ConocoPhillips

Repositioning to Unlock Potential

Investor Update
www.conocophillips.com/investor

December 2011

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 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).

Use of non-GAAP financial information - This presentation 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 appendix.

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.

3 Year Repositioning Plan: 2010 – 2012

Portfolio Optimization

- Monetize non-core assets
- Position for Upstream growth
- Focus capital toward E&P
- Reduce exposure to refining

Capital Structure

- Reduce debt
- Strengthen financial flexibility

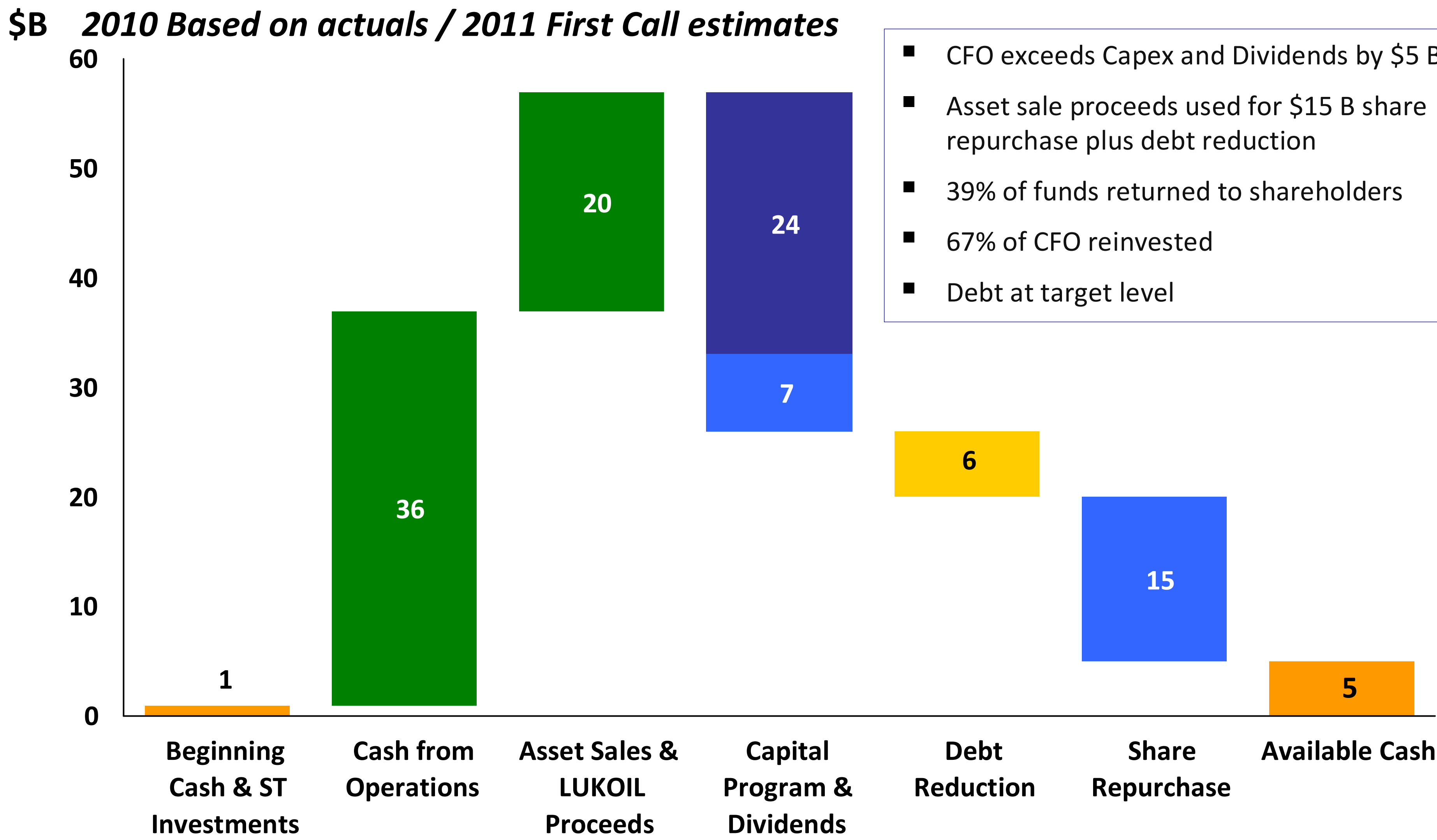
Returns Enhancement

- Improve ROCE / CROCE
- Increase margins per BOE
- Refocus capital program

Distributions

- Continue 10%+ dividend growth
- Significant share repurchase program
- Improve per share metrics

Progress through 2011 – Right on Target



- CFO exceeds Capex and Dividends by $5 B
- Asset sale proceeds used for $15 B share repurchase plus debt reduction
- 39% of funds returned to shareholders
- 67% of CFO reinvested
- Debt at target level

Recent Highlights

- Strong third quarter financial performance
  - $14 B in year-to-date cash from operations
  - $3 B of additional share repurchases
    - Repurchased a total of 12% of outstanding shares since 2010
  - Margin improvement year over year
    - Increased E&P cash contribution by $5 / boe
    - Increased R&M cash contribution by > $3 / bbl
  - Returns enhancement
    - 16% ROCE: 15% E&P / 21% R&M
- Asset sales on target
  - $2 B in proceeds expected from sale of Colonial and Seaway Crude pipelines
- Repositioning on target for second quarter 2012
  - Downstream company to be named Phillips 66 and headquartered in Houston, TX
  - Leadership teams being built and announced
  - Filed IRS ruling request on Oct. 28 and Form 10 on Nov. 14

2012 Initiatives

Portfolio Optimization

- 2012 asset sales of $5 to $10 B
- Progress major E&P projects
- 100%+ reserve replacement ratio
- Rationalize low margin refineries

