ConocoPhillips

Growing Value

2011 SUMMARY ANNUAL REPORT

ConocoPhillips

Certain disclosures in this Summary Annual Report may be considered "forward-looking" statements. These are made pursuant to "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The "Cautionary Statement" in Management's Discussion and Analysis in Appendix A of ConocoPhillips' 2012 Proxy Statement should be read in conjunction with such statements.

"ConocoPhillips," "the company," "we," "us" and "our" are used interchangeably in this report to refer to the businesses of ConocoPhillips and its consolidated subsidiaries.

Definition of resources: ConocoPhillips uses the term "resources" in this document. The company estimates its total resources based on a system developed by the Society of Petroleum Engineers that classifies recoverable hydrocarbons into six categories based on their status at the time of reporting. Three (proved, probable and possible reserves) are deemed commercial, and three others are deemed noncommercial or contingent. The company's resource estimate encompasses volumes associated with all six categories.

Letter to Shareholders

ConocoPhillips is progressing through a three-year strategic plan to reposition the company. We are focused on optimizing our portfolio, enhancing returns, strengthening our financial flexibility and increasing shareholder distributions.

These actions began in 2010 and will extend through 2012. Consistent with this plan, we are implementing a spinoff of our downstream businesses into a new company, Phillips 66, with ConocoPhillips becoming an independent exploration and production company. Both will be leaders in their respective industries.

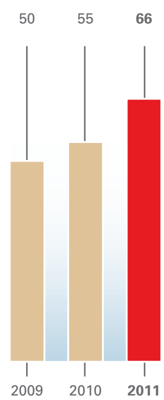
In 2011, we increased our quarterly dividend rate by 20 percent, repurchased $11.1 billion of our shares, reduced debt by $1 billion and generated $4.8 billion from divestments that included the remainder of our LUKOIL holdings.

Our strategic initiatives were accompanied by financial and operational success during 2011. We operated well and captured market opportunities, resulting in a 38 percent increase in adjusted earnings to $12.2 billion. This improvement came despite the absence of $1.3 billion of equity earnings from LUKOIL, approximately $2 billion in higher taxes and 8 percent lower production volumes. Adjusted earnings per share of $8.76 benefited from our significant share repurchases and were 48 percent higher than in 2010.

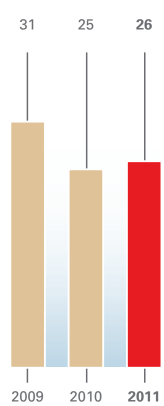
James J. Mulva
Chairman, President and
Chief Executive Officer

"ConocoPhillips is progressing through a three-year strategic plan to reposition the company. We are focused on optimizing our portfolio, enhancing returns, strengthening our financial flexibility and increasing shareholder distributions."

Quarterly Dividends
(Cents per share)



Debt-to-Capital Ratio
(Percent)



We delivered these results in a global market still recovering from the recent financial crisis. While liquids prices increased during 2011, North American natural gas prices remained impacted by weak demand and rising supply. Surplus global refining capacity continues to limit refining margins. Given these constraints, we continued investing in projects that will create long-term shareholder value. For example, we directed more than 70 percent of 2011 operating cash flow into our capital program, an aggressive reinvestment rate relative to our peers that reflects our strategy of pursuing organic growth. We are targeting high-return upstream opportunities, spending $12.7 billion, or 91 percent, of our 2011 capital program in our Exploration and Production (E&P) business. This is an increase of $3.4 billion over the prior year, and spending is planned to grow to $14 billion in 2012. We are limiting investments in North American natural gas production, which represented 26 percent of 2011 production.

Portfolio Optimization

We are optimizing our portfolio through disposition of nonstrategic assets. These dispositions generated $10.7 billion in proceeds over the last two years, with the sale of our LUKOIL interests generating an additional $9.5 billion.

In the past year, we have sold a number of low-margin North American conventional natural gas assets, disposed of nonstrategic pipelines and, consistent with plans to reduce refining capacity, sold our Wilhelmshaven Refinery, and have idled and intend to sell the Trainer Refinery.

During 2011, we expanded our ongoing asset divestiture program to target sales of $15 billion to $20 billion from 2010 through 2012, including $5 billion to $10 billion in sales planned in 2012. We are well positioned to meet our three-year divestment target.

Returns Enhancement

We continue to improve our capital efficiency through focused investment in the highest-returning opportunities in our asset portfolio. These include higher-margin North American upstream liquids development projects as we shift our investments away from conventional natural gas while retaining the ability to increase such investments when market conditions improve.

Our E&P business continues performing strongly in key areas, positioning the company for ongoing success. We acquired more than 500,000 acres in strategic, liquids-rich North American shale trends, and added to our positions in the deepwater Gulf of Mexico and several frontier exploration opportunities around the world.

Although production fell in 2011, due largely to dispositions and temporarily suspended operations in Libya, key strategic assets delivered strong production growth. Our production from U.S. shale trends increased 67 percent, while expansion projects in Canada resulted in continued rampup of oil sands production. Our global liquefied natural gas (LNG) business also grew, with peak plateau production achieved by Qatargas 3 and the Australia Pacific LNG project sanctioned for development.

E&P has replaced more than 130 percent of production over the past three years with organic proved reserve additions at competitive finding and development costs. Combined with our share repurchase program and adjusting for Libya, we grew reserves per share by 12 percent in 2011 and increased production per share by 5 percent.

Following ConocoPhillips' transition to an independent exploration and production company, we expect over the medium term to achieve 3 to 4 percent average annual organic production growth, as well as further growth in reserves, through development of legacy assets and approved projects. Such growth will further enhance our production and reserves per share metrics.

In our Refining and Marketing (R&M) business, we have rationalized low-margin refining assets, reducing our processing capacity by more than 400,000 barrels per day since 2009, with further reductions planned to strengthen future returns.

In 2011, we met planned refinery utilization rates and improved clean product yields. The Wood River coker and refinery expansion project was completed, raising heavy crude oil processing capacity while increasing clean product yield by 5 percent at the refinery.

Our chemicals and midstream joint ventures delivered strong financial performance in 2011 in growing markets, with significant future investments planned.

These initiatives, along with market improvements, increased our return on capital employed from 7 percent in 2009 to 14 percent during 2011. During the same period, cash returns on capital employed increased from 17 percent to 23 percent, while our greater focus on higher-margin production contributed to a 49 percent increase in income per barrel of oil equivalent (BOE) in 2011. We have targeted growing our average margin by approximately $5 per BOE over the next five years.

Financial Flexibility

We have used our significant cash flow generation over the past two years to retire $6 billion in debt, ending 2011 with debt of $22.6 billion and a debt-to-capital ratio of 26 percent. We also held $5.8 billion in cash and $0.6 billion in short-term investments at the end of 2011, providing us the flexibility to adapt to market opportunities.

Shareholder Distribution Growth

In 2011, we raised our quarterly dividend rate by 20 percent, paying out $3.6 billion. This represented the ninth consecutive annual increase since the company's inception in 2002, yielding a compounded annual dividend growth rate of 14 percent over this period and 32 percent since the beginning of 2010.

We also repurchased 155 million of our shares for $11.1 billion during the year, consistent with plans to improve per-share performance. This brought total repurchases to 15 percent of the shares outstanding at the inception of the $15 billion repurchase program in 2010, which has been funded through proceeds from our asset divestments and LUKOIL disposition.

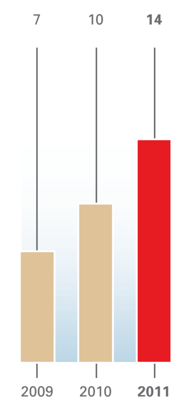
For 2012, we plan share repurchases of up to an additional $10 billion, funded primarily from asset divestments. Additionally, the creation of Phillips 66 is expected to result in a 15 percent increase in the overall dividend rate.

Corporate Citizenship

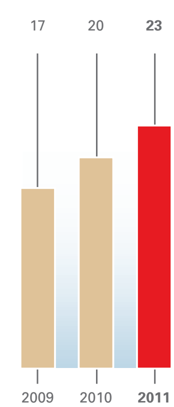
During 2011, we updated stakeholders on progress toward meeting our nine sustainable development commitments. To ensure true sustainability, we have committed to return value to shareholders while supplying the energy that drives the global economy, reducing our environmental impact and contributing to society's well-being. During 2011, we continued pursuing our safety and environmental performance improvement objectives through ongoing worker and process safety programs, as well as projects to reduce greenhouse gas emissions, decrease water consumption and increase recycling.

We believe the industry's rapid progress in developing unconventional resources, like shale gas, shale oil and the oil sands, can substantially improve long-term energy supply security. Consequently, we are committed to ongoing research and development to enhance their recovery and use while reducing their environmental footprint.

Return on Capital Employed
(Percent)

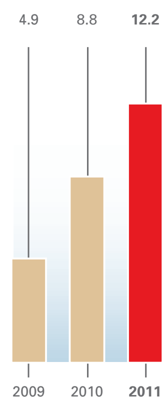


Cash Return on Capital Employed
(Percent)

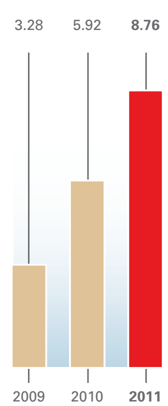


> "The repositioning will help grow the value of both companies for our shareholders by unlocking the potential of their assets and employees. We believe this is the best way to succeed and ensure our competitiveness over the long term."

Adjusted Earnings
($ Billion)



Adjusted Earnings per Share
($)



Considering the challenges faced by our industry in meeting future energy demand, ConocoPhillips continues urging the United States and other countries to ensure that regulation and taxation of our industry are fair and efficient. Otherwise, unwarranted regulatory obstacles may delay or halt vital development projects while punitive taxes could impede our ability to continue making capital investments on the scale needed. We still call for U.S. enactment of a comprehensive, balanced and sustainable national energy policy that encourages development of all energy sources, including oil and natural gas. Further, we urge governments to expand access to energy resources that are currently held off-limits to development.

To share our views, during the year we launched a national initiative – There's Power in Cooperation™ – that promotes natural gas as a key long-term energy resource that can create jobs and economic growth while lowering greenhouse gas emissions.

We also recognize that creating innovative solutions for our industry's challenges requires a skilled workforce, and we provide comprehensive educational and training programs to our employees. Further, we seek to strengthen the communities in which we operate through charitable contributions to organizations that provide vital services. These include research grants and other commitments to universities and other educational institutions.

Repositioning

In July, consistent with our strategic plan, ConocoPhillips announced plans to separate into two leading energy companies. We have formed a new company, Phillips 66, which will comprise our downstream businesses and be distributed to shareholders as an independent, publicly traded company.

We expect to complete the repositioning in the second quarter of 2012. The new Phillips 66 will offer a unique approach to downstream integration, comprising segment-leading refining and marketing, midstream and chemicals businesses. ConocoPhillips will continue as the industry's largest and most diverse global pure-play exploration and production company.

The repositioning will help grow the value of both companies for our shareholders by unlocking the potential of their assets and employees. We believe this is the best way to succeed and ensure our competitiveness over the long term.

We deeply appreciate the ongoing commitment and support of our shareholders and employees as we embark on this new chapter in the long and successful history of our company.

James J. Mulva
Chairman, President and
Chief Executive Officer

Financial and Operating Highlights

$ Millions Except as Indicated	2011	2010	% Change
Financial Highlights			
Total revenues and other income	$251,226	198,655	26%
Net income attributable to ConocoPhillips (earnings)	$ 12,436	11,358	9
Earnings per share of common stock – diluted	$ 8.97	7.62	18
Net cash provided by operating activities	$ 19,646	17,045	15
Capital expenditures and investments	$ 13,266	9,761	36
Repurchase of company common stock	$ 11,123	3,866	188
Dividends paid on company common stock	$ 3,632	3,175	14
Total assets	$153,230	156,314	(2)
Total debt	$ 22,623	23,592	(4)
Total equity	$ 65,734	69,109	(5)
Percent of total debt to capital	26%	25	4
Common stockholders' equity	$ 65,224	68,562	(5)
Common stockholders' equity per share – book value	$ 50.73	47.92	6
Cash dividends per common share	$ 2.64	2.15	23
Closing stock price per common share	$ 72.87	68.10	7
Common shares outstanding at year end (in thousands)	1,285,670	1,430,765	(10)
Average common shares outstanding (in thousands)			
Basic	1,375,035	1,479,330	(7)
Diluted	1,387,100	1,491,067	(7)
Employees at year end (in thousands)	29.8	29.7	—

Operating Highlights			
E&P			
U.S. crude oil and natural gas liquids production (MBD)	383	390	(2)%
Worldwide crude oil and natural gas liquids production (MBD)	799	913	(12)
U.S. natural gas production (MMCFD)	1,617	1,777	(9)
Worldwide natural gas production (MMCFD)	4,516	4,606	(2)
Worldwide bitumen production (MBD)	67	59	14
Worldwide synthetic oil production (MBD)	—	12	—
Worldwide production (MBOED)	1,619	1,752	(8)
LUKOIL Investment net production (MBOED)	—	326	—
Midstream natural gas liquids extracted (MBD)	200	193	4
Refinery crude oil throughput (MBD)	2,166	2,156	—
Refinery utilization rate (percent)	92%	81	14
U.S. gasoline sales (MBD)	1,129	1,120	1
U.S. distillates sales (MBD)	884	873	1
Worldwide petroleum product sales (MBD)	3,128	3,040	3

Use of Non-GAAP Financial Information – This Summary Annual Report includes the terms "adjusted earnings," "ROCE" and "CROCE." These are Non-GAAP financial measures and are included to help facilitate comparisons of company operating performance across periods. A reconciliation of adjusted earnings, ROCE and CROCE to earnings, and ROCE and CROCE determined in accordance with U.S. generally accepted accounting principles (GAAP) is shown on pages 44-45.

