

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): **January 31, 2019**

## 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.)

**925 N. Eldridge Parkway**  
**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.

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

On January 31, 2019 ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended December 31, 2018 and its estimate of preliminary net reserves as of December 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
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<a href="#">99.1</a>	— <a href="#">Press release issued by ConocoPhillips on January 31, 2019.</a>
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<a href="#">99.2</a>	— <a href="#">Supplemental financial information.</a>
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**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/ Catherine A. Brooks*

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*Catherine A. Brooks*  
Vice President and Controller

January 31, 2019

## ConocoPhillips Reports Fourth-Quarter and Full-Year 2018 Results; Announces Preliminary 2018 Year-End Reserves

HOUSTON--(BUSINESS WIRE)--January 31, 2019--ConocoPhillips (NYSE: COP) today reported fourth-quarter 2018 earnings of \$1.9 billion, or \$1.61 per share, compared with fourth-quarter 2017 earnings of \$1.6 billion, or \$1.32 per share. Excluding special items, fourth-quarter 2018 adjusted earnings were \$1.3 billion, or \$1.13 per share, compared with fourth-quarter 2017 adjusted earnings of \$0.5 billion, or \$0.45 per share. Special items for the current quarter included a gain from the sale of a partial interest in the United Kingdom Clair Field, deferred tax adjustments and amounts recognized from the PDVSA International Chamber of Commerce (ICC) settlement, partially offset by unrealized losses on Cenovus Energy equity.

Full-year 2018 earnings were \$6.3 billion, or \$5.32 per share, compared with a full-year 2017 net loss of \$0.9 billion, or (\$0.70) per share. Excluding special items, full-year 2018 adjusted earnings were \$5.3 billion, or \$4.54 per share, compared with full-year 2017 adjusted earnings of \$0.7 billion, or \$0.60 per share.

### **Full-Year 2018 Summary**

- Cash provided by operating activities was \$12.9 billion. Excluding working capital, cash from operations (CFO) of \$12.3 billion exceeded capital expenditures and investments, generating free cash flow of \$5.5 billion.
- Repurchased \$3 billion of shares and paid \$1.4 billion in dividends funded entirely from free cash flow, representing a return of CFO to shareholders of 35 percent.
- Paid down \$4.7 billion of balance sheet debt, achieving \$15 billion debt target 18 months ahead of plan.
- Received credit rating upgrades to single “A” from Fitch, Moody’s and S&P.
- Full-year production excluding Libya of 1,242 MBOED; underlying production grew 18 percent on a production per debt-adjusted share basis.
- Increased full-year Lower 48 Big 3 production by 37 percent.
- Achieved first production from Bayu-Undan final development phase, GMT-1, Bohai Phase 3, Aasta Hansteen and Clair Ridge.
- Acquired additional working interest in our legacy assets in Alaska and increased our acreage in the liquids-rich Montney play in Canada and in the early-lifecycle unconventional Louisiana Austin Chalk.
- Executed successful exploration program in Alaska and started drilling in Louisiana Austin Chalk.
- Reached a settlement agreement with PDVSA to fully recover the ICC arbitration award of approximately \$2 billion; recognized \$430 million toward the settlement.
- Generated disposition proceeds of \$1.1 billion from non-core asset sales.
- Announced preliminary year-end proved reserves of 5.3 billion BOE; 147 percent total reserve replacement and 109 percent organic replacement ratio.
- Achieved 12.6 percent return on capital employed.

“I am proud of our organization for safely delivering exceptional results in 2018,” said Ryan Lance, chairman and chief executive officer. “Our accomplishments reflect our clear commitment to a value proposition that is focused on returns and free cash flow generation, and that balances investments with returning cash flow to shareholders through price cycles. This is our formula for offering investors a compelling way to invest in our sector. We look forward to delivering another strong year of performance in 2019.”

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## **Reserves Update**

Preliminary 2018 year-end proved reserves are 5.3 billion barrels of oil equivalent (BOE). The total reserve replacement ratio, including a net increase of 0.2 billion BOE from closed acquisitions and dispositions (A&D), is expected to be 147 percent. Increased crude oil reserves accounted for over 90 percent of the total change in reserves.

Excluding A&D impacts, the organic reserve replacement ratio is expected to be 109 percent. Approximately 33 percent of organic reserve additions are from Lower 48 unconventional assets, 29 percent from Alaska and 22 percent from Asia Pacific and Middle East.

Final information related to the company's 2018 oil and gas reserves, as well as costs incurred, will be provided in ConocoPhillips' Annual Report on Form 10-K, to be filed with the Securities and Exchange Commission in late February.

## **Fourth-Quarter Review**

Production excluding Libya for the fourth quarter of 2018 was 1,313 MBOED, an increase of 94 MBOED compared with the same period a year ago. The volume impact from A&D was a net benefit of 5 MBOED. Excluding the A&D impact, underlying production grew more than 7 percent. The increase was primarily due to growth from the Big 3 unconventional, development programs primarily in Europe and Alaska, and production from major project startups. These more than offset normal field decline. Production achieved the high end of guidance largely due to partner-operated production in Lower 48 and resumption of gas exports at the Kebabangan (KBB) Field in Malaysia. Production from Libya was 44 MBOED.

During the quarter, the company achieved first production from three major projects including GMT-1, Aasta Hansteen and Clair Ridge. Additionally, production continued to ramp-up at Bohai Phase 3 and the final development phase at Bayu-Undan was completed. In the Lower 48, production from the company's high-margin Big 3 unconventional grew to 335 MBOED. In Alaska, the exploration program resumed and includes testing of the Kuparuk Cairn prospect and appraisal of the Narwhal and Greater Willow areas. The Cairn and Narwhal wells utilize existing pads, minimizing the environmental footprint while testing new resources.

Earnings were higher compared with the fourth quarter of 2017 due to a gain from the sale of a partial interest in the United Kingdom Clair Field and higher realized prices and sales volumes, partially offset by the absence of U.S. tax reform adjustments in 2017 and unrealized losses on Cenovus Energy equity. Adjusted earnings improved compared with fourth-quarter 2017 primarily due to higher realized prices and higher production. The company's total realized price was \$53.00 per BOE, 15 percent higher compared with \$46.10 per BOE in the fourth quarter of 2017, largely due to higher crude prices and a higher weighting of crude volumes in the portfolio.

For the quarter, cash provided by operating activities was \$3.8 billion. Excluding a \$0.6 billion change in operating working capital, ConocoPhillips generated \$3.2 billion in CFO. CFO included approximately \$0.3 billion from APLNG distributions and \$0.1 billion from the PDVSA ICC settlement. In addition, the company generated \$0.7 billion in disposition proceeds largely related to customary adjustments from the United Kingdom Clair Field and Alaska Greater Kuparuk Area transactions, as well as from the sale of Barnett and other non-core assets in Lower 48. The company also incurred \$1.6 billion in capital expenditures and investments, \$0.9 billion for share repurchases and \$0.4 billion for dividends.