Capital Structure

- Phillips 66 to issue $8 B new debt
- COP to retire ~$5 B debt

Returns Enhancement

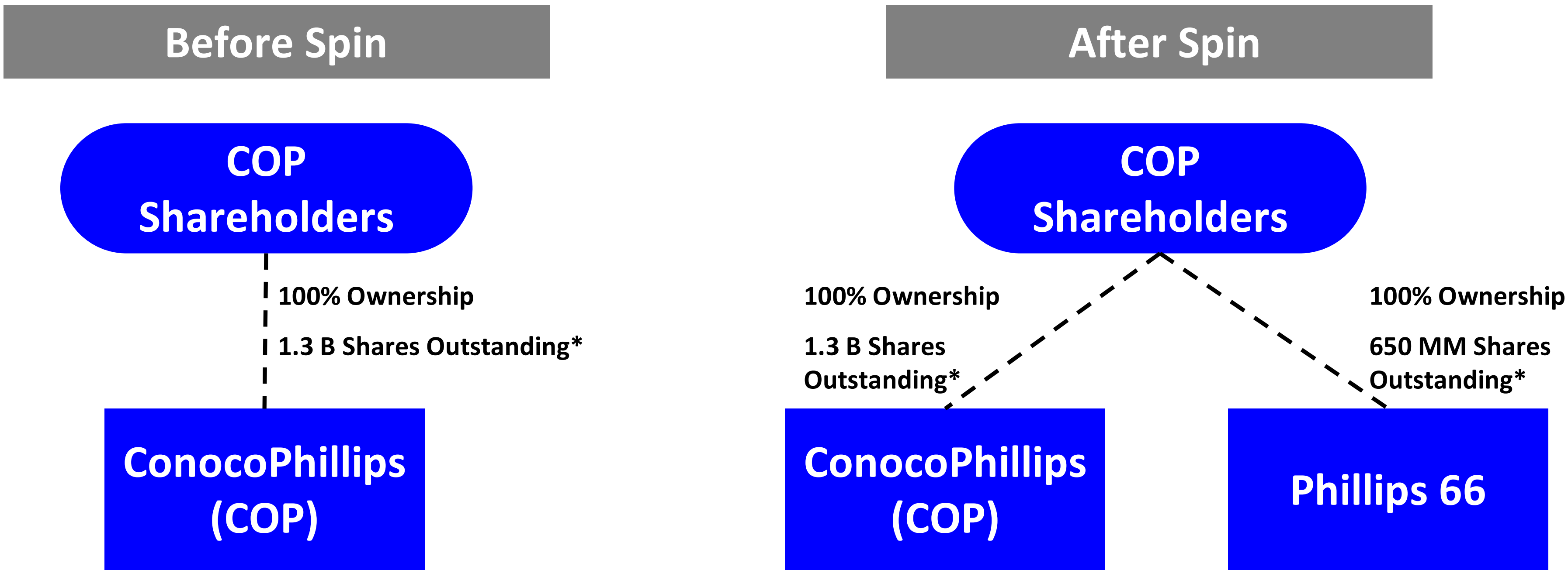
- Increase ROCE
- Fund higher margin production
- Improve margins per BOE

Distributions

- COP maintains $2.64/sh annual dividend
- Modest COP dividend increases going forward
- Expected Phillips 66 annual dividend of $0.80/sh
- $5 to $10 B in share repurchases

Creation of Two Leading Energy Companies

- Special dividend of Phillips 66 shares to COP shareholders
- 1 share of Phillips 66 per 2 shares of COP owned at record date
- $6 B of cash transferred to COP, majority subsequently used for COP debt repayment



* Illustrative based on year-end 2011 estimates

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Positioned to Create Value

- **ConocoPhillips – a uniquely positioned E&P company**
  - **Large, diversified, OECD-based portfolio**
  - **Size, scale and technical capabilities to do any project globally**
  - **High impact unconventional resource plays**
  - **Growth from approved projects**
  - **Differentiated shareholder distributions**

- **Phillips 66 – a new approach to downstream integration**
  - **Unique, diverse and highly competitive portfolio of segment-leading businesses – R&M, Midstream and Chemicals**
  - **Significant net cash flow and profitable investment opportunities**
  - **Leader in shareholder distributions**

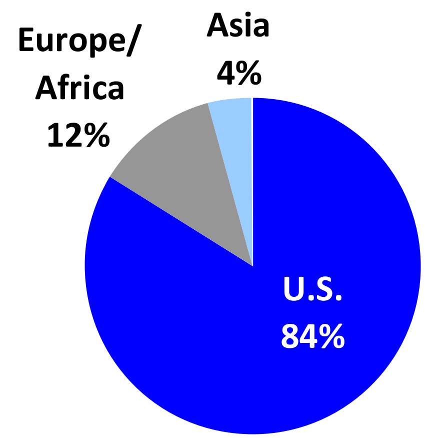
Both companies become segment leaders

Phillips 66

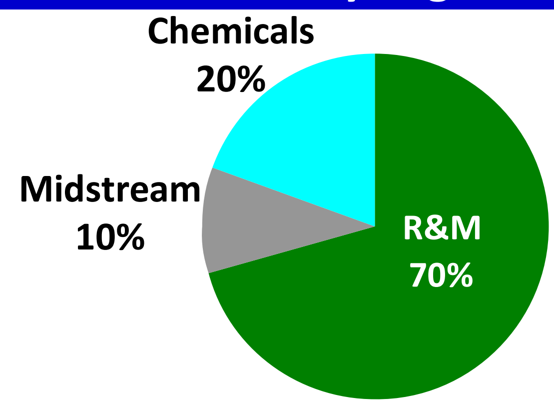
New Approach to Downstream

- R&M, Midstream & Chemicals
- Pro forma 2011
  - Capital Employed $29B
  - Total Assets $50B
- Employees[1] ~15M
- Sector leading dividend
- Target BBB Credit Rating
- Debt to Cap 25-30%

Capital Employed by Region[2]



Net Income by Segment[3]

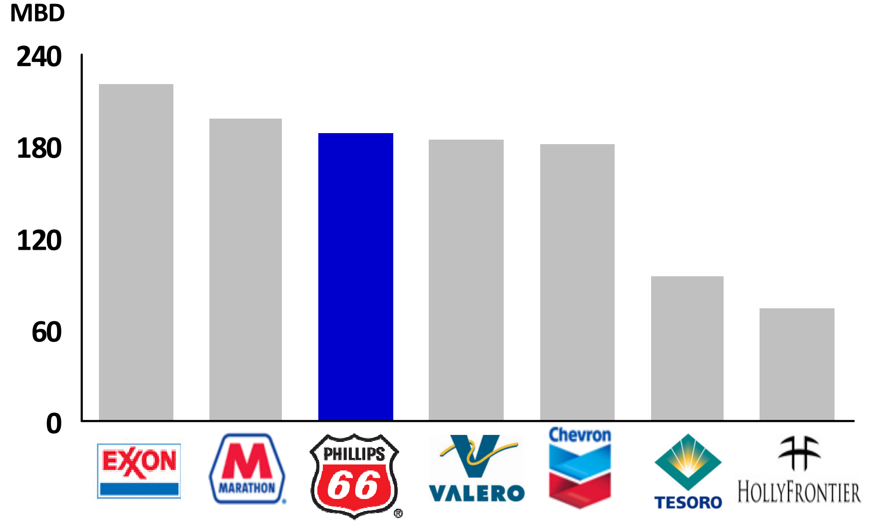


Strong competitive position

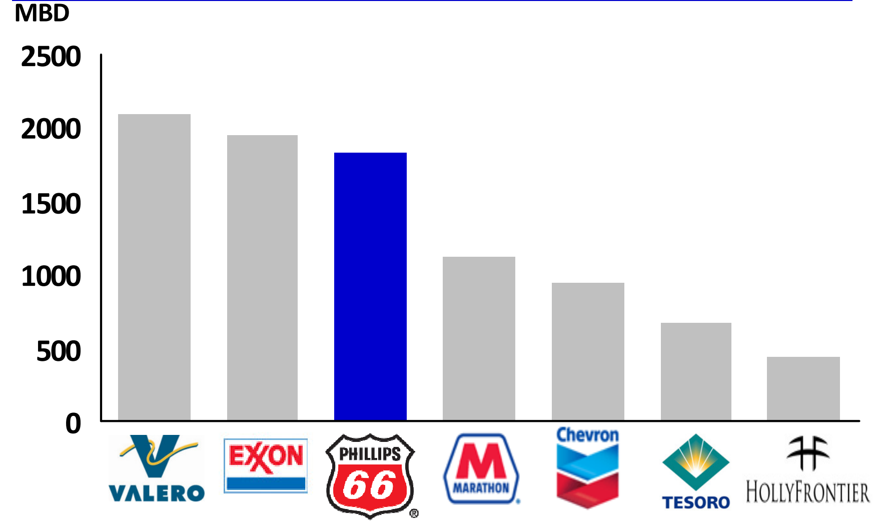
[1] Excludes DCP and CPChem
[2] DCP and CPChem included at 50%
[3] Nine months ended Sept 30, 2011. Excludes Corporate and Other.

