




ConocoPhillips.
2nd Quarter 2012 Conference Call
Ryan Lance, Chairman and CEO
Jeff Sheets, EVP, Finance and CFO

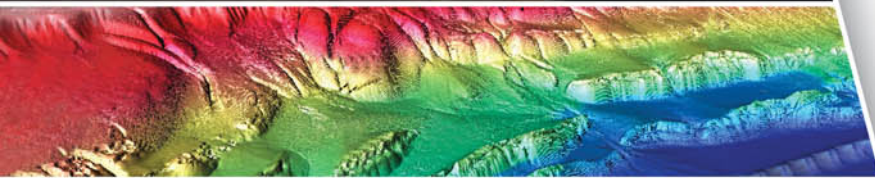
July 25, 2012

Cautionary Statement

The following presentation includes forward-looking statements. These statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations or operating results. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict such as oil and gas prices; operational hazards and drilling risks; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects; unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining or modifying company facilities; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations or 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; general domestic and international economic and political conditions, as well as changes in tax, environmental and other laws applicable to ConocoPhillips' business and other economic, business, competitive and/or regulatory factors affecting ConocoPhillips' business generally as set forth in ConocoPhillips' filings with the Securities and Exchange Commission (SEC).

Use of non-GAAP financial information - This presentation includes non-GAAP financial measures, which are included to help facilitate comparison of company operating performance across periods and with peer companies. A reconciliation of these non-GAAP measures to the nearest corresponding GAAP measure is included in the appendix.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We use the term "resource" in this presentation that the SEC's guidelines prohibit us from including in filings with the SEC. 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.



Second-Quarter Highlights

Strategic

- ▶ Completed spinoff of downstream businesses
- ▶ Generated \$0.5 billion proceeds from dispositions
- ▶ Progressed conventional/unconventional exploration

Operational

- ▶ Met production estimate of 1.54 MMBOED
- ▶ Continued production ramp up from shale plays/oil sands
- ▶ Advanced major projects, including APLNG's Train 2 to FID

Financial

- ▶ Generated \$1.5 billion adjusted earnings, \$1.22 adj. EPS
- ▶ Achieved \$3.0 billion cash from continuing operations, excluding working capital¹
- ▶ Repurchased 52 million shares for \$3.1 billion, bringing 2012 repurchases to ~\$5.0 billion

State of the Business

- ▶ Business is running well – growth on target
 - Unconventional programs continue to perform well
 - Major projects on schedule
 - Planned maintenance activities on track
 - Exploration activities gaining momentum

- ▶ Focused on completing non-core asset sales program
 - Marketing efforts underway
 - Targeting \$8 to \$10 billion in 2012/13

- ▶ Expect capital spending of ~\$16 billion in 2012
 - Reflects expected timing on asset sales
 - Increased acreage and investment in growth opportunities

- ▶ Managing through commodity price volatility
 - Asset sale proceeds available to fund growth programs
 - Flexibility and capacity to execute our plan

2012 – 2013 Investment Priorities and Actions

Sources of Cash

June 2012 Total Cash

\$6 billion¹

Cash From Operations

'12 / '13 Asset Dispositions

\$8 - \$10 billion

Balance Sheet Capacity

Uses of Cash by Priority

Annual Dividend

~\$3 billion

Annual Capital Program

~\$15 billion

Debt Reduction

Maintain "A" Credit Rating

Share Repurchases

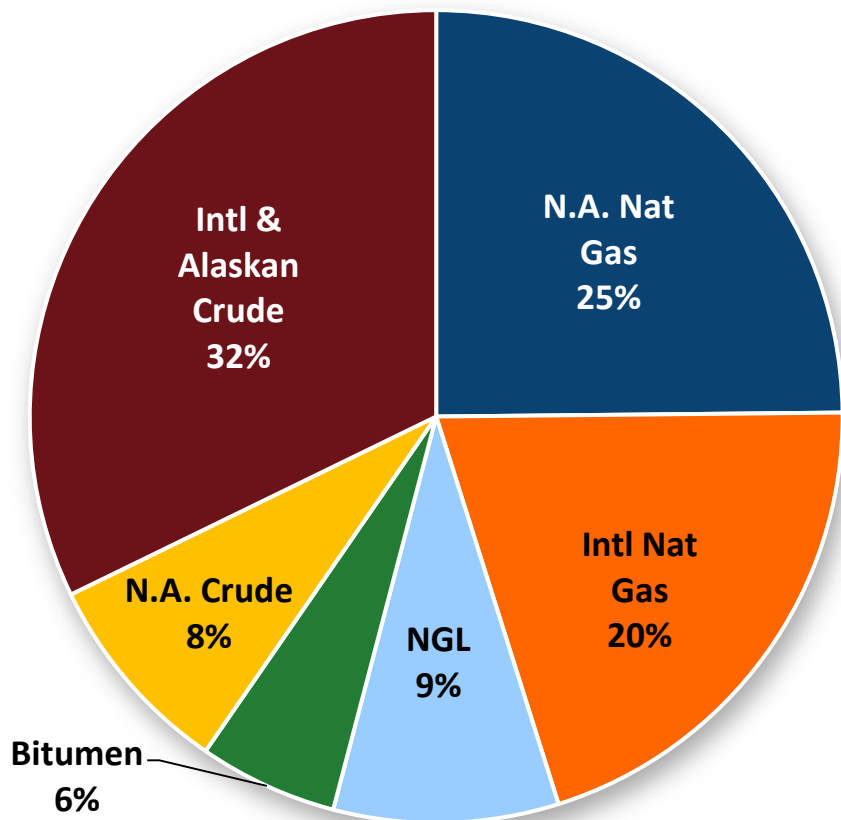
As cash is available

2Q12 Adjusted Earnings Key Drivers

- ▶ Commodity prices trended lower
- ▶ Sales and production volumes as planned
 - Solid performance across the portfolio
 - Significant tri-annual maintenance cycle
 - Lower North American natural gas
- ▶ Operating costs as expected
- ▶ Progressed portfolio rationalization

