



Creating Two Leading Energy Companies

Analyst Meeting

July 14, 2011



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■ Key Premises

- Integration creates value
- Scale and scope needed to compete
- Growth in hydrocarbon demand
- Resource capture will be more difficult and expensive

■ Execution

- Positioned each business line to compete effectively
 - E&P, R&M, Midstream and Chemicals
- Quality assets – but portfolio optimization needed
- M&A integration and cost synergies captured

Led to significant value creation

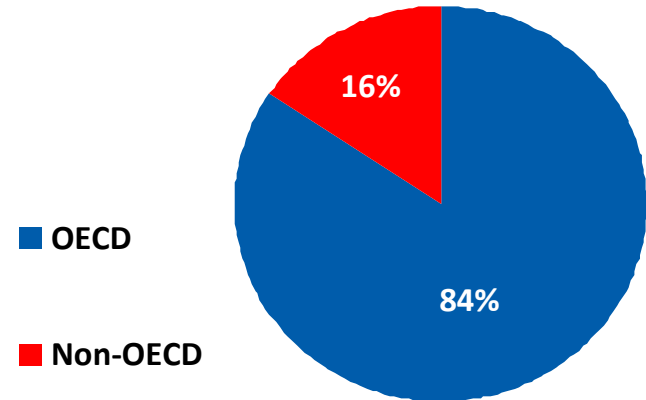
ROCE improvement

Margin enhancement

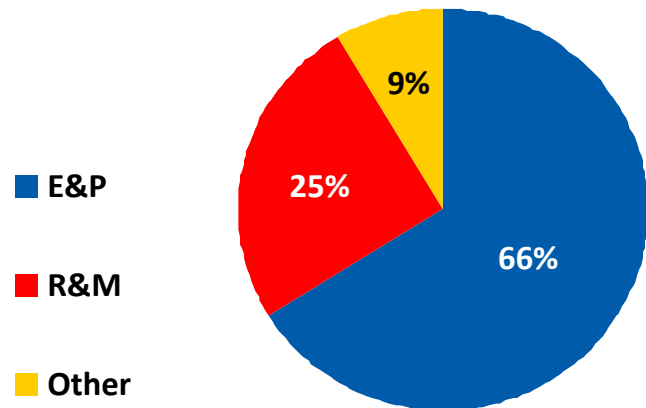
Per share growth

Shareholder distributions

Cash from Operations



\$92 B Capital Employed



Increasing shareholder value



■ Improve ROCE

- Expand margins per BOE
- Maintain capital discipline
- Portfolio optimization

■ Grow per share

- Reserves and production
- Earnings and cash flow

■ Increase distributions

- Annual dividend increases
- Share repurchases

Creating shareholder value

Key 2011 / 2012 Initiatives

- Disciplined \$28 B capital program
- Additional \$5-10 B in asset sales
- \$10+ B in share repurchases
- 100%+ reserve replacement
- Reduce refining capacity



Improve ROCE

- **Integrated Strategy has been effective**
 - Increased reserves and production
 - Generated competitive shareholder returns
- **Environment has changed**
 - Downstream capability not key to resource access
 - Resource Nationalism and NOC competition
 - Movement to “service” agreements
- **Value of IOC assets not reflected in equity value**
 - Transparency and potential of businesses not as clear as pure plays
 - Increasingly difficult to create differential value to larger Integrations
 - Emphasis on additional volumes not always value creating

Continually testing and assessing execution of strategy

- Pursuing tax free spin of Downstream business
- New independent pure-play publicly-held Downstream company
- ConocoPhillips becomes leading pure-play E&P company
- Expect transaction completion in first half 2012