## **Full-Year Review**

Production excluding Libya for 2018 was 1,242 MBOED, 114 MBOED lower as compared with 1,356 MBOED for 2017. The volume from closed dispositions was approximately 200 MBOED in 2017 and 15 MBOED in 2018. The volume from acquisitions was less than 10 MBOED in 2018. Excluding these impacts, underlying production increased over 5 percent. The increase was primarily due to growth from the Big 3 unconventional, development programs in Europe and Alaska, and ramp-up of major projects in Asia Pacific. These more than offset normal field decline. Production from Libya was 41 MBOED.

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The company's total realized price during 2018 was \$53.88 per BOE, 37 percent higher compared with \$39.19 per BOE in 2017. The improvement reflects stronger market prices, as well as a shift in the portfolio toward a higher mix of crude oil and less of bitumen and natural gas.

In 2018, cash provided by operating activities was \$12.9 billion. Excluding a \$0.6 billion change in operating working capital, ConocoPhillips generated \$12.3 billion in CFO. This exceeded \$6.75 billion in capital expenditures and investments, \$3.0 billion of repurchased shares and \$1.36 billion of dividends by \$1.2 billion. Capital expenditures and investments included approximately \$0.6 billion for acquisitions, most notably the Alaska Western North Slope bolt-on acquisition for \$0.4 billion and acquisition of additional acreage in the Montney in Canada for \$0.1 billion. In addition, the company paid \$5.0 billion to reduce debt, sold \$1.6 billion of short-term investments and generated \$1.1 billion from asset dispositions. ConocoPhillips ended the year with cash, cash equivalents and restricted cash totaling \$6.2 billion and short-term investments of \$0.2 billion, equating to \$6.4 billion of ending cash and short-term investments.

## **Outlook**

The company's 2019 guidance for capital expenditures is \$6.1 billion. First-quarter 2019 production is expected to be 1,290 to 1,330 MBOED, reflecting the impacts of a planned turnaround in Qatar of approximately 15 MBOED and government-mandated production curtailment in Canada of approximately 10 MBOED. Production is expected to ramp-up in the second half of the year, with full-year 2019 production guidance unchanged from the previously communicated 1,300 to 1,350 MBOED. Production guidance for 2019 excludes Libya.

Guidance for 2019 production and operating expenses is \$5.4 billion, which results in adjusted operating cost guidance of \$6.1 billion; corporate segment net expense is \$0.9 billion or \$1.0 billion adjusted corporate segment net expense; depreciation, depletion and amortization is \$6.3 billion; and exploration dry hole and leasehold impairment expense is \$0.2 billion.

ConocoPhillips will host a conference call today at 12:00 p.m. EST 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). A balance sheet schedule has been added to page 4 of the supplemental information.

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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 16 countries, \$70 billion of total assets, and approximately 10,800 employees as of Dec. 31, 2018. Production excluding Libya averaged 1,242 MBOED in 2018, and preliminary proved reserves were 5.3 billion BOE as of Dec. 31, 2018. 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," "on track," "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; changes in international trade relationships, including the imposition of trade restrictions or tariffs relating to crude oil, bitumen, natural gas, LNG, natural gas liquids and 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 liquidate the common stock issued to us by Cenovus Energy Inc. at prices we deem acceptable, or at all; our ability to complete our announced dispositions or acquisitions on the timeline currently anticipated, if at all; the possibility that regulatory approvals for our announced 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 our announced dispositions, acquisitions, or our remaining business; business disruptions during or following our announced dispositions or acquisitions, 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 may 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.

**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), adjusted earnings per share, cash from operations (CFO), free cash flow, return on capital employed (ROCE), adjusted operating costs, adjusted corporate segment net expense and dry hole and leasehold impairment expense. Operating costs is defined by the Company as the sum of production and operating expenses, selling, general and administrative expenses, exploration general and administrative expenses, geological and geophysical, lease rentals and other exploration expenses. Adjusted operating costs is defined as the Company's operating costs further adjusted to exclude expenses that do not directly relate to the Company's core business operations and are included as adjustments to arrive at adjusted earnings to the extent those adjustments impact operating costs. Adjusted corporate segment net expense is defined as corporate and other segment earnings adjusted for special items. Dry hole and leasehold impairment expense are components of and reported within exploration expenses.

The Company believes that the non-GAAP measures adjusted earnings (both on an aggregate and a per share basis), operating costs, adjusted operating costs and adjusted corporate segment net expense, are 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. The Company further believes that the non-GAAP measure adjusted operating costs provides a more indicative measure of the Company's underlying, controllable costs of operations by excluding other items that do not directly relate to the Company's core business operations. The company further believes that the non-GAAP measure CFO is useful to investors to help understand changes in cash provided by operating activities excluding the impact of working capital changes across periods on a consistent basis and with the performance of peer companies. The company also believes that free cash flow is useful to investors as it provides a measure to compare CFO after deduction of capital expenditures and investments across periods on a consistent basis. The company believes that ROCE is a good indicator of long-term company and management performance. ROCE is a measure of the profitability of ConocoPhillips' capital employed in its business. ConocoPhillips calculates ROCE as a ratio, the numerator of which is net income adjusted for special non-reoccurring items, plus after-tax interest expense, and the denominator of which is average total equity plus total debt. The Company believes that the above-mentioned non-GAAP measures, when viewed in combination with the Company's results prepared in accordance with GAAP, provides 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 in the release.*

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*Other Terms – The release also contains the terms underlying production, production per debt-adjusted share, reserve replacement and organic reserve replacement. Underlying production excludes Libya and closed dispositions and acquisitions. 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. The company believes that underlying production is useful to investors to compare production excluding Libya and the full impact of closed dispositions and acquisitions on a consistent go-forward basis across periods and 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. Reserve replacement is defined by the Company as a ratio representing the change in proved reserves, net of production, divided by current year production. Organic reserve replacement is defined by the Company as a ratio representing the change in proved reserves, net of production and excluding acquisitions and dispositions, divided by current year production. The Company believes that reserve replacement and organic reserve replacement are useful to investors to help understand how changes in proved reserves, net of production, compare with the Company’s current year production, inclusive and exclusive of acquisitions and dispositions, respectively.*

