

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  ConocoPhillips		2 Issuer's employer identification number (EIN)  01-0562944	
3 Name of contact for additional information  Shareholder Services	4 Telephone No. of contact  281-293-6800	5 Email address of contact  shareholder.relations@conocophillips.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  600 North Dairy Ashford Road, ML 3074		7 City, town, or post office, state, and Zip code of contact  Houston, Texas 77079	
8 Date of action  April 30, 2012		9 Classification and description  Common stock distribution	
10 CUSIP number  718546 104	11 Serial number(s)	12 Ticker symbol  PSX	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ConocoPhillips (COP) distributed approximately 625,272,302 shares of common stock of Phillips 66 (PSX) after the New York Stock Exchange (NYSE) market closing on April 30, 2012 to holders of record of COP common stock. The record date was 5 p.m. Eastern time on April 16, 2012. In the distribution, COP stockholders received one share of PSX common stock for every two shares of COP common stock held. COP stockholders also received cash in lieu of any fractional share of PSX. As a result of the distribution, PSX became an independent, publicly traded company.

COP CUSIP Number: 20825C 104 Ticker Symbol: COP (NYSE)

PSX CUSIP Number: 718546 104 Ticker Symbol: PSX (NYSE)

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Pursuant to Section 358 of the Internal Revenue Code, each COP stockholder will need to allocate the tax basis in COP shares immediately before the distribution between shares of COP common stock and the shares of PSX common stock received in the distribution.

Based on the high and low prices on May 1, 2012 (as described below), 77.09% of the pre-distribution tax basis in COP shares should be allocated to COP common stock and 22.91% should be allocated to PSX common stock received in the distribution.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ For U.S. tax purposes, the allocation of tax basis between shares of COP common stock and PSX common stock is based on their relative fair market values (FMV) at the time of the distribution. There are many potential ways to determine the FMV of COP and PSX common stock. One approach may be to use the unadjusted averages of the high and low trading prices of COP and PSX common stock on the NYSE on the trading day after the distribution. Such averages were \$56.10 for COP and \$33.34 for PSX on May 1, 2012. If this method is used, the pre-distribution tax basis in COP shares would be allocated 77.09% to COP shares and 22.91% to PSX shares. See example below which assumes pre-distribution tax basis of \$60 per share in 100 shares of COP common stock:

	No. of Shares	Avg NYSE Trading	Total FMV	Percentage of Total	Allocated Tax
	After Distribution	Price on 5/1/12	at 5/1/12	FMV at 5/1/12	Basis
COP Common Stock	100	\$56.10	\$5,610.00	77.09%	\$4,625.40 (77.09% of \$6,000)
PSX Common Stock	50	\$33.34	\$1,667.00	22.91%	\$1,374.60 (22.91% of \$6,000)
<b>Total</b>			<b>\$7,277.00</b>	<b>100.00%</b>	<b>\$6,000.00</b>

For Paperwork Reduction Act Notice, see the separate instructions.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ For U.S. tax purposes, the distribution is a tax free reorganization under Section 368(a)(1)(D). Pre-distribution basis in COP shares is allocated between COP shares and PSX shares under Sections 358(b)(2) and 358(c). Pursuant to Section 355(a), no gain or loss will be recognized by COP stockholders as a result of the distribution. Under Sections 1001 & 1221, in general, the receipt by COP stockholders of cash in lieu of a fractional share of PSX will be treated as if the fractional share had been distributed to the COP stockholder in the distribution and then had been disposed of by such stockholder (in a sale or exchange) for the amount of such cash. Under Section 1223(1), the holding period of a COP stockholder in PSX stock received in the distribution will include the holding period of the pre-distribution COP stock with respect to which the distribution of the PSX stock was made.

18 Can any resulting loss be recognized? ▶ The treatment, described above, of cash received in lieu of a fractional PSX share could result in a loss. In general, such loss can be recognized. Otherwise, no gain or loss will be recognized by COP stockholders upon their receipt of PSX stock.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The distribution of PSX common stock occurred in calendar year 2012.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *Keith A. Kliever* Date ▶ *May 9, 2012*

Print your name ▶ Keith Kliever Title ▶ Tax Administration Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	