

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **April 26, 2018**

**ConocoPhillips**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**001-32395**  
(Commission  
File Number)

**01-0562944**  
(I.R.S. Employer  
Identification No.)

**600 North Dairy Ashford**  
**Houston, Texas 77079**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(281) 293-1000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On April 26, 2018, ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended March 31, 2018. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference. Additional financial and operating information about the quarter is furnished as Exhibit 99.2 hereto and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
<a href="#">99.1</a>	— <a href="#">Press release issued by ConocoPhillips on April 26, 2018.</a>
<a href="#">99.2</a>	— <a href="#">Supplemental financial information.</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CONOCOPHILLIPS**

*/s/ Glenda M. Schwarz*

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*Glenda M. Schwarz*

Vice President and Controller

April 26, 2018

## ConocoPhillips Reports First-Quarter 2018 Results; Strong Performance on Delivering Disciplined Plan

HOUSTON--(BUSINESS WIRE)--April 26, 2018--ConocoPhillips (NYSE:COP) today reported first-quarter 2018 earnings of \$0.9 billion, or \$0.75 per share, compared with first-quarter 2017 earnings of \$0.6 billion, or \$0.47 per share. Excluding special items, first-quarter 2018 adjusted earnings were \$1.1 billion, or \$0.96 per share, compared with a first-quarter 2017 adjusted loss of \$0.2 billion, or (\$0.14) per share. Special items for the current quarter were primarily driven by premiums on early debt retirement and unrealized losses on Cenovus Energy equity, partially offset by favorable outcomes from pending claims and settlements.

### Summary

- Achieved first-quarter production excluding Libya of 1,224 MBOED; year-over-year underlying production excluding the impact of closed and planned dispositions grew 4 percent overall and 26 percent on a production per debt-adjusted share basis.
- Grew year-over-year production in the Lower 48 Big 3 – Eagle Ford, Bakken and Delaware – by 20 percent.
- Increased quarterly dividend by 7.5 percent.
- Paid down \$2.7 billion of balance sheet debt. Ended the quarter with \$17.0 billion of debt and \$5.0 billion of cash and cash equivalents.
- Increased planned share repurchases by 33 percent; repurchased \$0.5 billion in the first quarter; on track for full-year share repurchases of \$2 billion.
- Cash provided by operating activities exceeded capital expenditures, dividends and share repurchases.
- Acquired additional liquids-rich Montney acreage in Canada during the quarter and announced central Louisiana Austin Chalk entry.
- Successfully completed six-well exploration and appraisal drilling program in Alaska.

“We continue to differentiate ourselves by executing on our strategic, financial, and operational plans,” said Ryan Lance, chairman and chief executive officer. “We remain focused on creating value for our shareholders by maintaining discipline, following our priorities and staying committed to our returns-focused value proposition. We safely delivered our plan again this quarter, while generating a strong improvement in free cash flow, reducing our debt and returning over 30 percent of cash from operations to shareholders through our dividend and buyback program.”

### First-Quarter Review

Production excluding Libya for the first quarter of 2018 was 1,224 thousand barrels of oil equivalent per day (MBOED), a decrease of 360 MBOED compared with the same period a year ago. The first-quarter volume impact from dispositions was 402 MBOED in 2017. Excluding the impact of dispositions, underlying production increased 42 MBOED, or 4 percent. The increase primarily came from ramp up of the Big 3 unconventional assets, which more than offset normal field decline. Production from Libya was 45 MBOED.

In Alaska, the encouraging results of three Willow appraisal wells support the previously announced estimate of a recoverable resource potential of more than 300 million barrels of oil, and three exploration wells represented new discoveries on the Western North Slope. GMT-1 development drilling commenced and the project is on track to deliver first oil in the fourth quarter of 2018. In Canada, the company increased its acreage position by more than 30 percent in the liquids-rich Montney and continued appraisal drilling, and Surmont began partial use of condensate diluent to improve netbacks. In Europe, progress continued at Aasta Hansteen and Clair Ridge, with both projects expected to deliver first production by the end of the year. In China, Bohai Phase 3 activities continued as planned. Off the northwest coast of Australia, the rig for the final phase of Bayu-Undan development was mobilized and drilling began in April. In the Lower 48, production from the company’s Big 3 unconventional assets grew 20 percent year-over-year. The company also announced its acquisition of early life-cycle unconventional acreage in the Austin Chalk in central Louisiana.

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Earnings were higher compared with the first quarter of 2017 due to higher realized prices, reduced depreciation expense and lower exploration expense, partially offset by a first-quarter 2017 financial tax accounting benefit related to the Canada disposition. Adjusted earnings were improved compared with first-quarter 2017 primarily due to higher realized prices and reduced depreciation expense. The company's total realized price was \$50.49 per barrel of oil equivalent (BOE), compared with \$36.18 per BOE in the first quarter of 2017, reflecting higher average realized prices on a more liquids-weighted portfolio.

For the quarter, cash provided by operating activities was \$2.4 billion. Excluding a \$0.1 billion change in working capital, ConocoPhillips generated \$2.5 billion in cash from operations, exceeding \$1.5 billion in capital expenditures and investments, \$0.5 billion of repurchased shares, and \$0.3 billion of dividends. In addition, the company paid \$2.9 billion to reduce debt and sold \$1.6 billion of short-term investments. After the quarter ended, the company received the final installment of the Ecuador arbitration award, as well as its first discretionary distribution from APLNG.