*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

	4Q18				4Q17				2018 FY				2017 FY			
	Pre-tax	Income tax	After-tax	Per share of common stock (dollars)	Pre-tax	Income tax	After-tax	Per share of common stock (dollars)	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>			\$ 1,868	1.61			1,579	1.32			6,257	5.32			(855)	(0.70)
Adjustments:																
Premiums on early debt retirement	-	-	-	-	17	(4)	13	0.01	208	(13)	195	0.17	302	(64)	238	0.19
Unrealized (gain) loss on CVE equity	618	(26)	592	0.51	-	-	-	-	423	2	425	0.36	-	-	-	-
Pending claims and settlements	(85)	(8)	(93)	(0.08)	(337)	-	(337)	(0.28)	(506)	64	(442)	(0.38)	(330)	(90)	(420)	(0.34)
Impairments	(52)	21	(31)	(0.03)	89	(26)	63	0.05	(52)	30	(22)	(0.02)	6,600	(1,507)	5,093	4.17
Pension settlement expense	35	(7)	28	0.02	14	(4)	10	0.01	196	(36)	160	0.14	130	(38)	92	0.08
Restructuring	3	(1)	2	-	(1)	-	(1)	0.00	40	(9)	31	0.03	43	(15)	28	0.02
Net (gain) loss on asset sales	(851)	(29)	(880)	(0.75)	-	-	-	-	(1,002)	10	(992)	(0.84)	(2,086)	(441)	(2,527)	(2.07)
Recognition of deferred licensing revenue	-	-	-	-	-	-	-	-	(104)	-	(104)	(0.09)	-	-	-	-
Deferred tax adjustment	-	(177)	(177)	(0.15)	-	65	65	0.05	-	(177)	(177)	(0.15)	-	28	28	0.02
U.S. Tax Reform	-	-	-	-	-	(852)	(852)	(0.71)	-	-	-	-	-	(852)	(852)	(0.70)
Nova Scotia deepwater exploration exit	-	-	-	-	-	-	-	-	-	-	-	-	-	(114)	(114)	(0.09)
Rig termination	-	-	-	-	-	-	-	-	-	-	-	-	43	(15)	28	0.02
<b>Adjusted earnings / (loss)</b>			\$ 1,309	1.13			540	0.45			5,331	4.54			739	0.60

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.

**ConocoPhillips**
**Table 2: Reconciliation of net cash provided by operating activities to free cash flow**

\$ Millions, Except as Indicated

Net Cash Provided by Operating Activities	12,934
Adjustments:	
Net operating working capital changes	635
Cash from operations	12,299
Capital expenditures and investments	(6,750)
<b>Free Cash Flow</b>	<b>5,549</b>

**ConocoPhillips**
**Table 3: Return on capital employed (ROCE)**

\$ Millions, Except as Indicated

<b>Numerator</b>	
Net Income Attributable to ConocoPhillips	6,257
Adjustment to exclude special items	(926)
Net income attributable to noncontrolling interests	48
After-tax interest expense	594
ROCE Earnings	5,973
<b>Denominator</b>	
Average total equity <sup>1</sup>	31,363
Average total debt <sup>2</sup>	16,088
Average capital employed	47,451
<b>ROCE (percent)</b>	<b>12.6%</b>

<sup>1</sup>Average total equity is the average of beginning total equity and ending total equity by quarter

<sup>2</sup>Average total debt is the average of beginning long-term debt and short-term debt and ending long-term debt and short-term debt by quarter

**ConocoPhillips**

**Table 4: Reconciliation of preliminary year-end reserves to replacement from additions**

MMBOE, Except as Indicated

End of 2017	5,038
End of 2018	5,263
Change in reserves	225
Production <sup>1</sup>	483
Change in reserves excluding production <sup>1</sup>	708
Total reserve replacement ratio	147%
Production <sup>1</sup>	483
Purchases <sup>2</sup>	290
Sales <sup>2</sup>	(108)
Changes in reserves excluding production <sup>1</sup> , purchases <sup>2</sup> and sales <sup>2</sup>	526
Organic reserve replacement ratio	109%

<sup>1</sup>2018 production includes fuel gas and Libya

<sup>2</sup>2018 purchases refers to acquisitions and sales refers to dispositions

**ConocoPhillips**

**Table 5: Reconciliation of production and operating expenses to adjusted operating costs**

\$ Millions, Except as Indicated

	FY 2018	FY 2019 Guidance
<b>Production and operating expenses</b>	<b>5,213</b>	<b>5,350</b>
Adjustments:		
Selling, general and administrative (G&A) expenses	401	450
Exploration G&A, G&G and lease rentals	274	300
Operating costs	5,888	6,100
Adjustments to exclude special items		
Less restructuring	(37)	-
Less pending claims and settlements	(41)	-
<b>Adjusted operating costs</b>	<b>5,810</b>	<b>~6,100</b>

**ConocoPhillips**

**Table 6: Reconciliation of adjusted corporate segment net expense**

\$ Millions, Except as Indicated

	FY 2018	FY 2019 Guidance
<b>Corporate and Other earnings</b>	<b>(1,667)</b>	<b>(900)</b>
Adjustments to exclude special items:		
Less unrealized loss (gain) on CVE equity	423	-
Less pension settlement expense	196	-
Less premiums on early debt retirement	208	-
Less pending claims and settlements	(16)	-
Less licensing revenue	(104)	~(100)
Less restructuring	17	-
Less tax on special items	(43)	-
<b>Adjusted corporate segment net expense</b>	<b>(986)</b>	<b>~(1,000)</b>

**ConocoPhillips**

**Table 7: Reconciliation of dry hole and leasehold impairment**

\$ Millions, Except as Indicated

	FY 2018	FY 2019 Guidance
Dry holes	39	150
Leasehold impairment	56	50
Dry hole and leasehold impairment	95	200
Adjustment to exclude special items:		
Less impairments	-	-
<b>Adjusted dry hole and leasehold impairment</b>	<b>95</b>	<b>~200</b>

**CONTACT:**

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Basic	0.47	(2.78)	0.35	1.32	(0.70)	0.75	1.40	1.60	1.62	5.36
Diluted	0.47	(2.78)	0.34	1.32	(0.70)	0.75	1.39	1.59	1.61	5.32

**Average Common Shares**

**Outstanding (in thousands)\*\***

Basic	1,243,280	1,236,831	1,212,454	1,192,243	1,221,038	1,179,792	1,172,378	1,163,033	1,151,148	1,166,499
Diluted	1,248,722	1,236,831	1,215,341	1,198,276	1,221,038	1,186,454	1,181,167	1,172,694	1,159,305	1,175,538

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

\*\*Ending Common Shares Outstanding is 1,138,349 as of Dec. 31, 2018, compared with 1,151,242 as of Sep. 30, 2018.