Global Refining Position

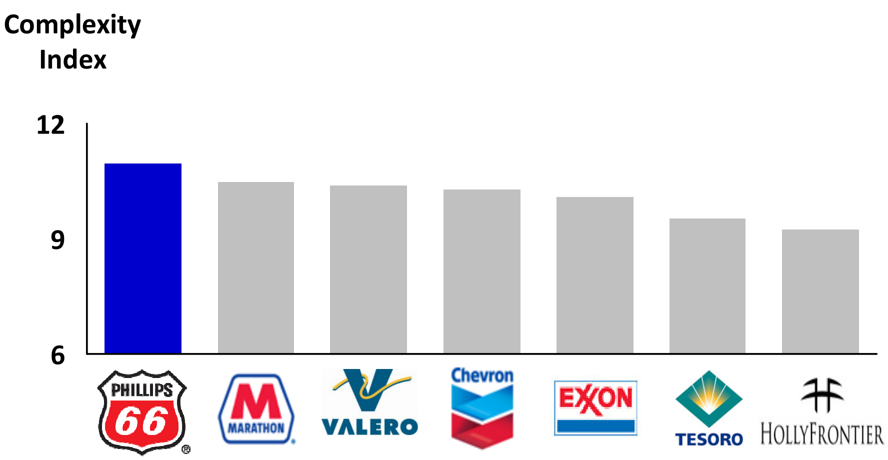
Average Refinery Size



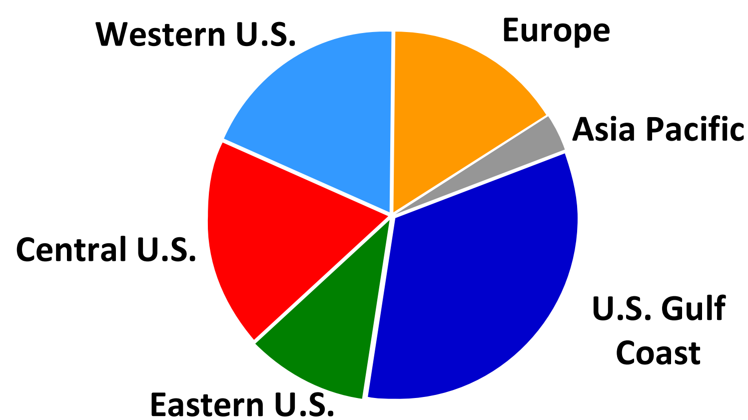
U.S. Refining Capacity



Nelson Complexity



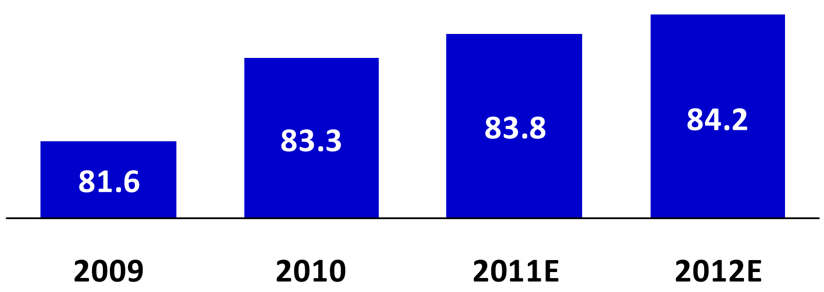
Crude Capacity by Region



1. Wood River capacity (356MBD gross) and Nelson Complexity (10.9) represented post-CORE project
2. Trainer refinery omitted
3. Average refinery size based on gross capacities
4. Nelson complexity based on net Phillips 66 capacities

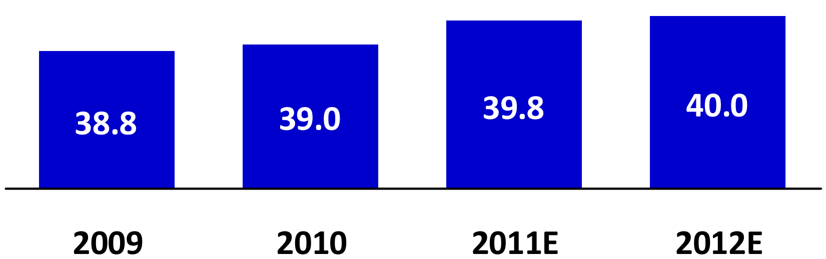
Key Drivers to Improving Refining Margins

Clean Product Yield - %

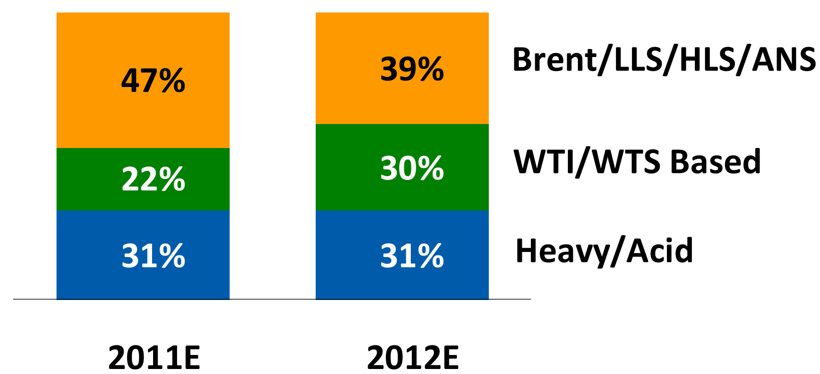


- Yield
- Distillate selectivity
- Crude advantage
- Access to markets
- Controllable costs

Distillate Yield - %



Crude Advantage - %

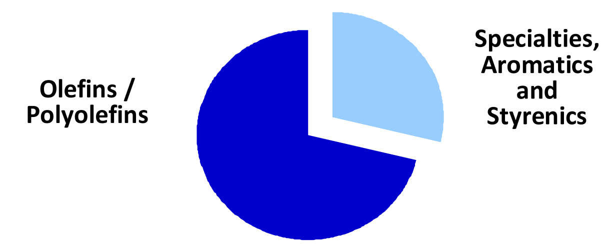


Improving competitive advantage

Well-Positioned Chemicals Segment

- Chevron Phillips Chemical Company (CPChem)
  - 50:50 joint venture with Chevron
  - Assets of $8 B at 12/31/10
  - N. America's largest producer of high density polyethylene
  - 4th largest N. America ethylene producer
  - Leading Middle East position

