ConocoPhillips

Impacts of Greater North American Oil Production

Center for Energy Economics Annual Meeting

Remarks by Marianne Kah

December 4, 2013

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 may include non-GAAP financial measures, which help facilitate comparison of company operating performance across periods and with peer companies. Any non-GAAP measures included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure in an appendix.

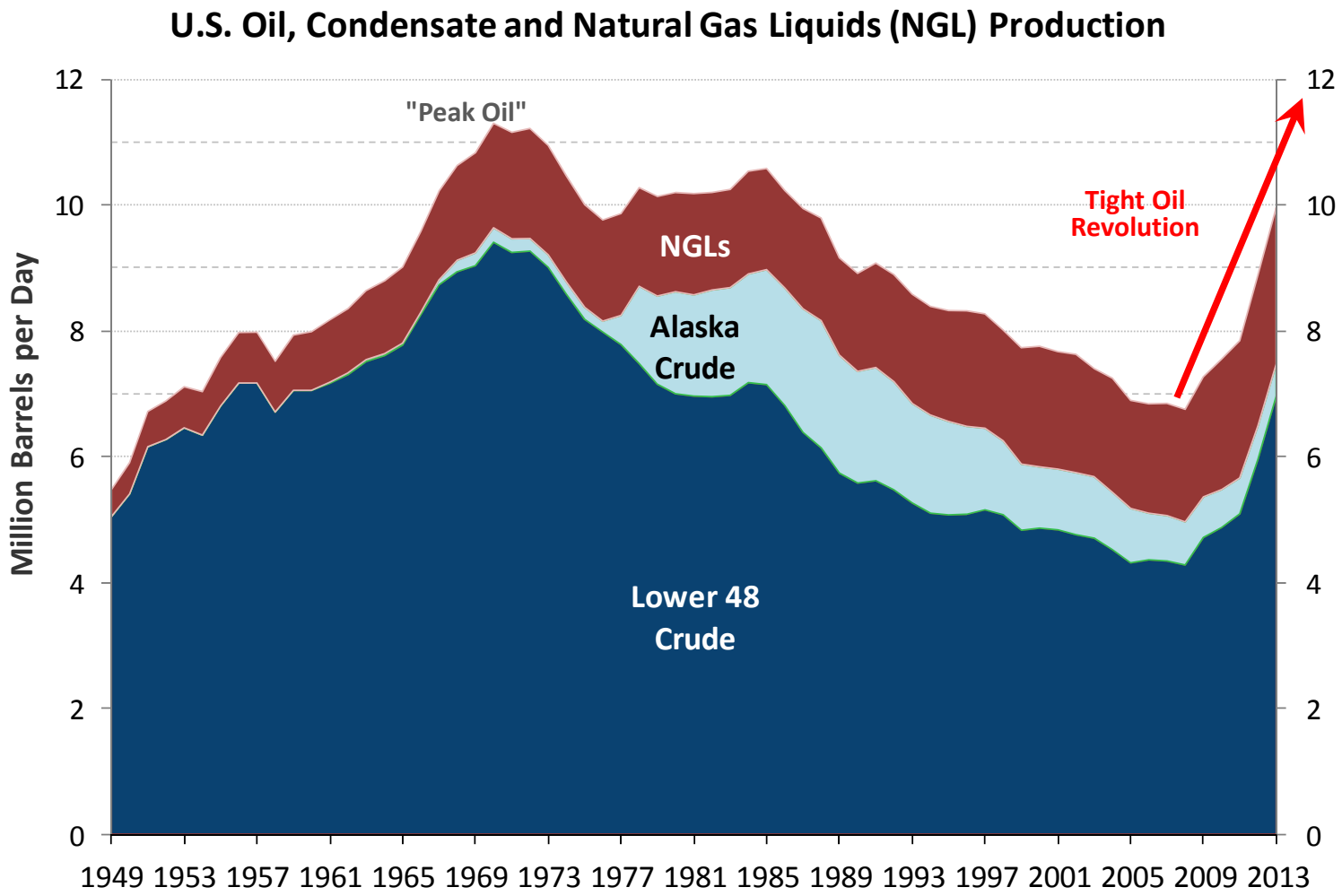
Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We use the term "resource" in this presentation that the SEC's guidelines prohibit us from including in filings with the SEC. U.S. investors 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.

OFF THE RECORD

Topics Covered

- Growth in North American Oil Production
- Impacts on Markets and Economies
- Key Uncertainties in Oil Outlook
- Challenges to Developing New Supplies