**INCOME (LOSS) BEFORE INCOME TAXES**

Alaska	6	215	159	396	776	654	531	535	470	2,190
Lower 48	(562)	(4,013)	(148)	(102)	(4,825)	398	523	660	640	2,221
Canada	(87)	1,846	243	(55)	1,947	(105)	47	49	(24)	(33)
Europe and North Africa	533	276	303	607	1,719	771	862	811	1,687	4,131
Asia Pacific and Middle East	392	(2,052)	452	524	(684)	653	629	815	743	2,840
Other International	(68)	(11)	(15)	282	188	(10)	(2)	334	72	394
Corporate and Other	(446)	(622)	(341)	(327)	(1,736)	(585)	29	(298)	(916)	(1,770)
<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>2,619</b>	<b>2,906</b>	<b>2,672</b>	<b>9,973</b>

**EFFECTIVE INCOME TAX RATES**

Alaska*	295.2%	7.4%	35.3%	-195.8%	-88.7%	19.9%	21.4%	20.1%	5.4%	17.2%
Lower 48	35.5%	36.8%	34.8%	710.1%	50.9%	22.6%	21.7%	22.2%	19.3%	21.3%
Canada	1193.9%	25.2%	-14.8%	21.9%	-31.7%	38.4%	29.7%	31.2%	361.3%	291.3%
Europe and North Africa	67.8%	55.5%	72.0%	71.2%	67.8%	68.3%	66.3%	70.3%	35.4%	54.8%
Asia Pacific and Middle East	36.6%	-5.2%	8.9%	11.9%	-51.4%	27.6%	23.5%	27.8%	22.4%	25.4%
Other International	29.6%	14.2%	-27.3%	13.7%	11.3%	-336.7%	-102.3%	5.4%	-33.5%	7.6%
Corporate and Other	22.0%	31.8%	4.2%	-217.2%	-23.0%	7.5%	5.3%	17.3%	0.9%	5.8%
<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>36.8%</b>	<b>35.5%</b>	<b>29.7%</b>	<b>36.8%</b>

\*Alaska including taxes other than income taxes.

	111.9%	32.2%	56.6%	-142.9%	-32.5%	22.4%	36.1%	37.1%	24.9%	30.3%
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	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>\$ Millions</b>										
<b>EARNINGS BY SEGMENT</b>										
Alaska	(11)	199	103	1,175	1,466	524	418	427	445	1,814
Lower 48	(362)	(2,536)	(97)	624	(2,371)	308	410	513	516	1,747
Canada	948	1,379	280	(43)	2,564	(65)	33	34	61	63
Europe and North Africa	171	123	85	174	553	245	290	241	1,090	1,866
Asia Pacific and Middle East	236	(2,172)	396	442	(1,098)	461	466	577	566	2,070
Other International	(48)	(9)	(20)	244	167	(44)	(5)	316	97	364
Corporate and Other	(348)	(424)	(327)	(1,037)	(2,136)	(541)	28	(247)	(907)	(1,667)
<b>Consolidated</b>	<b>586</b>	<b>(3,440)</b>	<b>420</b>	<b>1,579</b>	<b>(855)</b>	<b>888</b>	<b>1,640</b>	<b>1,861</b>	<b>1,868</b>	<b>6,257</b>

#### SPECIAL ITEMS

Alaska	(110)	32	-	892	814	79	-	-	98	177
Lower 48	(33)	(2,464)	(40)	610	(1,927)	(8)	-	(37)	106	61
Canada	977	1,366	304	(5)	2,642	-	36	32	80	148
Europe and North Africa	-	41	-	12	53	-	32	-	805	837
Asia Pacific and Middle East	-	(2,384)	83	74	(2,227)	-	-	-	-	-
Other International	(28)	-	-	275	247	(34)	-	325	93	384
Corporate and Other	(43)	(209)	(125)	(819)	(1,196)	(285)	281	(54)	(623)	(681)
<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>349</b>	<b>266</b>	<b>559</b>	<b>926</b>

*Detailed reconciliation of these items is provided on page 3.*

#### ADJUSTED EARNINGS

Alaska	99	167	103	283	652	445	418	427	347	1,637
Lower 48	(329)	(72)	(57)	14	(444)	316	410	550	410	1,686
Canada	(29)	13	(24)	(38)	(78)	(65)	(3)	2	(19)	(85)
Europe and North Africa	171	82	85	162	500	245	258	241	285	1,029
Asia Pacific and Middle East	236	212	313	368	1,129	461	466	577	566	2,070
Other International	(20)	(9)	(20)	(31)	(80)	(10)	(5)	(9)	4	(20)
Corporate and Other	(305)	(215)	(202)	(218)	(940)	(256)	(253)	(193)	(284)	(986)
<b>Consolidated</b>	<b>(177)</b>	<b>178</b>	<b>198</b>	<b>540</b>	<b>739</b>	<b>1,136</b>	<b>1,291</b>	<b>1,595</b>	<b>1,309</b>	<b>5,331</b>

**ADJUSTED EFFECTIVE  
INCOME TAX RATES**

Alaska	44.9%	22.3%	35.3%	28.8%	31.5%	19.5%	21.4%	20.1%	26.2%	21.7%
Lower 48	35.5%	37.9%	39.2%	28.3%	36.6%	22.5%	21.7%	22.3%	19.1%	21.4%
Canada	50.9%	-83.2%	34.7%	31.0%	46.0%	38.4%	-1.5%	61.1%	20.3%	33.6%
Europe and North Africa	67.8%	70.4%	72.0%	71.7%	70.3%	68.3%	68.1%	70.3%	69.0%	68.9%
Asia Pacific and Middle East	36.6%	31.9%	27.2%	26.0%	29.9%	27.6%	23.5%	27.8%	22.4%	25.4%
Other International	20.4%	14.2%	-27.3%	16.9%	9.9%	0.7%	-102.3%	17.2%	130.6%	44.9%
Corporate and Other	21.1%	39.2%	22.7%	30.4%	28.5%	13.8%	5.8%	11.3%	-8.2%	5.7%
<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>41.2%</b>	<b>39.2%</b>	<b>43.6%</b>	<b>41.4%</b>