Volume and Realized Price Overview

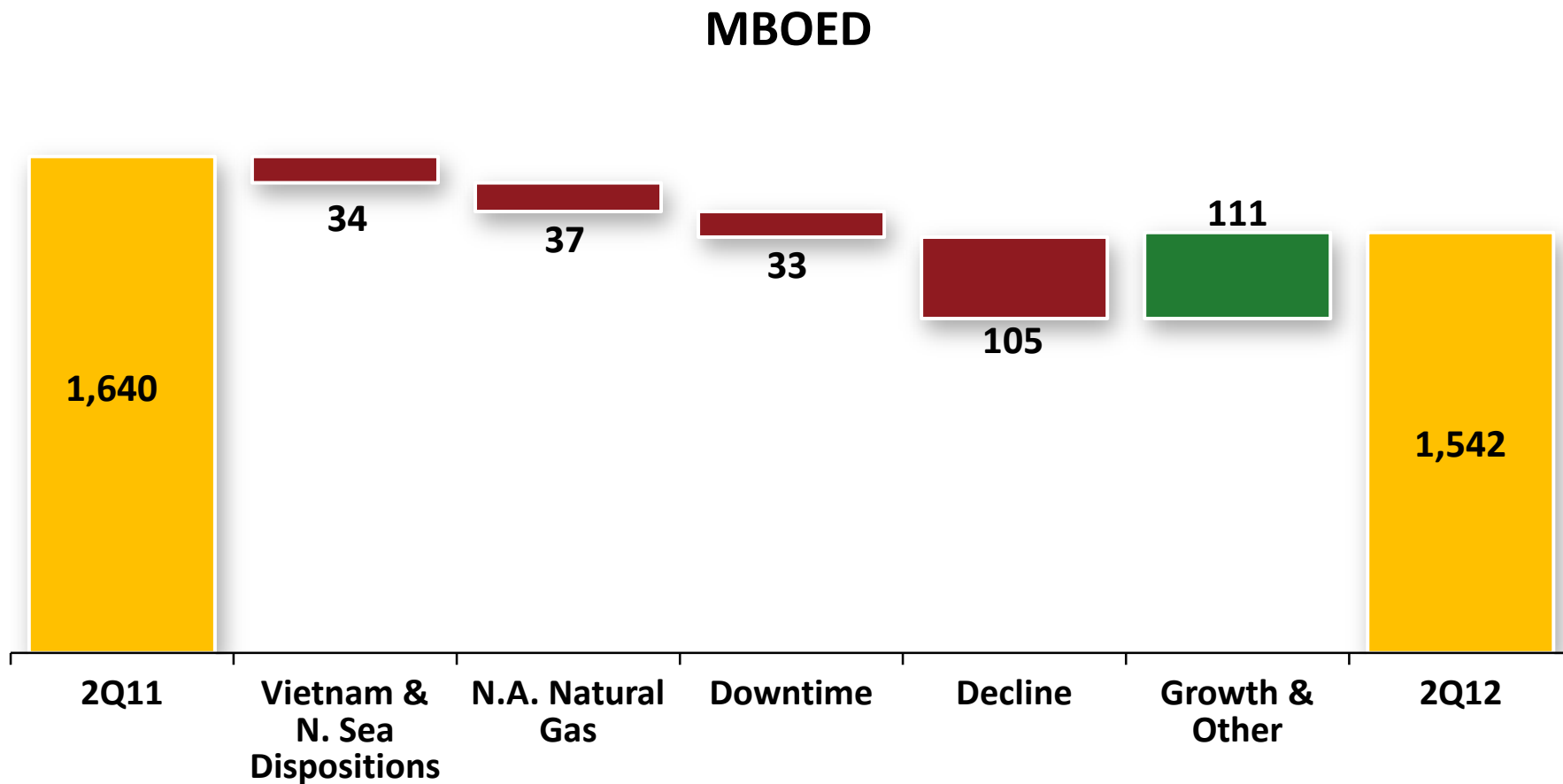
2Q12 Sales Volume Mix



Realized Prices

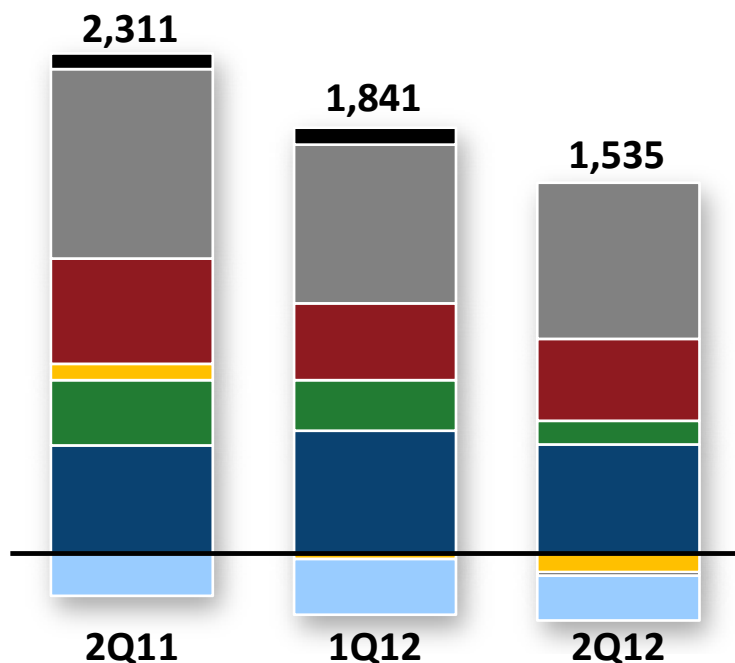
	2Q11	1Q12	2Q12
N.A. (WTI) Crude (\$/Bbl)	\$99	\$98	\$88
Intl & Alaskan Crude (\$/Bbl)	\$115	\$116	\$110
N.A. Nat Gas (\$/Mcf)	\$4.04	\$2.44	\$1.93
Intl Nat Gas (\$/Mcf)	\$10.00	\$11.30	\$11.69
NGL (\$/Bbl)	\$57	\$54	\$44
Bitumen (\$/Bbl)	\$66	\$61	\$51
Total Price¹ (\$/BOE)	\$72	\$71	\$66

2Q12 Performance – Production



2Q12 Performance – Adjusted Earnings

Adjusted Earnings (\$MM)