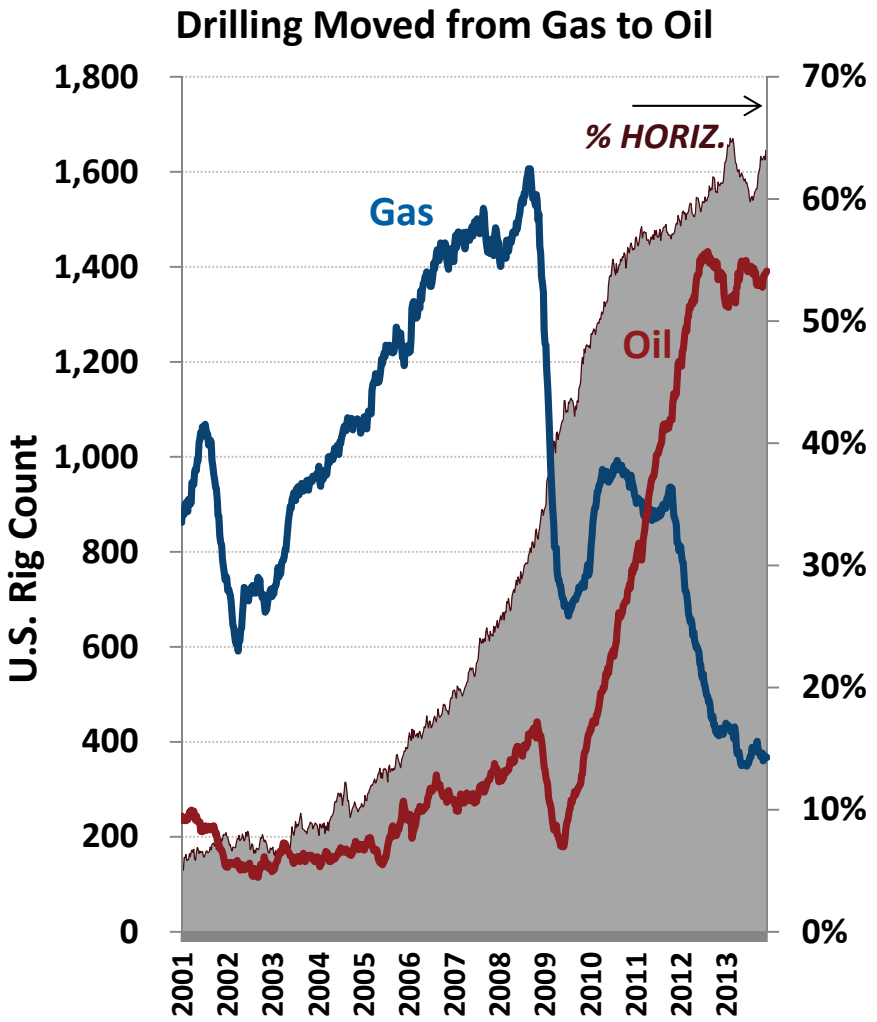
Turnaround in U.S. Oil Production

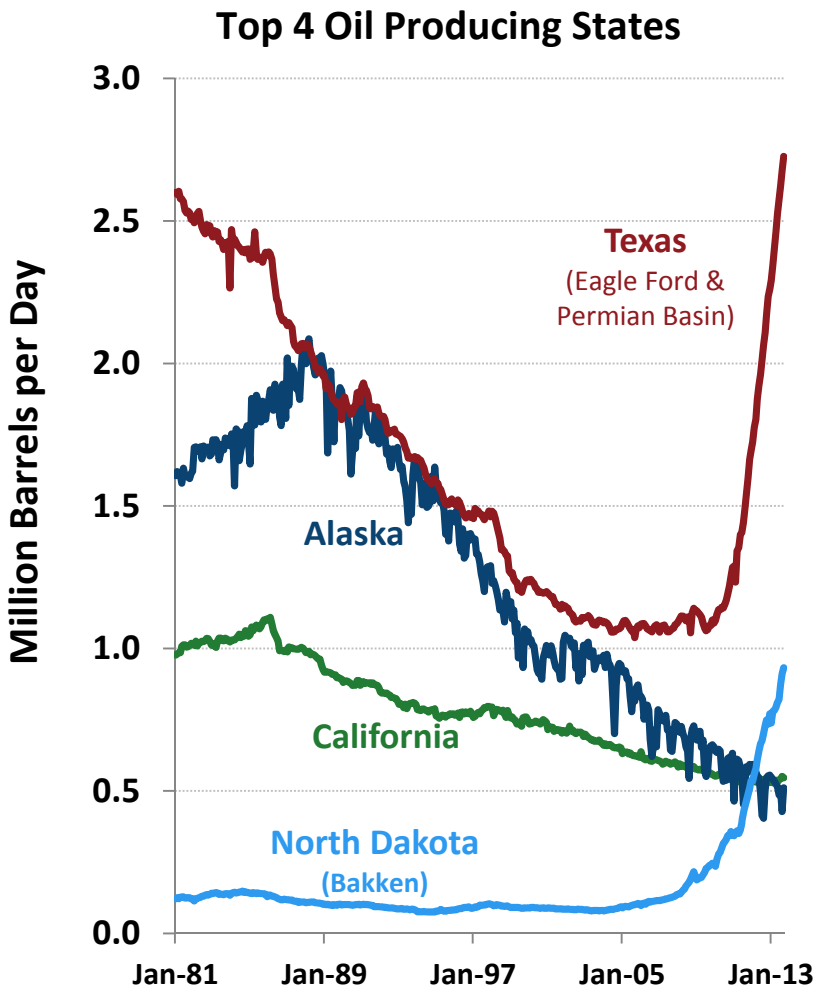


Liquids production has returned to levels not seen since 1986

Source: U.S. Department of Energy, EIA, Annual Energy Review 2013, Table 5.1b

The Shale Revolution Has Spread to Oil

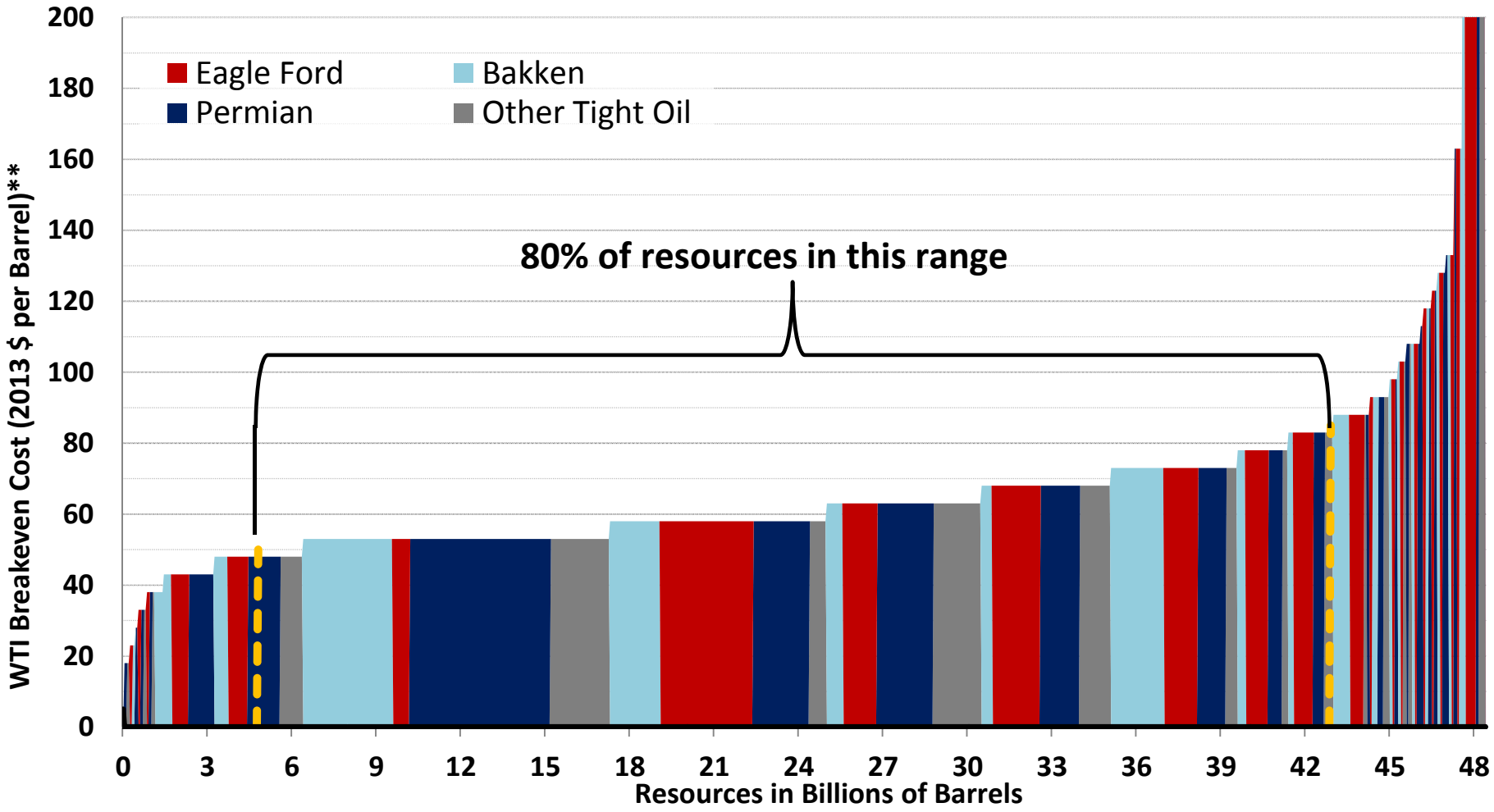




Huge turnaround in Texas and North Dakota

Source: Baker Hughes, U.S. Department of Energy, Energy Information Administration

