



## Meet Alaska Alaska's Energy Conference

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## CAUTIONARY STATEMENTS



### **FOR THE PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

The following presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. You can identify our forward-looking statements by words such as “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” and similar expressions. Forward-looking statements relating to ConocoPhillips’ operations are based on management’s expectations, estimates and projections about ConocoPhillips and the petroleum industry in general on the date these presentations were given. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

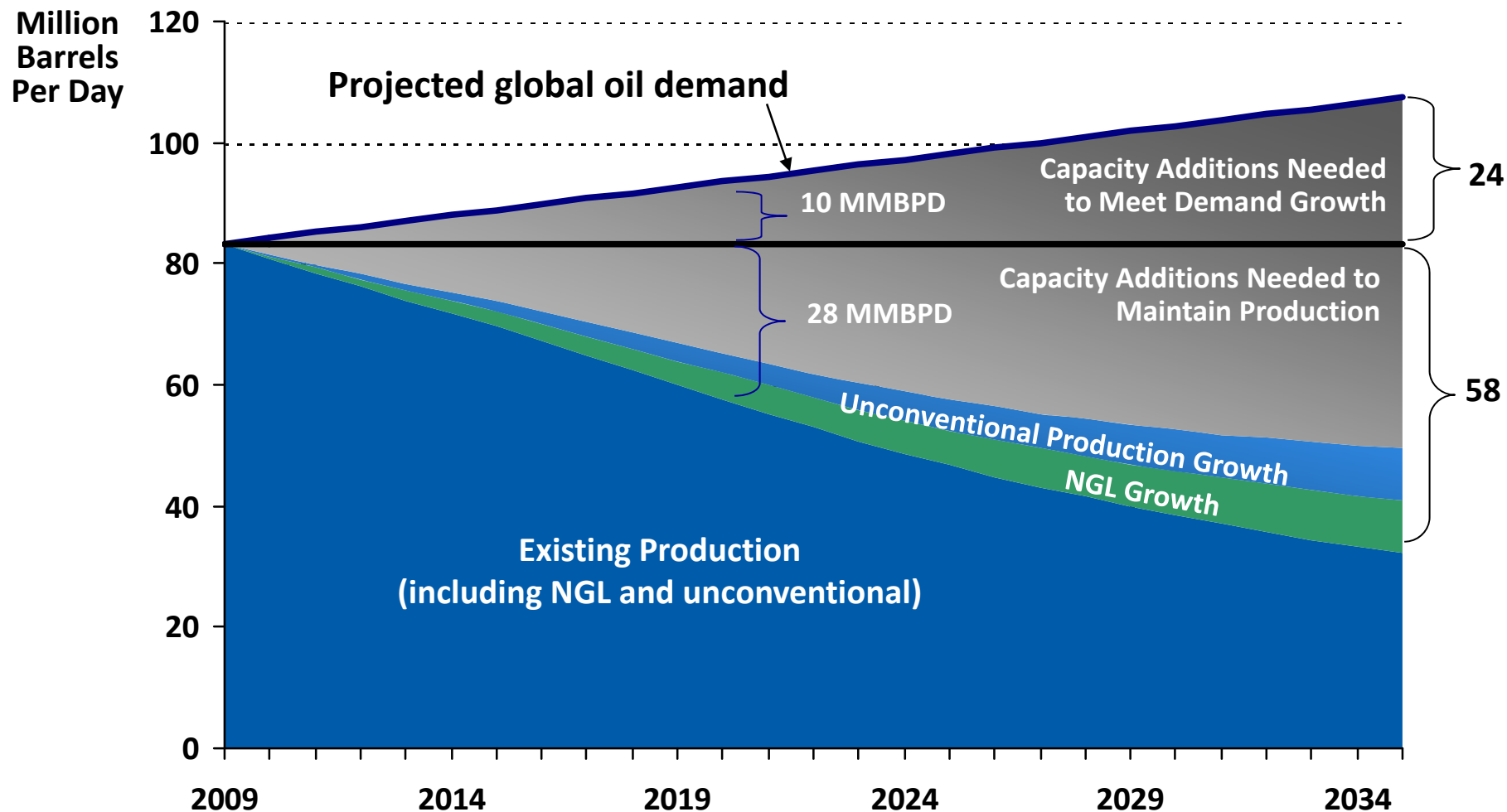
Factors that could cause actual results or events to differ materially include, but are not limited to, crude oil and natural gas prices; refining and marketing margins; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects due to operating hazards, drilling risks, and the inherent uncertainties in interpreting engineering data relating to underground accumulations of oil and gas; unsuccessful exploratory drilling activities; lack of exploration success; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying company manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation; general domestic and international economic and political conditions, as well as changes in tax and other laws applicable to ConocoPhillips’ business.

Other factors that could cause actual results to differ materially from those described in the forward-looking statements include 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), including our Form 10-K for the year ending December 31, 2009. ConocoPhillips is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

### **FOR THE PURPOSES OF RESERVES INFORMATION**

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.