CPChem Net Capacity > 30 B Pounds / yr

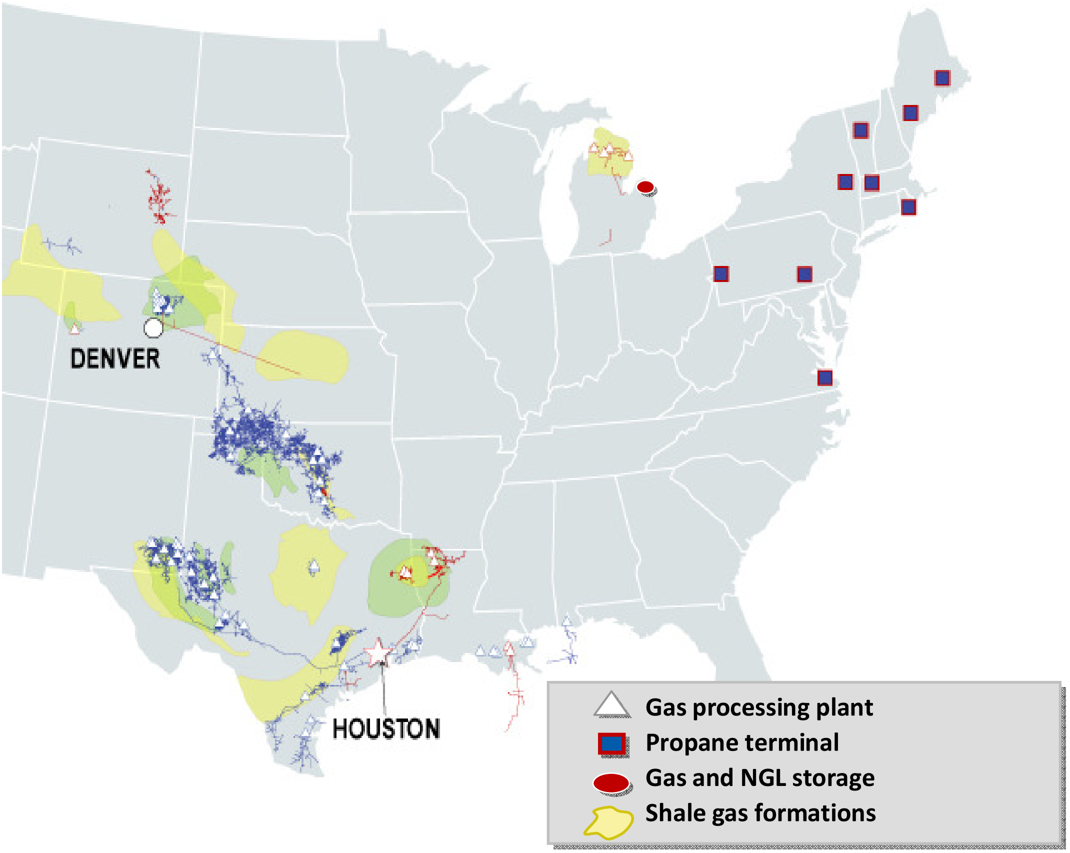


37 manufacturing locations
4 research & technology sites

Phillips 66

Strong Midstream Segment

- **DCP – 50:50 JV with Spectra**
  - Largest U.S. NGL producer
  - 2nd largest gas gatherer and processor
  - 60 plants / 11 fractionators
  - 62,000 miles of pipeline
  - Liquids rich footprint



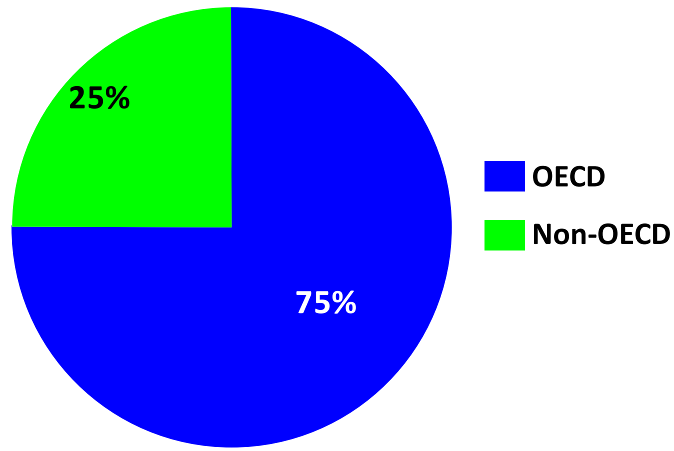
* Includes DCP Midstream Partners, assets on map shown in red.

The New ConocoPhillips

Unique E&P Company

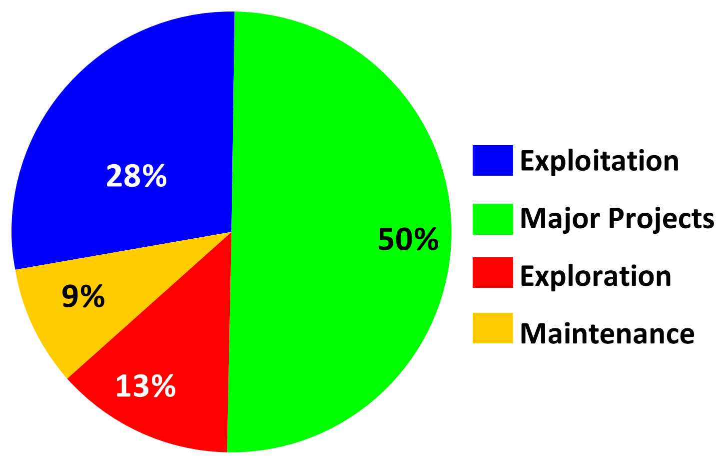
- Large, diversified and international reserve and resource position
- 100%+ reserve replacement
- Growing production and margins
- Returns-focused
- Dividend yield of >5%
- Leading financial capability and strength
- Ability to execute any project on a global scale