U.S. Tight Oil Resources* By Breakeven Cost



Most U.S. tight oil resources break even with WTI prices at $50 - $80/bbl

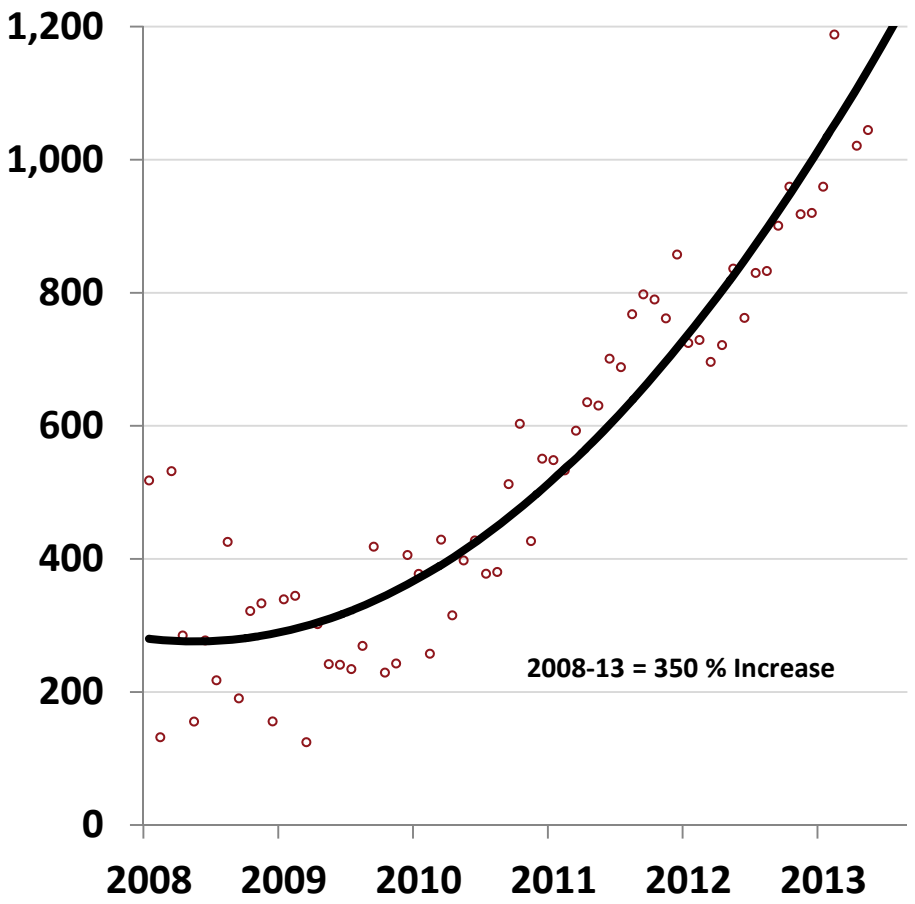
Source: Rystad Energy, excludes NGLs

* Lower 48 proved, probable, possible and contingent resources; crude and condensate only; excludes existing production and undiscovered resources

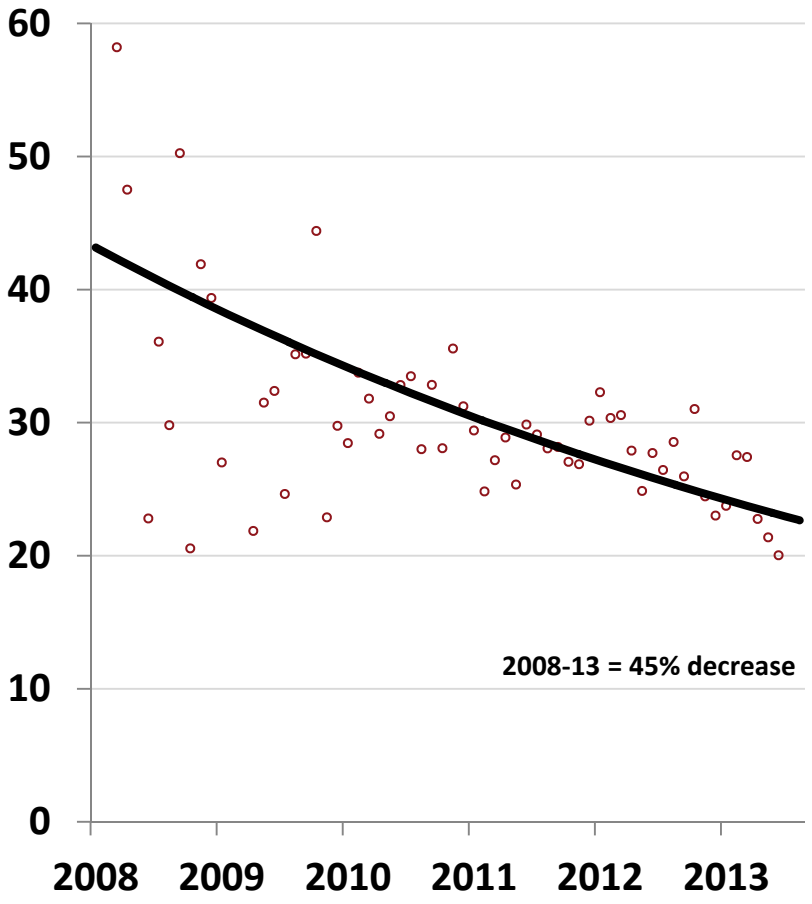
** Breakeven includes 10% return, land acquisition costs of $5/bbl were added across the board

Eagle Ford Efficiency Improvement

Oil Initial Production Rate (BBL/d)



Drilling Days (spud to rig release)

