ConocoPhillips Provides Strong Outlook for Its Alaska Business; Announces Discovered Resource of 0.5 – 1.1 Billion Barrels Gross from Recent Exploration Activity with 75 Percent of Prospective Acreage Yet to Be Drilled

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ConocoPhillips (NYSE: COP) today provided an update on its operating plan for Alaska, focusing on the company’s long history of creating value in the state and an ongoing commitment to invest in low cost of supply opportunities. Over the past few years, the company’s Alaska business has undergone a significant transformation, driven by a more competitive fiscal framework, cost reductions, technological advancements and an exploration renaissance.

Highlights include:

- An outlook for continued investment and growth from investments in legacy assets and development of exploration success;
- Captured net resource of 2.0 billion barrels of oil equivalent (BBOE) of less than $40 per barrel cost of supply resource in legacy assets;
- Captured 0.5 – 1.1 BBOE of additional gross discovered resource associated with the exploration program in Alaska since 2016, with 75 percent of the play still undrilled; and
- Strong realizations driven by premium ANS-priced oil.

The company’s legacy asset base consists of a non-operated interest in the Prudhoe Bay Field, an operated interest in the Kuparuk Field and an operated interest in the Alpine Field/Western North Slope assets. In 2018, the company acquired additional interest in the Alpine Field/Western North Slope assets and announced it has entered into an agreement to acquire additional interest in the Kuparuk Field (which is subject to regulatory and other approvals). On a pro-forma basis including the recent transactions, the company estimates 2018 production from its legacy assets would be approximately 225 thousand barrels of oil equivalent per day (MBOED).

Since 2016, ConocoPhillips has undertaken a significant and successful exploration program in Alaska. Based on the exploration results to date, the company believes it has captured 0.5 – 1.1 BBOE of gross discovered resource, with 75 percent of its prospective exploration acreage still to be drilled. The cost of supply of the new resource is estimated to be less than $40 per barrel. The company has a 100 percent working interest in this resource.

In the Greater Willow Area, the company now estimates its 2016-2018 exploration and appraisal campaign has discovered 400-750 MMBOE of gross resource, with undrilled resource upside. The company believes this resource estimate is sufficient to justify developing the area with a stand-alone hub. Preliminarily, the company estimates first oil can be achieved by 2024-2025 for approximately $2-3 billion spent over the course of four to five years after final investment decision. Once first oil is achieved, the company anticipates ramping quickly to full production. Thereafter, the company estimates that an additional $2-3 billion of cumulative drilling capital will be executed over multiple years to maintain production at this facility. Efforts are underway to analyze and evaluate results from the 2018 appraisal season in order to advance development planning and future appraisal needs.

In addition to exploration in the Greater Willow Area, the 2018 exploration campaign included the drilling, coring and flow testing of the Putu and Stony Hill wells in the Narwhal trend south of Alpine. Additional appraisal is required for both discoveries, but current discovered resource is estimated to be between 100 and 350 MMBOE gross. The company also has a 100 percent working interest in this resource.

The company expects another active exploration and appraisal season in 2019.

“We believe that the company’s Alaska plan aligns with our disciplined, returns-focused strategy, supports Alaska’s economy and creates significant value for shareholders,” said Ryan Lance, chairman and chief executive officer. “Alaska provides competitive investment opportunities and will generate profitable growth from diversified investments with significant exploration upside. We are proud of the value we create for the State of Alaska through the revenues we generate, the jobs we create and the community investments we make. Our shareholders realize the advantages of ANS-priced oil, competitive cash and earnings margins from our operations and our years of expertise and sound stewardship. We plan to continue to strive to safely unlock the energy potential of this world-class oil province for years to come and play an active role in Alaska’s economic future.”

More information on the company’s Alaska outlook is available through an investor presentation on the ConocoPhillips Investor Relations site, www.conocophillips.com/investor.

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About ConocoPhillips

ConocoPhillips is the world’s largest independent E&P company based on production and proved reserves. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 17 countries, $71 billion of total assets, and approximately 11,200 employees as of March 31, 2018. Production excluding Libya averaged 1,224 MBOED for the three months ended March 31, 2018, and proved reserves were 5.0 billion BOE as of Dec. 31, 2017. For more information, go to www.conocophillips.com.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This news release contains forward-looking statements. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. 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 have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by a variety of risks and other matters including, but not limited to changes in commodity prices; changes in expected levels of oil and gas reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; difficulties in developing new products and manufacturing processes; unexpected cost increases or technical difficulties in constructing, maintaining, or modifying company facilities; international monetary conditions and exchange rate fluctuations; 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 sale of our announced dispositions on the timeline currently anticipated, if at all; the possibility that regulatory approvals for our announced dispositions will not be received on a timely basis, if at all, or that such approvals may require modification to the terms of our announced dispositions or our remaining business; business disruptions during or following our announced dispositions, including the diversion of management time and attention; the ability to deploy net proceeds from our announced dispositions in the manner and timeframe we currently anticipate, if at all; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting 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; the stability and competitiveness of our fiscal framework; and general domestic and international economic and political conditions; as well as changes in tax, environmental and other laws applicable to our 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 our business generally as set forth in our filings with the Securities and Exchange Commission (SEC). Unless legally required, ConocoPhillips undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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 release 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 release contains the terms cost of supply, resource and discovered resource. Cost of supply is the WTI equivalent price that generates a 10 percent after-tax return on a point-forward and fully burdened basis. Fully burdened includes capital infrastructure, foreign exchange, price-related inflation and G&A. Resource is based on Petroleum Resources Management System, developed by industry to classify recoverable hydrocarbons as commercial or sub-commercial to reflect their status at the time of reporting. The company’s resource estimate includes volumes associated with both commercial and contingent categories. Discovered resource are known accumulations of quantities of oil and gas estimated to exist in naturally occurring accumulations.

Pro Forma figures are presented on the basis as if the Alpine Field/Western North Slope and Kuparuk transactions were completed on Jan. 1, 2018. The Kuparuk transaction is subject to regulatory and other approvals.

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