Cautionary Statement

The following presentation includes forward-looking statements. These statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations, operating results or the industries or markets in which we operate or participate in general. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that may prove to be incorrect and are difficult to predict such as oil and gas prices; operational hazards and drilling risks; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects; unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining or modifying company facilities; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations or from pending or future litigation; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; general domestic and international economic and political conditions, as well as changes in tax, environmental and other laws applicable to ConocoPhillips’ business and other economic, business, competitive and/or regulatory factors affecting ConocoPhillips’ business generally as set forth in ConocoPhillips’ filings with the Securities and Exchange Commission (SEC). We caution you not to place undue reliance on our forward-looking statements, which are only as of the date of this presentation or as otherwise indicated, and we expressly disclaim any responsibility for updating such information.

Use of non-GAAP financial information – This presentation may include non-GAAP financial measures, which help facilitate comparison of company operating performance across periods and with peer companies. Any non-GAAP measures included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure on our website at www.conocophillips.com/nongaap.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We use the term “resource” in this presentation that the SEC’s guidelines prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the ConocoPhillips website.
Oil Market
Global Oil Market: The Past Decade

Global Oil Prices and Volatility

Brent Crude Oil Price (left hand scale)

Oil Volatility Index (right hand scale)

Price/Bbl

% Volatility

Source: Bloomberg
Global Oil Market: Rebalancing and Recovery Imminent?

Rebalancing Begins in 2017: OPEC Cuts Will Help to Lower Global Inventories (MMBD)

- Demand (left axis)
- Production (left axis)
- Inventory Draw w/Full OPEC + non-OPEC cuts
- Production w/Full OPEC + non-OPEC cuts

Bars are Inventory Build/Draw (right axis)

Source: COP, IEA, OPEC
U.S. Crude Oil Production Expected to Grow

EIA Projects Significant Upside to U.S. Oil Production with Additional Efficiency and Technological Improvements (MMBD)

U.S. Crude Oil Production Growth Led by Onshore Fields

Lower-48 Offshore vs Onshore Oil Production (MMBD)

Challenges to Offshore development vs Onshore Unconventional Plays:

- High initial capital commitments
- Relatively long lead times
- Less flexibility
- Greater complexity

U.S. Unconventional, Light Tight Oil Plays Account for Future Growth

Key Issues in Projecting Future Tight Oil Supply:

• Pace and Magnitude of additional technology & efficiency improvements
• Cost escalation as activity accelerates
• Infrastructure needs
• Environmental compliance

Lower-48 Unconventional Oil Breakeven Costs

Contribution to Drop in Median Breakeven Cost of Five Major U.S. Unconventional Plays ($WTI/bbl)

- Higher well productivity
  - High-grading
  - Well design (lateral length, proppant intensity)

- Cost deflation
  - Equipment
  - Labor

- Efficiency gains
  - Less waste in materials and equipment downtime
  - Better integrated supply chain

Incremental Global Oil Supply for 2020

Higher Cost Supplies Must Compete with Relatively Low Cost U.S. Tight Oil
(Indicative Volume, Cost Range by Category)

Source: ConocoPhillips Chief Economists Office, Rystad Ucube; gross production growth before declines, boxes are indicative of the types of assets from each category not a fully inclusive list.
Global Oil Demand

Global oil demand has responded positively to low oil prices.

Demand grew solidly in 2015-2016.

Ongoing risks to oil demand growth:
- Decelerating global economy
  - Anti-trade policies
- Strong U.S. dollar weakens demand response outside U.S.
- Removal of subsidies in many developing countries hurts demand when oil prices recover.

Source: U.S. Department of Energy, EIA, Short-Term Outlook, January 2017
The IMF consistently lowered growth projections for 2015 and 2016.

The IMF lowered its GDP forecast for 2016 by 0.2% in its January 2016 forecast.

Downside risks to the economic outlook:

- Secular stagnation
- Hard landing in China’s slowdown
- European immigration crisis and Brexit
- Anti-trade policies
Natural Gas Markets
Resilience of U.S. Shale Gas Production for Major Plays

U.S. Shale Gas Production from Top Unconventional Plays

- Permian
- Niobrara
- Eagle Ford
- Bakken
- Utica
- Haynesville
- Marcellus

Associated Gas & Legacy Production

Shale Gas Plays

Marcellus Type Curves

Permian Associated Gas Type Curves

Source: EIA Drilling Productivity Report, January 2017. Type Curves based on data from DrillingInfo
The Future of North American Production is Shale
(Bcf/day)

Marcellus is the Growth Leader
Growth in production 2016-2030
(Bcf/day)

Source: Wood Mackenzie; U.S. and Canada production combined
U.S. Natural Gas Demand Outlook

Demand Growth Led by Export Markets and Power (Bcfd)

- Res/Comm
- Other
- Industrial
- Power
- Mexico
- LNG exports

Almost 9 Bcfd (70 MTPA) Lower-48 Liquefaction Capacity Online by 2020 (Bcfd)

Source: IHS Energy, December 2016 N.A. Natural Gas Brief. The use of this content was authorized in advance by IHS Markit. Any further use or redistribution of this content is strictly prohibited without written permission by IHS. All rights reserved.
Global LNG Supply-Demand Balance

Global Cumulative Growth 2015-2025

- **Supply**
  - Other Pacific
  - Australia
  - U.S.
  - Other Atlantic
  - Middle East

- **Demand**
  - Other
  - Europe
  - Americas
  - Other Asia
  - Japan, Korea, Taiwan

- **Excess Supply**
  - Existing Excess
  - New Excess

Source: IHS Energy. The use of this content was authorized in advance by IHS Markit. Any further use or redistribution of this content is strictly prohibited without written permission by IHS. All rights reserved.
Summary

**Oil**
- Prices may continue to experience elevated volatility
  - Uncertain government policies create headwinds for oil markets
- U.S. production growth expected to be focused onshore
  - Ongoing improvements to technology, productivity and costs will drive growth in U.S. Light Tight Oil

**Natural Gas**
- Shale gas will continue to be a game-changer
  - U.S. and Canada will continue to be well supplied by shale resources
- Global gas markets will be more highly linked as LNG trade grows