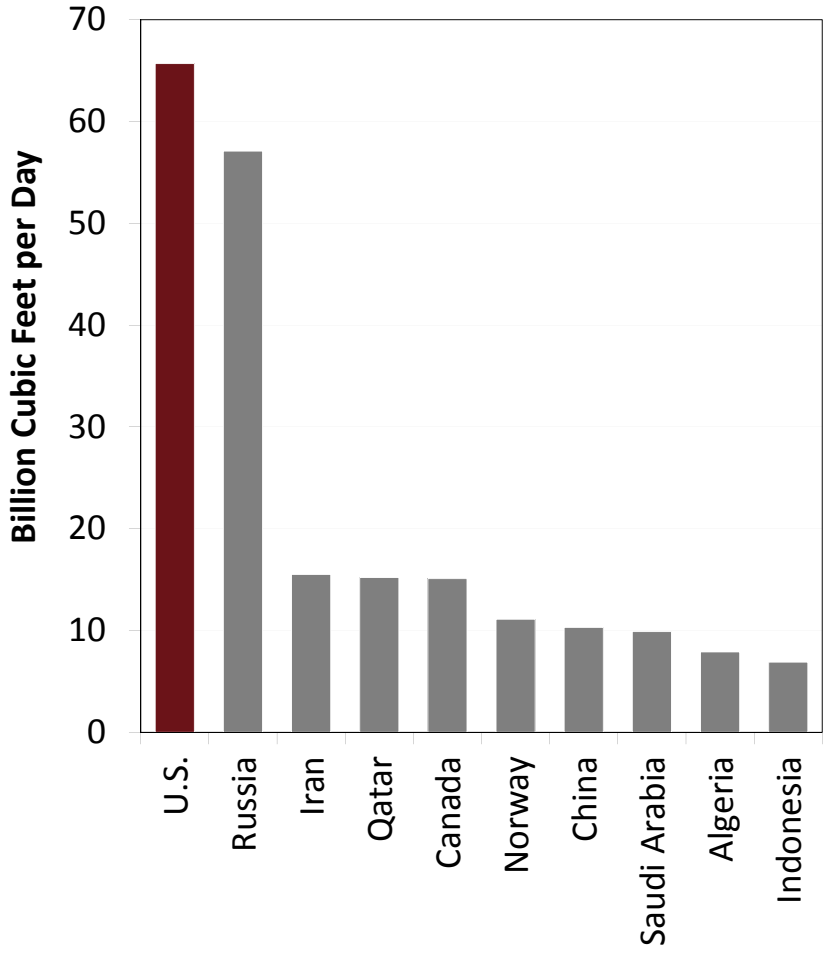


Technology improvement offsets movement away from sweet spots

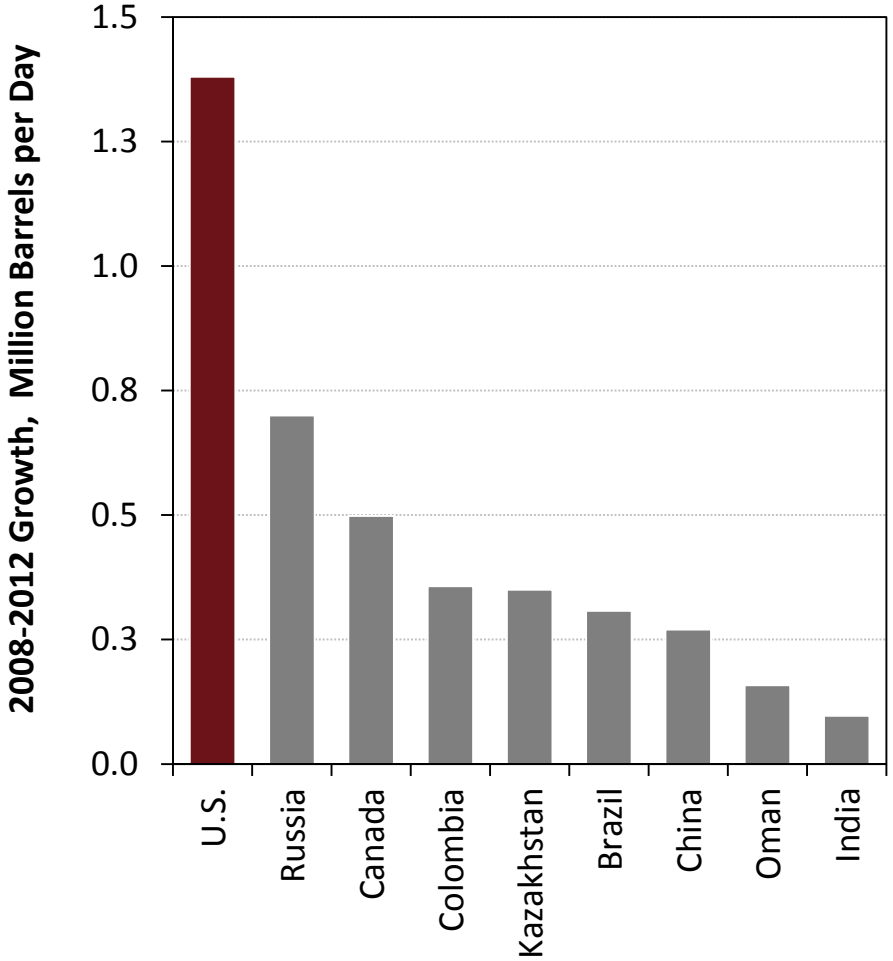
Source: IHS Enerdeq Database 8/9/13. Play level month averages. IP rate – Initial 24 hour production rate for wellhead crude.

U.S. Has Returned to Being a Major World Producer

U.S. was largest natural gas producer in 2012



U.S. crude oil production growth surpassed all others in recent years

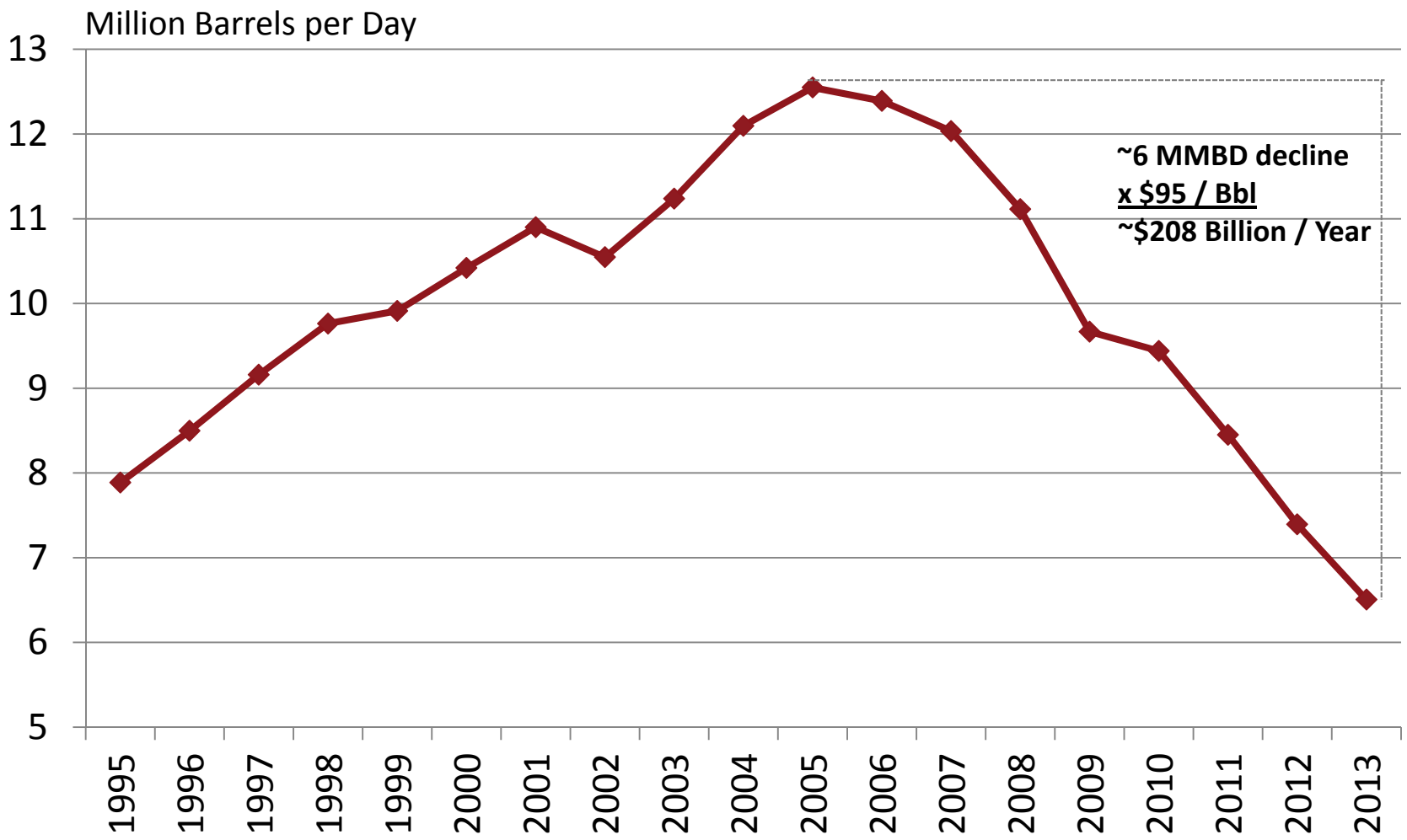


Viewed as improvement to U.S. energy security

Source: BP Statistical Review 2013

Source: Oil and Gas Journal; 2012 vs. 2008 average

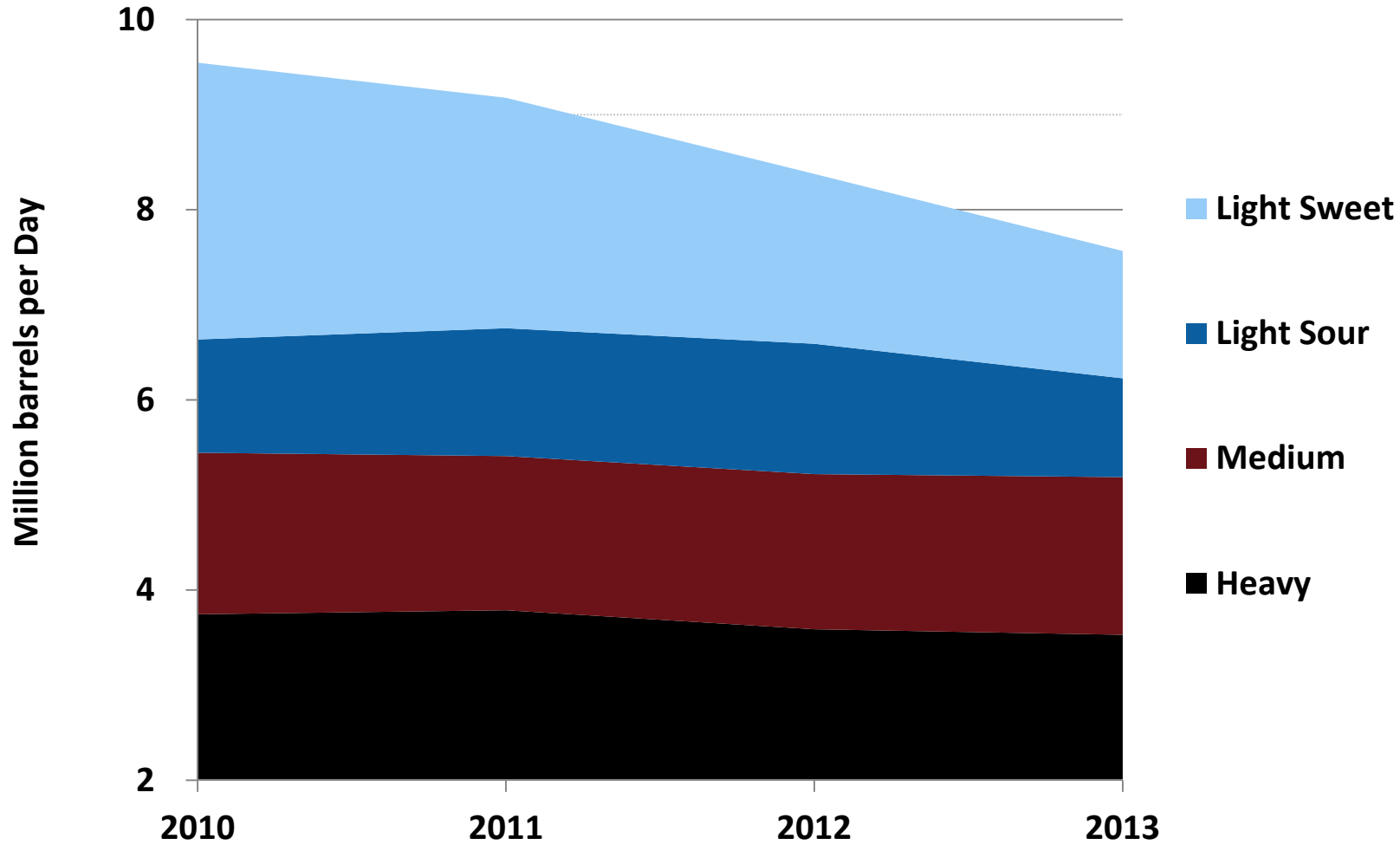
U.S. Total Net* Imports of Crude and Petroleum Products



