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# CAUTIONARY STATEMENT

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

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

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This presentation includes certain non-GAAP financial measures, as indicated. Such non-GAAP measures are intended to supplement, not substitute for, comparable GAAP measures. Investors are urged to consider closely the GAAP reconciliation tables provided in the presentation Appendix.

# Exploration & Production Strategy

- **Maximize value from existing assets**
- **Deliver major projects and drilling programs**
- **Create growth through focused exploration and business development**
- **Develop and implement technology**
- **Continuously improve safety performance**
- **Minimize the environmental impact of our operations**



*Focus on execution*

# Exploration & Production Objectives

- **Cash and Income per BOE**
- **ROCE**
- **Production<sup>1</sup>**
- **5-year reserve replacement**
- **5-year F&D cost<sup>2</sup>**
- **Production cost<sup>2,3</sup>**

## Target

**Competitive with peers**

**Improve relative position**

**~2% long-term growth**

**100+%**

**\$10 - \$16 / BOE**

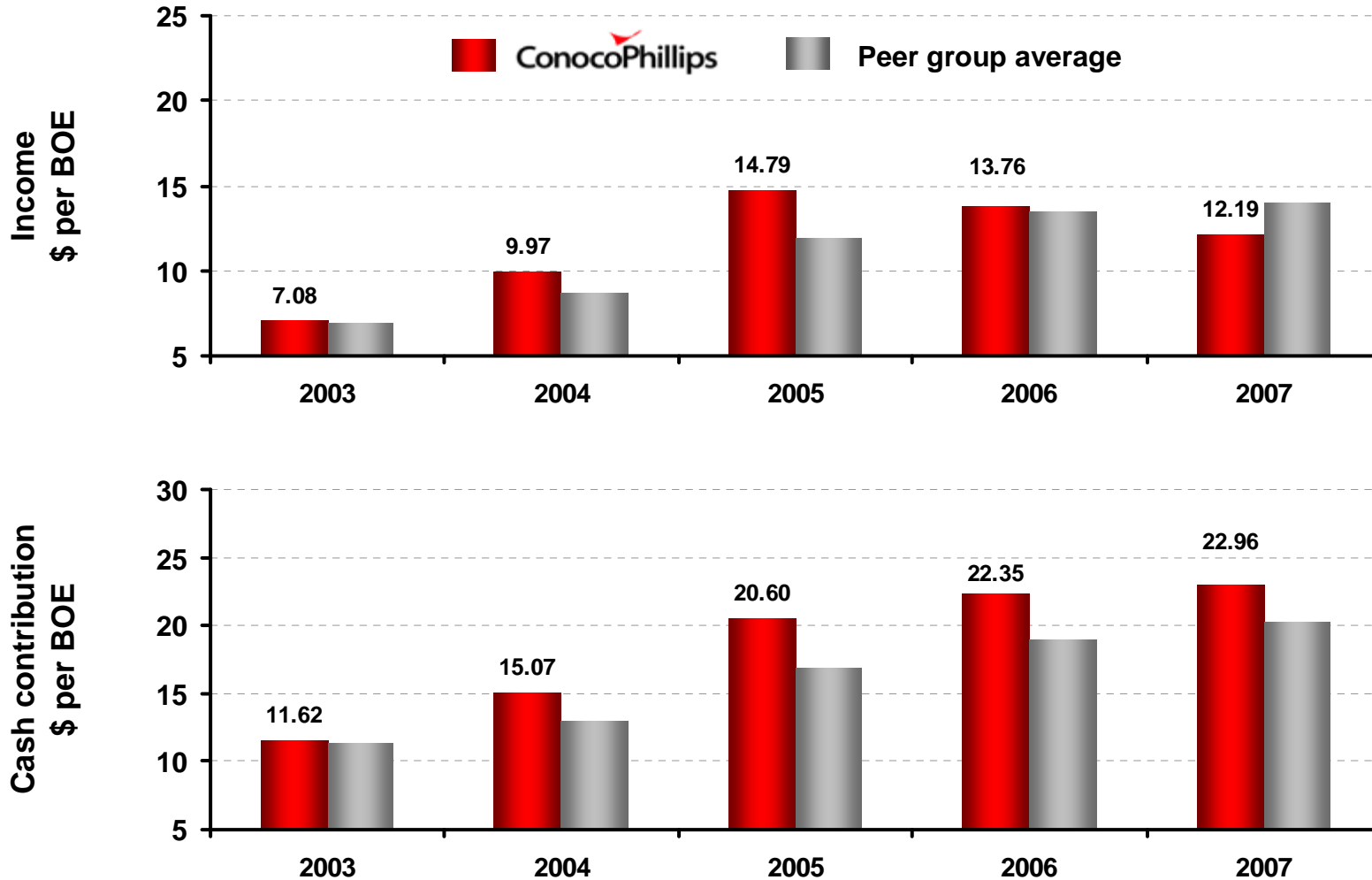
**\$8 - \$9 / BOE**

<sup>1</sup> Includes equity affiliates, Syncrude and LUKOIL

<sup>2</sup> Costs based on corporate commodity price assumptions

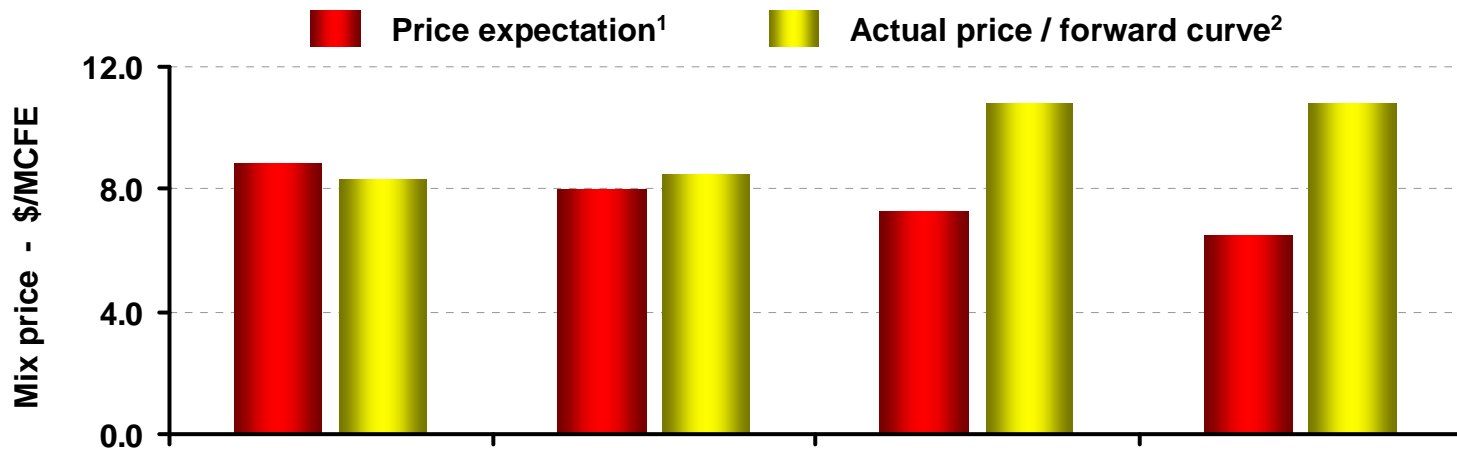
<sup>3</sup> Portfolio average FAS69 production costs, excludes transportation costs, production taxes, taxes other than income and LUKOIL

# E&P Financial Performance



# Burlington Resources Acquisition

- Resource and production as expected ✓
- Resource capture / manufacturing model maintained ✓
- Synergies higher than expected ✓
- Commodity prices have outperformed expectations ✓



## Prices

	2006		2007		2008		2009	
Gas (\$/MCF)	8.52	7.24	7.68	7.00	7.00	8.73	6.50	8.89
Oil (\$/BBL)	57.50	66.00	53.32	72.25	48.37	94.16	40.00	92.42
Mix <sup>3</sup> (\$/MCFE)	8.84	8.37	8.04	8.51	7.32	10.82	6.55	10.84

<sup>1</sup> First Call estimates used at time of transaction

<sup>2</sup> 2008 and 2009 price estimate based on forward curves for the week ending 2/29/08

<sup>3</sup> Based on Burlington Resources production and reserves mix of 70% gas and 30% liquids

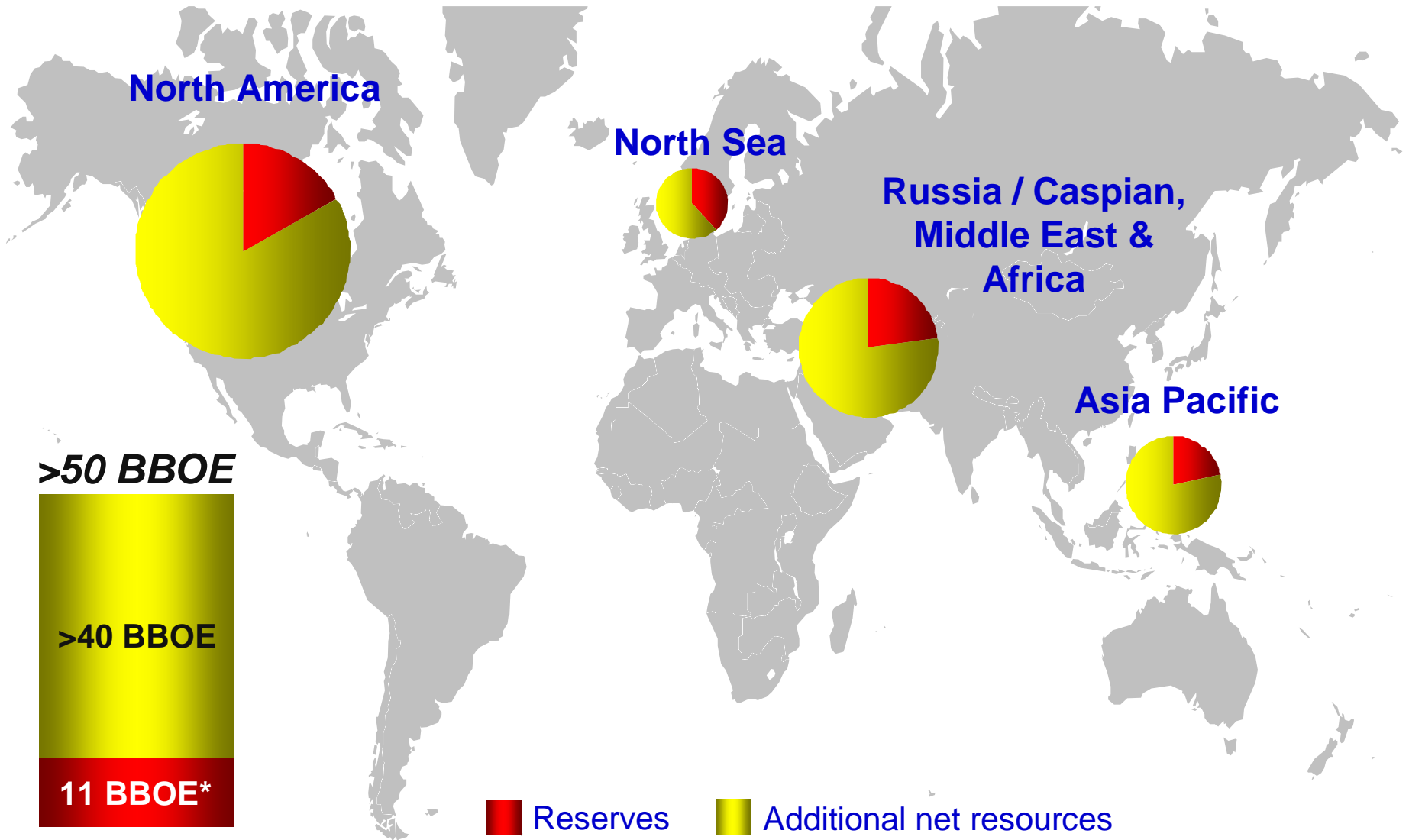
# Unique Upstream Portfolio



- **Significant captured resource base to support long-term growth**
- **Sustainable OECD asset base**
- **Growth in Asia Pacific, Middle East and Russia / Caspian**
- **Strong project inventory driving long-term growth**
- **Exploration opportunities in material growth plays**