Adj. EPS	2Q11	1Q12	2Q12
	\$1.64	\$1.42	\$1.22

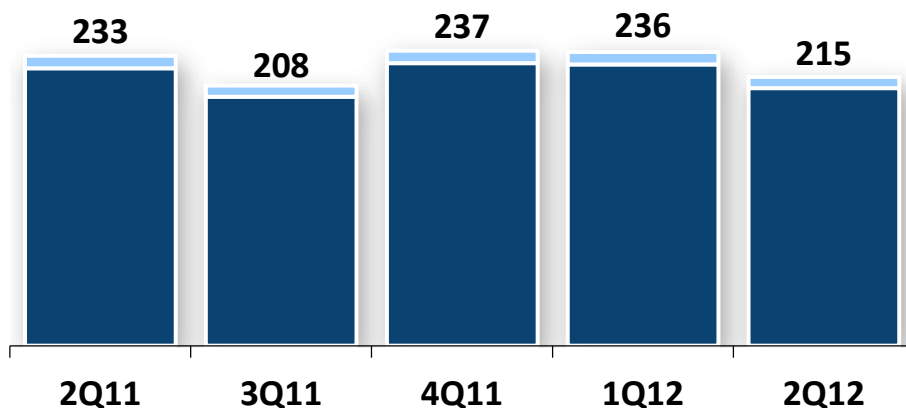
- Alaska
- Canada
- Asia Pacific & Middle East
- Corporate and Other
- Lower 48 & Latin America
- Europe
- Other International

- ▶ North America adversely impacted by commodity prices compared to a year ago
 - Natural gas prices down by more than 50%
 - NGL prices down by more than 20%
 - Bitumen prices lower by 20%
- ▶ Europe underlying earnings impacted by asset dispositions and commodity prices
- ▶ Asia Pacific & Middle East impacted by Bayu-Undan/Darwin LNG turnaround and reduced Bohai production

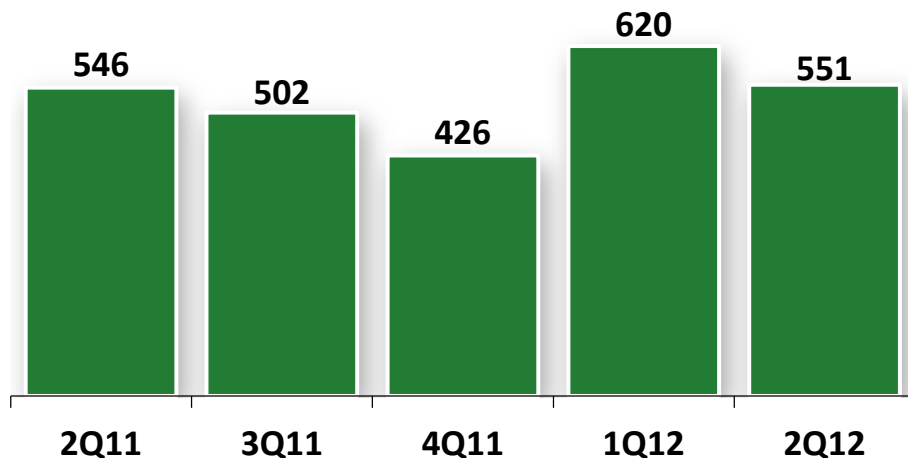
Alaska Segment Overview

Production (MBOED)

■ Liquids ■ Gas



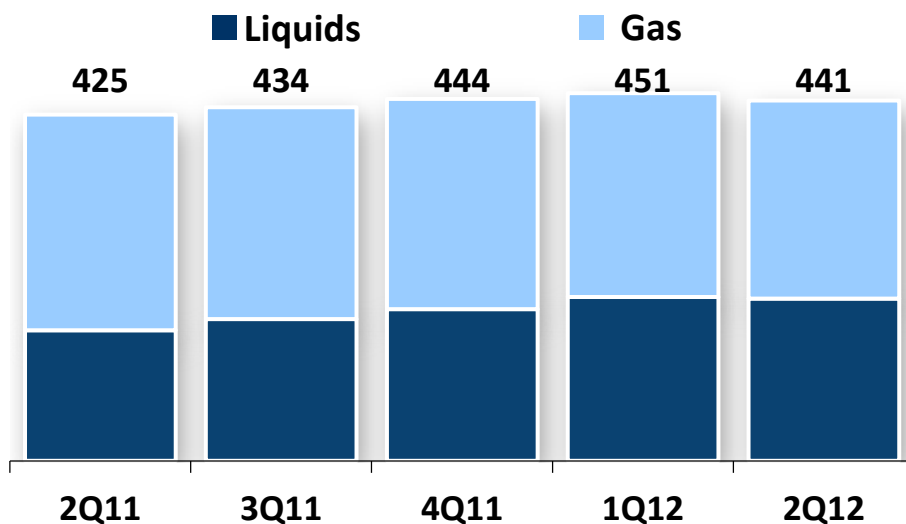
Adjusted Earnings (\$MM)



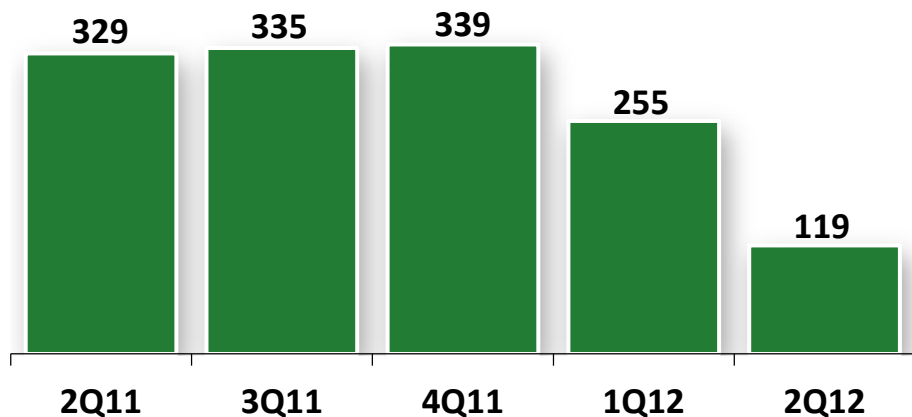
- ▶ Important source of earnings and production performance from legacy asset base
- ▶ Planned turnarounds continuing into third quarter
- ▶ Pursuing additional exploitation opportunities to limit decline rates
- ▶ Opportunities for significant new investments exist but are contingent upon improved fiscal terms
- ▶ Evaluating possible LNG options for ANS Gas

Lower 48 & Latin America Segment Overview

Production (MBOED)



Adjusted Earnings (\$MM)

