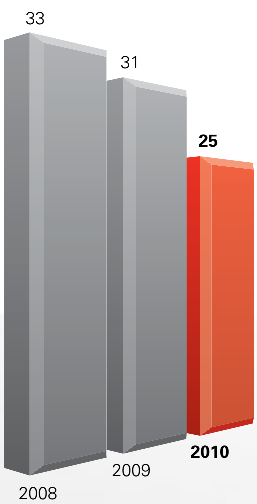
ConocoPhillips

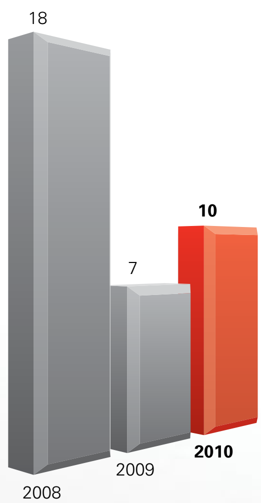
Delivering Value

2010 SUMMARY ANNUAL REPORT

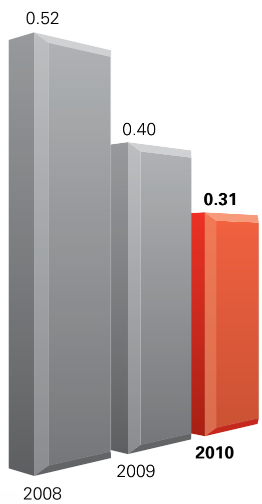
DEBT-TO-CAPITAL RATIO
(Percent)



RETURN ON CAPITAL EMPLOYED*
(Percent)



TOTAL RECORDABLE RATE
(Safety incidents per 200,000 hours)



**See reconciliation on page 38.*

Certain disclosures in this Summary Annual Report may be considered “forward-looking” statements. These are made pursuant to “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. The “Cautionary Statement” in Management’s Discussion and Analysis in Appendix B of ConocoPhillips’ 2011 Proxy Statement should be read in conjunction with such statements.

“ConocoPhillips,” “the company,” “we,” “us” and “our” are used interchangeably in this report to refer to the businesses of ConocoPhillips and its consolidated subsidiaries.

Definition of resources: ConocoPhillips uses the term “resources” in this document. The company estimates its total resources based on a system developed by the Society of Petroleum Engineers that classifies recoverable hydrocarbons into six categories based on their status at the time of reporting. Three (proved, probable and possible reserves) are deemed commercial, and three others are deemed noncommercial or contingent. The company’s resource estimate encompasses volumes associated with all six categories.

ConocoPhillips

"We have demonstrated our ability to successfully adapt our traditional, proven business strategies to new realities."

James J. Mulva
Chairman and Chief Executive Officer

Letter to Shareholders

James J. Mulva
Chairman and Chief Executive Officer

John A. Carrig
*President**

Since the fall of 2009, we have pursued a multi-year plan to take decisive actions that deliver increased value for our owners. These include building upon our strong operational, safety and environmental performance, increasing distributions to shareholders, adjusting our portfolio, and renewing our commitment to strategic, financial and operational discipline.

We made significant progress in 2010, highlighted by a 10 percent increase in our quarterly dividend rate, realization of $15.4 billion in proceeds from selective asset divestments that included most of our LUKOIL holdings, an 18 percent decrease in debt to $23.6 billion, and an increase in our year-end cash and short-term investments balance to $10.4 billion. We also met our key operational targets, while recording our safest year since the inception of ConocoPhillips in 2002 and increasing annual earnings to $11.4 billion.

This performance delivered significant value to our shareholders, as ConocoPhillips' total shareholder return for the year of 39 percent was highest among our industry peer group. We have continued our commitment to increase shareholder distributions in 2011, announcing a 20 percent increase in the quarterly dividend rate and an additional $10 billion share repurchase program.

These achievements occurred in a market still gradually recovering from the recent global economic downturn. Liquids price realizations increased during 2010, but North American natural gas prices remained impacted by weak demand and rising supply, while surplus global refining capacity allowed only a partial recovery in refining margins. Through our investments, we are continuing to increase our emphasis on exploration and production, to which 86 percent of our capital program was dedicated during 2010, with 89 percent planned for 2011.

"We expect to organically replace reserves and grow long-term production by developing existing opportunities available in our asset portfolio and increasing emphasis on exploration."

DELIVERING ON OUR COMMITMENTS

Progress is well under way on our decisive multi-year actions intended to enable ConocoPhillips to deliver long-term value and compete effectively throughout all market cycles. Specifically:

• **Sell $10 billion in non-core assets over two years** – We completed $7.1 billion in asset sales during 2010, including divestiture of our 9 percent interest in Syncrude for $4.6 billion, and sales of smaller ventures and lower-returning assets. The sales will not materially impact future reserves and production growth. We anticipate at least $3 billion in additional sales during 2011.

• **Sell our LUKOIL stock** – We expanded our initial plan and determined to divest all of our 20 percent ownership in LUKOIL stock, then utilize the proceeds to fund our own development opportunities and repurchase our stock. We completed the sale of our LUKOIL investment by early 2011, yielding $9.5 billion in total proceeds, including $8.3 billion realized during 2010.

• **Reduce debt and improve financial flexibility** – We retired $5.1 billion in debt during the year, lowering remaining debt to $23.6 billion and the debt-to-capital ratio to 25 percent, which is within our target range. We ended 2010 with $10.4 billion in cash and short-term investments, most of which we will use for share repurchases, with small, selective asset acquisitions also possible.

• **Increase shareholder distributions** – Our efforts to deliver value to shareholders during 2010 included a 10 percent increase in our quarterly dividend rate. This was the eighth consecutive annual increase since the company's inception in 2002, yielding a compounded annual dividend growth rate of 13.5 percent over this period. In addition to paying $3.2 billion in dividends, we repurchased 65 million shares of our stock for $3.9 billion, consistent with plans to increase key metrics on a per-share basis.

• **Improve capital efficiency** – Achievement of these initiatives, combined with higher margins and a disciplined capital investment program, improved our return on capital employed to 10 percent during 2010. Spending for our capital program declined 11 percent to $10.7 billion, which was primarily allocated to our Exploration and Production (E&P) business. In response to the improved energy market, we plan a $13.5 billion capital program for 2011.

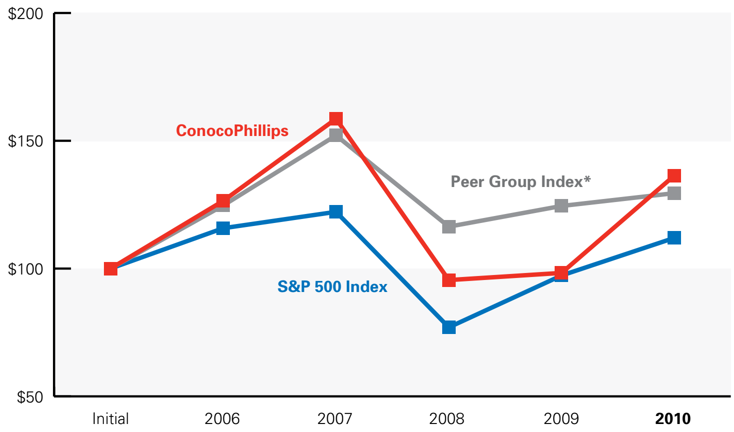
OPERATIONAL ACHIEVEMENTS

E&P recorded several key accomplishments that will facilitate future value accretion and growth. Among them were record safety performance, oil and gas production volumes that met operating targets, and replacement of 138 percent of production with proved reserve additions on an organic basis at competitive finding and development costs.

To expand our opportunities in North America, we added acreage in liquids-rich unconventional shale drilling trends. In the Canadian oil sands, volumes increased as work continued on several large expansion projects. We broadened our presence in the growing global liquefied natural gas (LNG) market through startup of the Qatargas 3 project in 2010. In addition, ongoing development of the major Australia Pacific LNG (APLNG) venture continues. In February 2011, APLNG entered into a non-binding heads of agreement to supply up to 4.3 million tonnes annually of LNG for 20 years to Sinopec, a major customer in China, and for Sinopec to subscribe for a 15 percent equity interest in the APLNG venture.

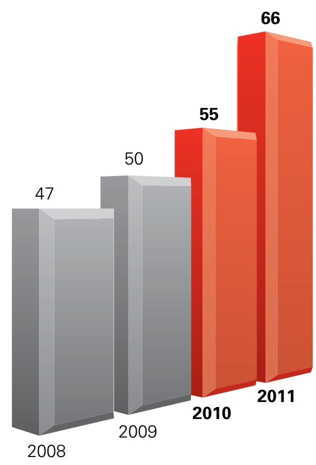
Looking forward, we expect to organically replace reserves and grow long-term production by developing existing opportunities available in our asset portfolio and increasing emphasis on exploration. Our 2011 plans include continued development of major projects, exploitation of unconventional shale resources in the United States, Canada and elsewhere, and wildcat drilling and appraisal of earlier discoveries from our exploration portfolio.

FIVE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURNS
(Dollars; Comparison assumes $100 was invested on Dec. 31, 2005)



*BP, Chevron, ExxonMobil, Royal Dutch Shell and Total.

QUARTERLY DIVIDENDS*
(Cents per share)



**Fourth quarter except 2011, which is first quarter.*

Our Refining and Marketing business also recorded its safest year ever, with favorable capacity utilization that met targets despite a difficult global operating environment. We expect continued progress on the Wood River Refinery's coker and refinery expansion project, enabling increased bitumen processing capacity in late 2011, thus accommodating E&P's rising Canadian oil sands production. Consistent with plans to reduce our exposure to refining margins, we decided not to proceed with proposed Yanbu and Wilhelmshaven refinery investments.

Our chemicals and midstream joint ventures entered their second decade with strong financial results in growing markets.

OUR COMMUNITIES AND PEOPLE

We were saddened by the tragic oil spill in the deepwater Gulf of Mexico this past summer, and assisted in response efforts. We firmly believe deepwater drilling can be done safely and in an environmentally sensitive manner. In order to enhance the industry's ability to meet the highest standards, we joined with three other major energy companies to form the Marine Well Containment Company, which is designing and building equipment to supplement emergency response capabilities.

Additionally, we are urging the U.S. government to ensure regulation of our industry is reasonable and cost-effective. We also continue calling for enactment of a comprehensive national energy policy to enhance supply availability, provide a mandatory legislative framework to address greenhouse gas emissions, and encourage greater energy efficiency and environmental care.

As part of our corporate culture, we strive to improve the well-being of the communities in which we operate by making charitable contributions to organizations that provide vital community services. During 2010 we also broadened our matching gift program, inspiring increased contributions and greater volunteerism by ConocoPhillips employees and retirees.

To help ensure ongoing progress, we have implemented programs to enhance the professional skills of our employees, including executive leadership development and succession planning overseen by our board of directors.

As we look ahead to 2011 and the years beyond, we believe ConocoPhillips is better prepared to compete and prosper during market upturns, as well as times of uncertainty. We are excited about the emerging opportunities we see.

We have demonstrated our ability to successfully adapt our traditional, proven business strategies to new realities, and to harness the creativity and commitment of our employees. We deeply appreciate their ongoing contributions, as well as the trust shareholders exhibited in ConocoPhillips during 2010.

James J. Mulva
Chairman and Chief Executive Officer

John A. Carrig
President*

*Retired as of March 1, 2011.

