

U.S. Shale Gas and Tight Oil: Game-Changers for the U.S. and the World

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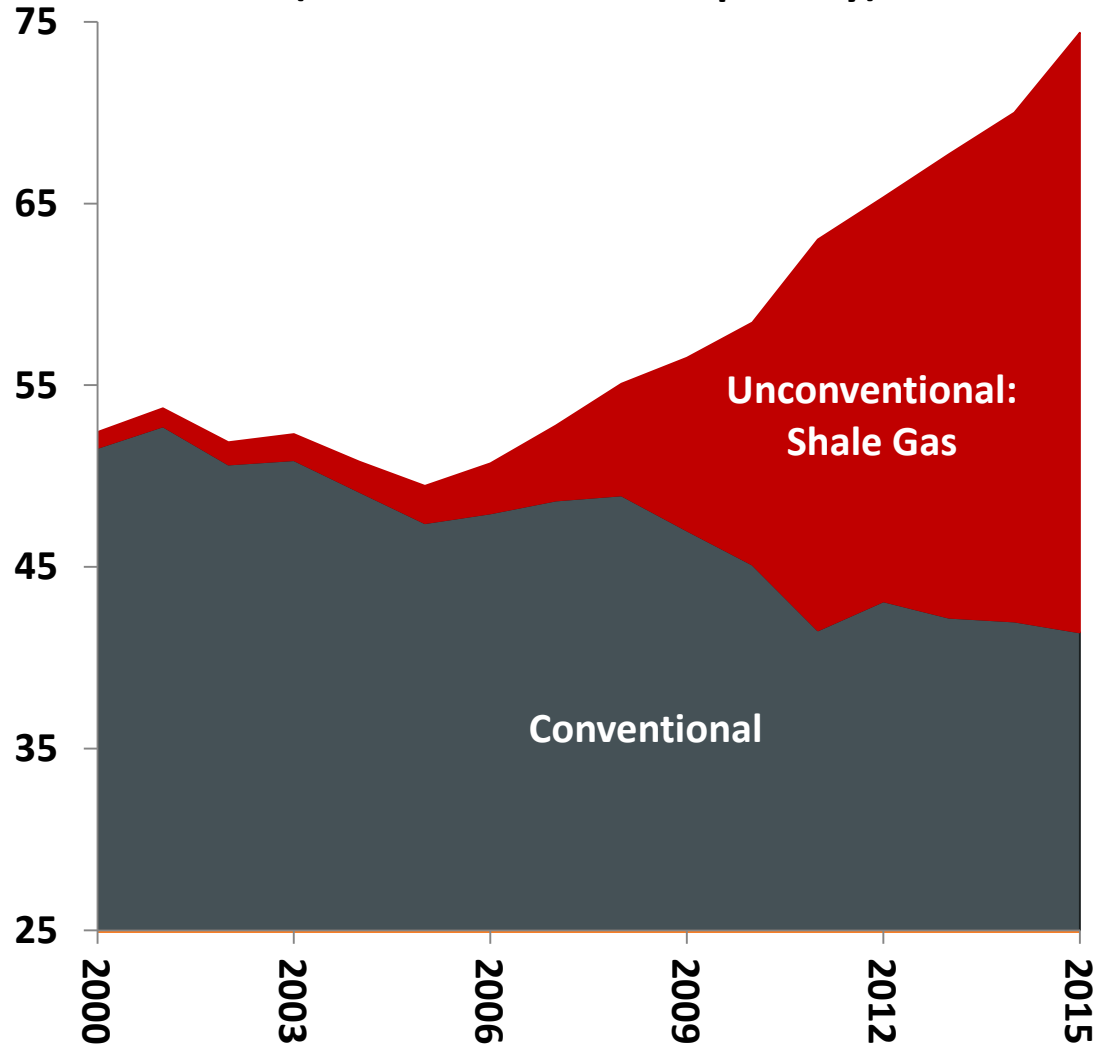
Use of non-GAAP financial information – This presentation may include non-GAAP financial measures, which help facilitate comparison of company operating performance across periods and with peer companies. Any non-GAAP measures included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure on our website at www.conocophillips.com/nongaap.

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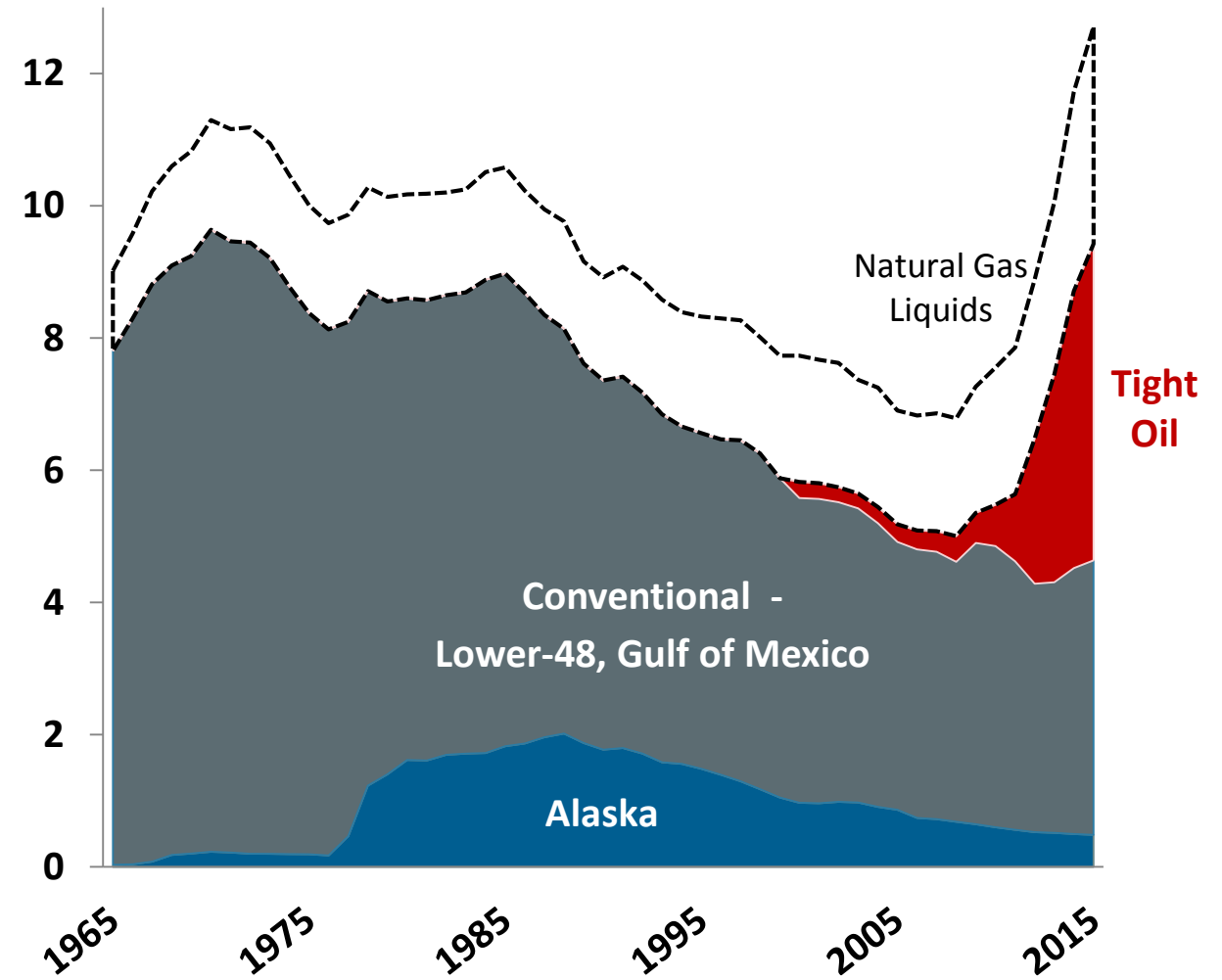
- U.S. unconventional oil and natural gas production renaissance: scale and scope
- Many benefits generated
 - 1) Economic
 - 2) Environmental
 - 3) Energy security
- Steps to support continuation of the success story and to meet the world's energy needs affordably

World-Scale Growth in U.S. Unconventional Natural Gas and Oil Production

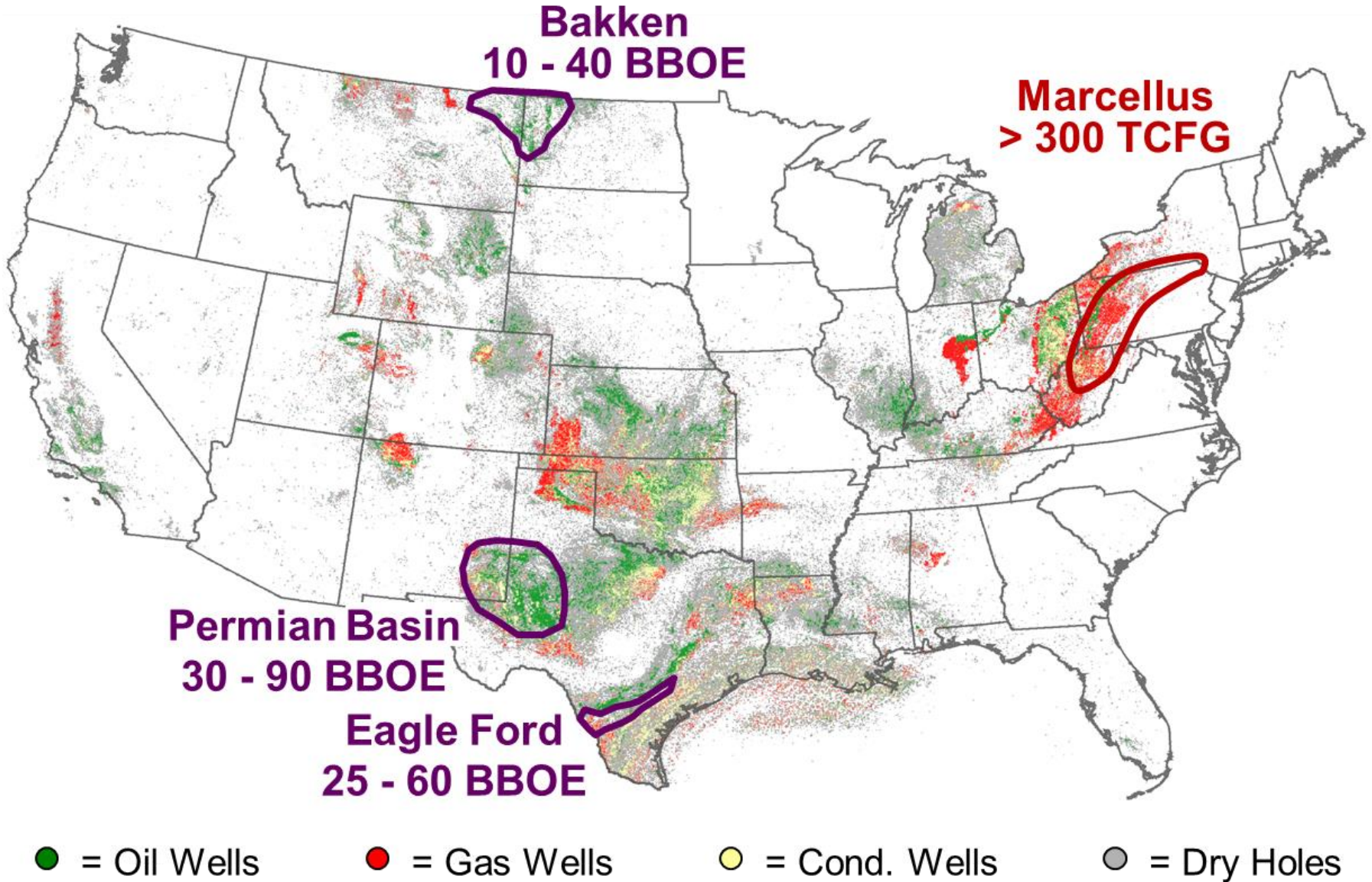
U.S. Natural Gas Production (Billions of cubic feet per day)



