

Reference

NON-GAAP RECONCILIATIONS

(\$ million, unless specified)

Total Company	2010	2009 ¹	2008 ¹	2007 ¹	2006 ¹
Net income (loss) attributable to ConocoPhillips (earnings)	11,358	4,414	(16,349)	11,458	15,334
Adjustments:					
Impairments	1,756	729	1,292	161	585
Net gain on asset sales/share issuance	(4,518)	(175)	(814)	(1,047)	(73)
Severance accruals	28	(40)	99	–	–
Pending claims and settlements	13	–	–	–	–
Deferred tax adjustment	(40)	–	–	–	–
Canceled projects	114	–	–	–	–
Premium on early debt retirement	114	–	–	–	–
Goodwill impairment	–	–	25,443	–	–
LUKOIL investment impairment	–	–	7,496	–	–
Impairment – expropriated assets	–	–	–	4,512	–
Tax rate change	–	–	–	(365)	(115)
Business interruption insurance claims recovery	–	–	–	–	(165)
Acquisition-related expenses	–	–	–	–	98
Adjusted earnings	8,825	4,928	17,167	14,719	15,664
Adjusted earnings per common share (dollars)	5.92	3.28	11.14*	8.94	9.73
<i>*Based on adjusted shares of (in millions):</i>			1,541		

Exploration and Production	2010	2009	2008	2007	2006
Net income (loss) attributable to ConocoPhillips (earnings)	9,198	3,604	(13,479)	4,615	9,848
Adjustments:					
Impairments	638	613	627	273	144
Net gain on asset sales/share issuance	(3,151)	(55)	(590)	(708)	(73)
Severance accruals	–	(31)	71	–	–
Deferred tax adjustment	(40)	–	–	–	–
Canceled projects	85	–	–	–	–
Premium on early debt retirement	24	–	–	–	–
Goodwill impairment	–	–	25,443	–	–
Impairment – expropriated assets	–	–	–	4,512	–
Tax rate change	–	–	–	(209)	(102)
Business interruption insurance claims recovery	–	–	–	–	(29)
Adjusted earnings	6,754	4,131	12,072	8,483	9,788

Midstream	2010	2009	2008	2007	2006
Net income attributable to ConocoPhillips (earnings)	306	313	541	453	476
Adjustments:					
Net gain on asset sales/share issuance	–	(88)	–	–	–
Tax rate change	–	–	–	–	6
Business interruption insurance claims recovery	–	–	–	–	(5)
Adjusted earnings	306	225	541	453	477

¹ Recast to reflect a change in accounting principle.

Refining and Marketing	2010	2009	2008	2007	2006
Net income attributable to ConocoPhillips (earnings)	192	37	2,322	5,923	4,481
Adjustments:					
Impairments	1,118	116	550	(112)	441
Net gain on asset sales/share issuance	(116)	(32)	(224)	(339)	–
Severance accruals	28	(6)	24	–	–
Pending claims and settlements	(35)	–	–	–	–
Canceled projects	29	–	–	–	–
Tax rate change	–	–	–	(141)	(34)
Business interruption insurance claims recovery	–	–	–	–	(111)
Adjusted earnings	1,216	115	2,672	5,331	4,777

Chemicals	2010	2009	2008	2007	2006
Net income attributable to ConocoPhillips (earnings)	498	248	110	359	492
Adjustments:					
Tax rate change	–	–	–	–	5
Business interruption insurance claims recovery	–	–	–	–	(20)
Adjusted earnings	498	248	110	359	477

Return on Capital Employed (ROCE)	2010	2009¹	2008¹	2007¹	2006¹
Numerator:					
Net income (loss)	11,417	4,492	(16,279)	11,545	15,410
After-tax interest expense	772	838	608	814	706
GAAP ROCE earnings	12,189	5,330	(15,671)	12,359	16,116
Noncore earnings impact	(2,533)	616	33,480	3,096	413
Adjusted ROCE earnings	9,656	5,946	17,809	15,455	16,529
Denominator:					
GAAP average capital employed ²	91,983	87,493	97,457	110,980	98,454
Annual ROCE (percent)	10	7	18	14	17
Annual GAAP ROCE (percent)	13	6	(16)	11	16