Creates two strong independent companies

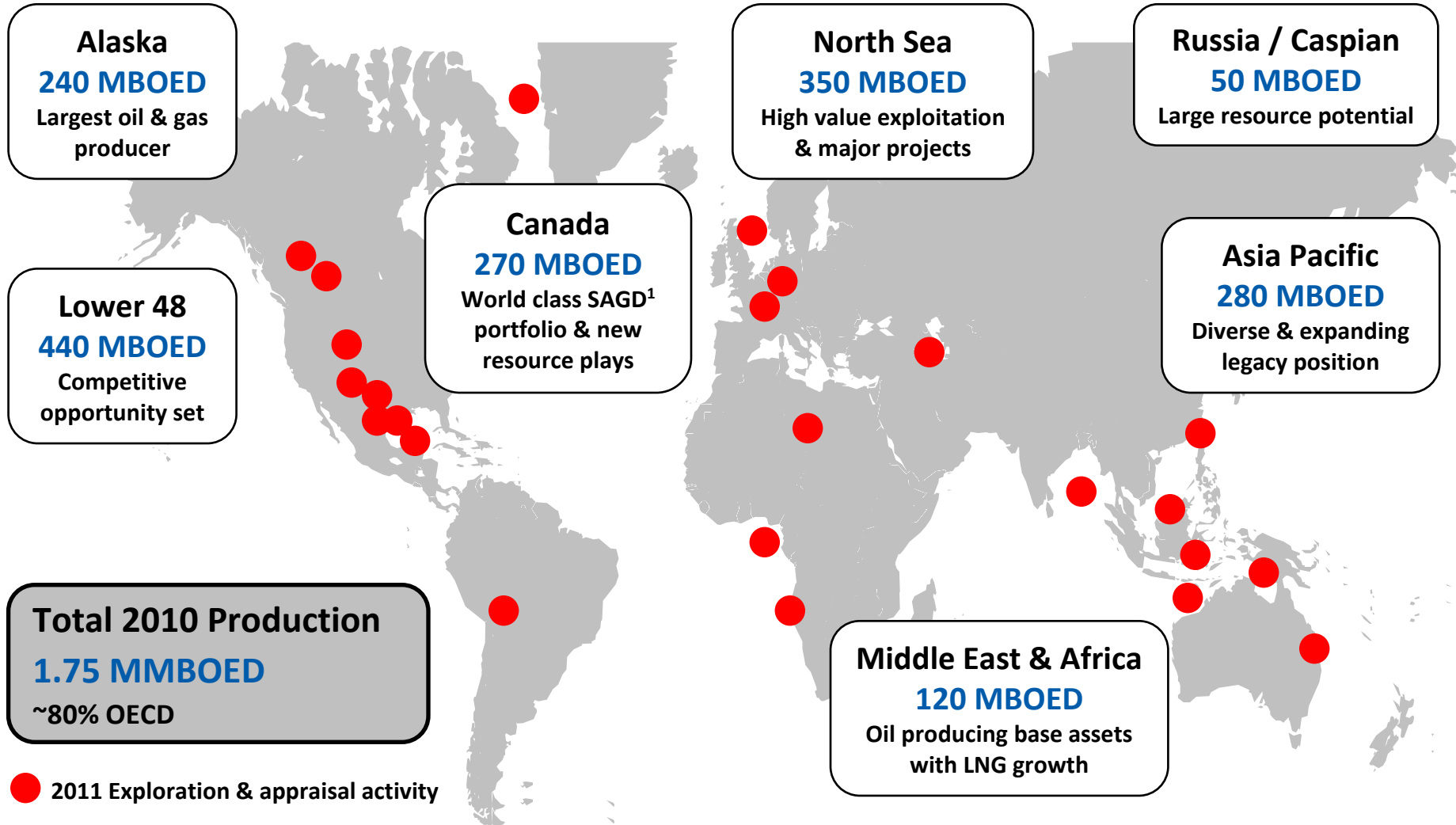
- **Create two profitable and independent companies**
 - E&P Strategy unchanged
 - Downstream given opportunity to add value through portfolio optimization
- **Greatest opportunity to create differential value**
 - Independent but consistent strategies
 - Both companies continue to benefit from size and scale
 - Both companies to have strong financial flexibility
 - Transparency of pure play over integrated business model
 - Management focus
 - Ability to attract and retain talent

