

ConocoPhillips (NYSE: COP) today announced an increase in its quarterly dividend from \$0.73 per share to \$0.74 per share, payable on Sept. 1, 2015 to stockholders of record at the close of business on July 27, 2015.

This Smart News Release features multimedia. View the full release here:
<http://www.businesswire.com/news/home/20150716006471/en/>

Ryan Lance, ConocoPhillips Chairman and Chief Executive Officer (Photo: Business Wire)

"A compelling dividend is a key aspect of our value proposition to shareholders," commented Ryan Lance, chairman and CEO. "While this increase is more modest than in previous years, we believe it is appropriate given the lower commodity price environment."

The company also announced that it intends to reduce future deepwater exploration spending, with the most significant reductions coming from the operated Gulf of Mexico program.

"Since the start of the oil and gas price downturn last year, we have moved decisively to position ConocoPhillips for lower, more volatile prices by exercising capital flexibility and reducing operating costs across our business," said Lance. "Our decision to reduce spending in deepwater will further increase our capital flexibility and reduce expenses without impacting our growth targets. This strengthens our ability to achieve cash flow neutrality in 2017 even if lower commodity prices persist."

"We have achieved some notable success in our deepwater program, particularly in the Gulf of Mexico Lower Tertiary play and offshore Senegal," Lance commented. "We are committed to delivering the value we have created from these discoveries, while reducing the number of deepwater exploratory prospects we drill in the future."

In conjunction with its stated plan to reduce future capital expenditures in deepwater exploration, the company has provided notice that it will terminate its contract for the Ensco DS-9 deepwater drill ship. The DS-9 was scheduled for delivery to the Gulf of Mexico in late 2015 to begin drilling the company's operated deepwater inventory on a three-year contract. Under the terms of the contract, the company is subject to a termination fee that represents up to two years of contract day rates. Details of the termination are under discussion, but the company expects to take a special item charge for termination in the third quarter.

Lance further noted, "Our actions reflect a decision to reduce exposure to programs with greater resource risk and longer cycle times. However, we will continue to pursue organic growth through more focused exploration programs. Furthermore, with increased capital flexibility, we can direct more investment to our captured resource base of 44 billion barrels of oil equivalent, which includes significant identified inventory in the highest value areas of the Eagle Ford, Bakken, Permian and Western Canada unconventional plays, as well as our legacy businesses around the world. We believe this will accelerate value for shareholders by shortening the cycle time on our overall investment program."

The company will discuss this announcement in more detail during the second-quarter 2015 earnings conference call scheduled for 12:00 EDT on July 30, 2015.

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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 27 countries, \$31 billion in annualized revenue, \$110 billion of total assets, and approximately 18,800 employees as of March 31, 2015. Production, excluding Libya, averaged 1,610 MBOED for the three months ended March 31, 2015, and proved reserves were 8.9 billion BOE as of Dec. 31, 2014. For more information, go to www.conocophillips.com.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This news release contains forward-looking statements. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by

a variety of risks and other matters including, but not limited to, changes in commodity prices; changes in expected levels of oil and gas reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; difficulties in developing new products and manufacturing processes; unexpected cost increases; international monetary conditions; 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. Unless legally required, ConocoPhillips undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We use the term "resource" in this release that the SEC's guidelines prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the ConocoPhillips website.

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