Oil imports meet only 35% of current U.S. demand vs. 66% in 2006

Source: U.S. Department of Energy, EIA *Net of exports

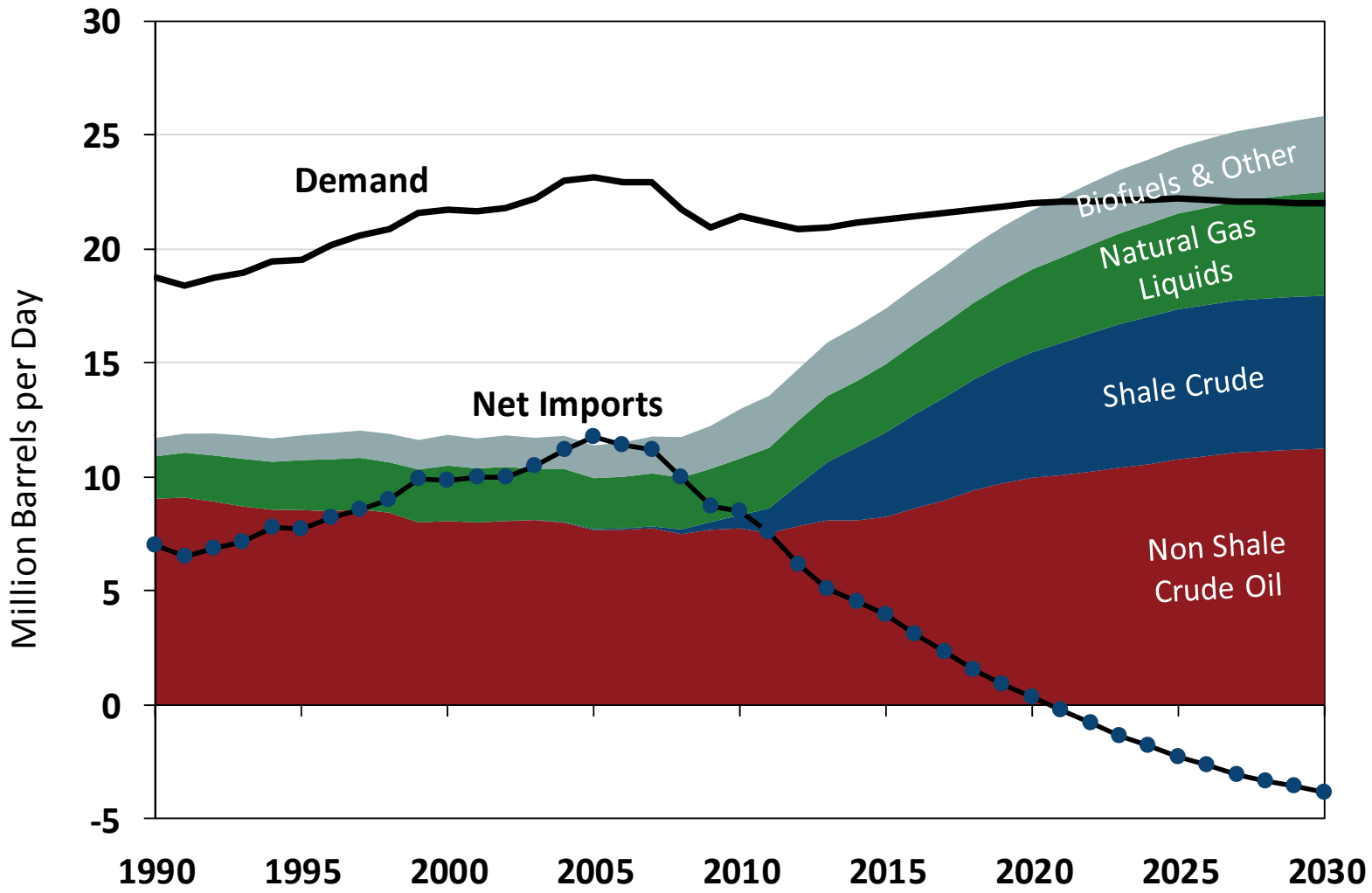
Domestic Production is Reducing Reliance on Imports