***Opportunity and resource-rich asset base***

# Significant Captured Resource Base



>50 BBOE

>40 BBOE

11 BBOE\*

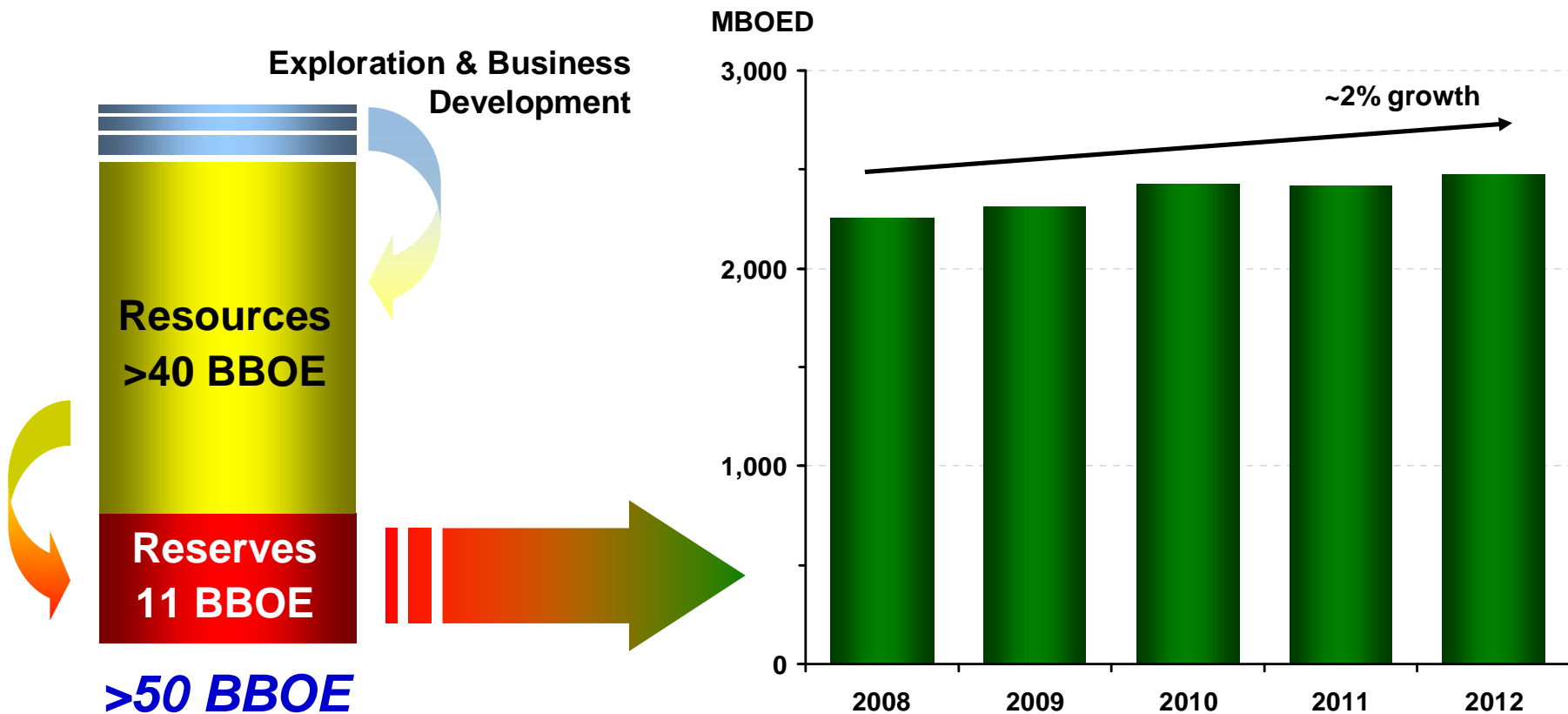
Reserves

Additional net resources

\*2007 year-end SEC reserves of 10.6 BBOE excluding Syncrude



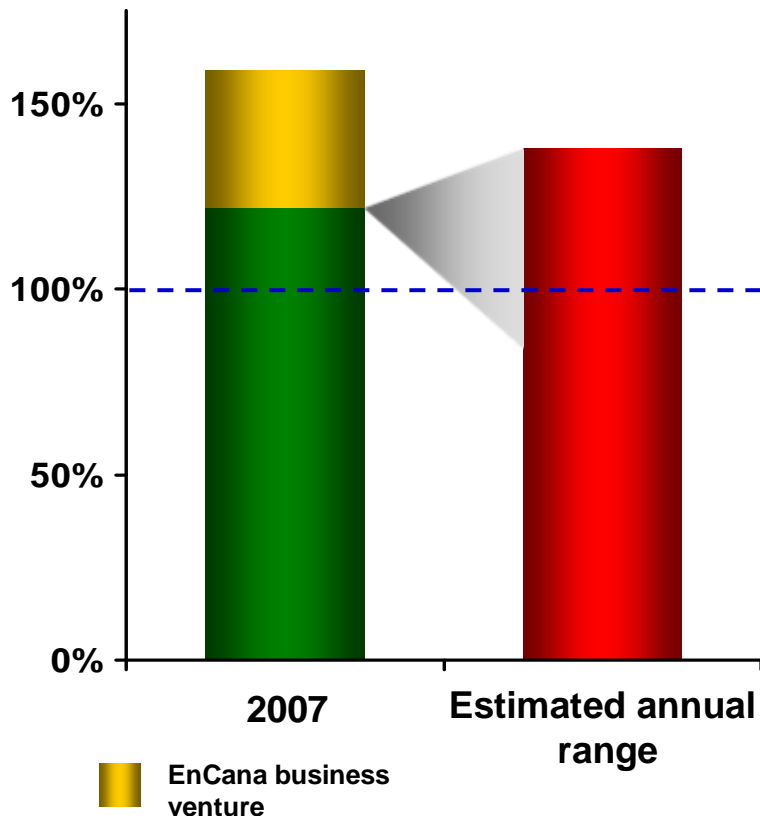
# Resources to Reserves



*Methodical plan to move resources to reserves to production*

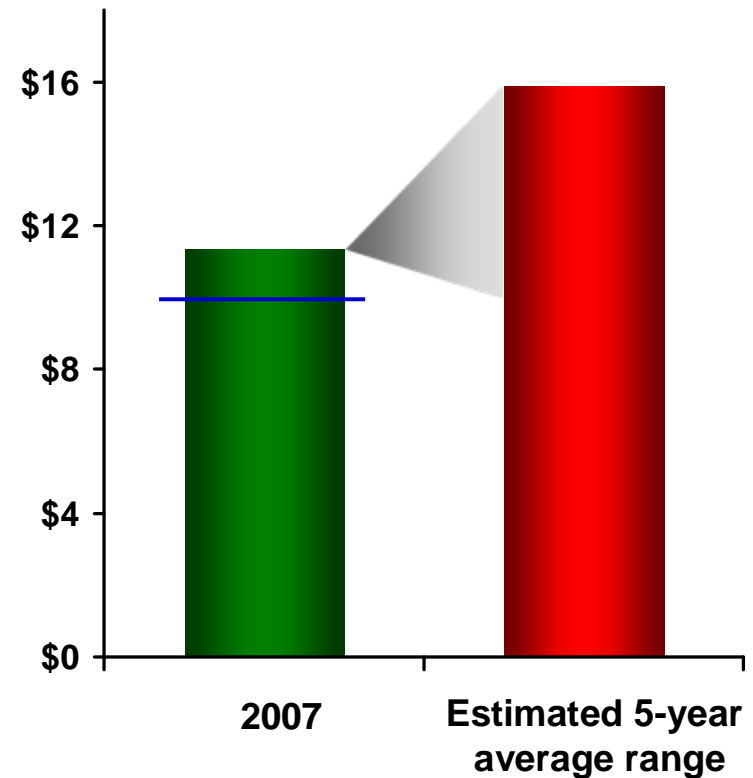
# Reserve Replacement Metrics

## Reserve Replacement\*



## Finding & Development Costs

\$/BOE

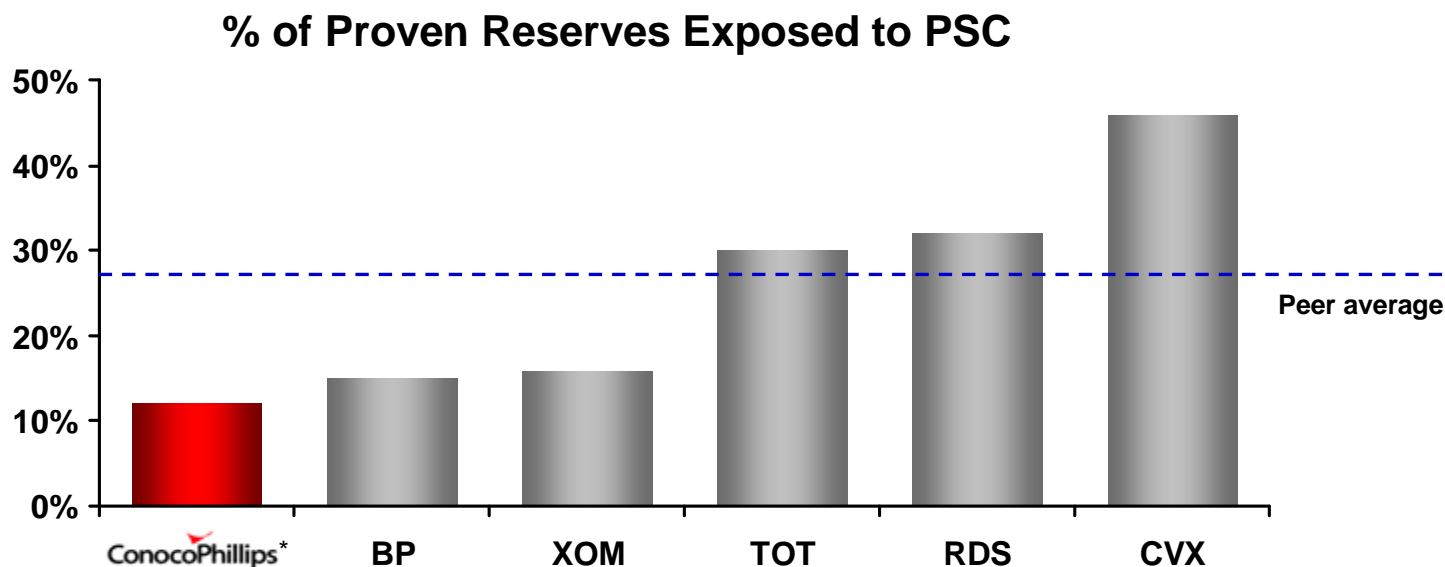


**Planned reserve replacement is 100+%**

\*Includes sales, acquisitions, LUKOIL and equity affiliates. Excludes writedown associated with Venezuela expropriation

# Production Sharing Contract (PSC) Exposure

- Lowest exposure to PSC regimes in peer group
- Lower production and reserve sensitivity to price