## **Outlook**

Second-quarter 2018 production is expected to be 1,170 to 1,210 MBOED, which reflects seasonal turnarounds. The company increased full-year 2018 production guidance to 1,200 to 1,240 MBOED to reflect first-quarter outperformance and a change in disposition assumptions. These and other improvements more than offset the impact from a third-party gas pipeline in Malaysia that is now assumed to be out of service for the entire year. Production guidance excludes Libya.

The company's 2018 capital guidance of \$5.5 billion is unchanged. This guidance excludes acquisition investment for the previously announced \$0.4 billion bolt-on transaction in Alaska and the \$0.1 billion acquisition of additional acreage in the Montney in Canada. The company's other full-year guidance items are also unchanged.

ConocoPhillips will host a conference call today at 12:00 p.m. EDT to discuss this announcement. To listen to the call, as well as view related presentation materials and supplemental information, go to [www.conocophillips.com/investor](http://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](http://www.conocophillips.com).

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**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 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; 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 news 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.*

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**Use of Non-GAAP Financial Information** – To supplement the presentation of the Company's financial results prepared in accordance with U.S. generally accepted accounting principles (GAAP), this news release and the accompanying supplemental financial information contain certain financial measures that are not prepared in accordance with GAAP, including adjusted earnings (calculated on a consolidated and on a segment-level basis) and adjusted earnings per share.

The Company believes that the non-GAAP measure adjusted earnings (both on an aggregate and a per share basis) is useful to investors to help facilitate comparisons of the Company's operating performance and controllable costs associated with the Company's core business operations across periods on a consistent basis and with the performance and cost structures of peer companies in a manner that, when viewed in combination with the Company's results prepared in accordance with GAAP, provide a more complete understanding of the factors and trends affecting the Company's business and performance. The Company's Board of Directors and management also use these non-GAAP measures to analyze the Company's operating performance across periods when overseeing and managing the Company's business.

Each of the non-GAAP measures included in this news release and the accompanying supplemental financial information has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of the Company's results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, the Company's presentation of non-GAAP measures in this news release and the accompanying supplemental financial information may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. The Company may also change the calculation of any of the non-GAAP measures included in this news release and the accompanying supplemental financial information from time to time in light of its then existing operations to include other adjustments that may impact its operations.

Reconciliations of each non-GAAP measure presented in this news release to the most directly comparable financial measure calculated in accordance with GAAP are included below.

The release also contains the terms underlying production, production per debt-adjusted share and free cash flow. Underlying production excludes Libya and closed and planned dispositions. Production per debt-adjusted share is calculated on an underlying production basis using ending period debt divided by ending share price plus ending shares outstanding. Free cash flow is cash provided by operating activities excluding operating working capital in excess of capital expenditures and investments. The Company believes that free cash flow is useful to investors as it provides measures to compare cash provided by operating activities excluding operating working capital after deduction of capital expenditures and investments across periods on a consistent basis. The Company believes that underlying production is useful to investors to compare production excluding Libya and the full impact of closed and planned dispositions on a consistent go-forward basis with peer companies. The Company believes that production per debt-adjusted share is useful to investors as it provides a consistent view of production on a total equity basis by converting debt to equity and allows for comparisons across peer companies.

References in the release to earnings refer to net income/(loss) attributable to ConocoPhillips.

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**ConocoPhillips****Table 1: Reconciliation of earnings to adjusted earnings**

\$ Millions, Except as Indicated

	1Q18				1Q17			
	Pre-tax	Income tax	After-tax	Per share of common stock (dollars)	Pre-tax	Income tax	After-tax	Per share of common stock (dollars)
<b>Earnings</b>			<b>\$ 888</b>	<b>0.75</b>			<b>586</b>	<b>0.47</b>
Adjustments:								
Premiums on early debt retirement	206	(13)	193	0.16	-	-	-	-
Unrealized loss on CVE equity	116	1	117	0.10	-	-	-	-
Pending claims and settlements	(135)	65	(70)	(0.06)	-	-	-	-
Impairments	10	(2)	8	0.01	225	(82)	143	0.12
Pension settlement expense	-	-	-	-	60	(17)	43	0.03
Restructuring	-	-	-	-	27	(8)	19	0.02
Tax adjustment related to Canadian disposition	-	-	-	-	-	(996)	(996)	(0.80)
Rig termination	-	-	-	-	43	(15)	28	0.02
<b>Adjusted earnings / (loss)</b>			<b>\$ 1,136</b>	<b>0.96</b>			<b>(177)</b>	<b>(0.14)</b>

The income tax effects of the special items are primarily calculated based on the statutory rate of the jurisdiction in which the discrete item resides.

