Transaction Announcement & Market Update

September 20, 2021
Cautionary Statement

This presentation contains forward-looking statements as defined under the federal securities laws. Forward-looking statements relate to future events, plans and anticipated results of operations, business strategies, and other aspects of our operations or operating results. Graphics that project into a future date constitute forward-looking statements. Also, words and phrases such as “anticipate,” “estimate,” “believe,” “budget,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” and other similar words can be used to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. References to the current operational plan for ConocoPhillips over roughly the next decade pertain to assets currently in our portfolio, plus the assets to be acquired from Shell US E&P Investments LLC (“Shell”), unless indicated otherwise, and are subject to multiple assumptions, including:

- the phased conversion of acquired volumes from the transaction with Concho Resources Inc. (“Concho”) from 2-stream to 3-stream accounting beginning in 2022;
- exclusion of Libya and the Wilcox project in Alaska in production and capital costs, as well as associated metrics;
- inclusion of resources associated with Libya and the Wilcox project in total resources;
- an oil price of $50/BBL West Texas Intermediate in 2020 dollars, escalating at 2% annually;
- an oil price of $55/BBL Brent in 2020 dollars, escalating at 2% annually;
- a gas price of approximately $3/MMBtu Henry Hub in 2020 dollars increasing in real terms towards a price of approximately $3.25 by 2031, escalating at 2% annually;
- cost of supply includes carbon tax where carbon policy exists and a proxy carbon price for assets without existing carbon policies. Current estimates of carbon costs include ~$17/BBL for the portfolio average. Please refer to the cost of supply definition in the Appendix for additional information on how carbon costs are included in the cost of supply calculation.

References to the prior plan or market update refer to the market update that was provided on June 30, 2021. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is based on management’s assumptions and is subject to uncertainty and risk. We believe that the forward-looking statements are reasonable based on our current knowledge, judgment, and competitive experience. However, forward-looking statements are inherently subject to risks and uncertainties, and the results may differ from the expectations. Therefore, the forward-looking statements should not be regarded as representations, assurances, guarantees, or predictions and should not be regarded as a representation that our future or expected results will be achieved. We do not intend to, and we are not obligated to, update or revise our forward-looking statements.

Company operations are subject to risks and uncertainties that could affect our liquidity and capital resources and could affect our ability to respond to competitive and economic conditions. These risks and uncertainties include but are not limited to: the impact of pandemics (such as COVID-19) and epidemics and any related company or government policies or actions; global and regional changes in the demand, supply, prices, differentials or other market conditions affecting oil and gas, including changes resulting from a public health crisis or from the imposition or lifting of crude oil production quotas or other actions that might be imposed by OPEC and other producing countries and the resulting company or third-party actions in response to such changes; changes in commodity prices, including a prolonged decline in these prices relative to historical or future expected levels; changes in expected levels of oil and gas reserves or production; potential failures or delays in achieving expected reserve or production levels from existing and future oil and gas developments, including due to operating hazards, drilling risks or unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining or modifying company facilities; legislative and regulatory initiatives addressing global climate change or other environmental concerns; investment in and development of competing or alternative energy sources; disruptions or interruptions impacting the transportation for our oil and gas production; international monetary conditions and exchange rate fluctuations; changes in international trade relationships, including the imposition of trade restrictions or tariffs on any materials or products (such as aluminum and steel) used in the operation of our business; our ability to collect payments when due under our settlement agreement with PDVSA; our ability to access capital and funds from the capital and the financial markets; the impact of the regulatory environment; the impact of the financial markets; the impact of government regulation, including any changes in income tax, environmental rules and regulations, and other regulatory requirements; and other factors that may or may not be currently known. Other factors that may have a material impact on our business are described from time to time in our company’s filings with the SEC.