***Positioned to capture upside of higher price environment***

Source: Bernstein Research, "Global Integrated Oils: Production Sharing Agreements", January 2008

\* Based on 2007 year-end SEC reserves excluding LUKOIL

# OECD Platform for Growth

## ■ Leading North America integrated position

- Second largest natural gas producer
- Largest oil and gas producer in Alaska
- Leading Canadian oil sands position
- Largest land position in Lower 48

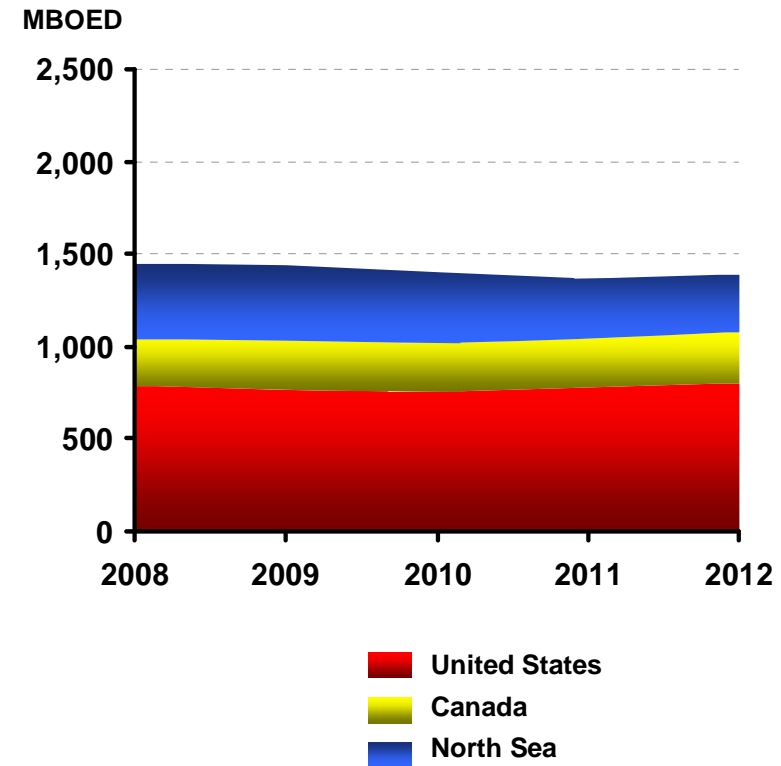
## ■ Repeatable North American programs

- Provide competitive advantage
- Generate attractive returns
- Short cycle times generate cash quickly
- Ability to vary program size to react to market

## ■ Legacy position in the North Sea

- Long-life assets

## OECD Production



***Sustainable OECD asset base to underpin future growth***

# Strong Project Portfolio

## NORTH AMERICA

- Surmont 1
- Foster Creek
- Christina Lake
- Piceance
- Alpine Satellites
- Prudhoe WRD
- Mackenzie Delta Gas
- ANS Gas
- Surmont 2/3
- Thornbury / Clyden / Saleski
- Syncrude 4/5

## NORTH SEA

- Britannia Satellites
- Statfjord Late Life
- Alvheim
- Greater Ekofisk
- Jasmine
- Clair II

## RUSSIA/CASPIAN

- Yuzhno Khylochuy
- Kashagan Phase I
- Kashagan Phase II+
- Kashagan Satellites

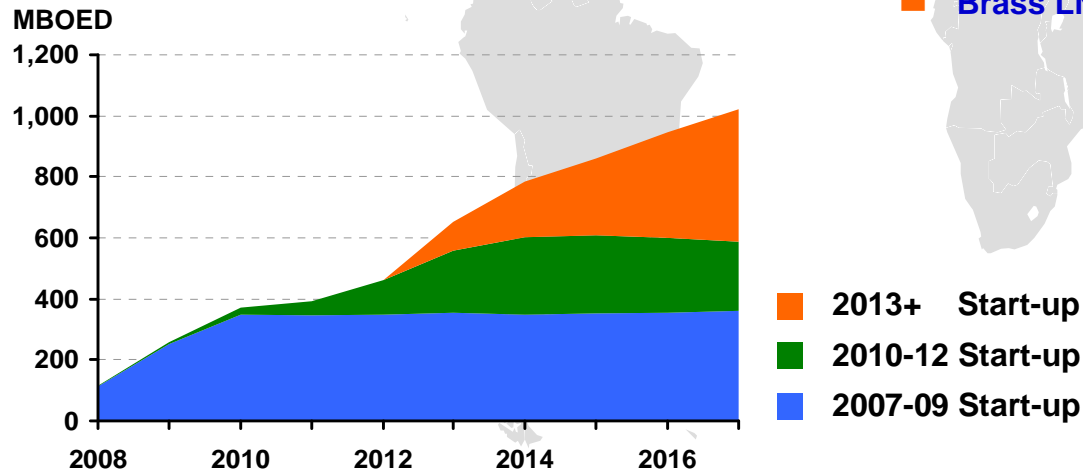
## MIDDLE EAST/AFRICA

- Qatargas 3 LNG
- Nigeria NLNG supply
- Libya Waha fields
- Algeria El Merk
- Brass LNG

## ASIA PACIFIC

- Bohai Phase II
- Su Tu Vang
- Su Tu Den / Trang / Nau
- Gumusut
- KBB Sabah
- Suban 3
- Bohai Phase III
- Greater Sunrise
- Caldita / Barossa

## Net Incremental Production



# Strengthening Exploration

- **Continuing to strengthen exploration portfolio**
- **Focused on plays with material resource potential and upside**
  - Exposure to 3-4 BBOE net risked resources\* on captured acreage
- **Multi-year inventory of drillable prospects**
- **Robust pipeline of ideas and studies for new play generation**
- **Significant investment in North America onshore programs**
  - 200+ exploration wells planned for 2008
  - Represents ~40% of total exploration spend
  - Resource play focus
  - Significant heavy oil delineation program



*Laying the foundation for organic growth*

# Exploration Portfolio



**Focus on plays with material resource potential and upside "running room"**

★ Key focus area    ★ Exploration activity

# Portfolio Assessment Summary

- **>50 BBOE of captured resources**
- **Sustainable OECD asset base**
  - Leading North American integrated position
  - Legacy North Sea position
- **Diverse set of near- and long-term opportunities providing stable growth**
- **Growing positions in Asia Pacific, Middle East and Russia / Caspian**
- **Exploration focus on material growth plays**



***Opportunity and resource-rich asset base***



# Operating Excellence



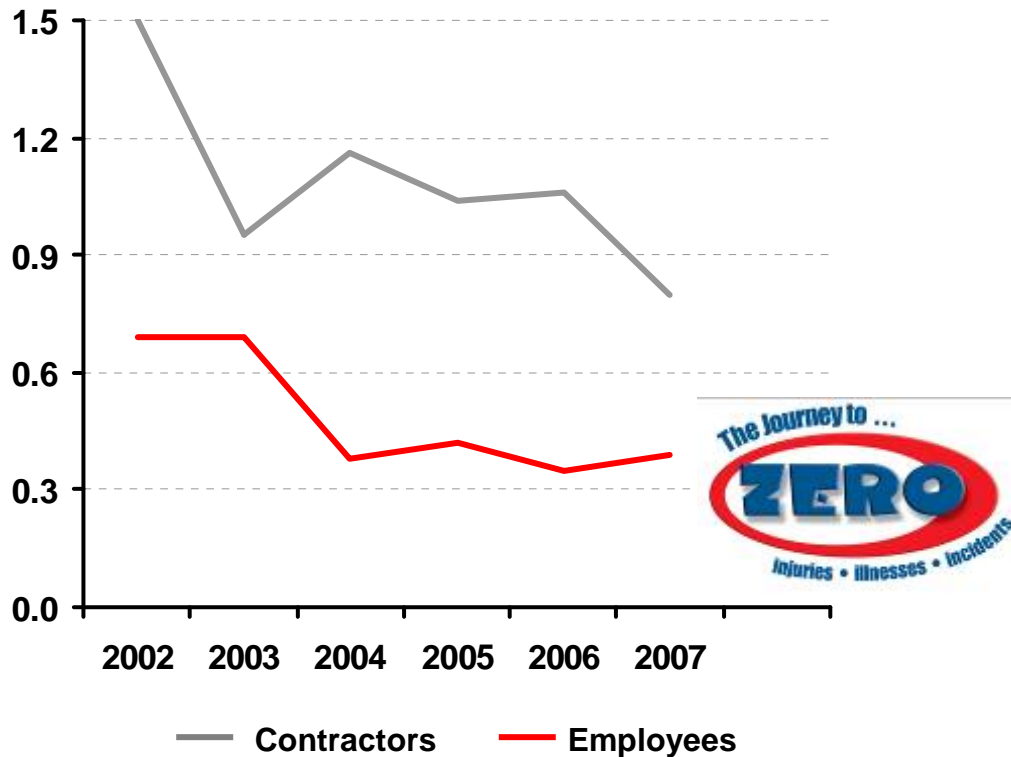
- **Safety focus**
- **Operations excellence**
- **Environmental stewardship**
- **Technology-driven performance**
- **Addressing cost challenges**

***Leveraging knowledge globally for continuous improvement***

# Safety Focus

## E&P Total Recordable Incident Rates

*Incidents per 200,000 hours*



- Contractor safety focus has delivered improvement
- Safety culture has endured dramatic growth and portfolio change
- Continued process safety focus
  - Asset and operating integrity emphasis
  - Leading and lagging indicators

***Safety is the foundation of everything we do***

# Operations Excellence

## ■ Maintenance and reliability of equipment

- Preventative and predictive programs
- Risk assessment using global standards

## ■ Asset and operating integrity

- Focus on safety and the environment
- Investments to extend the life of legacy assets

## ■ Production surveillance and optimization

- Deliver full production potential of our wells and facilities
- Minimize unplanned downtime

## ■ Planning and scheduling

- Optimize resources
- Minimize planned downtime



## *Diverse asset base*



***Systematic approach to sustainable improvement***

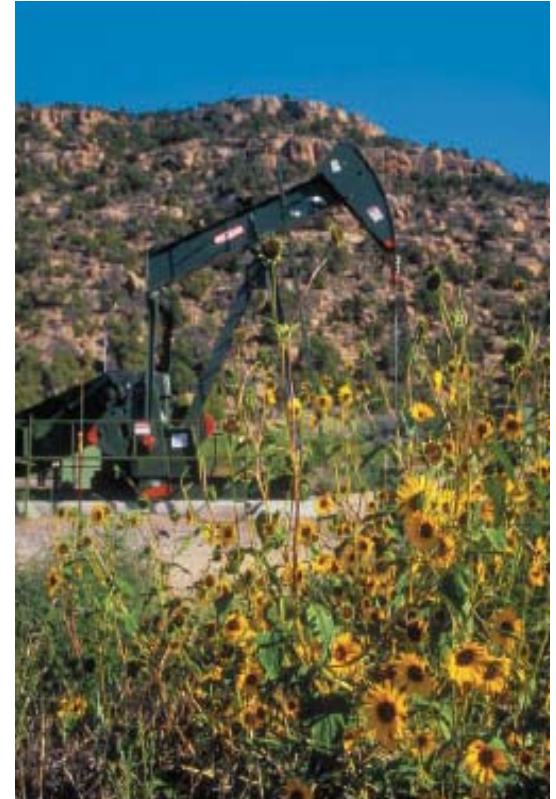
# Environmental Stewardship

## ■ Continuous improvement focus in operating plans

- Greenhouse gas abatement projects
- Water management
- Addressing all waste streams