**CONTACT:**

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## First-Quarter 2018 Detailed Supplemental Information

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
\$ Millions, Except as Indicated										
<b>CONSOLIDATED INCOME STATEMENT</b>										
<b>Revenues and Other Income</b>										
Sales and other operating revenues	7,518	6,781	6,688	8,119	29,106	8,798				8,798
Equity in earnings of affiliates	200	178	196	198	772	208				208
Gain on dispositions	22	1,876	246	33	2,177	7				7
Other income (loss)	31	47	65	386	529	(52)				(52)
<b>Total Revenues and Other Income</b>	<b>7,771</b>	<b>8,882</b>	<b>7,195</b>	<b>8,736</b>	<b>32,584</b>	<b>8,961</b>				<b>8,961</b>
<b>Costs and Expenses</b>										
Purchased commodities	3,192	2,922	2,926	3,435	12,475	3,714				3,714
Production and operating expenses*	1,291	1,325	1,222	1,324	5,162	1,171				1,171
Selling, general and administrative expenses*	97	95	110	125	427	99				99
Exploration expenses*	550	97	73	214	934	95				95
Depreciation, depletion and amortization	1,979	1,625	1,608	1,633	6,845	1,412				1,412
Impairments	175	6,294	6	126	6,601	12				12
Taxes other than income taxes	231	198	175	205	809	183				183
Accretion on discounted liabilities	95	92	89	86	362	88				88
Interest and debt expense	315	306	251	226	1,098	184				184
Foreign currency transaction losses	10	13	5	7	35	30				30
Other expense*	68	276	77	30	451	197				197
<b>Total Costs and Expenses</b>	<b>8,003</b>	<b>13,243</b>	<b>6,542</b>	<b>7,411</b>	<b>35,199</b>	<b>7,185</b>				<b>7,185</b>
<b>Income (loss) before income taxes</b>	<b>(232)</b>	<b>(4,361)</b>	<b>653</b>	<b>1,325</b>	<b>(2,615)</b>	<b>1,776</b>				<b>1,776</b>
Income tax provision (benefit)	(831)	(935)	217	(273)	(1,822)	876				876
<b>Net Income (Loss)</b>	<b>599</b>	<b>(3,426)</b>	<b>436</b>	<b>1,598</b>	<b>(793)</b>	<b>900</b>				<b>900</b>
Less: net income attributable to noncontrolling interests	(13)	(14)	(16)	(19)	(62)	(12)				(12)
<b>Net Income (Loss) Attributable to ConocoPhillips</b>	<b>586</b>	<b>(3,440)</b>	<b>420</b>	<b>1,579</b>	<b>(855)</b>	<b>888</b>				<b>888</b>
<b>Net Income (Loss) Attributable to ConocoPhillips</b>										
<b>Per Share of Common Stock (dollars)</b>										
Basic	0.47	(2.78)	0.35	1.32	(0.70)	0.75				0.75
Diluted	0.47	(2.78)	0.34	1.32	(0.70)	0.75				0.75
<b>Average Common Shares Outstanding (in thousands)**</b>										
Basic	1,243,280	1,236,831	1,212,454	1,192,243	1,221,038	1,179,792				1,179,792
Diluted	1,248,722	1,236,831	1,215,341	1,198,276	1,221,038	1,186,454				1,186,454
*2017 has been restated to align with current period financial statements.										
**Ending Common Shares Outstanding is 1,170,066 as of Mar. 31, 2018, compared with 1,177,107 as of Dec. 31, 2017.										
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>										
Alaska	6	215	159	396	776	654				654
Lower 48	(562)	(4,013)	(148)	(102)	(4,825)	398				398

Canada	(87)	1,846	243	(55)	1,947	(105)	(105)
Europe and North Africa	533	276	303	607	1,719	771	771
Asia Pacific and Middle East	392	(2,052)	452	524	(684)	653	653
Other International	(68)	(11)	(15)	282	188	(10)	(10)
Corporate and Other	(446)	(622)	(341)	(327)	(1,736)	(585)	(585)
<b>Consolidated</b>	<b>(232)</b>	<b>(4,361)</b>	<b>653</b>	<b>1,325</b>	<b>(2,615)</b>	<b>1,776</b>	<b>1,776</b>

**EFFECTIVE INCOME TAX RATES**

Alaska*	295.2%	7.4%	35.3%	-195.8%	-88.7%	19.9%	19.9%
Lower 48	35.5%	36.8%	34.8%	710.1%	50.9%	22.6%	22.6%
Canada	1193.9%	25.2%	-14.8%	21.9%	-31.7%	38.4%	38.4%
Europe and North Africa	67.8%	55.5%	72.0%	71.2%	67.8%	68.3%	68.3%
Asia Pacific and Middle East	36.6%	-5.2%	8.9%	11.9%	-51.4%	27.6%	27.6%
Other International	29.6%	14.2%	-27.3%	13.7%	11.3%	-336.7%	-336.7%
Corporate and Other	22.0%	31.8%	4.2%	-217.2%	-23.0%	7.5%	7.5%
<b>Consolidated</b>	<b>359.0%</b>	<b>21.4%</b>	<b>33.2%</b>	<b>-20.5%</b>	<b>69.7%</b>	<b>49.3%</b>	<b>49.3%</b>
<i>*Alaska including taxes other than income taxes.</i>	<i>111.9%</i>	<i>32.2%</i>	<i>56.6%</i>	<i>-142.9%</i>	<i>-32.5%</i>	<i>22.4%</i>	<i>22.4%</i>

