ConocoPhillips Provides Notice that it is Exercising its Preemption Right to Purchase the Remaining 50% Interest in Surmont

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ConocoPhillips (NYSE: COP) today announced that it is exercising its preemption right to purchase the remaining 50% interest in Surmont from TotalEnergies EP Canada Ltd. for approximately $3 billion (CAD$4 billion), subject to customary adjustments, as well as contingent payments of up to approximately $325 million (CAD$440 million). ConocoPhillips currently holds a 50% interest as operator of Surmont and will own 100% upon closing. This transaction is subject to regulatory approvals and other customary closing conditions.

"Today's announcement reflects our ongoing commitment to enhance our returns-focused value proposition, improving our ROCE, lowering our free cash flow breakeven and further supporting our $11 billion planned return of capital in 2023," said Ryan Lance, chairman and chief executive officer. "Long-life, low sustaining capital assets like Surmont play an important role in our deep, durable and diverse low cost of supply portfolio. Upon close, we look forward to leveraging our position as 100% owner and operator of Surmont to further optimize the asset while progressing toward our overall interim and long-term emissions intensity objectives. We will remain on track to achieve our previously announced accelerated GHG intensity reduction target of 50-60% by 2030, using a 2016 baseline."

The transaction is expected to close in the second half of 2023, with an effective date of April 1, 2023, and will be funded from either cash, short- and medium-term financing, or a combination of both. The transaction is subject to contingent payments for a five-year term of up to approximately $325 million (CAD$440 million) representing $2 million (CAD$2.7 million) for every dollar that WCS pricing exceeds $52 per barrel during the month, subject to certain production targets being achieved. Additionally, the transaction is structured as an asset purchase and the tax pools will be commensurate with the purchase price of the asset, including associated contingent payments.

Based on $60 WTI, the transaction will add approximately $600 million of annual free cash flow in 2024, inclusive of approximately $100 million of annual capex for maintenance and pad development costs. Since 2016, Surmont's GHG emissions intensity has declined by about 20%, and ConocoPhillips has plans for future emissions reduction by applying both current and new technology. ConocoPhillips is also a member of the Pathways Alliance, working to advance carbon capture and storage in Alberta.

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About ConocoPhillips

ConocoPhillips is one of the world's leading exploration and production companies based on both production and reserves, with a globally diversified asset portfolio. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 13 countries, $91 billion of total assets and approximately 9,600 employees at March 31, 2023. Production averaged 1,792 MBOED for the three months ended March 31, 2023, and proved reserves were 6.6 BBOE as of Dec. 31, 2022. For more information, go to www.conocophillips.com.

NOTE

Where the company refers to a $60 WTI price, a $13 WCS differential is assumed.

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 as defined under the federal securities laws. Forward-looking statements relate to future events, plans and anticipated results of operations, business strategies, and other aspects of our operations or operating results. Words and phrases such as "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words can be used to identify forward-looking statements. 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 be reasonable at the time such forward-looking statement is made. However, these statements are not guarantees of future performance and involve certain risks, uncertainties and other factors beyond our control. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in the forward-looking statements. Factors that could cause actual results or events to differ materially from what is presented include changes in commodity prices, including a prolonged decline in these prices relative to historical or future expected levels; global and regional changes in the demand, supply, prices, differentials or other market conditions affecting oil and gas, including changes resulting from any ongoing military conflict, including the conflict between Russia and Ukraine, and the global response to such conflict, security threats on facilities and infrastructure, or from a public health crisis or from the imposition or lifting of crude oil production quotas or other actions that might be imposed by OPEC and other producing countries and the resulting company or third-party actions in response to such changes; insufficient liquidity or other factors, such as those listed herein, that could impact our ability to repurchase shares and declare and pay dividends such that we suspend our share repurchase program and reduce, suspend, or totally eliminate dividend payments in the future, whether variable or fixed; changes in expected levels of oil and gas reserves or production; potential failures or delays in achieving expected reserve or production levels from existing and future oil and gas developments, including due to operating hazards, drilling risks or unsuccessful exploratory activities; unexpected cost increases, inflationary pressures or technical difficulties in constructing, maintaining or modifying company facilities; legislative and regulatory initiatives addressing global climate change or other environmental concerns; public health crises, including pandemics (such as COVID-19) and epidemics and any impacts or related company or government policies or actions; investment in and development of competing or alternative energy sources; potential failures or delays in delivering on our current or future low-carbon strategy, including our inability to develop new technologies; disruptions or interruptions impacting the transportation for our oil and gas production; international monetary conditions and exchange rate fluctuations; changes in international trade relationships or governmental policies, including the imposition of price caps, or the imposition of trade restrictions or tariffs on any materials or products (such as aluminum and steel) used in the operation of our business, including any sanctions imposed as a result of any ongoing military conflict, including the conflict between Russia and Ukraine; our ability to collect payments when due, including our ability to collect payments from the government of Venezuela or PDVSA; our ability to complete any announced or any future dispositions or acquisitions on time, if at all; the possibility that regulatory approvals for any announced or any future 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 the transactions or our remaining business; business disruptions following any announced or future dispositions or acquisitions, including the diversion of management time and attention; the ability to deploy net proceeds from our announced or any future dispositions in the manner and timeframe we anticipate, if at all; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation, including litigation related directly or indirectly to our transaction with Concho Resources Inc.; the impact of competition and consolidation in the oil and gas industry; limited access to capital or insurance or significantly higher cost of capital or insurance related to illiquidity or uncertainty in the domestic or international financial markets or investor sentiment; general domestic and international economic and political conditions or developments, including as a result of any ongoing military conflict, including the conflict between Russia and Ukraine; changes in fiscal regime or tax, environmental and other laws applicable to our business; and disruptions resulting from accidents, extraordinary weather events, civil unrest, political events, war, terrorism, cybersecurity threats or information technology failures, constraints or disruptions; and 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 expressly disclaims any obligation to update 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.

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Contact

Dennis Nuss (media)
281-293-1149
dennis.nuss@conocophillips.com

Investor Relations
281-293-5000
investor.relations@conocophillips.com