Reserves – YE 2010

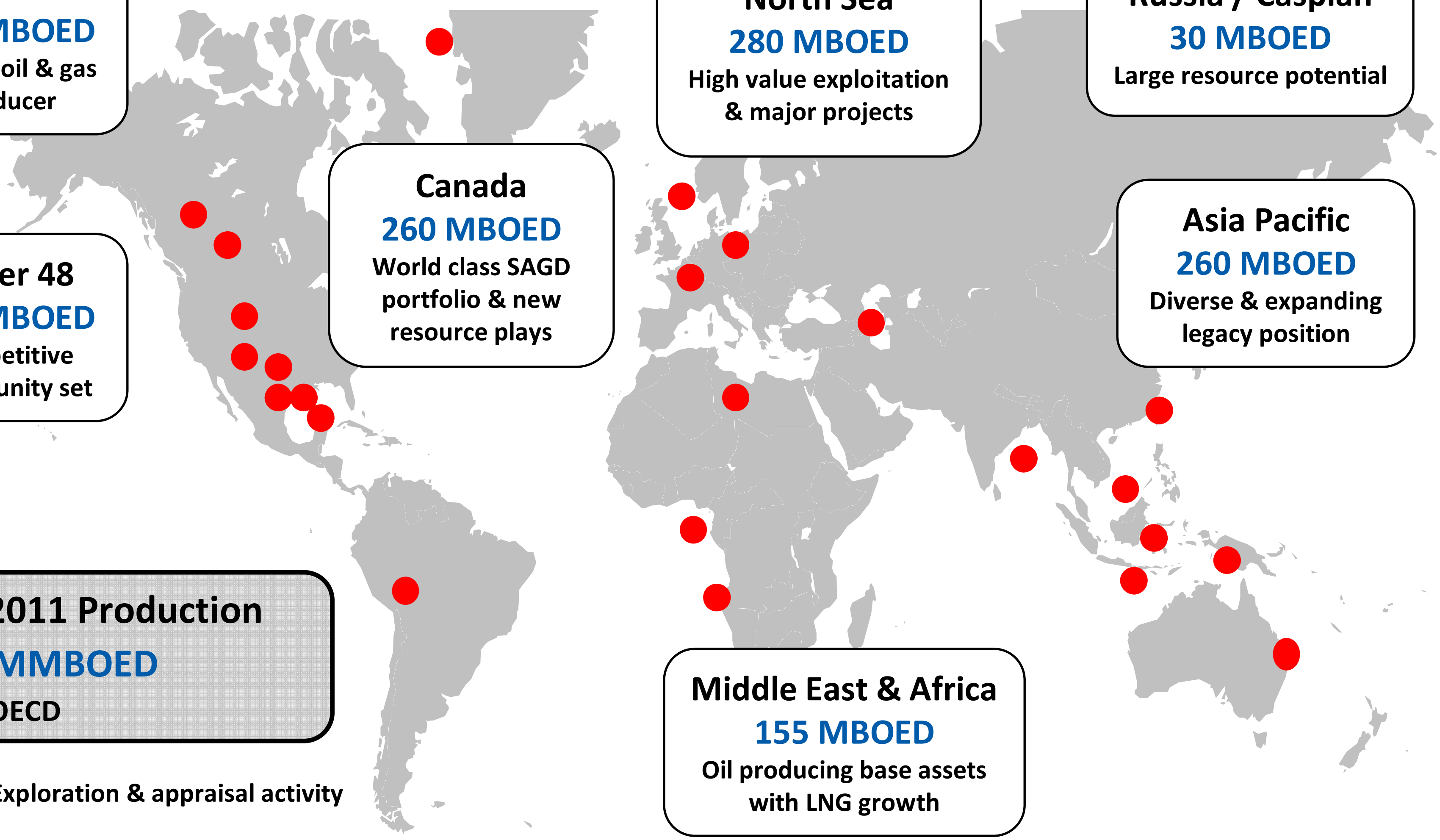


Capital Expenditures – 2012-2015

$15 B/yr, $60 B over 4 years



Global Portfolio



Alaska
220 MBOED
Largest oil & gas producer

Lower 48
420 MBOED
Competitive opportunity set

Canada
260 MBOED
World class SAGD portfolio & new resource plays

North Sea
280 MBOED
High value exploitation & major projects

Russia / Caspian
30 MBOED
Large resource potential

Asia Pacific
260 MBOED
Diverse & expanding legacy position

Middle East & Africa
155 MBOED
Oil producing base assets with LNG growth

YTD 2011 Production
1.63 MMBOED
~80% OECD

● 2011 Exploration & appraisal activity

Production numbers include equity affiliates

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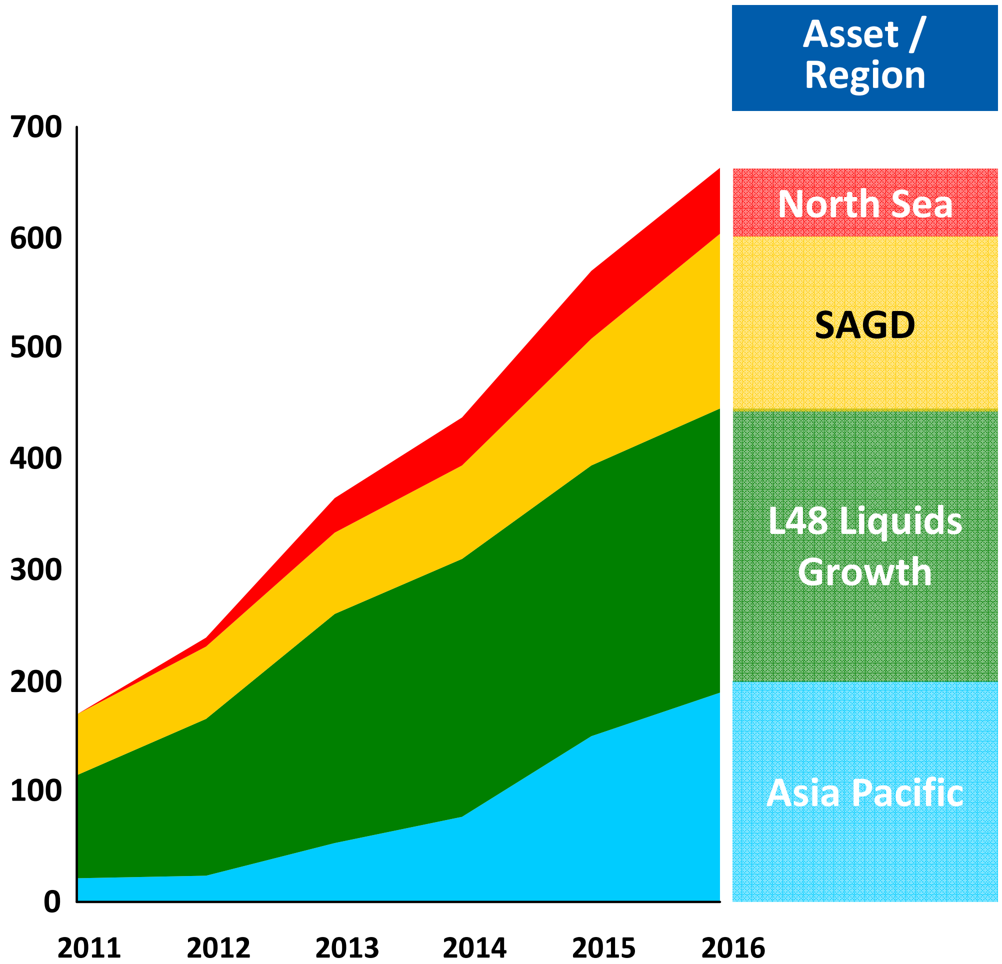
Production from Major Projects Fuels Growth



Major Projects	Production Startup	Peak MBOED
Jasmine	Q4 2012	35
Ekofisk South	Q4 2013	26
Eldfisk II	Q4 2014	26
Christina L. (D/E/F/G/H)	2012 – 2016+	100
Foster Creek (F/G/H)	2014 – 2016+	45
Surmont 2	Q4 2014	42
Eagle Ford	Ramp up drlg. activity	140
Bakken	Ramp up drlg. activity	46
Permian	Ramp up drlg. Activity	102
Gumusut/Limbayong	Q4 2012 / 2018	46
Malikai/Petai/Ubah	Q2 2014 / Q4 2016	35
KBB/Sabah/Kamansu E	Q4 2014 / Q2 2016	41
APLNG (Train 1 and 2)	Q2 2015 / Q1 2016	110