## ■ Technology and regulations

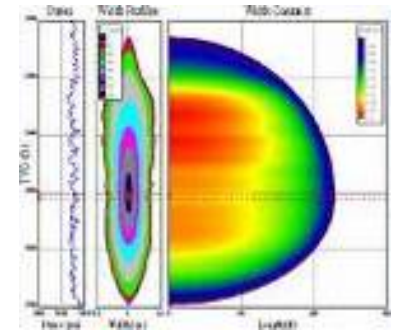
- Improve efficiency of equipment and processes
- Process gas recovery technologies
- Heavy focus on carbon capture and storage technology



***Minimize environmental footprint***

# Technology Driving Performance and Growth

- **Maximize the *exploitation* of existing assets**
  - Proprietary technologies improving performance
  - Utilizing technology to improve asset and operating integrity
- **Increase *exploration* opportunities and success**
- ***Unlock* challenged resources**
  - Unconventional gas
  - Heavy oil
  - Arctic
- ***Sustainable* development**
  - Reduce environmental footprint
  - Increase equipment and process efficiency
  - Provide competitive advantage

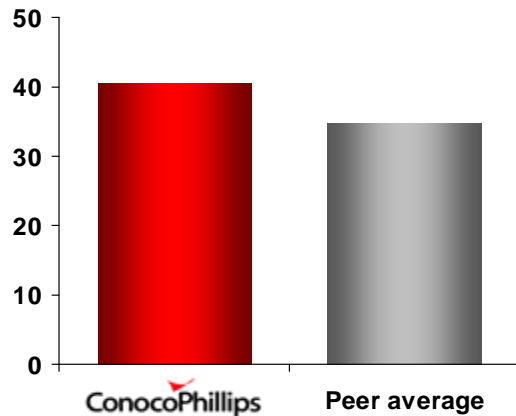


***Technology to play key role in our long-term success***

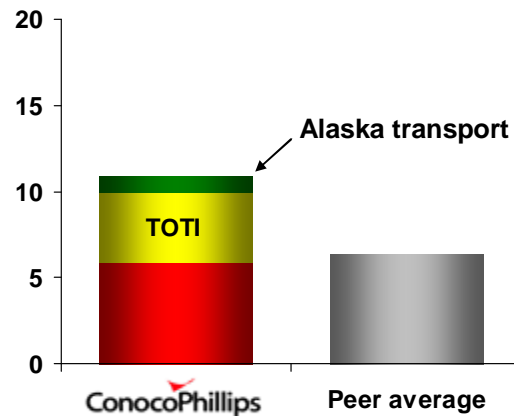
# Cost Perspective

- High prices driving higher costs
- Portfolio and accounting differences driving higher relative costs
- Cash flow remains very competitive

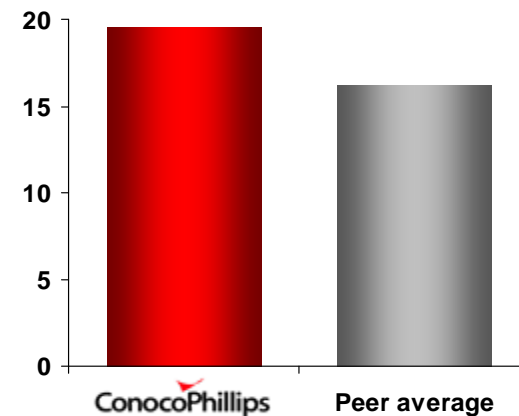
**Revenue<sup>1</sup> - \$ / BOE**  
3-year average



**Costs<sup>1,2</sup> - \$ / BOE**  
3-year average



**Cash contribution<sup>3</sup> - \$ / BOE**  
3-year average



<sup>1</sup> Source: J.S. Herold - data represents 3-year average 2004-06

<sup>2</sup> FAS69 production costs including transportation, production taxes and taxes other than income (TOTI)

<sup>3</sup> See Appendix for additional information

# Cost Management

## ■ Focused efforts on drilling and major projects

- Decreased capital per well
- Improved cycle time
- Underwriting and contracting fit-for-purpose rigs
- Capital project management system

## ■ Success through economies of scale

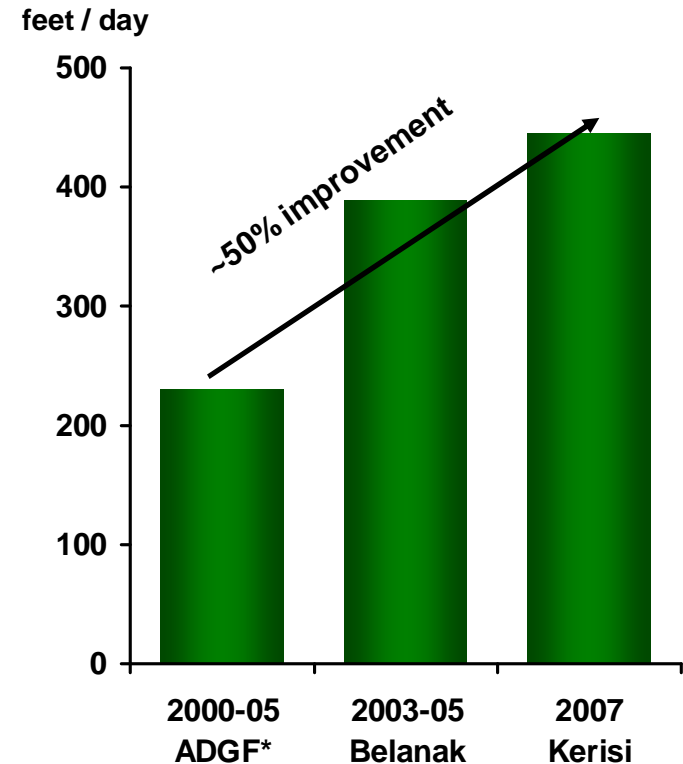
- Standardized programs and volume purchases
- Leveraged agreements with all major suppliers
- ~\$400 MM savings in 2007

## ■ Using technology to reduce costs

## ■ Exit underperforming assets

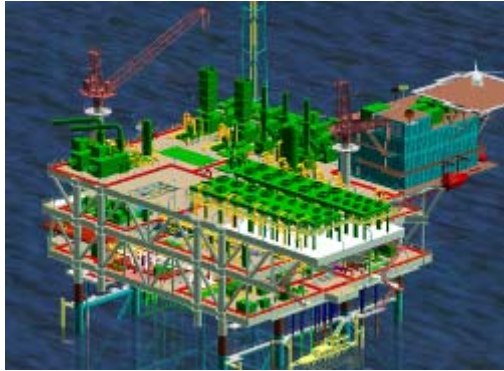
### Asia Pacific Horizontal Well Performance

*Average penetration rate*



\*ADGF represents additional dry gas fields throughout the Natuna Sea

# Capital Discipline & Project Execution



- **Balancing investment in near-term opportunities and long-term growth**
- **Not chasing volume at the expense of value**
- **Structured and systematic approach to project analysis and execution**

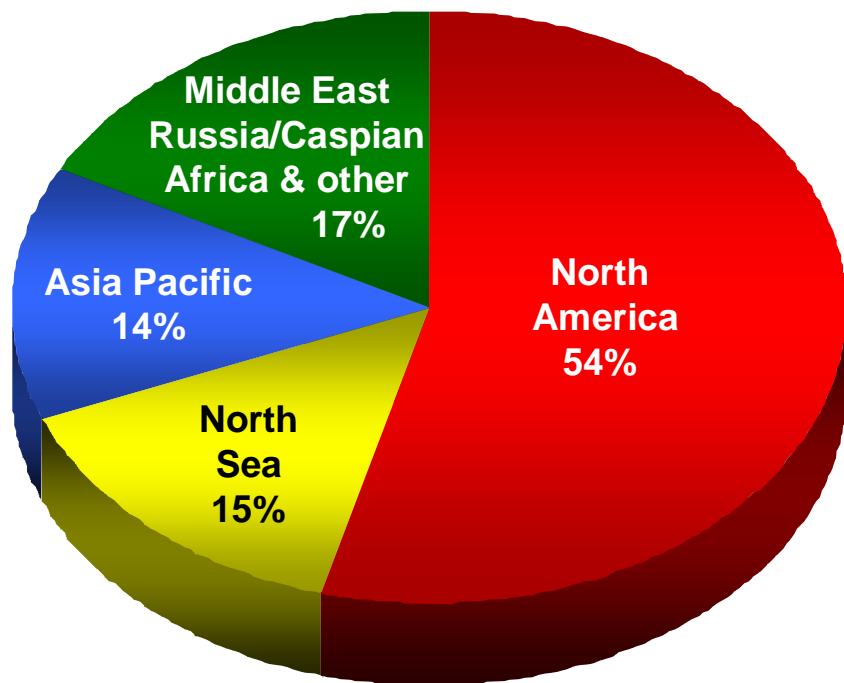
***Creating value through balanced investments and execution focus***