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
\$ Millions										
<b>EARNINGS BY SEGMENT</b>										
Alaska	(11)	199	103	1,175	1,466	524				524
Lower 48	(362)	(2,536)	(97)	624	(2,371)	308				308
Canada	948	1,379	280	(43)	2,564	(65)				(65)
Europe and North Africa	171	123	85	174	553	245				245
Asia Pacific and Middle East	236	(2,172)	396	442	(1,098)	461				461
Other International	(48)	(9)	(20)	244	167	(44)				(44)
Corporate and Other	(348)	(424)	(327)	(1,037)	(2,136)	(541)				(541)
<b>Consolidated</b>	<b>586</b>	<b>(3,440)</b>	<b>420</b>	<b>1,579</b>	<b>(855)</b>	<b>888</b>				<b>888</b>

#### SPECIAL ITEMS

Alaska	(110)	32	-	892	814	79				79
Lower 48	(33)	(2,464)	(40)	610	(1,927)	(8)				(8)
Canada	977	1,366	304	(5)	2,642	-				-
Europe and North Africa	-	41	-	12	53	-				-
Asia Pacific and Middle East	-	(2,384)	83	74	(2,227)	-				-
Other International	(28)	-	-	275	247	(34)				(34)
Corporate and Other	(43)	(209)	(125)	(819)	(1,196)	(285)				(285)
<b>Consolidated</b>	<b>763</b>	<b>(3,618)</b>	<b>222</b>	<b>1,039</b>	<b>(1,594)</b>	<b>(248)</b>				<b>(248)</b>

Detailed reconciliation of these items is provided on page 3.

#### ADJUSTED EARNINGS

Alaska	99	167	103	283	652	445				445
Lower 48	(329)	(72)	(57)	14	(444)	316				316
Canada	(29)	13	(24)	(38)	(78)	(65)				(65)
Europe and North Africa	171	82	85	162	500	245				245
Asia Pacific and Middle East	236	212	313	368	1,129	461				461
Other International	(20)	(9)	(20)	(31)	(80)	(10)				(10)
Corporate and Other	(305)	(215)	(202)	(218)	(940)	(256)				(256)
<b>Consolidated</b>	<b>(177)</b>	<b>178</b>	<b>198</b>	<b>540</b>	<b>739</b>	<b>1,136</b>				<b>1,136</b>

#### ADJUSTED EFFECTIVE INCOME TAX RATES

Alaska	44.9%	22.3%	35.3%	28.8%	31.5%	19.5%				19.5%
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Lower 48	35.5%	37.9%	39.2%	28.3%	36.6%	22.5%	22.5%
Canada	50.9%	-83.2%	34.7%	31.0%	46.0%	38.4%	38.4%
Europe and North Africa	67.8%	70.4%	72.0%	71.7%	70.3%	68.3%	68.3%
Asia Pacific and Middle East	36.6%	31.9%	27.2%	26.0%	29.9%	27.6%	27.6%
Other International	20.4%	14.2%	-27.3%	16.9%	9.9%	0.7%	0.7%
Corporate and Other	21.1%	39.2%	22.7%	30.4%	28.5%	13.8%	13.8%
<b>Consolidated</b>	<b>232.5%</b>	<b>45.2%</b>	<b>57.7%</b>	<b>49.5%</b>	<b>61.6%</b>	<b>41.8%</b>	<b>41.8%</b>