Existing portfolio supports volume and margin per BOE growth

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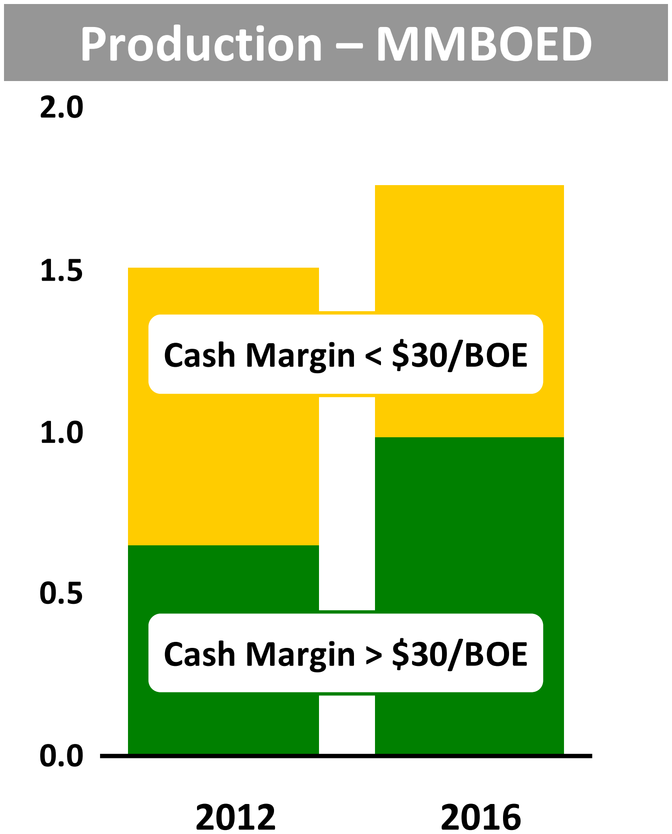
Production Growth & Cash Margin Improvement



- Production growth of 3-4% CAGR from 2012 to 2016
- Shift towards higher margin production results in 3-4% CAGR in cash margin
- Production growth coming from higher margin areas

Annual margin growth supplements annual production growth

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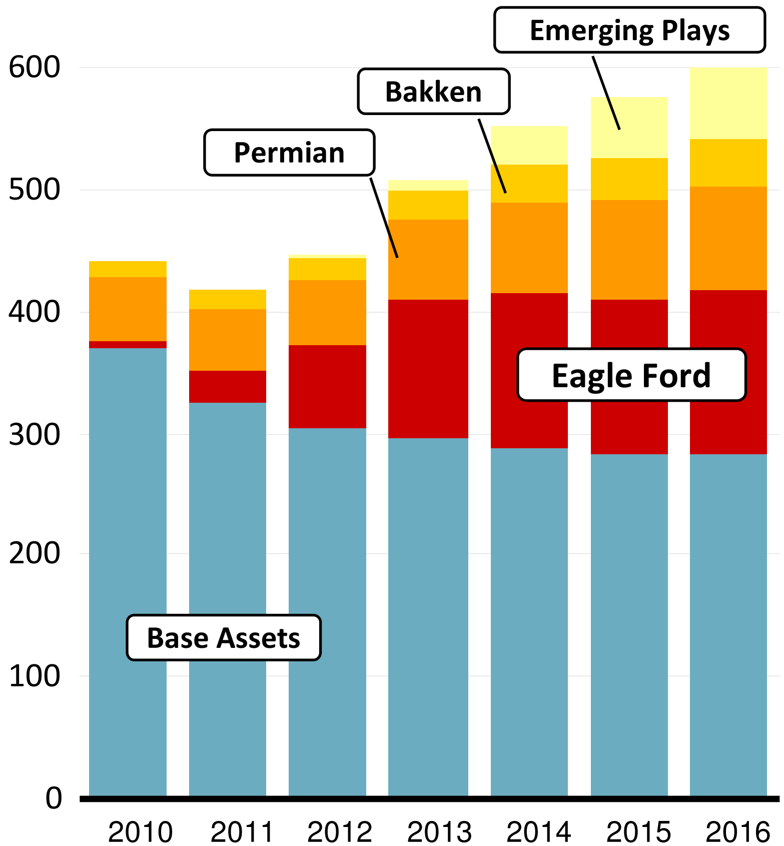
Lower 48 Liquids Growth

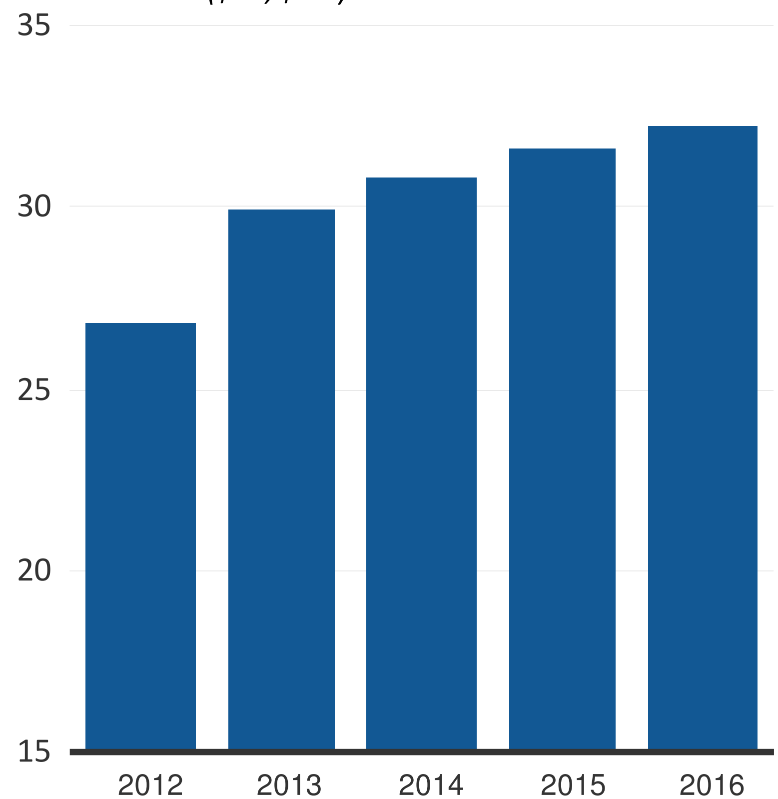
- **7% annual production growth expected between 2011 and 2016**
- **Shift to liquid production: 39% in 2011, 52% by 2016**

L48 Production – MBOED



L48 Cash Margin – $/BOE

Flat Price ($95, $4.4)



