



# 3Q21 Earnings Conference Call

NOVEMBER 2, 2021



# Cautionary Statement

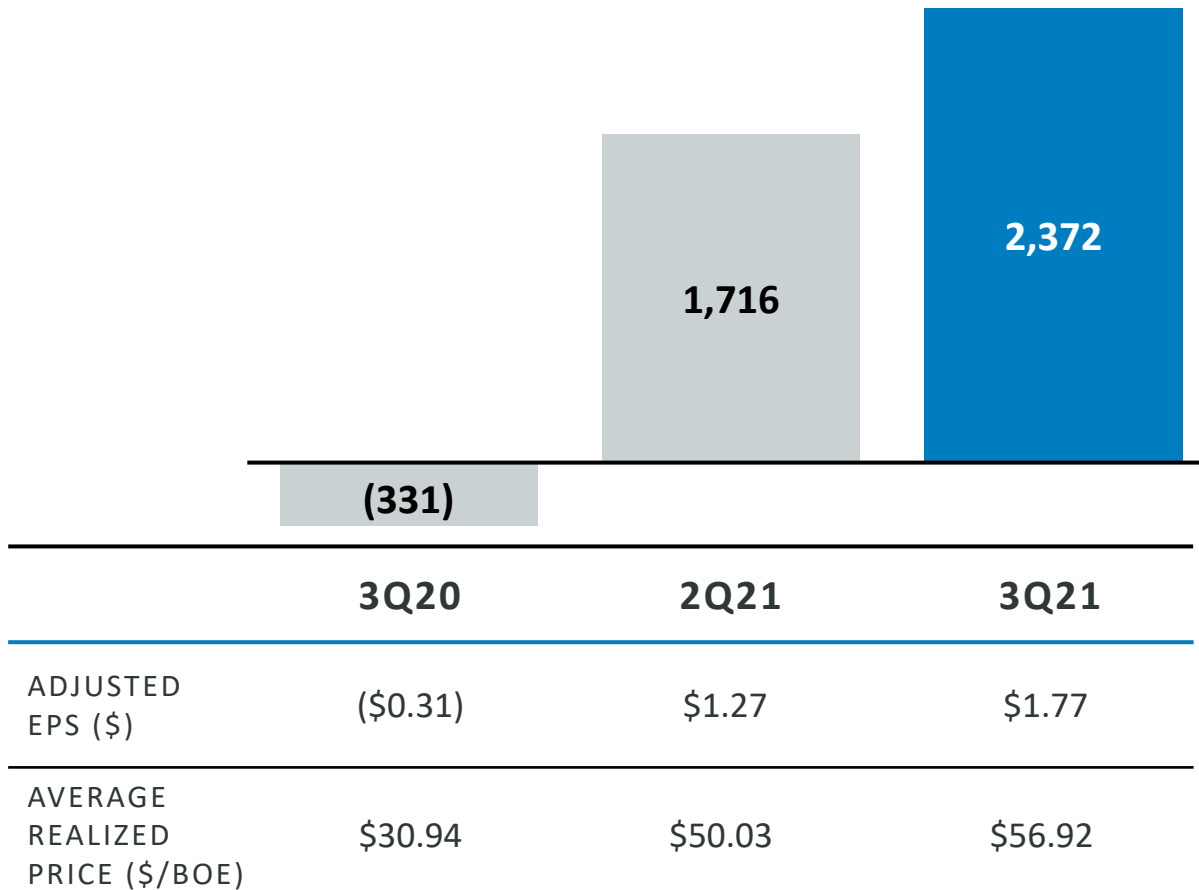
This presentation contains forward-looking statements as defined under the federal securities laws. Forward-looking statements relate to future events, plans and anticipated results of operations, business strategies, and other aspects of our operations or operating results. Words and phrases such as “anticipate,” “estimate,” “believe,” “budget,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” and other similar words can be used to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to be reasonable at the time such forward-looking statement is made. However, these statements are not guarantees of future performance and involve certain risks, uncertainties and other factors beyond our control. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in the forward-looking statements. Factors that could cause actual results or events to differ materially from what is presented include the impact of public health crises, including pandemics (such as COVID-19) and epidemics and any related company or government policies or actions; global and regional changes in the demand, supply, prices, differentials or other market conditions affecting oil and gas, including changes resulting from a public health crisis or from the imposition or lifting of crude oil production quotas or other actions that might be imposed by OPEC and other producing countries and the resulting company or third-party actions in response to such changes; changes in commodity prices, including a prolonged decline in these prices relative to historical or future expected levels; changes in expected levels of oil and gas reserves or production; potential failures or delays in achieving expected reserve or production levels from existing and future oil and gas developments, including due to operating hazards, drilling risks or unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining or modifying company facilities; legislative and regulatory initiatives addressing global climate change or other environmental concerns; investment in and development of competing or alternative energy sources; disruptions or interruptions impacting the transportation for our oil and gas production; international monetary conditions and exchange rate fluctuations; changes in international trade relationships, including the