



# 3<sup>rd</sup> Quarter 2011 Conference Call

October 26, 2011



# Cautionary Statement

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The following presentation includes forward-looking statements. These statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations or operating results. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict such as oil and gas prices; refining and marketing margins; 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).

# Third-Quarter Overview

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**Adjusted  
Earnings  
\$3.5 B**

**\$2.52 Adjusted EPS / \$4.10 CFPS**

**Cash from  
Operations  
\$5.6 B**

**1.54 MMBOED production**

**92% refining utilization**

**Return on  
Capital  
Employed  
16%**

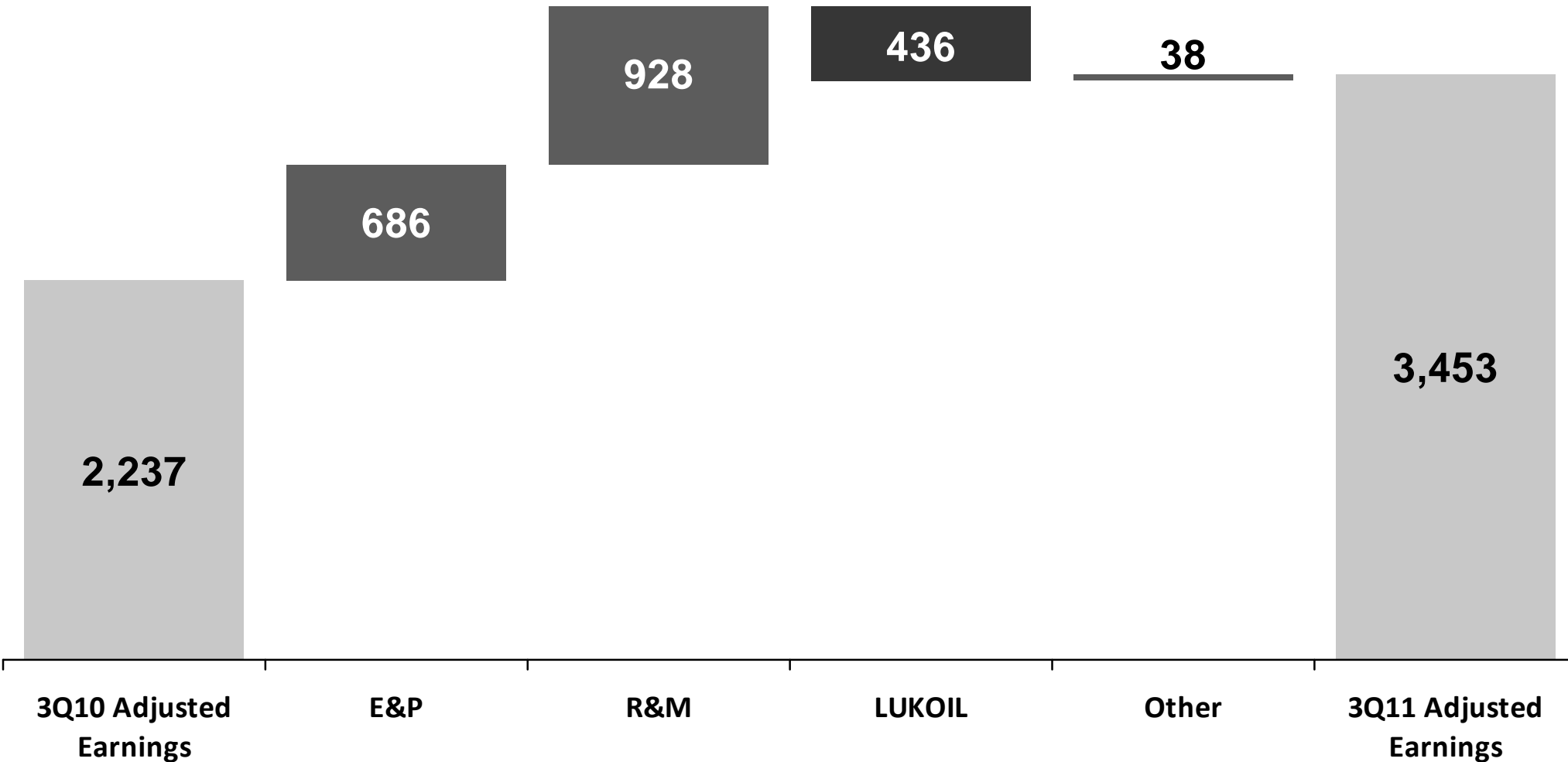
**Rationalized refining portfolio**

**3% of shares repurchased**

# Company Adjusted Earnings

3Q11 vs. 3Q10

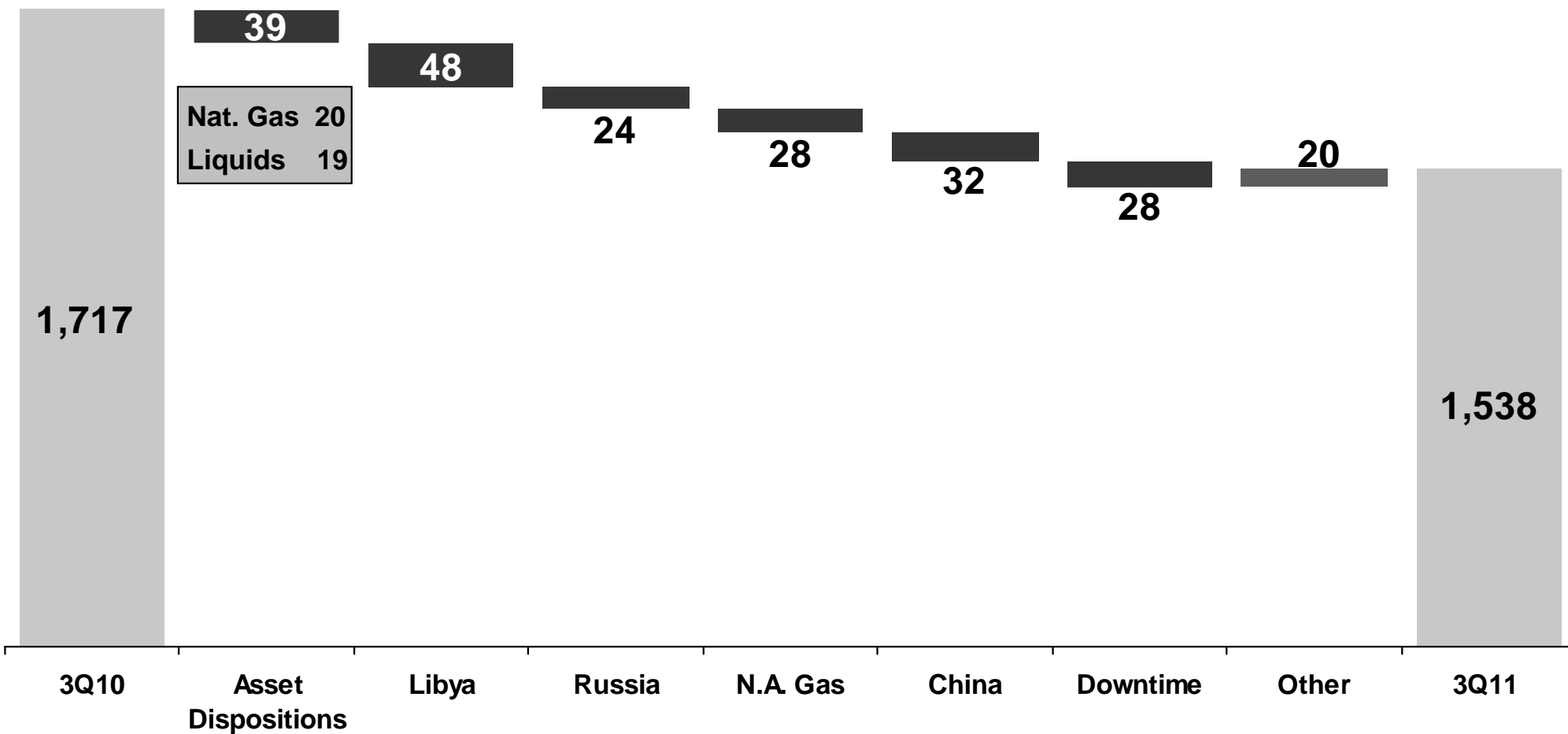
\$MM



# E&P Production

3Q11 vs. 3Q10

MBOED

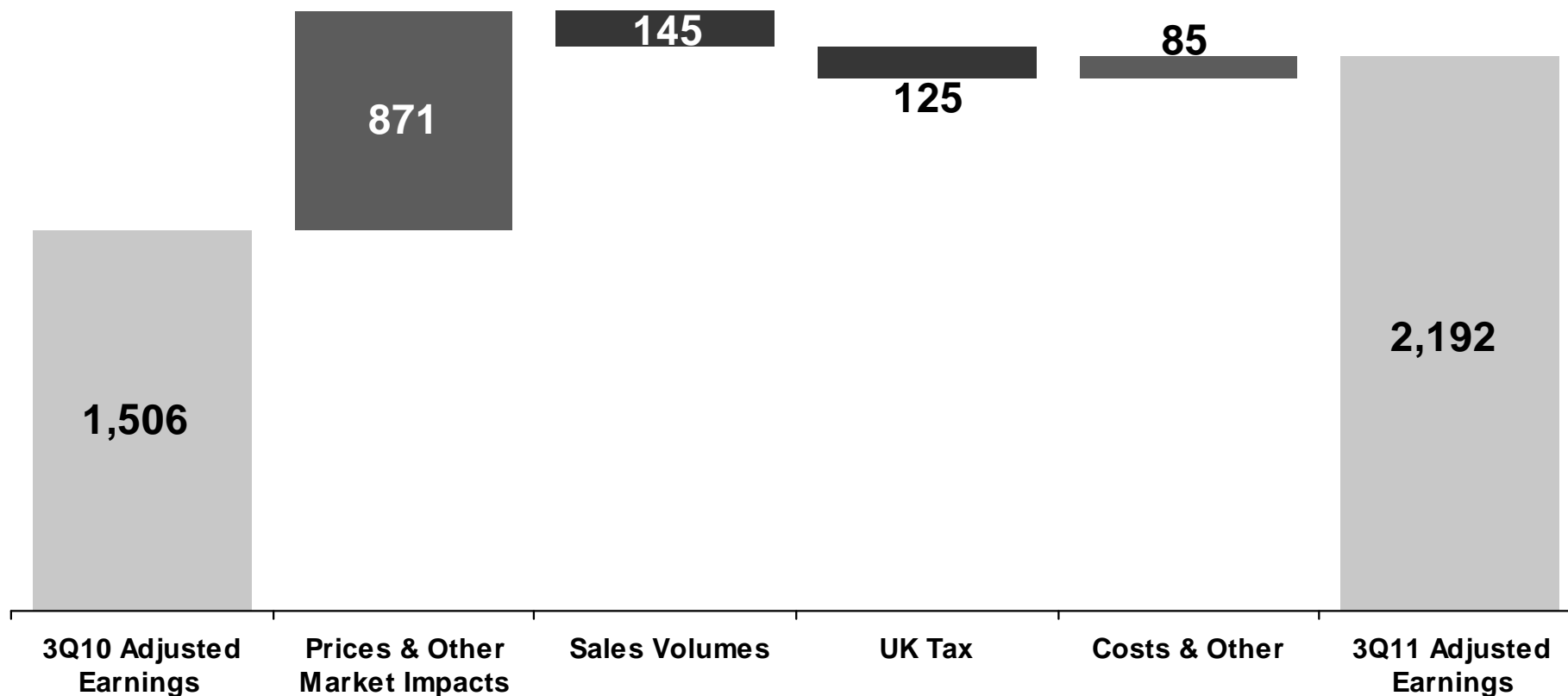


# E&P Adjusted Earnings

3Q11 vs. 3Q10



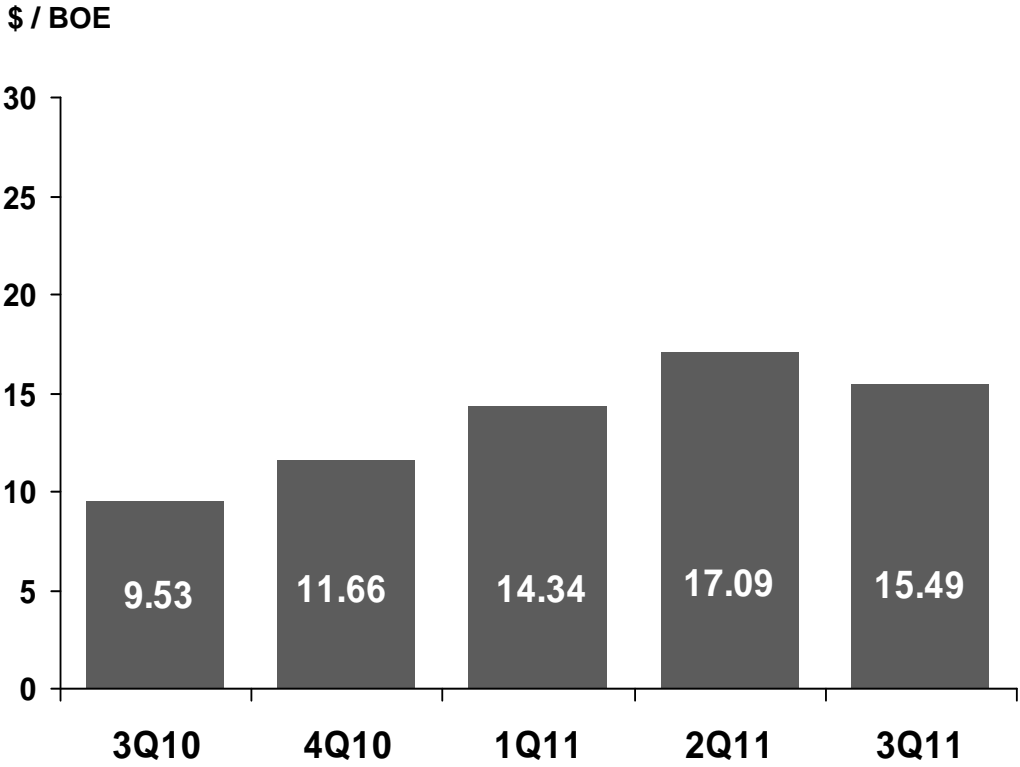
**\$MM**



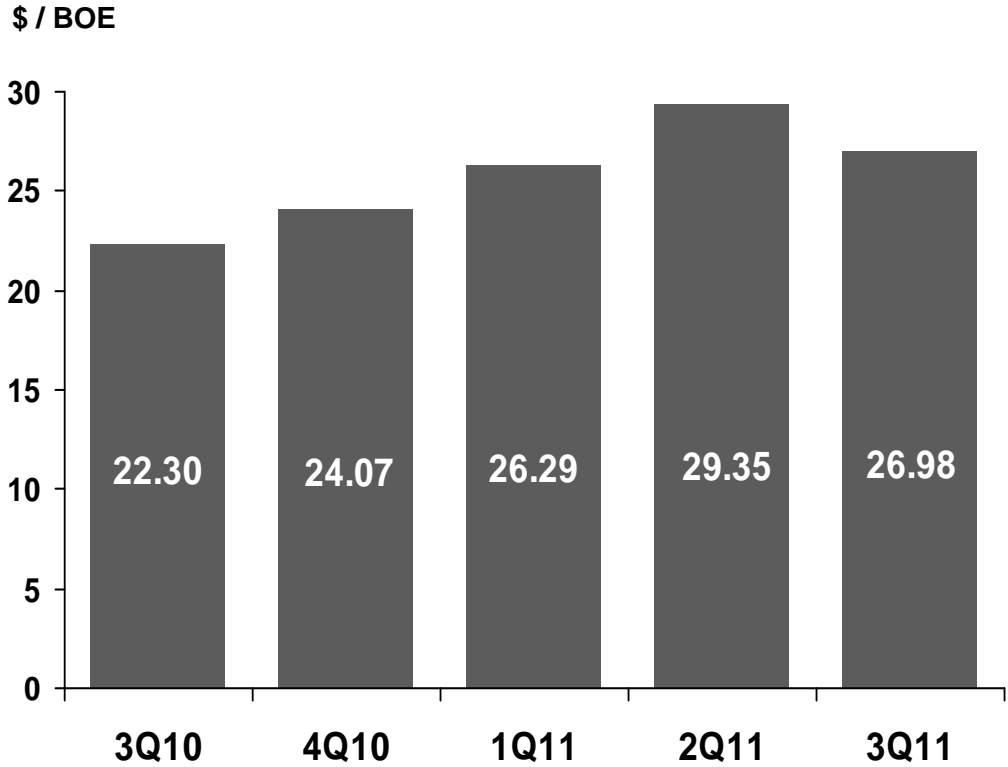
Adjusted Earnings	3Q11 vs. 3Q10		Realized Prices	3Q11 vs. 3Q10	
	3Q10	3Q11		3Q10	3Q11
U.S.	531	817	Crude Oil/NGL \$/BBL	69.45	97.24
Intl.	975	1,375	Bitumen \$/BBL	51.50	58.14
Total	1,506	2,192	Natural Gas \$/MCF	4.80	5.45