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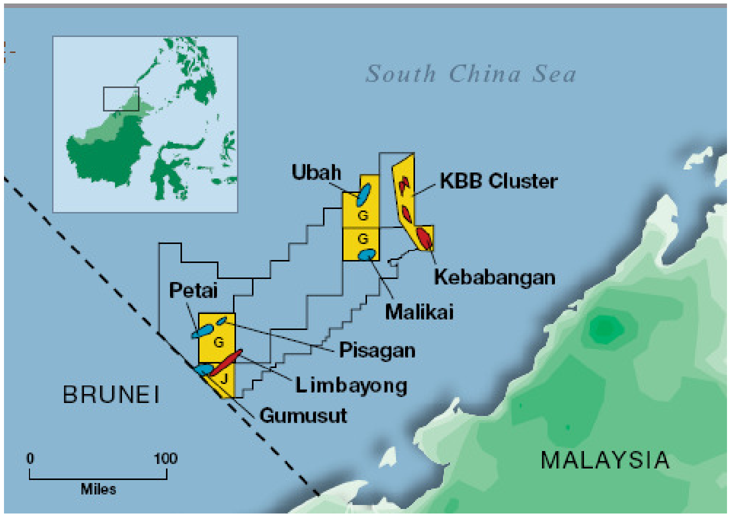
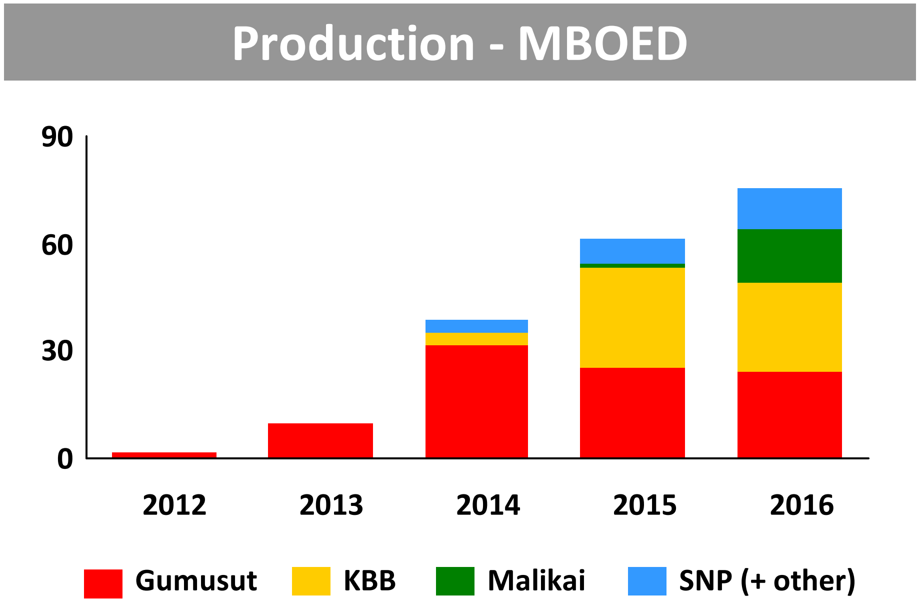
Malaysia Projects Generate Growth

- Major projects include Gumusut, KBB, Malikai and SNP
    - Targeting 2012 SNP and Malikai sanctions
- 0.4 BBOE discovered resource
- Shell, Murphy and JOC operated
- Expect to invest $0.6 B in 2012





SNP: Siakap North Petai

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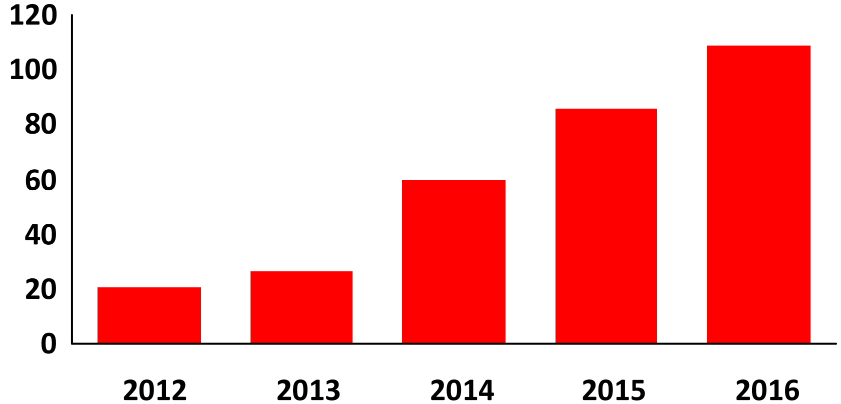
Australia Pacific LNG

Production[1] - MBOED



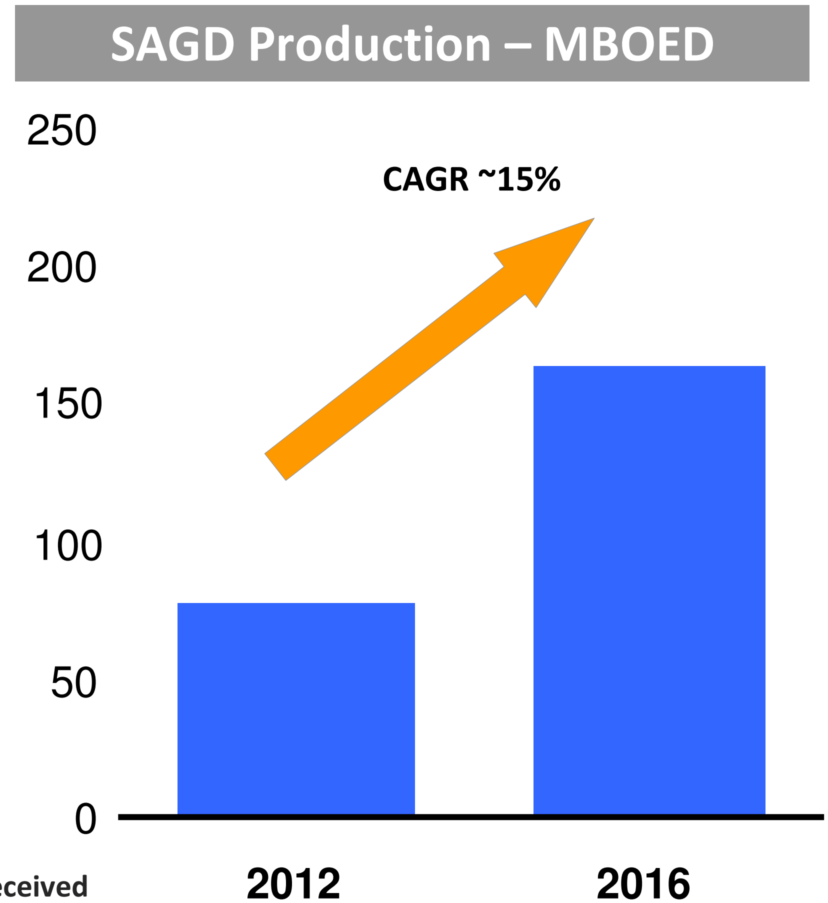
- **Current production 23 MBOED (2011)**
- **Achieved Train 1 FID**
  - **Captured economic realignment**
- **Signed largest LNG contract in Asia**
  - **4.2 mpta with Sinopec**
- **Train 2 FID expected in early 2012**