Financial and Operating Highlights

	Millions of Dollars Except as Indicated		
	2010	2009*	% Change
Financial			
Total revenues and other income	**$ 198,655**	152,390	30%
Net income attributable to ConocoPhillips (Earnings)	**$ 11,358**	4,414	157
Earnings per share of common stock – diluted (dollars)	**$ 7.62**	2.94	159
Net cash provided by operating activities	**$ 17,045**	12,479	37
Capital expenditures and investments	**$ 9,761**	10,861	(10)
Repurchase of company common stock	**$ 3,866**	—	—
Dividends paid on company common stock	**$ 3,175**	2,832	12
Total assets	**$ 156,314**	152,138	3
Total debt	**$ 23,592**	28,653	(18)
Total equity	**$ 69,109**	62,613	10
Total debt to capital (percent)	**25%**	31	(19)
Common stockholders' equity	**$ 68,562**	62,023	11
Common stockholders' equity per share – book value (dollars)	**$ 47.92**	41.73	15
Cash dividends per common share (dollars)	**$ 2.15**	1.91	13
Closing stock price per common share (dollars)	**$ 68.10**	51.07	33
Common shares outstanding at year end (in thousands)	**1,430,765**	1,486,256	(4)
Average common shares outstanding (in thousands)			
Basic	**1,479,330**	1,487,650	(1)
Diluted	**1,491,067**	1,497,608	—
Employees at year end (in thousands)	**29.7**	30.0	(1)

	2010	2009*	% Change
Operating			
E&P			
U.S. crude oil and natural gas liquids production (MBD)	**390**	418	(7)%
Worldwide crude oil and natural gas liquids production (MBD)	**913**	968	(6)
U.S. natural gas production (MMCFD)	**1,777**	2,021	(12)
Worldwide natural gas production (MMCFD)	**4,606**	4,877	(6)
Worldwide bitumen production (MBD)	**59**	50	18
Worldwide synthetic oil production (MBD)	**12**	23	(48)
Worldwide production (MBOED)	**1,752**	1,854	(6)
LUKOIL Investment net production (MBOED)	**326**	437	(25)
Midstream natural gas liquids extracted (MBD)	**193**	187	3
Refinery crude oil processed (MBD)	**2,156**	2,226	(3)
Refinery capacity utilization rate (percent)	**81%**	84	(4)
U.S. gasoline sales (MBD)	**1,120**	1,130	(1)
U.S. distillates sales (MBD)	**873**	858	2
Worldwide petroleum product sales (MBD)	**3,040**	2,974	2

*Certain amounts for 2009 have been recast to reflect the change of recording the company's equity earnings for LUKOIL on a one-quarter-lag basis.

Use of Non-GAAP Financial Information – This Summary Annual Report includes the terms "adjusted earnings" and "ROCE." These are Non-GAAP financial measures and are included to help facilitate comparisons of company operating performance across periods. A reconciliation of adjusted earnings and ROCE to earnings and ROCE determined in accordance with U.S. generally accepted accounting principles (GAAP) is shown on page 38.

Our Commitments

Delivering Shareholder Value

"With our strong focus on financial discipline and capital efficiency, we are well positioned to continue creating shareholder value."

Jeffrey W. Sheets
Senior Vice President, Finance and Chief Financial Officer

ConocoPhillips' strategy is focused on a disciplined approach to capital investment, maintenance of a strong balance sheet and growing distributions to our shareholders. We are prioritizing our investments on the highest-returning projects to improve our return on capital employed (ROCE) and capital efficiency.

We continue to optimize the portfolio, selling non-core holdings, and using these proceeds to fund debt reductions and increase distributions to our shareholders through share repurchases. With our strong financial position, our ability to add new reserves at competitive finding and development costs, and our emphasis on operating excellence and cost control, we are well positioned to continue creating shareholder value.

INCREASING SHAREHOLDER DISTRIBUTIONS

ConocoPhillips believes a mature industry should return to its owners a meaningful portion of cash flow through dividends and share repurchases. Since the company's inception in 2002, we have increased our dividends every year, and repurchased 305 million shares for $22 billion as of Dec. 31, 2010.

OPTIMIZING THE ASSET PORTFOLIO

Through nearly a decade of rapid growth driven by organic development, mergers and acquisitions, ConocoPhillips built a substantial asset portfolio that extends throughout the energy value chain. We are optimizing this portfolio by focusing on assets that offer the highest returns and growth potential, while selling non-core holdings. We are forming a more focused asset base that drives improved capital efficiency.

IMPROVING CAPITAL EFFICIENCY

Earning an attractive ROCE is essential for capital-intensive industries. To improve capital efficiency and ROCE, we are diligently allocating investment funds to the highest-returning opportunities in our portfolio. In today's energy market, these are upstream projects focused on North American liquids production and major international resource development.

ENHANCING FINANCIAL FLEXIBILITY

A strong balance sheet provides the financial flexibility needed to capture emerging opportunities and strategically adapt to changing markets. In 2010, we enhanced ConocoPhillips' financial strength by using our operating cash flow and asset-sale proceeds to reduce debt, return the debt-to-capital ratio to its target range of 20 to 25 percent, and build a substantial balance of available cash. We are well positioned for future opportunities.

Efficient operation of legacy assets, such as this well in the San Juan Basin, is key to maintaining ConocoPhillips' strong financial discipline.

Our Commitments

Leveraging Technology

ConocoPhillips is developing advanced technologies to find and produce oil and gas, and transform them into the fuels needed to power the world into future generations. At the same time, we are developing technologies to reduce the environmental impact of energy production.

SEISMIC PROCESSING

ConocoPhillips continues building on our long history of innovation by developing and applying state-of-the-art acquisition and imaging techniques, such as reverse time migration and Life of Field Seismic, that aim to improve our exploration success and resource recovery. The largest-ever offshore, fiber-optic, permanent seismic reservoir monitoring installation was successfully finished during 2010 at our Ekofisk Field in the North Sea.

ENVIRONMENTAL STEWARDSHIP

Environmental stewardship is a key focus area. Our research spans water conservation, greenhouse gas emissions reduction and removal of trace impurities from oil and gas. We are also exploring highly efficient means of energy generation to maximize the value of energy resources, such as using nano-materials in natural-gas-powered fuel cells.

ENHANCED RECOVERY

ConocoPhillips continues leveraging our expertise with new research to increase ultimate total oil recovery from our assets. Current areas of research include development of advanced nano-polymers, microbial-enhanced oil recovery, chemical flooding and reservoir management systems.

OIL SANDS

We are developing technology to maximize production from our oil sands resources while minimizing the environmental footprint. Innovative methods being researched include direct steam generation, enhanced steam-assisted gravity drainage and radio frequency heating. We are also utilizing our refining expertise to maximize the production of transportation fuels from each barrel of heavy oil produced.

BIOSCIENCES

Our research efforts include developing stimulants that can be injected downhole to facilitate microbial activity and enhance production. We are also working to leverage existing core refining skills and infrastructure by producing biofuels, and funding research into fuel production from non-food biomass and algae sources.

"ConocoPhillips is continuing our distinguished legacy of innovation in every segment of the oil and gas value chain."

Merl R. Lindstrom
Interim Senior Vice President, Technology

The installation vessel Volantis *maneuvers through the Ekofisk Complex installing an ocean bed seismic array for a new Life of Field Seismic system designed to optimize management of oil reservoirs by creating a time-lapse measurement of reservoir fluid movements, known as 4-D seismic.*

Our Commitments

Developing Our People

"Our people are our greatest resource, and we are committed to enabling each person to realize their maximum potential at ConocoPhillips."

Eugene L. Batchelder
Senior Vice President and Chief Administrative Officer

We attribute the success of our business primarily to the dedication and capabilities of ConocoPhillips employees around the world.

COMPETITIVE ADVANTAGE

In an era characterized by rapidly emerging opportunities, the ongoing technological revolution and the ever-shifting dynamics of commodity markets, the ability of our people to navigate the changing energy landscape represents a significant competitive advantage for ConocoPhillips.

DIVERSITY

We have achieved substantial progress in enhancing the diversity of our work force in terms of capabilities, geographic origins, educational qualifications, race and gender. This will remain a priority for us in the future. The five-year strategic plans of our business units and corporate staffs include specific people plans that incorporate objectives regarding diversity and inclusion, recruitment, employee retention and training and development.

LEADERSHIP

We are led by a highly experienced leadership team that has benefited from developmental assignments in a variety of business units around the world. We have a comprehensive succession plan in place to ensure continuity in management of our company and delivery of results.