# E&P per BOE Metrics

## E&P Income per BOE



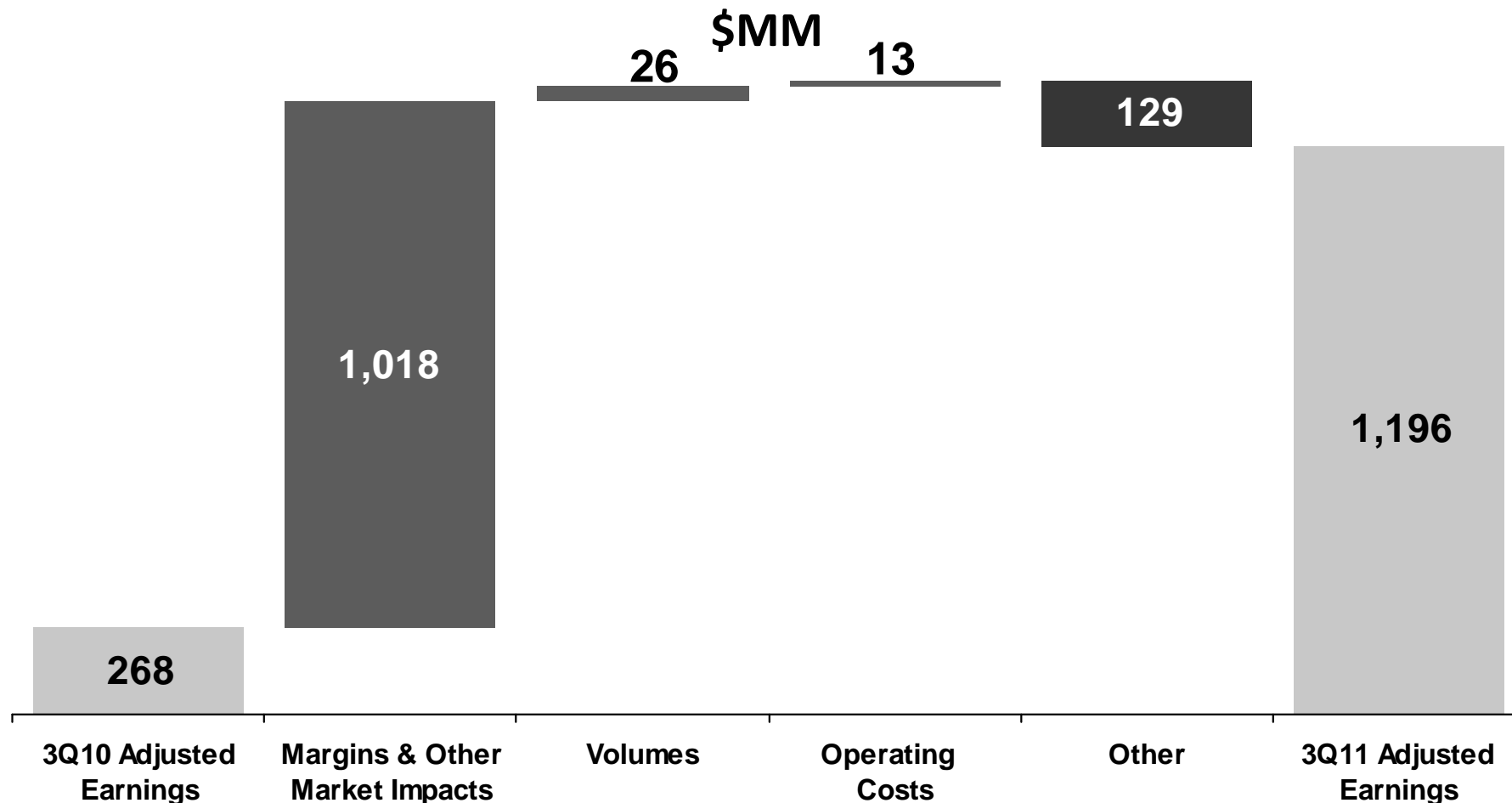
## E&P Cash Contribution per BOE



*Based on total E&P BOE production. Income adjusted to exclude certain non-core earnings impacts. Cash Contribution is calculated as Income plus DD&A. See Appendix for additional information.*