imposition of trade restrictions or tariffs on any materials or products (such as aluminum and steel) used in the operation of our business; our ability to collect payments when due under our settlement agreement with PDVSA; our ability to collect payments from the government of Venezuela as ordered by the ICSID; our ability to liquidate the common stock issued to us by Cenovus Energy Inc. at prices we deem acceptable, or at all; our ability to complete the acquisition of assets from Shell Enterprises LLC (the “Shell Acquisition”) or any announced or any future dispositions or acquisitions on time, if at all; the possibility that regulatory approvals for the Shell Acquisition or any announced or any future dispositions or acquisitions will not be received on a timely basis, if at all, or that such approvals may require modification to the terms of the transactions or our remaining business; business disruptions during or following the Shell Acquisition or any other announced or any future dispositions or acquisitions, including the diversion of management time and attention; the ability to deploy net proceeds from our announced or any future dispositions in the manner and timeframe we anticipate, if at all; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation, including litigation related to our transaction with Concho Resources Inc. (Concho); the impact of competition and consolidation in the oil and gas industry; 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; the ability to successfully integrate the assets from the Shell Acquisition or achieve the anticipated benefits from the transaction; the ability to successfully integrate the operations of Concho with our operations and achieve the anticipated benefits from the transaction; unanticipated difficulties or expenditures relating to the Shell Acquisition or the Concho transaction; changes in fiscal regime or tax, environmental and other laws applicable to our business; and disruptions resulting from extraordinary weather events, civil unrest, war, terrorism or a cyber attack; and other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission. Unless legally required, ConocoPhillips expressly disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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 either within the presentation or on our website at [www.conocophillips.com/nongAAP](http://www.conocophillips.com/nongAAP).