Repositioning

Ryan Lance
Designated Chairman and
Chief Executive Officer
ConocoPhillips

"We have the technical capabilities, financial resources, experienced personnel and established business relationships needed to successfully find and produce hydrocarbons from virtually any geologic setting worldwide."

ConocoPhillips

An accommodation rig in the North Sea, where ConocoPhillips has operated successfully for more than 40 years.

ConocoPhillips – Pure-Play Exploration and Production Company

Upon repositioning, ConocoPhillips will move forward as the industry's largest and most geographically diverse pure-play exploration and production company, with the potential to earn strong returns generated by its deep portfolio of organic investment opportunities. Its assets are primarily in Organization for Economic Cooperation and Development (OECD) countries that offer political and fiscal stability, as well as geologic potential. Production and earnings growth are expected from a well-defined pipeline of major development projects, including high-impact drilling trends focused on unconventional resources, such as the Eagle Ford Play in Texas and oil sands projects in Alberta, Canada. As the company pursues a strategy of allocating more capital to production of liquids, its per-unit profit margins are expected to increase over time.

ConocoPhillips explores for, produces, transports and markets crude oil, natural gas, natural gas liquids, liquefied natural gas and bitumen on a worldwide basis. Key focus areas include legacy assets, development of existing major projects and exploration for new resources in promising areas. The portfolio includes legacy assets in North America, Europe, Asia and Australia; growing North American shale and oil sands businesses; a number of major international development projects; and a global exploration program. ConocoPhillips conducts exploration activities in 20 countries and produces hydrocarbons in 14 countries, with proved reserves located in 16 countries as of Dec. 31, 2011.

"We have the technical capabilities, financial resources, experienced personnel and established business relationships needed to successfully find and produce hydrocarbons from virtually any geologic setting worldwide," said Ryan Lance, CEO designee of the new ConocoPhillips. "Our diverse asset base, focused in OECD countries, along with a strong portfolio of identified projects, provides significant growth opportunities. We intend to maintain our traditional focus on maximizing investor returns by practicing capital discipline, operating efficiently and returning a significant portion of discretionary cash flow to our shareholders."

Greg Garland
Designated Chairman and
Chief Executive Officer
Phillips 66

"Phillips 66 is uniquely positioned through the diversity of our businesses to leverage opportunity throughout the downstream energy value chain."

Opened in 1949, the Billings Refinery in Montana supplies fuels to a nine-state region in the western United States.

Phillips 66 – Integrated Downstream Company

Phillips 66 will enjoy a unique position as an integrated downstream company with segment-leading refining and marketing, midstream and chemicals businesses. Operations will encompass crude oil refining, petroleum products marketing, transportation, power generation, natural gas gathering and processing, and petrochemicals manufacturing and marketing. Launched with the PSX stock ticker symbol, Phillips 66 will be financially flexible and is expected to generate substantial cash flow that will be used to fund growth opportunities as well as shareholder distributions.

Phillips 66 will be one of the world's leading petroleum refiners, with crude oil processing capacity of 1.8 million barrels per day in the United States and 2.2 million barrels per day globally. The company will operate 11 domestic refineries and own or hold interests in four international refineries.

Additionally, Phillips 66 will have a major marketing network focused on wholesale trade in the United States, and both retail and wholesale operations internationally.

The company's extensive transportation system will provide the ability to move and store products through a combination of pipelines, terminals, marine vessels, rail cars and trucks.

The new company's midstream business will be conducted primarily through an investment in DCP Midstream, LLC, one of the largest natural gas gatherers and processors in the United States. Manufacturing and marketing of chemicals products will be conducted through an investment in Chevron Phillips Chemical Company LLC, one of the world's top producers of olefins and polyolefins, and a leading supplier of aromatics, styrenics, specialty chemicals and plastic piping.

"Phillips 66 is uniquely positioned through the diversity of our businesses to leverage opportunity throughout the downstream energy value chain," said Greg Garland, CEO designee of Phillips 66. "We expect to have the asset base, operating expertise, financial capability and management focus to deliver superior shareholder returns over the years ahead."

The repositioning of ConocoPhillips is subject to market conditions, customary regulatory approvals, the receipt of an affirmative ruling from the U.S. Internal Revenue Service and final board approval.

Enhancing Financial Performance

Jeff Sheets
Senior Vice President, Finance, and Chief Financial Officer

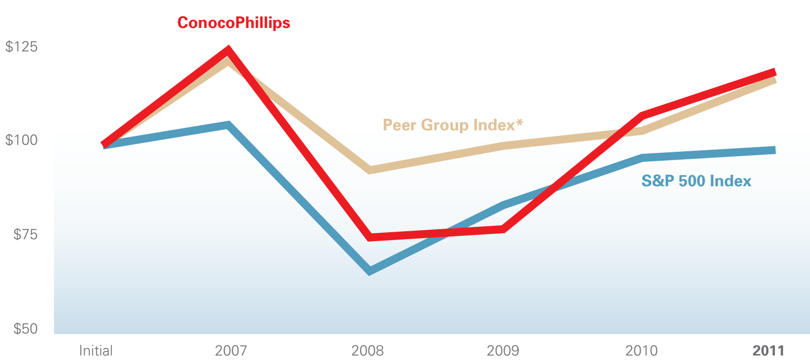
"We continue to improve our ROCE and other capital efficiency metrics through focused allocation of investment funds to the highest-returning opportunities in our portfolio."

ConocoPhillips' financial strategy is based on a disciplined approach to capital investment, maintenance of a strong balance sheet and growing distributions to our shareholders.

Portfolio Optimization

ConocoPhillips has built a substantial asset portfolio that extends throughout the energy value chain. We are optimizing this portfolio by focusing on assets that offer the highest returns and growth potential while selling nonstrategic holdings. During 2011, we completed the disposal of our interest in LUKOIL and sold a further $3.6 billion of assets, including rationalization of low-margin refining assets. Proceeds under the 2010-11 asset divestiture program and sale of our interest in LUKOIL totaled $20.2 billion. We also announced plans to divest a further $5 billion to $10 billion in nonstrategic assets in 2012.

Five-Year Cumulative Total Shareholder Returns
($; Comparison assumes $100 was invested on Dec. 31, 2006)



**BP, Chevron, ExxonMobil, Royal Dutch Shell and Total.*

Returns Enhancement

We continue to improve our return on capital employed (ROCE) and other capital efficiency metrics through focused allocation of investment funds to the highest-returning opportunities in our portfolio. These efforts and an improved market environment increased our ROCE from 10 percent in 2010 to 14 percent in 2011. We have directed the majority of our capital to higher-margin production from upstream projects, including North American liquids, global liquefied natural gas and major international resource development. We continue to shift our investments away from North American natural gas while maintaining our ability to increase such investments when market conditions improve.

Strong Balance Sheet

A strong balance sheet provides the financial flexibility needed to capture emerging opportunities and strategically adapt to changing markets. In 2011, we enhanced ConocoPhillips' financial strength through further debt reduction.

Shareholder Distributions

Since ConocoPhillips' inception in 2002, we have increased shareholder dividends every year and on a cumulative basis have repurchased 460 million common shares for $33 billion as of Dec. 31, 2011. Such actions have provided our shareholders total returns that exceed our peer group average over the past five-year period. We also announced a further share repurchase program for up to an additional $10 billion commencing in 2012.

A natural gas processing plant in the San Juan Basin, where ConocoPhillips is the leading acreage holder and producer.

A process technician working at the Ekofisk Field in the North Sea.

Empowering Our People

Gene Batchelder
Senior Vice President and
Chief Administrative Officer

"We strive to provide our employees with the best place to work and develop their careers."

At ConocoPhillips, we attribute our success primarily to the dedication and capabilities of our people around the world. Our SPIRIT values, coupled with the talent and drive of our employees, offer ConocoPhillips a distinct competitive advantage. We strive to provide our employees with the best place to work and develop their careers.

Diversity and Engagement

We recognize that solving complex issues and creating innovative solutions for our industry's challenges require diverse perspectives and an ability to work in multidisciplined teams. ConocoPhillips is committed to maintaining a workforce that encompasses a wide variety of cultural experiences, backgrounds and perspectives. We provide an environment based on inclusion and engagement that values the contributions and uniqueness of every individual.

Learning and Development

We maintain a culture in which all our employees learn and apply new skills each year. Learning opportunities include a broad range of training activities, work experiences, networking and personal feedback. A global learning management system facilitates efficient delivery of training and wide coverage of the educational opportunities available. Dedicated talent management teams actively evaluate employees' skills and development needs to identify assignments that leverage existing strengths and develop new capabilities.

Leadership and Management

We have highly experienced leaders who have benefited from numerous developmental roles in a variety of businesses around the world. Our leaders provide the vision and strategy for our continuing business success. We have comprehensive supervisory and leadership programs that equip these individuals with the capability to elevate their organizations, recognizing their key roles in building ConocoPhillips' future.

Recruitment and Talent

To ensure we attract a world-class workforce, we recruit from universities worldwide and advertise job openings on our website and more than 500 external employment sites, as well as utilize targeted searches to fill critical roles. This leveraged recruiting model has enabled us to broaden the talent pool from which we recruit, reduce the time required to fill open positions, and limit the use and cost of recruitment agencies. Our performance management process rewards top talent through performance differentiation and aligned compensation.

Operating Responsibly

Bob Herman
Vice President, Health, Safety and Environment

"We consider health, safety and environment excellence as well as sustainable development throughout our worldwide operations essential to our success and the foundation of our SPIRIT values."

Our goal at ConocoPhillips is to have zero injuries, illnesses and incidents in our workplaces and communities. We consider health, safety and environment (HSE) excellence as well as sustainable development (SD) throughout our worldwide operations essential to our success and the foundation of our SPIRIT values.

Management System

The HSE management system supports implementation of HSE and SD policies by providing a consistent framework and approach to managing vital issues. A systems approach helps ensure that business activities are conducted in a safe, healthy, and environmentally and socially responsible manner, which prevents incidents, injuries, occupational illnesses, pollution and damage to assets. It also fosters thriving employees and communities, which help keep our business healthy.

Excellence Process

The HSE excellence process requires each business group and staff function to review their HSE performance and evaluate system effectiveness to determine what enhancements are required. Plans detailing HSE goals and objectives are established annually by each of our businesses and functions, and performance against these targets is a component in our employee compensation programs.