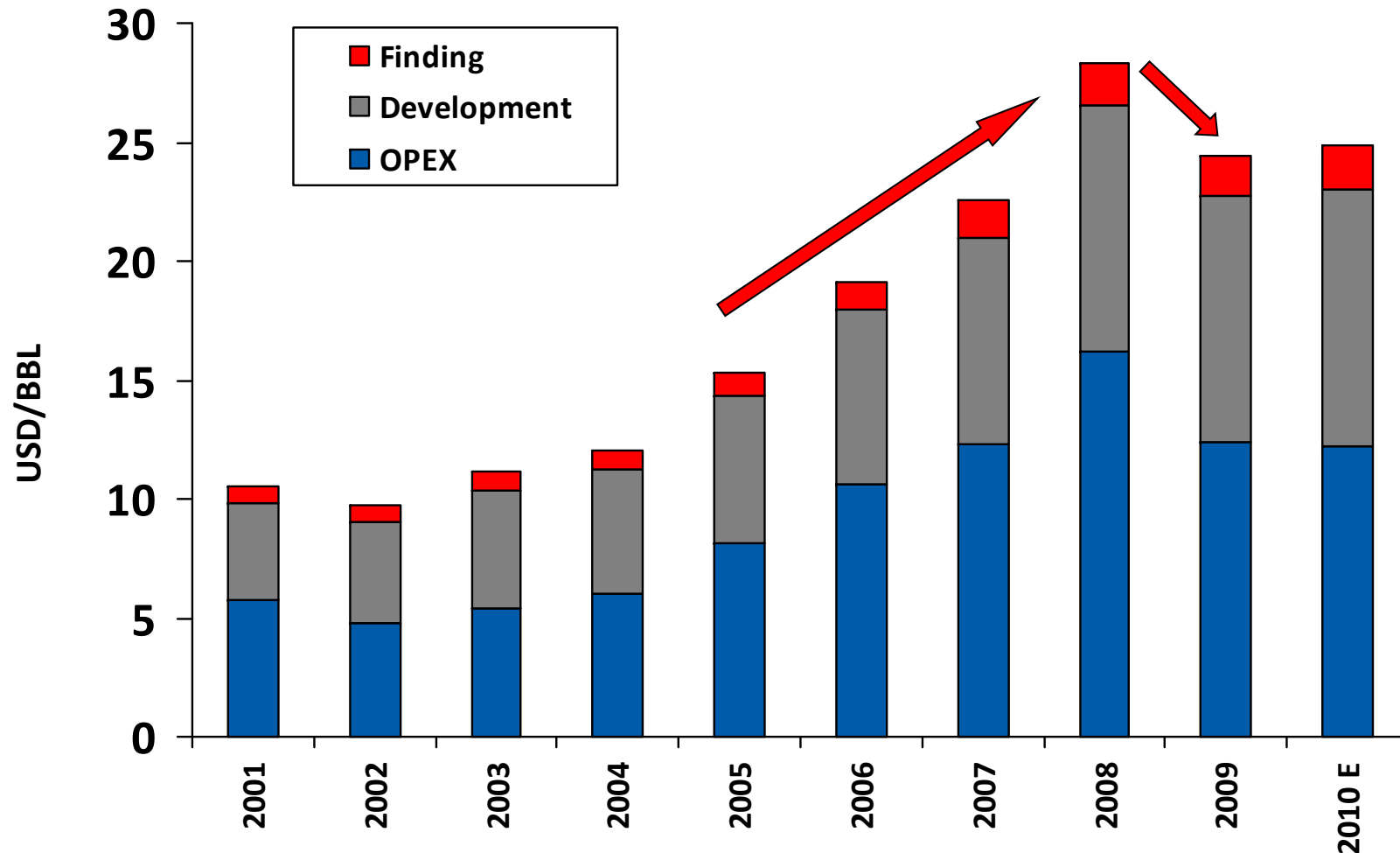
# The Future Global Oil Supply Challenge



**Significant capacity additions required**

Source: Based on IEA World Energy Outlook 2010  
Assumes 4.6% decline (3.5% between 2009 and 2020 and 5.5% between 2020 and 2035)

# Global Finding, Development and Production Costs



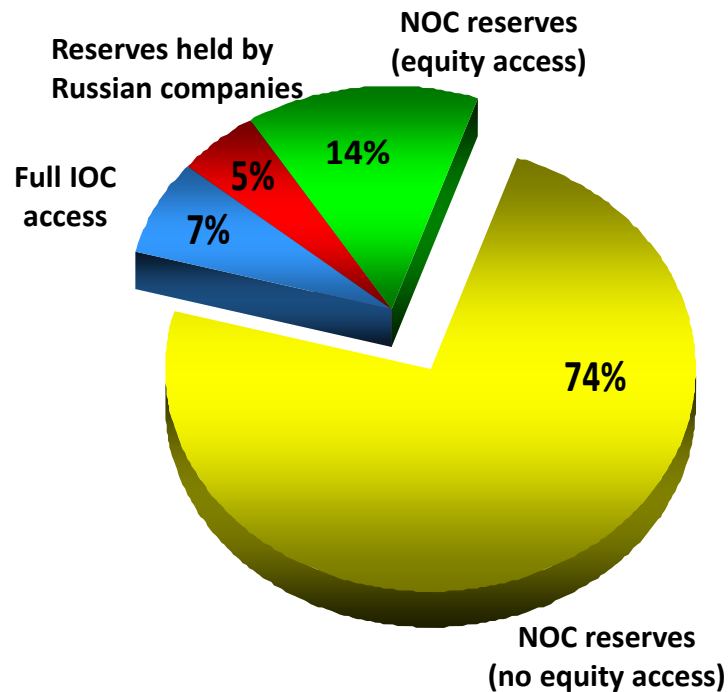
**Costs recently declined, but still more than double of early 2000s**

Source: IHS Herold, IHS CERA & Energy Information Administration  
Does not include taxes

# Limited Resource Access to World Oil and Gas Reserves

## Oil

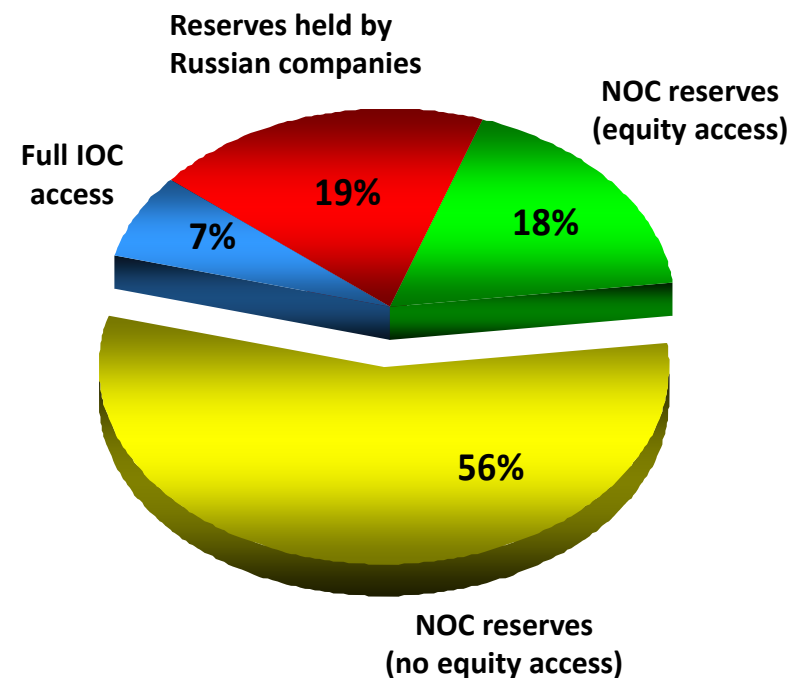
(1.3 Trillion Barrels)



