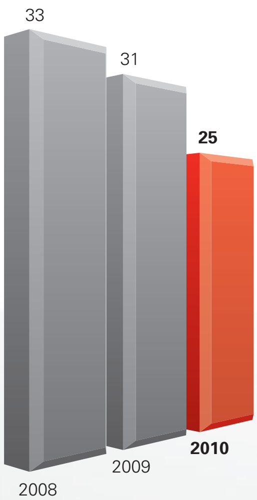
ConocoPhillips

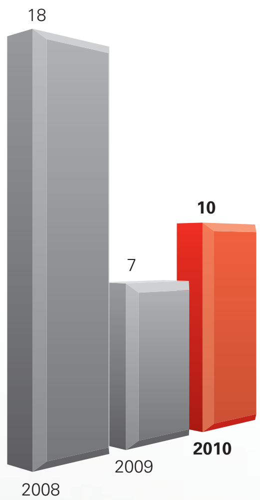
Delivering Value

2010 SUMMARY ANNUAL REPORT

DEBT-TO-CAPITAL RATIO
(Percent)

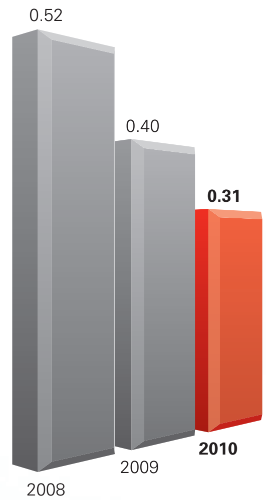


RETURN ON CAPITAL EMPLOYED*
(Percent)



See reconciliation on page 38.

TOTAL RECORDABLE RATE
(Safety incidents per 200,000 hours)



Certain disclosures in this Summary Annual Report may be considered "forward-looking" statements. These are made pursuant to "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The "Cautionary Statement" in Management's Discussion and Analysis in Appendix B of ConocoPhillips' 2011 Proxy Statement should be read in conjunction with such statements.

"ConocoPhillips," "the company," "we," "us" and "our" are used interchangeably in this report to refer to the businesses of ConocoPhillips and its consolidated subsidiaries.

Definition of resources: ConocoPhillips uses the term "resources" in this document. The company estimates its total resources based on a system developed by the Society of Petroleum Engineers that classifies recoverable hydrocarbons into six categories based on their status at the time of reporting. Three (proved, probable and possible reserves) are deemed commercial, and three others are deemed noncommercial or contingent. The company's resource estimate encompasses volumes associated with all six categories.

ConocoPhillips

"We have demonstrated our ability to successfully adapt our traditional, proven business strategies to new realities."

James J. Mulva
Chairman and Chief Executive Officer

Letter to Shareholders

James J. Mulva
Chairman and Chief Executive Officer

John A. Carrig
*President**

Since the fall of 2009, we have pursued a multi-year plan to take decisive actions that deliver increased value for our owners. These include building upon our strong operational, safety and environmental performance, increasing distributions to shareholders, adjusting our portfolio, and renewing our commitment to strategic, financial and operational discipline.

We made significant progress in 2010, highlighted by a 10 percent increase in our quarterly dividend rate, realization of $15.4 billion in proceeds from selective asset divestments that included most of our LUKOIL holdings, an 18 percent decrease in debt to $23.6 billion, and an increase in our year-end cash and short-term investments balance to $10.4 billion. We also met our key operational targets, while recording our safest year since the inception of ConocoPhillips in 2002 and increasing annual earnings to $11.4 billion.

This performance delivered significant value to our shareholders, as ConocoPhillips' total shareholder return for the year of 39 percent was highest among our industry peer group. We have continued our commitment to increase shareholder distributions in 2011, announcing a 20 percent increase in the quarterly dividend rate and an additional $10 billion share repurchase program.

These achievements occurred in a market still gradually recovering from the recent global economic downturn. Liquids price realizations increased during 2010, but North American natural gas prices remained impacted by weak demand and rising supply, while surplus global refining capacity allowed only a partial recovery in refining margins. Through our investments, we are continuing to increase our emphasis on exploration and production, to which 86 percent of our capital program was dedicated during 2010, with 89 percent planned for 2011.

"We expect to organically replace reserves and grow long-term production by developing existing opportunities available in our asset portfolio and increasing emphasis on exploration."

DELIVERING ON OUR COMMITMENTS

Progress is well under way on our decisive multi-year actions intended to enable ConocoPhillips to deliver long-term value and compete effectively throughout all market cycles. Specifically:

- **Sell $10 billion in non-core assets over two years** – We completed $7.1 billion in asset sales during 2010, including divestiture of our 9 percent interest in Syncrude for $4.6 billion, and sales of smaller ventures and lower-returning assets. The sales will not materially impact future reserves and production growth. We anticipate at least $3 billion in additional sales during 2011.