U.S. Oil Production (Million barrels per day)

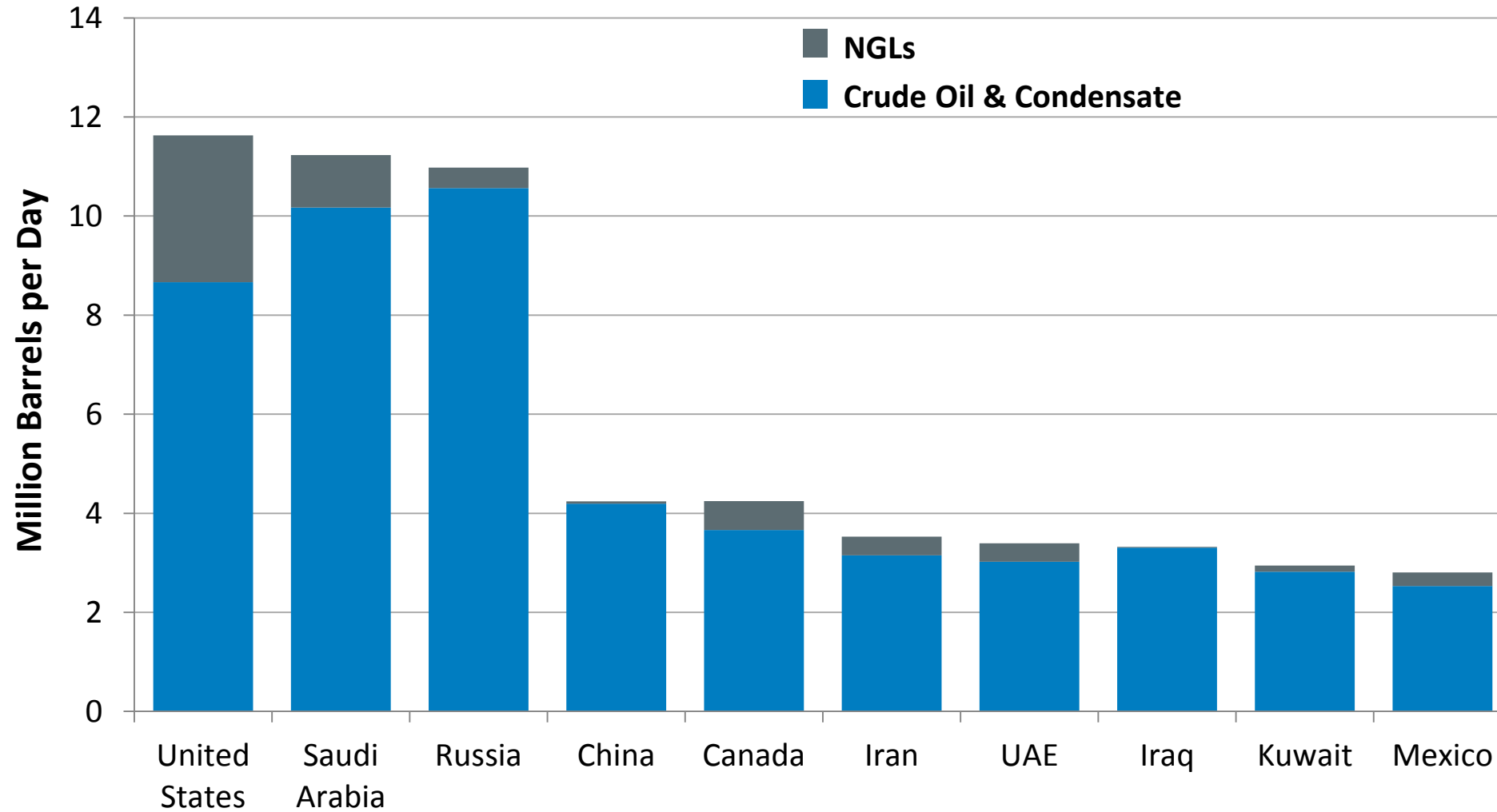


America's "Big Four" Unconventional Fields are World-Class Discoveries



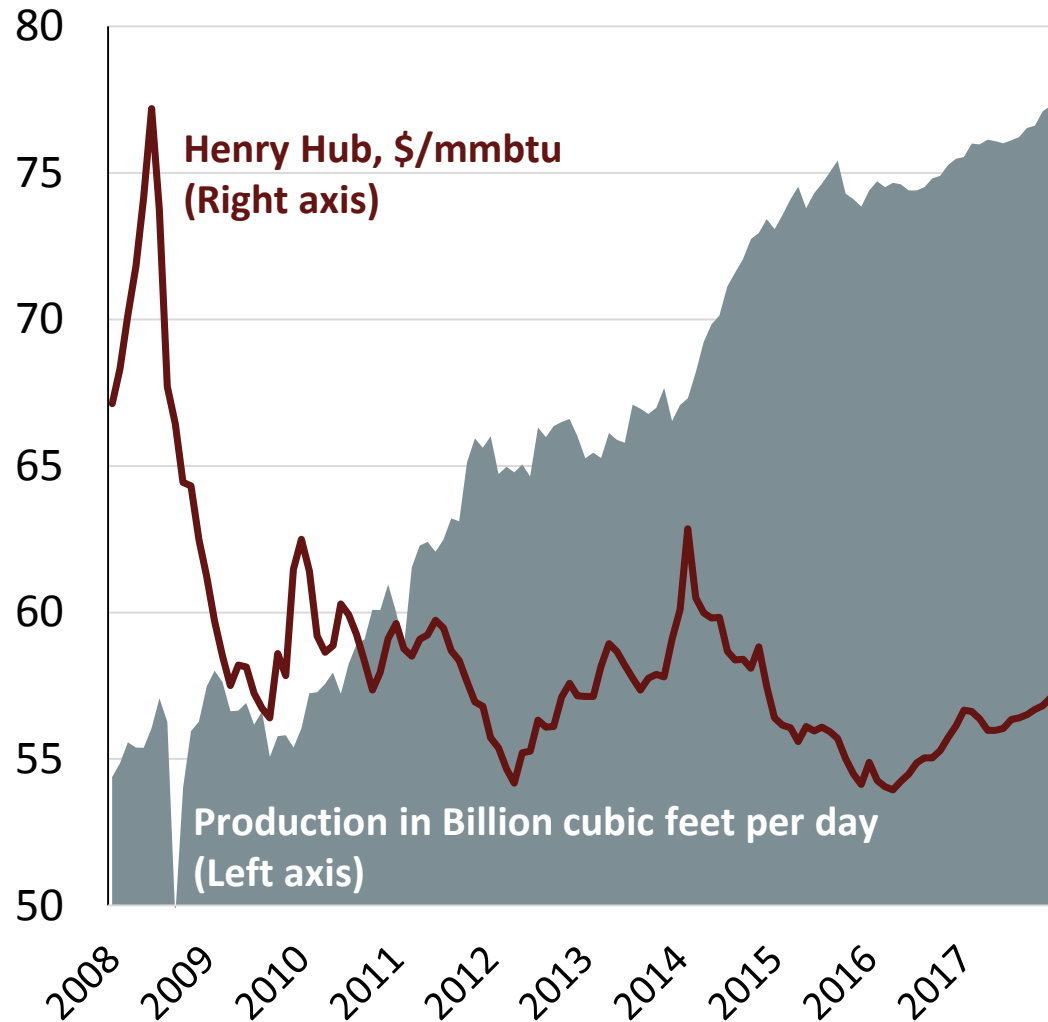
Growth in Production Restored U.S. Role as Leading Oil Producer