# 2008 Capital and Production

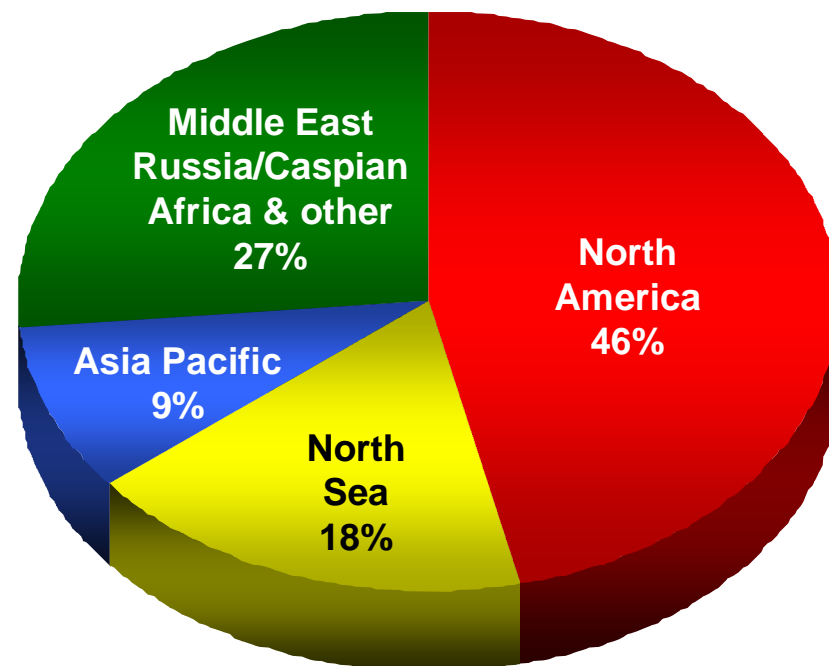
## Capital Program<sup>1</sup>

~\$12.0 B



## Production Outlook<sup>2</sup>

~2.26 MMBOED

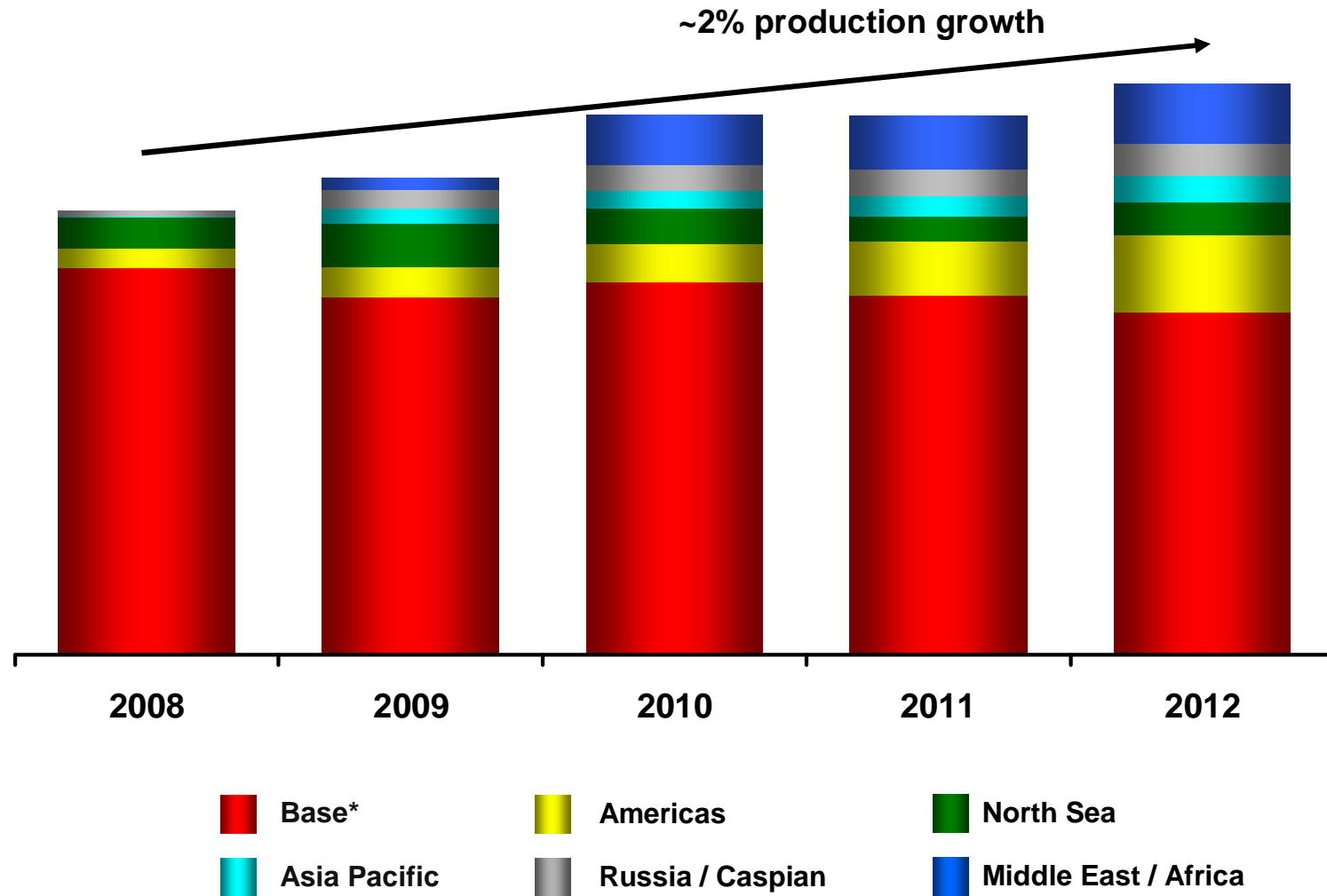


*Portfolio delivers project returns 15+%*

<sup>1</sup> Includes loans to affiliates and EnCana contributions

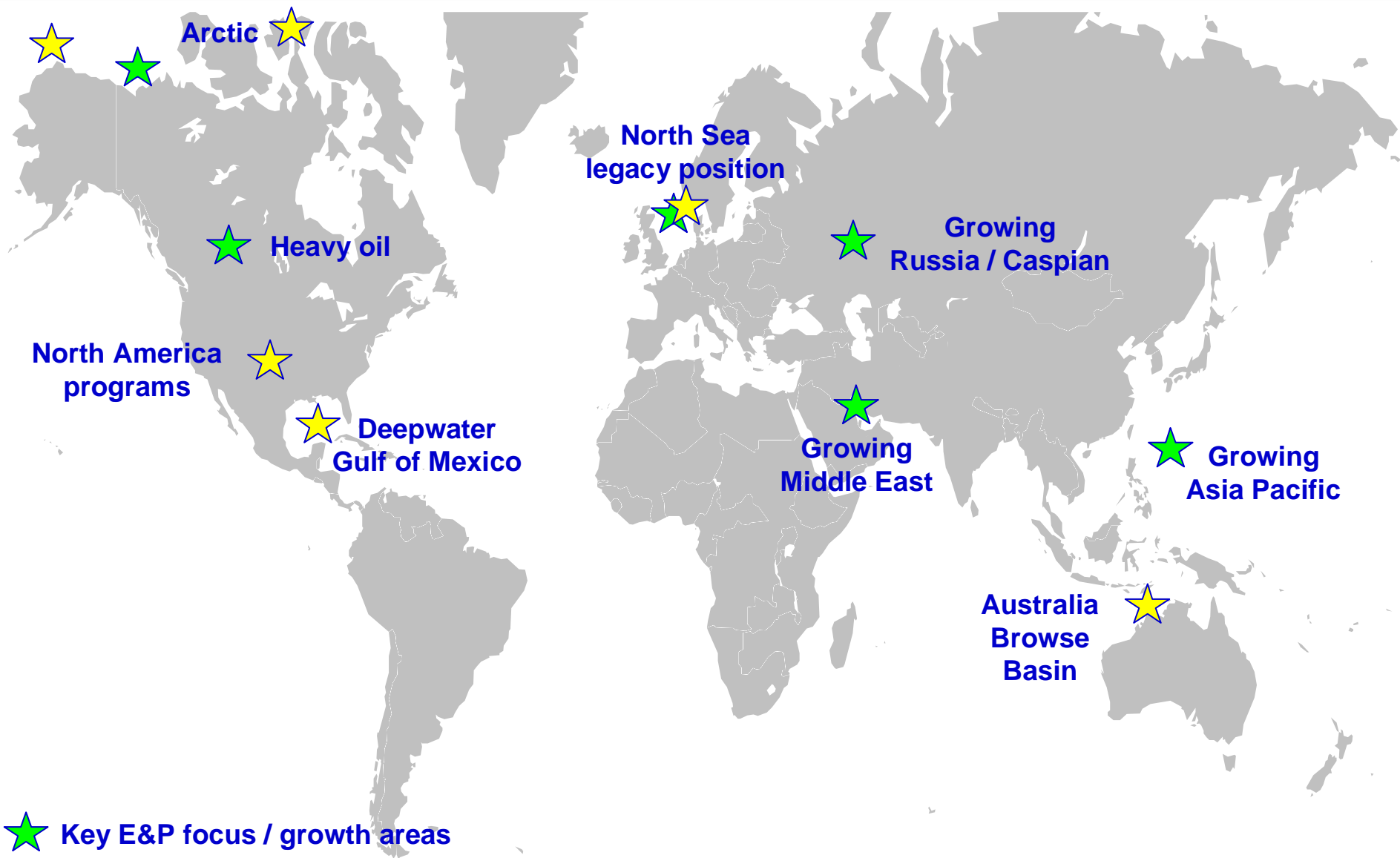
<sup>2</sup> Includes equity affiliates, Syncrude and LUKOIL production

# Production Growth from Project Inventory



\* Includes LUKOIL equity production

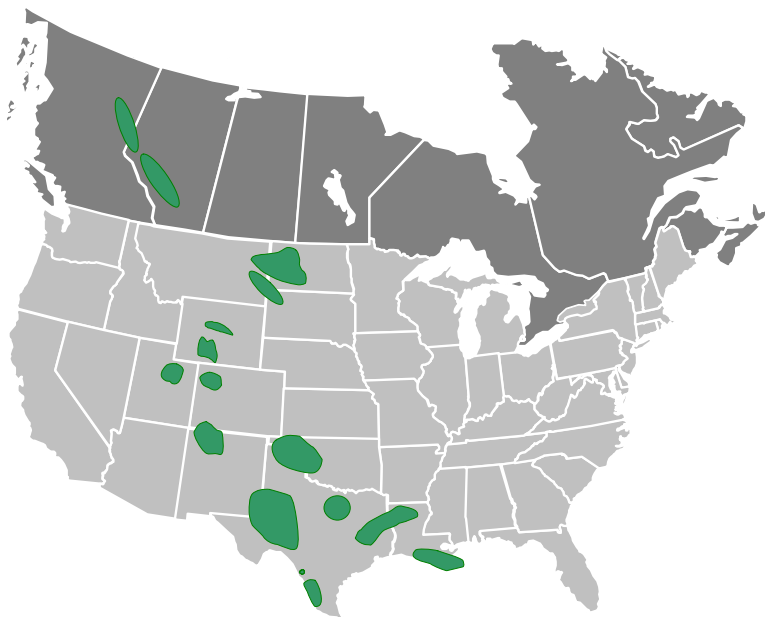
# E&P Positioned for Growth



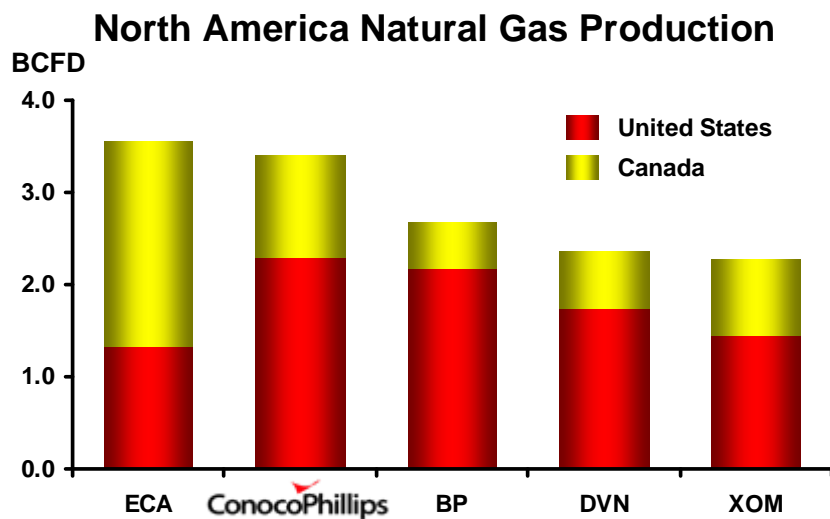
★ Key E&P focus / growth areas

★ Exploration focus areas

# North American Onshore Programs



- **Material resource plays in major basins**
- **Programs provide:**
  - Predictability and repeatability
  - Significant flexibility
  - Quick and attractive cash returns
  - Significant gas price upside
- **Focus on improving margins**
  - Leveraging economies of scale
  - Applying technology and expertise
  - Participation in basin-opening infrastructure
- **Leading land holder in North America**
  - ~15 MM net acres in Lower 48
  - ~14 MM net acres in Canada



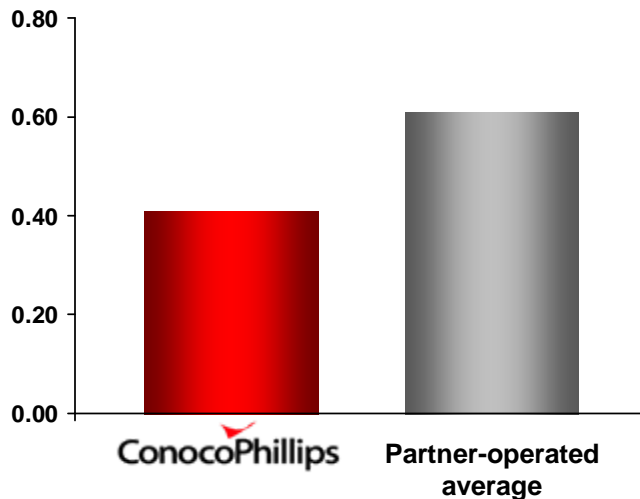
Source: Peer company reports. BP's Canada production estimated at 0.5 BCFD