\$ Millions	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>DETAILED SPECIAL ITEMS</b>										
<b>Alaska</b>										
Impairments	(174)	-	-	-	(174)	-	-	-	-	-
Pending claims and settlements	-	-	-	-	-	101	-	-	-	101
Subtotal before income taxes	(174)	-	-	-	(174)	101	-	-	-	101
Income tax provision (benefit) <sup>1</sup>	(64)	(32)	-	(892)	(988)	22	-	-	-	22
Total	(110)	32	-	892	814	79	-	-	-	79
<b>Lower 48</b>										
Restructuring	-	(15)	(3)	1	(17)	-	-	-	-	-
Impairments	(51)	(3,882)	(2)	(122)	(4,057)	(10)	-	-	-	(10)
Gain (loss) on asset sales	-	-	(50)	-	(50)	-	-	-	-	-
Subtotal before income taxes	(51)	(3,897)	(55)	(121)	(4,124)	(10)	-	-	-	(10)
Income tax provision (benefit) <sup>1</sup>	(18)	(1,433)	(15)	(731)	(2,197)	(2)	-	-	-	(2)
Total	(33)	(2,464)	(40)	610	(1,927)	(8)	-	-	-	(8)
<b>Canada</b>										
Gain (loss) on asset sales	-	1,855	281	-	2,136	-	-	-	-	-
Impairments	-	(18)	-	-	(18)	-	-	-	-	-
Restructuring	(27)	1	-	-	(26)	-	-	-	-	-
Subtotal before income taxes	(27)	1,838	281	-	2,092	-	-	-	-	-
Income tax provision (benefit) <sup>2</sup>	(1,004)	472	(23)	5	(550)	-	-	-	-	-
Total	977	1,366	304	(5)	2,642	-	-	-	-	-
<b>Europe and North Africa</b>										
Impairments	-	-	-	33	33	-	-	-	-	-
Subtotal before income taxes	-	-	-	33	33	-	-	-	-	-
Income tax provision (benefit) <sup>3</sup>	-	(41)	-	21	(20)	-	-	-	-	-
Total	-	41	-	12	53	-	-	-	-	-
<b>Asia Pacific and Middle East</b>										
Impairments	-	(2,384)	-	-	(2,384)	-	-	-	-	-
Subtotal before income taxes	-	(2,384)	-	-	(2,384)	-	-	-	-	-
Income tax provision (benefit) <sup>4</sup>	-	-	(83)	(74)	(157)	-	-	-	-	-
Total	-	(2,384)	83	74	(2,227)	-	-	-	-	-
<b>Other International</b>										
Pending claims and settlements	-	-	-	320	320	-	-	-	-	-
Rig termination	(43)	-	-	-	(43)	-	-	-	-	-
Subtotal before income taxes	(43)	-	-	320	277	-	-	-	-	-
Income tax provision (benefit) <sup>5</sup>	(15)	-	-	45	30	34	-	-	-	34
Total	(28)	-	-	275	247	(34)	-	-	-	(34)
<b>Corporate and Other</b>										
Pension settlement expense	(60)	(36)	(20)	(14)	(130)	-	-	-	-	-
Pending claims and settlements	-	2	(9)	17	10	34	-	-	-	34
Premiums on early debt retirement	-	(234)	(51)	(17)	(302)	(206)	-	-	-	(206)
Unrealized loss on CVE equity	-	-	-	-	-	(116)	-	-	-	(116)
Subtotal before income taxes	(60)	(268)	(80)	(14)	(422)	(288)	-	-	-	(288)
Income tax provision (benefit) <sup>4</sup>	(17)	(59)	45	805	774	(3)	-	-	-	(3)
Total	(43)	(209)	(125)	(819)	(1,196)	(285)	-	-	-	(285)
<b>Total Company</b>	<b>763</b>	<b>(3,618)</b>	<b>222</b>	<b>1,039</b>	<b>(1,594)</b>	<b>(248)</b>	-	-	-	<b>(248)</b>

<sup>1</sup>Includes deferred tax adjustment in 2Q 2017 in Lower 48 and Alaska; pending claims and settlements in 2Q 2017 in Alaska; and 4Q 2017 U.S. Tax Reform.

<sup>2</sup>Includes tax adjustment related to Canadian disposition in 1Q 2017; tax benefit related to our prior decision to exit Nova Scotia deepwater exploration in 3Q 2017; and 4Q 2017 U.S. Tax Reform.

<sup>3</sup>Includes pending claims and settlements in 2Q 2017; 4Q 2017 deferred tax adjustment in U.K.; and 4Q 2017 U.S. Tax Reform.

<sup>4</sup>Includes pending claims and settlements in 3Q 2017 and 4Q 2017 U.S. Tax Reform.

<sup>5</sup>Includes 4Q 2017 U.S. Tax Reform and 1Q 2018 Nigeria tax settlement.

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
\$ Millions										
<b>CASH FLOW INFORMATION</b>										
<b>Cash Flows from Operating Activities</b>										
Net income (loss)	599	(3,426)	436	1,598	(793)	900				900
Depreciation, depletion and amortization	1,979	1,625	1,608	1,633	6,845	1,412				1,412
Impairments	175	6,294	6	126	6,601	12				12
Dry hole costs and leasehold impairments	406	22	7	131	566	20				20
Accretion on discounted liabilities	95	92	89	86	362	88				88
Deferred taxes	(1,314)	(1,234)	(222)	(911)	(3,681)	65				65
Undistributed equity earnings	(43)	(78)	(72)	(39)	(232)	(34)				(34)
Gain on dispositions	(22)	(1,876)	(246)	(33)	(2,177)	(7)				(7)
Other	(47)	222	(542)	(62)	(429)	29				29
Net working capital changes	(38)	110	(9)	(48)	15	(86)				(86)
<b>Net Cash Provided by Operating Activities</b>	<b>1,790</b>	<b>1,751</b>	<b>1,055</b>	<b>2,481</b>	<b>7,077</b>	<b>2,399</b>				<b>2,399</b>
<b>Cash Flows from Investing Activities</b>										
Capital expenditures and investments	(966)	(1,020)	(1,088)	(1,517)	(4,591)	(1,535)				(1,535)
Working capital changes associated with investing activities	(26)	(87)	95	150	132	28				28
Proceeds from asset dispositions	35	10,707	2,998	120	13,860	169				169
Net sales (purchases) of short-term investments	(203)	(2,450)	70	793	(1,790)	1,593				1,593
Long-term collections from (advances to) related parties and other investments	186	47	(67)	(15)	151	(333)				(333)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(974)</b>	<b>7,197</b>	<b>2,008</b>	<b>(469)</b>	<b>7,762</b>	<b>(78)</b>				<b>(78)</b>
<b>Cash Flows from Financing Activities</b>										
Repayment of debt	(839)	(3,240)	(2,515)	(1,282)	(7,876)	(2,888)				(2,888)
Issuance of company common stock	(46)	(17)	(2)	2	(63)	(18)				(18)
Repurchase of company common stock	(112)	(963)	(970)	(955)	(3,000)	(500)				(500)
Dividends paid	(331)	(331)	(324)	(319)	(1,305)	(338)				(338)
Other	(16)	(48)	(16)	(32)	(112)	(32)				(32)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(1,344)</b>	<b>(4,599)</b>	<b>(3,827)</b>	<b>(2,586)</b>	<b>(12,356)</b>	<b>(3,776)</b>				<b>(3,776)</b>
<b>Effect of Exchange Rate Changes</b>	<b>27</b>	<b>76</b>	<b>141</b>	<b>(12)</b>	<b>232</b>	<b>125</b>				<b>125</b>
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	<b>(501)</b>	<b>4,425</b>	<b>(623)</b>	<b>(586)</b>	<b>2,715</b>	<b>(1,330)</b>				<b>(1,330)</b>
Cash, cash equivalents and restricted cash at beginning of period*	3,610	3,109	7,534	6,911	3,610	6,536				6,536
Cash, Cash Equivalents and Restricted Cash at End of Period	3,109	7,534	6,911	6,325	6,325	5,206				5,206