- **Sell our LUKOIL stock** – We expanded our initial plan and determined to divest all of our 20 percent ownership in LUKOIL stock, then utilize the proceeds to fund our own development opportunities and repurchase our stock. We completed the sale of our LUKOIL investment by early 2011, yielding $9.5 billion in total proceeds, including $8.3 billion realized during 2010.

- **Reduce debt and improve financial flexibility** – We retired $5.1 billion in debt during the year, lowering remaining debt to $23.6 billion and the debt-to-capital ratio to 25 percent, which is within our target range. We ended 2010 with $10.4 billion in cash and short-term investments, most of which we will use for share repurchases, with small, selective asset acquisitions also possible.

- **Increase shareholder distributions** – Our efforts to deliver value to shareholders during 2010 included a 10 percent increase in our quarterly dividend rate. This was the eighth consecutive annual increase since the company's inception in 2002, yielding a compounded annual dividend growth rate of 13.5 percent over this period. In addition to paying $3.2 billion in dividends, we repurchased 65 million shares of our stock for $3.9 billion, consistent with plans to increase key metrics on a per-share basis.

- **Improve capital efficiency** – Achievement of these initiatives, combined with higher margins and a disciplined capital investment program, improved our return on capital employed to 10 percent during 2010. Spending for our capital program declined 11 percent to $10.7 billion, which was primarily allocated to our Exploration and Production (E&P) business. In response to the improved energy market, we plan a $13.5 billion capital program for 2011.

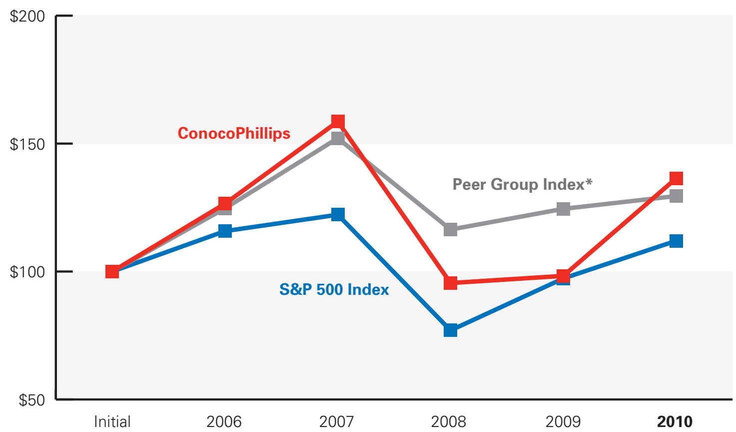
OPERATIONAL ACHIEVEMENTS

E&P recorded several key accomplishments that will facilitate future value accretion and growth. Among them were record safety performance, oil and gas production volumes that met operating targets, and replacement of 138 percent of production with proved reserve additions on an organic basis at competitive finding and development costs.

To expand our opportunities in North America, we added acreage in liquids-rich unconventional shale drilling trends. In the Canadian oil sands, volumes increased as work continued on several large expansion projects. We broadened our presence in the growing global liquefied natural gas (LNG) market through startup of the Qatargas 3 project in 2010. In addition, ongoing development of the major Australia Pacific LNG (APLNG) venture continues. In February 2011, APLNG entered into a non-binding heads of agreement to supply up to 4.3 million tonnes annually of LNG for 20 years to Sinopec, a major customer in China, and for Sinopec to subscribe for a 15 percent equity interest in the APLNG venture.

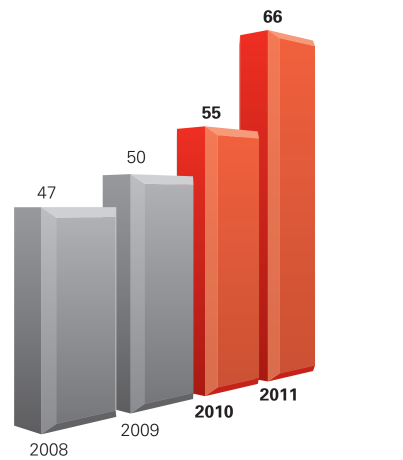
Looking forward, we expect to organically replace reserves and grow long-term production by developing existing opportunities available in our asset portfolio and increasing emphasis on exploration. Our 2011 plans include continued development of major projects, exploitation of unconventional shale resources in the United States, Canada and elsewhere, and wildcat drilling and appraisal of earlier discoveries from our exploration portfolio.

FIVE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURNS
(Dollars; Comparison assumes $100 was invested on Dec. 31, 2005)



*BP, Chevron, ExxonMobil, Royal Dutch Shell and Total.

QUARTERLY DIVIDENDS*
(Cents per share)



*Fourth quarter except 2011, which is first quarter.

Our Refining and Marketing business also recorded its safest year ever, with favorable capacity utilization that met targets despite a difficult global operating environment. We expect continued progress on the Wood River Refinery's coker and refinery expansion project, enabling increased bitumen processing capacity in late 2011, thus accommodating E&P's rising Canadian oil sands production. Consistent with plans to reduce our exposure to refining margins, we decided not to proceed with proposed Yanbu and Wilhelmshaven refinery investments.