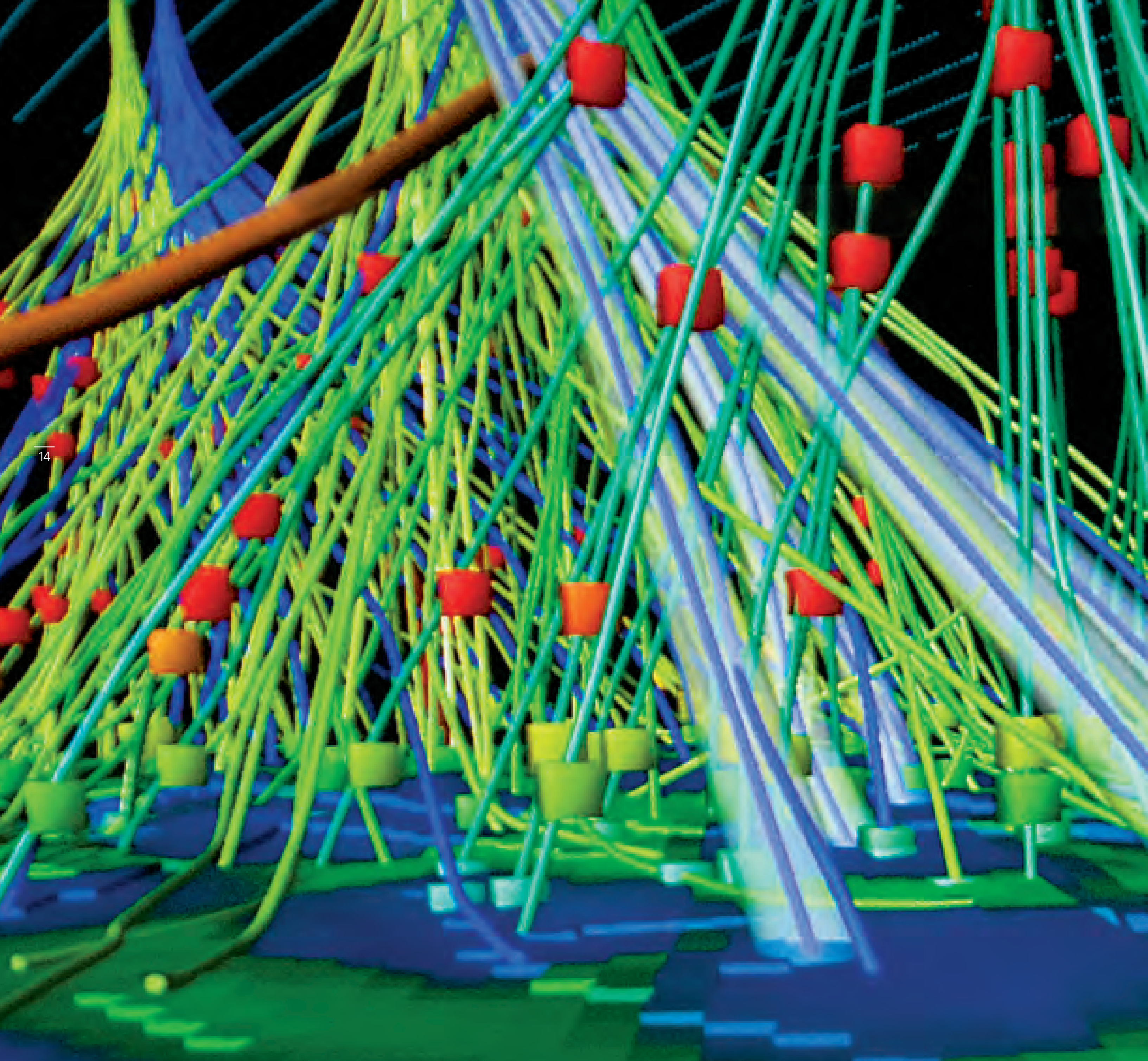
Sustainable Development

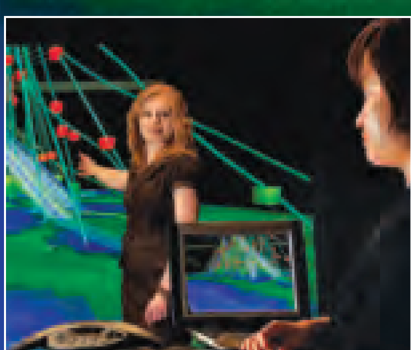
For ConocoPhillips, sustainable development involves conducting our business to promote economic growth, a healthy environment and vibrant communities, now and into the future. We believe this business approach enables us to deliver long-term value to all our stakeholders. We have detailed action plans to address commitments covering the economic, environmental and social performance of our company. These include particular focus on water, biodiversity and climate change, as well as social and stakeholder issues.

Our Goal Is Zero

After five years of annual improvement, we maintained our safety performance in 2011, finishing with a combined employee and contractor total recordable incident rate of 0.31. ConocoPhillips experienced 10 hydrocarbon spills greater than 100 barrels and a process safety incident rate of 0.06, both equaling our best-ever performance in 2010. To work toward attaining our goal of zero injuries, illnesses or incidents, we provide strong leadership to secure the involvement and support of all employees.

Practicing sound environmental stewardship is a key objective of all ConocoPhillips operations.





State-of-the-art seismic data acquisition and imaging techniques provide enhanced reservoir analysis.

Advancing Technology

Merl Lindstrom
Interim Senior Vice President, Technology

"With a deep portfolio of proprietary technologies and an exceptional collection of scientists and engineers, we are well positioned to rank among the energy industry leaders for decades to come."

ConocoPhillips is a technology leader in the energy industry. We invest in technology in order to find more efficient, economical and environmentally sound ways to produce oil and natural gas and transform them into the energy required to power the modern world. With a deep portfolio of proprietary technologies and an exceptional collection of scientists and engineers, we are well positioned to rank among the energy industry leaders for decades to come.

Heavy Oil

Technological advancements are vital to development of ConocoPhillips' vast oil sands position in Canada. During 2011, we continued developing and implementing technologies to reduce our environmental footprint, improve facility uptime, drive down costs, increase resource recovery and optimize refinery yields. These technologies include enhancements to the steam-assisted gravity drainage (SAGD) recovery process, alternatives to SAGD, more efficient methods for generating steam and improved artificial lift approaches.

Unconventional Reservoirs

ConocoPhillips' rapid production growth from unconventional reservoirs has been underpinned by a strong and expanding technology program. This program covers the full spectrum of exploration and production activities, from efforts focused on identifying the best plays and sweet spots within plays to improved drilling and completion techniques, as well as advanced production optimization methods. State-of-the-art capabilities include computed axial tomography (CAT) scan core imaging techniques and advanced petrophysical analysis workflows. We are also developing simulation tools that better predict the performance of hydraulically fractured reservoirs and installing fiber-optic systems to capture crucial downhole data.

Improved Recovery

Subsurface technology advances are essential to generating value in the exploration and production business. ConocoPhillips continues to innovate with consistent near real-time integration of geological, 4-D seismic, engineering and production data into reservoir modeling and surveillance programs that improve decision making throughout asset life. We are also improving reservoir drainage efficiency by applying high-impact techniques, such as advanced chemical flooding, microbial stimulation, carbon dioxide injection, and controlled-salinity injection of steam or water.

Sustainability Technologies

ConocoPhillips is committed to promoting environmental stewardship throughout our global operations. In 2011, research and development in sustainability technologies led to breakthroughs in the environmental and alternative energy areas, including carbon dioxide capture, air emissions modeling, and cleanup of organic and metal contaminants from wastewater. Novel methods to produce hydrogen with a lower carbon footprint were studied, and new materials that vastly improve the performance of solid oxide fuel cells and organic photovoltaics were developed.

Exploration and Production

The Britannia Field, one of the largest natural gas and condensate fields in the North Sea.

E&P Highlights

- Adjusted earnings increase 38 percent to $9.3 billion
- Ongoing execution of portfolio optimization plans
- Margin enhancement through focused capital investment
- Growing production and acreage in liquids-rich North American shale plays
- Exploiting legacy positions and major developments in North America, Europe and Asia Pacific
- Sanctioned Australia Pacific LNG project
- Canadian oil sands production continues to ramp up
- Exploration activities discovering high-value resources worldwide
- Continuing improvements in safety

E&P Financial and Operating Results

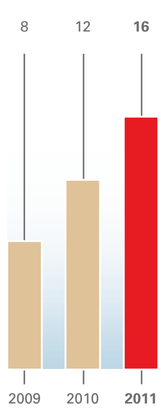
	2011	2010	2009
Earnings ($MM)	**$ 8,242**	9,198	3,604
Adjusted earnings ($MM)	**$ 9,289**	6,754	4,131
Proved reserves (BBOE)	**8.4**	8.3	8.4
Worldwide production (MBOED)	**1,619**	1,752	1,854
Crude oil and NGL production (MBD)	**799**	913	968
Natural gas production (MMCFD)	**4,516**	4,606	4,877
Realized crude oil and NGL price ($/BBL)	**$ 97.22**	72.77	55.63
Realized natural gas price ($/MCF)	**$ 5.34**	4.98	4.37
Income per BOE ($/BOE)	**$ 15.72**	10.56	6.16
ROCE (percent)	**16%**	12	8

Exploration and Production

Ryan Lance
Senior Vice President, Exploration & Production – International

"We benefited from focused capital investment in the most profitable opportunities; ongoing divestment of nonstrategic assets; and our employees' strong commitment to safe, reliable and efficient operations."

Return on Capital Employed
(Percent)



2011 was another strong year for Exploration and Production (E&P), with continuing execution of ConocoPhillips' strategic plan. We advanced several major projects that bring significant high-value growth to our business, while further exploiting our existing producing assets for maximum returns. Our exploration prospects expanded as we added new opportunities in both conventional and unconventional resources. We also made further progress on portfolio optimization with the divestment of nonstrategic assets as we position ConocoPhillips to be a leading pure-play exploration and production company in 2012.

The year's accomplishments included development sanctioning of the Australia Pacific LNG (APLNG) project and continued progress on multiple projects in the North Sea, Asia Pacific, Canadian oil sands and North American shale plays. Exploration activities focused on adding acreage in strategic shale regions and frontier regions worldwide, and advancing our current portfolio of liquids-rich shale plays.

We also remain committed to operational excellence and recorded a 20 percent improvement in employee safety performance in 2011.

"E&P delivered another year of strong financial performance while making significant progress on our strategic objectives," said Ryan Lance, senior vice president, E&P – International. "We benefited from focused capital investment in the most profitable opportunities; ongoing divestment of nonstrategic assets; and our employees' strong commitment to safe, reliable and efficient operations. Major developments in our key North American oil sands and shale plays continue to grow, as do our global liquefied natural gas (LNG) operations and exploration footprint. We are well positioned to continue delivering differential value for our shareholders."

Optimizing the Portfolio

E&P continues to optimize its asset base through disposition of nonstrategic assets that can be sold at attractive prices to other companies. In 2011, our divestiture program focused primarily on selective conventional natural gas fields in North America, while work continues to market and sell other nonstrategic assets in 2012. Our portfolio largely comprises assets in politically stable countries, with approximately 80 percent of our reserves located in member nations of the Organization for Economic Cooperation and Development. This unique global positioning among our peers provides E&P with the long-term ability to capture upside potential while we invest in emerging opportunities around the world.

E&P worldwide production decreased 8 percent in 2011 to 1.62 million barrels of oil equivalent per day (BOED), from 1.75 million BOED in 2010. The decrease was mainly due to the impact of civil unrest in Libya, where production was suspended from March to late November; natural decline, primarily in North America, Europe and Russia; and asset dispositions. Increased production from the Qatargas 3 project, as well as a rampup of production from oil sands developments in Canada and shale plays in the United States, partly offset this decrease.

Enhancing Margins

Capital program funding during 2011 was $12.7 billion, including $2.3 billion for exploration activity. This is expected to grow to $14 billion in 2012, including $2.2 billion for worldwide exploration, as an improving market environment yields opportunities for organic growth.

A well site in the San Juan Basin, New Mexico, with typical natural gas compressor and tank battery facilities.

"We continue to direct our capital spending to those investments that deliver the highest returns in the prevailing market environment," said Greg Garland, senior vice president, E&P – Americas. "These include our liquids-rich shale plays in North America and conventional oil and gas resources in our international operations. Our long-term goal remains to convert our 43 billion barrels of oil equivalent (BOE) resource base into reserves and production at low finding and development costs while delivering strong margins."

As a consequence of these shifts in E&P's asset portfolio and improved market conditions, income per BOE improved from $10.56 in 2010 to $15.72 in 2011 as higher-margin liquids and LNG became a greater portion of the company's portfolio. This improvement is expected to continue in 2012 and beyond as production from new projects comes on line.

Exploiting North American Legacy Assets

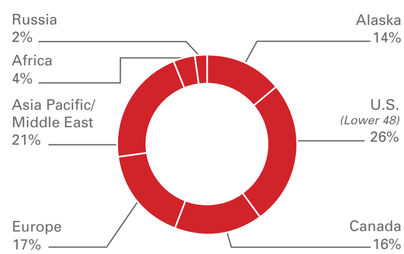
ConocoPhillips' extensive legacy assets across North America continually benefit from the application of new technology and fresh geologic knowledge. This provides opportunities to enhance existing resource recovery and identify potential new sources of hydrocarbons. Our legacy assets typically provide profitable production, generating strong cash flows.

In the Permian Basin in West Texas, ConocoPhillips is optimizing production from its 1.1 million net acre position, with 2011 average net production of approximately 48,000 BOED. There were 103 wells drilled in 2011, with plans to increase drilling activity in 2012. With undeveloped resources of approximately 950 million BOE, the basin is expected to remain a profitable, liquids-rich producing asset for years to come.