New ConocoPhillips Description

- **Largest U.S. pure-play E&P company**
 - 1.7 MM BOED 2011 production
 - 8.5 B BOE reserves / 43 B BOE captured resource
 - Strong OECD position
- **Financial and technical capability on par with larger integrated majors**
- **No change in upstream strategy**
 - Improve ROCE
 - Per share growth in production and reserves
 - Complete portfolio strengthening
 - Capital discipline
 - Competitive F&D
 - Improve margins per BOE



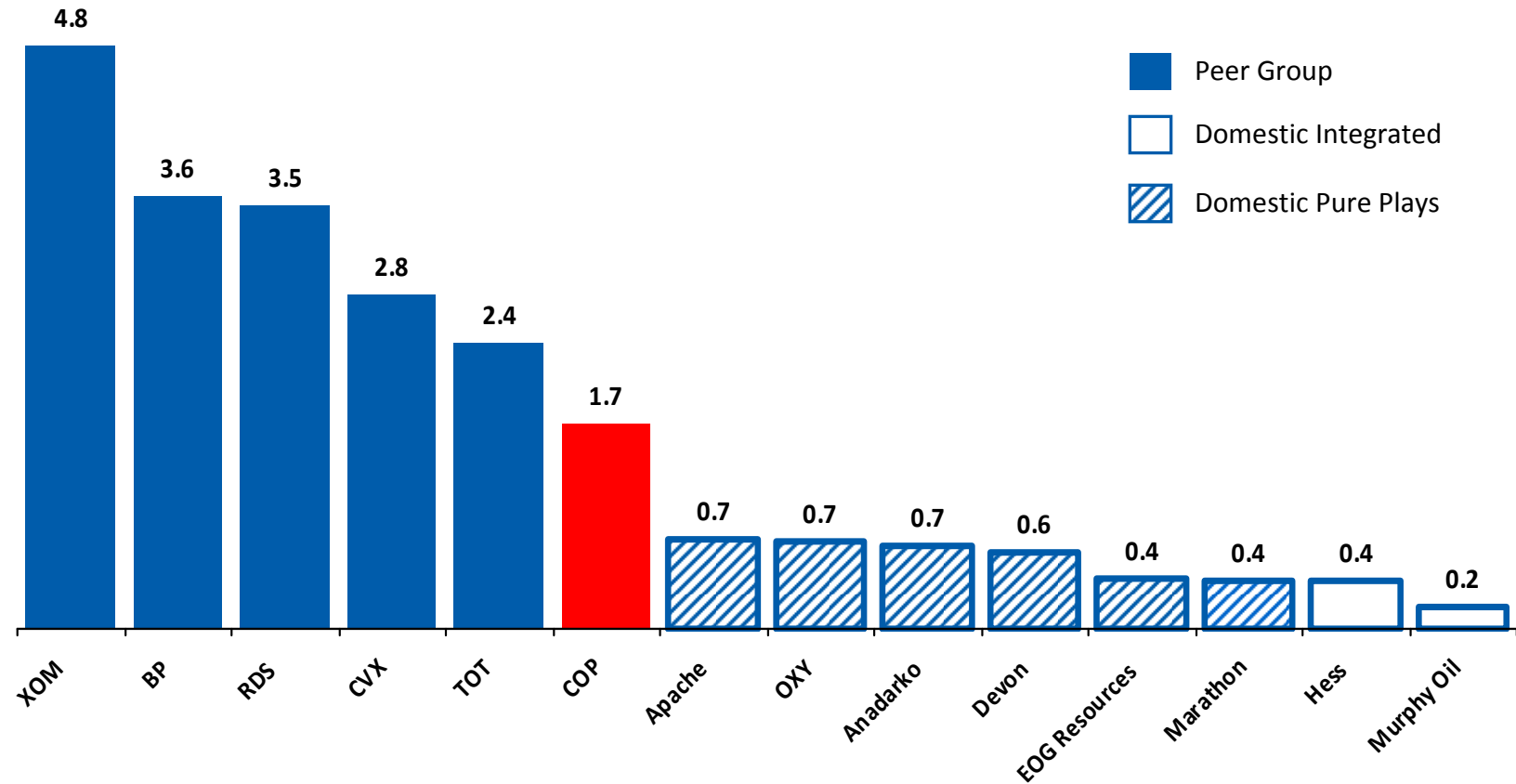
Asset disposition and share repurchase plans unchanged