\*2018 Cash, cash equivalents and restricted cash at beginning of period has been restated to include \$211MM of restricted cash.

#### CAPITAL EXPENDITURES AND INVESTMENTS

Alaska	228	229	179	179	815	263				263
Lower 48	343	383	508	902	2,136	751				751
Canada	62	85	33	22	202	173				173
Europe and North Africa	200	212	245	215	872	216				216
Asia Pacific and Middle East	109	93	114	166	482	99				99
Other International	5	5	7	4	21	1				1
Corporate and Other	19	13	2	29	63	32				32
<b>Total Capital Expenditures and Investments</b>	<b>966</b>	<b>1,020</b>	<b>1,088</b>	<b>1,517</b>	<b>4,591</b>	<b>1,535</b>				<b>1,535</b>

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>TOTAL SEGMENTS</b>										
<b>Production</b>										
Total (MBOED)	1,593	1,437	1,226	1,256	1,377	1,269				1,269
Crude Oil (MBD)										
Consolidated operations	588	576	568	608	585	621				621
Equity affiliates	13	14	14	14	14	15				15
Total	601	590	582	622	599	636				636
Over (under) lifting of crude oil (MBD)	36	28	11	13	22	15				15
NGL (MBD)										
Consolidated operations	127	119	87	84	104	88				88
Equity affiliates	7	8	8	5	7	8				8
Total	134	127	95	89	111	96				96
Bitumen (MBD)										
Consolidated operations	52	52	63	67	59	66				66
Equity affiliates	171	85	-	-	63	-				-
Total	223	137	63	67	122	66				66
Natural Gas (MMCFD)										
Consolidated operations	2,874	2,484	1,878	1,833	2,263	1,775				1,775
Equity affiliates	935	1,015	1,040	1,035	1,007	1,053				1,053
Total	3,809	3,499	2,918	2,868	3,270	2,828				2,828
<b>Industry Prices</b>										
Crude Oil (\$/BBL)										
WTI	51.83	48.24	48.16	55.35	50.90	62.88				62.88
WCS	37.25	37.12	38.22	43.08	38.92	38.60				38.60
Brent dated	53.78	49.83	52.09	61.39	54.27	66.76				66.76
JCC (\$/BBL)	47.21	54.95	53.16	49.87	51.30	58.62				58.62
Natural Gas (\$/MMBTU)										
Henry Hub first of month	3.32	3.19	2.99	2.93	3.11	3.01				3.01
<b>Average Realized Prices</b>										
Crude Oil (\$/BBL)										
Consolidated operations	50.86	48.11	49.31	58.95	51.89	65.47				65.47
Equity affiliates	55.58	50.55	52.29	60.52	54.76	66.50				66.50
Total	50.97	48.16	49.39	58.99	51.96	65.49				65.49
NGL (\$/BBL)										
Consolidated operations	23.81	19.97	22.50	32.08	24.21	26.68				26.68
Equity affiliates	43.20	34.49	35.94	44.06	38.74	43.99				43.99
Total	24.87	20.99	23.82	32.79	25.22	28.37				28.37
Bitumen (\$/BBL)										
Consolidated operations	15.63	19.28	24.19	25.20	21.43	14.06				14.06
Equity affiliates	23.63	24.19	-	-	23.83	-				-
Total	21.56	22.42	24.19	25.20	22.66	14.06				14.06
Natural Gas (\$/MCF)										
Consolidated operations	3.78	3.64	3.88	4.80	3.97	5.18				5.18
Equity affiliates	4.00	4.29	4.51	4.25	4.27	5.04				5.04
Total	3.84	3.83	4.11	4.59	4.07	5.13				5.13
<b>Exploration Expenses (\$ Millions)</b>										
Dry holes	343	14	(3)	76	430	15				15
Leasehold impairment	63	8	10	55	136	5				5
Total noncash expenses	406	22	7	131	566	20				20
Other (G&A, G&G and lease rentals)*	144	75	66	83	368	75				75
Total exploration expenses*	550	97	73	214	934	95				95
U.S. exploration expenses*	427	43	38	152	660	66				66
International exploration expenses*	123	54	35	62	274	29				29

\*2017 has been restated to align with current period financial statements.