U.S. imports of light, sweet crude oil have fallen sharply

Source: U.S. Department of Energy, EIA

U.S. & Canadian Oil Demand, Supply and Net Imports

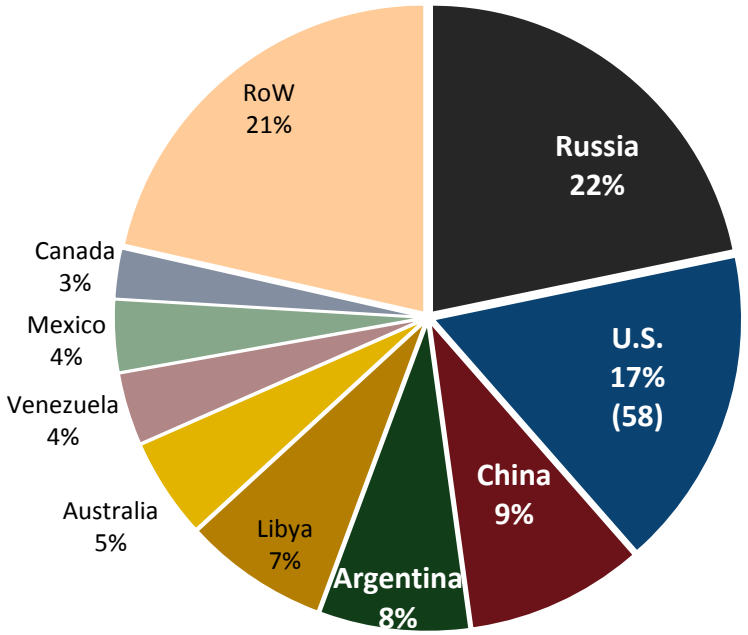


Oil independence likely by 2020

Source: PIRA Energy Group

Global Shale Oil Resources

Technically Recoverable Shale Oil Resources – 345 Billion Barrels



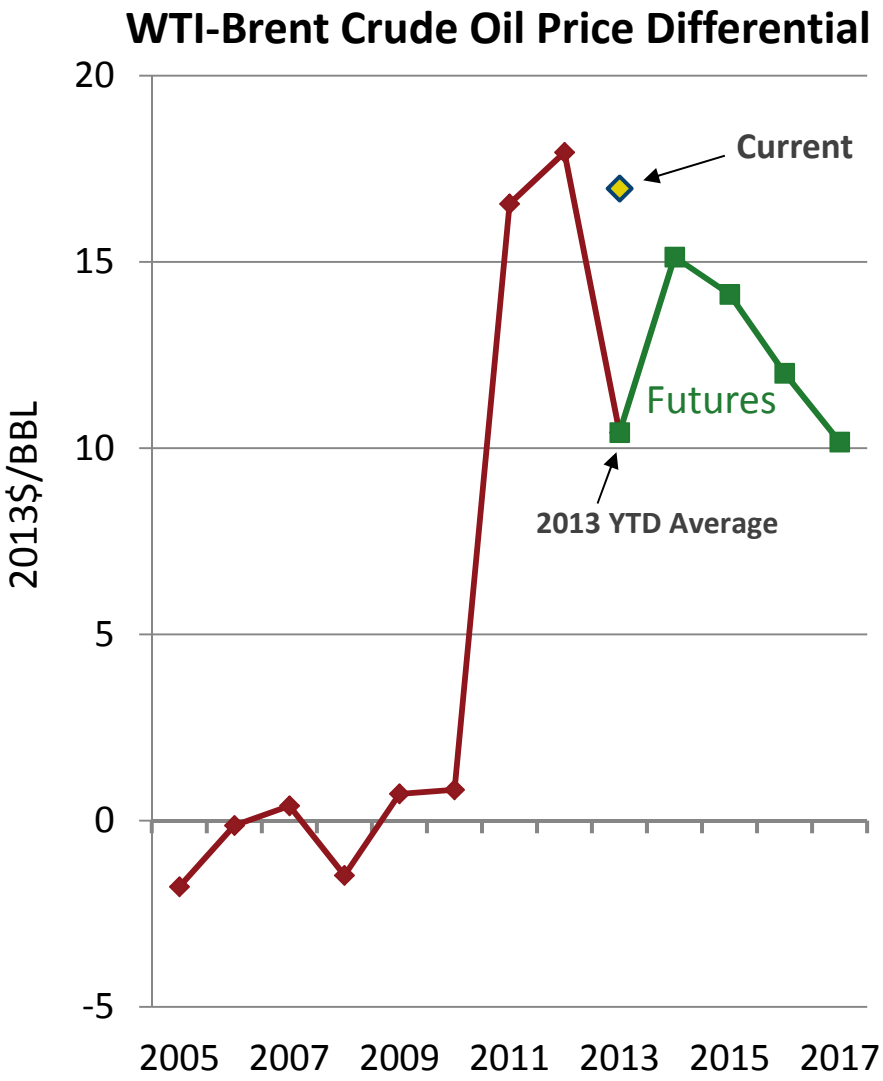
Other geographies missing U.S. benefits:

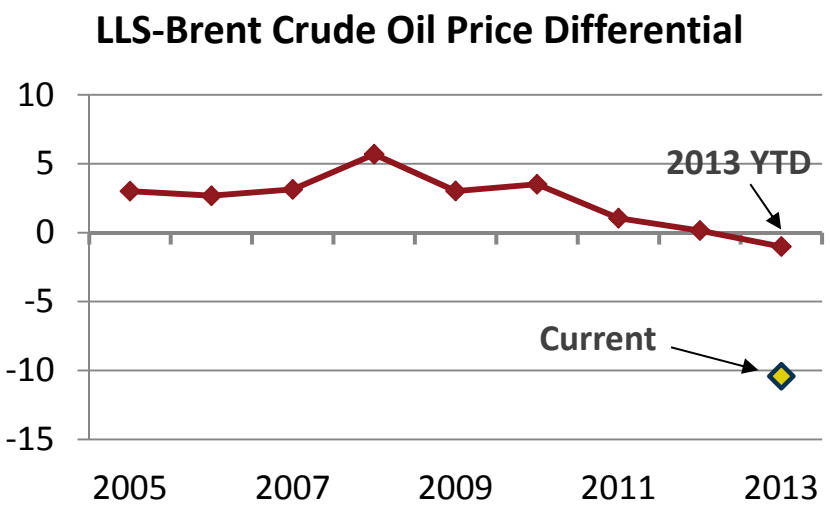
- Privately owned mineral rights
- Pipeline infrastructure with open access
- Large, safe, modern, efficient domestic drilling rig fleet
- Skilled oil & gas workforce
- Supporting road, utility & other infrastructures
- Well-established, predictable & stable regulatory & legal systems

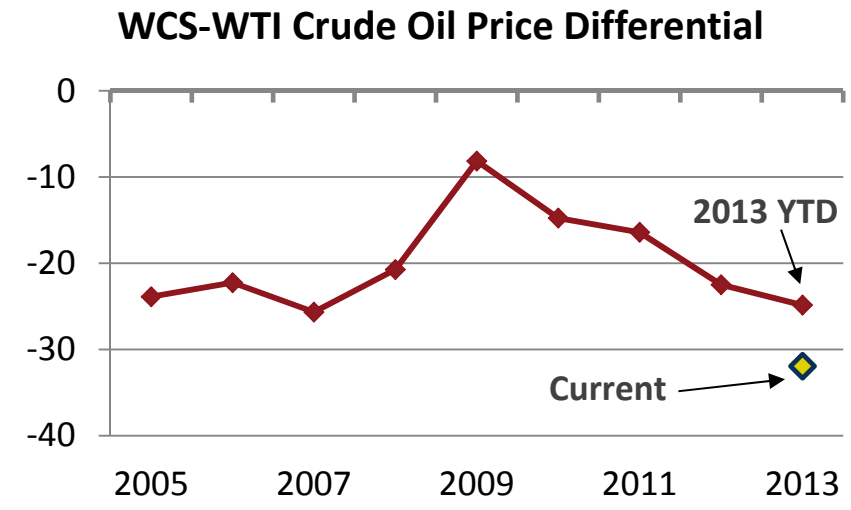
Substantial shale potential exists in numerous countries

