor Relations	<b>4</b> Telephone No. of contact  (281) 293-5000	<b>5</b> Email address of contact  investor.relations@conocophillips.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  925 N. Eldridge Parkway		<b>7</b> City, town, or post office, state, and ZIP code of contact  Houston, TX 77079	
<b>8</b> Date of action  February 8, 2021		<b>9</b> Classification and description  Senior Notes Exchange (see attachment)	
<b>10</b> CUSIP number  See attachment	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment.

**Part II** **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► See attachment.

18 Can any resulting loss be recognized? ► See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See attachment.

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
	Signature ► <u>Donna Bode</u>		Date ► <u>02/23/2021</u>		
	Print your name ► <u>Donna Bode</u>		Title ► <u>Tax Administration Officer</u>		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►	Firm's EIN ►			
	Firm's address ►	Phone no.			

**CONOCOPHILLIPS**  
**EIN: 01-0562944**  
**ATTACHMENT TO IRS FORM 8937**  
**REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES**

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The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Debt Exchange (as defined below) on the tax basis of new notes issued by ConocoPhillips, a Delaware corporation (“ConocoPhillips”), in exchange for certain notes issued by Concho Resources Inc., a Delaware corporation (“Concho Resources”). The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. Neither ConocoPhillips nor Concho Resources provides tax advice to the holders of its notes. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to holders and their tax advisors when establishing their specific tax positions. Holders are encouraged to consult their own tax advisors regarding the particular consequences of the Debt Exchange to them (including the applicability and effect of all U.S. federal, state and local tax laws and non-U.S. tax laws) and should carefully read the Offering Memorandum (as defined below), noting especially the discussion under the heading “Certain U.S. Federal Income Tax Considerations.” The information provided herein is subject to such discussion in all respects.

The Debt Exchange is a part of a larger transaction for which, on January 15, 2021, pursuant to the terms and conditions of the Merger Agreement (as defined below), Falcon Merger Sub Corp. merged with and into Concho Resources, with Concho Resources continuing as the surviving corporation and a wholly owned subsidiary of ConocoPhillips. Any holder of Concho Resources common stock that received shares of common stock of ConocoPhillips in the Merger is encouraged to consult the separate IRS Form 8937 posted by ConocoPhillips with respect to the Merger for information regarding the effect on the basis of such shares.

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**Part I, Lines 9 and 10 – Classification and description; CUSIP number.**

<b>Title of Series of Concho Notes</b>	<b>Maturity Date</b>	<b>CUSIP Number of Concho Notes</b>
3.750% Senior Notes due 2027	October 1, 2027	20605PAH4
4.300% Senior Notes due 2028	August 15, 2028	20605PAK7
2.400% Senior Notes due 2031	February 15, 2031	20605PAM3
4.875% Senior Notes due 2047	October 1, 2047	20605PAJ0
4.850% Senior Notes due 2048	August 15, 2048	20605PAL5

**Part II, Line 14 - Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On January 15, 2021, pursuant to the terms and conditions of the Agreement and Plan of Merger (the “Merger Agreement”), dated as of October 18, 2020, by and among ConocoPhillips, Concho Resources, and Falcon Merger Sub Corp., a Delaware corporation and a wholly owned subsidiary of ConocoPhillips (“Merger Sub”), Merger Sub merged with and into Concho Resources (the “Merger”), with Concho Resources continuing as the surviving corporation and a wholly owned subsidiary of ConocoPhillips.

The Merger is intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code, and the following descriptions and calculations assume that the Merger so qualifies.

In connection with the Merger, ConocoPhillips offered to exchange outstanding notes with an aggregate principal amount of \$3.9 billion issued by Concho Resources (such notes the “Concho Resources Notes”) for up to \$3.9 billion aggregate principal amount of new notes issued by ConocoPhillips (“ConocoPhillips Notes”) and cash (such offers to exchange, the “Exchange Offers,” and the exchange occurring pursuant to such Exchange Offers, the “Debt Exchange”), in each case upon the terms and subject to the conditions set forth in the Offering Memorandum and Consent Solicitation Statement dated December 7, 2020 (as amended or supplemented through the date of action listed herein, the “Offering Memorandum”).

Concurrent with the Exchange Offers, Concho Resources solicited consents to amend the applicable indentures with respect to each series of Concho Resources Notes, in each case upon the terms and subject to the conditions set forth in the Offering Memorandum (the “Consent Solicitations”).

ConocoPhillips intends to treat (i) the ConocoPhillips Notes and the Concho Resources Notes as securities for U.S. federal income tax purposes and (ii) the Debt Exchange as an exchange of securities in pursuance of the “plan of reorganization” (within the meaning of the Code and applicable Treasury Regulations) of which the Merger is a part, and the following descriptions and calculations assume that the Debt Exchange so qualifies.

ConocoPhillips intends to take the position that the effectiveness of the amendments pursuant to the Consent Solicitations does not constitute a “significant modification” of the Concho Resources Notes for U.S. federal income tax purposes, and the following descriptions and calculations assume that there will not be any U.S. federal income tax consequences to holders of Concho Resources Notes that do not participate in the Exchange Offers.