Crude, Condensate and NGLs Production for Top 10 Countries, 2014

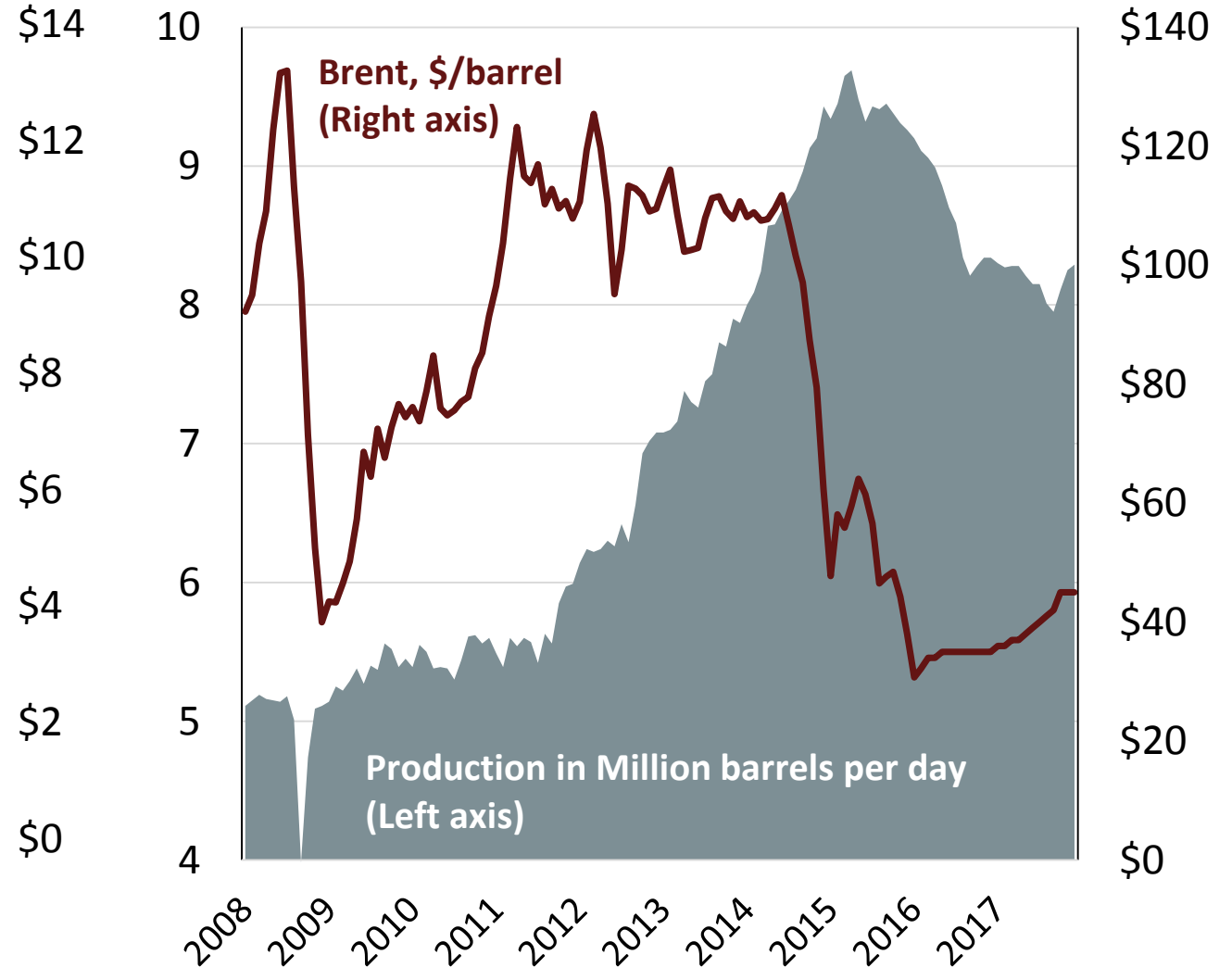


Impact of Lower Market Prices: U.S. Producers Adapt and Improve

U.S. Natural Gas Production and Prices



U.S. Crude Oil Production and Prices



*** 2016 and 2017 data are EIA forecasts

Shale Gas and Tight Oil Production Underpinned Massive Economic Benefits

Jobs supported:
2.7 million

2.7M

Contribution to
value-added GDP:
\$1,400 per capita

\$1,400

Annual savings from
low-cost natural gas:
\$800 per household

\$800

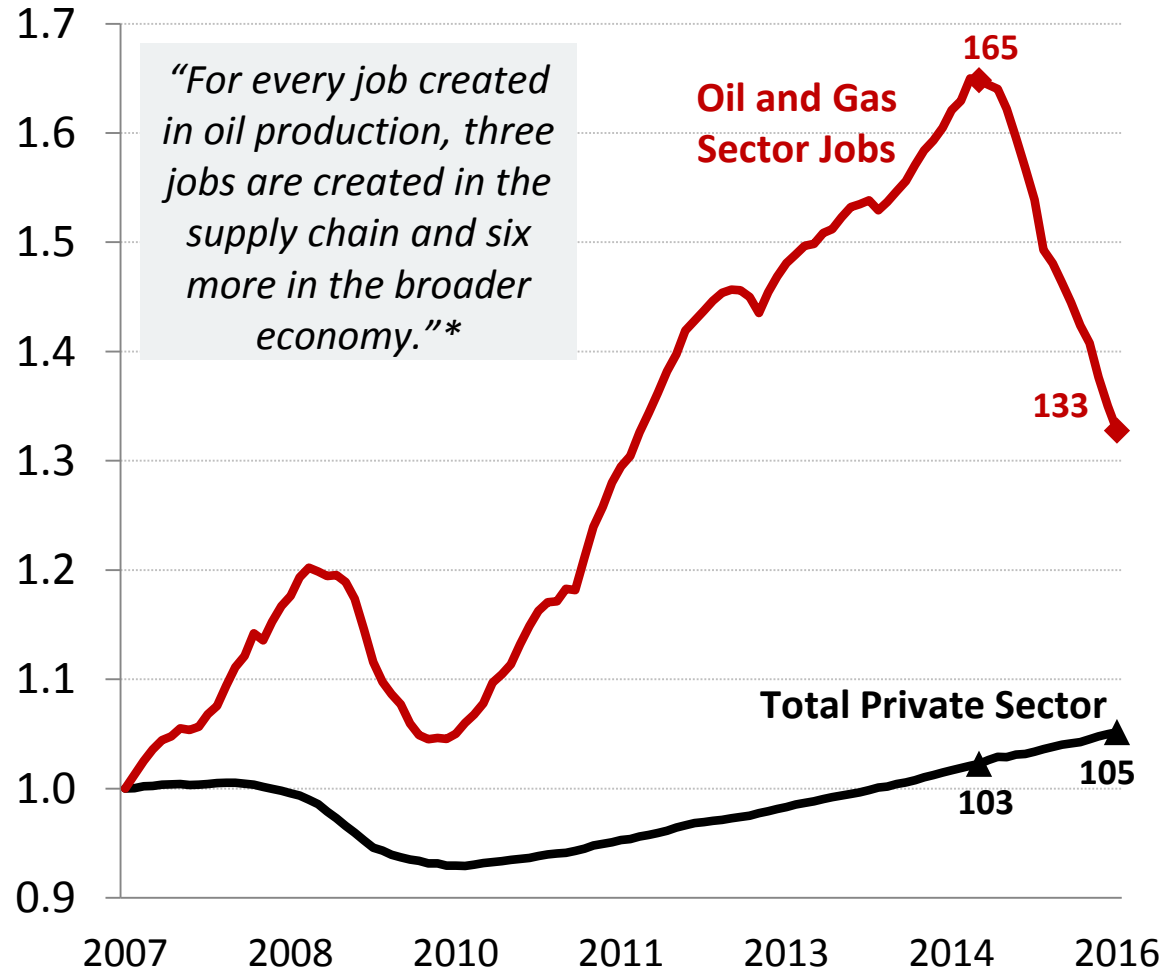
Federal tax revenue
contribution: Equal to a
13% reduction in the
federal budget deficit

13%

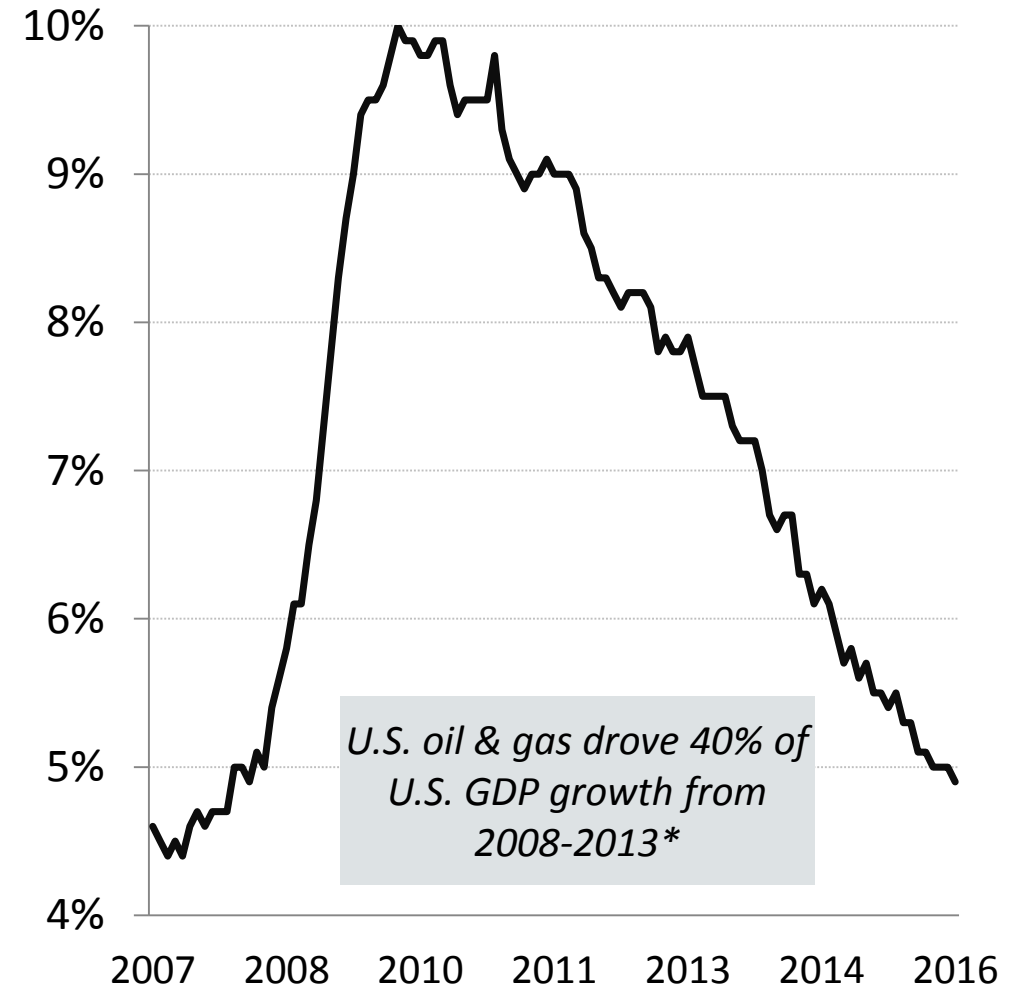
Oil & Natural Gas Production Spurred U.S. Jobs and Economic Growth