Source: ARI for U.S. Department of Energy, EIA, June 2013

Market Impact of Rapid Growth in U.S. and Canadian Crude Oil Production



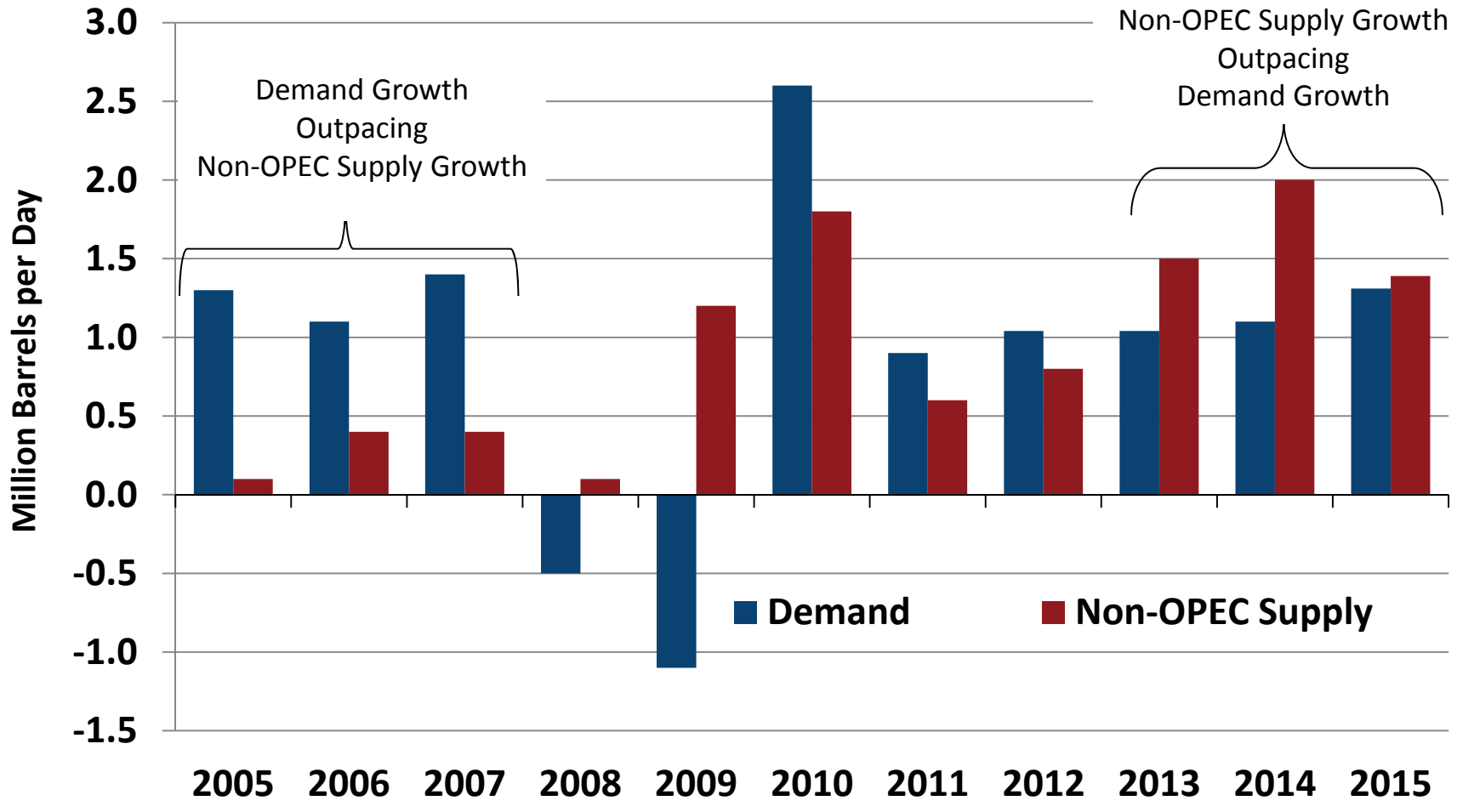




Discounting of U.S. and Canadian crude oil prices

Source: ICE Brent and NYMEX WTI as of 11/29/2013. Platts for historical prices.

Global Oil Demand vs. Non-OPEC Oil Production* Growth

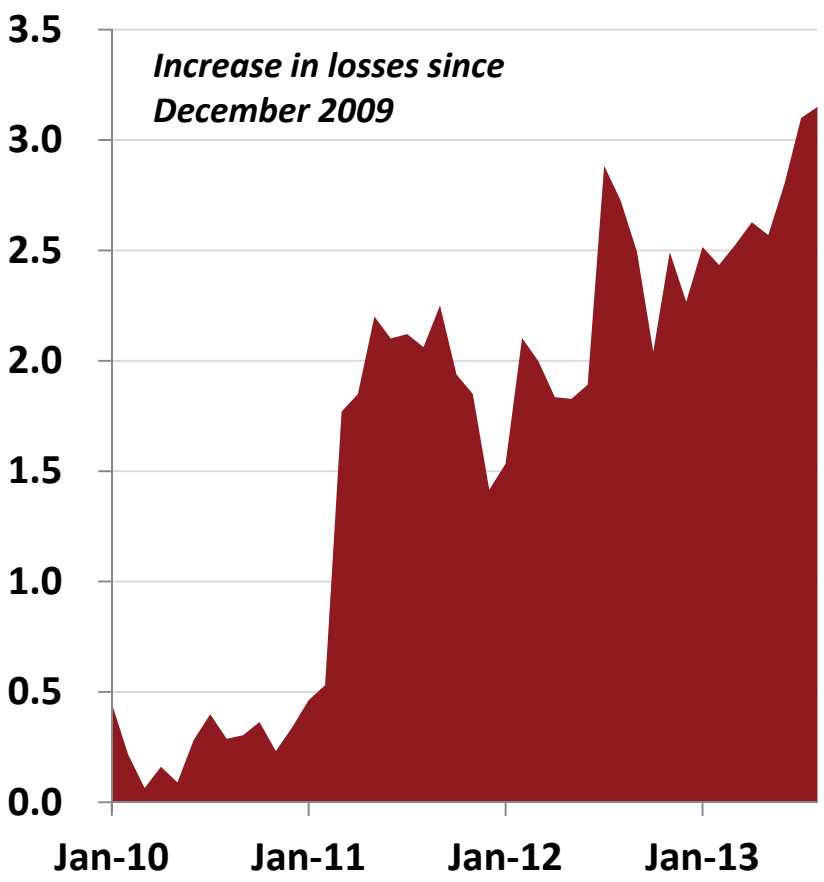


Non-OPEC supply growth outpacing global oil demand growth

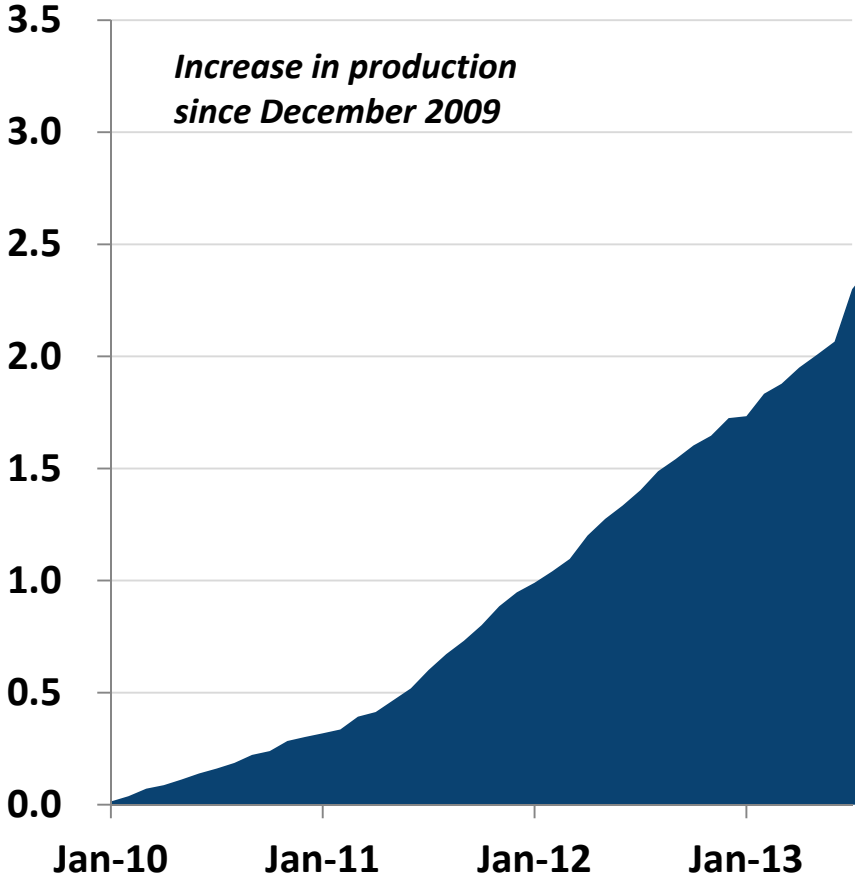
Source: International Energy Agency, November 2013
*Non-OPEC oil production includes NGLs (including OPEC), biofuels and refinery process gain

Global Crude Supply Disruptions

Growth in Global Supply Disruptions (MMBD)



Growth in U.S. Tight Oil Production (MMBD)