IOC = International oil company  
NOC = National oil company

## Natural Gas

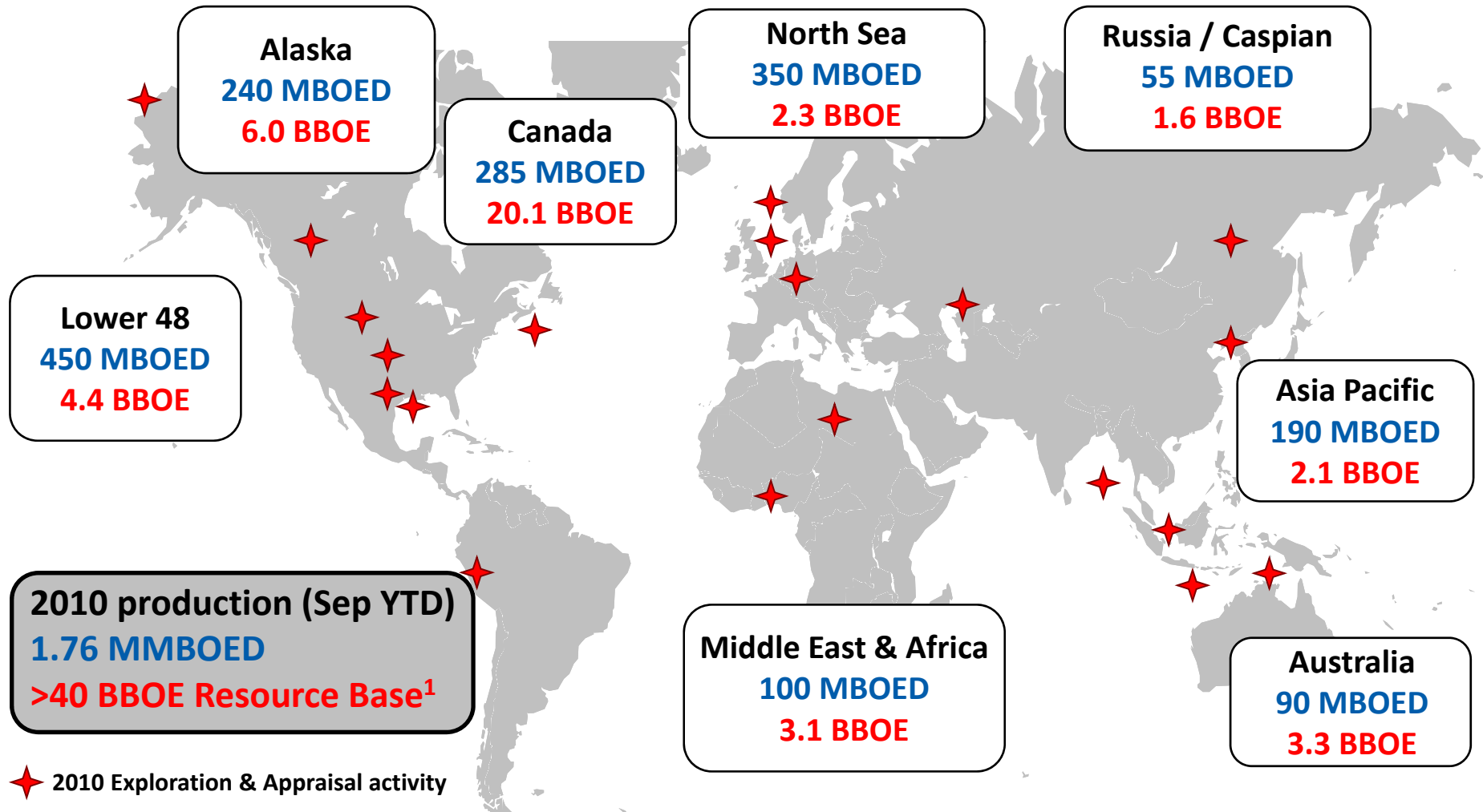
(6,621 TCF)



**Access more limited for oil than natural gas**

Source: PFC Energy, Oil & Gas Journal, BP Statistical Review 2010  
Note: Excludes unconventional crude oil and bitumen reserves; proved reserves