\$ Millions	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	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	-	-	(98)	(76)
Total	(110)	32	-	892	814	79	-	-	98	177
<b>Lower 48</b>										
Restructuring	-	(15)	(3)	1	(17)	-	-	(20)	(3)	(23)
Impairments	(51)	(3,882)	(2)	(122)	(4,057)	(10)	-	(43)	-	(53)
Gain (loss) on asset sales	-	-	(50)	-	(50)	-	-	56	136	192
Pending claims and settlements	-	-	-	-	-	-	-	(41)	-	(41)
Subtotal before income taxes	(51)	(3,897)	(55)	(121)	(4,124)	(10)	-	(48)	133	75
Income tax provision (benefit) <sup>1</sup>	(18)	(1,433)	(15)	(731)	(2,197)	(2)	-	(11)	27	14
Total	(33)	(2,464)	(40)	610	(1,927)	(8)	-	(37)	106	61
<b>Canada</b>										
Gain (loss) on asset sales	-	1,855	281	-	2,136	-	50	45	-	95
Impairments	-	(18)	-	-	(18)	-	-	-	-	-
Restructuring	(27)	1	-	-	(26)	-	-	-	-	-
Subtotal before income taxes	(27)	1,838	281	-	2,092	-	50	45	-	95
Income tax provision (benefit) <sup>2</sup>	(1,004)	472	(23)	5	(550)	-	14	13	(80)	(53)
Total	977	1,366	304	(5)	2,642	-	36	32	80	148
<b>Europe and North Africa</b>										
Impairments	-	-	-	33	33	-	53	-	52	105
Gain (loss) on asset sales	-	-	-	-	-	-	-	-	715	715
Subtotal before income taxes	-	-	-	33	33	-	53	-	767	820
Income tax provision (benefit) <sup>3</sup>	-	(41)	-	21	(20)	-	21	-	(38)	(17)
Total	-	41	-	12	53	-	32	-	805	837
<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	-	-	345	85	430
Rig termination	(43)	-	-	-	(43)	-	-	-	-	-
Subtotal before income taxes	(43)	-	-	320	277	-	-	345	85	430
Income tax provision (benefit) <sup>5</sup>	(15)	-	-	45	30	34	-	20	(8)	46
Total	(28)	-	-	275	247	(34)	-	325	93	384
<b>Corporate and Other</b>										
Pension settlement expense	(60)	(36)	(20)	(14)	(130)	-	(147)	(14)	(35)	(196)
Pending claims and settlements	-	2	(9)	17	10	34	-	(18)	-	16
Premiums on early debt retirement	-	(234)	(51)	(17)	(302)	(206)	(2)	-	-	(208)
Unrealized gain (loss) on CVE equity	-	-	-	-	-	(116)	387	(76)	(618)	(423)
Recognition of deferred licensing revenue <sup>6</sup>	-	-	-	-	-	-	60	44	-	104
Restructuring	-	-	-	-	-	-	-	(17)	-	(17)
Subtotal before income taxes	(60)	(268)	(80)	(14)	(422)	(288)	298	(81)	(653)	(724)
Income tax provision (benefit) <sup>4</sup>	(17)	(59)	45	805	774	(3)	17	(27)	(30)	(43)
Total	(43)	(209)	(125)	(819)	(1,196)	(285)	281	(54)	(623)	(681)
<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>349</b>	<b>266</b>	<b>559</b>	<b>926</b>

<sup>1</sup>Includes deferred tax adjustment in 2Q 2017 and 4Q 2018 in Alaska and Lower 48; 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; 4Q 2017 U.S. Tax Reform; and 4Q 2018 deferred tax adjustment.

<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	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
\$ Millions										
<b>CONSOLIDATED</b>										
<b>BALANCE SHEET</b>										
<b>Assets</b>										
Cash and cash equivalents	3,109	7,534	6,911	6,325	6,325	4,984	3,234	3,716	5,915	5,915
Short-term investments	252	2,733	2,696	1,873	1,873	288	612	875	248	248
Accounts and notes receivable	3,105	3,020	3,222	4,179	4,179	4,032	3,750	4,319	3,920	3,920
Accounts and notes receivable—related parties	254	143	142	141	141	160	180	180	147	147
Investment in Cenovus										
Energy	-	1,533	2,084	1,899	1,899	1,776	2,159	2,086	1,462	1,462
Inventories	1,097	1,019	1,023	1,060	1,060	1,053	1,093	1,239	1,007	1,007
Prepaid expenses and other current assets	2,911	3,897	876	1,035	1,035	894	580	2,308	575	575
<b>Total Current Assets</b>	<b>10,728</b>	<b>19,879</b>	<b>16,954</b>	<b>16,512</b>	<b>16,512</b>	<b>13,187</b>	<b>11,608</b>	<b>14,723</b>	<b>13,274</b>	<b>13,274</b>
Investments and long-term receivables	21,153	9,681	9,696	9,599	9,599	9,572	9,435	9,553	9,329	9,329
Loans and advances—related parties	522	522	461	461	461	399	399	335	335	335
Net properties, plants and equipment	54,440	46,846	46,669	45,683	45,683	45,997	46,306	44,736	45,698	45,698
Other assets	1,130	1,076	1,081	1,107	1,107	1,572	1,188	1,209	1,344	1,344
<b>Total Assets</b>	<b>87,973</b>	<b>78,004</b>	<b>74,861</b>	<b>73,362</b>	<b>73,362</b>	<b>70,727</b>	<b>68,936</b>	<b>70,556</b>	<b>69,980</b>	<b>69,980</b>
<b>Liabilities</b>										
Accounts payable	3,494	3,401	3,378	4,009	4,009	3,824	3,642	3,887	3,863	3,863
Accounts payable—related parties	37	33	38	21	21	62	24	31	32	32
Short-term debt	1,095	3,798	1,331	2,575	2,575	337	89	95	112	112
Accrued income and other taxes	756	791	1,005	1,038	1,038	1,341	1,301	1,582	1,320	1,320
Employee benefit obligations	465	509	528	725	725	408	511	626	809	809
Other accruals	1,679	1,394	851	1,029	1,029	1,137	1,071	1,180	1,259	1,259
<b>Total Current Liabilities</b>	<b>7,526</b>	<b>9,926</b>	<b>7,131</b>	<b>9,397</b>	<b>9,397</b>	<b>7,109</b>	<b>6,638</b>	<b>7,401</b>	<b>7,395</b>	<b>7,395</b>
Long-term debt	25,340	19,670	19,673	17,128	17,128	16,709	14,885	14,902	14,856	14,856
Asset retirement obligations and accrued environmental costs	7,884	7,631	7,763	7,631	7,631	7,789	7,665	7,554	7,688	7,688
Deferred income taxes	7,568	6,335	6,262	5,282	5,282	5,409	5,534	5,535	5,021	5,021
Employee benefit obligations	2,534	2,499	1,903	1,854	1,854	1,832	1,774	1,755	1,764	1,764
Other liabilities and deferred credits	1,520	1,444	1,417	1,269	1,269	1,161	1,218	1,330	1,192	1,192
<b>Total Liabilities</b>	<b>52,372</b>	<b>47,505</b>	<b>44,149</b>	<b>42,561</b>	<b>42,561</b>	<b>40,009</b>	<b>37,714</b>	<b>38,477</b>	<b>37,916</b>	<b>37,916</b>
<b>Equity</b>										
Common stock issued										
Par value	18	18	18	18	18	18	18	18	18	18
Capital in excess of par	46,510	46,558	46,595	46,622	46,622	46,642	46,746	46,858	46,879	46,879
Treasury stock	(37,018)	(37,981)	(38,951)	(39,906)	(39,906)	(40,406)	(41,052)	(41,979)	(42,905)	(42,905)
Accumulated other comprehensive income (loss)	(5,961)	(6,342)	(5,292)	(5,518)	(5,518)	(5,371)	(5,637)	(5,442)	(6,063)	(6,063)
Retained earnings	31,804	28,033	28,130	29,391	29,391	29,663	30,967	32,495	34,010	34,010
<b>Total Common Stockholders' Equity</b>	<b>35,353</b>	<b>30,286</b>	<b>30,500</b>	<b>30,607</b>	<b>30,607</b>	<b>30,546</b>	<b>31,042</b>	<b>31,950</b>	<b>31,939</b>	<b>31,939</b>
Noncontrolling Interests	248	213	212	194	194	172	180	129	125	125
<b>Total Equity</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>31,222</b>	<b>32,079</b>	<b>32,064</b>	<b>32,064</b>
<b>Total Liabilities and Equity</b>	<b>87,973</b>	<b>78,004</b>	<b>74,861</b>	<b>73,362</b>	<b>73,362</b>	<b>70,727</b>	<b>68,936</b>	<b>70,556</b>	<b>69,980</b>	<b>69,980</b>