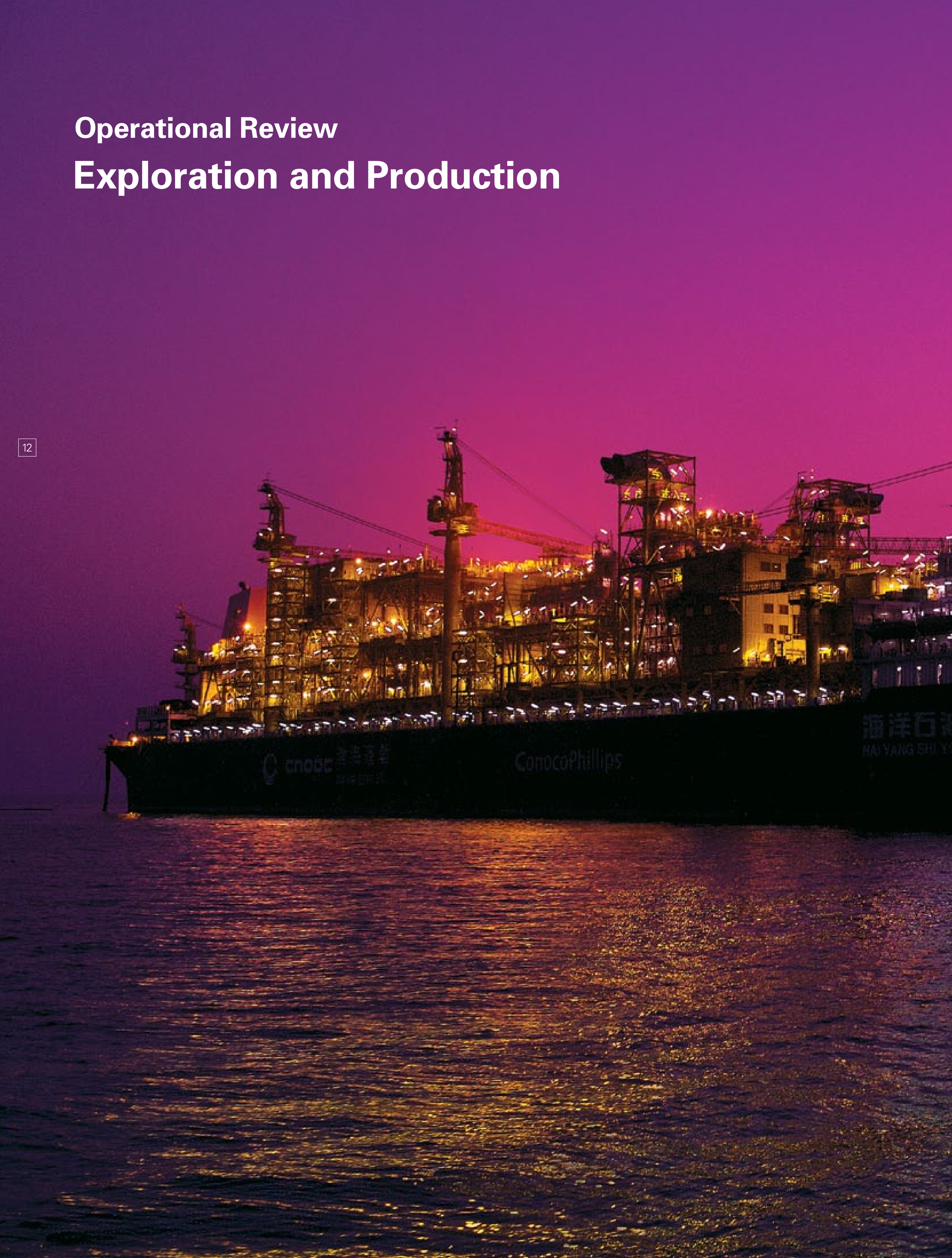
RECRUITMENT AND TRAINING

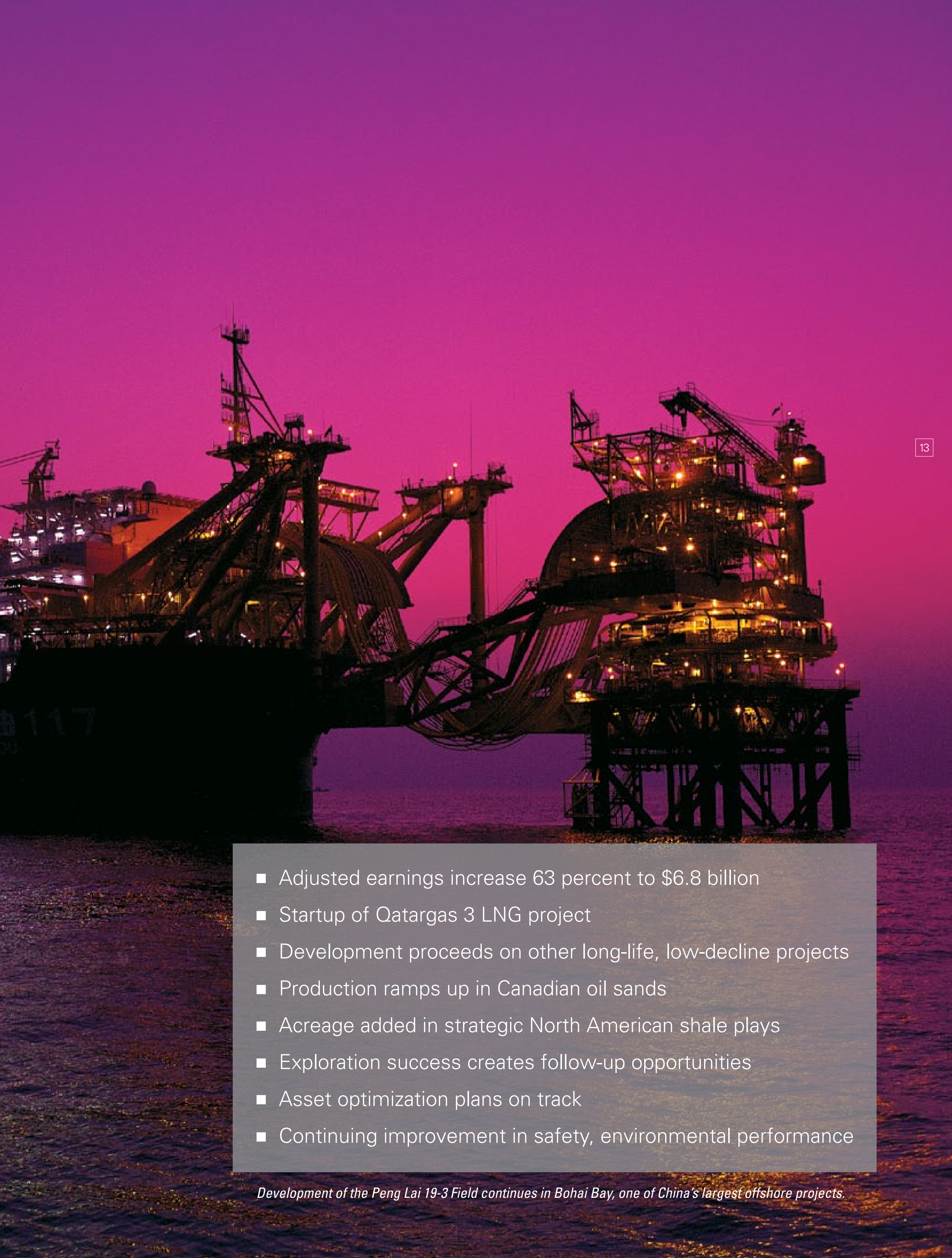
To ensure we attract a world-class work force, we recruit from dozens of universities worldwide, advertise job openings on our Web site and more than 500 other employment sites, and utilize targeted searches to fill critical jobs. Once employees are on board, we provide educational and development opportunities intended to enable each person to realize their maximum potential. Career-long training is part of the ConocoPhillips culture.

ConocoPhillips values the creativity and commitment of all its employees, who number approximately 29,700 people in more than 30 countries, including 2,800 at the corporate headquarters in Houston.

Operational Review

Exploration and Production





- Adjusted earnings increase 63 percent to $6.8 billion
- Startup of Qatargas 3 LNG project
- Development proceeds on other long-life, low-decline projects
- Production ramps up in Canadian oil sands
- Acreage added in strategic North American shale plays
- Exploration success creates follow-up opportunities
- Asset optimization plans on track
- Continuing improvement in safety, environmental performance

Development of the Peng Lai 19-3 Field continues in Bohai Bay, one of China's largest offshore projects.

Exploration and Production

E&P FINANCIAL AND OPERATING RESULTS

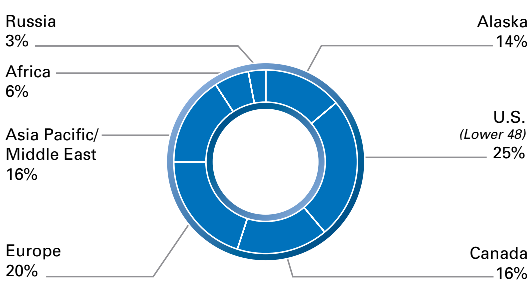
	2010	2009
Earnings (MM)	**$ 9,198**	3,604
Adjusted earnings (MM)	**$ 6,754**	4,131
Proved reserves (BBOE)	**8.3**	8.4
Worldwide production (MBOED)	**1,752**	1,854
Crude oil and NGL production (MBD)	**913**	968
Natural gas production (MMCFD)	**4,606**	4,877
Realized crude oil and NGL price ($/BBL)	**$ 72.77**	55.63
Realized natural gas price ($/MCF)	**$ 4.98**	4.37

A commitment to operational excellence, capital discipline and portfolio enhancement resulted in strong returns for Exploration and Production (E&P) in 2010, as well as substantial progress toward meeting ConocoPhillips' long-term strategic objectives.

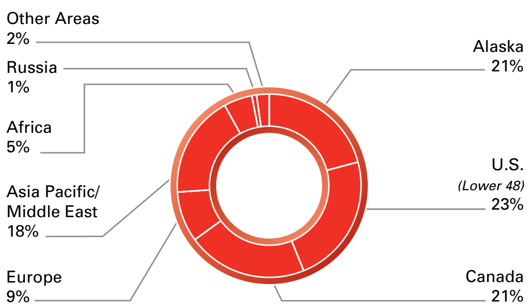
"We operated safely and efficiently, adapted our spending to changing market and industry conditions, and sold at favorable prices those assets that no longer fit our strategy," said Ryan Lance, senior vice president, E&P – International. "In the long term, E&P is well positioned to continue delivering value and growth. Approximately 75 percent of our reserves are located in Organization for Economic Cooperation and Development countries that are politically stable and offer us the opportunity to capture the upside from commodity prices. We have a number of high-margin, long-life and low-decline major projects in advanced stages of development at competitive finding and development costs, and our recent exploration successes are adding new opportunities to further enhance the captured resources in our portfolio."

Major accomplishments included startup of the Qatargas 3 liquefied natural gas (LNG) project, development sanctioning for the Jasmine Field in the North Sea, and continued progress on Canadian oil sands developments, numerous projects in

2010 E&P PRODUCTION



2010 E&P RESERVES



"We have a number of high-margin, long-life and low-decline major projects in advanced stages of development."

Ryan M. Lance
Senior Vice President, Exploration and Production – International

Malaysia, Indonesia and the North Sea, and the Australia Pacific LNG (APLNG) venture. Exploration activities focused on appraising high-impact discoveries, adding acreage in both mature basins and frontier regions, and conducting a highly active and successful drilling program in North American shale basins.

Several non-strategic assets were sold in keeping with the objective of strengthening the asset portfolio. The largest was the $4.6 billion sale of the company's 9 percent interest in the Syncrude oil sands mining development in Canada. ConocoPhillips also withdrew from planned development of the Shah Gas Field in Abu Dhabi in order to focus on projects that offer higher potential returns.

E&P worldwide production decreased 6 percent in 2010 to 1.75 million barrels of oil equivalent per day (BOED), from 1.85 million BOED in 2009. The decrease was mainly due to natural decline, primarily in North America and Europe, market impacts and asset dispositions. Initial gas and liquids production from the company's Qatargas 3 project, as well as production from major projects in China, North America and Australia, partly offset this decrease.

Capital program funding during 2010 was $9.3 billion for E&P. In 2011, in response to new organic opportunities, ConocoPhillips plans $12 billion in capital program funding for E&P, including $1.7 billion for worldwide exploration.

Massive tankers ship LNG from the Qatargas 3 project in Ras Laffan Industrial City, Qatar, to receiving terminals around the world. The first of these departed in November 2010, destined for the Canaport LNG Terminal in Saint John, New Brunswick, Canada.

Exploration and Production

ConocoPhillips is exploring opportunities in emerging resource areas worldwide, which included the drilling of two shale gas wells in 2010 in northern Poland.

Operational excellence remains a core focus, and improvements in employee safety and environmental performance continued during 2010. Employee and contractor injuries declined 18 percent, while the number of significant spills of hydrocarbons and produced water fell 78 percent and 20 percent, respectively. Process safety incidents were also lowered by 50 percent.

"Operating safely and responsibly is the foundation of everything we do," said Lance. "Our employees have worked hard to implement a process-driven operational excellence framework across the global E&P organization. This has reduced injuries and spills, and improved operating reliability and efficiency."

EXPLORATION PROGRESS CONTINUES

Exploration plays a key role in enabling ConocoPhillips to enhance its asset portfolio and work toward achieving long-term organic growth. During 2010, the company's exploration program added significant resources through the drill bit for the second consecutive year. "We achieved this milestone largely due to increased activity in U.S. shale basins. We also improved the depth and quality of the exploration portfolio by adding new acreage in a number of existing and emerging shale plays, as well as adding acreage in areas that offer conventional exploration opportunities," said Lawrence Archibald, senior vice president, Exploration and Business Development.

"In 2011, we plan high drilling activity in shale play delineation, and will appraise a number of recent conventional discoveries. High-impact wildcat exploration is also planned in the Caspian Sea, the North Sea and the Gulf of Mexico," said Archibald.

"Our capital spending is focused on converting our 43-billion-barrel resource base into reserves and production. Over the long term, we expect to grow our production organically as we invest in existing projects and bring new opportunities to the portfolio," said Gregory Garland, senior vice president, E&P – Americas.

ConocoPhillips' E&P investments are directed toward domestic and international producing regions, conventional as well as unconventional oil and natural gas reservoirs, and a combination of new and legacy opportunities.

"In 2011, we plan high drilling activity in shale play delineation, and will appraise a number of recent conventional discoveries."

Lawrence E. Archibald
Senior Vice President, Exploration and Business Development

The year's successes came despite government measures halting Gulf of Mexico drilling during and after the Macondo oil spill. The resulting moratorium forced postponement of planned wildcat wells, as well as appraisal drilling at the Tiber and Shenandoah fields discovered in 2009.

Consequently, ConocoPhillips successfully redirected a greater portion of planned exploration spending to other areas, in particular the liquids-rich Eagle Ford shale play in Texas. The subsequent increased drilling activity added substantial new reserves.

ConocoPhillips also added acreage in several of Canada's emerging shale plays, including the Horn River Basin in northeastern British Columbia, where two exploratory wells yielded encouraging results. Additional drilling and testing are scheduled for 2011.

Further evaluation of the large Poseidon natural gas discovery made in 2009 offshore Australia continues. A successful test of one well flowed gas at 26 million cubic feet per day (CFD) and was limited by test equipment capacity. Indications are that the reservoir is capable of flowing at higher rates. A second phase of drilling and evaluation is planned in 2011 and 2012.

In Greenland, another frontier exploration area, the company was awarded a license for Block 2 in Baffin Bay along with a co-venturer. ConocoPhillips will serve as operator, with planned 2011 and 2012 activities including field work, environmental assessments and seismic data acquisition and evaluation.

PROGRESSING MAJOR INTERNATIONAL PROJECTS

A number of major projects under development around the world are intended to contribute to future production growth at favorable development costs compared to similar industry ventures.

"Projects like APLNG and Qatargas 3 are competitive because they offer high margins, long life, low decline rates and fiscal stability. These projects will deliver significant value for the company going forward," said Lance.

In Australia and the Timor Sea, the company is developing a series of major LNG projects. The process began in 1995 with discovery of the Bayu-Undan Field, which was subsequently developed along with the Darwin LNG Plant and started up in 2006. Currently, development planning is under way for a second major offshore LNG project in

In Kazakhstan, a wildcat well drilled on the N Block offshore license in the Caspian Sea was a discovery, requiring future appraisal to determine its size. Another wildcat well is planned in late 2011 or early 2012 to test a separate large structure on N Block.

ConocoPhillips is also seeking high-impact exploration opportunities outside traditional areas of operations, and in 2010 drilled Poland's first two shale gas wells through a joint venture. Additional wells and testing are planned in 2011 to further evaluate the potential of shales in northern Poland.

ConocoPhillips continues to progress major LNG projects in Australia and the Timor Sea, where production has been onstream at the Bayu-Undan Field since 2006.

Exploration and Production

"With leading technologies, a successful exploration program, a geographically diverse portfolio of world-class assets, and employees committed to safety and operational excellence, E&P is positioned to deliver substantial value for ConocoPhillips."

Gregory C. Garland

Senior Vice President, Exploration and Production – Americas

the Timor Sea – the Sunrise Field. During 2010, the field's co-venturers selected a floating LNG concept for project development. Discussions with the governments of Timor-Leste and Australia for project sanctioning are ongoing.

Onshore, in Queensland, development continues on the world-class APLNG project, a joint venture with Origin Energy that holds a leading position in the coalbed methane trend in the Bowen and Surat basins. More than 170 net wells are online with total net production exceeding 120 million CFD. A multi-train LNG liquefaction plant, utilizing ConocoPhillips' Optimized Cascade® technology and based on the Darwin Plant's design, is planned for a site on Curtis Island, with engineering and construction planning under way.