Oil and Gas Sector Expanded While Other Sectors Lagged

Index of Job Growth: Jan. 2007 = 1.0

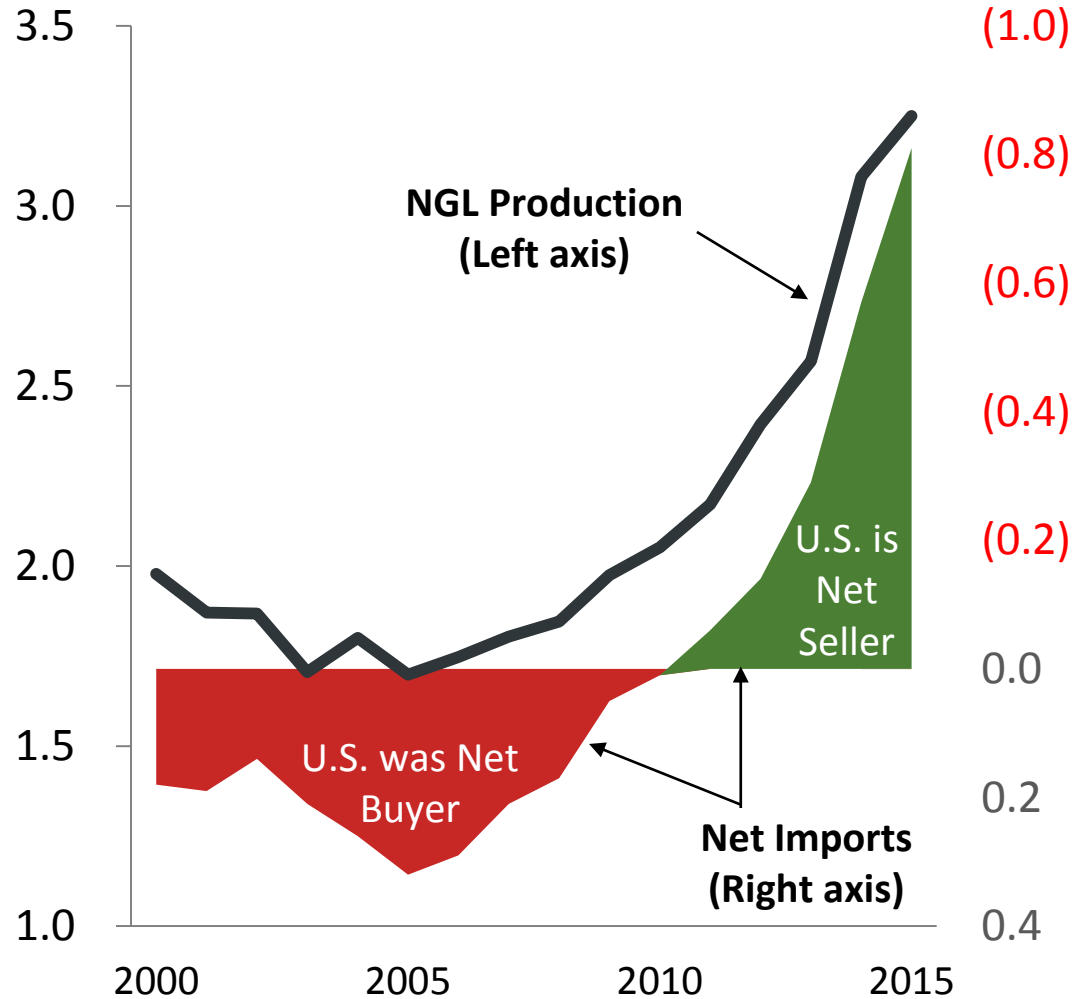


U.S. Unemployment Rate

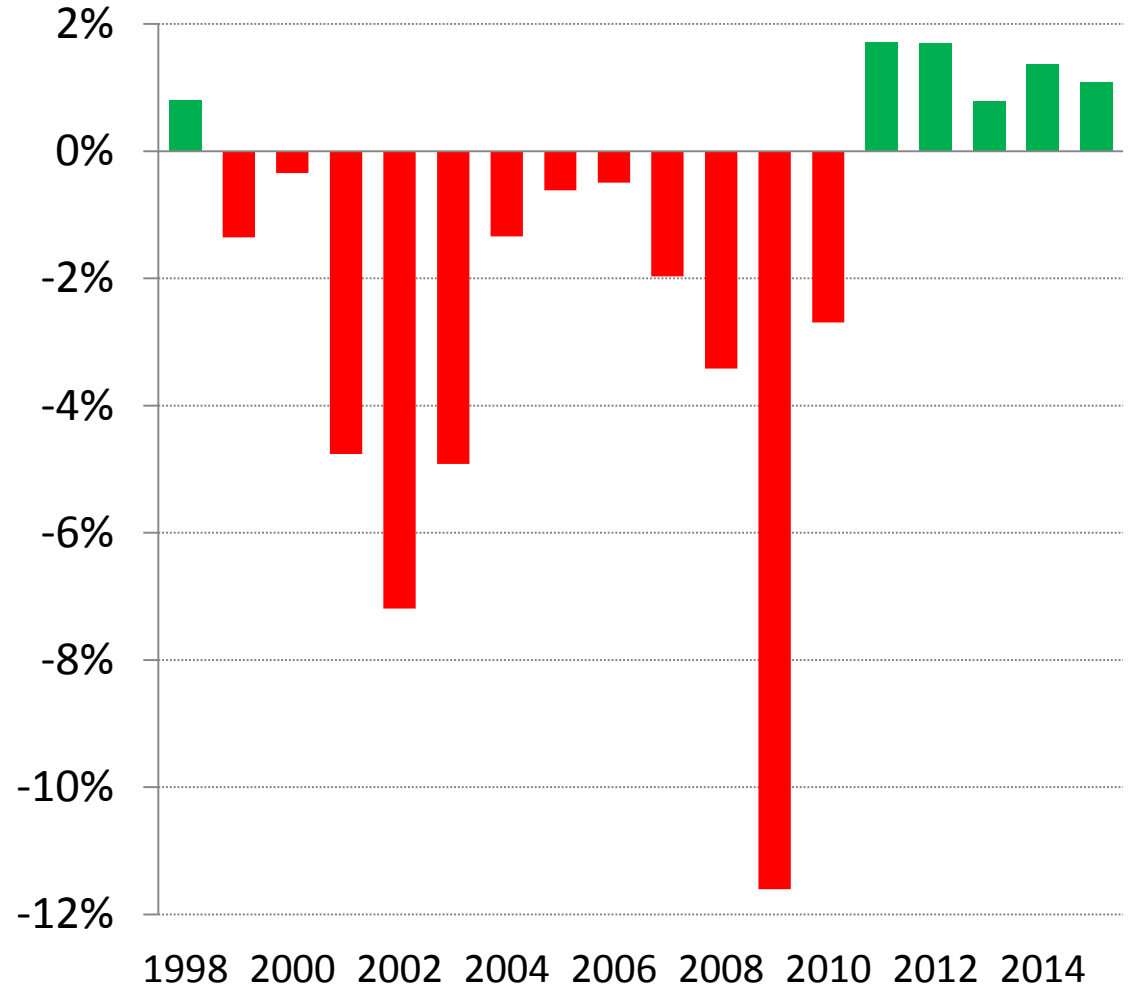


Positive effects for U.S. Pet-Chem, Manufacturing and Trade

**U.S. Natural Gas Liquids Production and Foreign Trade
(Million barrels per day)**



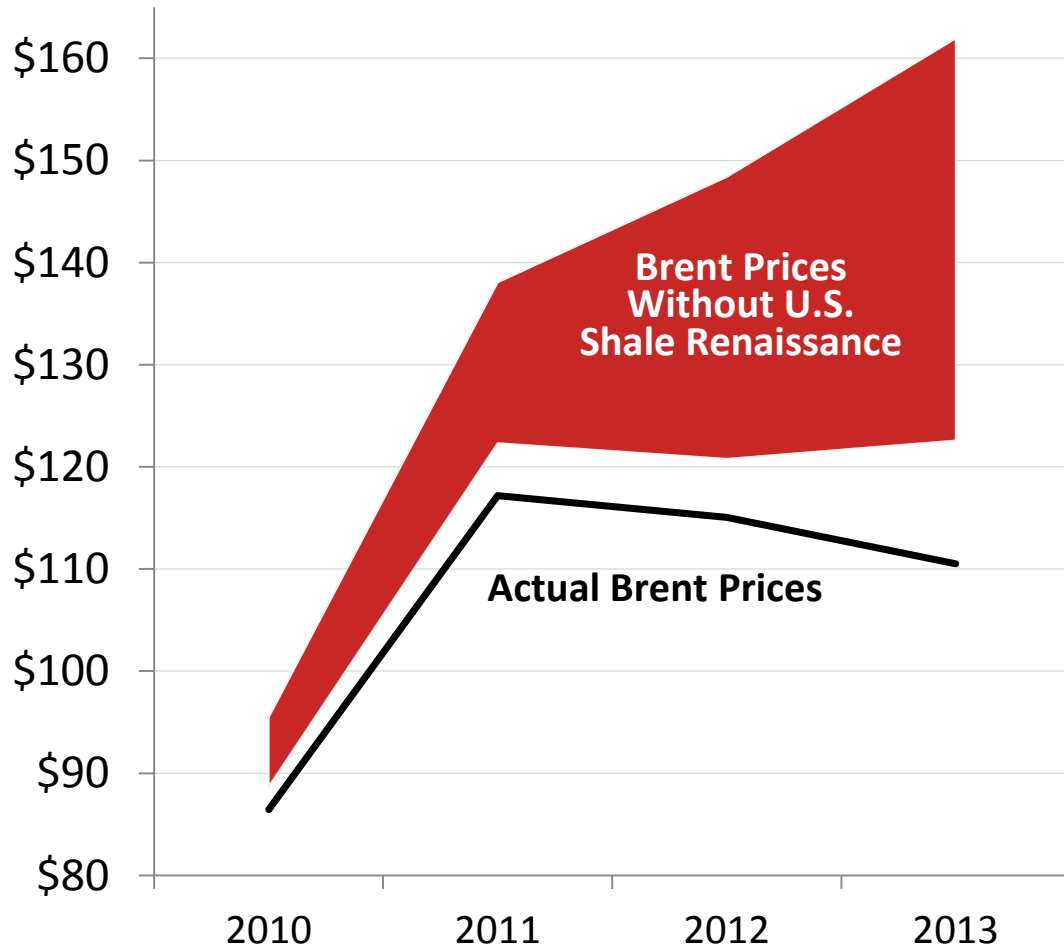
**Manufacturing Employment Reversed a 12-year Decline
(Annual % change)**