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	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	1,654	1,873	1,878	6,305
Depreciation, depletion and amortization	1,979	1,625	1,608	1,633	6,845	1,412	1,438	1,494	1,612	5,956
Impairments	175	6,294	6	126	6,601	12	(35)	44	6	27
Dry hole costs and leasehold impairments	406	22	7	131	566	20	16	28	31	95
Accretion on discounted liabilities	95	92	89	86	362	88	89	89	87	353
Deferred taxes	(1,314)	(1,234)	(222)	(911)	(3,681)	65	197	136	(115)	283
Undistributed equity earnings	(43)	(78)	(72)	(39)	(232)	(34)	128	(105)	163	152
Gain on dispositions	(22)	(1,876)	(246)	(33)	(2,177)	(7)	(55)	(113)	(888)	(1,063)
Other	(47)	222	(542)	(62)	(429)	29	(267)	15	414	191
Net working capital changes	(38)	110	(9)	(48)	15	(86)	177	(51)	595	635
<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>3,342</b>	<b>3,410</b>	<b>3,783</b>	<b>12,934</b>
<b>Cash Flows from Investing Activities</b>										
Capital expenditures and investments	(966)	(1,020)	(1,088)	(1,517)	(4,591)	(1,535)	(1,999)	(1,599)	(1,617)	(6,750)
Working capital changes associated with investing activities	(26)	(87)	95	150	132	28	(120)	35	(11)	(68)
Proceeds from asset dispositions	35	10,707	2,998	120	13,860	169	139	86	688	1,082
Net sales (purchases) of short-term investments	(203)	(2,450)	70	793	(1,790)	1,593	(336)	(261)	624	1,620
Long-term collections from (advances to) related parties and other investments	186	47	(67)	(15)	151	(333)	367	101	138	273
<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>(1,949)</b>	<b>(1,638)</b>	<b>(178)</b>	<b>(3,843)</b>
<b>Cash Flows from Financing Activities</b>										
Repayment of debt	(839)	(3,240)	(2,515)	(1,282)	(7,876)	(2,888)	(2,064)	(18)	(25)	(4,995)
Issuance of company common stock	(46)	(17)	(2)	2	(63)	(18)	60	79	-	121
Repurchase of company common stock	(112)	(963)	(970)	(955)	(3,000)	(500)	(646)	(927)	(926)	(2,999)
Dividends paid	(331)	(331)	(324)	(319)	(1,305)	(338)	(337)	(334)	(354)	(1,363)
Other	(16)	(48)	(16)	(32)	(112)	(32)	(16)	(63)	(12)	(123)
<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>(3,003)</b>	<b>(1,263)</b>	<b>(1,317)</b>	<b>(9,359)</b>
<b>Effect of Exchange Rate Changes</b>										
	27	76	141	(12)	232	125	(139)	(26)	(77)	(117)
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>										
	(501)	4,425	(623)	(586)	2,715	(1,330)	(1,749)	483	2,211	(385)
Cash, cash equivalents and restricted cash at beginning of period*	3,610	3,109	7,534	6,911	3,610	6,536	5,206	3,457	3,940	6,536
Cash, Cash Equivalents and Restricted Cash at End of Period	3,109	7,534	6,911	6,325	6,325	5,206	3,457	3,940	6,151	6,151

\*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	581	190	264	1,298
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Lower 48	343	383	508	902	2,136	751	889	835	709	3,184
Canada	62	85	33	22	202	173	45	100	159	477
Europe and North Africa	200	212	245	215	872	216	246	216	199	877
Asia Pacific and Middle East	109	93	114	166	482	99	194	200	225	718
Other International	5	5	7	4	21	1	2	3	-	6
Corporate and Other	19	13	2	29	63	32	42	55	61	190
<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>1,999</b>	<b>1,599</b>	<b>1,617</b>	<b>6,750</b>

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	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	1,249	1,261	1,357	1,283
Crude Oil (MBD)										
Consolidated operations	588	576	568	608	585	621	610	622	705	639
Equity affiliates	13	14	14	14	14	15	14	13	12	14
Total	601	590	582	622	599	636	624	635	717	653
Over (under) lifting of crude oil (MBD)										
	36	28	11	13	22	15	9	28	11	16
NGL (MBD)										
Consolidated operations	127	119	87	84	104	88	95	98	98	95
Equity affiliates	7	8	8	5	7	8	8	8	7	7
Total	134	127	95	89	111	96	103	106	105	102
Bitumen (MBD)										
Consolidated operations	52	52	63	67	59	66	63	65	71	66
Equity affiliates	171	85	-	-	63	-	-	-	-	-
Total	223	137	63	67	122	66	63	65	71	66
Natural Gas (MMCFD)										
Consolidated operations	2,874	2,484	1,878	1,833	2,263	1,775	1,700	1,707	1,793	1,743
Equity affiliates	935	1,015	1,040	1,035	1,007	1,053	1,054	1,025	992	1,031
Total	3,809	3,499	2,918	2,868	3,270	2,828	2,754	2,732	2,785	2,774
<b>Industry Prices</b>										
Crude Oil (\$/BBL)										
WTI	51.83	48.24	48.16	55.35	50.90	62.88	67.99	69.71	59.09	64.92
WCS	37.25	37.12	38.22	43.08	38.92	38.60	48.72	47.47	19.64	38.61
Brent dated	53.78	49.83	52.09	61.39	54.27	66.76	74.35	75.27	67.76	71.04
JCC (\$/BBL)	47.21	54.95	53.16	49.87	51.30	58.62	66.66	71.51	76.66	68.36
Natural Gas (\$/MMBTU)										
Henry Hub first of month	3.32	3.19	2.99	2.93	3.11	3.01	2.80	2.91	3.65	3.09
<b>Average Realized Prices</b>										
Crude Oil (\$/BBL)										
Consolidated operations	50.86	48.11	49.31	58.95	51.89	65.47	70.42	72.97	63.74	68.03
Equity affiliates	55.58	50.55	52.29	60.52	54.76	66.50	76.11	76.62	70.73	72.49
Total	50.97	48.16	49.39	58.99	51.96	65.49	70.55	73.05	63.86	68.13
NGL (\$/BBL)										
Consolidated operations	23.81	19.97	22.50	32.08	24.21	26.68	28.57	33.80	26.61	29.03
Equity affiliates	43.20	34.49	35.94	44.06	38.74	43.99	43.60	49.71	45.48	45.69
Total	24.87	20.99	23.82	32.79	25.22	28.37	29.94	35.14	28.04	30.48
Bitumen (\$/BBL)										
Consolidated operations	15.63	19.28	24.19	25.20	21.43	14.06	32.38	34.15	11.65	22.29
Equity affiliates	23.63	24.19	-	-	23.83	-	-	-	-	-
Total	21.56	22.42	24.19	25.20	22.66	14.06	32.38	34.15	11.65	22.29
Natural Gas (\$/MCF)										
Consolidated operations	3.78	3.64	3.88	4.80	3.97	5.18	4.85	5.48	6.05	5.40
Equity affiliates	4.00	4.29	4.51	4.25	4.27	5.04	5.72	6.35	7.15	6.06
Total	3.84	3.83	4.11	4.59	4.07	5.13	5.18	5.81	6.46	5.65
<b>Exploration Expenses (\$ Millions)</b>										
Dry holes	343	14	(3)	76	430	15	1	12	11	39
Leasehold impairment	63	8	10	55	136	5	15	16	20	56
Total noncash expenses	406	22	7	131	566	20	16	28	31	95
Other (G&A, G&G and lease rentals)*	144	75	66	83	368	75	53	75	71	274
Total exploration expenses*	550	97	73	214	934	95	69	103	102	369
U.S. exploration expenses*	427	43	38	152	660	66	49	59	58	232

