This document contains the “Common Questions” Section of the ConocoPhillips SD Report. The file is current as of October 31, 2013.

Sustainable Development

Common Questions

Does an oil and gas company care about communities?

People around the world talk a lot about environmental issues. They're topics that are receiving a lot of attention – and that's a good thing.

As an oil and natural gas company with a commitment to environmental stewardship, we want to understand different views and be part of the conversation. At the same time, we want to engage in discussions and develop relationships with people and communities where we operate.

But does the company think about people and communities in the same way – or as much? We say the answer is yes. We run our business under a set of guiding principles that we call our SPIRIT Values of Safety, People, Integrity, Responsibility, Innovation and Teamwork. They are shared by everyone in our company. They set the tone for how we behave with our stakeholders. They are shared by everyone in our company. And they drive the way we care about the communities where we live and work.

We think about communities during our daily work and decision-making. Just as safety and environmental responsibility are top priorities for our business, so are our relationships and responsibilities to communities. These relationships are an important part of our social license to operate.

We think about creating jobs, supporting community investments and, most importantly, understanding how a community feels about our activities near where they live. It's important for us to have a strong community connection, and in order to operate effectively we want to hear from communities about local issues and concerns. They can and do contribute diverse ideas and valuable perspectives. We listen. This helps us be better at what we do.

North Slope, Alaska

An example of our community engagement is in Alaska's North Slope. As an active explorer and operator since the 1960s, ConocoPhillips and its heritage companies (Arco, Phillips) have always strived to build positive relationships across Alaska, including communities of subsistence hunters and whalers spread across the vast North Slope.

We listen and continue to learn from the Native traditions and culture. For example, we consult nearby landowners before commencing operations and seek the traditional knowledge of local elders to help plan our activities. Additionally, we strive to help communities meet basic needs and stimulate economic and social development, while ensuring that our operations protect local residents and the environment.

We know Alaska is a special place. We consider it a privilege to work with the residents and government leaders to ensure sustainable oil and natural gas development helps build a strong future for all Alaskans. By supporting educational, volunteer and outreach efforts, developing technology that minimizes our impact and operating with high environmental standards, we're helping provide the energy needed to drive economic growth and support a stable and healthy environment.

Maranon Basin, Peruvian Amazon

Another example of our commitment to engaging communities was in the Maranon Basin of the Peruvian Amazon where we conducted a seismic program from 2010 to 2012. To help build understanding and support for the program, we researched the social hierarchy, culture and traditions of local communities. We also consulted communities in order to understand their priorities, expectations and preferences for dialogue. ConocoPhillips Peru engaged with communities at the regional, local and individual levels, and we met regularly with local leaders, community associations and regional governments to hear their views so we could respond to their issues and concerns.

Our experience working in the region uncovered a lot of challenges. The location was geographically remote, and communities near our activities face difficulties gaining access to employment, services and basic necessities. There are also issues with local infrastructure, including medical services, educational services, utilities and transportation. Many communities rely on local subsistence for their livelihoods.

The Maranon Basin is a sensitive and challenging place. That's why it was important for ConocoPhillips Peru to identify ways to respect the land and local ways of life, address concerns and contribute to the well-being of communities. In Peru, we put our commitment in writing through an agreement – a "convenio" – with local communities, contributed financial assistance to social and environmental projects and created local job opportunities. We reached out to communities and other stakeholders across the region to understand local issues and concerns better and to discuss our planned activities. Between 2010 and 2012, we visited more than 60 communities in the region and held more than 780 community meetings.

Our Peru-based community relations team spent most of its time visiting with local communities and hosting workshops on different subjects, including:

- Seismic and other potential development activities and their impacts.
- Regulations for the hydrocarbon sector and International Labour Organization (ILO) Convention 169 regarding indigenous and tribal peoples.
- Roles and rights of communities in environmental monitoring as required by our permits and regulatory commitments.

ConocoPhillips Peru, in compliance with the Peruvian government's expectations and regulations, entered into a convenio with communities in the project area. The convenio documented community consent and detailed compensation terms for disruptions in land use or activities caused by seismic operations.

When needed, we covered the cost of transportation to support community review of our work. For example, we facilitated the Environmental Vigilance Committees' visits to our operational sites where the committees provided community recommendations on environmental, safety, labor and health matters. Recommendations were then used in our operational activities and validated during later visits.