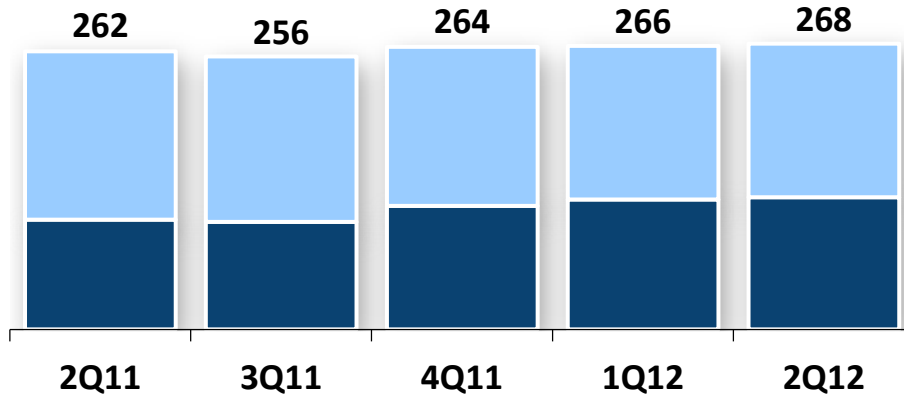


- ▶ Continued success in ramping up production from Lower 48 shale plays
- ▶ 2Q12 financial results lower due to significant drop in natural gas prices and NGL prices
- ▶ Adjusted investment plans to maximize value from liquids production
- ▶ Resuming high-impact deepwater GOM exploration and appraisal
- ▶ Several years of shale development opportunities

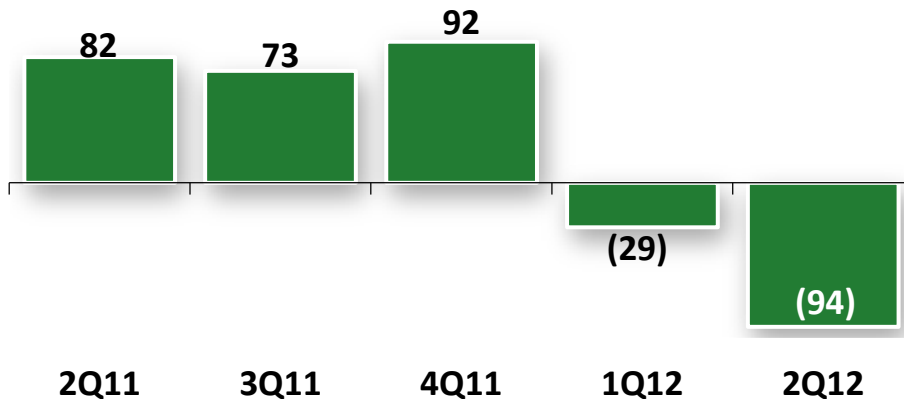
Canada Segment Overview

Production (MBOED)

■ Liquids ■ Gas



Adjusted Earnings (\$MM)

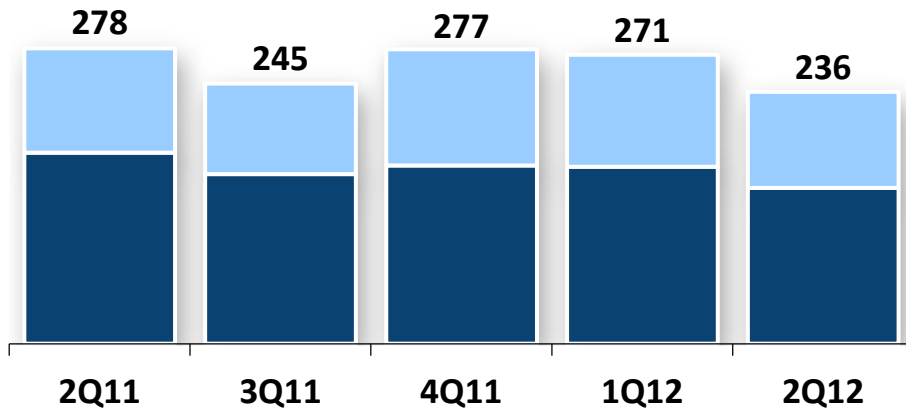


- Growth in liquids production
- Financial results adversely impacted by low natural gas prices and high crude differentials
- Developing Surmont Phase II and additional FCCL expansions
- Scaled back conventional gas investment due to weak natural gas and NGL prices
- Pursuing select liquids-rich shale play pilot programs

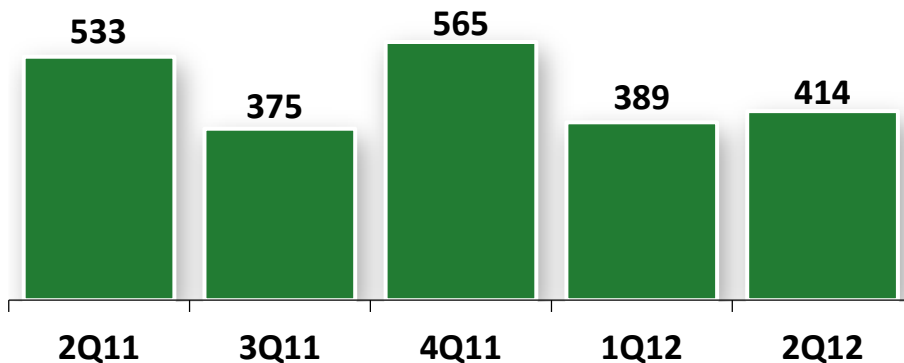
Europe Segment Overview

Production (MBOED)

■ Liquids ■ Gas



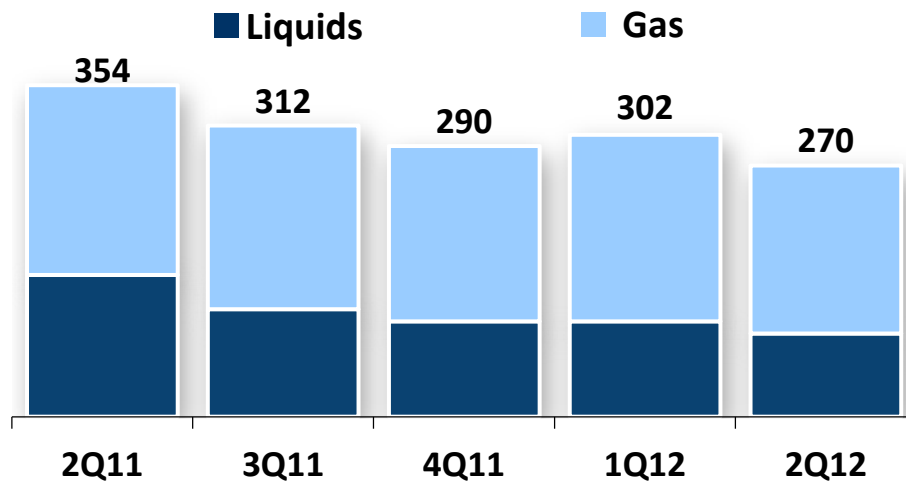
Adjusted Earnings (\$MM)



