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NEWS RELEASE

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Second-Quarter 2013 Alaska Earnings Review

ANCHORAGE, Alaska – In connection with ConocoPhillips' second-quarter 2013 earnings, which were announced earlier today, ConocoPhillips Alaska, Inc. (COPA) reported the following 2013 Alaska earnings facts.

As reported in the earnings supplemental information, COPA had net earnings of \$682 million in the second-quarter of 2013, including a one-time \$97 million dollar benefit from a pipeline carrier related commercial settlement agreement. This resulted in adjusted earnings of \$585 million after special items. This amount is up from \$543 million in the first-quarter of 2013. Second-quarter 2013 production was approximately twenty thousand barrels of oil equivalent per day lower than the prior quarter due primarily to field planned downtime and normal field decline. During the second-quarter of 2013, COPA incurred an estimated \$1.0 billion in obligations to Alaska and the federal government. Of this amount, an estimated \$662 million was due to Alaska in the form of severance taxes, royalties, property taxes and state income tax.

“As we have reported historically, we pay approximately twice as much in taxes and royalties as we keep,” said Bob Heinrich, vice president, Finance, COPA. “This high rate of government take is driven by ACES. We are pleased the Governor and legislature successfully passed SB21, which made changes to ACES and improves the investment climate in Alaska. As a result of these improvements, we are now looking forward to increasing our North Slope investment.”

Though the changes in the tax structure will not take effect until Jan. 1, 2014, COPA has already announced new work on the North Slope, including:

- Bringing an additional rig to the Kuparuk field that supports 95 direct jobs and will generate approximately 700 indirect jobs.
- Initiating engineering and design for new Drill Site 2S at Kuparuk. COPA already filed permit applications for this project and plans to seek project sanctioning in the third quarter of 2014.
- Entering the regulatory/permitting activities phase and engineering for GMT1, a drill site in the Greater Moose's Tooth Unit in NPR-A. COPA filed permit applications for this project on July 23, 2013, and plans to seek project sanctioning of GMT1 in the second half of 2014.

Heinrich added, “The company is looking at additional opportunities for projects in the near future.”

COPA also reported the following:

Second-Quarter 2013

- COPA estimated taxes and royalties due to Alaska and federal income tax = \$1.0 billion
 - COPA taxes and royalties due to Alaska = \$0.7 billion
 - COPA federal taxes = \$0.3 billion
- COPA adjusted earnings = \$0.6 billion

Year-to-Date 2013 –

- COPA estimated taxes and royalties due to Alaska and federal income tax = \$2.2 billion
 - COPA taxes and royalties due to Alaska = \$1.6 billion
 - COPA federal taxes = \$0.6 billion
- COPA earnings = \$1.1 billion

Since 2007, COPA has paid an estimated \$29 billion in taxes and royalties to the state of Alaska and the federal government. Of that \$22 billion went directly to the State.

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ConocoPhillips has been leading the search for energy in Alaska for more than 50 years. We are committed to responsibly developing Alaska's resources, providing economic opportunity for Alaska, operating at the highest safety standards and being good stewards of our community. For more information, visit www.conocophillipsalaska.com.

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

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