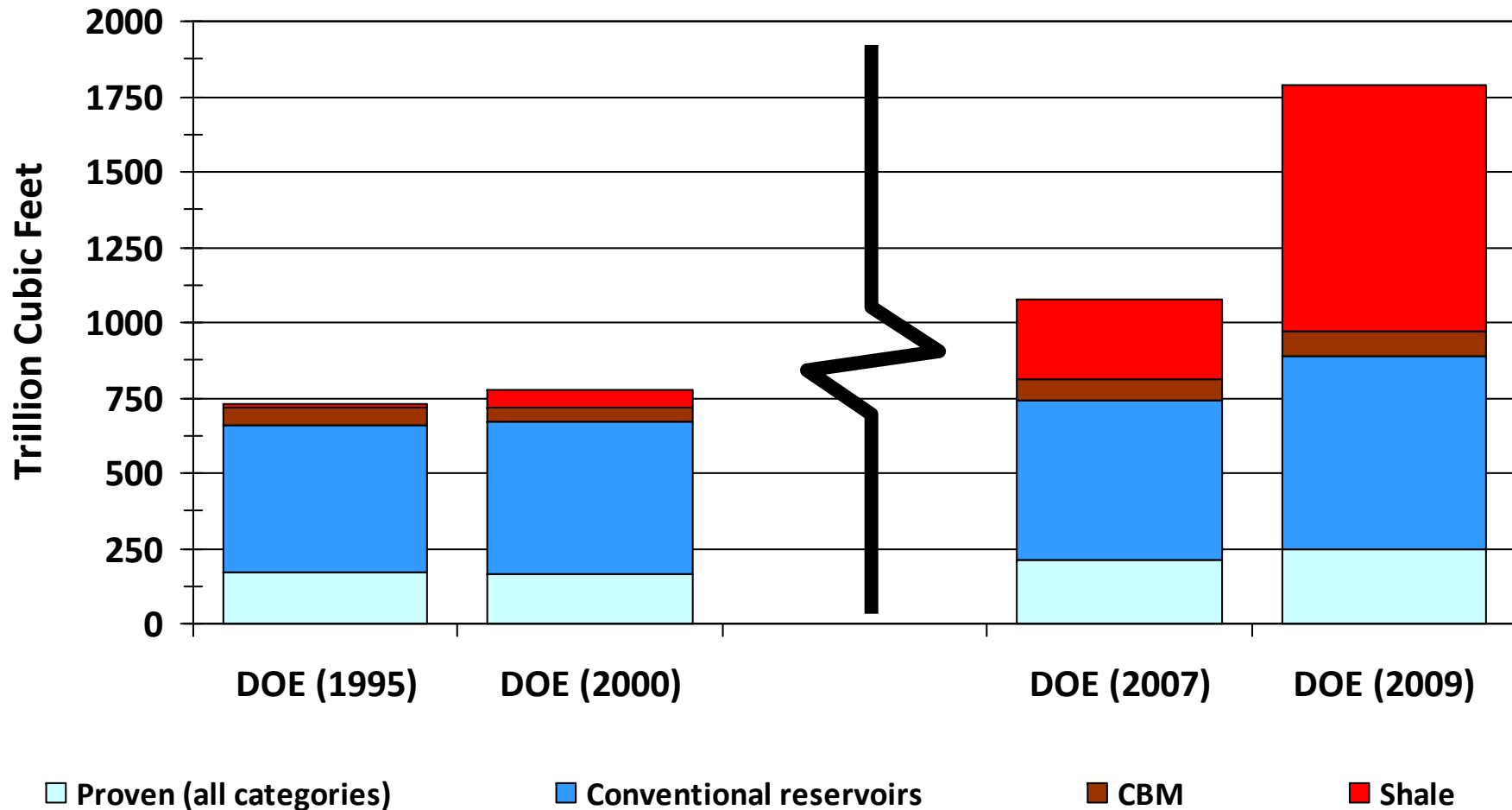
# E&P Global Portfolio



**~80% OECD production supports growth projects**

Production numbers rounded.  
<sup>1</sup> Resource base as of YE2009  
Excludes LUKOIL

# U.S. Natural Gas Reserves and Resources (Excluding Alaska, Undiscovered and Associated Gas)

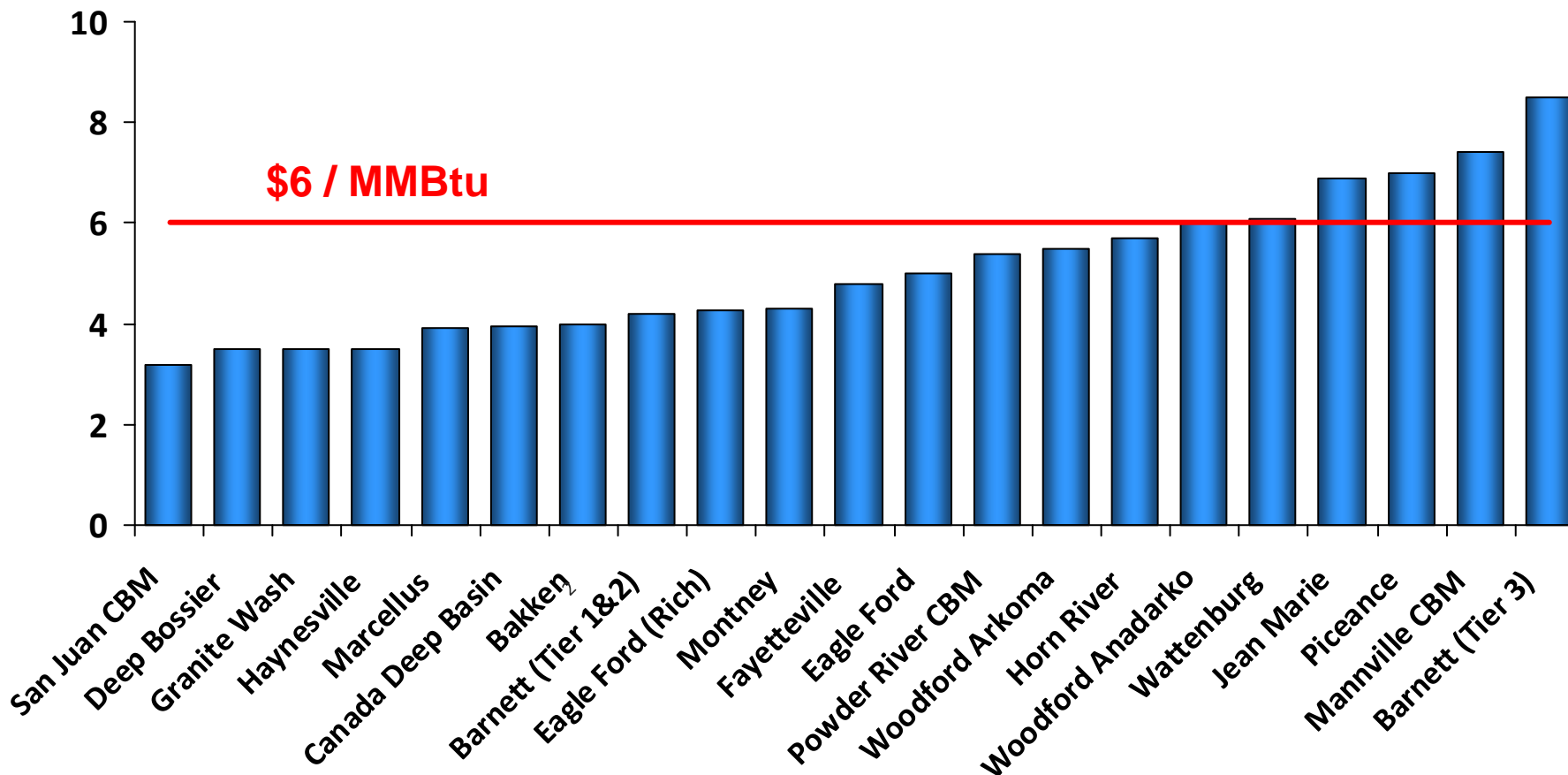


**Sharp increase in shale gas resource estimates in recent years**

“Proven” = SEC proven reserves; all other categories shown are technically recoverable resources  
 DOE = Data from U.S. Department of Energy, Energy Information Agency “Annual Energy Outlook”; data are as of January 1 of year indicated; 2007 data published in 2009 report  
 Tight Gas is included in Conventional Resource estimates for all years