We also made a positive difference through social investment projects, which were used in our business planning and Environmental and Social Impact Assessment processes in Peru. We supported projects focused on education and skills development, community health and environmental protection, as well as social, artistic and cultural activities.

Finally, our field activities and seismic work in the Maranon Basin created more than 1,100 local jobs.

In the last quarter of 2012, we announced a decision to end our Peru exploration program. Consistent with our strong working relationships there, we met again with each of the communities to deliver this news in person. We are also fulfilling all the obligations we made to these communities, and this will continue contributing to the well-being of Peru.

Does natural gas reduce greenhouse gas emissions?

In March 2011, an academic paper claimed that producing natural gas from dense rock formations known as shale was no better for the environment than coal due to the high volume (reportedly 3.6% to 7.9%) of leaking natural gas. The main component of natural gas is methane – a more powerful compound than carbon dioxide in its warming potential that remains in the atmosphere for a much shorter duration.

ConocoPhillips took this claim seriously, analyzing numerous external reports and immediately signing up to take part in studies to determine the facts. We joined with academics, industry partners, consultants and nongovernmental organizations to investigate the claims. In November 2012, the Joint Institute of Strategic Energy Analysis completed a study analyzing greenhouse gas emissions from 16,000 shale gas wells and related facilities in the Barnett Shale area near Dallas. The study found that the greenhouse gas emissions total associated with producing electricity from shale gas was less than half of that from producing electricity from coal. The results were interesting, but we wanted to learn

more. We also joined an oil and gas industry study of 91,000 wells across the United States operated by 20 companies. The results showed that the volume of leaking natural gas was 53% less than the Environmental Protection Agency's estimate of around 2%, which was already much lower than the estimates made in the March 2011 paper mentioned above.

Now convinced that the majority of similar findings from recent studies were within a reasonable range, we shared our results on our Power in Cooperation website in the following linked fact sheet called Natural Gas and GHG's. We're glad to have better data. However, we won't grow complacent about this issue in our own operations. Natural gas leakage is a perfect example of a sustainable development challenge – it increases greenhouse gas emissions, causes people concern and can cost the company money. We don't want any of those things to happen. Natural gas certainly can be emitted as a greenhouse gas, but when properly contained it is a valuable and widely beneficial product. That's why small releases of natural gas are referred to as "fugitive emissions" because something is escaping that we want to capture. It's not good for the environment. It's money disappearing into thin air. And it's something we take very seriously.

So what can we do about it? We've already taken a number of steps. In 2000, we joined the EPA's Natural Gas Star program, a voluntary partnership that works cooperatively to reduce natural gas leakage. We were one of the first companies to apply technology to reduce natural gas emissions when drilling shale gas wells. In 2007 in the United States, we implemented a project that has already captured 3 BCF of natural gas that would otherwise have been released or flared. In 2008, we implemented a Climate Change Action Plan that includes goals to reduce the release and flaring of natural gas and to share our best practices across the company. In 2013 we will be updating our plan, with the release and flaring of natural gas as one of the key focus areas.

As a company, we're always looking for ways to reduce our environmental footprint and improve people's lives. For more than 40 years, ConocoPhillips has been a leader in Liquefied Natural Gas technology. LNG technology has saved natural gas from being flared, delivered it safely to people needing affordable energy and helped displace the use of more greenhouse-gas-intensive fuels, such as coal.

This brings us back to where we started. Almost all coal burned in the United States is used to generate electricity. By displacing coal to generate cleaner and more efficient power, shale gas has helped the United States reduce greenhouse gas emissions to the lowest level in 20 years. This is a trend that should be encouraged globally.

Can hydraulic fracturing be done responsibly?

The Eagle Ford example suggests it can.

ConocoPhillips operates oil and gas facilities around the world, including areas with impermeable rock known as tight shale formations. Because these formations require a relatively new combination of horizontal drilling and hydraulic fracturing to produce oil and gas, they are known as “unconventional resources.” Stakeholders have shown interest in how these resources are developed.

Our approach is to work safely, efficiently and in a way that respects people, water, land and air. We call it operations excellence. The Eagle Ford shale in South Texas illustrates how the company applies operations excellence to develop unconventional resources.

In late 2009, ConocoPhillips consolidated a large acreage position within the 50-by-400-mile Eagle Ford corridor outlined by Houston, San Antonio, Corpus Christi and Laredo. We quickly began studying the needs of local communities, the environment and the business. This allowed our business to grow rapidly, with natural gas and liquids production hitting 100,000 BOED in about three years.