**DD&A (\$ Millions)**

Alaska	234	216	188	208	846	185	185
Lower 48	819	666	612	627	2,724	498	498
Canada	196	70	84	89	439	91	91
Europe and North Africa	346	318	317	286	1,267	285	285
Asia Pacific and Middle East	350	321	374	390	1,435	327	327
Other International	-	-	-	-	-	-	-
Corporate and Other	34	34	33	33	134	26	26
<b>Total DD&amp;A</b>	<b>1,979</b>	<b>1,625</b>	<b>1,608</b>	<b>1,633</b>	<b>6,845</b>	<b>1,412</b>	<b>1,412</b>



	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>PRODUCTION</b>										
<b>Crude Oil (MBD)</b>										
Alaska	175	169	154	173	167	174				174
Lower 48	176	179	175	191	180	197				197
Canada	6	3	1	2	3	2				2
Norway	103	99	95	90	97	89				89
United Kingdom	28	26	23	24	25	29				29
Libya	9	11	23	34	20	40				40
Europe and North Africa	140	136	141	148	142	158				158
Australia/Timor-Leste	7	6	6	6	6	4				4
China	41	38	37	35	38	37				37
Indonesia	2	2	2	2	2	2				2
Malaysia	41	43	52	51	47	47				47
Equity affiliates	13	14	14	14	14	15				15
AP/ME	104	103	111	108	107	105				105
Total	601	590	582	622	599	636				636
<b>NGL (MBD)</b>										
Alaska	15	14	11	15	14	16				16
Lower 48	75	79	64	58	69	60				60
Canada	23	13	1	-	9	-				-
Norway	4	4	4	4	4	4				4
United Kingdom	5	5	3	3	4	4				4
Europe and North Africa	9	9	7	7	8	8				8
Australia/Timor-Leste	5	4	4	4	4	4				4
Equity affiliates	7	8	8	5	7	8				8
AP/ME	12	12	12	9	11	12				12
Total	134	127	95	89	111	96				96
<b>Bitumen (MBD)</b>										
Consolidated operations	52	52	63	67	59	66				66
Equity affiliates	171	85	-	-	63	-				-
Total	223	137	63	67	122	66				66
<b>Natural Gas (MMCFD)</b>										
Alaska	7	7	5	7	7	7				7
Lower 48	1,116	1,142	765	576	898	568				568
Canada	488	247	10	12	187	13				13
Norway	213	188	193	206	200	208				208
United Kingdom	328	284	209	284	276	309				309
Libya	3	4	6	20	8	31				31
Europe and North Africa	544	476	408	510	484	548				548
Australia/Timor-Leste	284	260	241	286	267	295				295
Indonesia	327	276	323	305	308	307				307
Malaysia	108	76	126	137	112	37				37
Equity affiliates	935	1,015	1,040	1,035	1,007	1,053				1,053
AP/ME	1,654	1,627	1,730	1,763	1,694	1,692				1,692
Total	3,809	3,499	2,918	2,868	3,270	2,828				2,828
<b>Total (MBOED)</b>										
Alaska	191	184	166	189	182	191				191
Lower 48	437	448	366	345	399	352				352
Consolidated operations	162	109	67	71	102	70				70
Equity affiliates	171	85	-	-	63	-				-
Canada	333	194	67	71	165	70				70
Norway	143	134	131	128	134	128				128
United Kingdom	88	78	61	75	75	85				85
Libya	9	12	24	37	21	45				45
Europe and North Africa	240	224	216	240	230	258				258
Australia/Timor-Leste	59	53	50	58	55	57				57
China	41	38	37	35	38	37				37
Indonesia	57	48	56	52	53	53				53
Malaysia	59	56	73	74	66	53				53
Equity affiliates	176	192	195	192	189	198				198
AP/ME	392	387	411	411	401	398				398
Total	1,593	1,437	1,226	1,256	1,377	1,269				1,269