# Cost of North American Resource Plays

Cost of service (\$/MMbtu)<sup>1</sup>



**Attractive economics for North American resource plays**

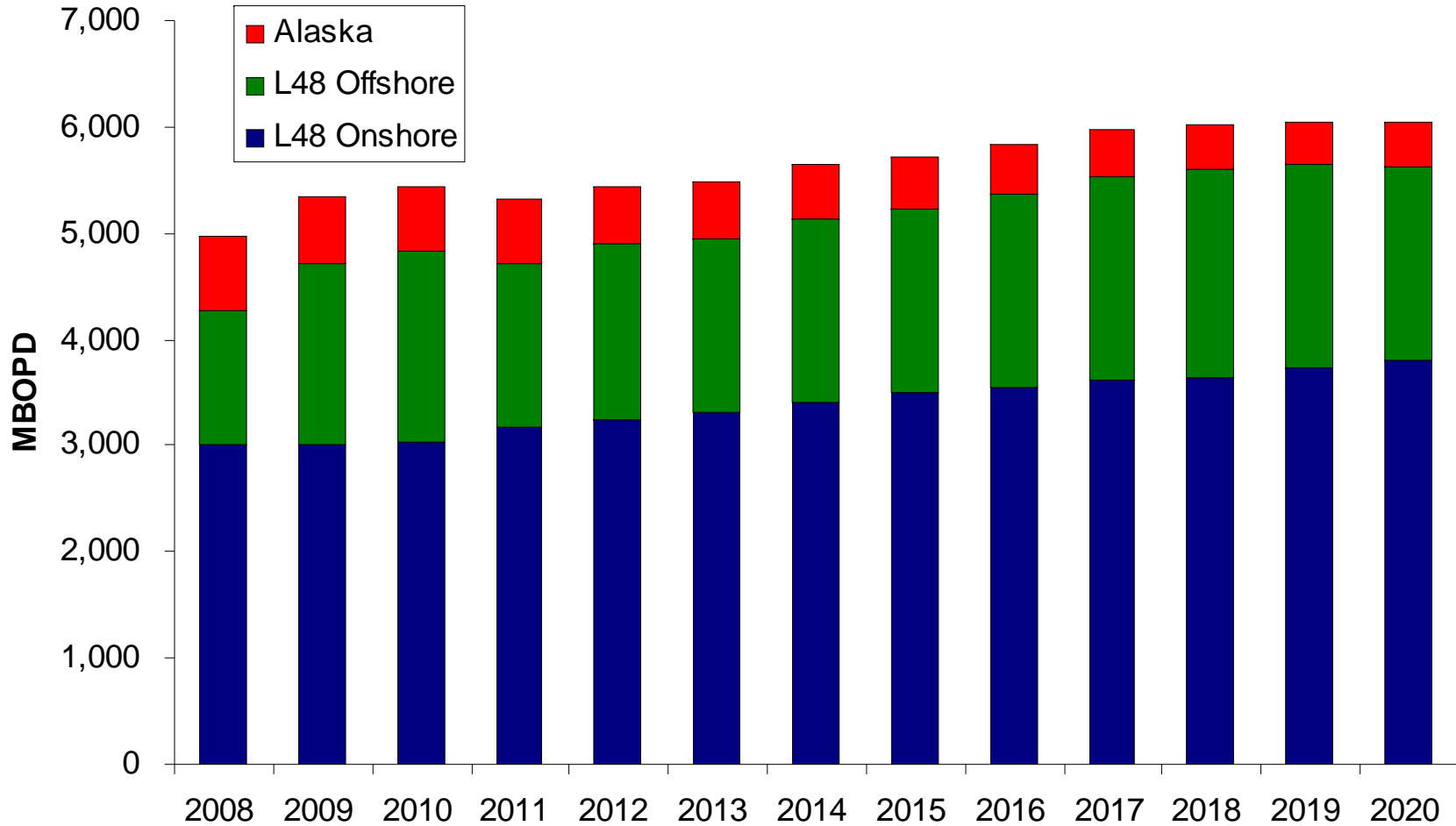
Sources: Morgan Stanley & COP internal

<sup>1</sup> Henry Hub basis required for 10% IRR.