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 may 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.

# 3Q21 Earnings Summary

## ADJUSTED EARNINGS (\$ MILLIONS)



## OVERVIEW

- Sequential adjusted earnings increased largely due to higher prices
- Year-over-year adjusted earnings increased due to higher prices as well as volumes from the Concho acquisition, partially offset by operating costs associated with the higher volumes

SEGMENT ADJUSTED EARNINGS (\$MM)	3Q20	3Q21
ALASKA	(16)	406
LOWER 48	(148)	1,575
CANADA	(75)	78
EUROPE, MIDDLE EAST & NORTH AFRICA	92	246
ASIA PACIFIC	25	257
OTHER INTERNATIONAL	(8)	8
CORPORATE & OTHER	(201)	(198)
<b>TOTAL</b>	<b>(331)</b>	<b>2,372</b>

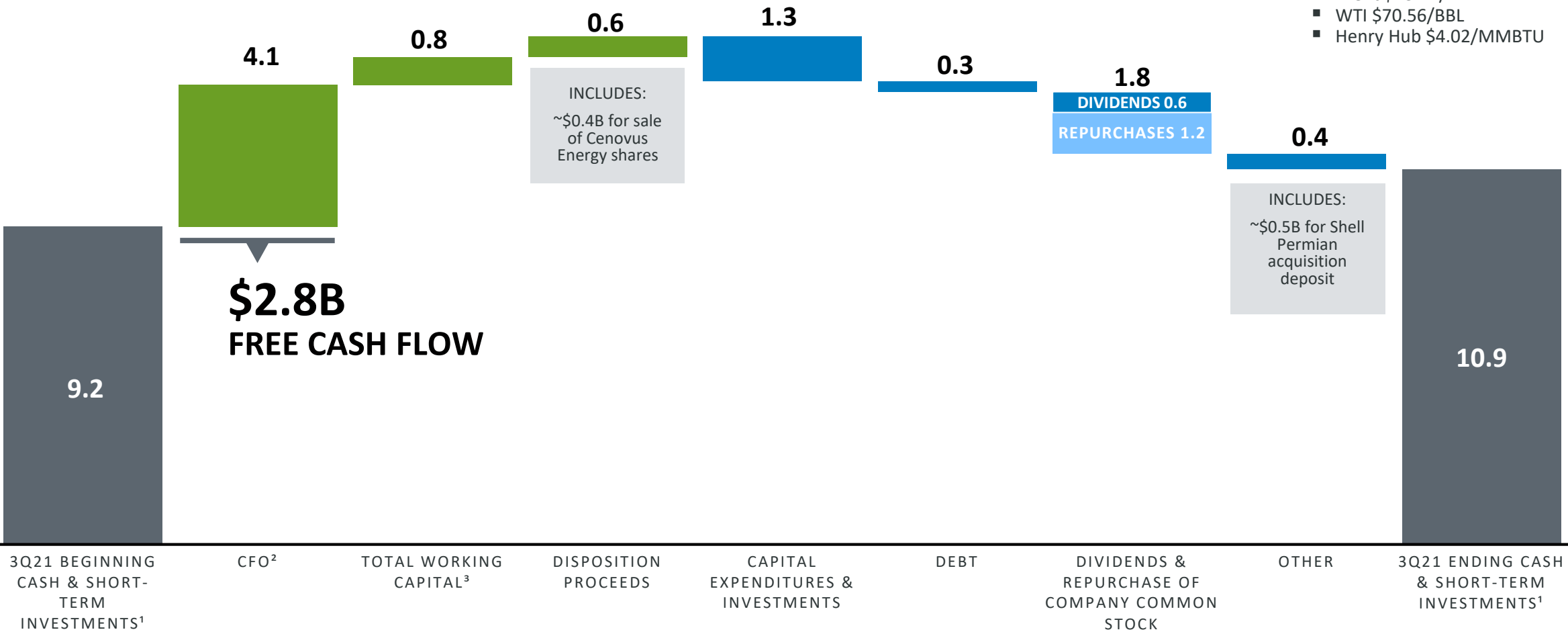
Adjusted earnings and adjusted EPS are non-GAAP measures. Definitions and reconciliations are available on our website.

# 3Q21 Cash Flow Summary

\$ BILLIONS

### 3Q21 MARKER PRICES

- Brent \$73.47/BBL
- WTI \$70.56/BBL
- Henry Hub \$4.02/MMBTU



<sup>1</sup>Beginning cash and short-term investments include cash, cash equivalents and restricted cash totaling \$6.96B and short-term investments of \$2.25B. Ending cash and short-term investments include cash, cash equivalents and restricted cash totaling \$10.19B and short-term investments of \$0.68B.

<sup>2</sup>Cash provided by operating activities was \$4.8B. Excluding operating working capital change of \$0.7B, cash from operations was \$4.1B. Cash from operations (CFO) is a non-GAAP measure further defined on our website.

<sup>3</sup>Total working capital includes \$0.7B and \$0.1B of working capital changes associated with operating activities and investing activities, respectively.