# San Juan Basin Leader



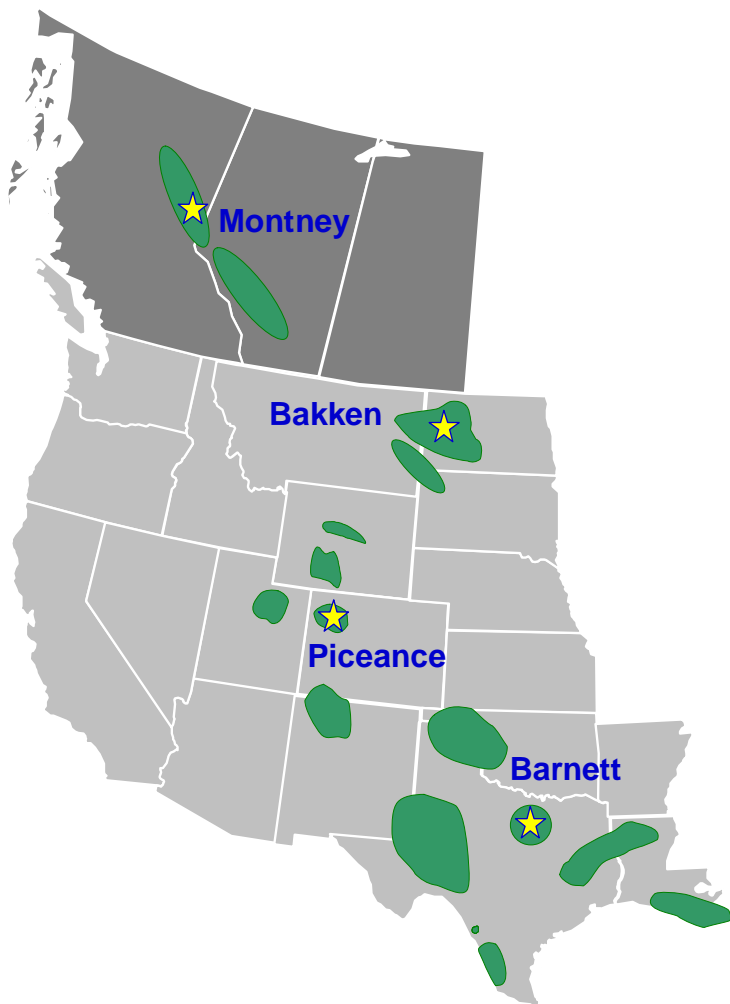
- **Largest producer in the basin (1.2 BCFED net)**
- **Largest acreage position and reserve base**
- **Focused effort to improve margins**
  - Lowest cost operator in the basin
  - Leveraging economies of scale
  - “Manufacturing” approach to drilling
  - Level-load drilling activity
  - Active management of transportation and processing
- **Substantial remaining potential**

**2007 Lifting Costs\* – \$/MCF**



***Generates top-tier returns***

# Emerging North America Resource Plays

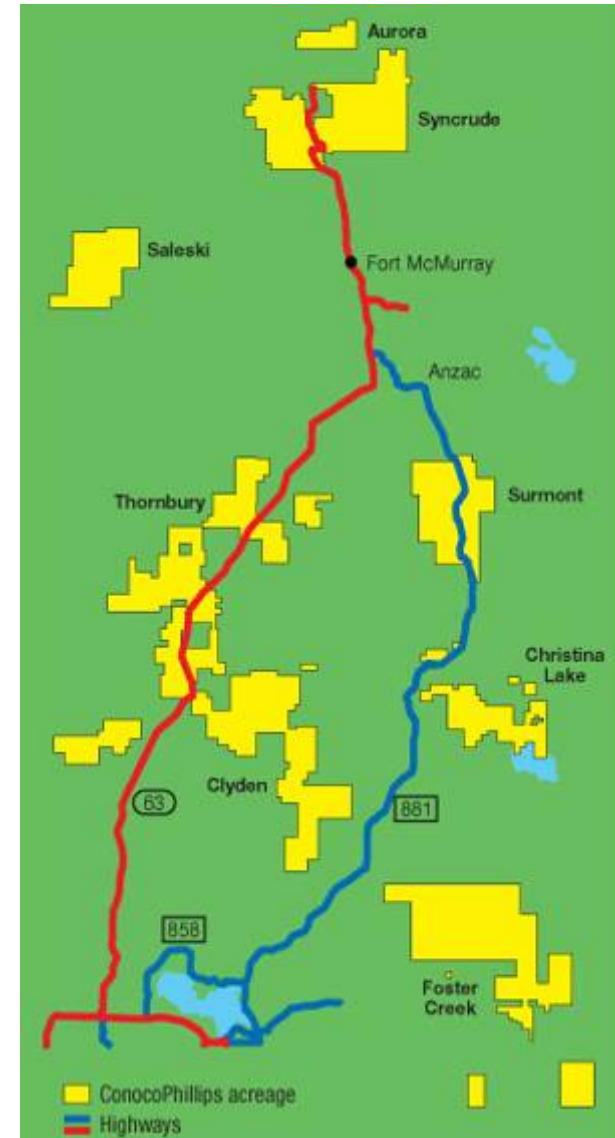
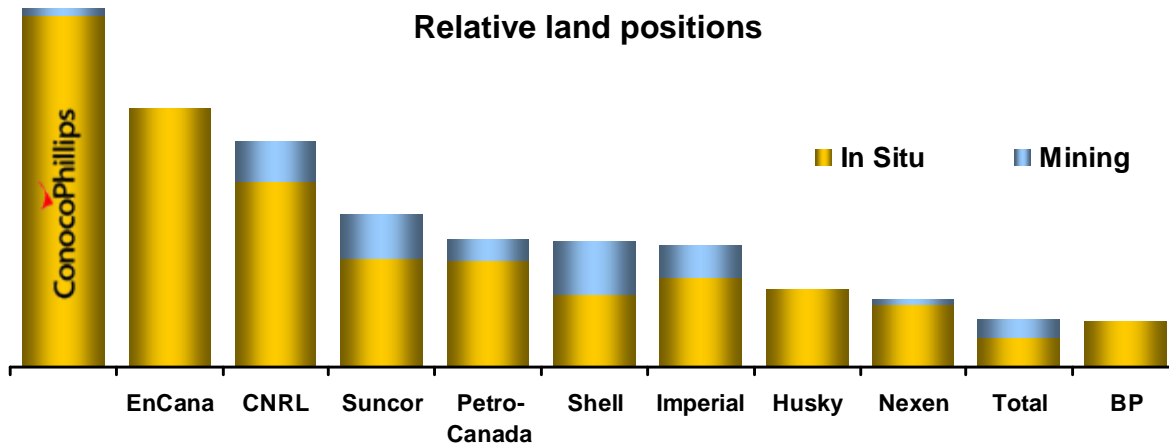


- **Securing acreage in large resource plays**
  - Added ~500,000 net acres in 2007
- **Material position in several “hot” plays**
  - Bakken
  - Barnett
  - Montney
  - Piceance
- **Captured large amounts of acreage in several other emerging resource plays**
- **Developing value-adding infrastructure**
  - REX pipeline on-line in 2008 ~1.8 BCFD
  - Increasing Rockies netbacks

# Canada Heavy Oil

- **Strong position in the Canadian Athabasca oil sands**
- **Building legacy North American integrated business**
  - Lowers risk and uncertainty
  - 50% interest in Keystone pipeline
- **Leveraging technology and best practices**
- **Targeting long-term production growth rate of ~30%\***

**Canadian Athabasca Oil Sands**  
Relative land positions



Source: Alberta Energy and peer company reports  
\*Compound annual growth rate

# Oil Sands Projects



## ■ Foster Creek and Christina Lake (WI 50%)

- Current production ~30 MBOED net
- Additional ~50 MBOED net by 2011 in three sanctioned phases
- Target plateau of ~200 MBOED net
- Target recovery of ~3 BBOE net



## ■ Surmont (WI 50%)

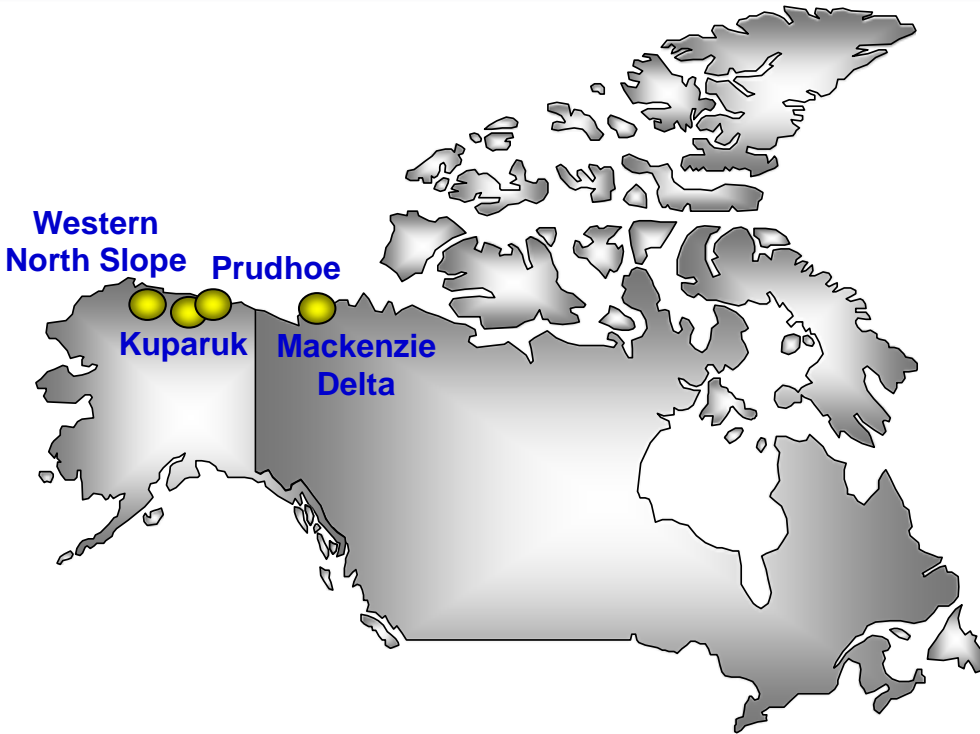
- First steam June 2007, planned 13 MBOED net by 2013
- Phase 2 in 2013, planned plateau of 41 MBOED net
- Peak rate ~200 MBOED net from subsequent development
- Target recovery of ~2 BBOE net

## ■ Thornbury / Clyden / Saleski (WI 100%)

- Significant prospective acreage position
- Delineation program underway
- Resource potential of ~5 BBOE net



# Strong Arctic Position



- **Competitive advantage**
  - Significant existing infrastructure
  - Experienced operator
- **Mature oil position**
- **Significant growth opportunities**
  - Large discovered resources
  - Heavy oil opportunities
  - Exploration potential
    - Leading Arctic resource holder