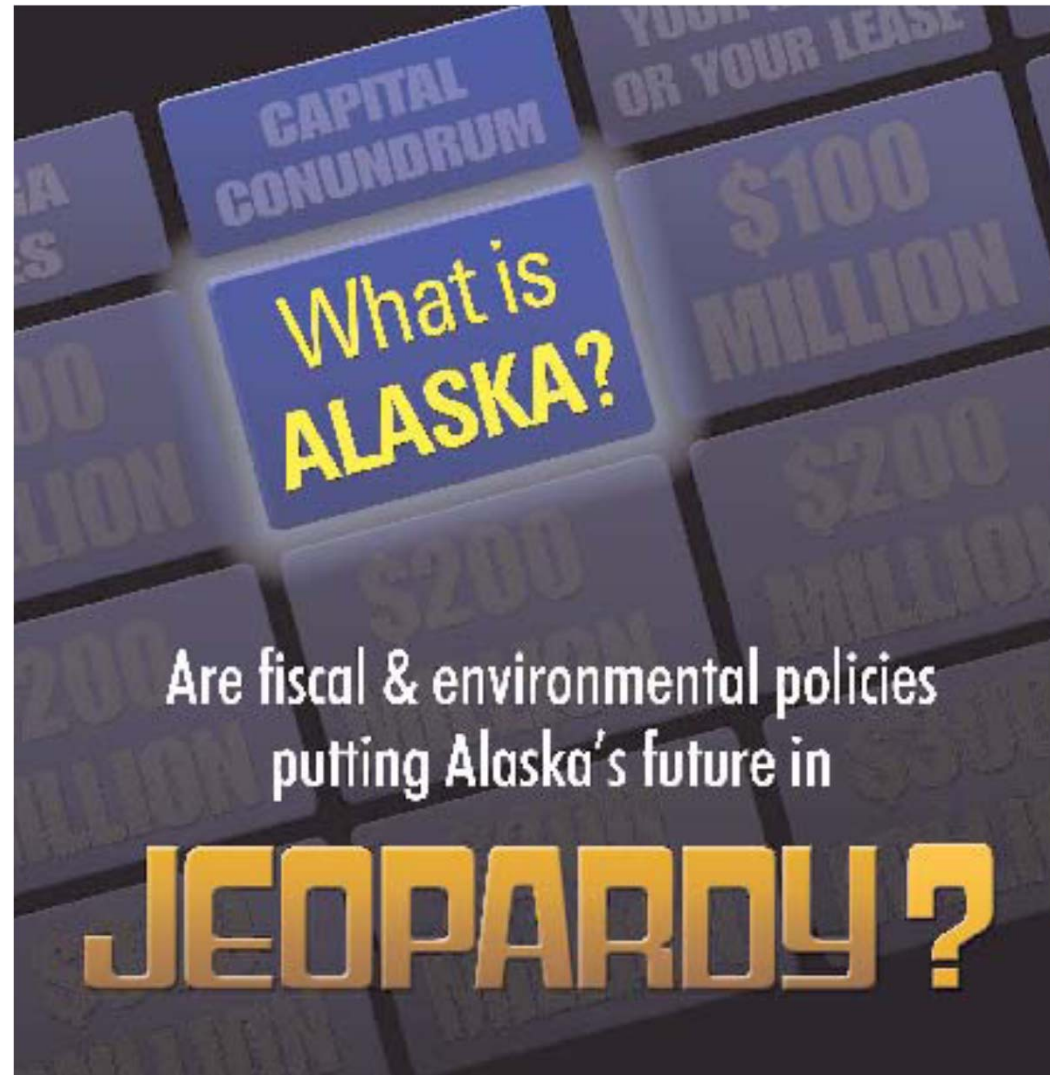
<sup>2</sup> Value based conversion of \$72/BBL = \$6/MMbtu due to high liquids yield.



# United States Oil Production Forecast



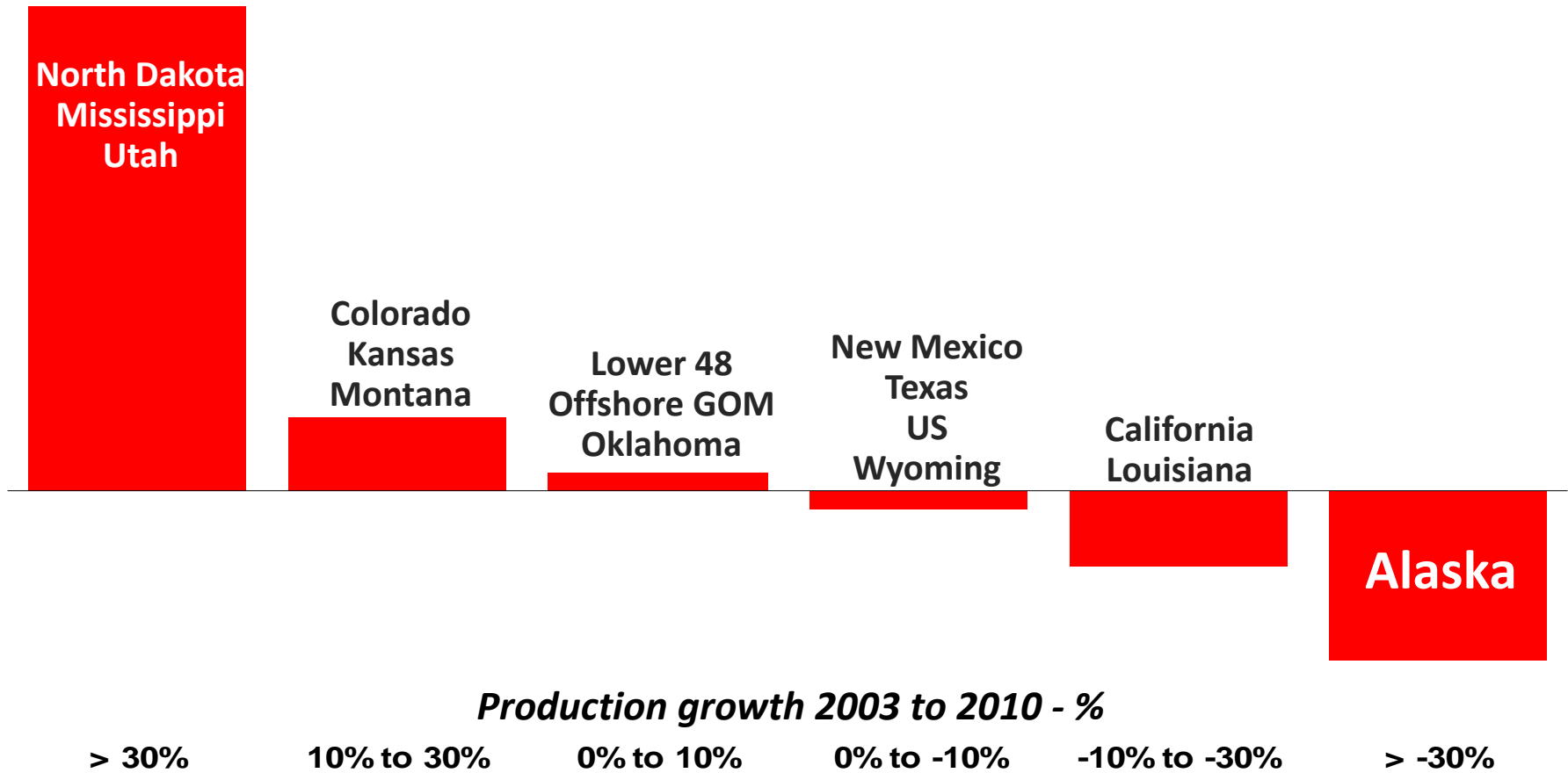
Source: Energy Information Administration, AEO2011 Reference Case