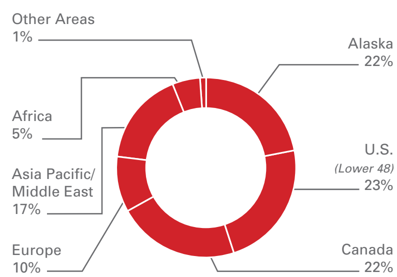
In the San Juan Basin, one of the largest U.S. natural gas producing areas, ConocoPhillips is the leading acreage holder and largest producer, with 2011 average net production of 179,000 BOED. The basin holds considerable remaining potential with 1.7 billion BOE of discovered resources.

In western Canada, investments are focused on the Deep Basin and central Alberta, where utilization of shale gas production methods is opening substantial opportunities in proven trends, such as the light-oil Cardium Field. During the year, ConocoPhillips

2011 Production



2011 Year-end Reserves



drilled 119 operated wells in these areas, with 131 wells scheduled for 2012. Net production from western Canada averaged approximately 193,000 BOED during 2011.

In Alaska, to enhance production from existing North Slope fields, the company is utilizing new 3-D and 4-D seismic surveys to identify development drilling opportunities. State-of-the-art coiled-tubing drilling and multilateral-sidetrack wells are being used to access oil volumes that would otherwise not be developed. 2011 average net production from Alaska was 225,000 BOED.

In 2011, our joint venture, Denali – The Alaska Gas Pipeline, announced discontinuation of work on the Alaska Gas Pipeline project to transport North Slope gas to North American markets. ConocoPhillips remains committed to searching for commercially viable alternatives to monetize the North Slope's large existing gas resources. The company also continues to develop technology to exploit significant viscous and heavy oil resources in the Kuparuk and Prudhoe Bay fields.

Progressing Major International Projects

Several major development projects in progress around the world are expected to contribute to future production growth at favorable development costs while maintaining or creating legacy asset positions.

Development is well under way at the ConocoPhillips-operated Jasmine Field in the U.K. North Sea, with peak production expected in 2013.

In the U.K. North Sea, development of the Jasmine Field is well under way, with peak net production of 34,000 BOED expected in 2013. 2011 also saw project sanction of Clair Ridge, the second phase of the Clair Field development, with first oil anticipated in 2016. In Norway's Greater Ekofisk Area, two new major projects, Ekofisk South and Eldfisk II, are progressing toward startup in 2013 and 2014, respectively. Peak net production from these two projects, anticipated in 2018, would add 54,000 BOED of production to the Greater Ekofisk Area.

In Malaysia, we expect significant production from projects currently under development. The deepwater Gumusut Field off the coast of Sabah is anticipated to begin oil production in late 2012, followed by startups of natural gas production at the Kebabangan Field and oil production at the Malikai and Siakap North-Petai fields.

Development continues on the giant Kashagan Field in the Caspian Sea. The Phase I project is expected to begin commercial production in 2013, and additional expansion phases are under evaluation. In China, development of the Bohai Bay offshore project was delayed due to suspension of operations in September following two oil seeps that occurred in June. Updated operating plans have been developed and submitted to the Chinese authorities, with our objective being to protect the reservoir, ensure safe and environmentally responsible operation of the field, and prevent future hydrocarbon releases.

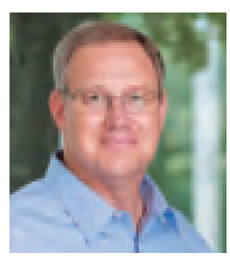
Developing Canada's World-Class Oil Sands

ConocoPhillips has built one of the industry's leading acreage positions in the world-class oil sands in Canada, which are strategically located near the U.S. Midwestern market.

"We have several projects under development that will rapidly grow and convert the enormous resources in our portfolio into long-lived, high-return production that generates significant cash flow," Garland said. "E&P is deploying enhanced steam-assisted gravity drainage technology and other advancements to improve recovery of these resources. We are achieving some of the best steam-to-oil ratios in the industry, giving us operating costs and an environmental footprint that are competitive with those of our peers."

Assets include the FCCL business venture with Cenovus, as well as the ConocoPhillips-operated Surmont project and undeveloped lands in the Thornbury, Clyden and Saleski areas. In 2011, total net production of bitumen from these assets was 67,000 BOED, up 14 percent compared to the prior year, with new production coming on line from Christina Lake Phase C. Additional Foster Creek and Christina Lake phases are expected to start up in 2012 and 2014, and subsequent planned phases would lead to total net production exceeding 200,000 BOED within 10 years. At Surmont, Phase II construction continues,

A field operator at the Surmont development, a rapidly growing ConocoPhillips-operated project in the Canadian oil sands.



Greg Garland

Senior Vice President, Exploration & Production – Americas

"We have several projects under development that will rapidly grow and convert the enormous resources in our portfolio."

The Qatargas 3 LNG project reached peak production in 2011 and is expected to maintain that rate for 25 years.

with planned startup in 2015, resulting in that area's net production increasing to approximately 50,000 BOED by 2016.

Building a Global LNG Business

ConocoPhillips is developing a long-life global LNG business through major projects located in strategic geographic centers around the world.

In the Middle East, the Qatargas 3 project came on line late in 2010 and reached peak production during 2011. The project produces natural gas from Qatar's giant offshore North Field and converts it into LNG at a 7.8-million-tonnes-per-annum (MTPA) onshore facility in Ras Laffan Industrial City. The project is expected to maintain this production level for its 25-year life.

The company operates the Bayu-Undan natural gas field in the Timor Sea, which has been producing since 2004, and the Darwin LNG Plant in Darwin, Australia, which started up in 2006. These long-life assets are expected to continue producing near peak levels for another 12 years.

We are progressing development planning for the Sunrise Field, also in the Timor Sea. The project's co-venturers have selected a floating LNG design as their preferred development concept, and agreement has been reached between the governments of Australia and Timor-Leste concerning revenue sharing. Discussions with both governments are ongoing to gain their approval for the development.

Offshore Western Australia, the company is currently planning for a second phase of drilling in its three Browse Basin exploration permits during 2012 and 2013.

Onshore, in Queensland, Australia, significant progress is being made on developing the world-class APLNG project, a joint venture that holds one of the largest coal seam gas (CSG) resource positions in Australia. More than 135 net wells are now on line, with total net production in 2011 of 122 million cubic feet per day.

In 2011, we announced approval of the final investment decision for the initial train of a two-train 9 MTPA LNG project by APLNG. Project sanction includes development of the necessary resources from APLNG's 24 trillion cubic feet of CSG resources in the Surat and Bowen basins to initially supply the first train requirements, installation of a transmission pipeline from the onshore gas fields to the LNG facility on Curtis Island and infrastructure commitments to support a second train.

"With project sanction, ConocoPhillips builds on its position as the world's largest producer of CSG," Lance said. "The final investment decision reinforces our commitment to deliver safe and reliable energy globally, and this world-class project is well placed to help meet growing demand for LNG in Asia."

LNG exports from the first train are scheduled to start in 2015 under a binding sales agreement for 4.3 MTPA with China Petroleum & Chemical Corporation (Sinopec). Sanction of the project also satisfied the final condition for Sinopec's subscription to a 15 percent interest in the APLNG joint venture, with ConocoPhillips' and Origin Energy's ownership reducing to 42.5 percent each.

In January 2012, APLNG announced an amendment to its existing LNG sales agreement with Sinopec for the supply of an additional 3.3 MTPA of LNG through to 2035. The joint venture partners also agreed to terms for Sinopec to raise its ownership interest in APLNG to 25 percent. An agreement was also signed in November with Kansai Electric Power Company for the supply of approximately 1 MTPA of LNG commencing with the startup of the second train. These two agreements complete the marketing of the second train, with sanctioning of train construction expected during the first half of 2012.

The estimated gross capital cost of the two-train project is $20 billion. Following startup of the second train, the project has anticipated peak gross production of 270,000-280,000 BOED and an expected life span of at least 30 years.

"All of our LNG projects are competitive, offering long life spans and low decline rates," Lance said. "They are located in fiscally stable regions that are becoming the LNG supply capitals of the world, with excellent access to the largest energy markets across the globe."

Gladstone in central Queensland, the neighboring town to APLNG's LNG facility on Australia's Pacific coast.

Growing Our North American Shale Footprint

North American natural gas is now in abundance as production from shale has become technically and economically viable. North America is believed to hold nearly a century's supply of natural gas, and shale is also proving an increasingly important source of oil and natural gas liquids in many areas.

"Growing our North American shale production is a key element of E&P's strategy," Garland said. "Having entered several of the most promising shale plays

One of 16 drilling rigs operated by ConocoPhillips during 2011 in the Eagle Ford shale play in South Texas.

early, we succeeded in building large acreage positions while lease access costs were relatively low. In today's market environment of low North American natural gas prices, we are focusing our capital investments on the more liquids-rich shale plays, since higher liquids prices enable us to generate more profitable returns."

In 2011, we added approximately 500,000 net acres in rapidly developing shale areas, including the Wolfcamp and Avalon plays in Texas and New Mexico, the Niobrara Play in Colorado, and the Duvernay and Canol plays in Canada. These add to our significant holdings in the proven Montney and Muskwa plays in western Canada and our major producing U.S. plays in Eagle Ford, Permian, Bakken and North Barnett.

In the liquids-rich Eagle Ford Play in South Texas, we have assembled an attractive core leasehold of 223,000 net acres in the trend's fairway and accelerated our delineation activities during 2011. At year end, 16 drilling rigs were running, with net production exceeding 50,000 BOED. Net production is forecast at 69,000 BOED in 2012, with long-term net peak production targeted at 140,000 BOED by 2017.

In the Bakken Play in North Dakota and Montana, ConocoPhillips holds 558,000 net acres, with 2011 average net production of 17,000 BOED and six drilling rigs running at year end. Development plans for 2012 include an increase in the rig count to 10.

We also hold 68,000 net acres in the North Barnett shale play in northeastern Texas. 2011 average net production was 13,000 BOED, with 32 new wells added during the year. In 2012, we anticipate running two drilling rigs and adding 24 new wells.

Exploring to Win

Exploration plays a key role in enabling ConocoPhillips to enhance its asset portfolio and achieve long-term organic growth. Since 2008, we have placed more emphasis on capturing and testing high-impact exploration opportunities, both conventional and unconventional, that have the potential to deliver significant resources and value to the company. In support of this objective, Exploration has taken a more focused and disciplined approach to high-grading its portfolio while selectively adding high-quality opportunities.

In 2011, we added significant acreage in shale plays around the world. In addition to our North American activities, we executed an agreement in Australia to farm-in to 11 million acres with 75 percent working interest in an exploration shale play. We also increased exploration and delineation drilling activity in existing shale plays.

"Our exploration program added significant resources through the drill bit for the third consecutive year," said Larry Archibald, senior vice president, Exploration and Business Development. "This was largely due to continuing rampup of activity in North American shale plays. We also high-graded the exploration portfolio through ongoing acreage acquisitions in a number of high-impact growth opportunities and existing and emerging shale plays."

ConocoPhillips continues to pursue frontier exploration opportunities around the world. In December, we signed a production sharing contract (PSC) for Angola deepwater blocks 36 and 37 in an emerging subsalt play trend. We acquired promising lease positions in Arctic Greenland and the Norwegian Barents Sea.

In Bangladesh, we secured a PSC for two deepwater blocks in the Bay of Bengal. ConocoPhillips also added to its position in the deepwater Gulf of Mexico, submitting winning bids on 75 blocks in the Paleogene Play in December's western Gulf of Mexico lease sale.

The company also resumed exploration drilling activities in the Gulf of Mexico following the lifting of the moratorium imposed after the Macondo oil spill in 2010.

"We are looking forward to an exciting 2012 as we continue upgrading our conventional portfolio, drilling our top opportunities, building on our shale position in North America and internationally, and appraising our exploration successes in Australia and the Gulf of Mexico," Archibald said.

Positioned to Deliver Value

"ConocoPhillips' E&P business has a geographically diverse portfolio of world-class assets, outstanding employees, leading-edge technologies, and successful exploration and business development strategies," Lance said. "We look forward to capturing the opportunities that our unique portfolio and business approach afford us as an independent exploration and production company in 2012, which we believe will enable us to generate superior value for our shareholders."

Larry Archibald
Senior Vice President, Exploration and Business Development

"Our exploration program added significant resources through the drill bit for the third consecutive year."

Seismic exploration activity continues across numerous rapidly growing, liquids-rich shale plays in the United States and Canada.

Refining and Marketing

The Wood River Refinery in Illinois, which now has the capability to process up to 220,000 barrels per day of heavy crude oil.