[1] COP net 42.5% working interest

Canada SAGD Production Growth

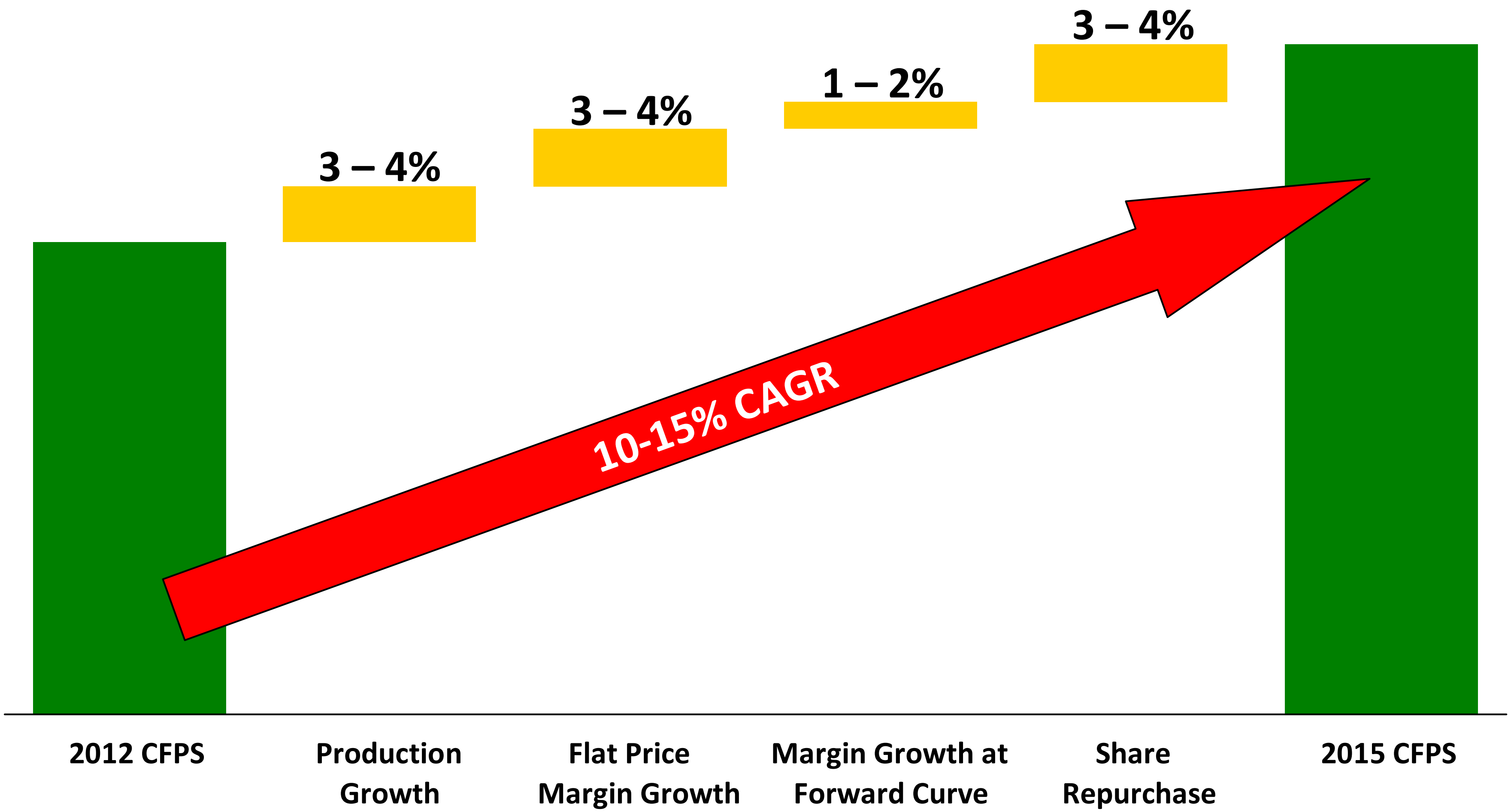
Project	Phase	Start-up[1]
Foster Creek	A-E	2002
Christina Lake	A-B	2002
Surmont	1	2007
Christina Lake	C	2011
Christina Lake	D	2012
Christina Lake	E	2014
Surmont	2	2015
Foster Creek	F	2014
Foster Creek	G	2016
Foster Creek	H	2017
Christina Lake	F	2016
Christina Lake	G	2017
Narrows Lake	A	2016
Narrows Lake	B	2019
Christina Lake	H	2019
Surmont	3	2019

Producing | In execution | Regulatory approval received | Regulatory approval submitted | Planned



[1] Targeted first production subject to regulatory or partner approval.

Cash Flow Per Share Growth



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Executing 3-Year Repositioning Plan

- 2010 – 2012 three year plan to position for long term value creation
- Plan execution on target after first two years
  - $20 B in asset sales
  - $15 B in share repurchase
  - $24 B in capital expenditures
- Continued execution in 2012
  - $5-10 B in additional asset sales
  - Financial flexibility for additional share repurchases
  - High quality investments creating future production growth
  - Returns and margins growth
- Launching two leading energy companies – ConocoPhillips and Phillips 66

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APPENDIX

Non GAAP Reconciliations

	3Q10	3Q11
GAAP E&P Net Income[1] - $MM	1,564	1,762
GAAP E&P Net Income[1] - $ / BOE	**9.90**	**12.45**
non-core earnings impacts - $MM		
(gains) and losses on asset dispositions	(32)	280
asset impairments / cancelled projects	-	-
tax legislation / regulatory / other	(26)	150
E&P Income - $ / BOE	**9.53**	**15.49**
E&P DD&A - $ / BOE	12.77	11.49
E&P Cash Contribution - $ / BOE	**22.30**	**26.98**

	3Q10	3Q11
GAAP R&M Net Income[1] - $MM	268	789
GAAP R&M Net Income[1] - $ / BBL	**0.94**	**2.69**
non-core earnings impacts - $MM		
(gains) and losses on asset dispositions	-	74
asset impairments / cancelled projects	-	318
tax legislation / regulatory / other	-	15
R&M Income - $ / BBL	**0.94**	**4.08**
R&M DD&A - $ / BBL	0.69	0.71
R&M Cash Contribution - $ / BBL	**1.63**	**4.79**

	3Q10	3Q11
GAAP E&P CFOA - $MM	4,342	4,973
GAAP E&P CFOA - $ / BOE	**27.48**	**35.15**
excluded GAAP items - $MM		
non-cash working capital	(749)	(821)
non-working capital adjustments[2]	(69)	(334)
E&P Cash Contribution - $ / BOE	**22.30**	**26.98**

	3Q10	3Q11
GAAP R&M CFOA - $MM	99	246
GAAP R&M CFOA - $ / BBL	**0.35**	**0.84**
excluded GAAP items - $MM		
non-cash working capital	328	1,247
non-working capital adjustments[2]	40	(89)
R&M Cash Contribution - $ / BBL	**1.63**	**4.79**

[1] Attributable to ConocoPhillips.
[2] Includes items such as deferred tax, accretion on discounted liabilities, and undistributed equity earnings.

Non GAAP Reconciliations

ROCE

	3Q11
Numerator ($MM)	
Net income	2,631
After-tax interest expense	153
GAAP ROCE earnings	2,784
Non-core earnings impacts	837
Adjusted earnings	3,621
Adustment to exclude LUKOIL	-
Adjusted earnings excluding LUKOIL	3,621
Denominator ($MM)	
GAAP average capital employed [1]	91,625
Adustment to exclude LUKOIL	-
Average capital employed excl LUKOIL	91,625
Annualized ROCE	16%
Annualized ROCE excluding LUKOIL	16%
Annualized GAAP ROCE	12%

E&P - ROCE

	3Q11
Numerator ($MM)	
Net income	1,762
After-tax interest expense	20
GAAP ROCE earnings	1,782
Non-core earnings impacts	430
Adjusted earnings	2,212
Denominator ($MM)	
GAAP average capital employed [1]	59,434
Annualized ROCE	15%
Annualized GAAP ROCE	12%

R&M - ROCE

Numerator ($MM)	
Net income	789
After-tax interest expense	-
GAAP ROCE earnings	789
Non-core earnings impacts	407
Adjusted earnings	1,196
Denominator ($MM)	
GAAP average capital employed [1]	22,497
Annualized ROCE	21%
Annualized GAAP ROCE	14%

[1] **Total equity plus total debt.**