# Arctic Oil Projects

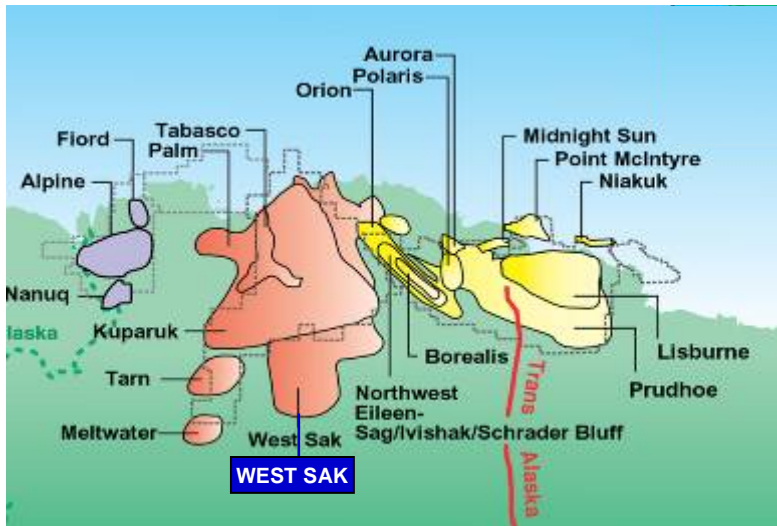


## Western North Slope Satellites (WI 78%)

- Expanding reserve and production base westward
- Well-defined resources close to infrastructure
  - Qannik, Alpine West, Lookout and Spark
- First NPR-A federal unit approved by BLM
- Leveraging existing Alpine infrastructure

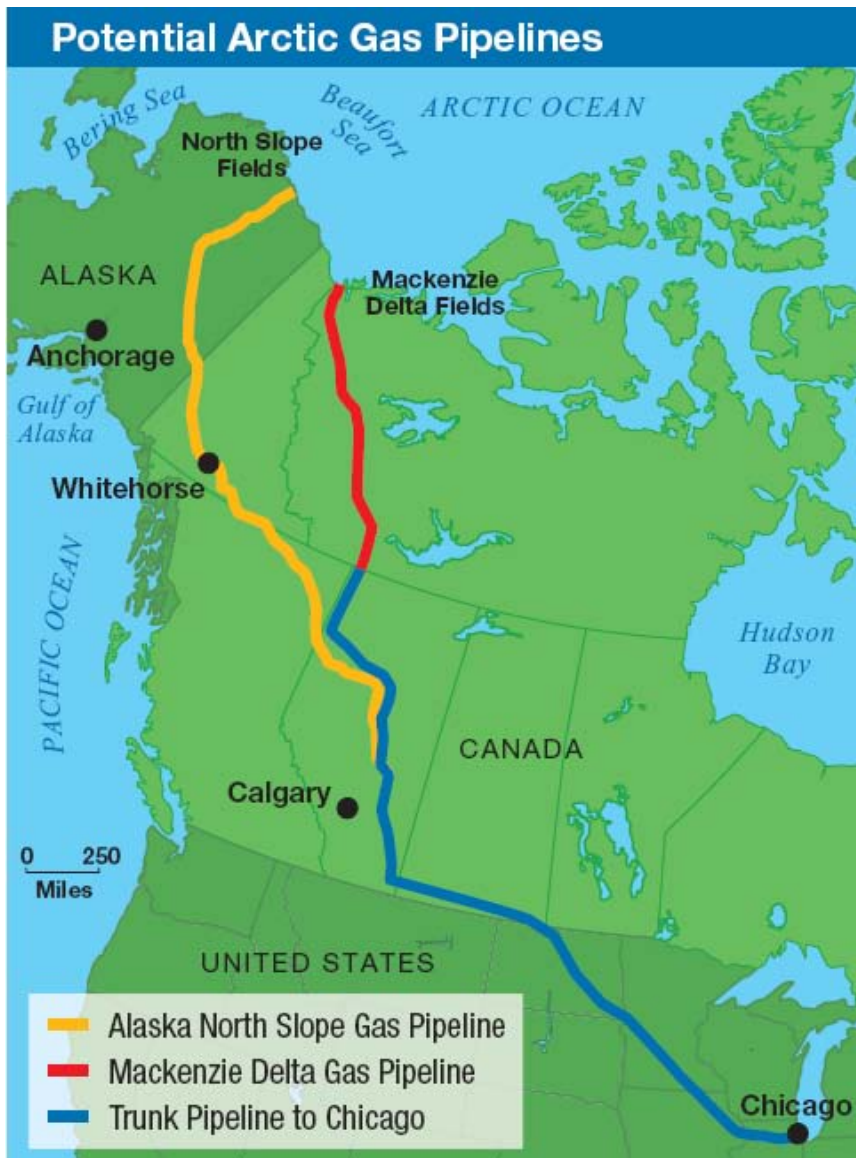
## Greater Kuparuk Heavy Oil (WI 53%)

- Significant viscous and heavy oil accumulations
  - ~8 BBOE in place\* in West Sak reservoir
  - >10 BBOE in place\* in Ugnu reservoir
- West Sak current gross production ~18 MBOED
- North East West Sak first production 2012
- Ugnu thermal pilot planned for 2012
- Leveraging existing Kuparuk infrastructure
- Using experience and technology to unlock potential



\*See Appendix for definitions

# Significant Arctic Gas Potential



## Overall Opportunities

- Significant stranded gas resources
- Key infrastructure required
  - Requires cooperation of all stakeholders
  - Will drive future regional growth
- Significant undiscovered potential

## ANS gas development

- Net discovered resources of >8 TCF
- Key to regional growth
- ~4 BCFD gross pipeline capacity

## Mackenzie Delta gas project

- Net onshore discovered resources of >2 TCF
- 1+ BCFD gross pipeline capacity
- Potential to unlock future offshore opportunities
  - >3 TCFE additional net discovered resource

# North Sea Legacy Position



## Greater Ekofisk Area

- Significant remaining resource potential
- Greater Ekofisk Area development project
  - Ekofisk South, Eldfisk II and Tommeliten Alpha
- Continued field optimization maximizing value

## Greater Britannia Area

- Long-life asset / ~30-year production span
- Progressing satellite developments
  - First production 2008 / 67 MBOED net peak
  - Adds significant value to existing infrastructure



## Growth opportunities

- Jasmine discoveries
- Clair area appraisal and exploratory upside
- Further regional exploration opportunities

***Mature legacy assets with substantial future potential***



# Asia Pacific Growth



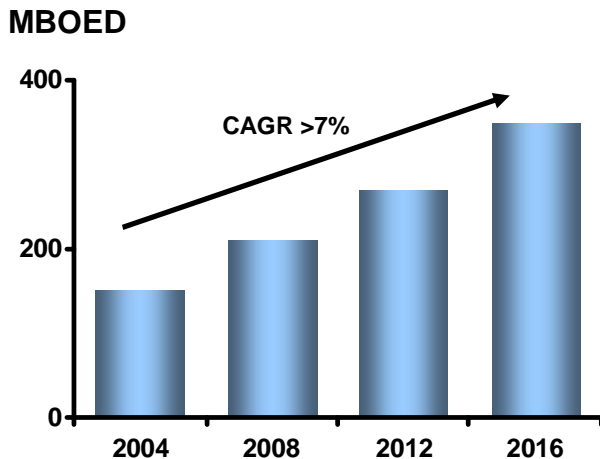
## ■ Building legacy-scale businesses

- Bayu-Undan / Darwin LNG
- Belanak
- South Sumatra

## ■ Significant pipeline of major projects

## ■ Additional growth potential

- Rapidly growing regional energy demand
- Attractive exploration acreage
- Future business development opportunities



***Continuing to deliver profitable growth***

# Asia Pacific Growth Projects

## ■ Bohai II (WI 49%)

- First production 2007
- 71 MBOED net peak production 2010
- Applying advanced completion technology

## ■ Gumusut (WI 33%)

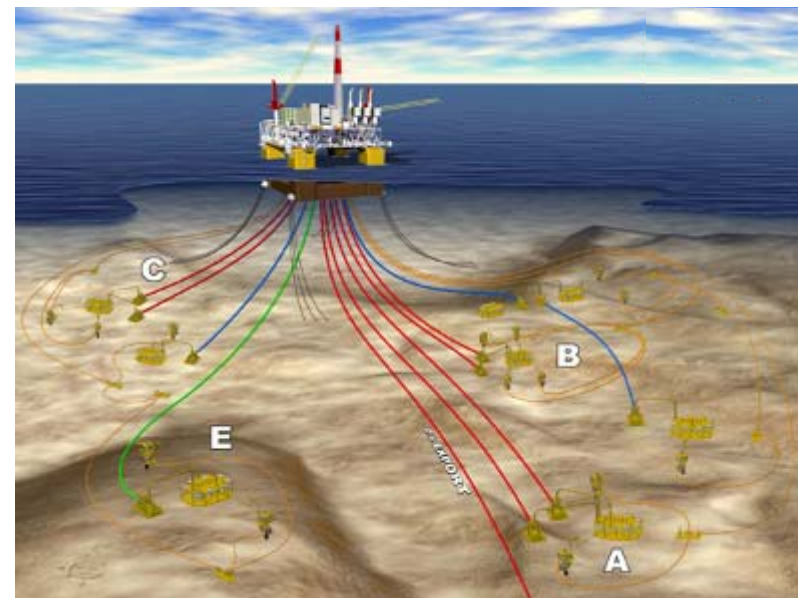
- Semi-submersible deepwater oil development
- Sanctioned December 2007
- First production 2012
- 33 MBOED net peak production 2014

## ■ Keabangan (WI 30%)

- Gas-condensate development
- First production 2013
- 35 MBOED net peak production 2014

## ■ Darwin LNG expansion opportunities

- Sunrise
- Caldita / Barossa
- West Browse Basin



# Russia / Caspian Growth

## ■ One of the largest remaining growth regions

- World's largest natural gas reserves
- Largest oil reserves outside Middle East

## ■ Strategic LUKOIL partnership

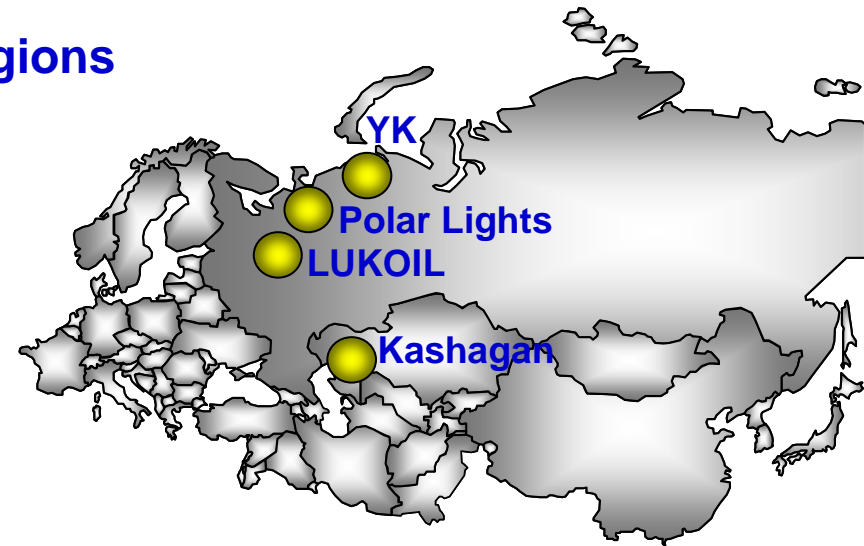
- 20% ownership
- Resource access opportunity