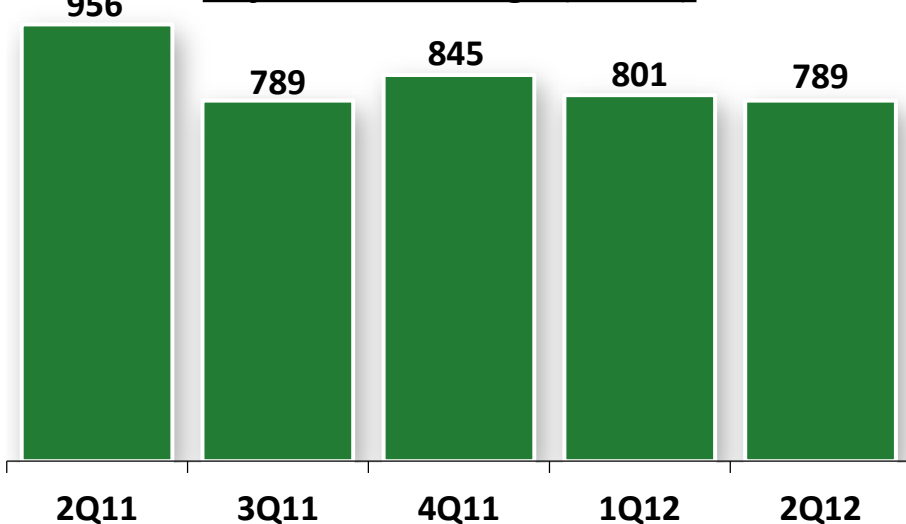
- ▶ Production down due to maintenance downtime and asset sales
- ▶ Segment benefits from a more favorable commodity price environment than North America
- ▶ Projects in the U.K. and Norway on track: Jasmine startup in 2013
- ▶ U.K. decommissioning tax deductibility restrictions enacted in July

Asia Pacific & Middle East Segment Overview

Production (MBOED)



Adjusted Earnings (\$MM)



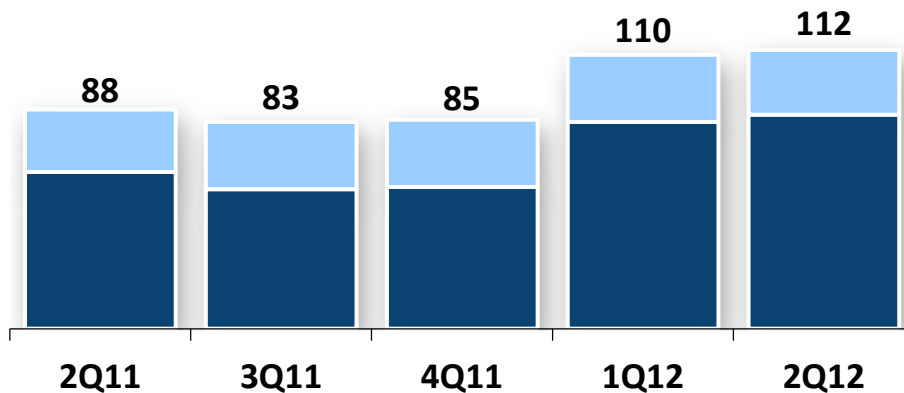
- ▶ Peng Lai produced 30 MBOED net at end 2Q12
- ▶ Vietnam disposition at end of 1Q12
- ▶ Completed major turnaround in Bayu-Undan and Darwin LNG; resumed production at end of 2Q12
- ▶ APLNG FID 2 and project finance agreements signed
- ▶ Executing multiple growth projects in Malaysia
- ▶ Commencing unconventional pilot program in Canning Basin

Other International Segment Overview

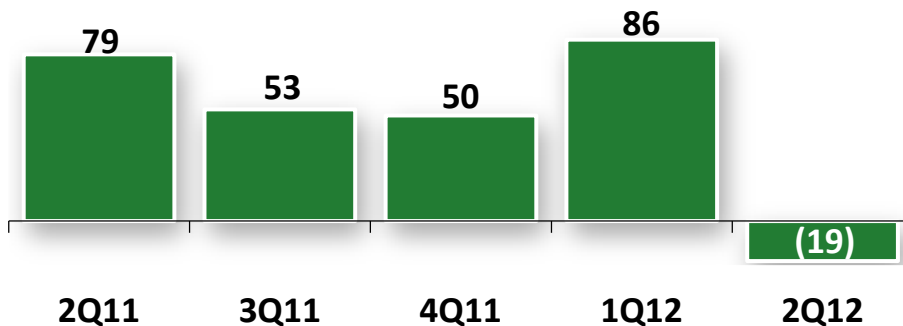
Production (MBOED)

■ Liquids

■ Gas



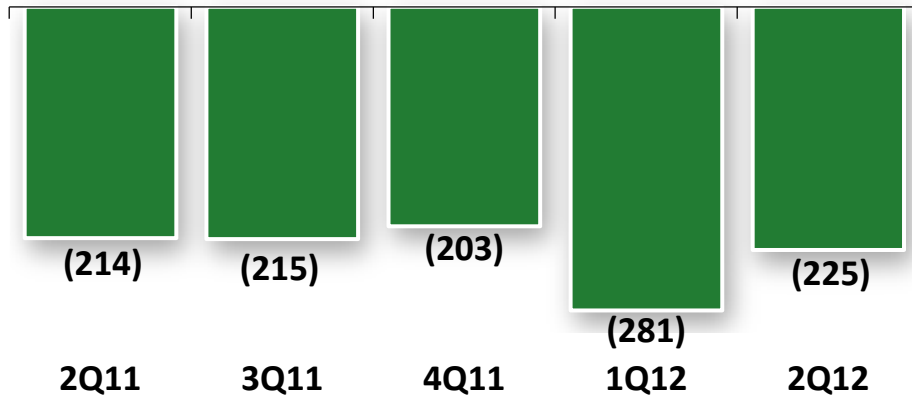
Adjusted Earnings (\$MM)