International exploration expenses*	123	54	35	62	274	29	20	44	44	137
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\*2017 has been restated to align with current period financial statements.

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

Alaska	234	216	188	208	846	185	182	161	213	741
Lower 48	819	666	612	627	2,724	498	553	603	653	2,307
Canada	196	70	84	89	439	91	85	89	50	315
Europe and North Africa	346	318	317	286	1,267	285	275	281	278	1,119
Asia Pacific and Middle East	350	321	374	390	1,435	327	317	334	390	1,368
Other International	-	-	-	-	-	-	-	-	-	-
Corporate and Other	34	34	33	33	134	26	26	26	28	106
<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>1,438</b>	<b>1,494</b>	<b>1,612</b>	<b>5,956</b>

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>PRODUCTION</b>										
<b>Crude Oil (MBD)</b>										
Alaska	175	169	154	173	167	174	170	152	187	171
Lower 48	176	179	175	191	180	197	218	240	262	229
Canada	6	3	1	2	3	2	1	1	1	1
Norway	103	99	95	90	97	89	82	89	89	87
United Kingdom	28	26	23	24	25	29	23	23	29	26
Libya	9	11	23	34	20	40	34	33	39	36
Europe and North Africa	140	136	141	148	142	158	139	145	157	149
Australia/Timor-Leste	7	6	6	6	6	4	3	3	5	4
China	41	38	37	35	38	37	29	34	42	36
Indonesia	2	2	2	2	2	2	2	2	2	2
Malaysia	41	43	52	51	47	47	48	45	49	47
Equity affiliates	13	14	14	14	14	15	14	13	12	14
AP/ME	104	103	111	108	107	105	96	97	110	103
Total	601	590	582	622	599	636	624	635	717	653
<b>NGL (MBD)</b>										
Alaska	15	14	11	15	14	16	14	12	16	14
Lower 48	75	79	64	58	69	60	70	73	71	69
Canada	23	13	1	-	9	-	-	2	-	1
Norway	4	4	4	4	4	4	4	4	3	4
United Kingdom	5	5	3	3	4	4	4	4	4	4
Europe and North Africa	9	9	7	7	8	8	8	8	7	8
Australia/Timor-Leste	5	4	4	4	4	4	3	3	4	3
Equity affiliates	7	8	8	5	7	8	8	8	7	7
AP/ME	12	12	12	9	11	12	11	11	11	10
Total	134	127	95	89	111	96	103	106	105	102
<b>Bitumen (MBD)</b>										
Consolidated operations	52	52	63	67	59	66	63	65	71	66
Equity affiliates	171	85	-	-	63	-	-	-	-	-
Total	223	137	63	67	122	66	63	65	71	66
<b>Natural Gas (MMCFD)</b>										
Alaska	7	7	5	7	7	7	6	5	7	6
Lower 48	1,116	1,142	765	576	898	568	593	608	616	596
Canada	488	247	10	12	187	13	14	12	9	12
Norway	213	188	193	206	200	208	172	189	206	194
United Kingdom	328	284	209	284	276	309	309	238	270	281
Libya	3	4	6	20	8	31	26	25	31	28
Europe and North Africa	544	476	408	510	484	548	507	452	507	503
Australia/Timor-Leste	284	260	241	286	267	295	241	289	276	275
Indonesia	327	276	323	305	308	307	305	316	307	309
Malaysia	108	76	126	137	112	37	34	25	71	42
Equity affiliates	935	1,015	1,040	1,035	1,007	1,053	1,054	1,025	992	1,031
AP/ME	1,654	1,627	1,730	1,763	1,694	1,692	1,634	1,655	1,646	1,657
Total	3,809	3,499	2,918	2,868	3,270	2,828	2,754	2,732	2,785	2,774
<b>Total (MBOED)</b>										
Alaska	191	184	166	189	182	191	185	165	204	186
Lower 48	437	448	366	345	399	352	387	414	436	397
Consolidated operations	162	109	67	71	102	70	67	70	74	70
Equity affiliates	171	85	-	-	63	-	-	-	-	-
Canada	333	194	67	71	165	70	67	70	74	70
Norway	143	134	131	128	134	128	114	125	126	123
United Kingdom	88	78	61	75	75	85	78	67	78	77
Libya	9	12	24	37	21	45	38	37	44	41
Europe and North Africa	240	224	216	240	230	258	230	229	248	241
Australia/Timor-Leste	59	53	50	58	55	57	46	54	55	53
China	41	38	37	35	38	37	29	34	42	36
Indonesia	57	48	56	52	53	53	53	54	53	53
Malaysia	59	56	73	74	66	53	54	49	61	54
Equity affiliates	176	192	195	192	189	198	198	192	184	193
AP/ME	392	387	411	411	401	398	380	383	395	389
Total	1,593	1,437	1,226	1,256	1,377	1,269	1,249	1,261	1,357	1,283