Each liquefaction train's planned output has been increased to 4.2 million tonnes annually from 3.5 million tonnes, making it possible to eliminate one train and enhance cost efficiency. During the first quarter of 2011, two significant milestones were achieved. Environmental approval from the Australian government was obtained, and a non-binding heads of agreement was signed with China Petrochemical Corporation (Sinopec) establishing key commercial terms for the supply of up to 4.3 million tonnes annually of LNG for 20 years. Under the agreement, Sinopec would also subscribe for a 15 percent equity stake in APLNG, with both ConocoPhillips and Origin Energy reducing their interest to 42.5 percent each. Binding agreements and project sanction are expected to follow, with initial LNG production anticipated in 2015.

Elsewhere in the Asia Pacific Region, ConocoPhillips expects significant production growth from new projects under development in Malaysia. The deepwater Gumusut Field off the coast of Sabah is expected to begin oil production in 2013, followed by startups of natural gas production at the Kebabangan Field and oil production at the Malikai and Petai fields.

In China, Phase II of the Bohai Bay project, one of China's largest offshore developments, started up in 2009 and boosted the average net production rate to 56,000 BOED in 2010. Startup of an additional platform is planned for 2011 to further develop the Peng Lai 19-3 Field reserves. Future plans include continued expansion of the project with up to three additional platforms and 146 more wells.

ConocoPhillips enjoys an outstanding competitive position in Canada's oil sands, with industry-leading acreage, including the Surmont development.

The Foster Creek development in the Canadian oil sands continues its rapid progress, with further expansions targeted for sanction in 2011.

In the Middle East, the Qatargas 3 project began production and shipped its first LNG cargo in November 2010. The project produces natural gas from Qatar's giant offshore North Field and converts it into LNG at a 7.8-million-tonnes-per-year onshore facility in Ras Laffan Industrial City. Peak net production of approximately 80,000 BOED is expected to be achieved in 2011 and maintained for the 25-year life of the project.

Development work continues on the giant Kashagan Field in the Caspian Sea. The Phase I project is currently in execution with additional expansion phases being studied. The field is expected to deliver net production of approximately 25,000 BOED to ConocoPhillips once Phase I ramp-up is complete.

In the U.K. North Sea, ConocoPhillips is planning development of the Jasmine Field, a significant discovery in 2006 that exemplifies the company's ability to identify new opportunities in mature basins. Engineering work is under way, and the field is expected to start up in 2012 and achieve peak net production of 35,000 BOED by 2013.

Another North Sea success story is the Greater Ekofisk Area. ConocoPhillips has operated the area fields for more than 40 years and uses ongoing innovation to optimize production. Two new major projects, Ekofisk South and Eldfisk II, are expected to start up in 2013 and 2015, respectively. Peak net production from these projects is estimated to be 52,000 BOED in 2018.

DEVELOPING CANADA'S WORLD-CLASS OIL SANDS

"Our North American asset base provides us with key competitive advantages, such as our outstanding position in Canada's oil sands," said Garland. "We have one of the industry's leading acreage positions in a trend that is estimated to contain over 150 billion barrels of gross resources, and is strategically located near the major American Midwestern market. We have rapidly growing production and enormous resources awaiting development. ConocoPhillips is building a long-life business in the oil sands capable of generating high returns and robust cash margins."

Assets include the FCCL business venture with Cenovus, as well as the ConocoPhillips-operated Surmont project, and undeveloped lands in the Thornbury, Clyden and Saleski areas. Combined, they hold more than 15 billion barrels of oil equivalent (BOE) of net resources in place. Using steam-assisted gravity drainage (SAGD) technology, the combined bitumen production from FCCL and Surmont is targeted to double over the next five years as new projects come on line. Production from Christina Lake phases C and D is expected to begin in 2011 and 2013, respectively, with further expansions in Foster Creek and Christina Lake targeted for sanction in 2011 and startup in 2014. At Surmont, the Phase II project now under construction is expected to start up in 2015, and increase that area's net production by approximately 400 percent to 50,000 BOED by 2017, contributing to a target of further doubling combined bitumen production from 2015 to 2020.

Exploration and Production

Exploration efforts in the highly prospective North Barnett shale play in northeastern Texas are focused on its more liquids-rich portion.

"ConocoPhillips is a leader in the use of SAGD technology, with steam-to-oil ratios among the industry's best, giving us lower operating costs and a smaller environmental footprint than other operators. Additionally, we are investing in new technologies that should further improve efficiency," said Garland.

LEVERAGING NORTH AMERICA'S SHALE BONANZA

North American natural gas, once in short supply, is now in abundance as production from shale has become both technically and economically viable. North America is now believed to hold at least a century's supply of natural gas, thanks to rapidly emerging shale gas drilling trends in the United States and Canada. Shale is also proving an increasingly important source of oil and natural gas liquids in some areas.

"By getting into several shale plays early, ConocoPhillips succeeded in building large acreage positions while lease costs were considerably lower than the industry is seeing today," said Garland. "Also, since liquids prices are higher than natural gas prices, we gain greater value from our investments by focusing development in the more liquids-rich shale plays."

The company has accumulated additional net acreage in a number of rapidly developing shale areas.

The liquids-rich Eagle Ford shale play in South Texas represents one of ConocoPhillips' most promising opportunities. As one of the first to realize its potential, the company assembled a low-cost core leasehold of 220,000 net acres in the trend's fairway, then accelerated its delineation activities during 2010, drilling more than 45 wells without a dry hole. At year end, 11 drilling rigs were running with net production totaling 10,000 BOED. Net production is expected to increase to 25,000 to 30,000 BOED in 2011, with long-term net peak production targeted at 65,000 to 70,000 BOED.

In the Bakken shale play in North Dakota and Montana, ConocoPhillips holds an even larger position of 460,000 net acres, with 2010 net production of 14,000 BOED. Plans for 2011 include an increase in total wells drilled by utilizing five drilling rigs for the full year. The company has successfully reduced drilling time by developing and implementing innovative new methods and best practices.

The North Barnett shale play in northeastern Texas is the site of a 62,000-net-acre position, with significant working interest that enables ConocoPhillips to strongly influence the pace of development. The company has divested its acreage in the South Barnett Area while expanding its presence in the liquids-rich northern area. Net production was 17,000 BOED in 2010, and the company expects to add more than 30 new wells in 2011.

ConocoPhillips holds 460,000 net acres in the Bakken shale play in North Dakota and Montana.

Advanced technology is being used to optimize returns from key legacy assets, such as in the Deep Basin in western Canada. Its gas and liquids are processed through multiple company-owned plants, including the Elmworth facility. ConocoPhillips is a leading producer in the basin.

In western Canada, the company holds 363,000 net acres in the emerging Montney and Horn River shale plays. A pilot program currently under way on acreage in the western portion of the Horn River play will better assess its potential.

CAPITALIZING ON LEGACY NORTH AMERICAN ASSETS

ConocoPhillips has extensive North American legacy assets that are continually re-evaluated using new technology and fresh geologic knowledge. This yields opportunities to increase recovery of existing resources and identify potential new sources of liquids and natural gas. These legacy assets typically provide low-cost production.

The Permian Basin in West Texas is a prime example. After operating there for decades, ConocoPhillips is still effectively optimizing production from its one-million-net-acre lease position, which currently has net production of approximately 51,000 BOED. The company drilled 67 wells in 2010, and plans to increase drilling activity in 2011. With undeveloped resources of approximately 500 million BOE, the basin is expected to remain a low-decline, high-liquids-production asset for years to come.

In the San Juan Basin, one of the largest U.S. natural gas fields, ConocoPhillips is the leading acreage holder and the largest and lowest-cost producer, with 2010 net production of 183,000 BOED. The basin holds considerable remaining potential through application of artificial lift and other advanced technologies to further develop its 1.7 billion BOE of discovered resources.

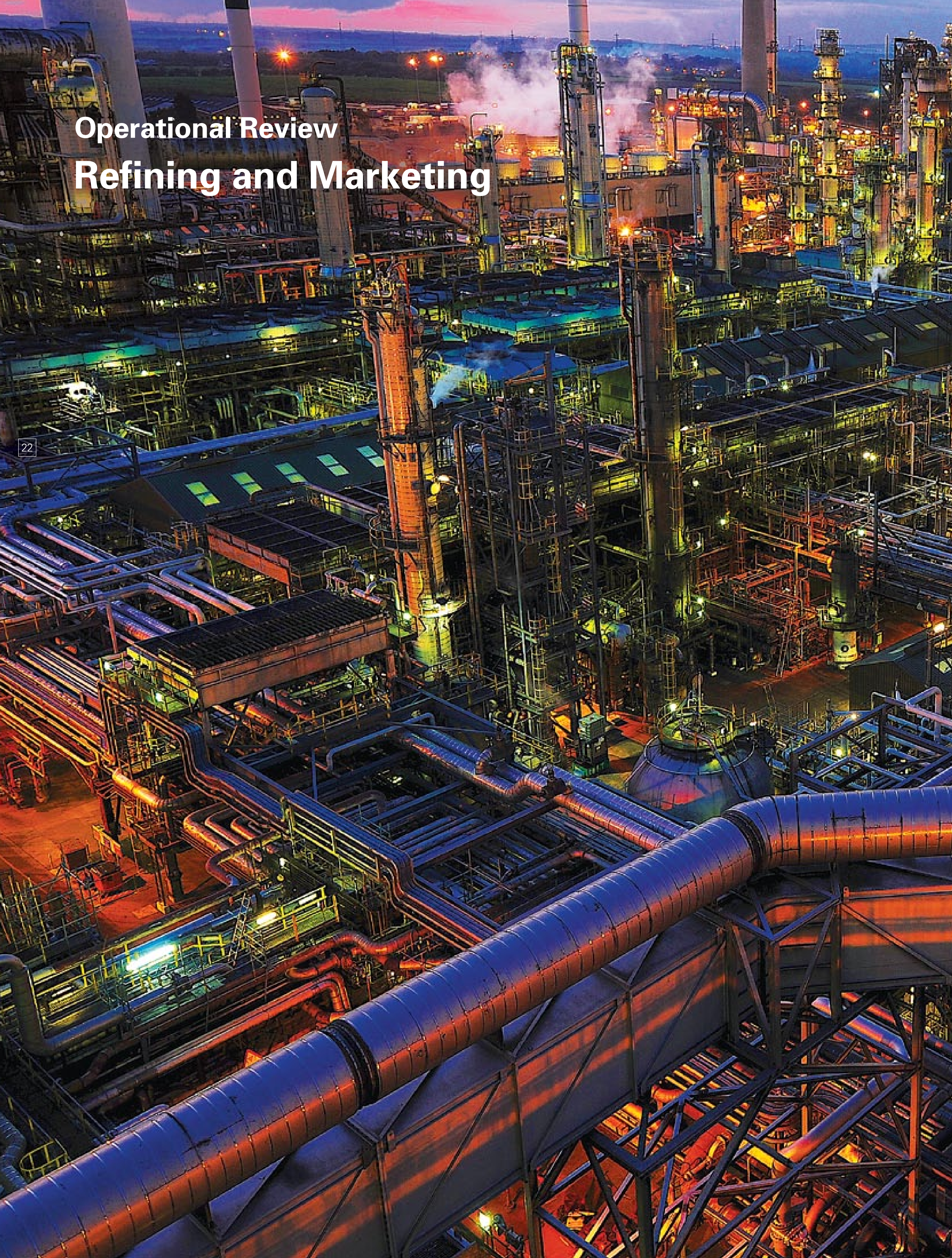
In western Canada and Alaska, ConocoPhillips is using advanced technology to efficiently develop new pay zones and satellite reservoirs associated with existing fields.

Most of the company's investment in western Canada is focused on the Deep Basin and central Alberta, where utilization of shale gas production methods is opening substantial opportunities in proven trends, such as the light-oil Cardium Formation. During the year, ConocoPhillips drilled 116 operated wells in these areas and participated in 31 others. In 2011, 124 wells are scheduled, with plans to ramp up to approximately 210 wells drilled annually by 2016. The company's current net production from these areas is approximately 150,000 BOED.

In Alaska, the company's extensive operating experience, infrastructure position and use of innovative technology represent strong competitive advantages. To enhance production from existing North Slope fields, the company utilizes new 3-D and 4-D seismic surveys to identify development drilling opportunities, while use of purpose-built rigs, state-of-the-art coiled tubing drilling and multilateral-sidetrack wells tap oil deposits that would otherwise be uneconomic.