R&M Highlights

- Adjusted earnings increase 115 percent to $2.6 billion
- Significant progress on portfolio optimization
- Strong U.S. Midcontinent refining margins
- Continuing improvements in optimization and clean product yield
- Completion of Wood River CORE project
- Ongoing focus on safety and improvements in environmental performance

R&M Financial and Operating Results

	2011	2010	2009
Earnings ($MM)	**$ 3,751**	192	37
Adjusted earnings ($MM)	**$ 2,617**	1,216	115
Crude oil capacity utilization (percent)	**92 %**	81	84
Clean product yield (percent)	**84 %**	83	82
Petroleum product sales (MBD)	**3,128**	3,040	2,974
ROCE (percent)	**13 %**	5	1

Refining and Marketing

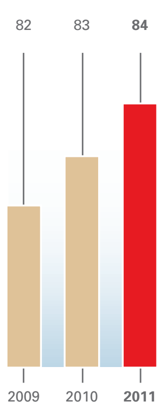
Willie Chiang

Senior Vice President, Refining, Marketing, Transportation & Commercial

"We continued executing our strategy of driving operational excellence through safe, reliable operations."

Worldwide Clean Product Yield

(Percent)



Focused operations, capital discipline, and improved refining and marketing margins enabled ConocoPhillips' Refining and Marketing (R&M) organization to produce strong financial results during 2011.

"An improved market environment, coupled with significant efforts by our employees, enabled R&M to provide increased returns to the company this year," said Willie Chiang, senior vice president, Refining, Marketing, Transportation & Commercial. "We continued executing our strategy of driving operational excellence through safe, reliable operations. In addition, the company moved forward with its strategic plan to create differentiated value for our shareholders via portfolio optimization."

Delivering Enhanced Returns

R&M continued executing projects designed to reduce feedstock costs and increase clean product yield, enabling the business to realize enhanced margins and improved return on capital employed.

In 2011, the coker and refinery expansion (CORE) project at the ConocoPhillips-operated Wood River Refinery in Illinois was completed. This gross capital investment of $3.8 billion is expected to increase heavy crude oil gross processing capacity by 90,000-110,000 barrels per day (BD) while delivering a 5 percent improvement in clean product yield and increasing gasoline and distillate gross production capacity by 50,000 BD. ConocoPhillips holds a 50 percent interest in the refinery.

R&M benefited from improvements in U.S. refining margins, particularly in the Midcontinent Region. The geographical diversity and efficiency of our operations, combined with the adaptability of our Commercial group, enabled the organization to access and process additional advantaged crudes. Our U.S. refineries with the capability to process additional West Texas Intermediate-priced (WTI) crude oil benefited significantly from this market environment.

"We continually evaluate and execute projects designed to improve operating efficiency and capabilities," Chiang said. "These projects, along with the geographic diversity of our portfolio and the expertise of our people, have enabled R&M to deliver enhanced returns for our shareholders."

Optimizing the Asset Base

We continue to optimize our asset base to deliver value across all market cycles. In 2011, we sold the Wilhelmshaven Refinery in Germany and idled, and intend to sell or permanently close in 2012, the Trainer Refinery in Pennsylvania. These actions are consistent with our strategy of enhancing returns through divesting low-returning assets and resulted in a reduction of our global crude oil refining capacity from 2.7 million BD as of Dec. 31, 2010, to 2.2 million BD as of Dec. 31, 2011.

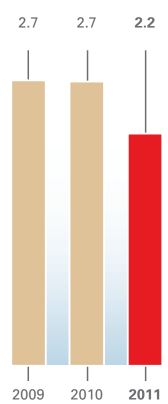
In addition, we also made selective dispositions of nonstrategic transportation assets, including our interests in Seaway Products Pipeline Company, Seaway Crude Pipeline Company and Colonial Pipeline Company.

Excelling at Operations

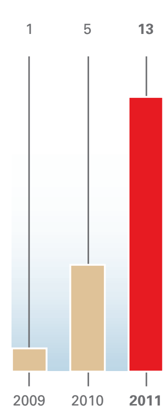
Throughout 2011, R&M employees reinforced their ongoing commitment to operational excellence through increased focus on efficiency, reliability and safe work practices. In 2011, R&M delivered a sixth successive year of improved clean product yield. In addition, we delivered another strong year of reliability and safety performance with a 92 percent worldwide refinery capacity utilization rate and a total recordable incident rate of 0.30.

New coker operations started up during 2011 at the Wood River Refinery as part of its CORE project.

Year-end Worldwide Refining Capacity
(MMBD)



Return on Capital Employed
(Percent)



An operator at the Rodeo Refinery in California. In recent years, the refinery has increased its ability to produce low-sulfur clean fuels.

Several facilities earned external recognition for superior safety performance during the year. Our Refining and Transportation organizations celebrated attaining STAR status under the U.S. Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP) at our Alliance and Lake Charles refineries in Louisiana; the Billings, Mont., refinery; and our Glenpool, Okla., Renton, Wash., and Portland, Ore., facilities. In addition, the Santa Maria facility in California won a National Petrochemicals and Refining Association Distinguished Safety Award Honorable Mention. Additionally, the Transportation organization has safely worked two years, or 5 million hours, without a lost workday, and our Polar Tankers fleet received ISO 18001 certification from the American Bureau of Shipping.

"Our refineries operated well in 2011," said Larry Ziemba, president, Global Refining. "Our employees' commitment to safe, reliable and efficient operations; a zero-safety-incident tolerance; and support of the communities in which we operate are critical to our long-term success."

R&M's involvement in the communities around our facilities comes in many forms. For example, at the Ferndale, Wash., refinery, ConocoPhillips partnered with the National Fish and Wildlife Foundation and the Northwest Straits Foundation to sponsor the removal of abandoned fishing nets from the waters of Puget Sound. The nets pose a hazard

to birds and marine animals and destroy marine habitat if not removed. Northwest Straits has removed more than 3,900 abandoned nets and 2,000 crab pots from Puget Sound since 2002.

The R&M business continues to operate in an increasingly challenging regulatory environment. Renewable fuel mandates and low-carbon standards present ongoing challenges to meet government-established long-term targets. We are continuing our dialogue with federal, state and local agencies to make certain we meet regulatory requirements through targeted investment and the use of cost-effective technology. In addition, we are leveraging our partnerships and advocacy efforts to allow us to express our views on vital issues to key audiences.

Leveraging Commercial Capabilities

Our Commercial organization manages the company's worldwide commodity portfolio. It partners with our Exploration and Production, R&M and Midstream businesses by providing expertise in optimization, while also opportunistically trading around our assets. In 2011, the Commercial organization successfully responded to the opportunities and challenges posed by the wide spread that developed between WTI and Brent oil prices, the Libyan civil unrest, and several asset dispositions. The organization also enhanced its global commercial capabilities and market presence in several regions, including Canada, Europe, Latin and South America, and in the global liquefied natural gas (LNG) business.

In our licensing business, revenues doubled, compared to 2010, from our proprietary Optimized Cascade® LNG technology; there are now eight trains in various stages of construction that will utilize this technology. In our E-Gas™ Technology licensing business, we advanced the POSCO Substitute Natural Gas project in Gwangyang, Korea.

Positioned to Deliver Value

"R&M delivered a strong performance in 2011. We continue to execute our strategic plan, optimizing our assets and processes at every level to ensure we are operating as efficiently and profitably as possible," Chiang said. "Our repositioning in 2012 into an independent downstream company comprising our R&M, Midstream and Chemicals businesses will create a powerful organization committed to safely and reliably transforming hydrocarbon resources into energy while unlocking the full potential of our downstream organization."

The Alliance Refinery in Louisiana and Renton Terminal in Washington were two of several R&M facilities to achieve VPP STAR status in 2011 under the OSHA program.

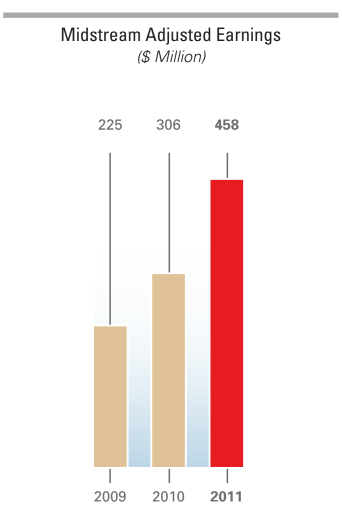
Larry Ziemba
President, Global Refining

"Our employees' commitment to safe, reliable and efficient operations; a zero-safety-incident tolerance; and support of the communities in which we operate are critical to our long-term success."

Midstream and Chemicals

Al Hirshberg
Senior Vice President, Planning and Strategy

"Our Midstream and Chemicals joint ventures generated strong earnings in 2011 by capitalizing on their growing asset portfolios and investment opportunities."



Our Midstream and Chemicals businesses are conducted primarily through two joint ventures, DCP Midstream, LLC (DCP Midstream) and Chevron Phillips Chemical Company LLC (CPChem). These businesses are engaged across the energy sector, providing market access for our production and other commercial opportunities.

"Our Midstream and Chemicals joint ventures generated strong earnings in 2011 by capitalizing on their growing asset portfolios and investment opportunities," said Al Hirshberg, senior vice president, Planning and Strategy. "They will be key components of Phillips 66's success after our repositioning in 2012."

Midstream

ConocoPhillips' total Midstream earnings for 2011 were $458 million, with net natural gas liquids (NGL) extraction totaling 200,000 barrels per day (BD), which included 192,000 BD from its interest in DCP Midstream. DCP Midstream's raw gas throughput was approximately 6.1 billion cubic feet per day (CFD).

DCP Midstream, our joint venture with Spectra Energy, is the largest NGL producer in the United States, one of the largest natural gas gatherers and processors, and a leading NGL marketer.

In 2011, DCP Midstream further differentiated its strategic leadership in the midstream business by creating an NGL, natural gas and crude oil logistics segment to capture the substantial value inherent in its position as the country's largest NGL producer.

August brought board sanction of construction of the Sand Hills Pipeline to provide critical new capacity for NGL transportation from the Permian and Eagle Ford producing basins to market centers along the Gulf Coast. The line will consist of approximately 720 miles of 20-inch pipe with an initial capacity of 200,000 BD, which can grow to 350,000 BD. Sand Hills will be phased into service, with completion of the first phase planned by the third quarter of 2012 to accommodate DCP Midstream's growing Eagle Ford liquids volumes. Service to the Permian Basin is anticipated as soon as the third quarter of 2013.

In October, DCP Midstream closed on its acquisition of the Seaway Products Pipeline Company from ConocoPhillips. DCP Midstream will convert the renamed Southern Hills Pipeline to NGL service and add extensions to Mont Belvieu, Texas, along with various receipt points in the Midcontinent Region. Southern Hills will have a target capacity of approximately 150,000 BD of Y-grade NGL and is expected to begin service by mid-2013.

Early in 2011, DCP Midstream secured long-term natural gas supply agreements to anchor its major expansion in the liquids-rich Eagle Ford shale play. In connection with these agreements, DCP Midstream is constructing approximately 130 miles of gathering pipelines that will connect to its existing gathering and processing facilities. DCP Midstream has 800 million CFD of processing capacity in the region, and with Eagle Ford volumes growing to more than 200 million CFD, this capacity is nearly full. DCP Midstream is building a sixth facility, Eagle Plant, increasing its total capacity in the area to 1 billion CFD.

In Weld County, Colo., DCP Midstream's new Mewbourn processing facility came on line, and plans for a new processing plant in the Denver-Julesberg Basin were announced. The new 110-million-CFD

Midstream Highlights

- Earnings increase 50 percent to $458 million
- Significant pipeline expansion plans under way
- Strategically positioning toward full value chain services

Midstream Financial and Operating Results

	2011	2010	2009
Earnings ($MM)	**$ 458**	306	313
Adjusted earnings ($MM)	**$ 458**	306	225
NGL extracted (MBD)	**200**	193	187
DCP Midstream – raw gas throughput (BCFD)	**6.1**	6.1	6.1

dcp Midstream

Through the addition of pipeline and processing capacity, DCP Midstream continued expanding its presence in growing natural gas-producing areas across the United States.

Chemicals Highlights

- Earnings increase 50 percent to $745 million
- Continued execution of U.S. and international growth projects

Chemicals Financial and Operating Results

	2011	2010	2009
Earnings ($MM)	**$ 745**	498	248
CPChem – plant net capacity (MMLB/Y)	**31,280**	31,075	28,860

An S-Chem plant in Saudi Arabia, part of CPChem's expanding international operations.

LaSalle processing plant will augment DCP Midstream's prominent position in the basin, in which it currently owns and operates seven natural gas processing plants with combined capacity of 400 million CFD.