**Part II, Line 15 - Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

A holder of Concho Resources Notes that exchanges such notes for ConocoPhillips Notes and cash pursuant to the Debt Exchange generally will recognize gain, but not loss, in an amount equal to the lesser of (i) the excess of the amount realized by the holder on the Debt Exchange

over the holder's adjusted tax basis in the Concho Resources Notes exchanged and (ii) the amount of cash received in the Debt Exchange (excluding (x) any cash received in lieu of fractional ConocoPhillips Notes not delivered, which is discussed below, and (y) any portion of any cash received in the Debt Exchange that is attributable to accrued interest on such ConocoPhillips Notes). The amount realized by a holder on the Debt Exchange generally is the sum of the amount of cash received in the Debt Exchange (excluding (x) any cash received in lieu of fractional ConocoPhillips Notes not delivered, which is discussed below, and (y) any portion of any cash received in the Debt Exchange that is attributable to accrued interest on such ConocoPhillips Notes) and the "issue price" of the ConocoPhillips Notes received. The "issue price" of each series of ConocoPhillips Notes will be reported separately by ConocoPhillips pursuant to Treasury Regulations Section 1.1273-2(f)(9).<sup>1</sup> If a holder acquired different Concho Resources Notes at different times or at different prices, such holder should consult its own tax advisor regarding the manner in which gain or loss should be determined.

A holder's initial tax basis in the ConocoPhillips Notes received by such holder will be equal to the adjusted tax basis of the Concho Resources Notes surrendered therefor, reduced by the amount of cash received by the holder (excluding (x) any cash received in lieu of fractional ConocoPhillips Notes not delivered, which is discussed below, and (y) any portion of any cash received in the Debt Exchange that is attributable to accrued interest on such ConocoPhillips Notes) and increased by the amount of gain, if any, recognized by the holder on the Debt Exchange.

Each holder that receives cash in lieu of fractional ConocoPhillips Notes will be treated as having received the fractional ConocoPhillips Notes pursuant to the Debt Exchange and then as having exchanged the fractional ConocoPhillips Notes for cash. Accordingly, each such holder generally will recognize gain or loss equal to the difference between (i) the amount of cash received and (ii) the portion of the basis of such holder's ConocoPhillips Notes allocable to such fractional ConocoPhillips Notes.

**Part II, Line 16 - Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

The aggregate tax basis of the ConocoPhillips Notes received by a holder will be equal to the aggregate adjusted tax basis of the Concho Resources Notes surrendered therefor, reduced by the amount of cash received by the holder (excluding (x) any cash received in lieu of fractional ConocoPhillips Notes not delivered and (y) any portion of any cash received in the Debt Exchange that is attributable to accrued interest on such ConocoPhillips Notes) and increased by the amount of gain, if any, recognized by such holder on the Debt Exchange.

The following is an example of how the above-described approach to basis determination would apply with respect to a recipient of ConocoPhillips Notes in the Debt Exchange, which assumes that (i) all Concho Resources Notes exchanged by the holder were part of a single series of Concho Resource Notes (e.g., 3.750% Senior Notes due 2027), (ii) all Concho Resources Notes

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<sup>1</sup> Information on the "issue price" of each series of ConocoPhillips Notes will be available at [conocophillips.com/investor-relations/shareholder-services/](http://conocophillips.com/investor-relations/shareholder-services/).

exchanged by the holder were acquired on the same date and at the same price, and (iii) no cash is received in lieu of fractional ConocoPhillips Notes:

**Assumptions:**

- Principal amount of Concho Resources Notes validly tendered at or before the Early Tender Date (as defined in the Offering Memorandum) and not validly withdrawn and accepted for exchange: \$1,000
- Principal amount of Concho Resources Notes validly tendered after the Early Tender Date but at or before the Expiration Date (as defined in the Offering Memorandum) and not validly withdrawn and accepted for exchange: \$0
- Principal amount of ConocoPhillips Notes received in the Debt Exchange: \$1,000
- Amount of cash received in the Debt Exchange: \$1.00
- Amount of cash attributable to accrued interest on ConocoPhillips Notes received in the Debt Exchange: \$0
- Issue price of ConocoPhillips Notes received in the Debt Exchange: \$1,134.70<sup>2</sup>
- Adjusted tax basis in Concho Resource Notes validly tendered: \$996.36
- Gain recognized by holder (lesser of (i) \$1.00 plus \$1,134.70 minus \$996.36 and (ii) \$1.00): \$1.00

Aggregate tax basis of the ConocoPhillips Notes received in the Debt Exchange (\$996.36 minus \$1.00 plus \$1.00): \$996.36

**Part II, Line 17 - List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 354, 356, 358, 368, 1001, 1012 and 1273 of the Code.

**Part II, Line 18 - Can any resulting loss be recognized?**

Holders of Concho Resources Notes generally may not recognize any loss for U.S. federal income tax purposes as a result of the Debt Exchange, except with respect to cash, if any, received in lieu of fractional ConocoPhillips Notes.

**Part II, Line 19 - Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Debt Exchange was effective on February 8, 2021. For a holder of Concho Resources Notes whose taxable year is the calendar year, the reportable tax year is 2021.

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<sup>2</sup> Issue price for illustrative purposes only. Information on the “issue price” of each series of ConocoPhillips Notes will be available at [conocophillips.com/investor-relations/shareholder-services/](http://conocophillips.com/investor-relations/shareholder-services/).