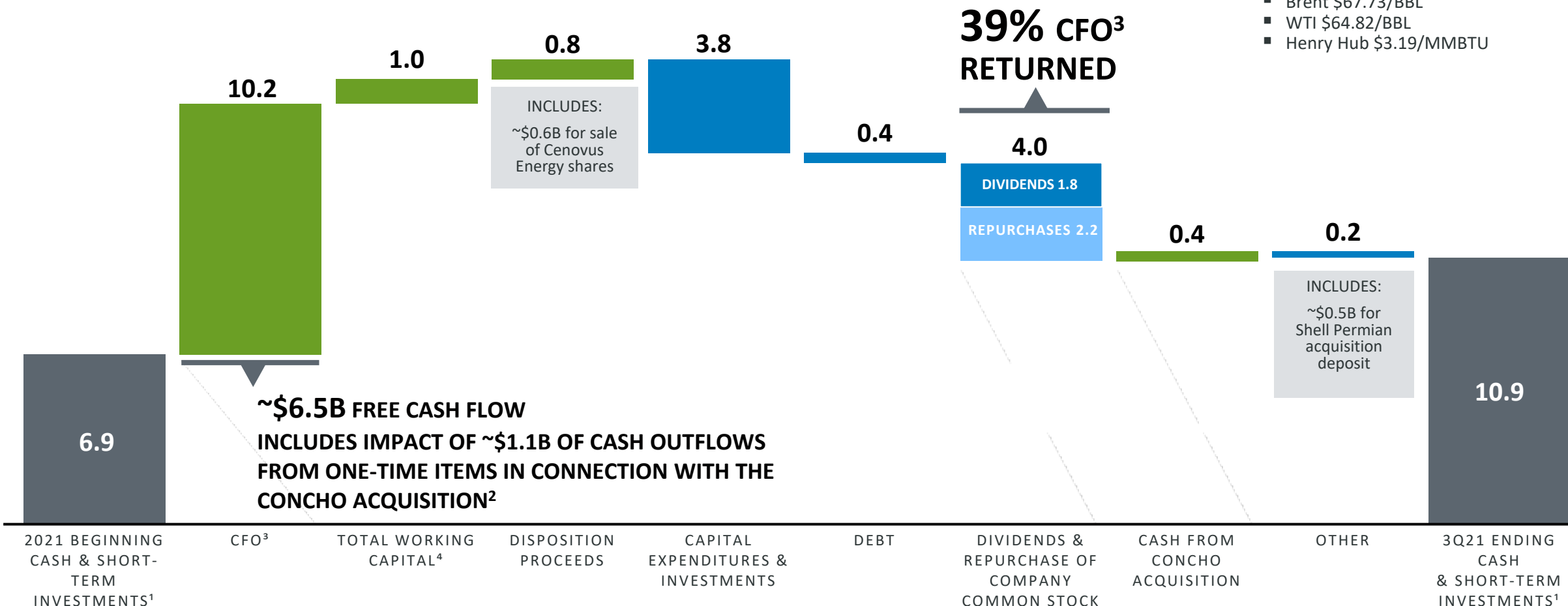
Free cash flow is a non-GAAP measure. Definitions and reconciliations are available on our website.

# 3Q21 YTD Cash Flow Summary

\$ BILLIONS

## 3Q21 YTD MARKER PRICES

- Brent \$67.73/BBL
- WTI \$64.82/BBL
- Henry Hub \$3.19/MMBTU



<sup>1</sup>Beginning cash and short-term investments include cash, cash equivalents and restricted cash totaling \$3.32B and short-term investments of \$3.61B. Ending cash and short-term investments include cash, cash equivalents and restricted cash totaling \$10.19B and short-term investments of \$0.68B.

<sup>2</sup>Cash outflows from one-time Concho items include ~\$760MM related to the accelerated settlement of the Concho commodity hedging program and ~\$310MM related to transaction and restructuring expenses.

<sup>3</sup>Cash provided by operating activities was \$11.1B. Excluding operating working capital change of \$0.9B, cash from operations was \$10.2B. Cash from operations (CFO) is a non-GAAP measure further defined on our website.