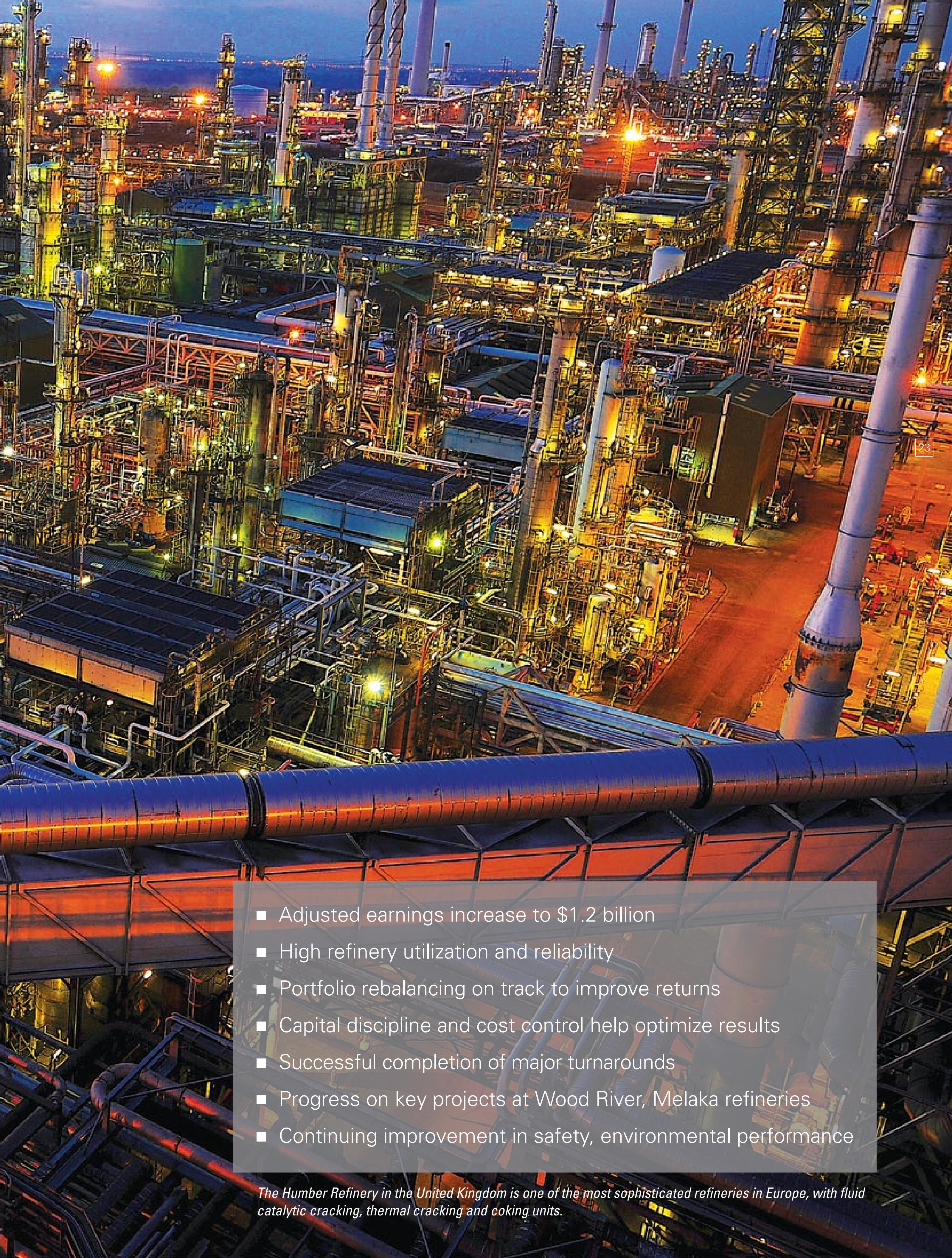
Longer-term opportunities in Alaska include commercializing the North Slope's large existing gas resources. The Denali gas pipeline joint venture concluded an open season in October 2010, and is currently evaluating bids and negotiating with potential shippers. The company is also developing technology to exploit significant heavy oil resources in the Kuparuk and Prudhoe Bay fields.

"With leading technologies, a successful exploration program, a geographically diverse portfolio of world-class assets, and employees committed to safety and operational excellence, E&P is positioned to deliver substantial value for ConocoPhillips," said Garland. "We are committed to responsibly deliver energy and contribute substantially to social and economic development in the communities in which we operate."



Operational Review

Refining and Marketing



- Adjusted earnings increase to $1.2 billion
- High refinery utilization and reliability
- Portfolio rebalancing on track to improve returns
- Capital discipline and cost control help optimize results
- Successful completion of major turnarounds
- Progress on key projects at Wood River, Melaka refineries
- Continuing improvement in safety, environmental performance

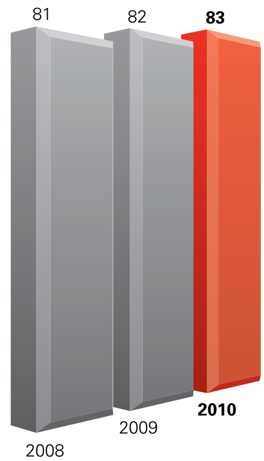
The Humber Refinery in the United Kingdom is one of the most sophisticated refineries in Europe, with fluid catalytic cracking, thermal cracking and coking units.

Refining and Marketing

Although 2010 was another challenging year for the refining industry, ConocoPhillips' Refining and Marketing (R&M) organization focused on operational and safety performance. This, along with capital discipline and diligent cost control, provided improved financial results for 2010.

"Once again, our employees' efforts toward operational excellence, safety, environmental stewardship and financial diligence enabled the business to succeed in this challenging climate, despite a heavy turnaround schedule," said Willie Chiang, senior vice president, Refining, Marketing, Transportation and Commercial. "Our overall strategy will not change in 2011. Our priority is to continue driving operating excellence with safe, efficient, reliable operations, while positioning the portfolio to deliver value across all market cycles."

WORLDWIDE CLEAN PRODUCT YIELD
(Percent)



R&M FINANCIAL AND OPERATING RESULTS

	2010	2009
Earnings (MM)	**$ 192**	37
Adjusted earnings (MM)	**$ 1,216**	115
Crude oil capacity utilization (percent)	**81%**	84
Clean product yield (percent)	**83%**	82
Petroleum product sales (MBD)	**3,040**	2,974

The CORE project at the Wood River Refinery in Roxanna, Ill., involves the construction, transportation and installation of massive coker and vacuum distillation units that will increase capacity to refine bitumen from Canada's oil sands.

"Our priority is to continue driving operating excellence with safe, efficient, reliable operations, while positioning the portfolio to deliver value across all market cycles."

Willie C.W. Chiang

Senior Vice President, Refining, Marketing, Transportation and Commercial

FOCUS ON OPERATING EXCELLENCE

Throughout 2010, R&M colleagues worked to enhance reliability by implementing risk-reduction techniques, ramping up integrity programs and reinforcing a strong safety culture that empowers employees to intervene when necessary to stop any unsafe work practices. As a result of such initiatives, R&M achieved a 27 percent improvement in safety performance during 2010, while also improving clean product yield. As part of our ongoing safety excellence efforts, ConocoPhillips re-examined all health, safety and environmental processes and upgraded safety procedures.

Several facilities earned external recognition for superior safety performance. The Alliance Refinery in Louisiana, North Salt Lake Terminal in Utah, and Bryan Flow Improvers Plant in Texas were awarded STAR status under the U.S. Occupational Safety and Health Administration's Voluntary Protection Program, while the Lake Charles Refinery in Louisiana and Portland Terminal in Oregon both reached the final step in the certification process. In addition, 11 of ConocoPhillips' U.S. refineries received National Petrochemicals and Refining Association safety awards, with the Pipelines and Terminals organization receiving the American Petroleum Institute's prestigious Most Improved Safety Award.

On the environmental front, R&M took significant steps during 2010 to reduce the footprint of our assets through selective investments. For example, at the Borger Refinery in Texas, R&M completed a project to reduce benzene in gasoline. The project improves energy efficiency while removing 90 million pounds of benzene per year and reducing the benzene concentration in Borger's gasoline products by 70 percent. At the Wood River Refinery in Illinois, a second wet gas scrubber was installed to reduce sulfur and particulate emissions. This and other projects have led to an overall 80 percent reduction in sulfur emissions since 2002.

R&M continues to work within a more challenging regulatory environment for the industry. Increasing renewable fuels mandates and low-carbon standards present challenges to meet government-established long-term targets. ConocoPhillips' research efforts, leveraged with those of universities and other business partners, are targeted to find optimal solutions to ensure we are positioned to meet long-term regulatory requirements. Meanwhile, cross-functional business planning across the entire organization has enabled R&M to meet near-term targets.

"Our underlying operations performed well this year. Running safely and reliably is a core value for the organization, and our employees delivered," said Chiang. "Operations excellence and a commitment to being a good neighbor and responsible corporate citizen are critical to our success."

Refining and Marketing

The Melaka Refinery saw a rise in crude oil throughput following the expansion of a hydrocracker and coker in 2010.

WORKING TO IMPROVE RETURNS

R&M continues to focus on improving returns by maintaining disciplined spending, optimizing crude and product yields, and restructuring our portfolio.

In 2010, R&M cancelled the proposed Wilhelmshaven Refinery upgrade project and subsequently announced plans to sell the asset. Refining operations have been temporarily idled in response to poor market conditions, with the facility currently utilized as a product terminal. R&M also ended our participation in a new refinery project proposed for Yanbu Industrial City, Saudi Arabia.

In addition, R&M completed the sale of our 50 percent partnership interest in the CFJ Properties – Flying J truck stops in mid-2010. The sale is consistent with the overall U.S. marketing strategy to minimize company ownership of retail sites while securing long-term markets for refined products from ConocoPhillips refineries.

R&M is also selectively investing in a few key projects that are expected to deliver strong financial returns and increase profitability. The expansion of a hydrocracker and coker at the Melaka Refinery in Malaysia was completed in 2010, improving yields as well as increasing crude oil throughput from 130,000 barrels per day (BD) to 170,000 BD. ConocoPhillips holds a 47 percent interest in the refinery.

At the Wood River Refinery, R&M continued to progress the coker and refinery expansion (CORE) project. Operational startup is anticipated in the second half of 2011. Once complete, the project will increase the refinery's capability to process heavy Canadian bitumen by 130,000 BD, and increase clean product yield by 5 percent. The first deliveries to the refinery from the Keystone Pipeline were made in July 2010. ConocoPhillips holds a 50 percent interest in the refinery.

"Our strategic business decisions support the company's stated strategy of reducing and rebalancing our downstream portfolio over time, and in turn help improve overall returns to our shareholders," said Chiang.

Sulfur-recovery units and emission-reduction projects have led to an 80 percent decrease in sulfur emissions at ConocoPhillips facilities since 2002.

COMMERCIAL

Our Commercial organization manages the company's worldwide commodity portfolio. It partners with our upstream, downstream and midstream businesses by providing expertise in optimization, supply and marketing, while also opportunistically trading around our assets. In 2010, the Commercial business was restructured on a global basis to increase focus on external markets as well as the internal value chain. Our trading and supply functions are now positioned for sustained global growth across our operations in North America, Europe, the Middle East and Asia.

In our licensing business, our proprietary Optimized Cascade® LNG technology continues generating revenue in a growing world market. Additionally, our E-Gas™ Technology, utilized to gasify coal and petroleum coke, continued broadening its presence, being selected by POSCO, one of the world's largest steel makers based in Korea, for use in their Gwangyang coal-to-substitute natural gas project.

CORPORATE CITIZENSHIP

R&M is an active stakeholder in local communities, and participates in citizen advisory panels in most refining communities. Through these panels, residents, business owners and community leaders work with ConocoPhillips personnel to address concerns, answer questions and participate in local events. R&M also strives to enhance the long-term well-being of the communities in which our employees live and work.

"We continue looking for ways to optimize our assets, processes and businesses at every level to ensure we are operating as efficiently as possible," said Chiang. "Our organization is committed to safely and reliably transforming crude oil into energy that fuels mobility and enhances our quality of life."

Trade floors are the hub of ConocoPhillips' commercial operations, which include managing the company's worldwide commodity portfolio.

Operational Review

The Extended Value Chain

- Earnings for Chemicals and Midstream increase 43 percent to $804 million
- Margins improve for chemical products, natural gas liquids
- Early success from new CPChem ventures in the Middle East
- Strategic portfolio expansion by DCP Midstream continues

The Ras Laffan Olefins Company, a joint venture ethylene cracker involving CPChem in Qatar, began operations in 2010, adding to CPChem's strong asset position in the Middle East.