Are fiscal & environmental policies  
putting Alaska's future in

**JEOPARDY?**

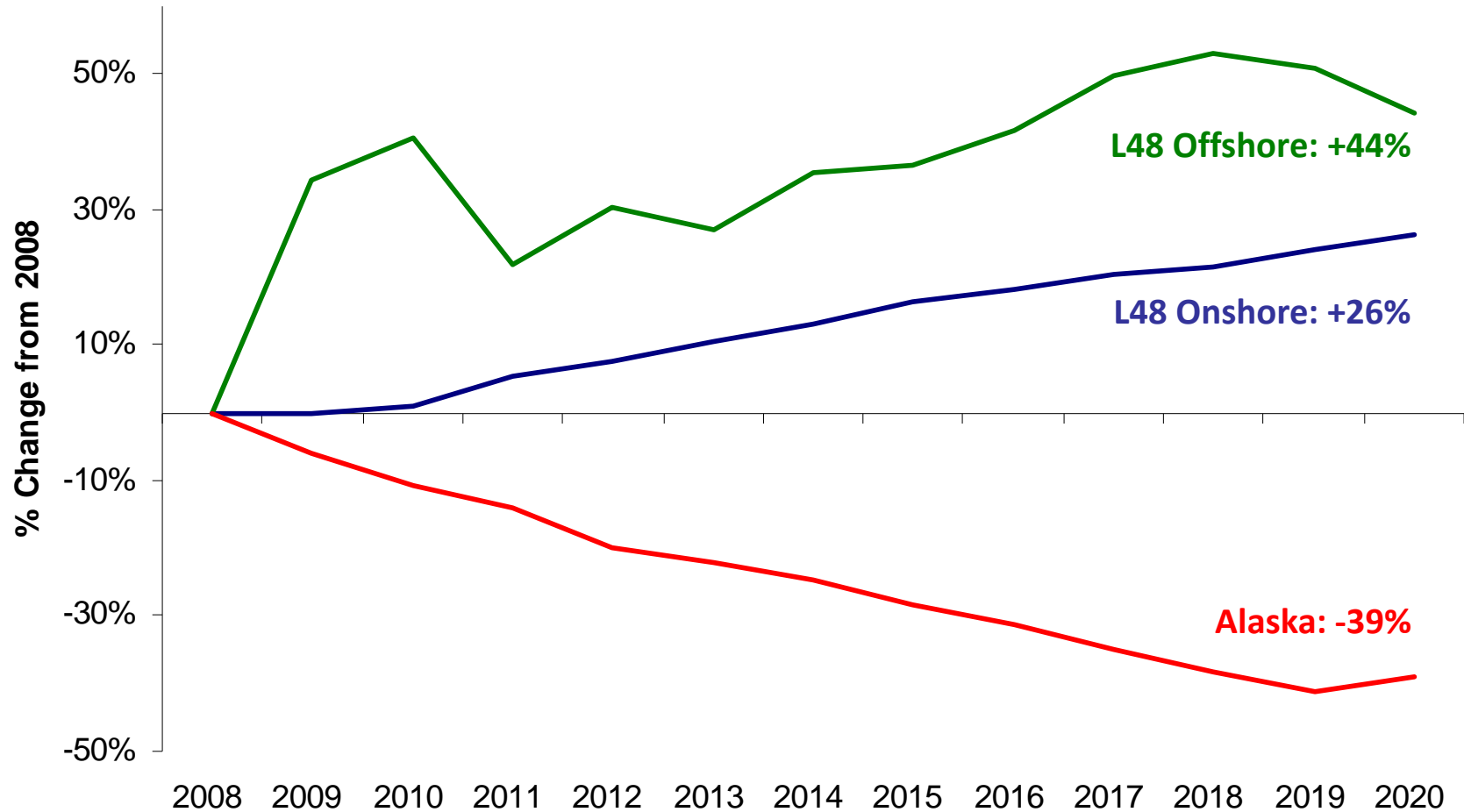
# U.S. Production Changes Since 2003



**Alaska Lags Other States Despite High Prices**

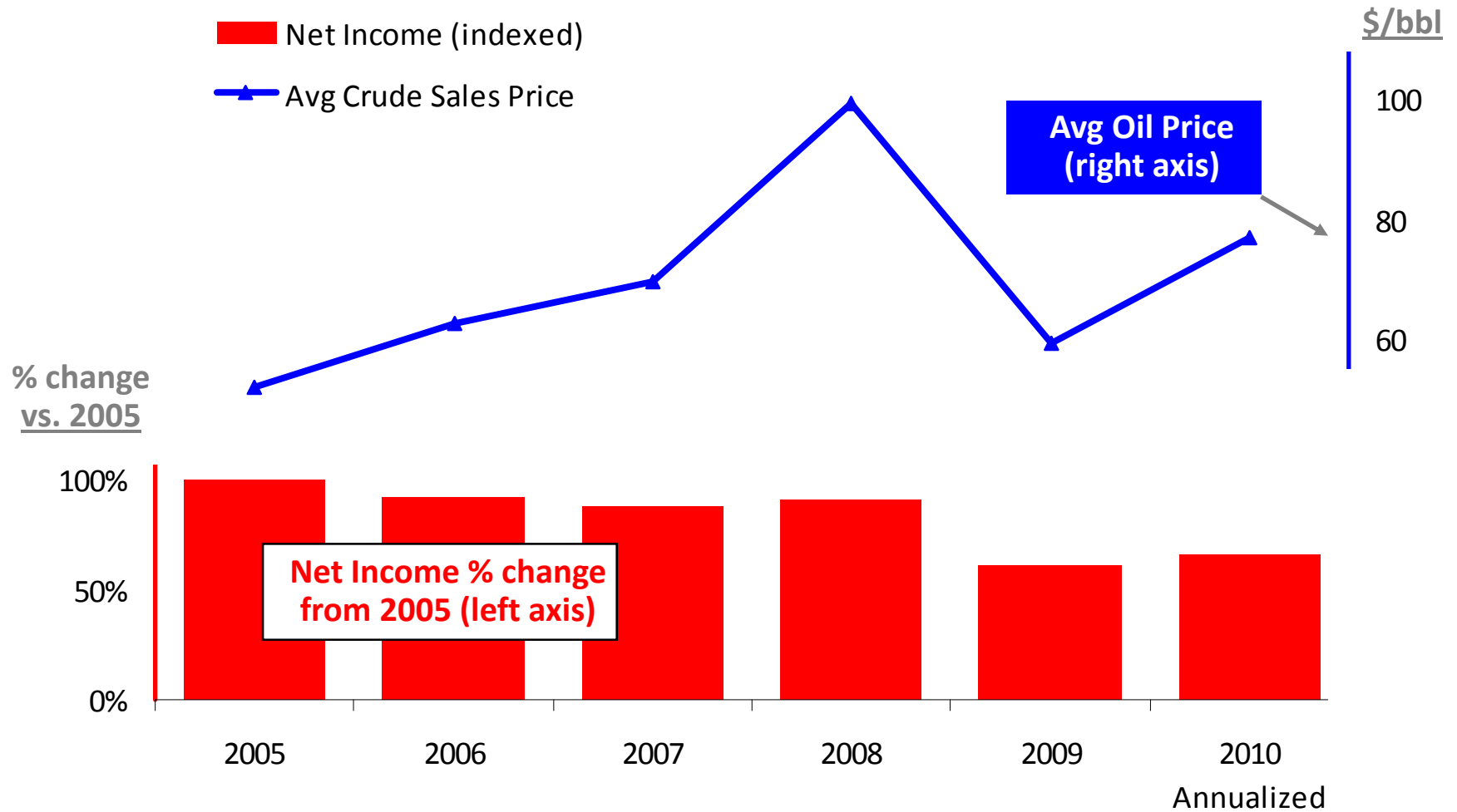
Source: Energy Information Administration  
Regions with minimum 50,000 bopd production