Use of Non-GAAP Financial Information – This presentation includes non-GAAP financial measures, which help facilitate comparison of company operating performance across periods and with peer companies. Any non-GAAP measures related to historical periods included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure both at the end of this presentation and on our website at www.conocophillips.com/nonpage. For forward-looking non-GAAP measures we are unable to provide a reconciliation to the most comparable GAAP measure because the information needed to reconcile these measures is dependent upon future events, many of which are outside of management’s control as described above. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with our accounting policies for future periods is extremely difficult and requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Unprecedented circumstances and other events outside our control may limit our ability to accurately assess or predict future conditions. Our forward-looking statements are subject to these risks and uncertainties as well as to other factors, including those that we believe are material, that may cause actual results to differ materially from what is presented. Our ability to continue to implement and achieve our business strategies and objectives will depend on our ability to manage the risks and uncertainties we face. Our forward-looking statements should not be regarded as representations, assurances, guarantees, or predictions and should not be regarded as a representation that our future or expected results will be achieved. We do not intend to, and we are not obligated to, update or revise our forward-looking statements. We recommend that investors review the risk factors described in the Company’s annual report on Form 10-K for the most recently completed fiscal year and any other documents we file with the SEC from time to time. We caution investors not to rely on forward-looking statements and forward-looking statements should not be regarded as representations, assurances, guarantees, or predictions and should not be regarded as a representation that our future or expected results will be achieved.

Cautionary Notice to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only probable and probable reserves. We use terms and metrics such as “resource” or “Estimated Ultimate Recovery (EUR)” in this presentation that are not presented from using in filings with the SEC under the SEC’s guidelines. 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.
Announced Actions Strongly Align with Proven Value Proposition

**TRIPLE MANDATE**
- Meet Transition Pathway Demand
- Deliver Competitive Returns
- Achieve Net-Zero Emissions Ambition

**ANNOUNCED ACTIONS**

**HIGHLY ACCRETIVE ASSET TRANSACTION**
for $9.5 billion in cash

- ~225,000 net acres
- ~200 MBOED (2022E)
in heart of Delaware Basin

- ~$10B increase in FCF
- ~100% of market cap distributed in 10-year plan at $50/BBL WTI

- ~7% INCREASE IN ORDINARY DIVIDEND
- ~8% of market cap distributed in 2021

**IMPROVED GHG REDUCTION TARGET**
2030 intensity reduction target of **40-50%**
on a net equity and gross operated basis

**FOUNDATIONAL PRINCIPLES**

- Balance Sheet Strength
- Disciplined Investments
- Peer-Leading Distributions
- ESG Excellence
Transaction Significantly Enhances Powerful 6/30/2021 Plan