The Extended Value Chain

With access to new energy resources becoming increasingly restricted, a key element of ConocoPhillips' strategy is to engage in broader integration across the energy value chain. This provides us with strong competitive advantages that supplement our upstream and downstream businesses. For over a decade, ConocoPhillips has had in place key strategic alliances to provide access to resources and opportunities in the Chemicals and Midstream segments. These 50/50 joint ventures are:

- Chevron Phillips Chemical Company LLC (CPChem) – This joint venture with Chevron Corporation is one of the world's top producers of a wide range of petrochemicals, with operations worldwide.

- DCP Midstream, LLC (DCP Midstream) – This joint venture with Spectra Energy is the largest natural gas liquids (NGL) producer in the United States, one of the largest natural gas gatherers and processors, and a leading NGL marketer.

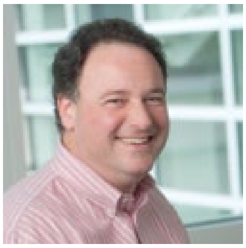
These alliances provide the ability to leverage financial and operational scale, and build key relationships across the energy sector. They also improve market access for our production, provide opportunities for our commercial business, and serve as a buffer against commodity price volatility.

"Our chemicals and midstream joint ventures have seen more than a decade of strong performance and earnings for ConocoPhillips," said Alan Hirshberg, senior vice president, Planning and Strategy. "Both ventures are well placed for continued long-term success, with strong asset portfolios and flexible operations allowing for the capture of emerging growth opportunities. They are key elements of ConocoPhillips' strategy to leverage opportunities across the energy value chain."

CHEMICALS

CPChem benefited from generally improving business conditions during 2010.

CPChem's 49-percent-owned Q-Chem II joint venture started up a high-density polyethylene and normal alpha olefins plant in Messaieed, Qatar, in 2010.



"Our chemicals and midstream joint ventures have seen more than a decade of strong performance and earnings for ConocoPhillips."

Alan J. Hirshberg
Senior Vice President, Planning and Strategy

A recovery in global industrial production from the lows experienced during the economic recession of 2008-2009 increased demand for chemical products, particularly in the transportation, electrical and electronic applications, food-packaging and consumer-packaging sectors. Additionally, CPChem's flexible feedstock position enabled the company to capitalize on low feedstock costs, which provided for exceptional profit margins.

As a result, CPChem contributed $498 million in earnings to ConocoPhillips during 2010, its highest contribution since formation of the joint venture in 2000.

Adding to CPChem's worldwide production volumes was the late-2010 startup of the 49-percent-owned Q-Chem II high-density polyethylene and normal alpha olefins plant at Messaieed, Qatar. It obtains feedstock from a separate joint venture ethylene cracker, owned by Ras Laffan Olefins Company, which began operation in April 2010. Q-Chem II has approximately 54 percent of the resulting capacity rights.

Equity production from CPChem's other Middle East joint ventures continued contributing significantly to the company's volumes.

CPChem also made progress on construction of the Saudi Polymers Company petrochemical project in Al Jubail, Saudi Arabia, a 35-percent-owned joint venture project expected to initiate commercial production in late 2011. The facility includes an olefins unit and downstream polyethylene, polypropylene, 1-hexene and polystyrene units.

Additionally, CPChem announced the planned construction of a world-scale 1-hexene plant at the company's Cedar Bayou Chemical Complex in Baytown, Texas, with anticipated startup in 2014. With a planned capacity exceeding 200,000 tonnes annually, the plant would potentially become the world's leading 1-hexene producer by a large margin. It would utilize proprietary CPChem technology, and leverage the complex's nearby infrastructure and feedstock.

Importantly, CPChem maintained top-tier safety performance by participating in the Occupational Safety and Health Administration's Voluntary Protection Program (VPP). During 2010, CPChem's total number of VPP-certified sites increased to 20.

"We are proud of our performance in 2010," said Peter Cella, CPChem president and CEO. "We had our best year ever in overall safety performance, and one of our best years in financial performance. As we look forward to 2011, our growth plans are on track, with the planned construction of a world-class 1-hexene plant at our Cedar Bayou facility in Texas, and the startup of our new Saudi Polymers Company facility in Saudi Arabia. Our success is rooted in operating safely and reliably, and our people make that happen."

Now in its 11th year of operations, CPChem is one of the world's top producers of olefins and polyolefins, and a leading supplier of aromatics, alpha olefins, styrenics, specialty chemicals, plastic piping and polymer resins. The company's work force includes approximately 4,600 employees at 36 global manufacturing facilities in eight countries, with four research and technical centers that employ scientists, researchers and engineers.

MIDSTREAM

ConocoPhillips' total Midstream earnings for 2010 were $306 million, with net NGL extraction totaling 193,000 barrels per day (BD), which included 184,000 BD from its interest in DCP Midstream. ConocoPhillips' share of DCP Midstream's raw natural gas throughput was approximately 3.05 billion cubic feet per day (CFD).

During 2010, DCP Midstream took a number of strategic steps to further benefit from the energy industry's rapid development of new U.S. shale gas resources. The emergence of major production in more than a dozen key drilling trends is creating new demand for DCP Midstream's diverse services, while driving growth in its cash flows and distributions.

Now in its 11th year of operations, DCP Midstream ranks as the largest U.S. extractor of NGLs, which include propane, butane and ethane, and as one of the top three natural gas gatherers and processors.

To meet its business objectives in 2010, DCP Midstream pursued strategic and accretive acquisitions, as well as organic expansion opportunities, while working to maximize profitability of existing assets and maintaining emphasis on safety and reliability.

"We are focused on sustaining our success for the long term by meeting our customers' growing and changing needs during a revolutionary era for the domestic natural gas industry," said Tom O'Connor, DCP Midstream president, chairman and CEO. "Our emerging growth opportunities continue to enhance the diversity of our asset portfolio, and as a result we believe we are strategically positioned to successfully execute the many projects in our asset base."

Early in the year, DCP Midstream and its master limited partnership, DCP Midstream Partners, acquired a 350-mile interstate NGL pipeline system that originates in the Denver-Julesburg Basin in Colorado and terminates near the Conway hub in Bushton, Kan. In Weld County, Colo., DCP Midstream neared completion of a new 125 million CFD processing plant in Mewbourn. DCP Midstream is the basin's largest gatherer and processor, and the new pipeline will help meet area producers' growing needs. The acquisition includes a 10-year transportation agreement.

Elsewhere, DCP Midstream acquired the Liberty gathering system and South Raywood processing plant in Liberty County, Texas, improving service to producers in a liquids-rich producing region.

Other expansion projects are under way in the Permian Basin in West Texas and the Eagle Ford shale play in South Texas, one of the most active U.S. shale drilling trends. With production from more than 450,000 acres of leases committed to its facilities there, DCP Midstream announced it will become the anchor shipper of Eagle Ford production on part of the Trunkline Gas pipeline system. This transaction leverages DCP Midstream's existing five-plant processing infrastructure in the area with plans to upgrade capabilities and maximize throughput of the liquids-rich gas stream and provide producers with faster market access for residue gas and NGLs.

ConocoPhillips' Midstream segment also includes an equity interest in Phoenix Park Gas Processors Limited in Trinidad, and NGL fractionation plants in New Mexico, Texas and Kansas.

DCP Midstream's Mewbourn Plant in Colorado is nearing completion as the company broadens its presence in growing U.S. natural gas producing regions.

Financial Summary

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON CONDENSED FINANCIAL STATEMENTS

The Board of Directors and Stockholders
ConocoPhillips

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of ConocoPhillips at December 31, 2010 and 2009, and the related consolidated statements of operations, changes in equity, and cash flows for each of the three years in the period ended December 31, 2010 (not presented separately herein) and in our report dated February 23, 2011, we expressed an unqualified opinion on those consolidated financial statements. As discussed in Note 2 to the consolidated financial statements, in 2010 ConocoPhillips changed the method used to determine its equity method share of LUKOIL's earnings. In addition, as discussed in Note 2, in 2009 ConocoPhillips changed its reserve estimates and related disclosures as a result of adopting new oil and gas reserve estimation and disclosure requirements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements (presented on pages 34 through 36) is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of ConocoPhillips' internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2011 (not presented separately herein) expressed an unqualified opinion thereon.

Ernst & Young LLP

Houston, Texas
February 23, 2011

CONSOLIDATED STATEMENT OF OPERATIONS

ConocoPhillips

Years Ended December 31	Millions of Dollars		
	2010	2009**	2008**
Revenues and Other Income			
Sales and other operating revenues*	**$ 189,441**	149,341	240,842
Equity in earnings of affiliates	**3,133**	2,531	4,999
Gain on dispositions	**5,803**	160	891
Other income	**278**	358	199
Total Revenues and Other Income	**198,655**	152,390	246,931
Costs and Expenses			
Purchased crude oil, natural gas and products	**135,751**	102,433	168,663
Production and operating expenses	**10,635**	10,339	11,818
Selling, general and administrative expenses	**2,005**	1,830	2,229
Exploration expenses	**1,155**	1,182	1,337
Depreciation, depletion and amortization	**9,060**	9,295	9,012
Impairments			
Goodwill	**—**	—	25,443
LUKOIL investment	**—**	—	7,496
Other	**1,780**	535	1,686
Taxes other than income taxes*	**16,793**	15,529	20,637
Accretion on discounted liabilities	**447**	422	418
Interest and debt expense	**1,187**	1,289	935
Foreign currency transaction (gains) losses	**92**	(46)	117
Total Costs and Expenses	**178,905**	142,808	249,791
Income (loss) before income taxes	**19,750**	9,582	(2,860)
Provision for income taxes	**8,333**	5,090	13,419
Net income (loss)	**11,417**	4,492	(16,279)
Less: net income attributable to noncontrolling interests	**(59)**	(78)	(70)
Net Income (Loss) Attributable to ConocoPhillips	**$ 11,358**	4,414	(16,349)
Net Income (Loss) Attributable to ConocoPhillips			
Per Share of Common Stock *(dollars)*			
Basic	**$ 7.68**	2.96	(10.73)
Diluted	**7.62**	2.94	(10.73)
Average Common Shares Outstanding *(in thousands)*			
Basic	**1,479,330**	1,487,650	1,523,432
Diluted	**1,491,067**	1,497,608	1,523,432
**Includes excise taxes on petroleum products sales:*	***$ 13,689***	*13,325*	*15,418*

***Recast to reflect a change in accounting principle. Also, certain amounts have been reclassified to conform to current-year presentation.*

For complete consolidated financial statements, including the company's accounting policies and other financial statement notes, please refer to Appendix B of ConocoPhillips' 2011 Proxy Statement. See also Management's Discussion and Analysis of Financial Condition and Results of Operations and other information in Appendix B of the 2011 Proxy Statement.

CONSOLIDATED BALANCE SHEET

ConocoPhillips

At December 31	Millions of Dollars	
	2010	2009**
Assets		
Cash and cash equivalents	**$ 9,454**	542
Short-term investments*	**973**	—
Accounts and notes receivable (net of allowance of $32 million in 2010 and $76 million in 2009)	**13,787**	11,861
Accounts and notes receivable—related parties	**2,025**	1,354
Investment in LUKOIL	**1,083**	—
Inventories	**5,197**	4,940
Prepaid expenses and other current assets	**2,141**	2,470
Total Current Assets	**34,660**	21,167
Investments and long-term receivables	**31,581**	35,742
Loans and advances—related parties	**2,180**	2,352
Net properties, plants and equipment	**82,554**	87,708
Goodwill	**3,633**	3,638
Intangibles	**801**	823
Other assets	**905**	708
Total Assets	**$ 156,314**	152,138
Liabilities		
Accounts payable	**$ 16,613**	14,168
Accounts payable—related parties	**1,786**	1,317
Short-term debt	**936**	1,728
Accrued income and other taxes	**4,874**	3,402
Employee benefit obligations	**1,081**	846
Other accruals	**2,129**	2,234
Total Current Liabilities	**27,419**	23,695
Long-term debt	**22,656**	26,925
Asset retirement obligations and accrued environmental costs	**9,199**	8,713
Joint venture acquisition obligation—related party	**4,314**	5,009
Deferred income taxes	**17,335**	17,956
Employee benefit obligations	**3,683**	4,130
Other liabilities and deferred credits	**2,599**	3,097
Total Liabilities	**87,205**	89,525
Equity		
Common stock (2,500,000,000 shares authorized at $.01 par value)		
Issued (2010—1,740,529,279 shares; 2009—1,733,345,558 shares)		
Par value	**17**	17
Capital in excess of par	**44,132**	43,681
Grantor trusts (at cost: 2010—36,890,375 shares; 2009—38,742,261 shares)	**(633)**	(667)
Treasury stock (at cost: 2010—272,873,537 shares; 2009—208,346,815 shares)	**(20,077)**	(16,211)
Accumulated other comprehensive income	**4,773**	3,065
Unearned employee compensation	**(47)**	(76)
Retained earnings	**40,397**	32,214
Total Common Stockholders' Equity	**68,562**	62,023
Noncontrolling interests	**547**	590
Total Equity	**69,109**	62,613
Total Liabilities and Equity	**$ 156,314**	152,138
**Includes marketable securities of:*	***$ 602***	—

***Recast to reflect a change in accounting principle.*

For complete consolidated financial statements, including notes, please refer to Appendix B of ConocoPhillips' 2011 Proxy Statement. See also Management's Discussion and Analysis of Financial Condition and Results of Operations and other information in Appendix B of the 2011 Proxy Statement.