U.S. Oil Production Prevented Higher Prices in Recent Years

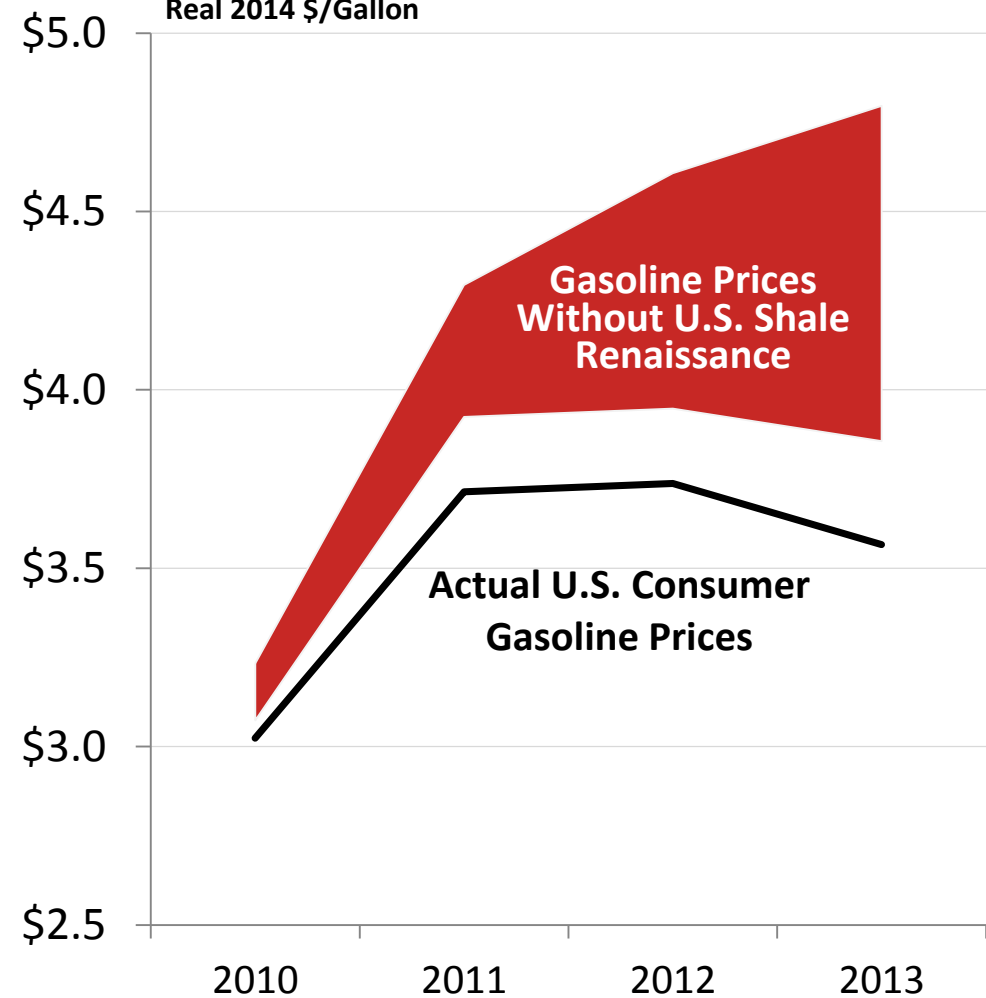
Brent Crude Oil Prices Would Have Been \$12 to \$40 per Barrel Higher in 2013

Real 2014 \$/BBL



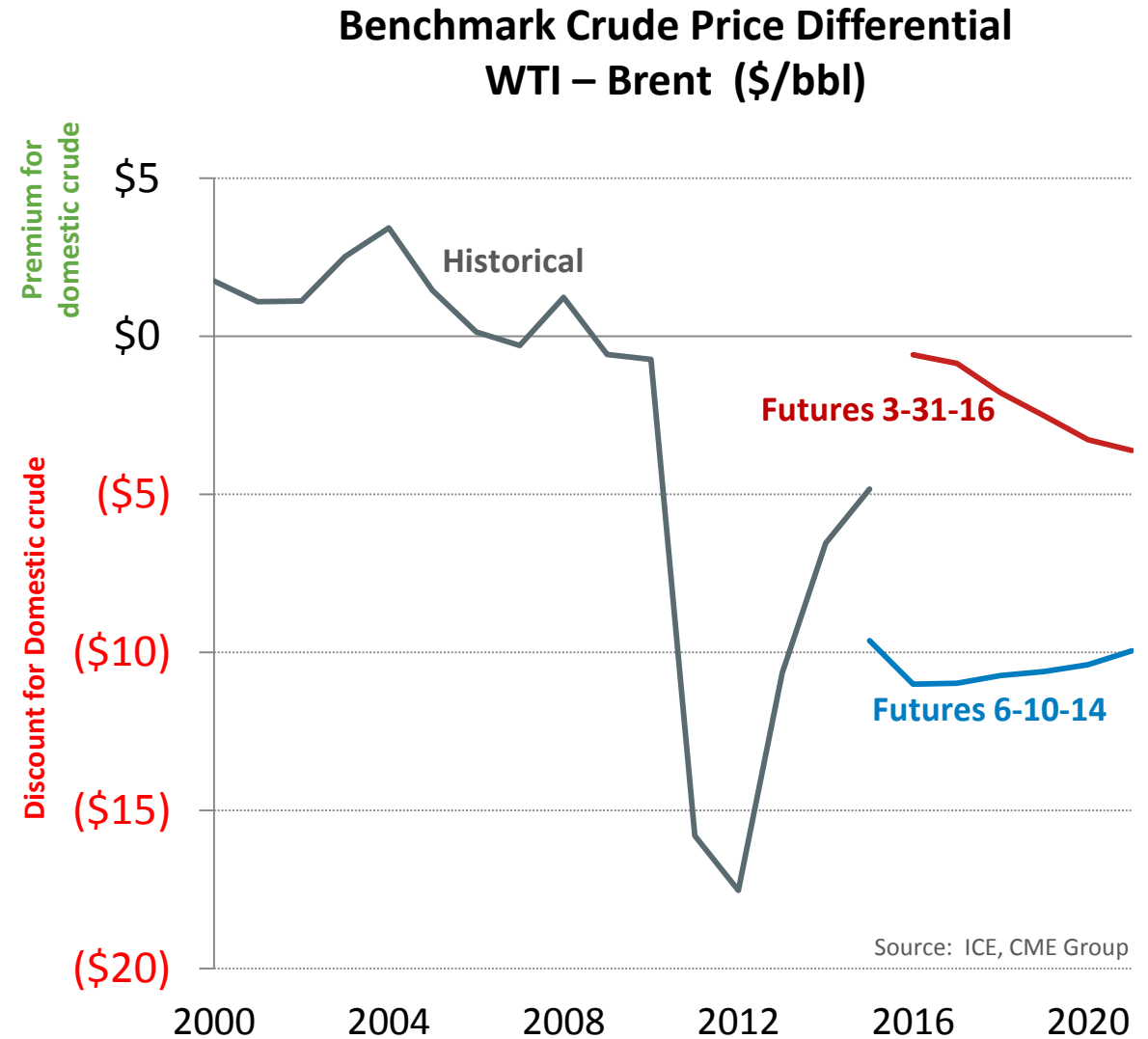
U.S. Consumer Gasoline Prices Would Have Been \$0.30 to \$0.94 per Gallon Higher in 2013

Real 2014 \$/Gallon



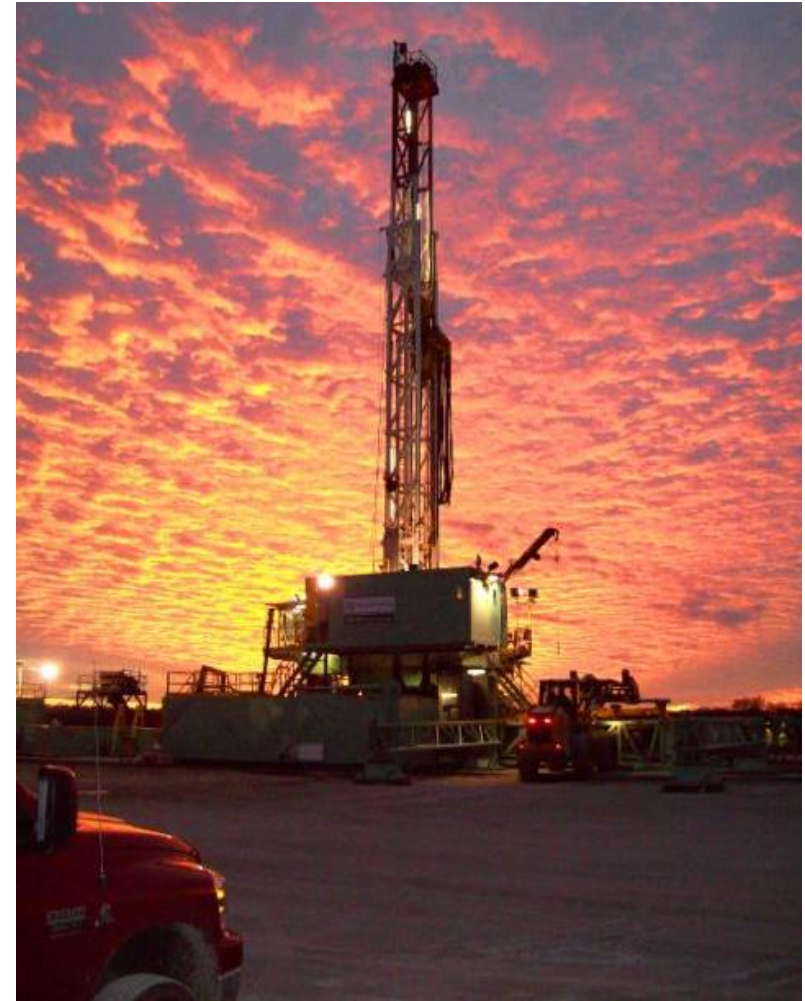
Free Trade Prevents Steep Discounts on Domestic Crude Prices

- With U.S. crude production in decline, the domestic crude oil price discount is small today
- Without crude exports, seasonal discounts would have been possible even with production declining today when U.S. refineries are in steep maintenance turnarounds
- Without crude exports, the domestic crude price discount would have grown over time as the global oil price recovered and U.S. crude production growth resumed
- Crude exports are more likely to be economic when U.S. refineries are in turnaround