## ■ Yuzhno Khylichuyu "YK" (WI 30%)

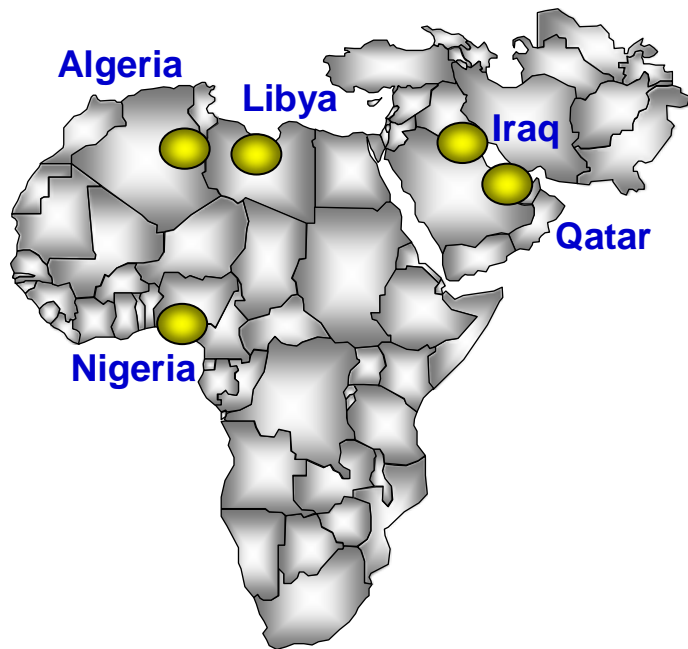
- Greenfield arctic oil development
- First production mid-2008
- 45 MBOED net peak production
- ~1 BBOE net resources

## ■ Kashagan (WI 8.4%)

- Legacy oil development
- 130 MBOED net peak production
- ~1 BBOE net resources
- Significant satellite opportunities



# Middle East / Africa Growth



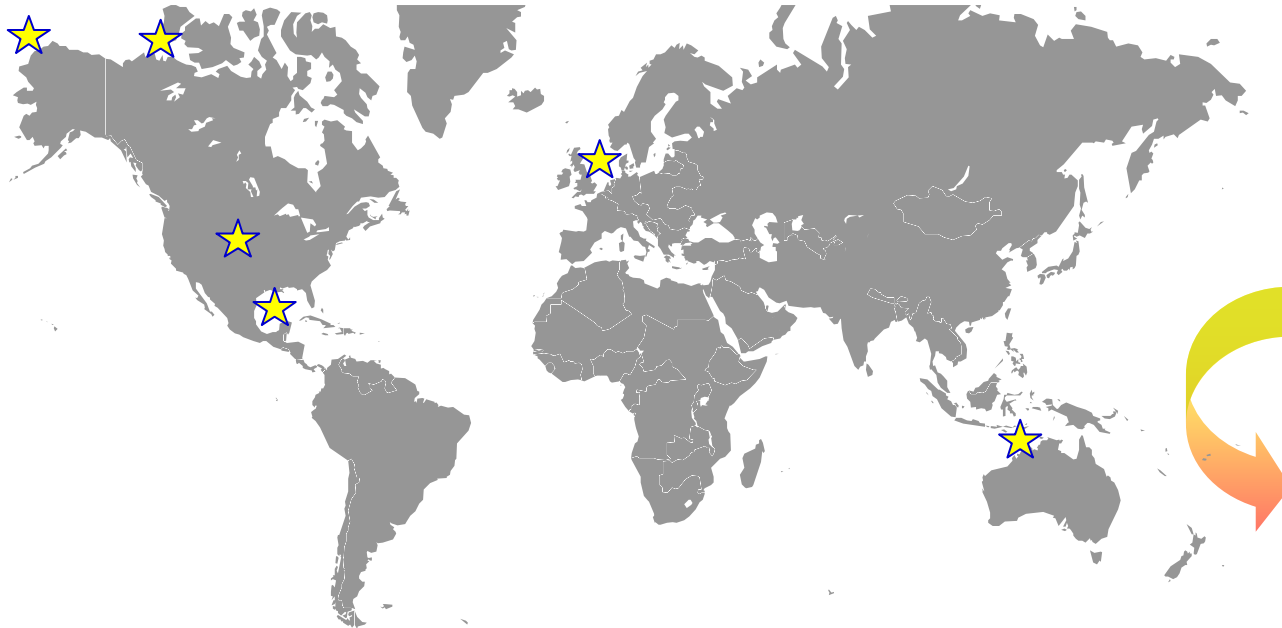
- **Huge resource potential**
  - Middle East has >60% of remaining oil reserves\*
- **Focus on capturing new growth opportunities**
  - Qatar, Iraq, Libya and Nigeria
- **Qatargas 3 (WI 30%)**
  - 7.8 MTPA LNG project
  - ~80 MBOED net peak production
  - 25-year plateau
- **Libya, Waha concessions (WI 16.3%)**
- **Nigeria**
  - Onshore mining leases (WI 20%)
  - Offshore deepwater licenses (WI 20% – 47.5%)
- **Algeria Block 405a**

\* Source: BP Statistical Review of World Energy, 2007



# Exploration

Pursuing additional resources

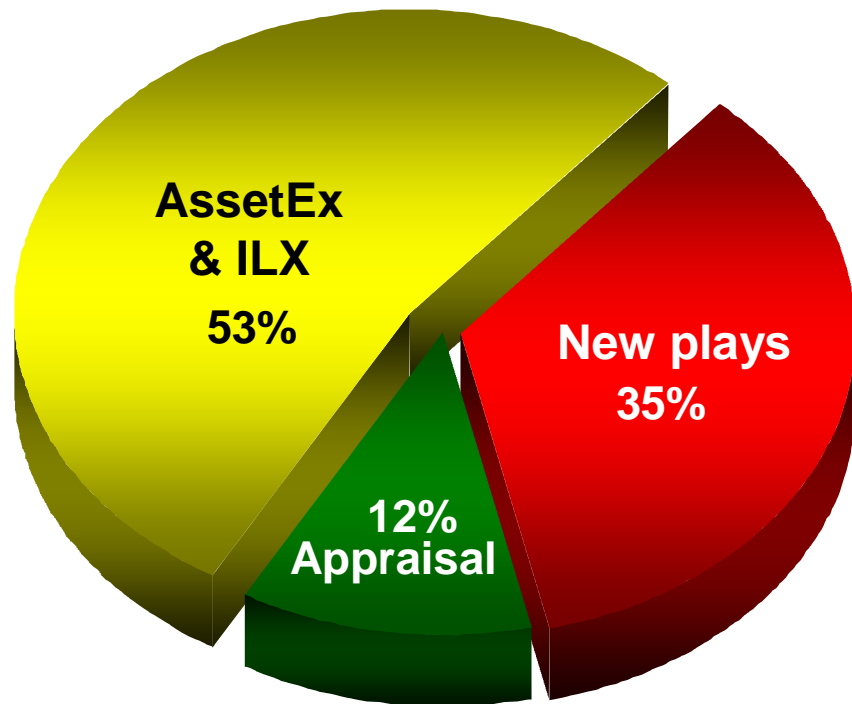


Resources  
>40 BBOE

Reserves  
11 BBOE

*Replenishing the resource base*

# 2008 Exploration Spend



<b>Capital</b>	<b>\$1.6 B</b>
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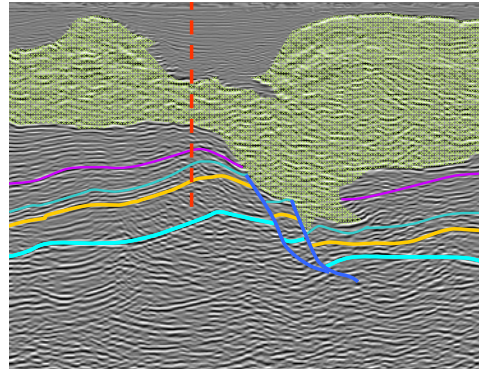
<b>Cash expense</b>	<b>0.7 B</b>
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<b>Total</b>	<b>\$2.3 B</b>
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*New play spend increasing 33% in 2008 to ~\$800 MM*

# Exploration Lifecycle



2007 total new play spend ~\$600 MM



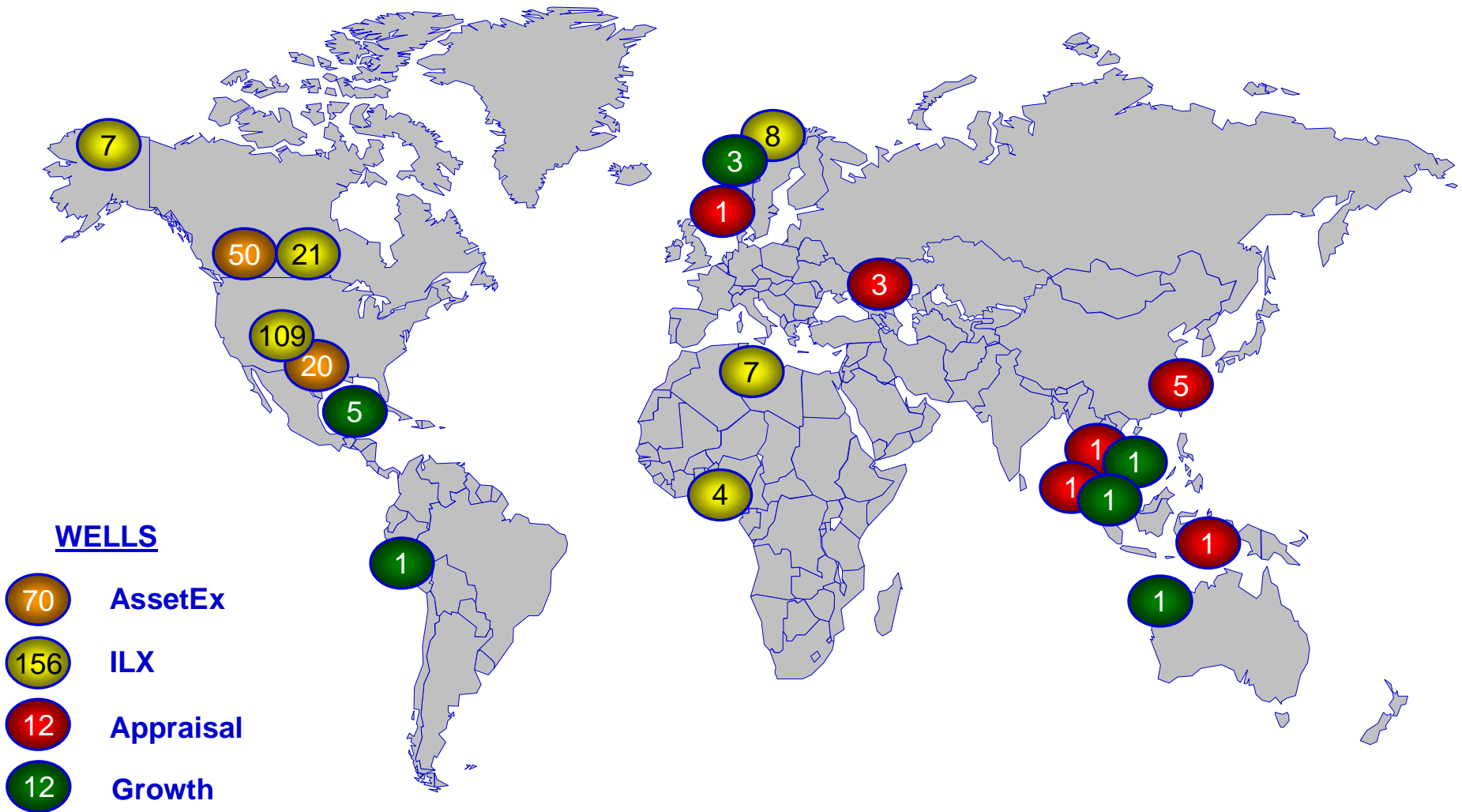
2008 total new play spend ~\$800 MM



Steady state target



# 2008 Exploration Drilling Program



# Exploration & Production Summary



- **Unique and well-placed portfolio of high-quality assets**
  - Sustainable OECD base
  - >50 BBOE of captured resources
- **Strong cash generation and returns**
- **Focus on operating excellence**
- **Diverse set of near- and long-term opportunities providing stable growth**
- **Disciplined capital program**
- **Execute major projects and drilling programs**
- **Building exploration momentum**