# R&M Adjusted Earnings

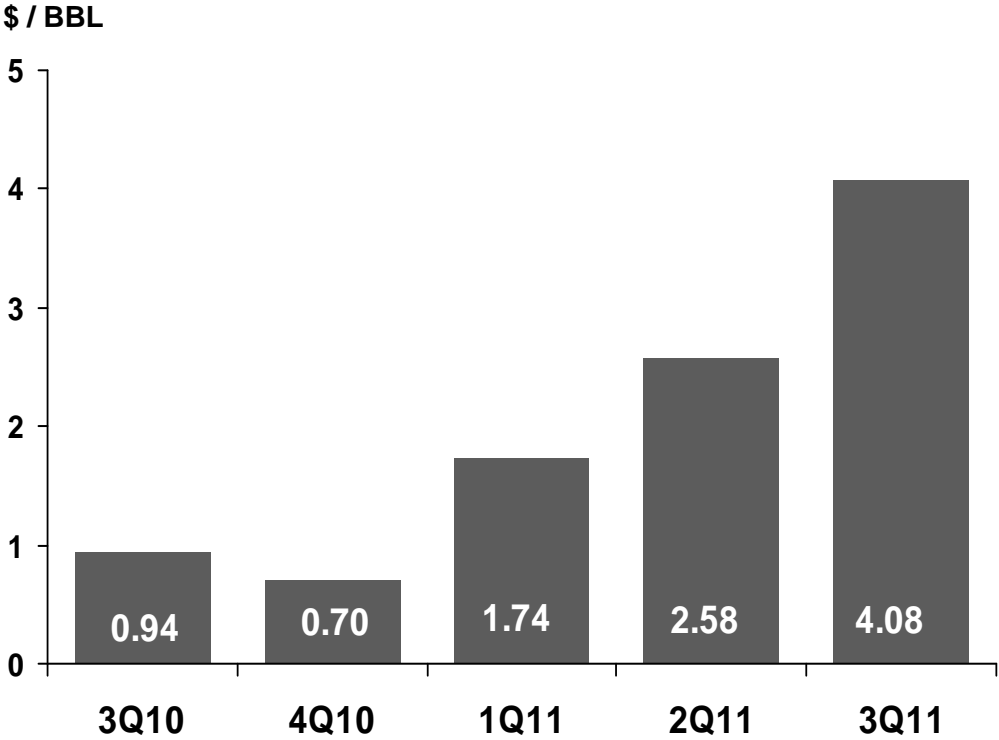
3Q11 vs. 3Q10



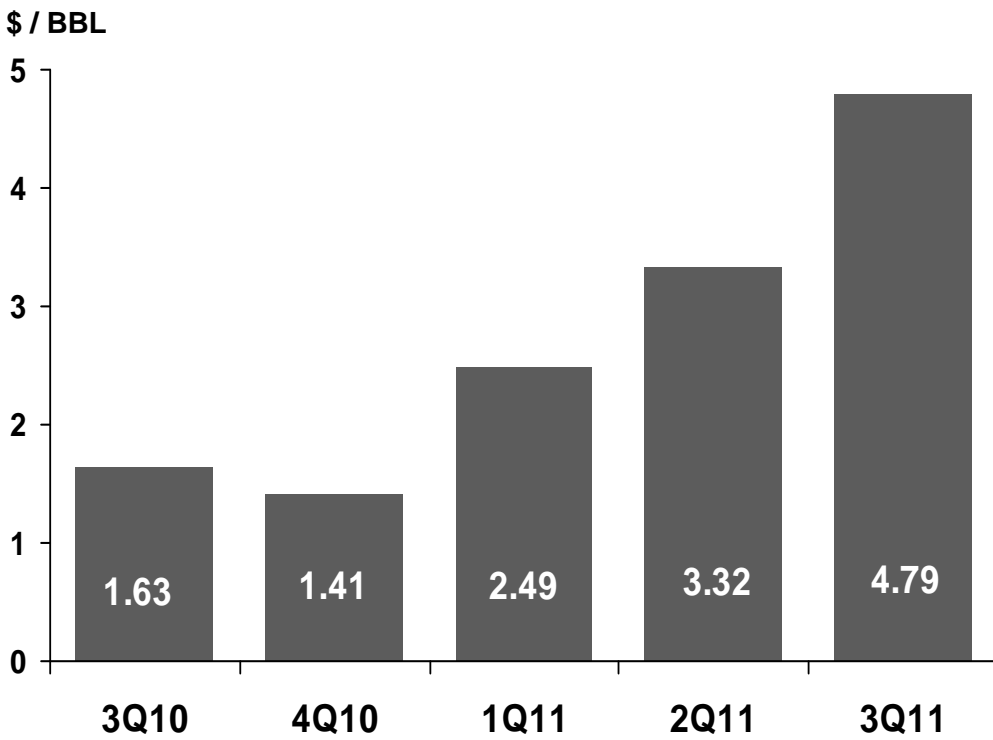
Adjusted Earnings			3Q11 vs. 3Q10	Realized Margins \$/BBL			3Q11 vs. 3Q10
	3Q10	3Q11			3Q10	3Q11	
U.S.	199	1,112	913	U.S.	7.21	14.79	7.58
Intl.	69	84	15	Intl.	7.68	10.78	3.10
<b>Total</b>	<b>268</b>	<b>1,196</b>	<b>928</b>				

# R&M per BBL Metrics

## R&M Income per BBL



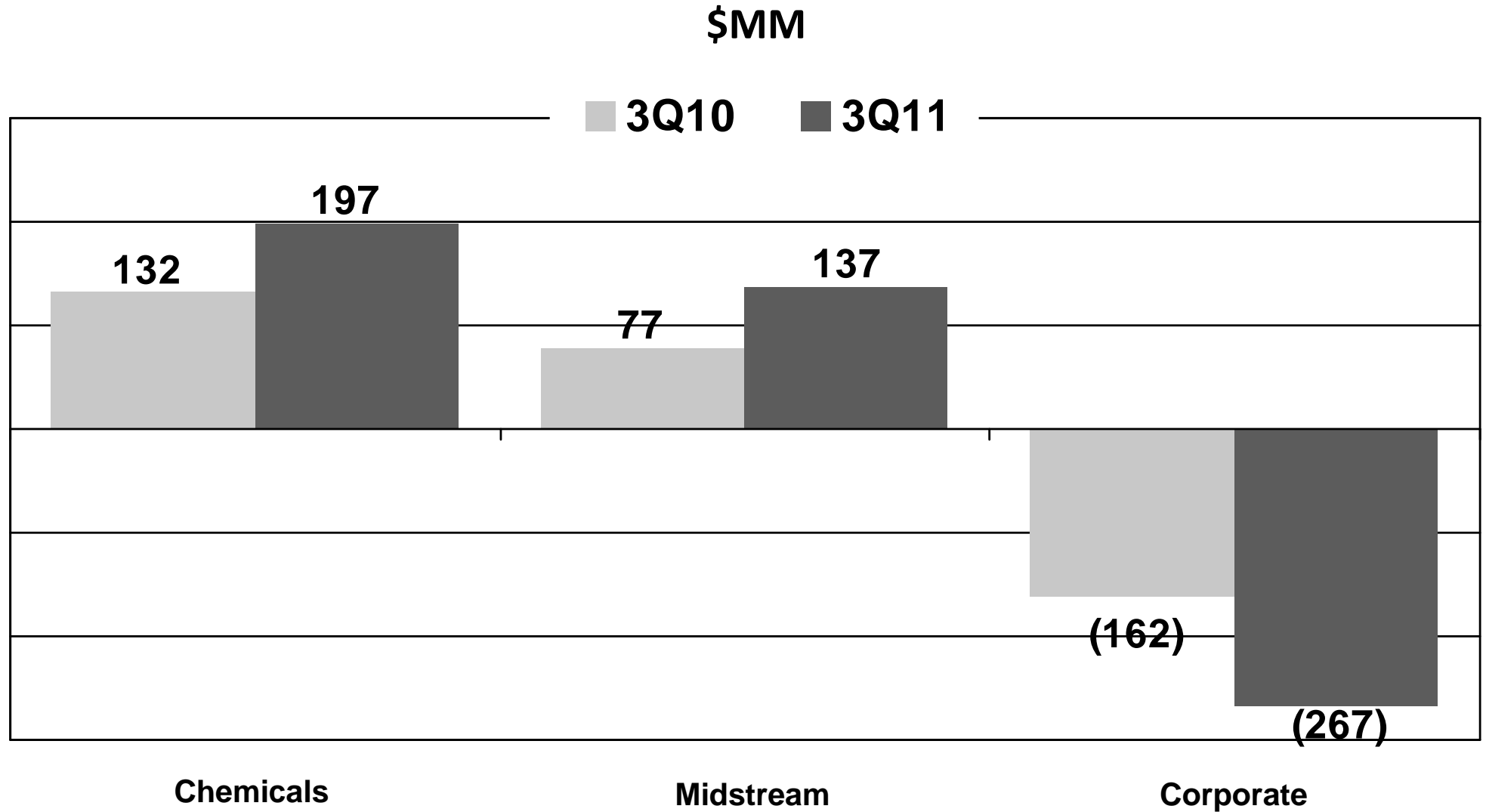
## R&M Cash Contribution per BBL



*Based on total petroleum product sales. Income adjusted to exclude certain non-core earnings impacts. Cash Contribution is calculated as Income plus DD&A. See Appendix for additional information.*