"We are very proud of our 2011 accomplishments, both from an operating front and how we are strategically positioning the company to move toward a full value chain midstream service provider," said Tom O'Connor, chairman, president and chief executive officer of DCP Midstream.

Now in its 12th year of operations, DCP Midstream's workforce includes more than 3,000 people managing approximately 62,000 miles of pipelines, with interests in 61 processing plants and 12 fractionators.

ConocoPhillips' Midstream segment also includes an equity interest in Phoenix Park Gas Processors Limited in Trinidad and NGL fractionation plants in New Mexico, Texas and Kansas.

Chemicals

CPChem, our joint venture with Chevron Corporation, is one of the world's top producers of a wide range of petrochemicals, with operations worldwide.

CPChem finished 2011 with its best financial performance since its formation in 2000, contributing $745 million in earnings to ConocoPhillips. The company garnered the top accolade of Company of the Year in 2011 from ICIS Chemical Business magazine.

In addition to its outstanding financial performance, CPChem achieved steady progress in meeting its long-term growth objectives.

In December, CPChem announced completion of several key elements of a feasibility study announced earlier in 2011 to construct a world-scale ethane cracker and ethylene derivatives facilities in the U.S. Gulf Coast Region. The ethylene and associated derivatives facilities would leverage the industry's development of significant shale gas resources in the United States. The ethylene unit would be located at CPChem's Cedar Bayou facility, and the location for the other facilities will be announced in 2012.

In November, CPChem completed the acquisition of a polyalphaolefins (PAO) plant located in Beringen, Belgium. The transaction more than doubles CPChem's PAO production capability. PAOs are used in many synthetic products, such as lubricants, greases and fluids, and have emerged as essential components in numerous industries and applications.

In 2010, CPChem announced plans to build a 1-hexene plant capable of producing in excess of 200,000 metric tons per year. 1-hexene is a critical component used in the manufacture of polyethylene, a plastic resin commonly converted into film, plastic pipe, milk jugs, detergent bottles, and food and beverage containers. Project planning has begun, with approval expected in 2012 and startup anticipated in 2014.

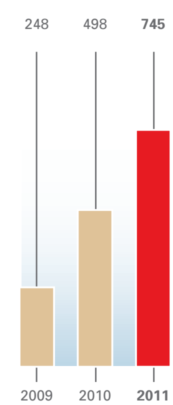
Saudi Polymers Company (SPCo), a 35-percent-owned joint-venture company of CPChem, is completing an integrated petrochemicals complex at Jubail Industrial City, Saudi Arabia. Construction was completed in 2011, and the complex is transitioning to commercial production in 2012. SPCo will produce ethylene, propylene, polyethylene, polypropylene, polystyrene and 1-hexene.

Through its Petrochemical Conversion Company, a 50/50 joint venture with Saudi Industrial Investment Group, CPChem is also building a nylon 6,6 (polyamide 6,6) and converted products complex with an expected startup in the fourth quarter of 2013. The complex will have annual capacities of 50,000 tons of nylon, 20,000 tons of compounded nylon, and 90,000 tons of converted products.

"We are extremely proud of our financial performance and steady growth in 2011," said Peter Cella, CPChem president and chief executive officer. "In 2012, we will continue exploring growth opportunities in the United States, the Middle East and other parts of the world. While we pursue growth, we keep our focus on operational excellence, because safe, reliable and responsible operations are a cornerstone of our culture, our success and our access to global growth opportunities."

Now in its 12th year of operations, CPChem's workforce includes approximately 4,700 people at 38 global manufacturing facilities in eight countries, with four research and technical centers that employ scientists, researchers and engineers.

Chemicals Earnings
($ Million)



Report of Independent Registered Public Accounting Firm on Condensed Financial Statements

The Board of Directors and Stockholders
ConocoPhillips

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of ConocoPhillips at December 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2011 and in our report dated February 21, 2012 (not presented separately herein), we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements (presented on pages 37 through 40) is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of ConocoPhillips' internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2012 (not presented separately herein) expressed an unqualified opinion thereon.

Ernst + Young LLP

Houston, Texas
February 21, 2012

CONSOLIDATED INCOME STATEMENT

Years Ended December 31 $ Millions Except as Indicated	**2011**	2010	2009
Revenues and Other Income			
Sales and other operating revenues*	**$244,813**	189,441	149,341
Equity in earnings of affiliates	**4,077**	3,133	2,531
Gain on dispositions	**2,007**	5,803	160
Other income	**329**	278	358
Total Revenues and Other Income	**251,226**	198,655	152,390
Costs and Expenses			
Purchased crude oil, natural gas and products	**185,867**	135,751	102,433
Production and operating expenses	**10,770**	10,635	10,339
Selling, general and administrative expenses	**2,078**	2,005	1,830
Exploration expenses	**1,066**	1,155	1,182
Depreciation, depletion and amortization	**7,934**	9,060	9,295
Impairments	**792**	1,780	535
Taxes other than income taxes*	**18,307**	16,793	15,529
Accretion on discounted liabilities	**455**	447	422
Interest and debt expense	**972**	1,187	1,289
Foreign currency transaction (gains) losses	**(16)**	92	(46)
Total Costs and Expenses	**228,225**	178,905	142,808
Income before income taxes	**23,001**	19,750	9,582
Provision for income taxes	**10,499**	8,333	5,090
Net income	**12,502**	11,417	4,492
Less: net income attributable to noncontrolling interests	**(66)**	(59)	(78)
Net Income Attributable to ConocoPhillips	**$ 12,436**	11,358	4,414
Net Income Attributable to ConocoPhillips Per Share of Common Stock (dollars)			
Basic	**$ 9.04**	7.68	2.96
Diluted	**8.97**	7.62	2.94
Average Common Shares Outstanding (in thousands)			
Basic	**1,375,035**	1,479,330	1,487,650
Diluted	**1,387,100**	1,491,067	1,497,608
**Includes excise taxes on petroleum products sales:*	***$ 13,954***	*13,689*	*13,325*

For complete consolidated financial statements, including notes, please refer to Appendix A of ConocoPhillips' 2012 Proxy Statement. See also Management's Discussion and Analysis of Financial Condition and Results of Operations and other information in Appendix A of the 2012 Proxy Statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31 $ Millions	**2011**	2010	2009
Net Income	**$ 12,502**	11,417	4,492
Other comprehensive income (loss)			
Defined benefit plans			
Prior service cost (credit) arising during the period	**19**	(13)	—
Reclassification adjustment for amortization of prior service cost included in net income	**2**	15	21
Net change	**21**	2	21
Net actuarial loss arising during the period	**(1,185)**	(9)	(388)
Reclassification adjustment for amortization of prior net losses included in net income	**226**	215	206
Net change	**(959)**	206	(182)
Nonsponsored plans*	**(50)**	5	39
Income taxes on defined benefit plans	**375**	(67)	52
Defined benefit plans, net of tax	**(613)**	146	(70)
Unrealized holding gain on securities**	**8**	631	—
Reclassification adjustment for gain included in net income	**(255)**	(384)	—
Income taxes on unrealized holding gain on securities	**89**	(89)	—
Unrealized gain on securities, net of tax	**(158)**	158	—
Foreign currency translation adjustments	**(387)**	1,417	5,092
Reclassification adjustment for gain included in net income	**(516)**	—	—
Income taxes on foreign currency translation adjustments	**(14)**	(13)	(85)
Foreign currency translation adjustments, net of tax	**(917)**	1,404	5,007
Hedging activities	**1**	—	(2)
Income taxes on hedging activities	**—**	—	5
Hedging activities, net of tax	**1**	—	3
Other comprehensive income (loss), net of tax	**(1,687)**	1,708	4,940
Comprehensive income	**10,815**	13,125	9,432
Less: comprehensive income attributable to noncontrolling interests	**(66)**	(59)	(78)
Comprehensive Income Attributable to ConocoPhillips	**$ 10,749**	13,066	9,354

**Plans for which ConocoPhillips is not the primary obligor—primarily those administered by equity affiliates.*

***Available-for-sale securities of LUKOIL.*

For complete consolidated financial statements, including notes, please refer to Appendix A of ConocoPhillips' 2012 Proxy Statement. See also Management's Discussion and Analysis of Financial Condition and Results of Operations and other information in Appendix A of the 2012 Proxy Statement.

CONSOLIDATED BALANCE SHEET

At December 31 $ Millions	2011	2010
Assets		
Cash and cash equivalents	$ 5,780	9,454
Short-term investments*	581	973
Accounts and notes receivable (net of allowance of $30 million in 2011 and $32 million in 2010)	14,648	13,787
Accounts and notes receivable—related parties	1,878	2,025
Investment in LUKOIL	—	1,083
Inventories	4,631	5,197
Prepaid expenses and other current assets	2,700	2,141
Total Current Assets	30,218	34,660
Investments and long-term receivables	32,108	31,581
Loans and advances—related parties	1,675	2,180
Net properties, plants and equipment	84,180	82,554
Goodwill	3,332	3,633
Intangibles	745	801
Other assets	972	905
Total Assets	$153,230	156,314
Liabilities		
Accounts payable	$ 17,973	16,613
Accounts payable—related parties	1,680	1,786
Short-term debt	1,013	936
Accrued income and other taxes	4,220	4,874
Employee benefit obligations	1,111	1,081
Other accruals	2,071	2,129
Total Current Liabilities	28,068	27,419
Long-term debt	21,610	22,656
Asset retirement obligations and accrued environmental costs	9,329	9,199
Joint venture acquisition obligation—related party	3,582	4,314
Deferred income taxes	18,055	17,335
Employee benefit obligations	4,068	3,683
Other liabilities and deferred credits	2,784	2,599
Total Liabilities	87,496	87,205
Equity		
Common stock (2,500,000,000 shares authorized at $.01 par value)		
Issued (2011—1,749,550,587 shares; 2010—1,740,529,279 shares)		
Par value	17	17
Capital in excess of par	44,725	44,132
Grantor trusts (at cost: 2010—36,890,375 shares)	—	(633)
Treasury stock (at cost: 2011—463,880,628 shares; 2010—272,873,537 shares)	(31,787)	(20,077)
Accumulated other comprehensive income	3,086	4,773
Unearned employee compensation	(11)	(47)
Retained earnings	49,194	40,397
Total Common Stockholders' Equity	65,224	68,562
Noncontrolling interests	510	547
Total Equity	65,734	69,109
Total Liabilities and Equity	$153,230	156,314
**Includes marketable securities of:*	*$ 232*	*602*

For complete consolidated financial statements, including notes, please refer to Appendix A of ConocoPhillips' 2012 Proxy Statement. See also Management's Discussion and Analysis of Financial Condition and Results of Operations and other information in Appendix A of the 2012 Proxy Statement.

CONSOLIDATED STATEMENT OF CASH FLOWS

Years Ended December 31 $ Millions	2011	2010	2009
Cash Flows From Operating Activities			
Net income	$ 12,502	11,417	4,492
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation, depletion and amortization	7,934	9,060	9,295
Impairments	792	1,780	535
Dry hole costs and leasehold impairments	470	477	606
Accretion on discounted liabilities	455	447	422
Deferred taxes	1,287	(878)	(1,115)
Undistributed equity earnings	(1,077)	(1,073)	(1,254)
Gain on dispositions	(2,007)	(5,803)	(160)
Other	(359)	(249)	196
Working capital adjustments			
Decrease (increase) in accounts and notes receivable	(1,169)	(2,427)	(1,106)
Decrease (increase) in inventories	556	(363)	320
Decrease (increase) in prepaid expenses and other current assets	(306)	43	282
Increase (decrease) in accounts payable	1,290	2,887	1,612
Increase (decrease) in taxes and other accruals	(722)	1,727	(1,646)
Net Cash Provided by Operating Activities	19,646	17,045	12,479
Cash Flows From Investing Activities			
Capital expenditures and investments	(13,266)	(9,761)	(10,861)
Proceeds from asset dispositions	4,820	15,372	1,270
Net sales (purchases) of short-term investments	400	(982)	—
Long-term advances/loans—related parties	(9)	(313)	(525)
Collection of advances/loans—related parties	648	115	93
Other	392	234	88
Net Cash Provided by (Used in) Investing Activities	(7,015)	4,665	(9,935)
Cash Flows From Financing Activities			
Issuance of debt	—	118	9,087
Repayment of debt	(961)	(5,320)	(7,858)
Issuance of company common stock	96	133	13
Repurchase of company common stock	(11,123)	(3,866)	—
Dividends paid on company common stock	(3,632)	(3,175)	(2,832)
Other	(685)	(709)	(1,265)
Net Cash Used in Financing Activities	(16,305)	(12,819)	(2,855)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	21	98
Net Change in Cash and Cash Equivalents	(3,674)	8,912	(213)
Cash and cash equivalents at beginning of year	9,454	542	755
Cash and Cash Equivalents at End of Year	$ 5,780	9,454	542

For complete consolidated financial statements, including notes, please refer to Appendix A of ConocoPhillips' 2012 Proxy Statement. See also Management's Discussion and Analysis of Financial Condition and Results of Operations and other information in Appendix A of the 2012 Proxy Statement.