Our chemicals and midstream joint ventures entered their second decade with strong financial results in growing markets.

OUR COMMUNITIES AND PEOPLE

We were saddened by the tragic oil spill in the deepwater Gulf of Mexico this past summer, and assisted in response efforts. We firmly believe deepwater drilling can be done safely and in an environmentally sensitive manner. In order to enhance the industry's ability to meet the highest standards, we joined with three other major energy companies to form the Marine Well Containment Company, which is designing and building equipment to supplement emergency response capabilities.

Additionally, we are urging the U.S. government to ensure regulation of our industry is reasonable and cost-effective. We also continue calling for enactment of a comprehensive national energy policy to enhance supply availability, provide a mandatory legislative framework to address greenhouse gas emissions, and encourage greater energy efficiency and environmental care.

As part of our corporate culture, we strive to improve the well-being of the communities in which we operate by making charitable contributions to organizations that provide vital community services. During 2010 we also broadened our matching gift program, inspiring increased contributions and greater volunteerism by ConocoPhillips employees and retirees.

To help ensure ongoing progress, we have implemented programs to enhance the professional skills of our employees, including executive leadership development and succession planning overseen by our board of directors.

As we look ahead to 2011 and the years beyond, we believe ConocoPhillips is better prepared to compete and prosper during market upturns, as well as times of uncertainty. We are excited about the emerging opportunities we see.

We have demonstrated our ability to successfully adapt our traditional, proven business strategies to new realities, and to harness the creativity and commitment of our employees. We deeply appreciate their ongoing contributions, as well as the trust shareholders exhibited in ConocoPhillips during 2010.

James J. Mulva
Chairman and Chief Executive Officer

John A. Carrig
President*

*Retired as of March 1, 2011.

Financial and Operating Highlights

	Millions of Dollars Except as Indicated		
	2010	2009*	% Change
Financial			
Total revenues and other income	**$ 198,655**	152,390	30%
Net income attributable to ConocoPhillips (Earnings)	**$ 11,358**	4,414	157
Earnings per share of common stock – diluted (dollars)	**$ 7.62**	2.94	159
Net cash provided by operating activities	**$ 17,045**	12,479	37
Capital expenditures and investments	**$ 9,761**	10,861	(10)
Repurchase of company common stock	**$ 3,866**	—	—
Dividends paid on company common stock	**$ 3,175**	2,832	12
Total assets	**$ 156,314**	152,138	3
Total debt	**$ 23,592**	28,653	(18)
Total equity	**$ 69,109**	62,613	10
Total debt to capital (percent)	**25%**	31	(19)
Common stockholders' equity	**$ 68,562**	62,023	11
Common stockholders' equity per share – book value (dollars)	**$ 47.92**	41.73	15
Cash dividends per common share (dollars)	**$ 2.15**	1.91	13
Closing stock price per common share (dollars)	**$ 68.10**	51.07	33
Common shares outstanding at year end (in thousands)	**1,430,765**	1,486,256	(4)
Average common shares outstanding (in thousands)			
Basic	**1,479,330**	1,487,650	(1)
Diluted	**1,491,067**	1,497,608	—
Employees at year end (in thousands)	**29.7**	30.0	(1)

	2010	2009*	% Change
Operating			
E&P			
U.S. crude oil and natural gas liquids production (MBD)	**390**	418	(7)%
Worldwide crude oil and natural gas liquids production (MBD)	**913**	968	(6)
U.S. natural gas production (MMCFD)	**1,777**	2,021	(12)
Worldwide natural gas production (MMCFD)	**4,606**	4,877	(6)
Worldwide bitumen production (MBD)	**59**	50	18
Worldwide synthetic oil production (MBD)	**12**	23	(48)
Worldwide production (MBOED)	**1,752**	1,854	(6)
LUKOIL Investment net production (MBOED)	**326**	437	(25)
Midstream natural gas liquids extracted (MBD)	**193**	187	3
Refinery crude oil processed (MBD)	**2,156**	2,226	(3)
Refinery capacity utilization rate (percent)	**81%**	84	(4)
U.S. gasoline sales (MBD)	**1,120**	1,130	(1)
U.S. distillates sales (MBD)	**873**	858	2
Worldwide petroleum product sales (MBD)	**3,040**	2,974	2

*Certain amounts for 2009 have been recast to reflect the change of recording the company's equity earnings for LUKOIL on a one-quarter-lag basis.
Use of Non-GAAP Financial Information – This Summary Annual Report includes the terms "adjusted earnings" and "ROCE." These are Non-GAAP financial measures and are included to help facilitate comparisons of company operating performance across periods. A reconciliation of adjusted earnings and ROCE to earnings and ROCE determined in accordance with U.S. generally accepted accounting principles (GAAP) is shown on page 38.

ConocoPhillips

www.conocophillips.com

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 29,700 employees, $156 billion of assets and $189 billion of revenues as of Dec. 31, 2010.

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