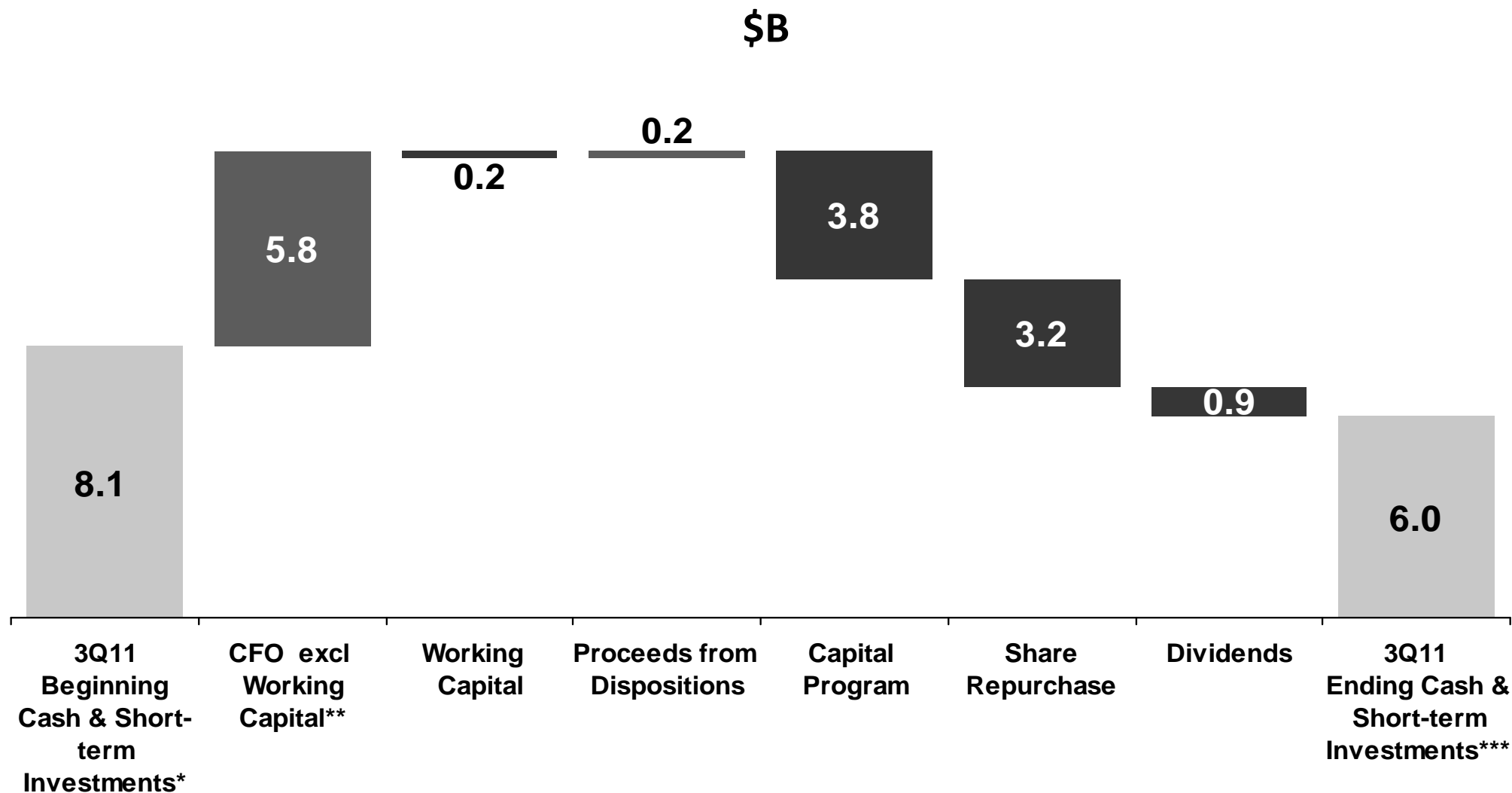
# Other Segments Adjusted Earnings

3Q11 vs. 3Q10



# Company Cash Flow

3Q11

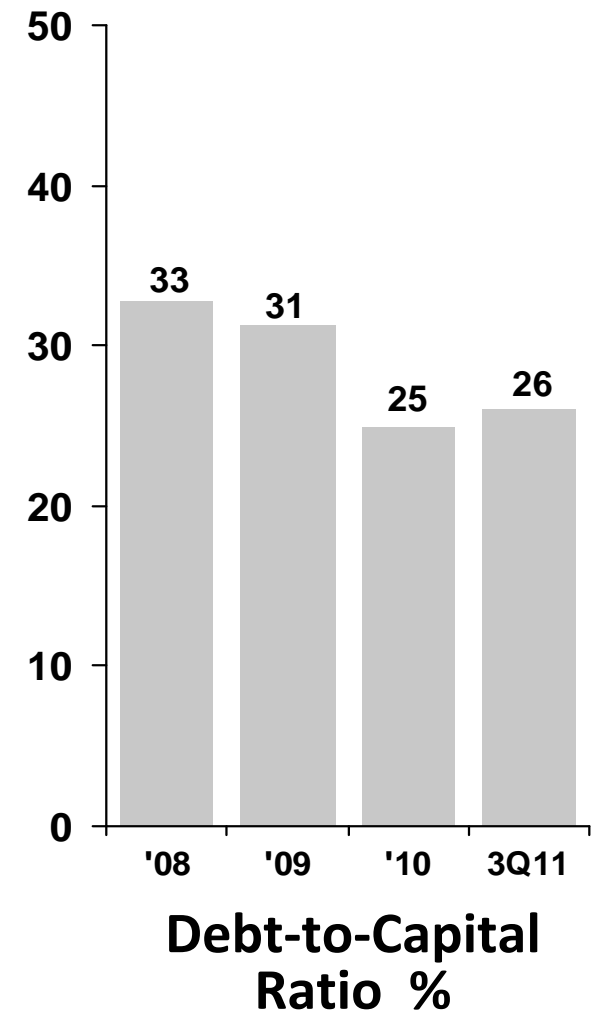
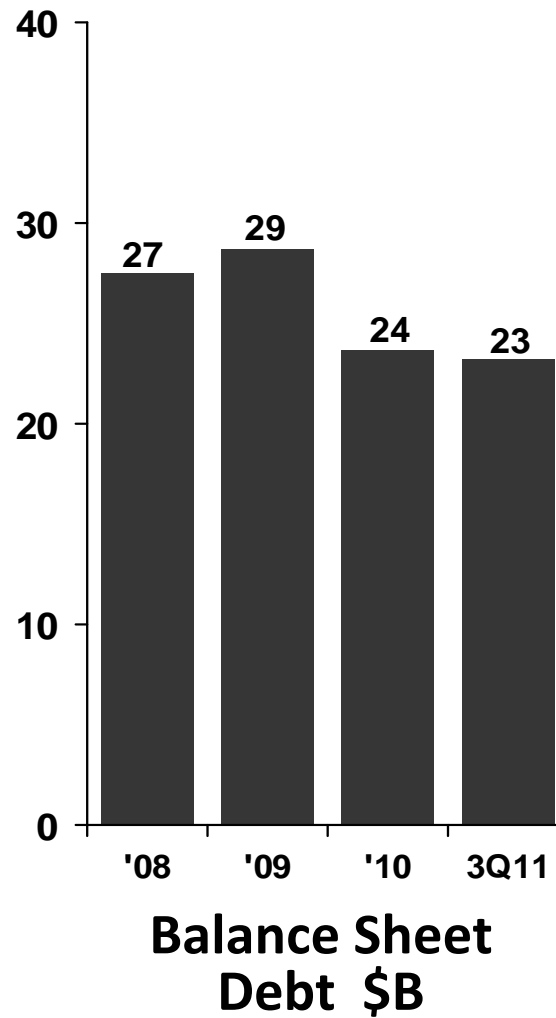
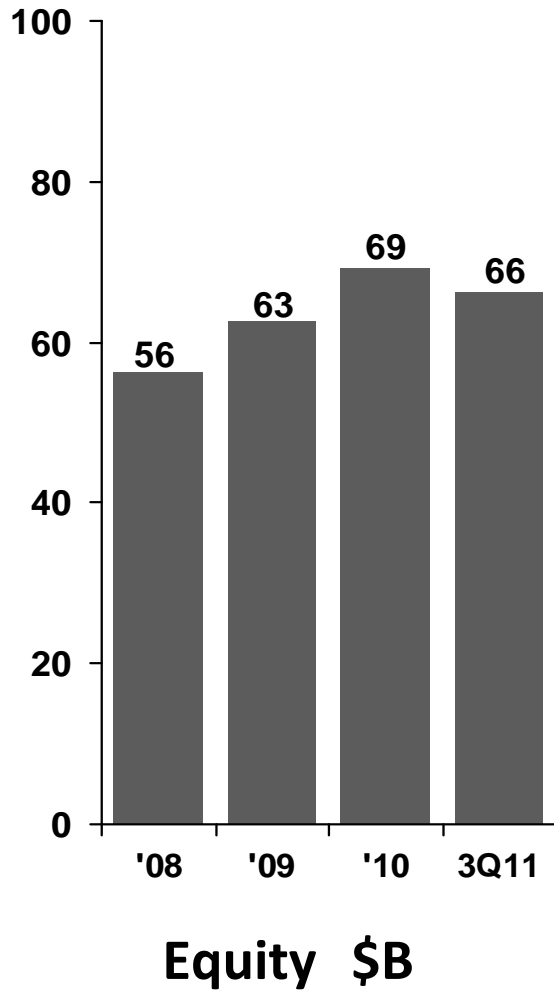


\* Includes cash of \$5.5 billion and short-term investments of \$2.6 billion.