For the Eagle Ford to thrive now and continue to offer even greater results in the future, our team must focus on near and long-term performance objectives. A key part of our approach to developing resources responsibly, including hydraulic fracturing, is called the ConocoPhillips Global Onshore Well Management Principles, which describe our commitment to operations excellence and sustainable development performance.

Protecting and Respecting People

Our most important job each day is:
ZERO INCIDENTS, ZERO INJURIES, ZERO ILLNESSES

SPIRIT Values (Safety, People, Integrity, Responsibility, Innovation and Teamwork) guide everything we do at ConocoPhillips. These values begin with safety, and protecting our workers and neighbors has always been a cornerstone of our culture and how we do business. That’s why everyone on site is empowered and obligated to stop work to address safety concerns.

Our operations at Eagle Ford and across the globe include:

- Frequent safety meetings, training and discussions.
- Rigorous safety qualification standards for hiring and extensive safety inspections.
- Ongoing employee and contractor support for achieving zero injuries, illnesses and incidents. Continual encouragement of employees, business partners and neighbors to address risks.

Eagle Ford development activity has brought a welcome infusion of jobs, economic activity and local revenue to South Texas. The University of Texas at San Antonio projects that by 2020 industry presence in Eagle Ford will support 68,000 full-time jobs and account for $11.6 billion in commerce.

Growth comes with challenges. To make sure we are aware of important local issues, we reach out through community meetings and informal discussions to develop relationships with a wide variety of stakeholders. These include civic groups, schools and community colleges, environmental groups, local officials, professional groups and many others. We engage to listen to concerns, discuss how we might work together to address issues and explain our work and potential implications for the community. For example, through a series of informal gatherings, we discussed mutual interests with more than 1,000 landowners in 2012.

We are also working with local officials to manage pressure on local infrastructure. ConocoPhillips convened the Eagle Ford Operators Task Force, a multi-company group that listens and responds to local issues in the counties where industry operates. This group tackles community concerns including emergency response, traffic safety and roadside trash removal. Because activity at Eagle Ford increases vehicle traffic, we meet with local Department of Public Safety officers. Collaboration like this helps identify and address priority issues for the benefit of everyone in the area. For example, heavy vehicles recently were instructed to enter or exit one work site by making right turns only, improving safety and preventing congestion caused by left turns on a busy highway. We also have made it a practice whenever possible to provide advance public notice of detours or road closures needed to move our vehicles.

At Eagle Ford, we are committed to minimizing community impacts of development such as dust, noise and aesthetic issues where it makes sense. A few examples that have been used on specific work sites include:

- Putting non-potable water on roads to reduce dust.
- Installing temporary sound barriers to reduce noise levels.
- Implementing interim reclamation to improve work site appearance.
- Directing light downward as a courtesy to nearby residents and businesses.

Read more about the company's Eagle Ford stakeholder engagement in the linked article from spirit Magazine, a quarterly ConocoPhillips publication.

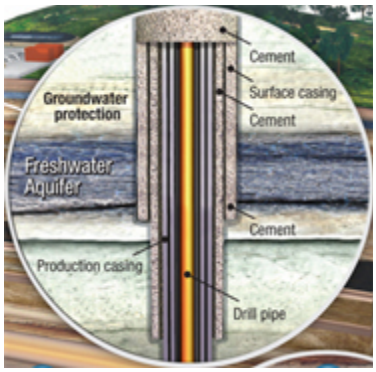
Preserving and Conserving Water

People often ask three questions about hydraulic fracturing and water use: What is it? Does it contaminate drinking water? Does it use too much water?

Hydraulic fracturing involves injecting fluid (up to 99.5% water and sand) to create fractures in targeted rock formations permitting oil or natural gas to flow to the wellbore. It significantly improves the

recovery by stimulating the movement of oil and natural gas, which would otherwise remain trapped in the rock formation.

Many studies show that well operations, including hydraulic fracturing, pose very low risk to drinking water. ConocoPhillips protects above-ground and underground sources of drinking water with proper site selection, well design and construction, and operating procedures.