**10-YEAR PLAN AT $50/BBL WTI**

2022-2031

**Price Upside**
- $60/BBL WTI
- ~$165B CFO at $50/BBL WTI

**CFO**
- $40/BBL WTI

**Debt & Refi** ~$5B
- ADDN’L DIST ~$10B

**June Plan**
- ADDN’L DIST $42B

**Dividends** $24B

**Capital** $83B

**Cash Balance** $4B

**JUNE 30 PLAN**
- ~$145B

**Today’s Plan**
- ~$165B

**Change**
- ~$20B

**Free Cash Flow**
- ~$70B

**Today’s Plan**
- ~$80B

**Change**
- ~$10B

**Shareholder Distributions**
- ~$65B

**Today’s Plan**
- ~$75B

**Change**
- ~$10B

**2031 ROCE**
- 17%

**Today’s Plan**
- ~20%

**Change**
- ~3 Percentage Points

**Avg. Annual Capital**
- ~$7B

**Today’s Plan**
- ~$8B

**Change**
- ~$1B

**Reinvestment Rate**
- ~50%

**Today’s Plan**
- ~50%

**Change**
- Aligned

**Production CAGR**
- ~3%

**Today’s Plan**
- ~3%

**Change**
- Aligned

**Torque to Price Upside**
- CFO for $10/BBL change for 10Y Plan
- ~$30B

**Today’s Plan**
- ~$35B

**Change**
- ~$5B

**GHG Intensity Reduction**
- 2030 Target expanded to include net equity production
- 35-45%

**Today’s Plan**
- 40-50%

**Change**
- +5 Percentage Points

**~100% OF MARKET CAP DISTRIBUTED TO SHAREHOLDERS OVER THE DECADE AT $50/BBL WTI**

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1. 2020 Real, escalating at 2% annually. 2. 2022-2031. 3. 2030 target relative to a Dec. 31, 2016 baseline for scope 1 and 2 emissions on a net equity and gross operated basis. Totals may not foot due to rounding. See Cautionary Statement for details on pricing assumptions. Cash balance includes cash, cash equivalents, restricted cash and short-term investments. Market cap of $77B on Sep. 13, 2021. Cash from operations (CFO), free cash flow, return on capital employed (ROCE) and reinvestment rate are non-GAAP measures defined in the Appendix.
**Transaction on a Page: Accretion, Scale, Value Upside and ESG Leadership**

**TRANSACTION HIGHLIGHTS AND METRICS**

- **~225,000** net acres
- **3.7X** 2022E EBITDA
- **~200 MBOED** 2022E production
- **$2.6B & $1.9B** 2022E CFO & FCF$^1$
- **20%** 2022E FCF yield
- **$9.5 BILLION** headline price
- **$47,500** 2022E $/BOED$^2$
- **JULY 1, 2021** effective date
- **$15,600** 4Q 2021 $/NET ACRE$^3$
- **4Q 2021** anticipated close

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**Highly accretive** on key financial metrics

**Complementary, low CoS** addition to Permian position

Enhanced **free cash flow** generation and shareholder distributions

Increasing disposition target by $2B to $4-5B

Significant value upside from applying proven efficiencies to **increased scale**

Elevates **ESG leadership** with additional low GHG intensity production

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1. Metrics based on strip pricing as of Sep. 15, 2021, preliminary assessment of 2022 capital, and transaction headline price. 2. Represents transaction headline price over estimated 2022 production of 200 MBOED. 3. Represents adjusted dollar per acre. Assumes transaction headline price adjusted for production value, estimated at $30,000 per BOED assuming 2022 estimated production of 200 MBOED and 225,000 net acres. Cash from operations (CFO), free cash flow (FCF) and EBITDA are non-GAAP measures defined in the Appendix.
ConocoPhillips currently the leader in Delaware Basin capital efficiency.

“One of the significant advantages we have in the Lower 48 is our ability to leverage our learning, knowledge and expertise across these four basins. This will have a substantial impact on accelerating learning curves and driving efficiency.”

– Market Update, June 2021

ConocoPhillips oil EUR and other metrics presented exclude the assets to be acquired. 1Source: Enverus as of September 2021; Top-10 Delaware Basin operators by count of new wells online as of Jan. 1, 2020. Outlier data excluded for all operators. Companies: Chevron, Cimarex, Devon, Diamondback, EOG, Exxon, Mewbourne, Occidental and Shell. 2Metrics represent total Lower 48 and are calculated using weighted-average well count by asset. Production metric normalized for 2020 curtailments and 2021 winter storm impacts. Operating costs is a non-GAAP measure defined in the Appendix.
ConocoPhillips’ Trifecta Advantage: Scale, Low Capital Intensity and Diversification

**LOWER 48 ONSHORE SCALE**
Top 10 Producers – 2Q 2021 NET MBOED

**CONOCOPHILLIPS GLOBAL SCALE & DIVERSIFICATION**
Pro Forma Production – 2Q 2021

- **1.7 MMBOED**
  - 12% EMENA
  - 14% ASIA PACIFIC
  - 6% CANADA
  - 12% ALASKA
  - 56% LOWER 48 PRO FORMA

**MEGATREND DIVERSIFICATION**
Top 10 E&Ps – 2Q 2021 NET MBOED

- **PRO FORMA**
- **UNCONVENTIONAL**
- **CONVENTIONAL**
- **LNG**
- **OIL SANDS**
- **HEAVY OIL**

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**LOW BASE DECLINE (3Y CADR)**