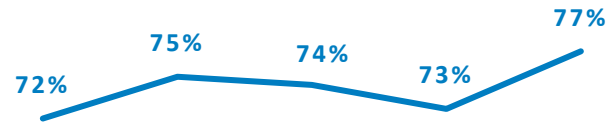
<sup>4</sup>Total working capital includes \$0.9B and \$0.1B of working capital changes associated with operating activities and investing activities, respectively.

Free cash flow is a non-GAAP measure. Definitions and reconciliations are available on our website.

# Price Realizations – 3Q21 Supplemental Information



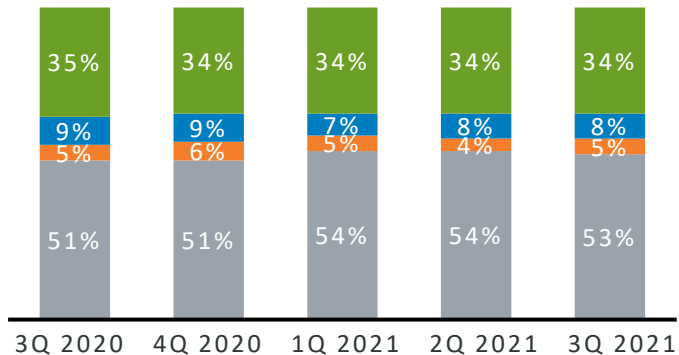
## TOTAL REALIZATION AS % OF BRENT (\$/BOE)



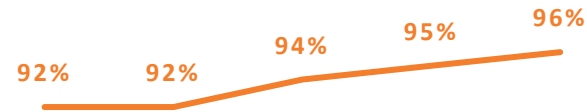
\$31      \$33      \$45      \$50      \$57  
3Q 2020   4Q 2020   1Q 2021   2Q 2021   3Q 2021

## PRODUCTION VOLUME SPLIT

■ CRUDE ■ BITUMEN ■ NGL ■ GAS



## CRUDE REALIZATION AS % OF BRENT (\$/BBL)



\$39      \$41      \$57      \$66      \$70  
3Q 2020   4Q 2020   1Q 2021   2Q 2021   3Q 2021

### LOWER 48

85%      87%      91%      93%      93%

### ALASKA

95%      96%      98%      99%      99%

### NORWAY

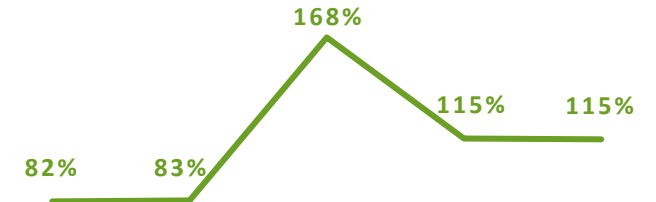
97%      94%      93%      96%      98%

### ASIA PACIFIC

100%      96%      99%      98%      102%



## L48 GAS REALIZATION AS % OF HENRY HUB (\$/MCF)



\$1.63      \$2.21      \$4.56      \$3.27      \$4.63  
3Q 2020   4Q 2020   1Q 2021   2Q 2021   3Q 2021

- 1Q 2021 improvements driven by Winter Storm Uri
- 2Q and 3Q 2021 temporarily improved due to acquired volumes being reported on a two-stream basis
- Beginning in 4Q 2021, acquired volumes are forecasted to be converted from two-stream to three-stream; as a result, natural gas realizations are expected to return to historical levels

# 2021 Guidance

	<b>GUIDANCE</b> (AS OF NOV 2, 2021)
FULL-YEAR 2021 PRODUCTION	~1.5 MMBOED
4Q 2021 PRODUCTION	1.53 – 1.57 MMBOED
FULL-YEAR 2021 ADJUSTED OPERATING COSTS	\$6.1B
FULL-YEAR 2021 CAPITAL EXPENDITURES	\$5.3B
FULL-YEAR 2021 DD&A	\$7.1B
FULL-YEAR 2021 ADJUSTED CORPORATE SEGMENT NET LOSS	\$1.0B

Guidance excludes special items as well as impacts from the pending Shell Permian acquisition and includes the impact of planned conversion of the significant majority of previously acquired Concho two-stream contracted volumes to a three-stream (crude oil, natural gas and natural gas liquids) reporting basis. In addition, production excludes Libya. Adjusted operating cost and adjusted corporate segment net loss are non-GAAP measures. Non-GAAP definitions and reconciliations are available on our website.