- Segment includes assets in Russia, Caspian and Africa
- Recent production improvements as Libyan operations return to normal
- 2Q12 earnings impacted by commodity prices and foreign exchange impacts
- Considering divestiture of select assets

Corporate and Other Segment Overview

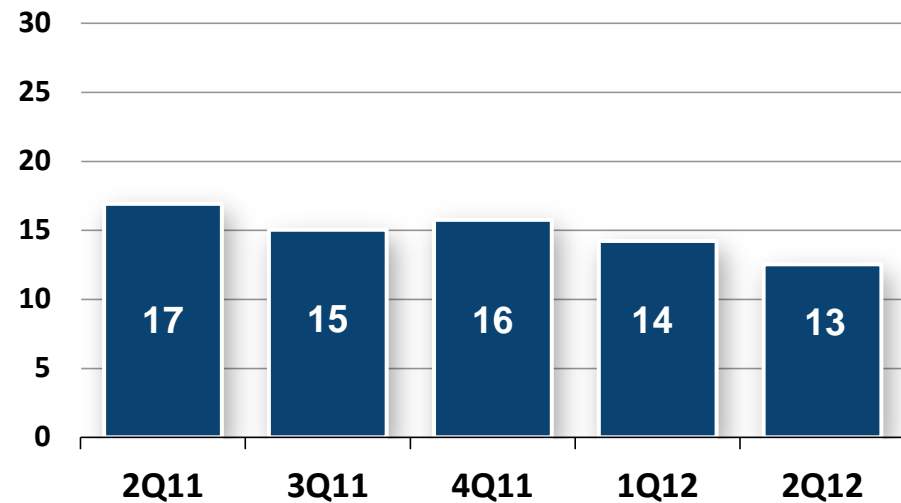
Adjusted Earnings (\$MM)



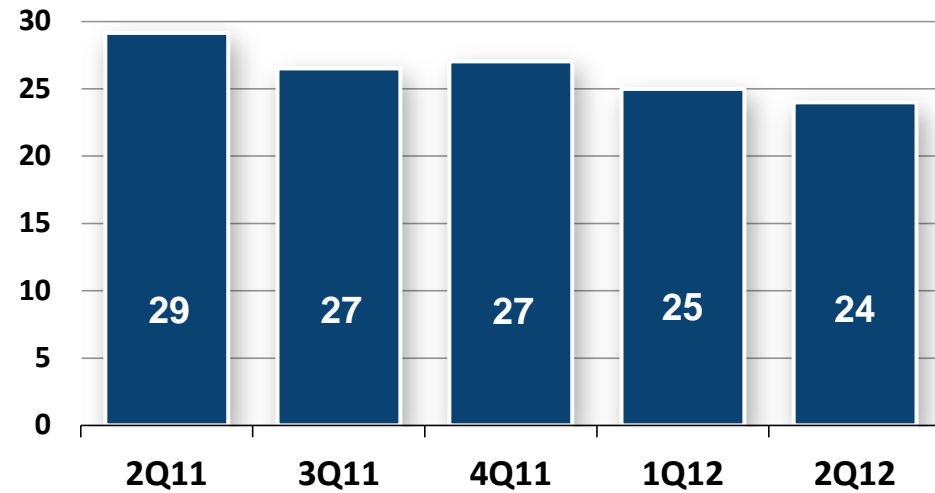
- ▶ Segment includes:
 - Net interest expenses
 - Corporate G&A expenses
 - Environmental costs associated with former businesses
 - Certain foreign exchange transaction gains/losses
 - Emerging technologies/licensing
- ▶ Quarterly results variable
- ▶ 2012 full year estimated impact of ~\$1 billion

Operating Segments Margin and Returns

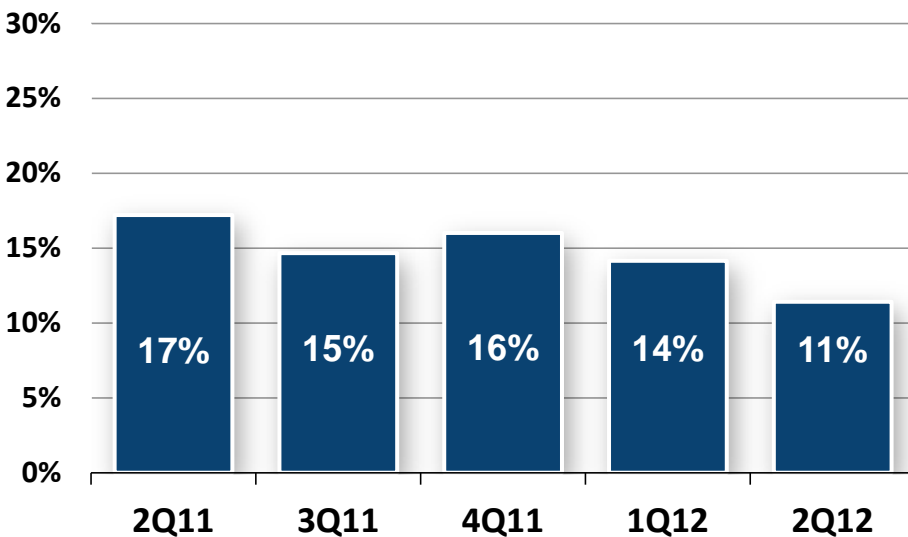
Income per BOE (\$)