Global supply disruptions outpacing growth in U.S. tight oil

Source: PIRA Energy Group; oil is crude and condensates only, excludes NGLs

Importance of Oil and Natural Gas to U.S. Economy

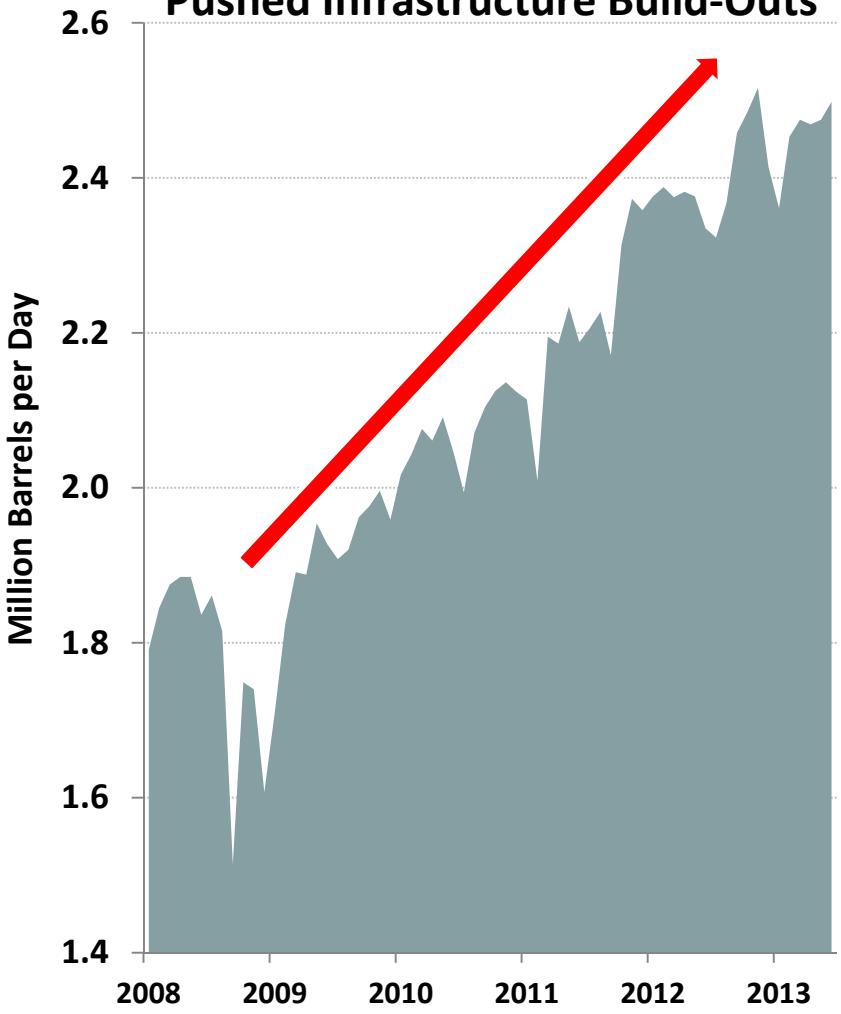
- **Employment**
  - O&G industry supports 9.8 million U.S. jobs
  - 1.4 million more jobs possible by 2030 with policies that encourage greater resource development
- **Economy**
  - The industry generates ≥ $1.2 trillion or 8% of U.S. GDP
  - Lower natural gas prices will increase GDP 1.1% in 2013; support 3% higher industrial production in 2017
- **Government Revenues**
  - O&G companies pay $86+ million/day in federal income taxes & production fees
  - Policies that encourage development would raise over $800 billion in additional cumulative government revenue by 2030

Adds jobs, promotes economic growth & provides government revenues

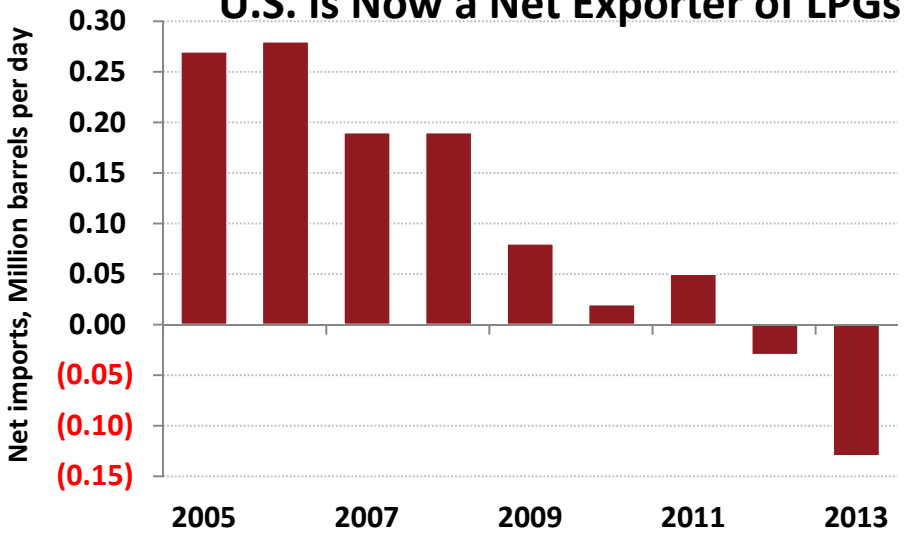
Source: Pricewaterhouse Coopers, 2012; WoodMackenzie, 2011; World Economic Forum, 2012 ; API, Putting Energy In Perspective, 2013.

NGLs are Breathing New Life into U.S. Chemicals Industry

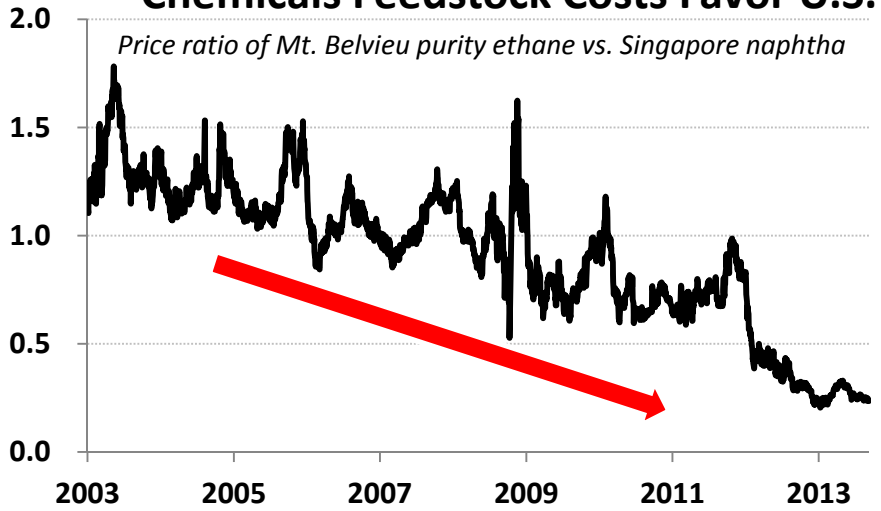
NGL Production Growth has Pushed Infrastructure Build-Outs



U.S. is Now a Net Exporter of LPGs



Chemicals Feedstock Costs Favor U.S.



Plentiful & affordable feedstocks for manufacturers

Sources: U.S. Department of Energy, EIA for field production of natural gas liquids and LPG net imports. Bloomberg for Mt. Belvieu ethane and Singapore naphtha prices.

Key Uncertainties in Oil Outlook

Demand

- Global economic recovery
- Penetration of alternative fuels and vehicles (including natural gas) and efficiency improvement (government policy, consumer & technology driven)
- Government climate policies

Supply

- Pace of unconventional supply development (public acceptance, gov't policy, etc.)
- Level of oil supply disruptions (e.g., Iran, Libya)
- OPEC response to increases in OPEC and tight oil production
- Technology advances (conventional, unconventional, GTL, etc.)
- Government policy (e.g., resource access, fiscal terms, regulation, etc.)

Challenges to Developing New Supplies

- **Weak demand, commodity price discounts vs. international markets**
- **Infrastructure permitting delays**
- **Import/export needs**
  - U.S. has surplus light oil
  - Refineries need heavy oil
- **Stakeholder Issues**
  - Concerns over local impacts
  - “Off Fossil Fuel” agenda
- **Workforce issues**
  - Demographics of petro-techs
- **Government policy concerns**
  - O&G singled out for taxation
  - Restricted resource access
  - Unnecessarily costly regulation
  - Picking technology “winners”

ConocoPhillips

Impacts of Greater North American Oil Production

Center for Energy Economics Annual Meeting

Remarks by Marianne Kah

December 4, 2013