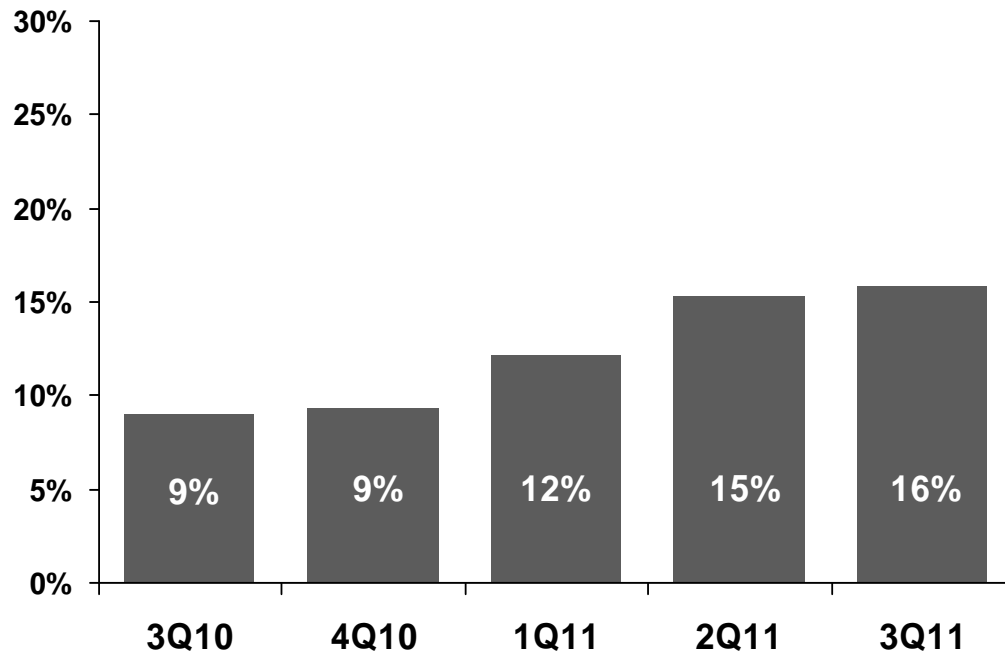
\*\* Cash provided by operating activities was \$5.6 billion in the third quarter of 2011.

\*\*\* Includes cash of \$3.4 billion and short-term investments of \$2.6 billion.

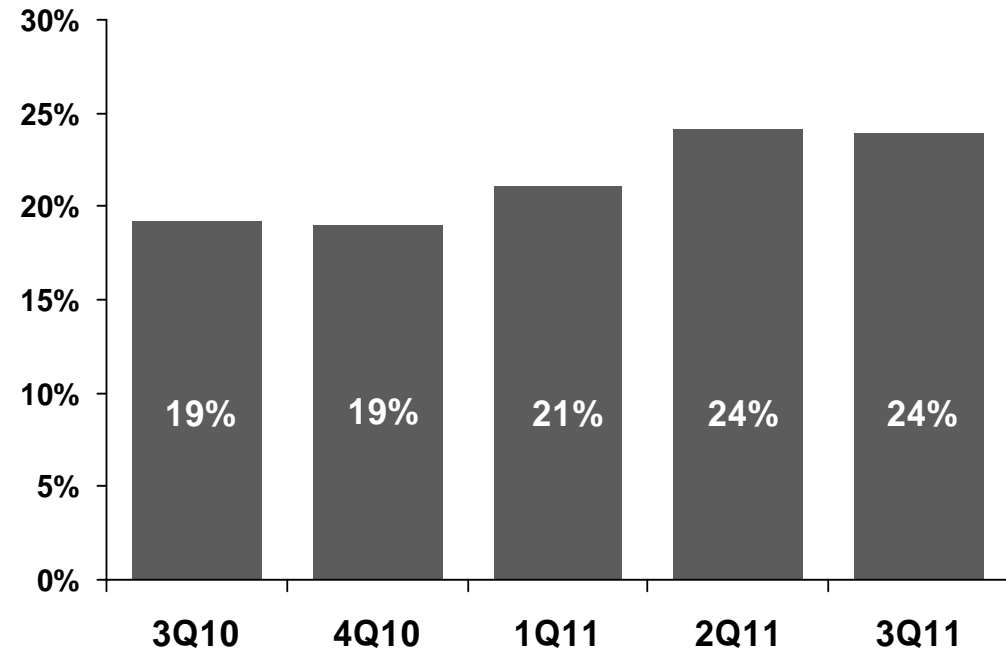
# Capital Structure



## Return on Capital Employed



## Cash Return on Capital Employed



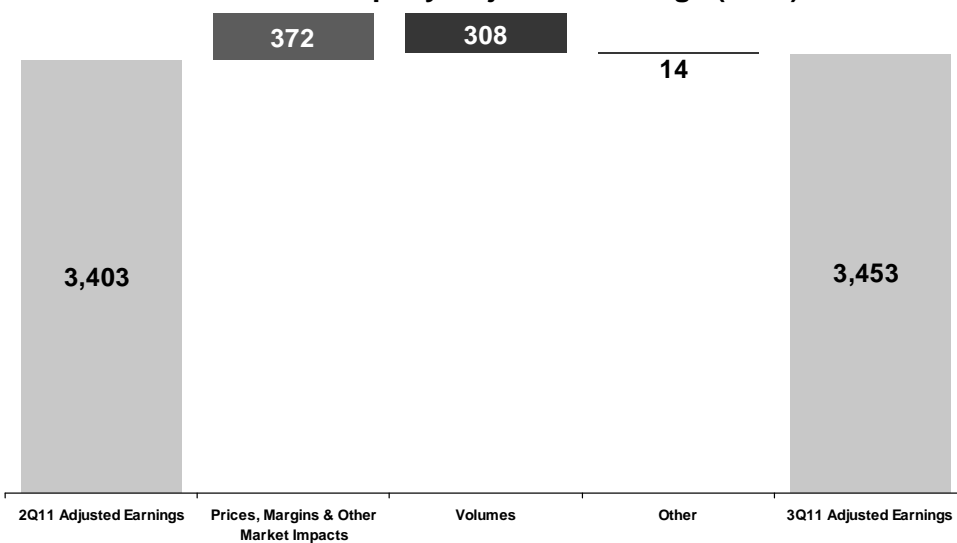
*Adjusted to exclude LUKOIL.*

- **Operations**
- **Exploration and major projects**
- **Disposition program**
- **Share repurchase**
- **Repositioning**

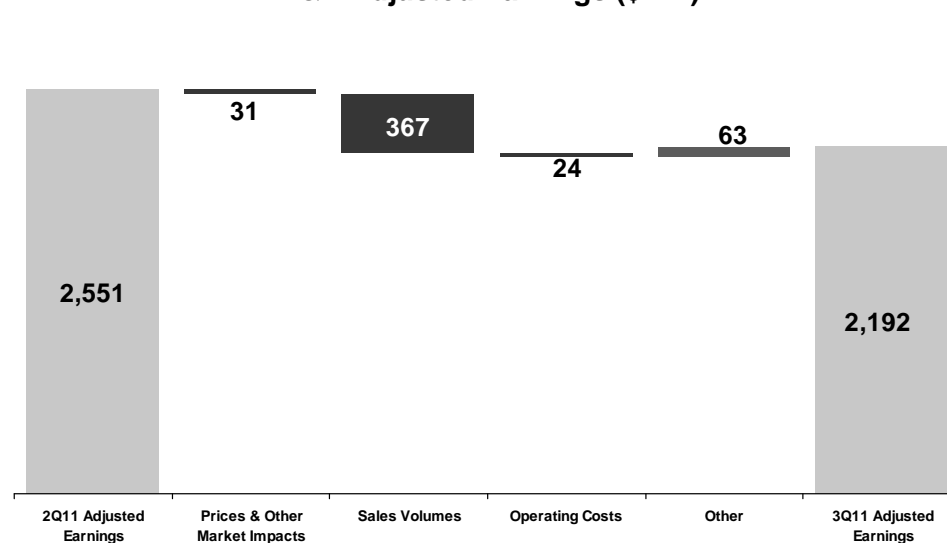


# 3Q11 vs. 2Q11

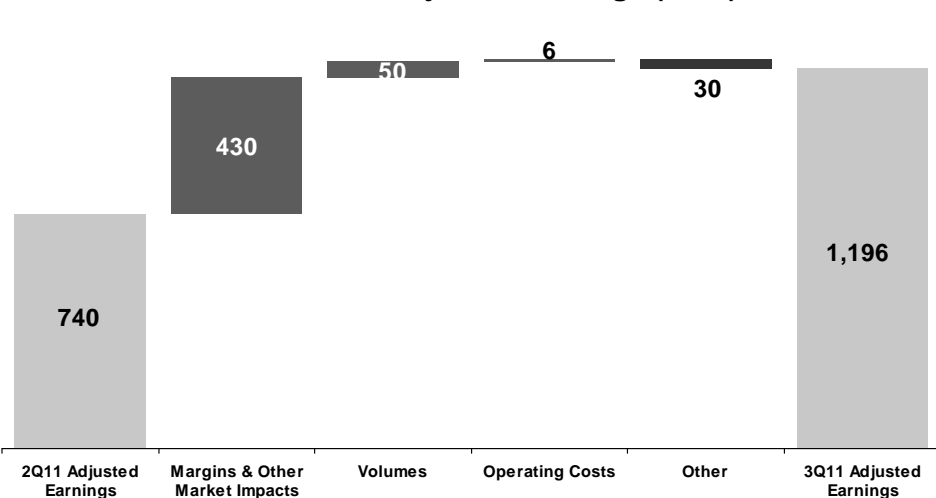
**Total Company Adjusted Earnings (\$MM)**