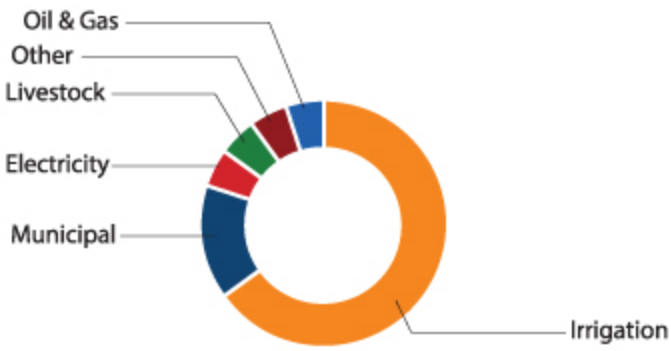
We build wells with redundant barriers of steel and cement designed to protect all sources of drinking water throughout the life of the well. Plus, groundwater is protected by large vertical distances and multiple layers of impermeable rock. These natural barriers separate oil and gas formations from aquifers by thousands of feet.

To understand and check local groundwater conditions near some of our Eagle Ford operations, ConocoPhillips conducted a 3-part baseline groundwater monitoring program that:

- Measured and documented groundwater quality conditions before hydraulic fracturing
- Assessed well water quality and suitability for potential future use by landowners.
- Identified general groundwater characteristics in area aquifers to distinguish it from other water sources.

To evaluate water sourcing options, we test groundwater supply wells for water quality parameters including hydraulic fracturing chemistry compatibility. Where practical, we look for water sources that are not used by local farmers and communities.

Eagle Ford Area Annual Groundwater Use



Another common question about drinking water and hydraulic fracturing involves the chemicals used in fracturing fluid. Although the fluid contains up to 99.5% water and sand, there are small amounts of chemicals additives used to reduce fluid friction, control bacteria and help transport sand to its target.

Chemicals used in hydraulic fracturing are often found in common consumer products. Since April 2011, ConocoPhillips has disclosed information about the chemical additives used in fracturing fluids on FracFocus.org. Click here to see more.

In relative terms, hydraulic fracturing requires much less water than many other uses. For example, projected oil and gas industry water demand in the Eagle Ford is approximately 5.5% to 6.7% of total water demand. Further, analysis of the data indicates there is sufficient aquifer supply to meet incremental regional demand.

We work with government agencies to identify and permit appropriate water sources for well operations. The permits establish our water usage terms, keeping water supply available for other users as well as for maintaining stream flows, fish, wildlife and sensitive habitats. Local conditions drive the mix of water supplies and reuse.

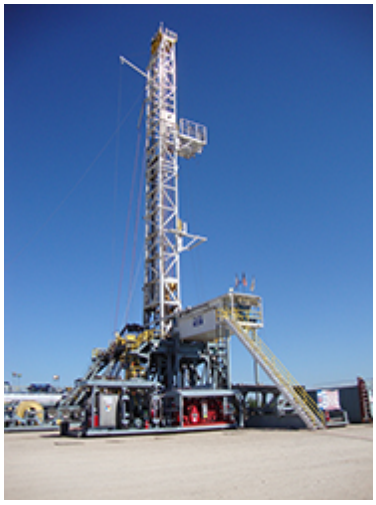
Applying new technology and regional experience, our company is reducing the amount of water used per hydraulic fracturing treatment while protecting the environment and maintaining well performance. By increasing the concentration of sand, among other innovations, we have been able to reduce the amount of water used per well by about 45%. Additional improvements in technology and local experience may help water volume requirements drop further.

In addition to reducing total water volume used, 25% of the water we use for hydraulic fracturing at Eagle Ford is brackish water. We continue to seek ways to use even less fresh water by replacing it with more brackish water, or with water from gas-producing formations.

Managing Land Footprint

Developing the Eagle Ford resource requires using equipment and installing infrastructure. Being mindful of the community and the environment, we're finding ways to minimize impacts to the land.

Horizontal drilling helps reduce land disturbance because multiple wells can be drilled from one drilling pad while maintaining access to the reservoir. This reduces the land footprint of development, along with some related costs. A typical Eagle Ford well is drilled 12,000 feet vertically, turned 90 degrees and then extended 4,000-6,000 feet horizontally. That single well can do the work of three to five, or more, vertical wells.



Grouping several wells on a single drilling pad provides more efficient access to the reservoir rock with less surface disruption. It also reduces the number of individual well sites, pipelines, access roads and other surface facilities.