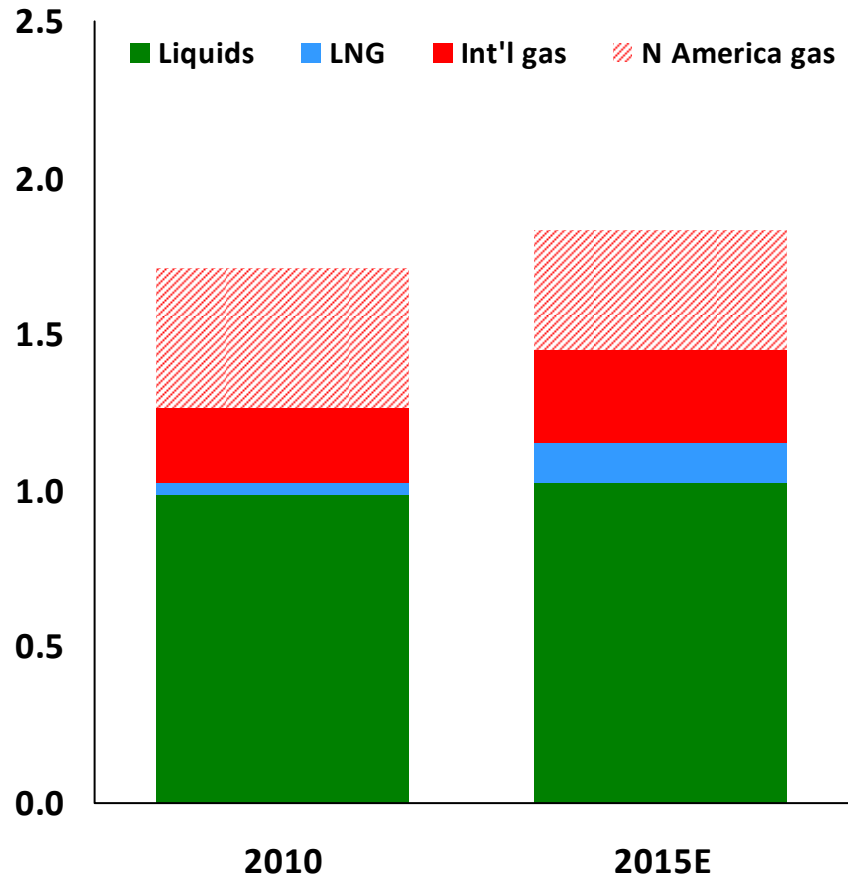
International growth opportunities underpinned by OECD position

