Strong Future in Alaska

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North Slope State and Federal Units

Western North Slope (WNS)
COP Operated
100% WI

Kuparuk River
COP Operated
52-55% WI
~95% WI Post BP acquisition

Prudhoe Bay
36% WI

Non-COP Units

Beaufort Sea

Bear Tooth
Greater Mooses Tooth

Colville River

NPRA

Miles

0 10 20 30
2013 Alaska Outlook: Facing Headwinds

ConocoPhillips’ Alaska Outlook
2013

2013 Outlook for Asset

- Uncompetitive tax structure
- Declining production profile
- High cost of supply
- Limited investment
- Focus on Lower 48 unconventionals
Current Outlook: Strong Future Spurred by Tax Changes & CoS Focus

**ConocoPhillips’ Alaska Outlook**

2013 vs. Current (including 2018 acquisitions)

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**Drivers of Transformation**

- Senate Bill 21 improved fiscal framework
- Technological advancements and innovations target new and bypassed resources
- Comprehensive effort to capture value from legacy fields and infrastructure
- Renewed focus on exploration yields early success
- Company-wide focus on lowering cost of supply has made Alaska competitive within the portfolio

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STRENGTHENED OUTLOOK

supported by recent strategic transactions

and competitive fiscal framework, includes impact of 2018 acquisitions at working interests of: Western North Slope = 100% / Kuparuk = ~95%, and excludes Alaska North Slope gas
Minimizing Footprint Through Technology

Alaska North Slope Reduced Footprint*

65 Acre Gravel Pad (1970)**

12 Acre Gravel Pad (2016)**

12 Acre Gravel Pad (Future ERD)**

Drilling Area Accessible from Pads

~3 sq. miles

~55 sq. miles

~154 sq. miles

*Assumes similar reservoir depth

**1970 drilling radius ~ 5,000 ft

2016 drilling radius ~ 22,000 ft

Future Extended Reach Drilling (ERD) ~ 37,000 ft

Source: The Role of the Oil and Gas Industry in Alaska's Economy; The McDowell Group; May 2017.
Pipeline of Projects on the Western North Slope

**GMT1**
- ~25,000-30,000 BOPD*
- First oil planned late 2018
- ~700 construction jobs
- ~$1 billion gross

**GMT2**
- ~38,000 BOPD*
- First oil planned late 2021
- ~700 construction jobs
- ~$1.5 billion gross

**Fiord West**
- 20,000 BOPD*
- First oil planned Aug 2020

**Willow Discovery**
- Nominally 100,000 BOPD*
- First oil 2024-2025
- Multi-billion dollar investment
- Potential for hundreds of direct jobs, thousands of construction jobs

*Estimated peak gross production. Updated for increased GMT2 estimate.*
Industry chases deeper Jurassic targets
ConocoPhillips evaluates NPR-A Brookian potential

- ConocoPhillips increases working interest in Western North Slope to 100%
- 0.5 – 1.1 BBOE gross discovered resource
- 75% of the play remains to be explored

Willow discovery with identified upside
Acquired new 3D CSI seismic

- Acquired additional ~600M net acres for ~$30/acre
- Executed largest E&A program since 2002
- Appraised Willow; explored for upside
2018 Exploration Program Confirms Stand-Alone Hub at Willow

Greater Willow Area

• 2018 Willow appraisal activities and analysis:
  - Confirmed oil-filled reservoir with 3 new appraisal wells and 3 flow tests
  - API viscosity range: 41° to 44°
  - Facility-limited vertical test rate ~1,000 BOPD

• Appraisal results combined with CSI data indicate more potential on-trend resource to north and south

• Additional oil discovery at West Willow creates possibility for tie-in to Willow hub

• 2019 Greater Willow Area appraisal season needed to optimize development plan

Preliminary Discovered Resource Range Increased

400 – 750 MMBOE

current discovered resource

Gross discovered resource in Alaska since 2016.
Significant Future Exploration & Appraisal Planned

2019 Program Focused on Existing Discoveries
Resolve Remaining Uncertainties to Sanction

- Greater Willow Appraisal
  - Evaluate horizontal well performance
  - Determine lateral reservoir connectivity
  - Appraise West Willow

- Narwhal Appraisal
  - Verify recoverable volumes
  - Evaluate well performance

500 MMBOE – 1.1 BBOE¹

discovered resource

75% PORTFOLIO UNDRILLED

exploration upside

Gross discovered resource in Alaska since 2016.
Hundreds of Thousands of New BOPD and more than ~$13 Billion in Capital
Stand for Salmon Ballot Initiative - A Solution in Search of a Problem

The ballot initiative is really about stopping resource development
• It will add cost, more regulation, litigation, and jeopardize existing projects, with potential to kill future projects
• It will not just affect our industry, but also development of roads, mines, ports, and infrastructure
• Alaska already has world-class, science-based policies, acts, regulations and permit requirements that work together to protect fish habitat

Contributions to the initiative are coming from Outside environmental interests:
• John Childs/New Venture Fund, Wash. DC
• Wild Salmon Center, Portland OR
• Wealthy donors from NY, CA & FL
• Trout Unlimited

Recent Supreme Court decision does not change the damaging effects of the initiative

To State of Alaska FAQ:
www.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=114005
Question & Answer