Our Eagle Ford team is also working to minimize waste. At some locations, for example, we manage on-site disposal of the soil and rock particles removed during the drilling process, resulting in less truck

traffic, emissions and disposal facility needs. This requires landowner approval and documentation showing the material meets safe, strict environmental specifications. We also look for places to use closed-loop drilling. This system reduces drilling pad size, while also recycling more drilling mud and more water used for hydraulic fracturing.

Safeguarding Air

Natural gas is a clean-burning fossil fuel, generating only about half of the greenhouse gas emissions of coal. Displacing coal with natural gas for power generation was cited as one of the three primary factors in a recent drop in U.S. greenhouse gas emissions. We are implementing a number of measures to safeguard the air near our oil and natural gas developments.

Here are several examples of how we do that at Eagle Ford.

Controllers – At Eagle Ford we use no-emission or low-emission controllers for various operations. These improve environmental performance by reducing methane emissions, a greenhouse gas, from field operations. Although this technology is being phased in as a mandate, we have been implementing it well ahead of the deadline.

Flares – Flares safely combust gas that cannot otherwise be transported efficiently. Our work to reduce flaring at Eagle Ford provides economic and environmental benefits. It involves testing equipment such as vapor recovery units at multi-well and central facilities. The goal is to minimize gas sent to the flare from those facilities, redirecting it instead to the gathering system for sale. Similarly, at select central delivery facilities, we have pressurized tanks to capture valuable natural gas condensate and prevent it from being flared.

Line Heaters – We utilize line heaters at production and central delivery point facilities to separate gas from water and other well contents. This sends more product to market, and less is vented or flared.

Pipelines – We continue to advocate for strategic installation of pipeline infrastructure. Efficient pipeline infrastructure offers clean air advantages by reducing the venting of gas and the trucking of liquids.

Contractor Innovation – Among the many qualified contractors supporting our team, some provide expertise that helps improve environmental performance at Eagle Ford. Innovations include:

- Using more efficient pumps for hydraulic fracturing, allowing one-third fewer pumps to do the work, thereby reducing carbon emissions as part of the well completion process.

- Storing and blending the sand used for hydraulic fracturing with gravity-fed and solar-powered units, reducing both dust and air emissions.
- Evaluating dual fuel capability in equipment.

For more information:

The ConocoPhillips Eagle Ford Team has become a leader in establishing shale play development processes and standards that may be applicable to other shale trends throughout the United States and internationally. We know that there is always room for improvement, and we're confident that this team will continue to advance operating excellence in a way that protects and respects people and the environment.

For more related information about ConocoPhillips, please visit the PowerinCooperation.com website.

How does the company prepare for an emergency?

While focused on preventing problems, we also work hard to be ready for the unexpected. ConocoPhillips manages operational risks by paying close attention to planning, processes and operations excellence. Our goal is zero incidents, injuries and illnesses. While focused on operating well and preventing incidents, we also want to be ready if something goes wrong. That's why the company invests significant time, effort and resources in crisis and emergency management. Our preparation consists of three parts: Prevention, Training and Collaboration.

Prevention

We work very hard every day and at all of our locations to operate without injuries, illnesses or incidents. This means focusing on safe behaviors (personal safety) and safe facilities (process safety). We pursue safe, reliable and environmentally responsible operations by following a systematic and

collaborative approach called Operations Excellence. Our Health, Safety and Environment (HSE) Policy features a tool called the HSE Management System Standard, which helps deliver the commitments and expectations of the policy. Learn more in our Safety and Health section.

Training

ConocoPhillips places great value on having trained and capable emergency responders. As part of our ongoing commitment to safety and environmental stewardship, we want to be the best-trained and best-equipped emergency response organization in the industry. That's why we involve hundreds of employee subject matter experts from all disciplines in crisis and emergency management training and exercises several times each year. In addition to numerous local programs intended to practice and test our response capabilities, several large-scale exercises are slated to take place on four different continents during 2013. These drills often include participation by third-party experts, oil spill response organizations and government emergency response agencies.

In August of 2012, 125 employees from across the company gathered to participate in the first global Incident Management Assist Team (IMAT) training event since the spinoff of the downstream assets. Four days of training stressed integration and consistency through the Incident Command System. Participants put their learning to the test with a full-day exercise simulating a seabed oil seep in Indonesia.