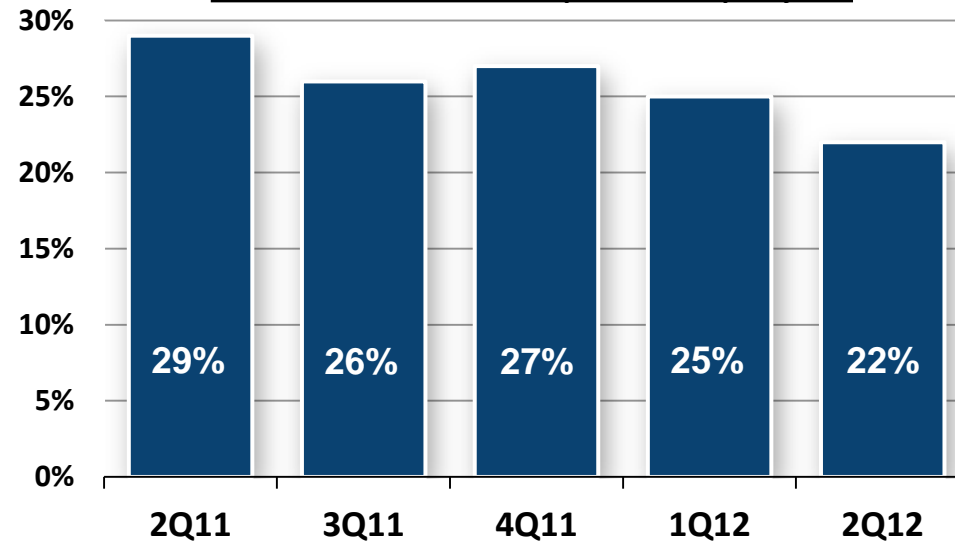
Cash Contribution per BOE (\$)



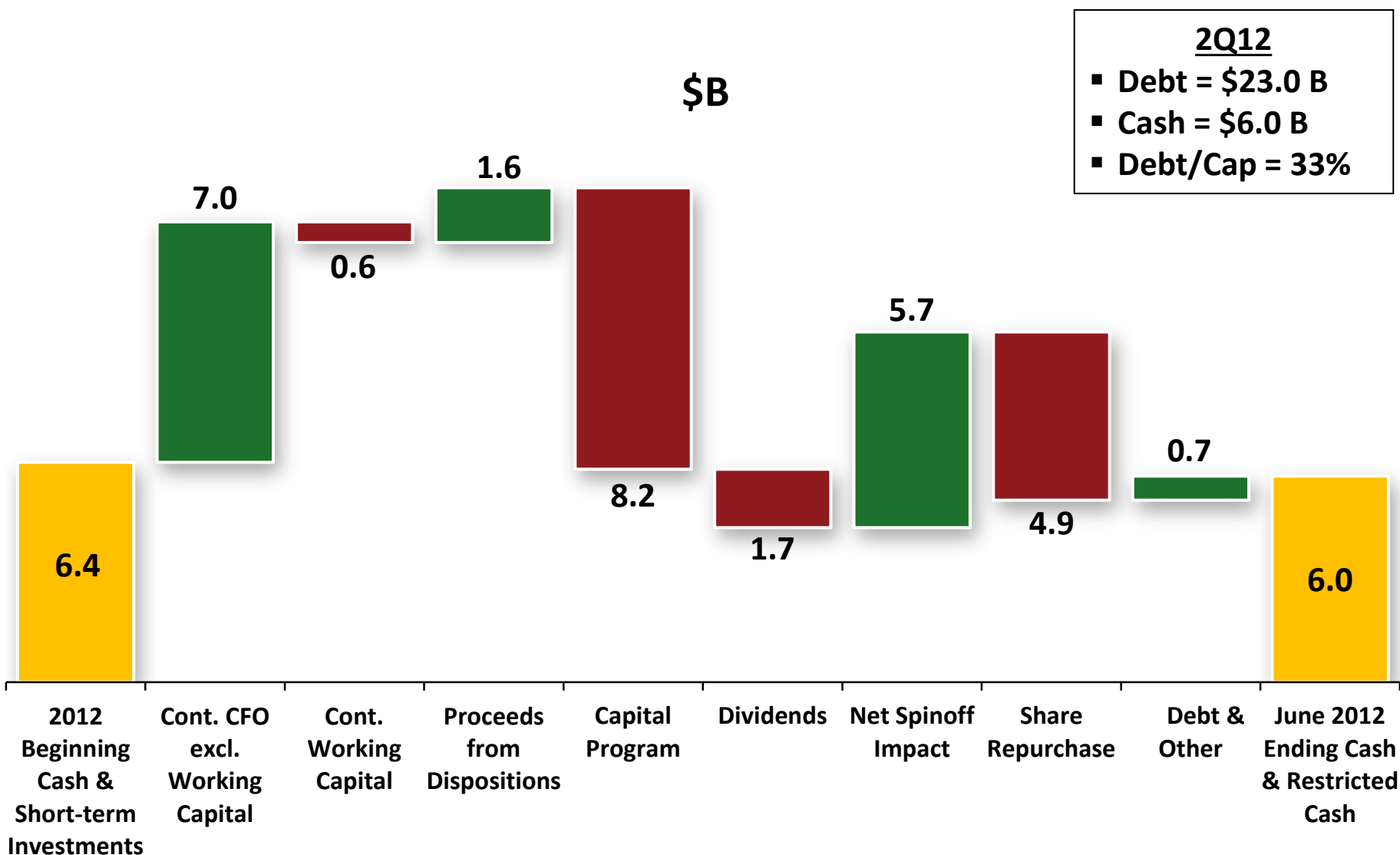
Return on Capital Employed



Cash Return on Capital Employed



2012 YTD Company Cash Flow



Beginning cash and short-term investments includes cash of \$5.8 billion and short-term investments of \$0.6 billion

Cash from continuing operating activities was \$6.4 billion

Ending cash and restricted cash includes cash and cash equivalents of \$1.0 billion and restricted cash of \$5.0 billion

Summary – *Plans Remain on Track*

- ▶ Completed spinoff of Phillips 66
- ▶ Strong operational quarter
- ▶ Focused on executing major projects, exploration programs, and asset sales
- ▶ Managing through commodity price volatility
- ▶ Our long-term value proposition remains unchanged
 - Sector-leading distributions
 - 3 – 5% annual production growth
 - 3 – 5% annual margins growth
 - Ongoing priority to improve returns
 - Relentless focus on safety and execution




ConocoPhillips.