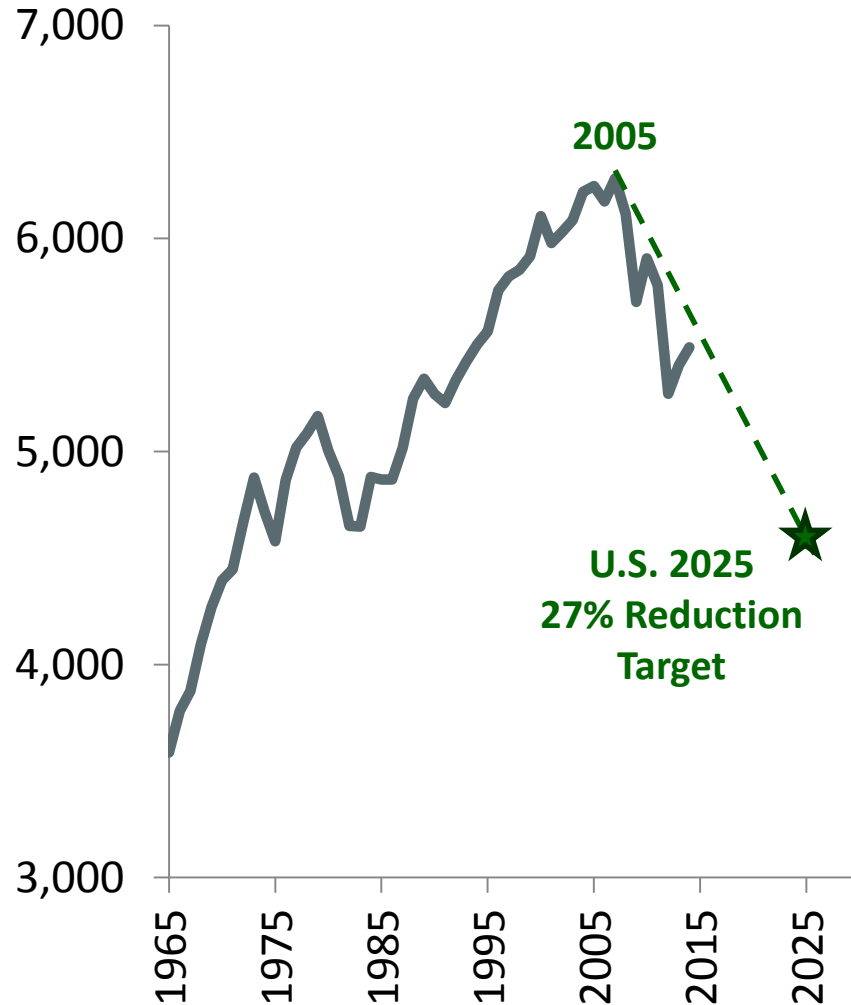
Critical Success Factors for U.S. Production Growth

- Legal and fiscal systems that facilitate investment
 - Private property & mineral rights
 - Fit for purpose regulations
 - Efficient permitting process
- Large drilling fleet and service/support capabilities
- Highly developed transportation infrastructure
- Transparent market pricing
 - Numerous market hubs
 - Liquid Spot and Forward markets



Shale Gas Helps Reduce CO₂ Emissions in Power Generation

U.S. CO₂ Emissions from Energy Use
(million tonnes per annum)

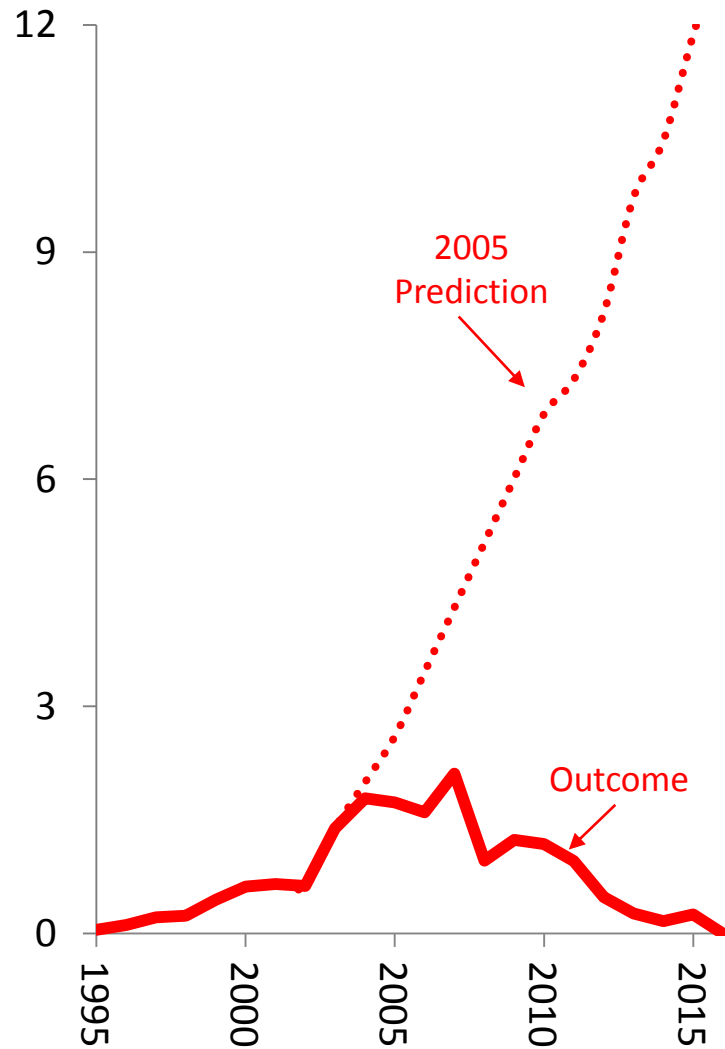


CO₂ Emissions Associated with Electricity Generation

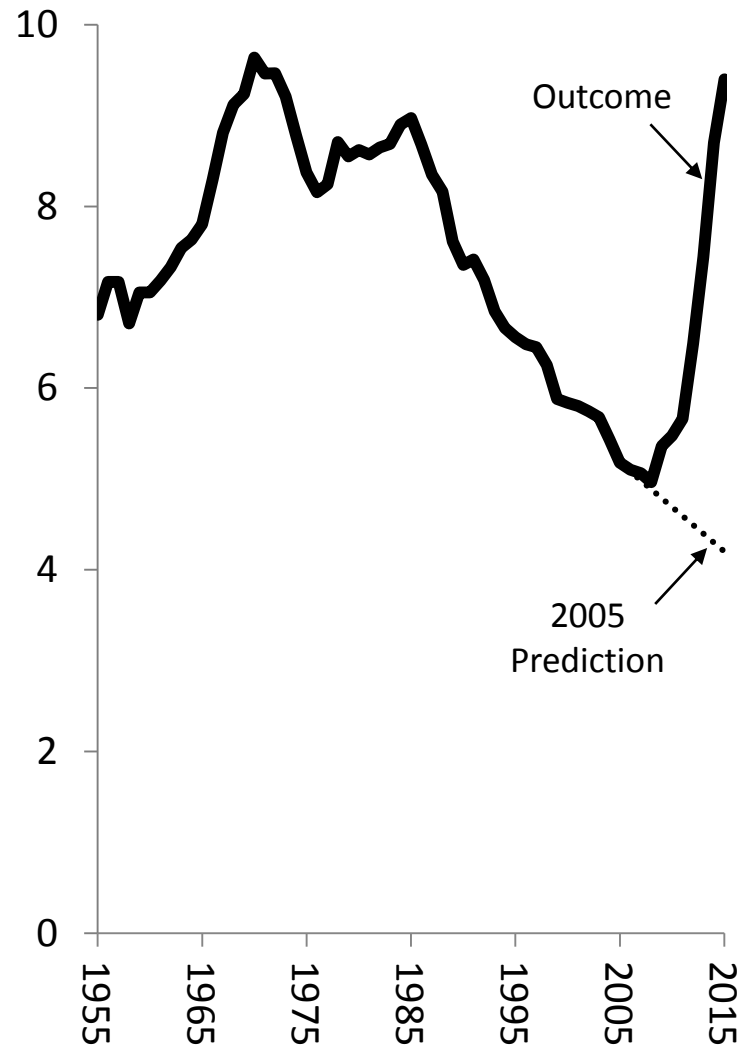
Energy Source	Pounds of CO ₂ per MWh of Power
Biomass	2,988
Coal	2,249
Oil	1,672
Natural Gas	1,135
Nuclear; Hydro; Renewables	Low or None

Paradigm Shift: Short to Long on Domestic Supplies

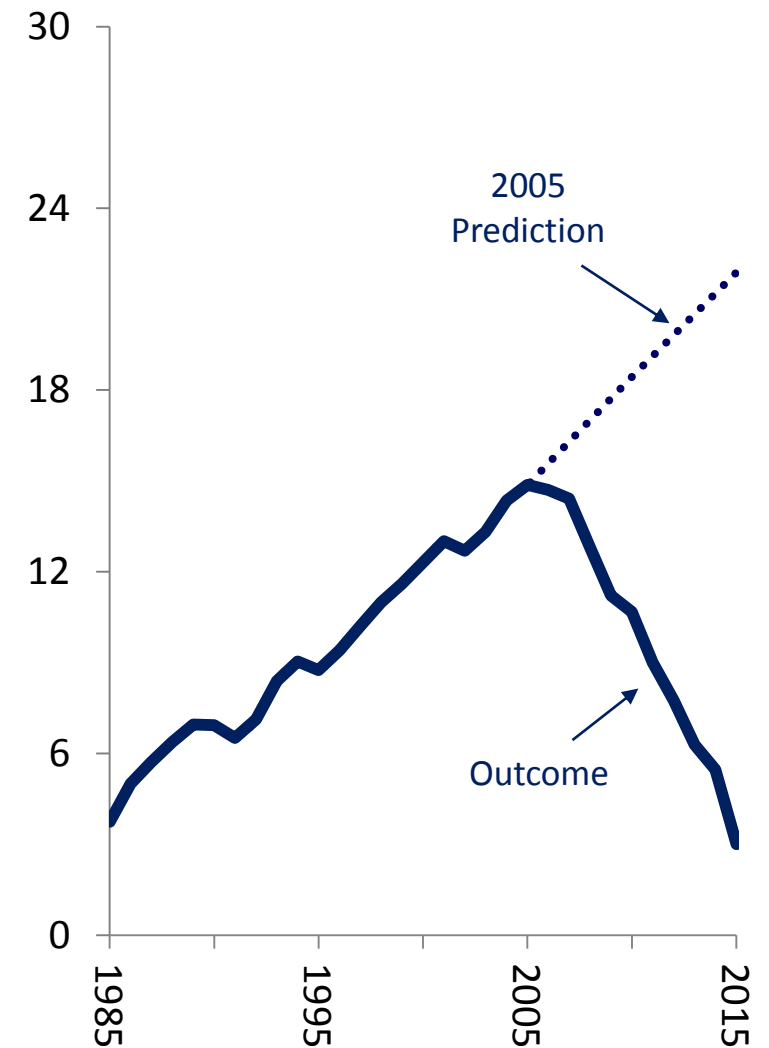
Liquefied Natural Gas Imports (bcf per day)



