



700 G Street
P. O. Box 100360
Anchorage, AK 99510
Phone: 907.276.1215
www.conocophillipsalaska.com

NEWS RELEASE

November 19, 2014

ConocoPhillips Contracts for a New Coiled Tubing Drilling Rig

ANCHORAGE, Alaska –ConocoPhillips Alaska today announced it has signed a contract with Nabors Alaska Drilling to build a new Coiled Tubing Drilling (CTD) Rig for use in the ConocoPhillips-operated Kuparuk River Unit on Alaska's North Slope. This represents the second new-build drilling rig ConocoPhillips has announced since tax reform legislation was passed by the Alaska legislature.

The new Nabors CDR3 CTD rig is scheduled to begin drilling in late 2016, and will join the ConocoPhillips North Slope rig fleet that includes other recent additions Nabors 7ES and 9ES, as well as the recently announced new-build rig Doyon 142, scheduled to begin drilling in early 2016. Each rig requires about 100 direct workers and supports hundreds of indirect jobs. To date, rigs 7ES and 9ES have added over 8,000 barrels of oil per day to Kuparuk production.

"Coiled tubing drilling has proven very successful at Kuparuk, helping to maximize oil recovery in a complex reservoir," said Trond-Erik Johansen, president ConocoPhillips Alaska. "Doubling our Kuparuk CTD capacity will allow us to access more challenged oil and help stem North Slope production decline. The improved business climate created by SB 21 has been an important factor in our decision to increase our drilling activity on the North Slope."

CTD is a leading edge technology that utilizes spools of continuous tubing to re-enter existing wells and then drill multiple horizontal laterals from a central wellbore. CTD has proven successful in producing oil resources that might otherwise be left in the ground. Sister rig CDR2 has drilled 80 wells since it began operations in 2009.

In addition to increasing the number of rigs in its North Slope rig fleet, ConocoPhillips has announced several major development activities since the passage of SB 21. Among the projects being pursued are Greater Mooses Tooth #1 in the National Petroleum Reserve-Alaska; Drill Site 2S in the Kuparuk River Unit, approved for funding in October; and viscous oil development at 1H North East West Sak (NEWS) in the Kuparuk River Unit. Final approvals for 1H NEWS and GMT1 - pending acceptable federal permit approvals - are planned for the first quarter of 2015. GMT1, 1H NEWS and DS2S have a combined estimated cost of about \$2 billion gross and could add tens of thousands of barrels gross to North Slope production by 2018. During construction, each of the three projects will employ hundreds of workers.

- # # # -

About ConocoPhillips Alaska

ConocoPhillips has been leading the search for energy in Alaska for more than 50 years. The company is committed to responsibly developing Alaska's resources, providing economic opportunity for Alaska, operating at the highest safety standards and being good stewards of our communities. For more information, visit www.conocophillipsalaska.com.

Contact

Natalie Lowman
907-263-4153
n.m.lowman@cop.com

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.