CONSOLIDATED STATEMENT OF CASH FLOWS

ConocoPhillips

Years Ended December 31	Millions of Dollars		
	2010	2009*	2008*
Cash Flows From Operating Activities			
Net income (loss)	**$ 11,417**	4,492	(16,279)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	**9,060**	9,295	9,012
Impairments	**1,780**	535	34,625
Dry hole costs and leasehold impairments	**477**	606	698
Accretion on discounted liabilities	**447**	422	418
Deferred taxes	**(878)**	(1,115)	(414)
Undistributed equity earnings	**(1,073)**	(1,254)	(2,357)
Gain on dispositions	**(5,803)**	(160)	(891)
Other	**(249)**	196	(1,135)
Working capital adjustments			
Decrease (increase) in accounts and notes receivable	**(2,427)**	(1,106)	4,225
Decrease (increase) in inventories	**(363)**	320	(1,321)
Decrease (increase) in prepaid expenses and other current assets	**43**	282	(724)
Increase (decrease) in accounts payable	**2,887**	1,612	(3,874)
Increase (decrease) in taxes and other accruals	**1,727**	(1,646)	675
Net Cash Provided by Operating Activities	**17,045**	12,479	22,658
Cash Flows From Investing Activities			
Capital expenditures and investments	**(9,761)**	(10,861)	(19,099)
Proceeds from asset dispositions	**15,372**	1,270	1,640
Purchases of short-term investments	**(982)**	—	—
Long-term advances/loans—related parties	**(313)**	(525)	(163)
Collection of advances/loans—related parties	**115**	93	34
Other	**234**	88	(28)
Net Cash Provided by (Used in) Investing Activities	**4,665**	(9,935)	(17,616)
Cash Flows From Financing Activities			
Issuance of debt	**118**	9,087	7,657
Repayment of debt	**(5,320)**	(7,858)	(1,897)
Issuance of company common stock	**133**	13	198
Repurchase of company common stock	**(3,866)**	—	(8,249)
Dividends paid on company common stock	**(3,175)**	(2,832)	(2,854)
Other	**(709)**	(1,265)	(619)
Net Cash Used in Financing Activities	**(12,819)**	(2,855)	(5,764)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**21**	98	21
Net Change in Cash and Cash Equivalents	**8,912**	(213)	(701)
Cash and cash equivalents at beginning of year	**542**	755	1,456
Cash and Cash Equivalents at End of Year	**$ 9,454**	542	755

**Recast to reflect a change in accounting principle.*

For complete consolidated financial statements, including notes, please refer to Appendix B of ConocoPhillips' 2011 Proxy Statement. See also Management's Discussion and Analysis of Financial Condition and Results of Operations and other information in Appendix B of the 2011 Proxy Statement.

SELECTED FINANCIAL DATA

	Millions of Dollars Except as Indicated				
	2010	2009*	2008*	2007*	2006*
Sales and other operating revenues	**$189,441**	149,341	240,842	187,437	183,650
Net income (loss)	**11,417**	4,492	(16,279)	11,545	15,410
Net income (loss) attributable to ConocoPhillips	**11,358**	4,414	(16,349)	11,458	15,334
Per common share *(dollars)*					
Basic	**7.68**	2.96	(10.73)	7.06	9.67
Diluted	**7.62**	2.94	(10.73)	6.96	9.53
Total assets	**156,314**	152,138	142,865	177,094	164,557
Long-term debt	**22,656**	26,925	27,085	20,289	23,091
Joint venture acquisition obligation—long-term	**4,314**	5,009	5,669	6,294	—
Cash dividends declared per common share *(dollars)*	**2.15**	1.91	1.88	1.64	1.44
Market quotations for common stock *(dollars)*					
High	**68.58**	57.44	95.96	90.84	74.89
Low	**46.63**	34.12	41.27	61.59	54.90
Year-end close	**68.10**	51.07	51.80	88.30	71.95

Recast to reflect a change in accounting principle.

RESERVES SUMMARY

	Millions of Barrels of Oil Equivalent (BOE)		
	2010	2009	2008
Net Proved Reserves			
Alaska	**1,762**	1,684	1,617
Lower 48	**1,918**	2,012	2,131
Total United States	**3,680**	3,696	3,748
Canada	**1,764**	1,845	1,329
Europe	**779**	836	936
Russia	**78**	2,055	1,946
Asia Pacific/Middle East	**1,468**	1,352	1,433
Africa	**424**	425	448
Other areas	**117**	117	135
Total company	**8,310**	10,326	9,975
Total consolidated operations	**6,655**	7,020	6,800
Total equity affiliates	**1,655**	3,306	3,175
Total company	**8,310**	10,326	9,975
Reserve replacement ratio, 5-year average *(percent)*	**75%**	145	155
Reserve replacement ratio excluding LUKOIL, 5-year average *(percent)*	**111%**	122	107

Natural gas reserves are converted to BOE based on a 6:1 ratio – six thousand cubic feet of natural gas converts to one BOE.

SEGMENT PROFILE

ConocoPhillips

	Millions of Dollars								
	Sales and Other Operating Revenues			Net Income (Loss) Attributable to ConocoPhillips			Capital Expenditures and Investments		
	2010	2009	2008	**2010**	2009	2008	**2010**	2009	2008
E&P									
United States	**$ 23,281**	19,638	43,344	**2,768**	1,503	4,988	**2,585**	3,474	5,250
International	**20,244**	17,459	26,474	**6,430**	2,101	6,976	**5,908**	5,425	11,206
Goodwill	**—**	—	—	**—**	—	(25,443)	**—**	—	—
Total E&P	**43,525**	37,097	69,818	**9,198**	3,604	(13,479)	**8,493**	8,899	16,456
Midstream	**7,307**	4,892	6,564	**306**	313	541	**3**	5	4
R&M									
United States	**93,801**	73,258	116,762	**1,022**	(192)	1,540	**790**	1,299	1,643
International	**44,620**	33,975	47,468	**(830)**	229	782	**266**	427	626
Total R&M	**138,421**	107,233	164,230	**192**	37	2,322	**1,056**	1,726	2,269
LUKOIL Investment*	**—**	—	—	**2,503**	1,219	(4,839)	**—**	—	—
Chemicals	**11**	11	11	**498**	248	110	**—**	—	—
Emerging Businesses	**151**	86	199	**(59)**	3	30	**27**	97	156
Corporate and Other	**26**	22	20	**(1,280)**	(1,010)	(1,034)	**182**	134	214
Total	**$189,441**	149,341	240,842	**11,358**	4,414	(16,349)	**9,761**	10,861	19,099

2009 and 2008 recast to reflect a change in accounting principle.

NON-GAAP RECONCILIATIONS

	Millions of Dollars Years Ended	
	2010	2009*
Consolidated		
Earnings	**$ 11,358**	4,414
Adjustments:		
Impairments	**1,756**	729
Cancelled projects	**114**	—
Net gain on asset sales/ share issuance	**(4,518)**	(175)
Severance accruals	**28**	(40)
Pending claims and settlements	**13**	—
Deferred tax adjustment	**(40)**	—
Premium on early debt retirement	**114**	—
Adjusted earnings	**$ 8,825**	4,928
E&P		
Earnings	**$ 9,198**	3,604
Adjustments:		
Impairments	**638**	613
Cancelled projects	**85**	—
Net gain on asset sales	**(3,151)**	(55)
Severance accruals	**—**	(31)
Pending claims and settlements	**24**	—
Deferred tax adjustment	**(40)**	—
Adjusted earnings	**$ 6,754**	4,131

	Millions of Dollars Years Ended	
	2010	2009
R&M		
Earnings	**$ 192**	37
Adjustments:		
Impairments	**1,118**	116
Cancelled projects	**29**	—
Net gain on asset sales	**(116)**	(32)
Severance accruals	**28**	(6)
Pending claims and settlements	**(35)**	—
Adjusted earnings	**$ 1,216**	115

	Millions of Dollars Years Ended		
	2010	2009*	2008*
ROCE			
Numerator:			
Net income	**$11,417**	4,492	(16,279)
After-tax interest expense	**772**	838	608
GAAP ROCE earnings	**12,189**	5,330	(15,671)
Non-core earnings impacts	**2,533**	(616)	(33,480)
Adjusted ROCE earnings	**$ 9,656**	5,946	17,809
Denominator:			
GAAP average capital employed**	**$91,983**	87,493	97,457
Annualized ROCE (*percent*)	**10%**	7	18
Annualized GAAP ROCE (*percent*)	**13%**	6	(16)

**Recast to reflect a change in accounting principle.*
***Total equity plus total debt.*

	2010	2009	2008	2007	2006
	Thousands of Barrels Daily (MBD)				
E&P					
Crude Oil and Natural Gas Liquids Production					
United States	**390**	418	426	461	446
Canada	**38**	40	44	46	50
Europe	**211**	241	233	224	258
Asia Pacific/ Middle East	**140**	132	107	106	146
Africa	**79**	78	80	78	85
Other areas	**—**	4	9	10	7
Total consolidated	**858**	913	899	925	992
Equity affiliates	**55**	55	24	57	116
Total E&P	**913**	968	923	982	1,108
Synthetic Oil Production					
Consolidated—Canada	**12**	23	22	23	21
Bitumen Production					
Consolidated—Canada	**10**	7	6	—	—
Equity affiliates	**49**	43	30	27	—
Total E&P	**59**	50	36	27	—

Natural Gas Production*	Millions of Cubic Feet Daily (MMCFD)				
United States	**1,777**	2,021	2,091	2,292	2,173
Canada	**984**	1,062	1,054	1,106	983
Europe	**815**	876	954	961	1,065
Asia Pacific/ Middle East	**712**	713	609	579	582
Africa	**149**	121	114	125	142
Other areas	**—**	—	14	19	16
Total consolidated	**4,437**	4,793	4,836	5,082	4,961
Equity affiliates	**169**	84	11	5	9
Total E&P	**4,606**	4,877	4,847	5,087	4,970

Represents quantities available for sale. Excludes gas equivalent of natural gas liquids included above.

Average Sales Prices	Dollars Per Unit				
Crude oil and natural gas liquids *(per barrel)*					
Total consolidated	**$72.63**	55.47	89.35	66.01	59.72
Equity affiliates	**74.81**	58.23	71.15	48.72	46.01
Total E&P	**72.77**	55.63	88.91	64.99	58.22
Natural gas *(per MCF)**					
Total consolidated	**5.07**	4.40	8.20	6.14	6.05
Equity affiliates	**2.79**	2.35	2.04	.30	.30
Total E&P	**4.98**	4.37	8.18	6.13	6.04

Prior periods reclassified to conform to current year presentation which includes intrasegment transfer pricing.

	2010	2009	2008	2007	2006
	Thousands of Barrels Daily				
Midstream					
Natural Gas Liquids Extracted*	**193**	187	188	211	209

Includes our share of equity affiliates.

Average Sales Prices	Dollars Per Barrel				
U.S. natural gas liquids*					
Consolidated	**$45.42**	33.63	56.29	47.93	40.22
Equity affiliates	**41.28**	29.80	52.08	46.80	39.45

Based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural gas liquids component and location mix.

R&M	Thousands of Barrels Daily				
Refinery Operations*					
United States					
Crude oil capacity**	**1,986**	1,986	2,008	2,035	2,208
Crude oil processed	**1,782**	1,731	1,849	1,944	2,025
Refinery production	**1,958**	1,891	2,035	2,146	2,213
International					
Crude oil capacity**	**671**	671	670	687	651
Crude oil processed	**374**	495	567	616	591
Refinery production	**383**	504	575	633	618
Petroleum Products Sales					
United States					
Gasoline	**1,120**	1,130	1,128	1,244	1,336
Distillates	**873**	858	893	872	850
Other products	**400**	367	374	432	531
	2,393	2,355	2,395	2,548	2,717
International	**647**	619	645	697	759
Total company	**3,040**	2,974	3,040	3,245	3,476

*Includes our share of equity affiliates.
**Weighted-average crude oil capacity for the period.*

U.S. Average Wholesale Prices*	Dollars Per Gallon				
Gasoline	**$2.24**	1.84	2.65	2.27	2.04
Distillates	**2.30**	1.76	3.06	2.29	2.11

Excludes excise taxes.