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<tr>
<th></th>
<th>COP</th>
<th>AVG. L48 E&amp;P^4</th>
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<tbody>
<tr>
<td>CONOCOPHILLIPS</td>
<td>@ ~90%</td>
<td>~11%</td>
</tr>
<tr>
<td>ACQUISITION</td>
<td>@ ~10%</td>
<td>~22%</td>
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<tr>
<td><strong>TOTAL</strong></td>
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**INCREASED SCALE; RETAINS DIVERSIFICATION & LOW BASE DECLINE ADVANTAGE**

^1Represents 2Q 2021 onshore Lower 48 production per public disclosures where available and Wall Street Research; Peers include CLR, CVX, DVN, EOG, FANG, OVV, OXY, PXD and XOM. ConocoPhillips production calculated using 2Q 2021 actual production and assumes ~180 MBOED for the assets to be acquired. Calculated using 2Q 2021 actual production, excluding Libya, and assumes ~180 MBOED in Lower 48 pro forma production for the assets to be acquired. *Based on WoodMac resource themes aggregated to Conventional, Unconventional, LNG and Oil Sands/Heavy Oil. Showing the top 10 E&Ps in terms of production in 2Q 2021 including AR, CNQ, CVE, COP, EOG, EQT, OXY, PXD, REP and SU. ConocoPhillips unconventional production calculated using 2Q 2021 actual production and assumes ~180 MBOED for the assets to be acquired. *Source: Wood Mackenzie Lees. Peers include PXD, DVN, EOG, CHK, OVV, RRC, FANGs, EQT, CLR, WILL and Endeavor.
Announced Actions Strongly Align with Proven Value Proposition

**TRIPLE MANDATE**
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- Deliver Competitive Returns
- Achieve Net-Zero Emissions Ambition

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  - ~225,000 net acres
  - ~200 MBOED (2022E) in heart of Delaware Basin
  - ~$10B increase in FCF
    - ~100% of market cap distributed in 10-year plan at $50/BBL WTI
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- Improved GHG Reduction Target
  - 2030 intensity reduction target of 40-50% on a net equity and gross operated basis

**FOUNDATIONAL PRINCIPLES**
- Balance Sheet Strength
- Disciplined Investments
- Peer-Leading Distributions
- ESG Excellence

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1. Scope 1 and 2 emissions on a net equity and gross operated basis.
2. 2020 Real, escalating at 2% annually. 2030 target relative to a Dec. 31, 2016 baseline. Free cash flow (FCF) is a non-GAAP measure defined in the Appendix. Market cap of $77B on Sep. 13, 2021.
Defined Terms

NON-GAAP TERMS

Cash from operations (CFO): Cash provided by operating activities excluding the impact from operating working capital.

EBITDA: Net income excluding interest, taxes, depreciation and amortization expense.

Free cash flow (FCF): Cash from operations in excess of capital expenditures and investments. Free cash flow is 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 measure. Cash from operations is a non-GAAP measure defined in this Appendix.

Operating costs: The sum of production and operation expenses, selling, general and administrative expenses, exploration general and administrative expenses, geological and geophysical expenses, and lease rental and other exploration expenses.

Return on capital employed: Measure of the profitability of average capital employed in the business. Calculated as a ratio, the numerator of which is historically reported or forecasted net income plus after-tax interest expense, and the denominator of which is average total equity plus average total debt.

Reinvestment rate: Defined as total capital expenditures divided by cash from operations. Cash from operations is a non-GAAP measure defined in this Appendix.

OTHER TERMS

Cost of supply: Cost of supply is the WTI equivalent price that generates a 10% after-tax return on a point-forward and fully burdened basis. Fully burdened includes capital infrastructure, foreign exchange, price-related inflation, G&A and carbon tax (if currently assessed). If no carbon tax exists for the asset, carbon pricing aligned with internal energy scenarios are applied. All barrels of resource in the cost of supply calculation are discounted at 10%.

Distributions: Total of dividends and share repurchases. Also referred to as returns of capital.

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