U.S. Crude Oil Production (millions of barrels per day)



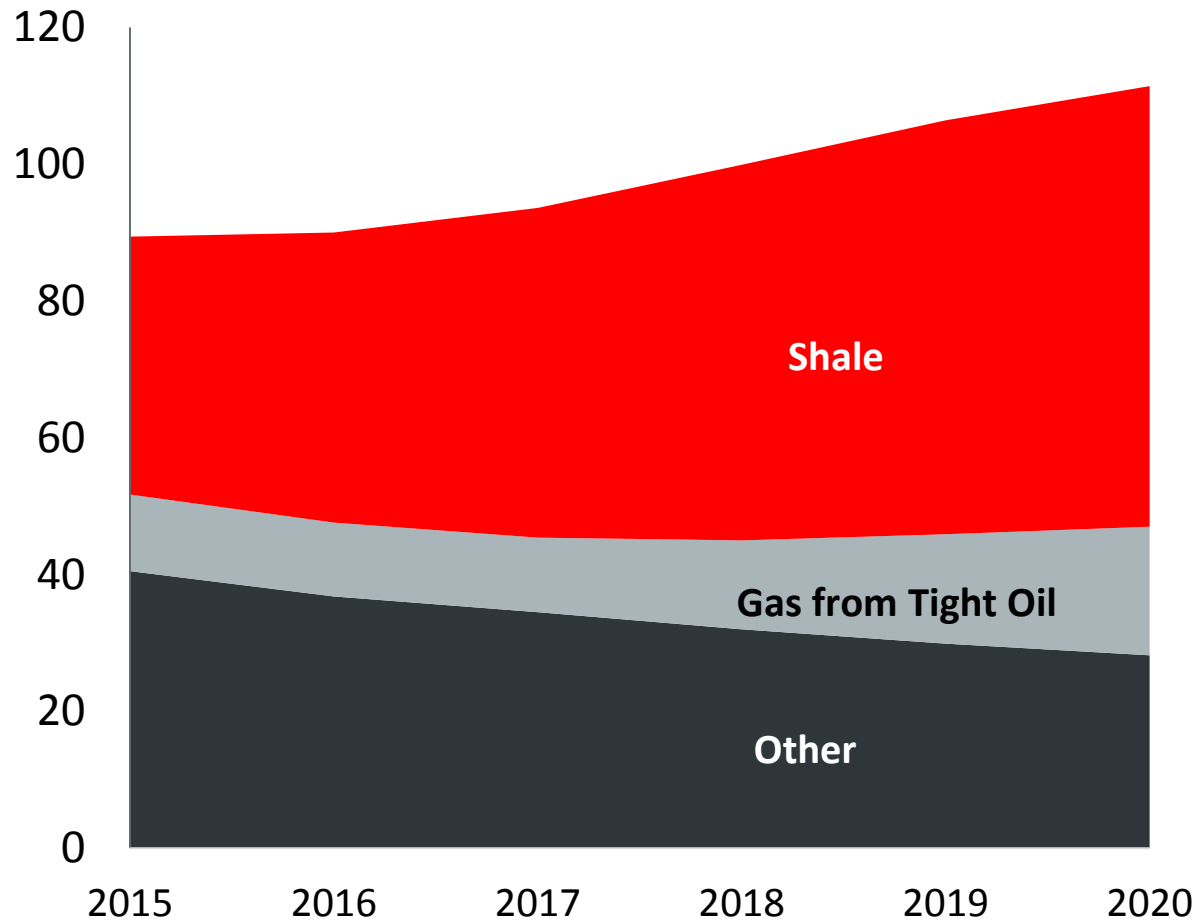
U.S. Net Energy Imports (millions of BOE per day)



North American Natural Gas Production Outlook

The Future of North American Production is Shale

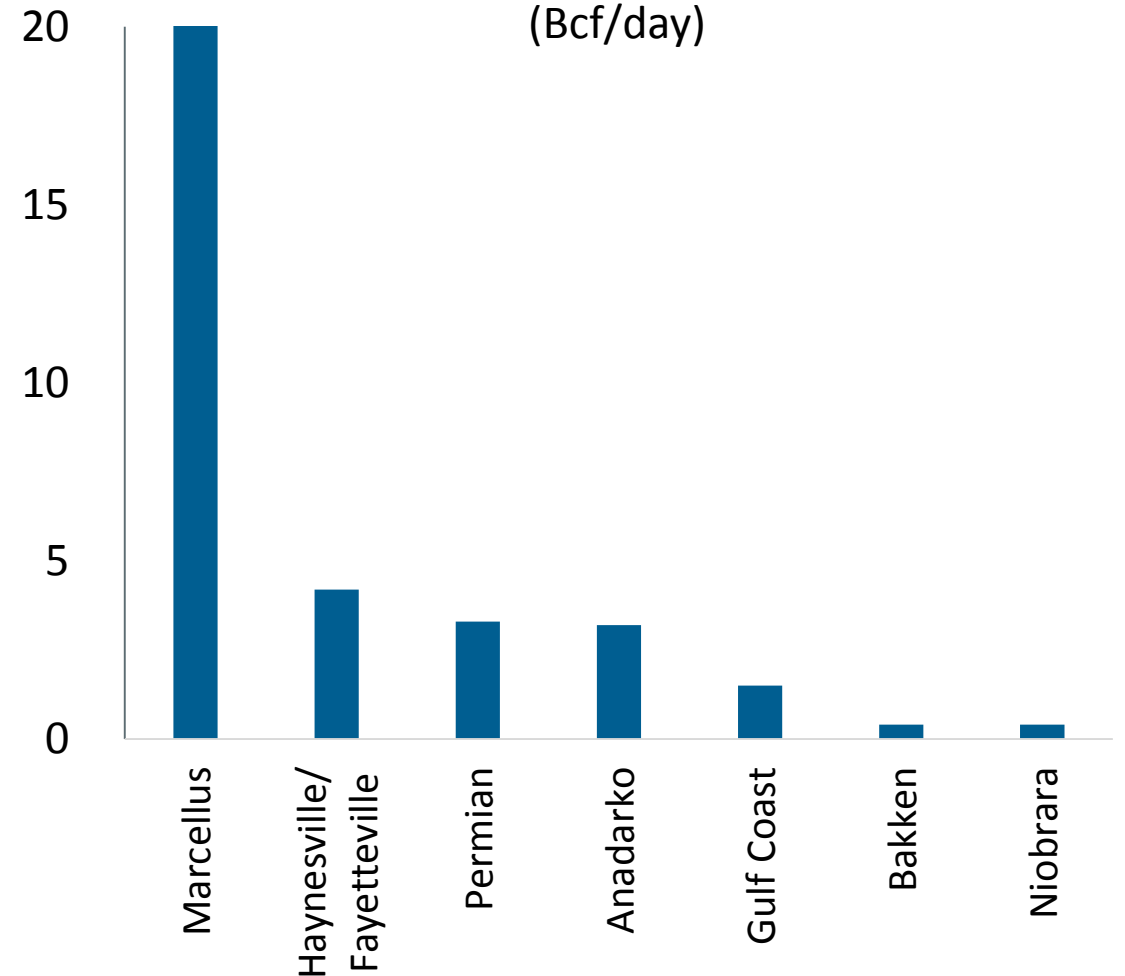
(Bcf/day)



Marcellus is the Growth Leader

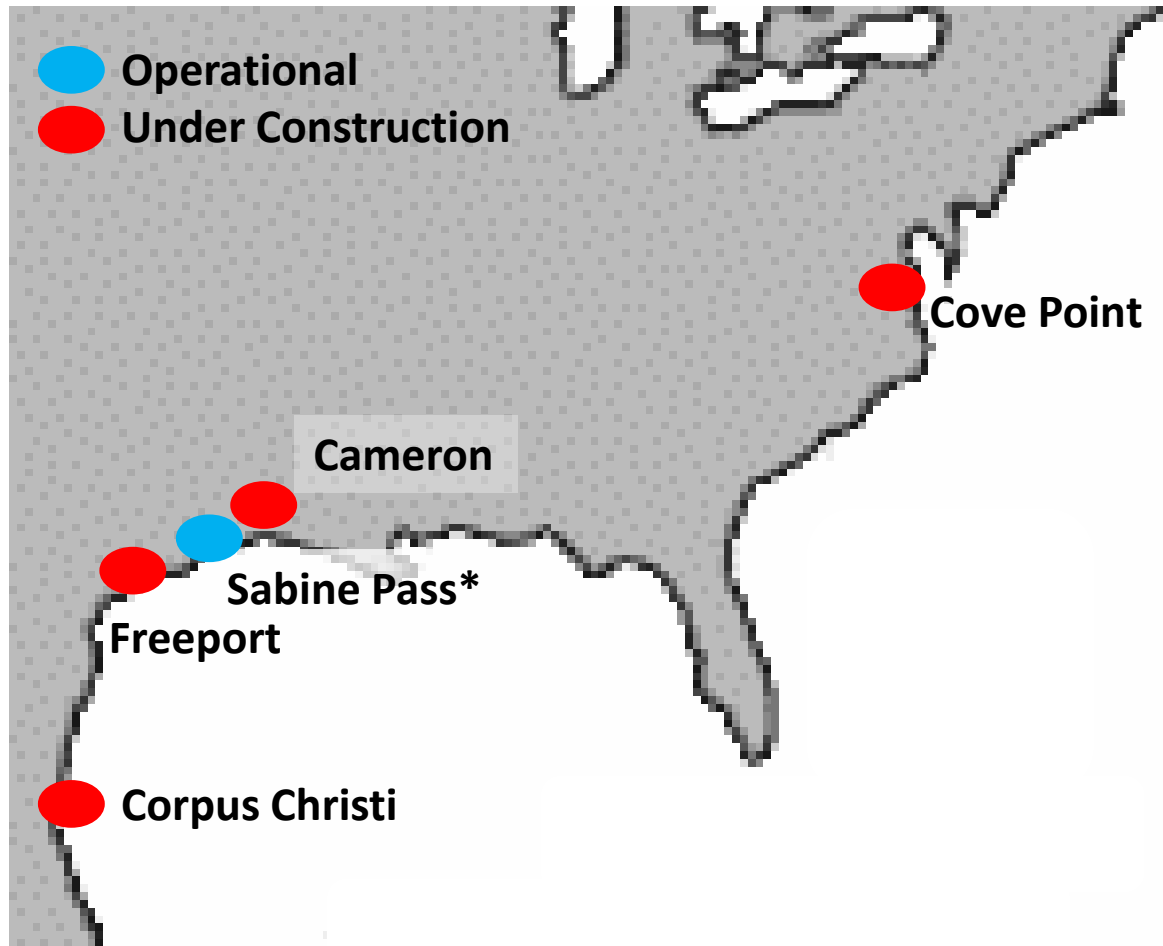
Growth in production 2015-2020

(Bcf/day)