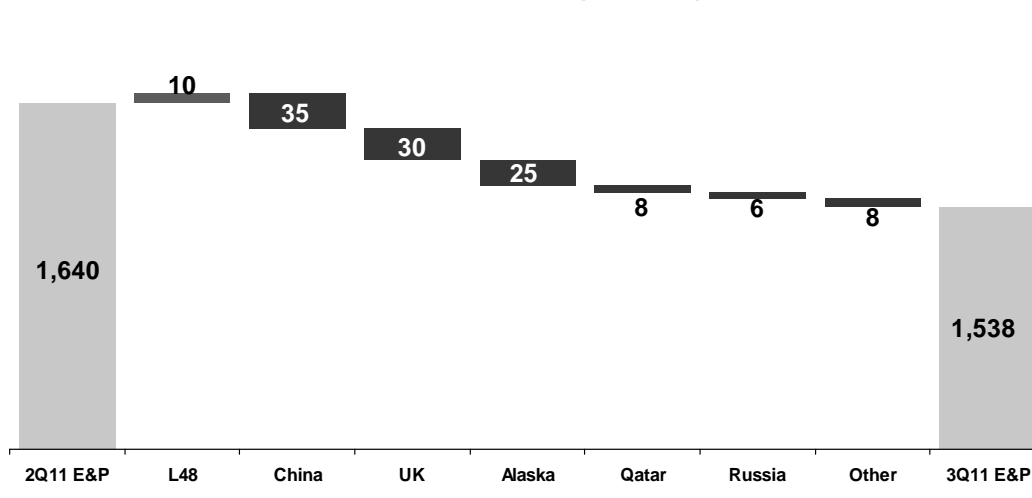
**E&P Adjusted Earnings (\$MM)**



**R&M Adjusted Earnings (\$MM)**



**Production (MBOED)**



Earnings adjusted to exclude certain noncore earnings impacts; see Appendix for additional information.

# COP Non-GAAP Reconciliations



Millions of dollars, except per share amounts	2011			2010		
	1Q	2Q	3Q	1Q	2Q	3Q
<b>Consolidated Earnings</b>	\$ 3,028	3,402	2,616	2,098	4,164	3,055
Adjustments:						
Impairments	-	-	318	-	1,118	-
Cancelled projects	-	54	-	110	4	-
Net (gain)/loss on asset sales	(394)	(53)	354	-	(2,894)	(906)
Severance accruals	-	-	15	-	28	-
Bohai Bay incident	-	-	41	-	-	-
Pending claims and settlements	-	-	-	-	71	(26)
Deferred tax adjustment	-	-	-	-	(40)	-
Premium on early debt retirement	-	-	-	-	-	114
International tax law changes	-	-	109	-	-	-
<b>Adjusted earnings</b>	\$ 2,634	3,403	3,453	2,208	2,451	2,237
<b>Earnings per share of common stock</b>	\$ 2.09	2.41	1.91	1.40	2.77	2.05
<b>Adjusted earnings per share of common stock</b>	\$ 1.82	2.41	2.52	1.47	1.63	1.50
<b>E&amp;P Earnings</b>	\$ 2,352	2,524	1,762	1,832	4,114	1,564
Adjustments:						
Cancelled projects	-	54	-	83	2	-
Net (gain)/loss on asset sales	(155)	(27)	280	-	(2,679)	(32)
Bohai Bay incident	-	-	41	-	-	-
Pending claims and settlements	-	-	-	-	82	(26)
Deferred tax adjustment	-	-	-	-	(40)	-
International tax law changes	-	-	109	-	-	-
<b>Adjusted earnings</b>	\$ 2,197	2,551	2,192	1,915	1,479	1,506
<b>U.S. E&amp;P Earnings</b>	\$ 863	817	816	757	536	563
Adjustments:						
Cancelled projects	-	54	-	-	-	-
Net (gain)/loss on asset sales	(151)	1	1	-	-	(32)
Pending claims and settlements	-	-	-	-	82	-
<b>Adjusted earnings</b>	\$ 712	872	817	757	618	531
<b>International E&amp;P Earnings</b>	\$ 1,489	1,707	946	1,075	3,578	1,001
Adjustments:						
Cancelled projects	-	-	-	83	2	-
Net (gain)/loss on asset sales	(4)	(28)	279	-	(2,679)	-
Deferred tax adjustment	-	-	-	-	(40)	-
Bohai Bay incident	-	-	41	-	-	-
Pending claims and settlements	-	-	-	-	-	(26)
International tax law changes	-	-	109	-	-	-
<b>Adjusted earnings</b>	\$ 1,485	1,679	1,375	1,158	861	975

# COP Non-GAAP Reconciliations

Millions of dollars	2011			2010		
	1Q	2Q	3Q	1Q	2Q	3Q
<b>R&amp;M</b>						
<b>Earnings (loss)</b>	\$ 482	766	789	(4)	(279)	268
Adjustments:						
Impairments	-	-	318	-	1,118	-
Cancelled projects	-	-	-	25	4	-
Net (gain)/loss on asset sales	(2)	(26)	74	-	(116)	-
Severance accruals	-	-	15	-	28	-
Pending claims and settlements	-	-	-	-	(35)	-
<b>Adjusted earnings</b>	<b>\$ 480</b>	<b>740</b>	<b>1,196</b>	<b>21</b>	<b>720</b>	<b>268</b>
<b>U.S. R&amp;M</b>						
<b>Earnings</b>	\$ 402	692	789	12	782	199
Adjustments:						
Impairments	-	-	314	-	8	-
Net (gain)/loss on asset sales	(2)	(26)	(6)	-	(116)	-
Severance accruals	-	-	15	-	-	-
Pending claims and settlements	-	-	-	-	(35)	-
<b>Adjusted earnings</b>	<b>\$ 400</b>	<b>666</b>	<b>1,112</b>	<b>12</b>	<b>639</b>	<b>199</b>
<b>International R&amp;M</b>						
<b>Earnings (loss)</b>	\$ 80	74	-	(16)	(1,061)	69
Adjustments:						
Impairments	-	-	4	-	1,110	-
Cancelled projects	-	-	-	25	4	-
Net (gain)/loss on asset sales	-	-	80	-	-	-
Severance accruals	-	-	-	-	28	-
<b>Adjusted earnings (loss)</b>	<b>\$ 80</b>	<b>74</b>	<b>84</b>	<b>9</b>	<b>81</b>	<b>69</b>
<b>LUKOIL Investment</b>						
<b>Earnings</b>	\$ 239	-	-	387	529	1,310
Adjustment: Net (gain)/loss on asset sales	(237)	-	-	-	(99)	(874)
<b>Adjusted earnings</b>	<b>\$ 2</b>	<b>-</b>	<b>-</b>	<b>387</b>	<b>430</b>	<b>436</b>
<b>Corporate</b>						
<b>Earnings (loss)</b>	\$ (304)	(203)	(267)	(310)	(389)	(276)
Adjustments:						
Cancelled projects	-	-	-	2	(2)	-
Pending claims and settlements	-	-	-	-	24	-
Premium on early debt retirement	-	-	-	-	-	114
<b>Adjusted earnings (loss)</b>	<b>\$ (304)</b>	<b>(203)</b>	<b>(267)</b>	<b>(308)</b>	<b>(367)</b>	<b>(162)</b>