	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>AVERAGE REALIZED PRICES</b>										
<b>Crude Oil (\$/BBL)</b>										
Consolidated operations										
Alaska	52.09	49.95	50.53	60.68	53.33	68.31				68.31
Lower 48	45.89	43.38	45.29	54.27	47.36	61.99				61.99
Canada	43.82	43.35	-	-	43.69	-				-
Norway	54.14	51.19	51.94	62.28	54.61	65.84				65.84
United Kingdom	50.09	51.72	46.88	57.63	51.85	64.27				64.27
Libya	52.98	48.77	51.00	60.82	55.11	65.90				65.90
Europe and North Africa	53.34	50.98	51.05	61.04	54.21	65.57				65.57
Australia/Timor-Leste	53.85	49.43	50.35	63.35	54.10	70.71				70.71
China	50.31	46.00	49.09	58.07	50.91	62.49				62.49
Indonesia	42.45	37.44	38.89	75.00	47.09	58.60				58.60
Malaysia	58.13	52.64	54.66	64.54	57.59	70.42				70.42
AP/ME	53.74	49.28	52.06	62.09	54.38	67.07				67.07
Total consolidated operations	50.86	48.11	49.31	58.95	51.89	65.47				65.47
Equity affiliates	55.58	50.55	52.29	60.52	54.76	66.50				66.50
Total	50.97	48.16	49.39	58.99	51.96	65.49				65.49
<b>NGL (\$/BBL)</b>										
Consolidated operations										
Lower 48	22.07	18.99	20.72	28.41	22.20	24.57				24.57
Canada	21.32	20.96	-	-	21.51	-				-
Norway	31.77	24.24	28.86	40.56	34.14	32.58				32.58
United Kingdom	30.32	25.32	33.07	43.60	33.98	33.43				33.43
Europe and North Africa	31.21	24.88	31.16	41.74	34.07	32.98				32.98
Australia/Timor-Leste	42.96	34.54	35.74	49.26	41.37	44.36				44.36
AP/ME	42.96	34.54	35.74	49.26	41.37	44.36				44.36
Total consolidated operations	23.81	19.97	22.50	32.08	24.21	26.68				26.68
Equity affiliates	43.20	34.49	35.94	44.06	38.74	43.99				43.99
Total	24.87	20.99	23.82	32.79	25.22	28.37				28.37
<b>Bitumen (\$/BBL)</b>										
Consolidated operations										
Equity affiliates	15.63	19.28	24.19	25.20	21.43	14.06				14.06
Total	23.63	24.19	-	-	23.83	-				-
Total	21.56	22.42	24.19	25.20	22.66	14.06				14.06
<b>Natural Gas (\$/MCF)</b>										
Consolidated operations										
Alaska	3.53	1.43	4.55	2.59	2.72	2.51				2.51
Lower 48	2.83	2.72	2.63	2.68	2.73	2.76				2.76
Canada	1.95	2.00	-	-	1.93	-				-
Norway	5.52	4.87	5.00	6.59	5.54	7.32				7.32
United Kingdom	6.07	4.99	5.20	6.89	5.84	7.58				7.58
Libya	-	-	0.09	3.68	3.53	5.62				5.62
Europe and North Africa	5.86	4.95	5.09	6.65	5.70	7.38				7.38
Australia/Timor-Leste*	0.57	0.77	0.64	0.61	0.65	0.62				0.62
Indonesia	6.52	6.34	5.81	6.38	6.26	6.61				6.61
Malaysia	2.82	3.07	3.30	3.16	3.10	2.78				2.78
AP/ME	4.96	5.05	4.63	5.27	4.98	5.57				5.57
Total consolidated operations	3.78	3.64	3.88	4.80	3.97	5.18				5.18
Equity affiliates	4.00	4.29	4.51	4.25	4.27	5.04				5.04
Total	3.84	3.83	4.11	4.59	4.07	5.13				5.13

\*Excludes transfers to Darwin LNG plant.

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>CORPORATE AND OTHER</b>										
<b>Corporate and Other Earnings (Loss) (\$ Millions)</b>	(348)	(424)	(327)	(1,037)	(2,136)	(541)				(541)
<b>Detail of Earnings (Loss) (\$ Millions)</b>										
Net interest expense	(253)	(174)	(176)	(136)	(739)	(160)				(160)
Corporate G&A expenses*	(51)	(39)	(42)	(61)	(193)	(50)				(50)
Technology**	9	-	20	(9)	20	(10)				(10)
Other*	(53)	(211)	(129)	(831)	(1,224)	(321)				(321)
<b>Total</b>	<b>(348)</b>	<b>(424)</b>	<b>(327)</b>	<b>(1,037)</b>	<b>(2,136)</b>	<b>(541)</b>				<b>(541)</b>
<i>*2017 has been restated to align with current period financial statements.</i>										
<i>**Includes investment in new technologies or businesses outside of our normal scope of operations and licensing revenues.</i>										
<b>Before-Tax Net Interest Expense (\$ Millions)</b>										
Interest expense	(340)	(336)	(282)	(259)	(1,217)	(221)				(221)
Capitalized interest	25	30	31	33	119	37				37
Interest revenue	11	17	29	43	100	22				22
<b>Total</b>	<b>(304)</b>	<b>(289)</b>	<b>(222)</b>	<b>(183)</b>	<b>(998)</b>	<b>(162)</b>				<b>(162)</b>
<b>Debt</b>										
Total debt (\$ Millions)	26,435	23,468	21,004	19,703	19,703	17,046				17,046
Debt-to-capital ratio (%)	43%	43%	41%	39%	39%	36%				36%
<b>Equity (\$ Millions)</b>	<b>35,601</b>	<b>30,499</b>	<b>30,712</b>	<b>30,801</b>	<b>30,801</b>	<b>30,718</b>				<b>30,718</b>

## REFERENCE

### Commonly Used Abbreviations

Earnings	Net Income (Loss) Attributable to ConocoPhillips
DD&A	Depreciation, Depletion and Amortization
G&G	Geological and Geophysical
G&A	General and Administrative
JCC	Japan Crude Cocktail
LNG	Liquefied Natural Gas
NGL	Natural Gas Liquids
WCS	Western Canada Select
WTI	West Texas Intermediate

### Units of Measure

BBL	Barrels
MMBBL	Millions of Barrels
MBD	Thousands of Barrels per Day
MBOED	Thousands of Barrels of Oil Equivalent per Day
MCF	Thousands of Cubic Feet
MMBTU	Millions of British Thermal Units
MMCFD	Millions of Cubic Feet per Day