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COP Non-GAAP Reconciliations

Reconciliation of Earnings to Adjusted Earnings

Millions of dollars, except per share amounts

	2011			2012	
	2Q	3Q	4Q	1Q	2Q
Consolidated					
Earnings	\$3,402	2,616	3,390	2,937	2,267
Adjustments:					
Impairments	-	-	649	520	30
Cancelled projects	54	-	-	-	-
Net (gain)/loss on asset sales	(27)	280	15	(937)	(285)
Bohai Bay incidents	-	41	101	-	89
International tax law changes	-	109	-	-	-
Deferred tax adjustment	-	-	-	-	(72)
Separation costs	-	-	25	33	40
Discontinued operations	(1,118)	(1,134)	(2,066)	(712)	(534)
Adjusted earnings	\$2,311	1,912	2,114	1,841	1,535
Earnings per share of common stock	\$ 2.41	1.91	2.56	2.27	1.80
Adjusted earnings per share of common stock	\$ 1.64	1.40	1.60	1.42	1.22
Alaska					
Earnings	\$ 492	502	426	620	551
Adjustments:					
Cancelled projects	54	-	-	-	-
Adjusted earnings	\$ 546	502	426	620	551
Lower 48 and Latin America					
Earnings	\$ 337	334	292	255	119
Adjustments:					
Impairments	-	-	44	-	-
Net (gain)/loss on asset sales	(8)	1	3	-	-
Adjusted earnings	\$ 329	335	339	255	119

COP Non-GAAP Reconciliations

Reconciliation of Earnings to Adjusted Earnings

Millions of dollars, except per share amounts

	2011			2012	
	2Q	3Q	4Q	1Q	2Q
Canada					
Earnings (loss)	\$ 101	73	(110)	(549)	(94)
Adjustments:					
Impairments	-	-	190	520	-
Net (gain)/loss on asset sales	(19)	-	12	-	-
Adjusted earnings (loss)	\$ 82	73	92	(29)	(94)
Europe					
Earnings	\$ 533	266	565	389	669
Adjustments:					
International tax law changes	-	109	-	-	-
Impairments	-	-	-	-	30
Net (gain)/loss on asset sales	-	-	-	-	(285)
Adjusted earnings	\$ 533	375	565	389	414
Asia Pacific and Middle East					
Earnings	\$ 956	469	744	1,738	772
Adjustments:					
Net (gain)/loss on asset sales	-	279	-	(937)	-
Bohai Bay incidents	-	41	101	-	89
Deferred tax adjustment	-	-	-	-	(72)
Adjusted earnings	\$ 956	789	845	801	789
Other International					
Earnings (loss)	\$ 79	53	(345)	86	(19)
Adjustments:					
Impairments	-	-	395	-	-
Adjusted earnings (loss)	\$ 79	53	50	86	(19)
Corporate and Other					
Earnings (loss)	\$ (214)	(215)	(248)	(314)	(265)
Adjustments:					
Separation costs	-	-	25	33	40
Impairments	-	-	20	-	-
Adjusted earnings (loss)	\$ (214)	(215)	(203)	(281)	(225)

COP Non-GAAP Reconciliations

ROCE Operating Segments

	2Q11	3Q11	4Q11	1Q12	2Q12
Numerator (\$MM)					
Net Income (Loss) Attributable to ConocoPhillips	3,402	2,616	3,390	2,937	2,267
Adjustment to exclude special items	(1,091)	(704)	(1,276)	(1,096)	(732)
Exclude adjusted earnings for Corporate and Other	214	215	203	281	225
Net income attributable to noncontrolling interests	15	14	19	15	22
After-tax interest expense	20	20	19	18	17
ROCE Earnings	2,560	2,161	2,355	2,155	1,799
Denominator (\$MM)					
GAAP average capital employed ¹	93,767	91,639	88,931	91,895	82,435
Adjustment to exclude Discontinued Operations	(28,002)	(27,160)	(25,849)	(27,936)	(15,777)
Adjustment to exclude Corporate and Other	(6,279)	(5,511)	(4,323)	(3,031)	(3,665)
Adjusted average capital employed	59,486	58,968	58,759	60,928	62,993
Annualized ROCE	17%	15%	16%	14%	11%

COP Non-GAAP Reconciliations

CROCE Operating Segments

	2Q11	3Q11	4Q11	1Q12	2Q12
Numerator (\$MM)					
Net Income (Loss) Attributable to ConocoPhillips	3,402	2,616	3,390	2,937	2,267
Adjustment to exclude special items	(1,091)	(704)	(1,276)	(1,096)	(732)
Exclude adjusted earnings for Corporate and Other	214	215	203	281	225
Depreciation, depletion & amortization	1,827	1,625	1,656	1,599	1,605
Net income attributable to noncontrolling interests	15	14	19	15	22
After-tax interest expense	20	20	19	18	17
Adjusted EBIDA	4,387	3,786	4,011	3,754	3,404
GAAP CFOA ²	6,274	5,613	5,812	4,182	2,350
Denominator (\$MM)					
GAAP average capital employed ¹	93,767	91,639	88,931	91,895	82,435
Adjustment to exclude Discontinued Operations	(28,002)	(27,160)	(25,849)	(27,936)	(15,777)
Adjustment to exclude Corporate and Other	(6,279)	(5,511)	(4,323)	(3,031)	(3,665)
Adjusted average capital employed	59,486	58,968	58,759	60,928	62,993
Annualized CROCE	29%	26%	27%	25%	22%

Note: difference between GAAP CFOA and EBIDA is primarily loss/(income) from discontinued operations, working capital, deferred taxes, undistributed equity earnings, and Corporate segment items.

COP Non-GAAP Reconciliations & Other

Earnings and Cash per BOE - Operating Segments

	2Q11	3Q11	4Q11	1Q12	2Q12
\$ Millions, except per BOE amounts					
Net Income (Loss) Attributable to ConocoPhillips	3,402	2,616	3,390	2,937	2,267
Adjustment to exclude special items	(1,091)	(704)	(1,276)	(1,096)	(732)
Exclude adjusted earnings for Corporate and Other	214	215	203	281	225
Adjusted Earnings	2,525	2,127	2,317	2,122	1,760
Depreciation, depletion & amortization	1,827	1,625	1,656	1,599	1,605
Cash Contribution	4,352	3,752	3,973	3,721	3,365
Production (MBOED)	1,640	1,538	1,597	1,637	1,542
Income \$ / BOE	17	15	16	14	13
Cash Contribution \$ / BOE	29	27	27	25	24

Cash Flow Slide Addendum

Six Months Ended June 30, 2012

	<u>\$ Millions</u>
Special cash distribution from Phillips 66	\$ 7,818
Net cash used in discontinued operations	(2,159)
Net spinoff impact	\$ 5,659