	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	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	72.49	76.47	66.58	70.86
Lower 48	45.89	43.38	45.29	54.27	47.36	61.99	65.79	67.73	57.08	62.99
Canada	43.82	43.35	-	-	43.69	-	-	-	-	48.73
Norway	54.14	51.19	51.94	62.28	54.61	65.84	73.13	77.74	70.19	71.61
United Kingdom	50.09	51.72	46.88	57.63	51.85	64.27	70.97	76.51	66.56	69.00
Libya	52.98	48.77	51.00	60.82	55.11	65.90	72.86	73.42	68.30	69.83
Europe and North Africa	53.34	50.98	51.05	61.04	54.21	65.57	72.65	76.54	68.97	70.71
Australia/Timor-Leste	53.85	49.43	50.35	63.35	54.10	70.71	72.25	71.12	68.88	70.70
China	50.31	46.00	49.09	58.07	50.91	62.49	69.51	70.71	62.37	65.94
Indonesia	42.45	37.44	38.89	75.00	47.09	58.60	49.93	55.16	50.54	53.34
Malaysia	58.13	52.64	54.66	64.54	57.59	70.42	78.42	79.32	73.50	75.33
AP/ME	53.74	49.28	52.06	62.09	54.38	67.07	74.88	74.78	67.76	70.93
Total consolidated operations	50.86	48.11	49.31	58.95	51.89	65.47	70.42	72.97	63.74	68.03
Equity affiliates	55.58	50.55	52.29	60.52	54.76	66.50	76.11	76.62	70.73	72.49
Total	50.97	48.16	49.39	58.99	51.96	65.49	70.55	73.05	63.86	68.13
<b>NGL (\$/BBL)</b>										
Consolidated operations										
Lower 48	22.07	18.99	20.72	28.41	22.20	24.57	26.71	32.17	25.13	27.30
Canada	21.32	20.96	-	-	21.51	-	-	-	-	43.70
Norway	31.77	24.24	28.86	40.56	34.14	32.58	41.12	35.57	33.23	35.56
United Kingdom	30.32	25.32	33.07	43.60	33.98	33.43	39.77	40.43	37.14	38.13
Europe and North Africa	31.21	24.88	31.16	41.74	34.07	32.98	40.35	38.80	34.75	36.87
Australia/Timor-Leste	42.96	34.54	35.74	49.26	41.37	44.36	44.23	52.30	42.66	47.20
AP/ME	42.96	34.54	35.74	49.26	41.37	44.36	44.23	52.30	42.66	47.20
Total consolidated operations	23.81	19.97	22.50	32.08	24.21	26.68	28.57	33.80	26.61	29.03
Equity affiliates	43.20	34.49	35.94	44.06	38.74	43.99	43.60	49.71	45.48	45.69
Total	24.87	20.99	23.82	32.79	25.22	28.37	29.94	35.14	28.04	30.48
<b>Bitumen (\$/BBL)</b>										
Consolidated operations*	15.63	19.28	24.19	25.20	21.43	14.06	32.38	34.15	11.65	22.29
Equity affiliates	23.63	24.19	-	-	23.83	-	-	-	-	-
Total	21.56	22.42	24.19	25.20	22.66	14.06	32.38	34.15	11.65	22.29
<b>Natural Gas (\$/MCF)</b>										
Consolidated operations										
Alaska	3.53	1.43	4.55	2.59	2.72	2.51	2.51	2.52	2.41	2.48
Lower 48	2.83	2.72	2.63	2.68	2.73	2.76	2.34	2.80	3.35	2.82
Canada	1.95	2.00	-	-	1.93	-	-	-	-	1.00
Norway	5.52	4.87	5.00	6.59	5.54	7.32	7.19	8.23	8.57	7.87
United Kingdom	6.07	4.99	5.20	6.89	5.84	7.58	7.31	7.37	8.73	7.74
Libya	-	-	0.09	3.68	3.53	5.62	5.52	4.11	4.10	4.84
Europe and North Africa	5.86	4.95	5.09	6.65	5.70	7.38	7.19	7.62	8.42	7.65
Australia/Timor-Leste**	0.57	0.77	0.64	0.61	0.65	0.62	0.69	1.14	0.79	0.82
Indonesia	6.52	6.34	5.81	6.38	6.26	6.61	6.96	7.09	7.71	7.10
Malaysia	2.82	3.07	3.30	3.16	3.10	2.78	3.06	3.11	3.64	3.25
AP/ME	4.96	5.05	4.63	5.27	4.98	5.57	5.50	6.53	6.90	6.15
Total consolidated operations	3.78	3.64	3.88	4.80	3.97	5.18	4.85	5.48	6.05	5.40
Equity affiliates	4.00	4.29	4.51	4.25	4.27	5.04	5.72	6.35	7.15	6.06
Total	3.84	3.83	4.11	4.59	4.07	5.13	5.18	5.81	6.46	5.65

\*2018 average realized prices exclude additional value realized from third-party purchases and sales for optimization of our pipeline capacity between Canada and the U.S. Gulf Coast.

\*\*Excludes transfers to Darwin LNG plant.

	2017					2018				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	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)	28	(247)	(907)	(1,667)

#### Detail of Earnings (Loss)

(\$ Millions)										
Net interest expense	(253)	(174)	(176)	(136)	(739)	(160)	(174)	(174)	(172)	(680)
Corporate G&A expenses*	(51)	(39)	(42)	(61)	(193)	(50)	(53)	(36)	48	(91)
Technology**	9	-	20	(9)	20	(10)	63	64	(8)	109
Other*	(53)	(211)	(129)	(831)	(1,224)	(321)	192	(101)	(775)	(1,005)
<b>Total</b>	<b>(348)</b>	<b>(424)</b>	<b>(327)</b>	<b>(1,037)</b>	<b>(2,136)</b>	<b>(541)</b>	<b>28</b>	<b>(247)</b>	<b>(907)</b>	<b>(1,667)</b>

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

\*\*Includes investment in new technologies or businesses outside of our normal scope of operations and licensing revenues.

#### Before-Tax Net Interest

Expense (\$ Millions)										
Interest expense	(340)	(336)	(282)	(259)	(1,217)	(221)	(222)	(236)	(226)	(905)
Capitalized interest	25	30	31	33	119	37	45	50	38	170
Interest revenue	11	17	29	43	100	22	15	18	24	79
<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>(168)</b>	<b>(164)</b>	<b>(656)</b>

#### Debt

Total debt (\$ Millions)	26,435	23,468	21,004	19,703	19,703	17,046	14,974	14,997	14,968	14,968
Debt-to-capital ratio (%)	43%	43%	41%	39%	39%	36%	32%	32%	32%	32%

<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>31,222</b>	<b>32,079</b>	<b>32,064</b>	<b>32,064</b>
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#### 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