SELECTED FINANCIAL DATA

$ Millions Except as Indicated	**2011**	2010	2009	2008	2007
Sales and other operating revenues	**$244,813**	189,441	149,341	240,842	187,437
Net income (loss)	**12,502**	11,417	4,492	(16,279)	11,545
Net income (loss) attributable to ConocoPhillips	**12,436**	11,358	4,414	(16,349)	11,458
Per common share (dollars)					
Basic	**9.04**	7.68	2.96	(10.73)	7.06
Diluted	**8.97**	7.62	2.94	(10.73)	6.96
Total assets	**153,230**	156,314	152,138	142,865	177,094
Long-term debt	**21,610**	22,656	26,925	27,085	20,289
Joint venture acquisition obligation—long-term	**3,582**	4,314	5,009	5,669	6,294
Cash dividends declared per common share (dollars)	**2.64**	2.15	1.91	1.88	1.64
Market quotations for common stock (dollars)					
High	**81.80**	68.58	57.44	95.96	90.84
Low	**58.65**	46.63	34.12	41.27	61.59
Year-end close	**72.87**	68.10	51.07	51.80	88.30

SEGMENT PROFILE

	Sales and Other Operating Revenues			Net Income (Loss) Attributable to ConocoPhillips			Capital Expenditures and Investments		
$ Millions	**2011**	2010	2009	**2011**	2010	2009	**2011**	2010	2009
E&P									
United States	**$ 24,661**	23,281	19,638	**3,254**	2,768	1,503	**4,655**	2,585	3,474
International	**24,792**	20,244	17,459	**4,988**	6,430	2,101	**7,350**	5,908	5,425
Total E&P	**49,453**	43,525	37,097	**8,242**	9,198	3,604	**12,005**	8,493	8,899
Midstream	**8,729**	7,307	4,892	**458**	306	313	**17**	3	5
R&M									
United States	**126,194**	93,801	73,258	**3,595**	1,022	(192)	**768**	790	1,299
International	**60,308**	44,620	33,975	**156**	(830)	229	**226**	266	427
Total R&M	**186,502**	138,421	107,233	**3,751**	192	37	**994**	1,056	1,726
LUKOIL Investment	**—**	—	—	**239**	2,503	1,219	**—**	—	—
Chemicals	**11**	11	11	**745**	498	248	**—**	—	—
Emerging Businesses	**95**	151	86	**(26)**	(59)	3	**30**	27	97
Corporate and Other	**23**	26	22	**(973)**	(1,280)	(1,010)	**220**	182	134
Total	**$244,813**	189,441	149,341	**12,436**	11,358	4,414	**13,266**	9,761	10,861

5-YEAR OPERATING REVIEW

E&P	**2011**	2010	2009	2008	2007
Thousands of Barrels Daily (MBD)					
Crude Oil and Natural Gas Liquids Production					
United States	**383**	390	418	426	461
Canada	**38**	38	40	44	46
Europe	**175**	211	241	233	224
Asia Pacific/Middle East	**111**	140	132	107	106
Africa	**40**	79	78	80	78
Other areas	**—**	—	4	9	10
Total consolidated	**747**	858	913	899	925
Equity affiliates	**52**	55	55	24	57
Total E&P	**799**	913	968	923	982
Synthetic Oil Production					
Consolidated—Canada	**—**	12	23	22	23
Bitumen Production					
Consolidated—Canada	**10**	10	7	6	—
Equity affiliates	**57**	49	43	30	27
Total E&P	**67**	59	50	36	27
Natural Gas Production*					
Millions of Cubic Feet Daily (MMCFD)					
United States	**1,617**	1,777	2,021	2,091	2,292
Canada	**928**	984	1,062	1,054	1,106
Europe	**626**	815	876	954	961
Asia Pacific/Middle East	**695**	712	713	609	579
Africa	**158**	149	121	114	125
Other areas	**—**	—	—	14	19
Total consolidated	**4,024**	4,437	4,793	4,836	5,082
Equity affiliates	**492**	169	84	11	5
Total E&P	**4,516**	4,606	4,877	4,847	5,087

**Represents quantities available for sale. Excludes gas equivalent of natural gas liquids included above.*

Average Sales Prices					
$ Per Unit					
Crude oil and natural gas liquids (per barrel)					
Total consolidated	**$97.12**	72.63	55.47	89.35	66.01
Equity affiliates	**98.60**	74.81	58.23	71.15	48.72
Total E&P	**97.22**	72.77	55.63	88.91	64.99
Natural gas (per MCF)					
Total consolidated	**5.64**	5.07	4.40	8.20	6.14
Equity affiliates	**2.89**	2.79	2.35	2.04	.30
Total E&P	**5.34**	4.98	4.37	8.18	6.13

Midstream					
Thousands of Barrels Daily (MBD)					
Natural Gas Liquids Extracted*	**200**	193	187	188	211

**Includes our share of equity affiliates.*

Average Sales Prices					
$ Per Barrel					
U.S. natural gas liquids*					
Consolidated	**$57.79**	45.42	33.63	56.29	47.93
Equity affiliates	**50.64**	41.28	29.80	52.08	46.80

**Based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural gas liquids component and location mix.*

R&M

Thousands of Barrels Daily (MBD)	2011	2010	2009	2008	2007
Refinery Operations*					
United States					
Crude oil capacity**	**1,939**	1,986	1,986	2,008	2,035
Crude oil processed	**1,757**	1,782	1,731	1,849	1,944
Refinery production	**1,932**	1,958	1,891	2,035	2,146
International					
Crude oil capacity**	**426**	671	671	670	687
Crude oil processed	**409**	374	495	567	616
Refinery production	**419**	383	504	575	633
Petroleum Products Sales					
United States					
Gasoline	**1,129**	1,120	1,130	1,128	1,244
Distillates	**884**	873	858	893	872
Other products	**401**	400	367	374	432
	2,414	2,393	2,355	2,395	2,548
International	**714**	647	619	645	697
Total company	**3,128**	3,040	2,974	3,040	3,245

**Includes our share of equity affiliates.*
***Weighted-average crude oil capacity for the periods.*

U.S. Average Wholesale Prices* ($ Per Gallon)	2011	2010	2009	2008	2007
Gasoline	**$2.94**	2.24	1.84	2.65	2.27
Distillates	**3.12**	2.30	1.76	3.06	2.29

**Excludes excise taxes.*

LUKOIL Investment*

Units Per Day	2011	2010	2009	2008	2007
Crude oil production (MBD)	**—**	284	388	389	400
Natural gas production (MMCFD)	**—**	254	295	330	268
Refinery crude processed (MBD)	**—**	189	240	226	211

**Represents our net share of our estimate of LUKOIL's production and processing.*

RESERVES SUMMARY

Millions of Barrels of Oil Equivalent (BOE)	2011	2010	2009	2008	2007
Net Proved Reserves					
Alaska	**1,804**	1,762	1,684	1,617	2,040
Lower 48	**1,896**	1,918	2,012	2,131	2,308
Total United States	**3,700**	3,680	3,696	3,748	4,348
Canada	**1,873**	1,764	1,845	1,329	1,282
Europe	**870**	779	836	936	1,073
Russia	**28**	78	2,055	1,946	1,894
Asia Pacific/Middle East	**1,393**	1,468	1,352	1,433	1,347
Africa	**406**	424	425	448	463
Other areas	**117**	117	117	135	153
Total company	**8,387**	8,310	10,326	9,975	10,560
Total consolidated operations	**6,750**	6,655	7,020	6,800	7,613
Total equity affiliates	**1,637**	1,655	3,306	3,175	2,947
Total company	**8,387**	8,310	10,326	9,975	10,560
Includes amounts related to LUKOIL investment:	**—**	*—*	*1,967*	*1,893*	*1,838*
E&P organic reserve replacement ratio (percent)	**120%**	138	137	(4)	119
E&P organic reserve replacement ratio, 5-year average (percent)	**102%**				

Natural gas reserves are converted to BOE based on a 6:1 ratio – six thousand cubic feet of natural gas converts to one BOE.
Organic reserve replacement ratio excludes the impact of acquisitions and dispositions.

NON-GAAP RECONCILIATIONS

$ Millions Except as Indicated	2011	2010	2009
Adjusted Earnings			
Consolidated			
Net Income Attributable to ConocoPhillips	**$12,436**	11,358	4,414
Adjustments:			
Impairments	**967**	1,756	729
Cancelled projects	**82**	114	—
Net (gain)/loss on asset sales/share issuance	**(1,619)**	(4,518)	(175)
Severance accruals	**15**	28	(40)
Bohai Bay incidents	**142**	—	—
Pending claims and settlements	**—**	13	—
Deferred tax adjustment	**—**	(40)	—
Premium on early debt retirement	**—**	114	—
International tax law changes	**109**	—	—
Repositioning costs	**25**	—	—
Adjusted earnings	**$12,157**	8,825	4,928
Earnings per share of common stock	**$ 8.97**	7.62	2.94
Adjusted earnings per share of common stock	**8.76**	5.92	3.28
E&P			
Net Income Attributable to ConocoPhillips	**$ 8,242**	9,198	3,604
Adjustments:			
Impairments	**629**	638	613
Cancelled projects	**54**	85	—
Net (gain)/loss on asset sales/share issuance	**113**	(3,151)	(55)
Severance accruals	**—**	—	(31)
Bohai Bay incidents	**142**	—	—
Pending claims and settlements	**—**	24	—
Deferred tax adjustment	**—**	(40)	—
International tax law changes	**109**	—	—
Adjusted earnings	**$ 9,289**	6,754	4,131
Midstream			
Net Income Attributable to ConocoPhillips	**$ 458**	306	313
Adjustments:			
Net (gain)/loss on asset sales/share issuance	**—**	—	(88)
Adjusted earnings	**$ 458**	306	225
R&M			
Net Income Attributable to ConocoPhillips	**$ 3,751**	192	37
Adjustments:			
Impairments	**318**	1,118	116
Cancelled projects	**28**	29	—
Net (gain)/loss on asset sales/share issuance	**(1,495)**	(116)	(32)
Severance accruals	**15**	28	(6)
Pending claims and settlements	**—**	(35)	—
Adjusted earnings	**$ 2,617**	1,216	115
Income per BOE			
E&P			
Net Income Attributable to ConocoPhillips	**$ 8,242**	9,198	3,604
Net Income Attributable to ConocoPhillips ($/BOE)	**13.95**	14.38	5.33
Noncore earnings impacts:			
Net (gain)/loss on asset dispositions	**113**	(3,151)	(55)
Asset impairments/cancelled projects	**683**	723	613
Tax legislation/regulatory/other	**251**	(16)	6
E&P Income ($/BOE)	**$ 15.72**	10.56	6.16

$ Millions Except as Indicated	2011	2010	2009
Return on Capital Employed (ROCE)			
Consolidated			
Numerator:			
Net income	**$12,502**	11,417	4,492
After-tax interest expense	**632**	772	838
GAAP ROCE earnings	**13,134**	12,189	5,330
Noncore earnings impacts	**(279)**	(2,533)	616
Adjusted ROCE earnings	**$12,855**	9,656	5,946
Denominator:			
GAAP average capital employed*	**$90,529**	91,983	87,493
ROCE (percent)	**14%**	10	7
GAAP ROCE (percent)	**15%**	13	6
E&P			
Numerator:			
Net income	**$ 8,303**	9,251	3,670
After-tax interest expense	**79**	91	101
GAAP ROCE earnings	**8,382**	9,342	3,771
Noncore earnings impacts	**1,047**	(2,444)	564
Adjusted ROCE earnings	**$ 9,429**	6,898	4,335
Denominator:			
GAAP average capital employed*	**$59,011**	58,511	56,348
ROCE (percent)	**16%**	12	8
GAAP ROCE (percent)	**14%**	16	7
R&M			
Numerator:			
Net income	**$ 3,756**	197	40
After-tax interest expense	**—**	—	—
GAAP ROCE earnings	**3,756**	197	40
Noncore earnings impacts	**(1,134)**	1,024	136
Adjusted ROCE earnings	**$ 2,622**	1,221	176
Denominator:			
GAAP average capital employed*	**$20,947**	22,439	22,420
ROCE (percent)	**13%**	5	1
GAAP ROCE (percent)	**18%**	1	—
Cash Return on Capital Employed (CROCE)			
Consolidated			
Numerator:			
EBIDA**	**$21,068**	21,248	14,624
Noncore earnings impacts	**(279)**	(2,533)	616
Adjusted EBIDA	**$20,789**	18,715	15,240
GAAP cash flows from operating activities	**19,610**	17,045	12,479
Difference***	**(1,179)**	(1,670)	(2,761)
Denominator:			
GAAP average capital employed*	**$90,529**	91,983	87,493
CROCE (percent)	**23%**	20	17
GAAP CROCE (percent)	**22%**	19	14

**Total equity plus total debt.*
***Net income plus DD&A and after-tax interest expense.*
****Primarily impact of working capital, deferred taxes, undistributed equity earnings and interest.*

Board of Directors

Standing – Left to right: William E. Wade, Jr., Richard L. Armitage, James E. Copeland, Jr., Robert A. Niblock, Victoria J. Tschinkel, William K. Reilly, Richard H. Auchinleck, Kenneth M. Duberstein, James J. Mulva, Tan Sri Mohd Hassan Marican.
Seated – Left to right: Harold W. McGraw III, Ruth R. Harkin, Harald J. Norvik, Kathryn C. Turner.