# United States Oil Production Forecast



Source: Energy Information Administration, AEO2011 Reference Case

# ConocoPhillips Alaska Net Income



**Impact of Progressivity Evident**

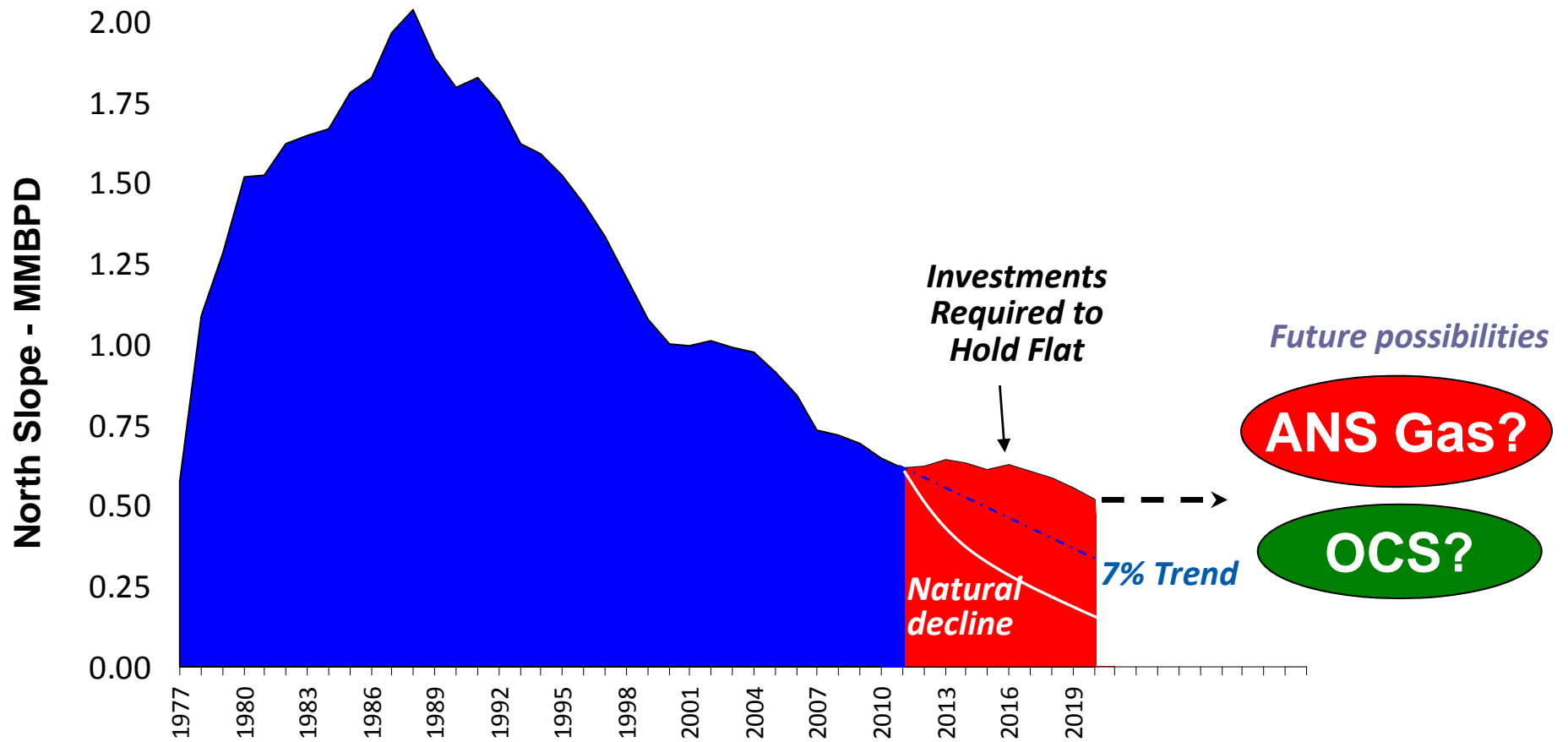
Source: COP 10K and 10Q / supplemental tables for earning releases, 2010 YTD 3<sup>rd</sup> Q annualized

# Alaska Project Timelines

| <u>Fields</u>     | <u>Discovery</u> | <u>Project<br/>Sanction</u> | <u>First Oil</u> |
|-------------------|------------------|-----------------------------|------------------|
| Nikaitchuq        | 2004             | 2008                        | 2011             |
| Ooguruk           | 2003             | 2006                        | 2008             |
| Liberty           | 1997             | 2008                        | 2012             |
| Alpine West (CD5) | 2001             | ???                         | ???              |
| Fiord             | 1999             | 2004                        | 2006             |
| Nanuq             | 2001             | 2004                        | 2006             |

**Discovery to Production – 5 Years or Greater**

# Alaska's "Bridge" to Growth Projects



**Solid Base Oil Business is Key**

Source: DOR data and ConocoPhillips estimate

**Thank you Alaska Support Industry Alliance**