# 2021 Annualized Cash Flow Sensitivities

## CONSOLIDATED OPERATIONS

(APPLIES FOR BRENT PRICE RANGE OF \$45-70/BBL)



### CRUDE

- **Brent/ANS:** ~\$125-135MM for \$1/BBL change
- **WTI:** ~\$95-105MM for \$1/BBL change
- **WCS:** ~\$25-30MM for \$1/BBL change



### LOWER 48 NGL

- **Representative Blend:** ~\$17-22MM for \$1/BBL change



### NATURAL GAS

- **Henry Hub:** ~\$95-105MM for \$0.25/MCF change
- **Int'l Gas:** ~\$4-6MM for \$0.25/MCF change



## EQUITY AFFILIATES<sup>1</sup>

(APPLIES FOR BRENT PRICE RANGE OF \$45-70/BBL)

- Expect distributions from all equity affiliates at >\$45/BBL Brent
- **Brent:** ~\$20-30MM for \$1/BBL change
- Distributions may not be ratable each quarter



## NET CASH FLOW FROM CONTINGENT PAYMENTS<sup>2</sup>

- CA\$6MM quarterly for every CA\$1 WCS price above CA\$52/BBL
- \$7MM monthly if average Henry Hub price is at or above \$3.20/MMBTU (capped at \$300MM)

<sup>1</sup>Representative of CFO within equity affiliates, may not all be distributed. Contracted LNG within equity affiliates is subject to a three-month pricing lag. CFO is a non-GAAP term defined on our website.

<sup>2</sup>Contingency payments are recognized as disposition proceeds. Contingency payments are paid annually in the year following recognition for San Juan and paid quarterly in the quarter following recognition for Cenovus.

The published sensitivities above reflect annual estimates based on full-year average production and may not apply to quarterly results due to lift timing/product sales differences, significant turnaround activity or other unforeseen portfolio shifts in production. Annual results can also differ for the same reasons. Additionally, the above sensitivities apply to a range of commodity price fluctuations but may not apply to significant and unexpected increases or decreases. Sensitivities as of November 2, 2021.

# 2021 Annualized Net Income Sensitivities (BRENT \$45-70/BBL)



## CRUDE

- **Brent/ANS:** ~\$125-135MM for \$1/BBL change
- **WTI:** ~\$75-85MM for \$1/BBL change
- **WCS:** ~\$15-20MM for \$1/BBL change
  - Does not incorporate contingent payment of CA\$6MM quarterly for every CA\$1 WCS price above CA\$52/BBL<sup>1</sup>



## NORTH AMERICAN NGL

- **Representative Blend:** ~\$12-17MM for \$1/BBL change



## NATURAL GAS

- **Henry Hub:** ~\$75-85MM for \$0.25/MCF change
  - Does not incorporate contingent payment of \$7MM monthly if average Henry Hub price is at or above \$3.20/MMBTU (capped at \$300MM)<sup>1</sup>
- **Int'l Gas:** ~\$4-6MM for \$0.25/MCF change

<sup>1</sup>Contingency payments are recognized as gain on dispositions. Contingency payments are paid annually in the year following recognition for San Juan and paid quarterly in the quarter following recognition for Cenovus. The published sensitivities above reflect annual estimates based on full-year average production and may not apply to quarterly results due to lift timing/product sales differences, significant turnaround activity or other unforeseen portfolio shifts in production. Annual results can also differ for the same reasons. Additionally, the above sensitivities apply to a range of commodity price fluctuations but may not apply to significant and unexpected increases or decreases. Sensitivities as of November 2, 2021.