LUKOIL Investment*	Units Per Day				
Crude oil production *(MBD)*	**284**	388	389	400	389
Natural gas production *(MMCFD)*	**254**	295	330	268	330
Refinery crude processed *(MBD)*	**189**	240	226	211	226

Represents our net share of our estimate of LUKOIL's production and processing. For the years 2006–2009, recast to reflect a change in accounting principle.

Board of Directors*

Left to right: Harald J. Norvik, Bobby S. Shackouls, Robert A. Niblock, Kathryn C. Turner, Richard H. Auchinleck, Kenneth M. Duberstein, Victoria J. Tschinkel, William E. Wade, Jr., James J. Mulva, Richard L. Armitage, Harold W. McGraw III, Ruth R. Harkin, William K. Reilly, James E. Copeland, Jr.

Richard L. Armitage, 65, president of Armitage International LLC since 2005. U.S. deputy secretary of state from 2001 to 2005. President of Armitage Associates from 1993 to 2001. Assistant secretary of defense for international security affairs from 1983 to 1989. Recipient of numerous U.S. and foreign decorations and service awards. Also a director of ManTech International Corporation and Transcu, Ltd. Lives in Vienna, Va. *(4)*

Richard H. Auchinleck, 59, president and CEO of Gulf Canada Resources Limited from 1998 to 2001. Chief operating officer of Gulf Canada and CEO for Gulf Indonesia Resources Limited from 1997 to 1998. Also a director of Enbridge Commercial Trust and Telus Corporation. Lives in Victoria, B.C., Canada. *(2, 4)*

James E. Copeland, Jr., 66, CEO of Deloitte & Touche USA and Deloitte Touche Tohmatsu from 1999 to 2003. Serves as a director for Time Warner Cable Inc. and Equifax. Lives in Duluth, Ga. *(1, 2)*

*As of March 1, 2011.

Kenneth M. Duberstein, 66, chairman and CEO of the Duberstein Group, a strategic planning and consulting company, since 1989. Served as White House chief of staff and previously as deputy chief of staff to U.S. President Ronald Reagan. Also a director of The Boeing Company, The Travelers Companies, Inc. and Mack-Cali Realty Corporation. Lives in Washington, D.C. *(5)*

Ruth R. Harkin, 66, senior vice president, international affairs and government relations for United Technologies Corporation (UTC) and chair of United Technologies International, UTC's international representation arm, from 1997 to 2005. CEO and president of Overseas Private Investment Corporation from 1993 to 1997. Also a member of the Board of Regents of the state of Iowa and a director of AbitibiBowater Inc. Lives in Alexandria, Va. *(2, 5)*

Harold W. McGraw III, 62, chairman, president and CEO of The McGraw-Hill Companies since 2000. President and CEO of The McGraw-Hill Companies from 1998 to 2000. Member of The McGraw-Hill Companies board of directors since 1987. Also a director of United Technologies Corporation. Lives in Darien, Conn. *(3, 4)*

James J. Mulva, 64, chairman and CEO of ConocoPhillips. Chairman, president and CEO of Phillips from 1999 to 2002. President and chief operating officer of Phillips from 1994 to 1999. Joined Phillips in 1973; elected to board in 1994. Served as 2006 chairman of the American Petroleum Institute. A director of General Electric and M.D. Anderson Cancer Center, member of The Business Council and The Business Roundtable, and trustee of the Boys and Girls Clubs of America. Lives in Houston, Texas. *(2)*

Robert A. Niblock, 48, chairman and CEO of Lowe's Companies, Inc. since 2005. Served as Lowe's president from 2003 to 2006, and joined the board of directors when named chairman and CEO-elect in 2004. Immediate past chairman and a member of the board of directors of the Retail Industry Leaders Association (RILA), after having served as chairman in 2008 and 2009. Member of the RILA since 2003 and served as vice chairman in 2006 and 2007. Lives in Lewisville, N.C. *(1)*

Harald J. Norvik, 64, strategic advisor of Econ-Pöyry. Chairman of the board of Telenor ASA. Chairman, president and CEO of Statoil from 1988 to 1999. Also a director of Petroleum Geo-Services ASA and Telenor ASA. Lives in Nesoddangen, Norway. *(1)*

William K. Reilly, 71, president and CEO of Aqua International Partners, an investment group that finances water improvements in developing countries, since 1997. Also a director of E.I. du Pont de Nemours & Company and Royal Caribbean Cruises Ltd. Lives in San Francisco, Calif. *(5)*

Bobby S. Shackouls, 60, chairman of Burlington Resources from 1997 to 2006, and president and CEO from 1995 to 2006. President and CEO of Meridian Oil, a Burlington subsidiary, from 1994 to 1995, and executive vice president and chief operating officer from 1993 to 1994. Vice chairman of the Texas Heart Institute, board member of Peter Kiewit Sons, Inc. and The Kroger Company, executive board member of the Sam Houston Area Council and national board member of the Boy Scouts of America. Lives in Houston, Texas. *(5)*

Victoria J. Tschinkel, 63, director of the Florida Nature Conservancy from 2003 to 2006. Senior environmental consultant to law firm Landers & Parsons from 1987 to 2002. Former secretary of the Florida Department of Environmental Regulation. Lives in Tallahassee, Fla. *(1)*

Kathryn C. Turner, 63, founder, chairperson and CEO of Standard Technology, Inc., a management and technology solutions firm with a focus in the healthcare sector, since 1985. Also a director of Carpenter Technology Corporation and the National Association of Corporate Directors Capital Area Chapter. Advisory board member of the Smithsonian Institute Library. Lives in Bethesda, Md. *(3, 4)*

William E. Wade, Jr., 68, former president of ARCO (Atlantic Richfield Company). Executive vice president, worldwide exploration and production, ARCO, from 1993 to 1998. Also served as president of ARCO Oil & Gas Company and president of ARCO Alaska. Served on the boards of ARCO, Burlington Resources, Lyondell Chemical Company and Vastar Resources. Lives in Santa Rosa Beach, Fla. *(2, 3)*

(1) Member of the Audit and Finance Committee.
(2) Member of the Executive Committee.
(3) Member of the Human Resources and Compensation Committee.
(4) Member of the Directors' Affairs Committee.
(5) Member of the Public Policy Committee.

Company Officers*

James J. Mulva, Chairman and Chief Executive Officer

John A. Carrig, President**

Lawrence E. Archibald, Senior Vice President, Exploration and Business Development

Eugene L. Batchelder, Senior Vice President and Chief Administrative Officer

Rand C. Berney, Senior Vice President, Corporate Shared Services

B.M. "Red" Cavaney, Jr., Senior Vice President, Government Affairs

Willie C.W. Chiang, Senior Vice President, Refining, Marketing, Transportation and Commercial

Gregory C. Garland, Senior Vice President, Exploration and Production – Americas

Alan J. Hirshberg, Senior Vice President, Planning and Strategy

Janet Langford Kelly, Senior Vice President, Legal, General Counsel and Corporate Secretary

Ryan M. Lance, Senior Vice President, Exploration and Production – International

Luc J.F. Messier, Senior Vice President, Project Development

Jeffrey W. Sheets, Senior Vice President, Finance and Chief Financial Officer

Merl R. Lindstrom, Interim Senior Vice President, Technology

Robert A. Herman, Vice President, Health, Safety and Environment

Carin S. Knickel, Vice President, Human Resources

OTHER CORPORATE OFFICERS

Ann M. Oglesby, Vice President, Communications and Public Affairs

C. Clayton Reasor, Vice President, Corporate and Investor Relations

Glenda M. Schwarz, Vice President and Controller

Frances M. Vallejo, Vice President and Treasurer

Ben J. Clayton, General Tax Officer

Keith A. Kliewer, Tax Administration Officer

Kevin J. Mitchell, General Auditor

Operational and Functional Organizations

EXPLORATION AND PRODUCTION

Donald G. Hrap, President, Americas

Trond-Erik Johansen, President, Alaska

Kerr A. Johnston, President, Russia and Caspian

Joseph P. Marushack, President, Canada

Steinar Vaage, President, Norway

Donald E. Wallette, President, Asia Pacific

Paul C. Warwick, President, United Kingdom and Africa

REFINING, MARKETING, TRANSPORTATION AND COMMERCIAL

Deborah G. Adams, President, Transportation

Rex W. Bennett, President, Strategy, Integration and Specialty Businesses

William L. Bullock, President, Global Gas and Power

Christopher W. Conway, President, Global Trading

Andrew E. Viens, President, Global Marketing

John W. Wright, President, Global Supply

Lawrence M. Ziemba, President, Global Refining

**As of March 1, 2011.*

***Retired as of March 1, 2011.*

Shareholder Information

ANNUAL MEETING
ConocoPhillips' annual meeting of stockholders will be held:

Wednesday, May 11, 2011
Omni Houston Hotel Westside
13210 Katy Freeway, Houston, Texas

Notice of the meeting and proxy materials are being sent to all shareholders.

DIRECT STOCK PURCHASE AND DIVIDEND REINVESTMENT PLAN
ConocoPhillips' Investor Services Program is a direct stock purchase and dividend reinvestment plan that offers shareholders a convenient way to buy additional shares and reinvest their common stock dividends. Purchases of company stock through direct cash payment are commission-free. Please call the BNY Mellon Shareowner Services Material Fulfillment Center to request an enrollment package:
Toll-free number: (866) 353-7849

Or you may enroll online at *www.bnymellon.com/shareowner/equityaccess*. Registered shareholders can access important investor communications online and sign up to receive future shareholder materials electronically by going to *www.bnymellon.com/shareowner/equityaccess* and following the enrollment instructions.

INFORMATION REQUESTS
For information about dividends and certificates, or to request a change of address form, shareholders may contact:

BNY Mellon Shareowner Services
P.O. Box 358015
Pittsburgh, PA 15252-8015
Toll-free number: (800) 356-0066
Outside the U.S.: (201) 680-6578
TDD: (800) 231-5469
Outside the U.S.: (201) 680-6610
www.bnymellon.com/shareowner

Personnel in the following offices also can answer investors' questions about the company:

Institutional Investors:
ConocoPhillips Investor Relations
375 Park Avenue, Suite 3702
New York, NY 10152
(212) 207-1996
investor.relations@conocophillips.com

Individual Investors:
ConocoPhillips Shareholder Relations
600 N. Dairy Ashford, ML3074
Houston, TX 77079
(281) 293-6800
shareholder.relations@conocophillips.com

COPIES OF FORM 10-K, PROXY STATEMENT AND SUMMARY ANNUAL REPORT
Copies of the Annual Report on Form 10-K and the Proxy Statement, as filed with the U.S. Securities and Exchange Commission, are available free by making a request on the company's Web site, calling (918) 661-3700 or writing:

ConocoPhillips – 2010 Form 10-K
B-41 Adams Building
411 South Keeler Ave.
Bartlesville, OK 74004

Additional copies of this Summary Annual Report may be obtained by calling (918) 661-3700, or writing:

ConocoPhillips – 2010 Summary Annual Report
B-41 Adams Building
411 South Keeler Ave.
Bartlesville, OK 74004

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STOCK TRANSFER AGENT AND REGISTRAR

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Jersey City, NJ 07310-1900
www.bnymellon.com/shareowner

INTERNET WEB SITE: *WWW.CONOCOPHILLIPS.COM*
The site includes resources of interest to investors, including news releases and presentations to securities analysts; copies of ConocoPhillips' annual reports and proxy statements; reports to the U.S. Securities and Exchange Commission; and data on ConocoPhillips' health, safety and environmental performance. Other Web sites with information on topics included in this summary annual report include:

www.cpchem.com
www.dcpmidstream.com

COMPLIANCE AND ETHICS
For guidance, or to express concerns or ask questions about compliance and ethics issues, call ConocoPhillips' Ethics Helpline toll-free: (877) 327-2272, available 24 hours a day, seven days a week. The ethics office also may be contacted via e-mail at *ethics@conocophillips.com*, the Internet at *https://secure.ethicspoint.com/domain/media/en/gui/26697/index.html* or by writing:

Attn: Corporate Ethics Office
ConocoPhillips
600 N. Dairy Ashford, ML3170
Houston, TX 77079

www.conocophillips.com

ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, the company had operations in more than 30 countries, approximately 29,700 employees, $156 billion of assets and $189 billion of revenues as of Dec. 31, 2010.