¹ Steam Assisted Gravity Drainage

Q1 2011 Worldwide Production - MMBBD



Production by Product - MMBOED

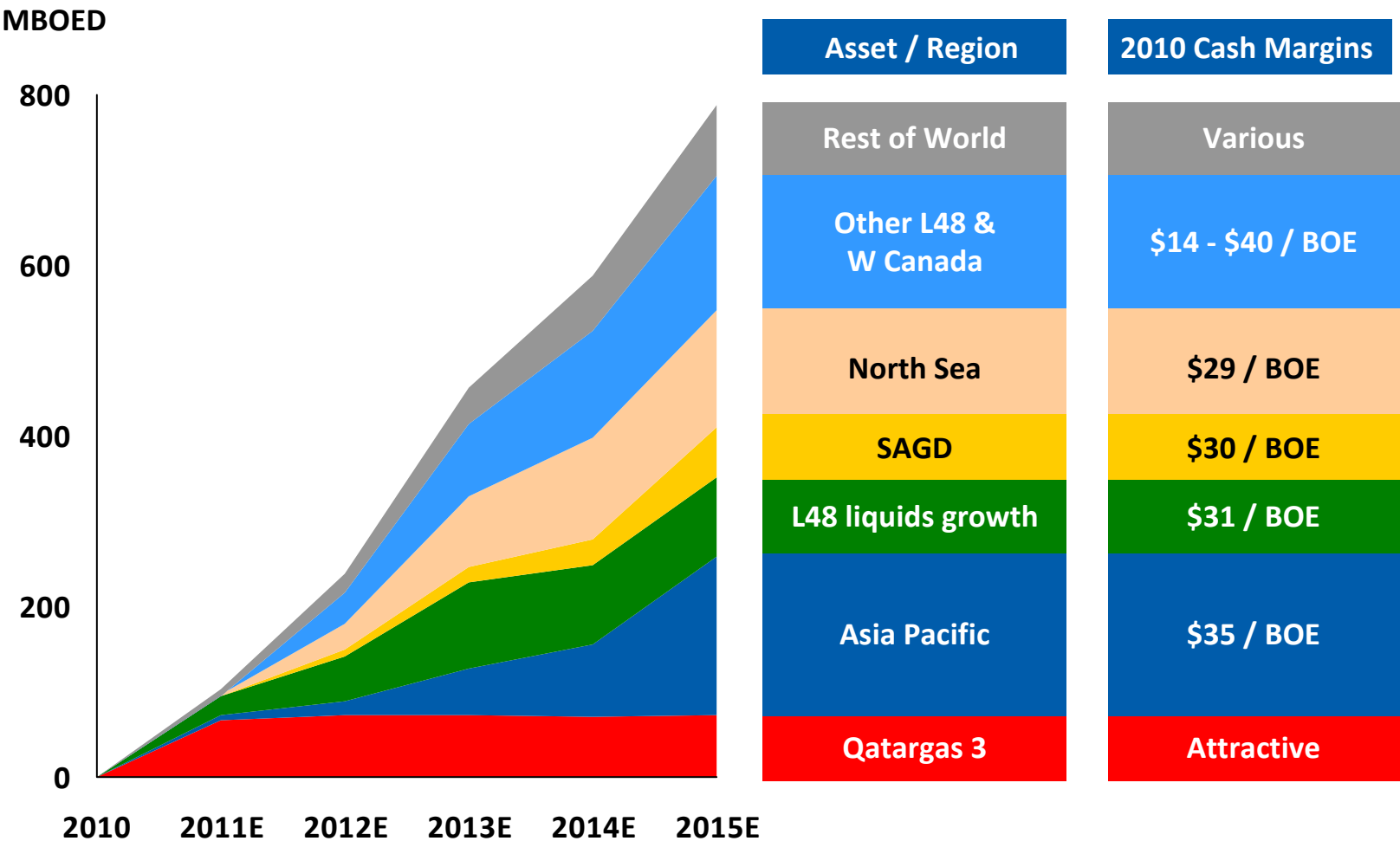


Sources of Growth

- **Asia Pacific**
 - APLNG, Malaysia, Indonesia
- **North Sea**
 - Jasmine, Clair, Ekofisk, Eldfisk
- **Caspian**
 - Kashagan
- **L48 liquids**
 - Eagle Ford, Bakken, Barnett, Permian
- **Canada SAGD**
 - FCCL, Surmont

Strong portfolio of investments leads to production growth

2011-2015 New Production



Improving margins through major projects and exploitation

■ Global Refining & Marketing leader

- 2.4 MM BPD worldwide refining capacity
- Low cost, integrated Marketing and Transportation
- 2 MM BPD domestic capacity
 - Significant position in mid-continent
 - Exposure to all PADDs