Richard L. Armitage, 66, president of Armitage International LLC since 2005. U.S. deputy secretary of state from 2001 to 2005. President of Armitage Associates from 1993 to 2001. Assistant secretary of defense for international security affairs from 1983 to 1989. Recipient of numerous U.S. and foreign decorations and service awards. Also a director of ManTech International Corporation and Transcu, Ltd. Lives in Vienna, Va. (4)

Richard H. Auchinleck, 60, president and CEO of Gulf Canada Resources Limited from 1998 to 2001. Chief operating officer of Gulf Canada and CEO for Gulf Indonesia Resources Limited from 1997 to 1998. Also a director of Enbridge Income Fund Holdings Inc. and Telus Corporation. Lives in Victoria, B.C., Canada. (2, 4)

James E. Copeland, Jr., 67, CEO of Deloitte & Touche USA and Deloitte Touche Tohmatsu from 1999 to 2003. Served as a senior fellow for corporate governance with the U.S. Chamber of Commerce and as a global scholar at the Robinson School of Business at Georgia State University. Also a director for Time Warner Cable Inc. and Equifax. Lives in Duluth, Ga. (1, 2)

Kenneth M. Duberstein, 67, chairman and CEO of the Duberstein Group, a strategic planning and consulting company, since 1989. Served as White House chief of staff to U.S. President Ronald Reagan. Serves as a director of The Boeing Company; The Travelers Companies, Inc.; Dell Inc.; and Mack-Cali Realty Corporation. Also a board member of the Council on Foreign Relations, the Brookings Institution and the Kennedy Center for the Performing Arts. Lives in Washington, D.C. (5)

Ruth R. Harkin, 67, senior vice president, international affairs and government relations for United Technologies Corporation (UTC) and chair of United Technologies International, UTC's international representation arm, from 1997 to 2005. President and CEO of Overseas Private Investment Corporation from 1993 to 1997. Serves on the advisory board of the National Toll Road, Dublin, Ireland; the board of regents of the state of Iowa; and the boards of Tippie College of Business at the University of Iowa and Every Child Counts. Lives in Alexandria, Va. (2, 5)

Tan Sri Mohd Hassan Marican, 59, former president and CEO of the Malaysian national oil company, PETRONAS, from 1995 to 2010. Previously senior vice president of finance for PETRONAS from 1989 to 1995 and a partner in the accounting firm of Hanafiah Raslan and Mohamed (Touche Ross & Co.) from 1981 to 1989. Serves as a director of Sembcorp Industries, Sembcorp Marine Limited, Lambert Energy Advisory, Singapore Power and Sarawak Energy. Lives in Selangor, Malaysia. (1)

Harold W. McGraw III, 63, chairman, president and CEO of The McGraw-Hill Companies since 2000. President and CEO of The McGraw-Hill Companies from 1998 to 2000. Member of The McGraw-Hill Companies board of directors since 1987. Also a director of United Technologies Corporation. Lives in Darien, Conn. (3, 4)

James J. Mulva, 65, chairman, president and CEO of ConocoPhillips. Chairman, president and CEO of Phillips from 1999 to 2002. President and chief operating officer of Phillips from 1994 to 1999. Joined Phillips in 1973; elected to board in 1994. Served as 2006 chairman of the American Petroleum Institute. A director of General Electric and M.D. Anderson Cancer Center, member of The Business Council and The Business Roundtable, and trustee of the Boys and Girls Clubs of America. Lives in Houston, Texas. (2)

Robert A. Niblock, 49, chairman, president and CEO of Lowe's Companies, Inc. since 2011. Served as Lowe's chairman and CEO from 2005 to 2011, president from 2003 to 2006, and joined its board of directors when named chairman and CEO-elect in 2004. Secretary of the Retail Industry Leaders Association (RILA) after having served as chairman in 2008 and 2009. Board member of the RILA since 2003 and served as vice chairman in 2006 and 2007. Lives in Lewisville, N.C. (1)

Harald J. Norvik, 65, president and CEO of Statoil from 1988 to 1999. Chairman of the board of Telenor ASA and a director of Petroleum Geo Services ASA. Lives in Nesodden, Norway. (1)

William K. Reilly, 72, senior advisor to TPG Capital, an international private equity investment organization. Also a director of E.I. du Pont de Nemours & Company and Royal Caribbean Cruises Ltd. Lives in San Francisco, Calif. (5)

Victoria J. Tschinkel, 64, director of the Florida Nature Conservancy from 2003 to 2006. Senior environmental consultant to law firm Landers & Parsons from 1987 to 2002. Former secretary of the Florida Department of Environmental Regulation. Lives in Tallahassee, Fla. (1)

Kathryn C. Turner, 64, founder, chairperson and CEO of Standard Technology, Inc., a management and technology solutions firm with a focus in the health care sector, since 1985. Also a director of Carpenter Technology Corporation and the National Association of Corporate Directors Capital Area Chapter. Advisory board member of the Smithsonian Institute Library. Lives in Bethesda, Md. (3, 4)

William E. Wade, Jr., 69, former president of ARCO (Atlantic Richfield Company). Executive vice president, worldwide exploration and production, ARCO, from 1993 to 1998. Also served as president of ARCO Oil & Gas Company and president of ARCO Alaska. Served on the boards of ARCO, Burlington Resources, Lyondell Chemical Company and Vastar Resources. Lives in the Florida Panhandle. (2, 3)

(1) Member of the Audit and Finance Committee.

(2) Member of the Executive Committee.

(3) Member of the Human Resources and Compensation Committee.

(4) Member of the Directors' Affairs Committee.

(5) Member of the Public Policy Committee.

As of Feb. 21, 2012.

Company Officers

Management Committee

James J. Mulva, Chairman, President and Chief Executive Officer

Larry E. Archibald, Senior Vice President, Exploration and Business Development

Gene L. Batchelder, Senior Vice President and Chief Administrative Officer

Rand C. Berney, Senior Vice President, Corporate Shared Services

B.M. "Red" Cavaney, Senior Vice President, Government Affairs

Willie C.W. Chiang, Senior Vice President, Refining, Marketing, Transportation & Commercial

Greg C. Garland, Senior Vice President, Exploration & Production – Americas

Al J. Hirshberg, Senior Vice President, Planning and Strategy

Janet Langford Kelly, Senior Vice President, Legal, General Counsel and Corporate Secretary

Ryan M. Lance, Senior Vice President, Exploration & Production – International

Luc J.F. Messier, Senior Vice President, Project Development & Procurement

Jeff W. Sheets, Senior Vice President, Finance, and Chief Financial Officer

Merl R. Lindstrom, Interim Senior Vice President, Technology

Bob A. Herman, Vice President, Health, Safety and Environment

Carin S. Knickel, Vice President, Human Resources

Ann M. Oglesby, Vice President, Communications and Public Affairs

C. Clayton Reasor, Vice President, Corporate and Investor Relations

Larry M. Ziemba, President, Global Refining

Other Corporate Officers

Glenda M. Schwarz, Vice President and Controller

Frances M. Vallejo, Vice President and Treasurer

Ben J. Clayton, General Tax Officer

Keith A. Kliewer, Tax Administration Officer

Kevin J. Mitchell, General Auditor

Operational and Functional Organizations

Exploration and Production

Don G. Hrap, President, Americas

Erec S. Isaacson, President, Qatar

Trond-Erik Johansen, President, Alaska

Kerr A. Johnston, President, Russia and Caspian

Joe P. Marushack, President, Canada

Steinar Vaage, President, Norway

Don E. Wallette, President, Asia Pacific

Paul C. Warwick, President, United Kingdom and Africa

Refining and Marketing

Deborah G. Adams, President, Transportation

Rex W. Bennett, President, Strategy, Integration and Specialty Businesses

Bill L. Bullock, President, Global Gas and Power

Chris W. Conway, President, Global Trading

Andy E. Viens, President, Global Marketing

John W. Wright, President, Global Supply

As of Feb. 21, 2012.

Shareholder Information

Annual Meeting

ConocoPhillips' annual meeting of stockholders will be held:

Wednesday, May 9, 2012
Omni Houston Hotel Westside
13210 Katy Freeway, Houston, Texas

Notice of the meeting and proxy materials are being sent to all shareholders.

Direct Stock Purchase and Dividend Reinvestment Plan

ConocoPhillips' Investor Services Program is a direct stock purchase and dividend reinvestment plan that offers shareholders a convenient way to buy additional shares and reinvest their common stock dividends. Purchases of company stock through direct cash payment are commission-free. Please call the BNY Mellon Shareowner Services Material Fulfillment Center to request an enrollment package:

Toll-free number: 866-353-7849

You may also enroll online at *www.bnymellon.com/shareowner/equityaccess*. Registered shareholders can access important investor communications online and sign up to receive future shareholder materials electronically by going to *www.bnymellon.com/shareowner/equityaccess* and following the enrollment instructions.

Principal and Registered Offices

600 N. Dairy Ashford
Houston, TX 77079

2711 Centerville Road
Wilmington, DE 19808

Stock Transfer Agent and Registrar

Computershare
480 Washington Blvd.
Jersey City, NJ 07310-1900
www.bnymellon.com/shareowner/equityaccess

Information Requests

For information about dividends and certificates, or to request a change of address form, shareholders may contact:

Computershare
P.O. Box 358015
Pittsburgh, PA 15252-8015
Toll-free number: 800-356-0066
Outside the U.S.: 201-680-6578
TDD for hearing impaired: 800-231-5469
TDD outside the U.S.: 201-680-6610
www.bnymellon.com/shareowner/equityaccess

Personnel in the following offices also can answer investors' questions about the company:

Institutional Investors:

ConocoPhillips Investor Relations
375 Park Avenue, Suite 3702
New York, NY 10152
212-207-1996
investor.relations@conocophillips.com

Individual Investors:

ConocoPhillips Shareholder Relations
600 N. Dairy Ashford, ML3074
Houston, TX 77079
281-293-6800
shareholder.relations@conocophillips.com

Compliance and Ethics

For guidance, or to express concerns or ask questions about compliance and ethics issues, call ConocoPhillips' Ethics Helpline toll-free: 877-327-2272, available 24 hours a day, seven days a week. The ethics office also may be contacted via email at *ethics@conocophillips.com*, the Internet at *http://conocophillips.ethicspoint.com* or by writing:

Attn: Corporate Ethics Office
ConocoPhillips
600 N. Dairy Ashford, ML3170
Houston, TX 77079

Copies of Form 10-K, Proxy Statement and Summary Annual Report

Copies of the Annual Report on Form 10-K and the Proxy Statement, as filed with the U.S. Securities and Exchange Commission, are available free by making a request on the company's website, calling 918-661-3700 or writing:

ConocoPhillips – 2011 Form 10-K
B-41 Adams Building
411 South Keeler Ave.
Bartlesville, OK 74004

Additional copies of this Summary Annual Report may be obtained by calling 918-661-3700 or writing:

ConocoPhillips
2011 Summary Annual Report
B-41 Adams Building
411 South Keeler Ave.
Bartlesville, OK 74004

Internet Website: *www.conocophillips.com*

The site includes resources of interest to investors, including news releases and presentations to securities analysts; copies of ConocoPhillips' annual reports and proxy statements; reports to the U.S. Securities and Exchange Commission; and data on ConocoPhillips' health, safety and environmental performance. Other websites with information on topics included in this summary annual report include:

www.cpchem.com
www.dcpmidstream.com

ConocoPhillips

www.conocophillips.com

ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, the company had operations in more than 35 countries, approximately 29,800 employees, $153 billion of assets and $245 billion of revenues as of Dec. 31, 2011.