# COP Non-GAAP Reconciliations

	3Q10	4Q10	1Q11	2Q11	3Q11
GAAP E&P Net Income <sup>1</sup> - \$MM	1,564	1,688	2,352	2,524	1,762
<b>GAAP E&amp;P Net Income<sup>1</sup> - \$ / BOE</b>	<b>9.90</b>	<b>10.61</b>	<b>15.35</b>	<b>16.91</b>	<b>12.45</b>
<u>non-core earnings impacts - \$MM</u>					
(gains) and losses on asset dispositions	(32)	(440)	(155)	(27)	280
asset impairments / cancelled projects	-	638	-	54	-
tax legislation / regulatory / other	(26)	(32)	-	-	150
<b>E&amp;P Income - \$ / BOE</b>	<b>9.53</b>	<b>11.66</b>	<b>14.34</b>	<b>17.09</b>	<b>15.49</b>
E&P DD&A - \$ / BOE	<u>12.77</u>	<u>12.41</u>	<u>11.95</u>	<u>12.26</u>	<u>11.49</u>
<b>E&amp;P Cash Contribution - \$ / BOE</b>	<b>22.30</b>	<b>24.07</b>	<b>26.29</b>	<b>29.35</b>	<b>26.98</b>

	3Q10	4Q10	1Q11	2Q11	3Q11
GAAP E&P CFOA - \$MM	4,342	2,887	3,758	4,368	4,973
<b>GAAP E&amp;P CFOA - \$ / BOE</b>	<b>27.48</b>	<b>18.14</b>	<b>24.53</b>	<b>29.28</b>	<b>35.15</b>
<u>excluded GAAP items - \$MM</u>					
non-cash working capital	(749)	607	(11)	134	(821)
non-working capital adjustments <sup>2</sup>	(69)	336	280	(123)	(334)
<b>E&amp;P Cash Contribution - \$ / BOE</b>	<b>22.30</b>	<b>24.07</b>	<b>26.29</b>	<b>29.35</b>	<b>26.98</b>

<sup>1</sup> *Attributable to ConocoPhillips.*

<sup>2</sup> *Includes items such as deferred tax, accretion on discounted liabilities, and undistributed equity earnings.*

# COP Non-GAAP Reconciliations

	3Q10	4Q10	1Q11	2Q11	3Q11
GAAP R&M Net Income <sup>1</sup> - \$MM	268	207	482	766	789
<b>GAAP R&amp;M Net Income<sup>1</sup> - \$ / BBL</b>	<b>0.94</b>	<b>0.70</b>	<b>1.75</b>	<b>2.67</b>	<b>2.69</b>
<u>non-core earnings impacts - \$MM</u>					
(gains) and losses on asset dispositions	-	-	(2)	(26)	74
asset impairments / cancelled projects	-	-	-	-	318
tax legislation / regulatory / other	-	-	-	-	15
<b>R&amp;M Income - \$ / BBL</b>	<b>0.94</b>	<b>0.70</b>	<b>1.74</b>	<b>2.58</b>	<b>4.08</b>
R&M DD&A - \$ / BBL	<u>0.69</u>	<u>0.71</u>	<u>0.75</u>	<u>0.74</u>	<u>0.71</u>
<b>R&amp;M Cash Contribution - \$ / BBL</b>	<b>1.63</b>	<b>1.41</b>	<b>2.49</b>	<b>3.32</b>	<b>4.79</b>

	3Q10	4Q10	1Q11	2Q11	3Q11
GAAP R&M CFOA - \$MM	99	2,384	(1,593)	2,866	246
<b>GAAP R&amp;M CFOA - \$ / BBL</b>	<b>0.35</b>	<b>8.10</b>	<b>(5.78)</b>	<b>9.99</b>	<b>0.84</b>
<u>excluded GAAP items - \$MM</u>					
non-cash working capital	328	(2,053)	2,017	(1,950)	1,247
non-working capital adjustments <sup>2</sup>	40	84	262	37	(89)
<b>R&amp;M Cash Contribution - \$ / BBL</b>	<b>1.63</b>	<b>1.41</b>	<b>2.49</b>	<b>3.32</b>	<b>4.79</b>

<sup>1</sup> *Attributable to ConocoPhillips.*

<sup>2</sup> *Includes items such as deferred tax, accretion on discounted liabilities, and undistributed equity earnings.*

# COP Non-GAAP Reconciliations

## ROCE

	3Q10	4Q10	1Q11	2Q11	3Q11
<b>Numerator (\$MM)</b>					
Net income	3,069	2,053	3,042	3,419	2,631
After-tax interest expense	<u>172</u>	<u>177</u>	<u>170</u>	<u>160</u>	<u>153</u>
GAAP ROCE earnings	3,241	2,230	3,212	3,579	2,784
Non-core earnings impacts	<u>(818)</u>	<u>(112)</u>	<u>(394)</u>	<u>1</u>	<u>837</u>
Adjusted earnings	2,423	2,118	2,818	3,580	3,621
Adustment to exclude LUKOIL	<u>(436)</u>	<u>1</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Adjusted earnings excluding LUKOIL	<u>1,987</u>	<u>2,119</u>	<u>2,816</u>	<u>3,580</u>	<u>3,621</u>
<b>Denominator (\$MM)</b>					
GAAP average capital employed <sup>1</sup>	92,871	93,109	93,216	93,752	91,625
Adustment to exclude LUKOIL	<u>(4,832)</u>	<u>(1,849)</u>	<u>(475)</u>	<u>-</u>	<u>-</u>
Average capital employed excl LUKOIL	88,039	91,260	92,741	93,752	91,625
<b>Annualized ROCE</b>	10%	9%	12%	15%	16%
<b>Annualized ROCE excluding LUKOIL</b>	9%	9%	12%	15%	16%
<b>Annualized GAAP ROCE</b>	14%	10%	14%	15%	12%

<sup>1</sup> Total equity plus total debt.

# COP Non-GAAP Reconciliations

## CROCE

	3Q10	4Q10	1Q11	2Q11	3Q11
<b>Numerator (\$MM)</b>					
EBIDA <sup>1</sup>	5,487	4,446	5,282	5,654	4,653
Non-core earnings impacts	(818)	(112)	(394)	1	837
Adjusted EBIDA	4,669	4,334	4,888	5,655	5,490
Adjustment to exclude LUKOIL	(436)	1	(2)	-	-
Adjusted EBIDA excluding LUKOIL	4,233	4,335	4,886	5,655	5,490
GAAP CFOA <sup>2</sup>	4,339	6,191	1,947	6,274	5,613
Difference <sup>3</sup>	(330)	1,857	(2,941)	619	123
<b>Denominator (\$MM)</b>					
GAAP average capital employed <sup>4</sup>	92,871	93,109	93,216	93,752	91,625
Adjustment to exclude LUKOIL	(4,832)	(1,849)	(475)	-	-
Average capital employed excl LUKOIL	88,039	91,260	92,741	93,752	91,625
<b>Annualized CROCE</b>	20%	19%	21%	24%	24%
<b>Annualized CROCE excluding LUKOIL</b>	19%	19%	21%	24%	24%
<b>Annualized CFOA / ACE (GAAP)</b>	19%	27%	8%	27%	25%

<sup>1</sup> Net income plus DD&A and after-tax interest expense.

<sup>2</sup> Cash flows from operating activities.

<sup>3</sup> Primarily impact of working capital, deferred taxes, undistributed equity earnings (except LUKOIL) and interest.

<sup>4</sup> Total equity plus total debt.

# COP Non-GAAP Reconciliations

## E&P - ROCE

3Q11

### Numerator (\$MM)

Net income	1,762
After-tax interest expense	<u>20</u>
GAAP ROCE earnings	1,782
Non-core earnings impacts	<u>430</u>
Adjusted earnings	2,212

### Denominator (\$MM)

GAAP average capital employed <sup>1</sup>	59,434
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**Annualized ROCE** 15%

**Annualized GAAP ROCE** 12%

## R&M - ROCE

### Numerator (\$MM)

Net income	789
After-tax interest expense	<u>-</u>
GAAP ROCE earnings	789
Non-core earnings impacts	<u>407</u>
Adjusted earnings	1,196

### Denominator (\$MM)

GAAP average capital employed <sup>1</sup>	22,497
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**Annualized ROCE** 21%

**Annualized GAAP ROCE** 14%

<sup>1</sup> Total equity plus total debt.