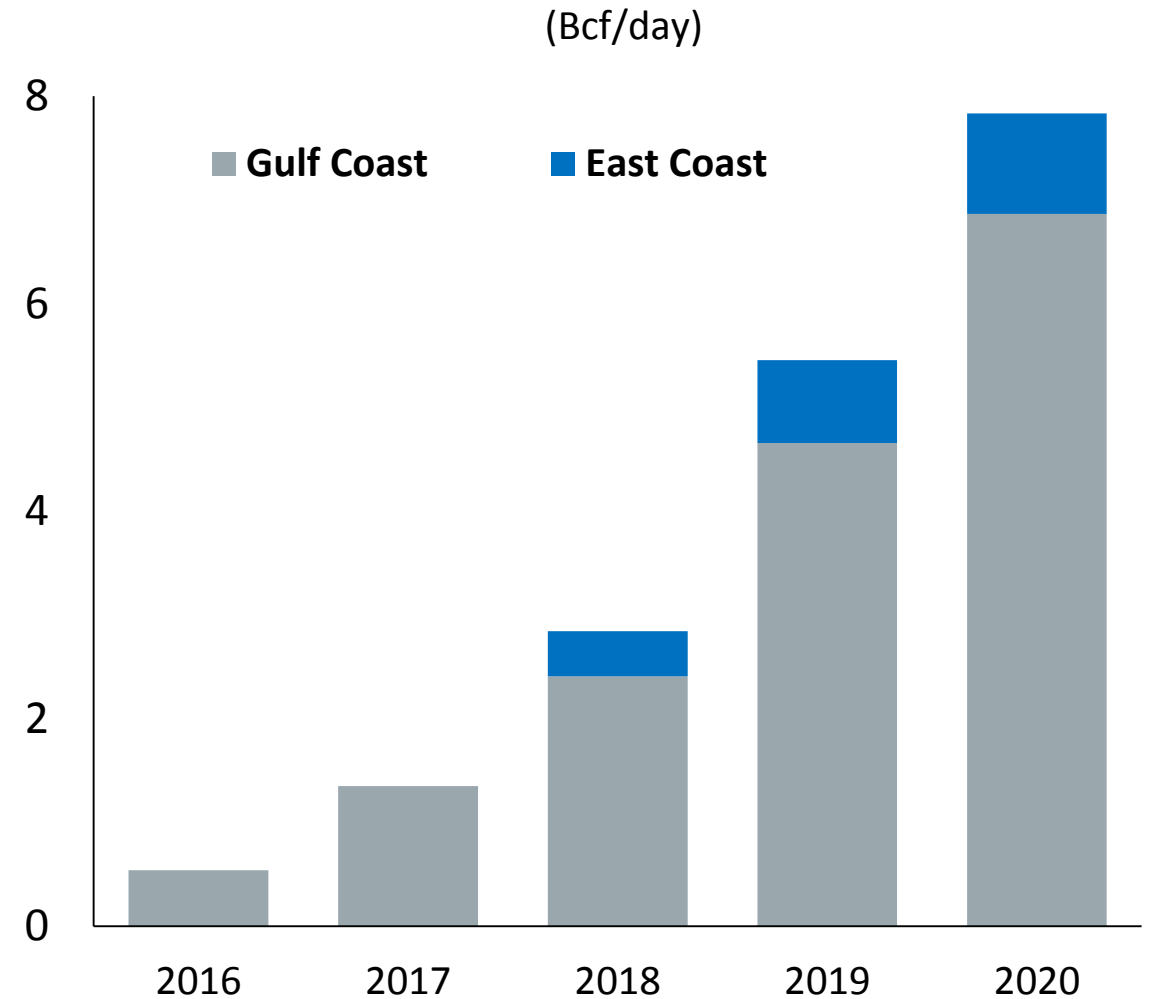


Affordable Shale Gas Enables LNG Exports

U.S. Liquefaction Operational & Under Construction Today



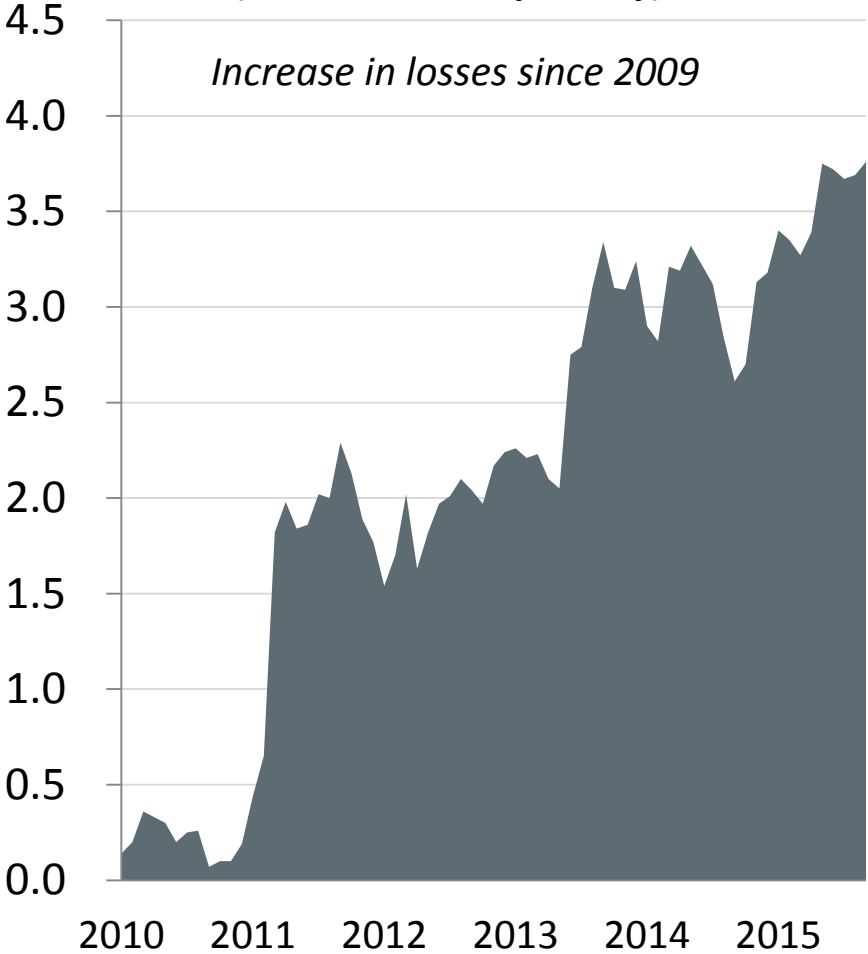
Almost 70 MTPA (9 BCFD) capacity Online by 2020



U.S. Tight Oil Production Has Helped Stabilize World Oil Supplies

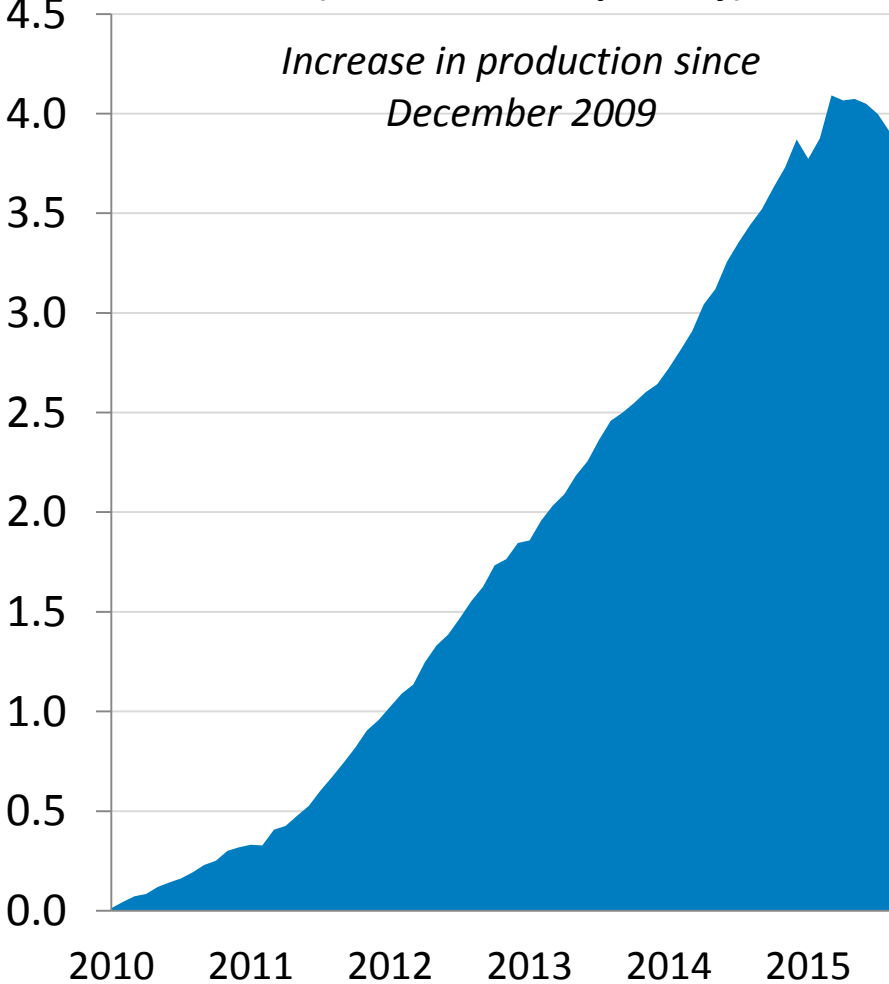
Growth in Global Supply Disruptions

(Million Barrels per Day)



Growth in U.S. Tight Oil Production

(Million Barrels per Day)



Summary

- Domestic production created numerous, wide-ranging benefits across the country
 - Jobs and Income growth in states with shale resources plus other regions providing service or supply-chain inputs to production
 - U.S. CO2 emissions fell following increase in use of natural gas for power generation
 - U.S. and global energy security enhanced by reliability and competitiveness of U.S. supplies



***U.S. unconventional gas and oil renaissance:
True Game-Changers for Global Gas and Oil Markets***