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NEWS RELEASE

April 25, 2013

## First-Quarter 2013 Alaska Earnings Review

ANCHORAGE, Alaska – In connection with ConocoPhillips' first-quarter 2013 earnings, which were announced earlier today, ConocoPhillips Alaska, Inc. (COPA) reported the following 2013 Alaska earnings facts:

As reported in the earnings supplemental information, COPA had net earnings of \$543 million in the first-quarter of 2013. This amount is down from \$570 million in the fourth-quarter of 2012. First-quarter 2013 production was approximately four thousand barrels of oil equivalent per day lower than the prior quarter due primarily to normal field decline. During the first-quarter of 2013, COPA incurred an estimated \$1.2 billion in obligations to Alaska and the federal government. Of this amount, an estimated \$900 million was due to Alaska in the form of severance taxes, royalties, property taxes and state income tax.

“Our first-quarter earnings continue the general trend where under ACES, ConocoPhillips Alaska pays more than twice as much in taxes and royalties as we keep,” said Bob Heinrich, Vice President Finance, for ConocoPhillips Alaska. “We are encouraged by improvements the legislature and Governor have made to the state’s production tax and believe it should lead to more North Slope investment and production, even though the changes in the tax structure will not take effect until January 1, 2014.”

In addition, COPA reported the following:

### First-Quarter 2013

- COPA taxes and royalties due to Alaska and federal income tax = \$1.2 billion
  - COPA taxes and royalties due to Alaska = \$0.9 billion
  - COPA federal taxes = \$0.3 billion
- COPA earnings = \$0.5 billion

### Full-Year 2012

- COPA taxes and royalties due to Alaska and federal income tax = \$4.9 billion
  - COPA taxes and royalties due to Alaska = \$3.7 billion
  - COPA federal taxes = \$1.2 billion
- COPA earnings = \$2.3 billion

Following the changes to Alaska’s production tax, ConocoPhillips last week announced plans to pursue new work on the North Slope. Specifically:

- bringing an additional rig into Kuparuk this spring;
- working with co-owners on funding for a new drill site (DS-2S) on the southwest flank of the Kuparuk River Field; and
- entering the regulatory/permitting activities phase and progressing the engineering for the Greater Moose’s Tooth Unit in the National Petroleum Reserve-Alaska (NPR-A).

These are some examples of the activities ConocoPhillips plans to kick off in the near future to help bring new investments to, and produce more oil from, legacy and satellite fields.

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ConocoPhillips has been leading the search for energy in Alaska for more than 50 years. We are committed to responsibly developing Alaska’s resources, providing economic opportunity for Alaska, operating at the highest safety standards and being good stewards of our community. For more

information, visit [www.conocophillipsalaska.com](http://www.conocophillipsalaska.com).

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**CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

*This news release contains forward-looking statements. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by a variety of risks and other matters including, but not limited to, changes in commodity prices; changes in expected levels of oil and gas reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; difficulties in developing new products and manufacturing processes; unexpected cost increases; international monetary conditions; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; and general domestic and international economic and political conditions; as well as changes in tax, environmental and other laws applicable to our business. Other factors that could cause actual results to differ materially from those described in the forward-looking statements include other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission. Unless legally required, ConocoPhillips undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*