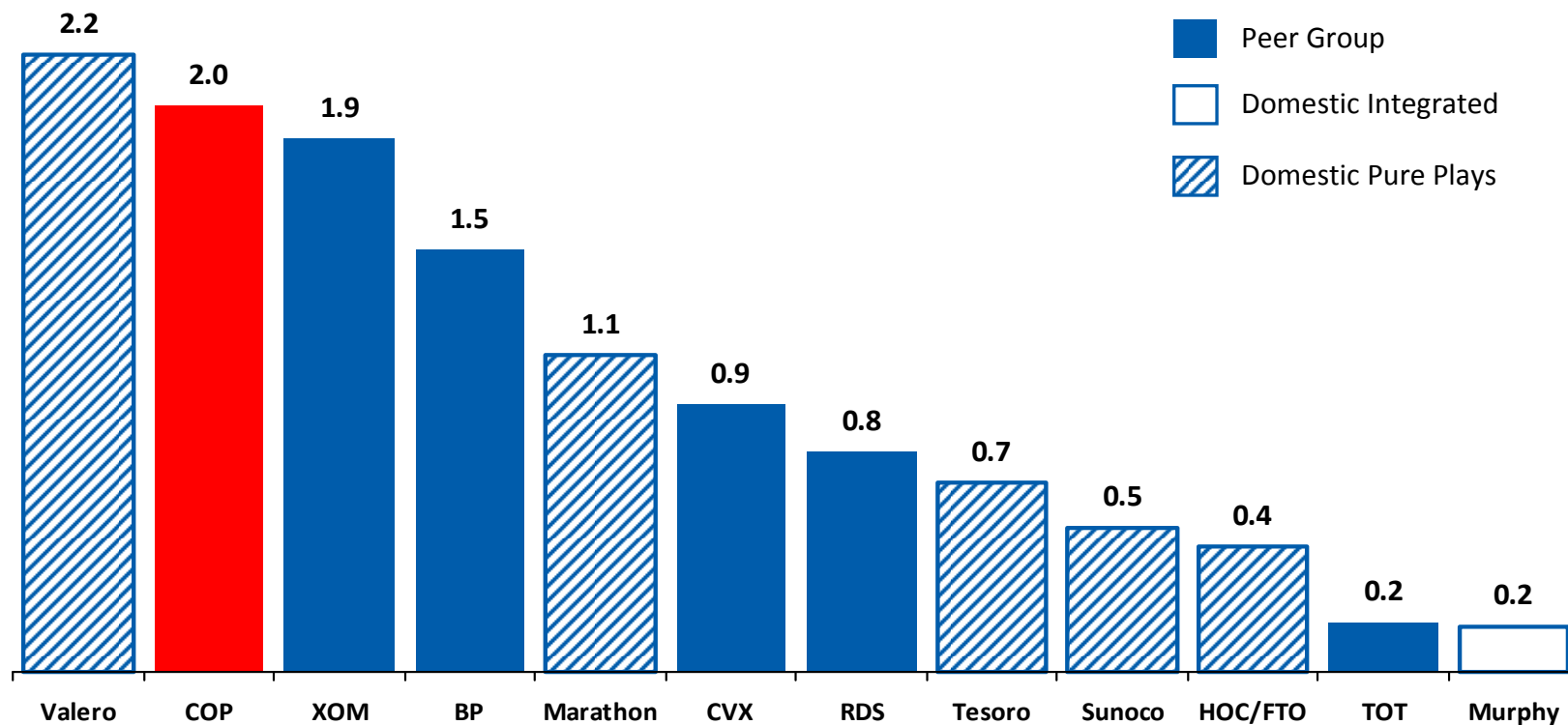
■ Strong investment grade credit with significant financial flexibility

■ Strategy focused on value creation

- Improve ROCE to mid-teens
- Sell or joint venture less competitive assets
- Disciplined reinvestment of free cash flow
- Competitive shareholder distributions
- Earnings and cash flow growth potential
- Operating excellence



Q1 2011 U.S. Refining Capacity - MMBB



Leading domestic refining company with portfolio of top quartile assets

- **Selective asset sales**
- **Finalization of Wood River CORE project**
- **Capital discipline**
 - **Implementing selective high return projects**
- **Optimization initiatives**
 - **Increase utilization and clean product yield**
 - **Lower cost structure**
 - **Capture feedstock advantage**

Generate mid-teens returns and free cash flow

- Detailed separation planning followed by IRS tax ruling request
- Announcement of new board and leadership teams
- Favorable IRS ruling
- Final COP Board approval
- Expected closing first half of 2012

Continued asset sales

Strong OECD-based cash flow

Enhanced queue of growth projects

Disciplined capital investment

Strengthened portfolio

- **100%+ reserves replacement**
- **Production per share growth**
- **Improved returns**
- **EPS/CFPS growth**
- **Increased distributions**

Restructuring consistent with commitment to shareholder returns