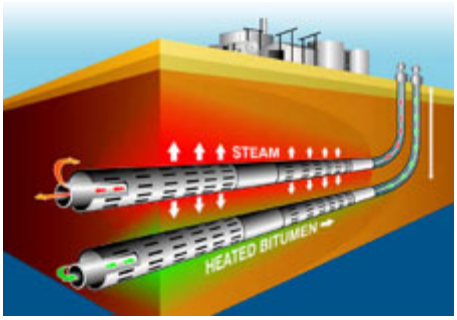
Collaboration

We operate in a highly competitive business. But we also work closely with peer companies on collaborative solutions to manage crises and emergencies. For example, ConocoPhillips was one of the four companies that founded Marine Well Containment Company in July 2010. Formed to provide well containment equipment and technology in the deepwater U.S. Gulf of Mexico, this not-for-profit independent company has significantly advanced response capabilities in the Gulf of Mexico. In April of 2011 we became one of nine founding members of the Subsea Well Response Project, which works to provide global response capabilities for deepwater wells located outside of the U.S. Gulf of Mexico. ConocoPhillips also belongs to or supports many other organizations similarly focused on emergency preparedness and response across the globe. The Response Partnerships and Industry Alliances section gives a description and list of links to many of these.

Can oil sands be developed responsibly?

At ConocoPhillips, we say, "yes." And we believe we are doing so today.

ConocoPhillips policies and practices are designed to ensure communities will realize substantial economic gains while experiencing minimal environmental, social and cultural impact on people and ways of life.



We work to minimize impact on the region's water and diverse ecosystems during the production of ConocoPhillips. Canada recovers oil from bitumen-containing formations using a method called steam-assisted gravity drainage (SAGD). This technology allows us to minimize water use, energy intensity, air emissions, land footprint and waste generation. Water is an integral part of the SAGD process.

Most of the water used in the process is reused, treated water. To obtain the small fraction of make-up water needed for the process, ConocoPhillips SAGD operations draw from a series of deep underground sources, targeting water that is unfit for human consumption and unsuitable for agricultural or livestock purposes. We are researching new recovery processes that may reduce SAGD overall water demand. ConocoPhillips has approved an enhanced Steam-Assisted Gravity Drainage (e-SAGD) pilot project to learn whether water demand and energy consumption can be further reduced by injecting a combination of light hydrocarbons and steam into a bitumen formation. If successful, e-SAGD effectively reduces both water usage and emissions. We are also researching improvements to water processing facilities and steam generation systems.

Our Technology group is currently testing potential advances in boiler design. These prototype systems target a combination of water treatment and steam generation, which may be able to significantly reduce the footprint for SAGD surface facilities, while also reducing water consumption.

On a well-to-wheels basis, Canadian oil sands crudes are somewhat more GHG emission intensive than the weighted average crude processed in U.S. refineries[1]. We are actively pursuing technologies that will reduce GHG emissions, and we are committed to managing greenhouse gas emissions in an efficient, environmentally effective manner.

ConocoPhillips Canada is exploring a new system to combine electric power and steam generation with higher efficiency to reduce greenhouse gas emissions. We are also working on improved process heat integration and testing enhanced oil production technologies – both aimed at maximizing fuel efficiency while reducing air emissions associated with steam generation. If successful, such advances in technology have the potential to reduce the company's GHG emissions from oil sands production by as much as 15 to 35%. The SAGD process reduces disturbance of the surface, as it does not require surface

mining or mined tailings ponds. Instead, SAGD uses a series of well pairs to extract bitumen. To reduce the land footprint of this equipment, our Technology group is working to increase horizontal well lengths and find alternative pad configurations, accessing more resource from less surface land.

Land disturbance is minimized through careful planning and implementation of best practices. Reclamation of disturbed sites is implemented through our Faster Forests program, which accelerates the reforestation of boreal forest through the planting of a suitable mix of native trees and shrubs.

We direct considerable resources and effort to build capacity, create economic opportunities and mitigate potential adverse impacts through community investment, training and employment programs and supporting social programming and infrastructure development. In particular, we put a special focus on youth empowerment, self-esteem and education to help build a future generation of leaders.

For more information about our oil sands operations, please visit ConocoPhillips Canada Sustainability website: CPCSustainability.com.

[1] "Canadian Oil Sands: Life-Cycle Assessments of Greenhouse Gas Emissions", Congressional Research Service, March 15, 2013.