Cash Return on Capital Employed (CROCE)	2010	2009¹	2008¹	2007¹	2006¹
Numerator:					
EBIDA ³	21,248	14,624	(6,659)	20,657	23,400
Noncore earnings impact	(2,533)	616	33,480	3,096	413
Adjusted EBIDA	18,715	15,240	26,821	23,753	23,813
GAAP cash flows from operating activities	17,045	12,479	22,658	24,550	21,516
Difference⁴	(1,670)	(2,761)	(4,163)	797	(2,297)
Denominator:					
GAAP average capital employed ²	91,983	87,493	97,457	110,980	98,454
Annual CROCE (percent)	20	17	28	21	24
Annual GAAP CROCE (percent)	19	14	23	22	22

¹ Recast to reflect a change in accounting principle.

² Total equity plus total debt.

³ Net income plus DD&A and after-tax interest expense.

⁴ Primarily impact of working capital, deferred taxes, undistributed equity earnings and interest.

Reference

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UNITS OF MEASURE

BBL	Barrels
MMBBL	Millions of Barrels
MMBOE	Millions of Barrels of Oil Equivalent
BBOE	Billions of Barrels of Oil Equivalent
MBD	Thousands of Barrels per Day
MMBD	Millions of Barrels per Day
BOED	Barrels of Oil Equivalent per Day
MBOED	Thousands of Barrels of Oil Equivalent per Day
MMBOED	Millions of Barrels of Oil Equivalent per Day
BCF	Billion Cubic Feet
MCFD	Thousands of Cubic Feet per Day
MMCFD	Millions of Cubic Feet per Day
BCFD	Billions of Cubic Feet per Day
MMLB/Y	Millions of Pounds per Year
MTPA	Millions of Tonnes per Annum
BTU	British Thermal Unit

COMMONLY USED ABBREVIATIONS

CAGR	Compound Annual Growth Rate
CBM	Coalbed Methane
CROCE	Cash Return on Capital Employed
FPSO	Floating Production, Storage and Offloading
FSO	Floating Storage and Offloading
HPHT	High-Pressure, High-Temperature
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
NGL	Natural Gas Liquids
OECD	Organisation for Economic Cooperation and Development
PSC	Production Sharing Contract
ROCE	Return on Capital Employed
TRR	Total Recordable Rate

METRICS CONVERSION

6 Thousand Cubic Feet of Gas	=	1 Barrel of Oil Equivalent
100,000 British Thermal Units	=	1 Therm
1 Cubic Foot of Natural Gas	=	1,000 British Thermal Units
1 Ton of Crude Oil	=	7.3 Barrels of Crude Oil
1 Billion Cubic Meters of Gas	=	35.3 Billion Cubic Feet of Gas
1 Petajoule (PJ) of Gas	=	1.116 Billion Cubic Feet of Gas
1 Million Tonnes of LNG	=	52.3 Billion Cubic Feet of LNG

SAFE HARBOR STATEMENT

This Fact Book contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. Forward-looking statements relating to ConocoPhillips’ operations are based on management’s expectations, estimates and projections about the company and the petroleum industry in general on the date this Fact Book was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include other economic, business, competitive and/or regulatory factors affecting ConocoPhillips’ businesses generally as set forth in its filings with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ending Dec. 31, 2010. ConocoPhillips is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

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

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K for the year ending Dec. 31, 2010, available from us at 600 North Dairy Ashford Road, Houston, TX 77079. You can also obtain this form from the SEC’s website at www.sec.gov.



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ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, the company had operations in more than 30 countries, approximately 29,600 employees, \$160 billion of assets and \$226 billion of annualized revenues as of March 31, 2011.

