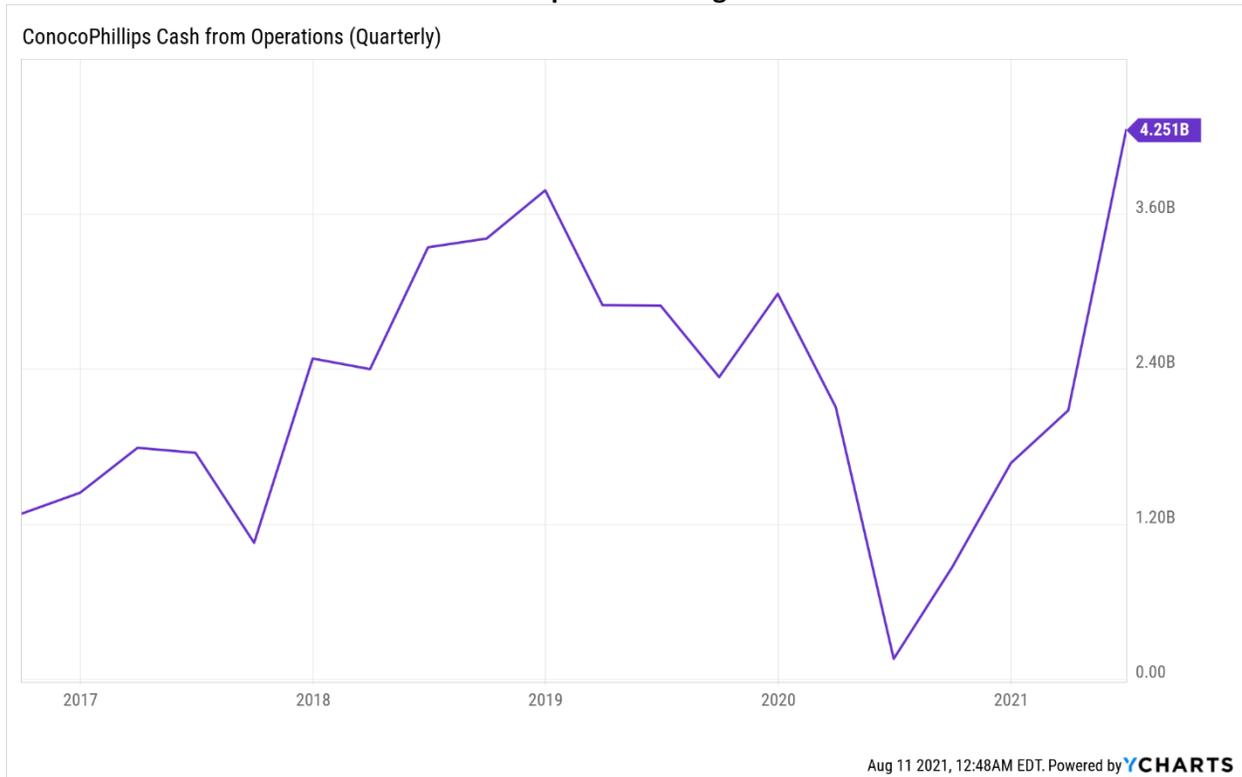


Inside Conoco Phillips: Last Quarter's Progress.

Aug. 11, 2021

Conoco Phillips had an outstanding quarter, with revenue growing 154% and hitting levels not seen since the prior oil peak in 2018, thanks in part to oil prices nearly doubling from last year and Conoco's focus on producing the lowest cost oil so it can benefit the most when oil prices rise. The favorable market conditions this past quarter allowed Conoco to earn \$4.3 billion in cash from operations. This number is important for us investors to follow since it is the framework for the company's returns to shareholders: it targets at least 30% of cash from operations to be returned via dividends and stock buybacks. The impressive cash earned highlights the strength of Conoco's unhedged business model (unlimited upside when prices rise, as it has no refining/downstream business". It added on an additional \$1 billion in share repurchases for the year, bringing the total shareholder returns for 2021 to 8% of the company's market value. It's clear the Conoco remains committed to the mission it created almost 5 years ago in an effort to change the view of oil companies: focus on making money throughout the oil price cycle and returning it to investors, not on increasing production and overspending.

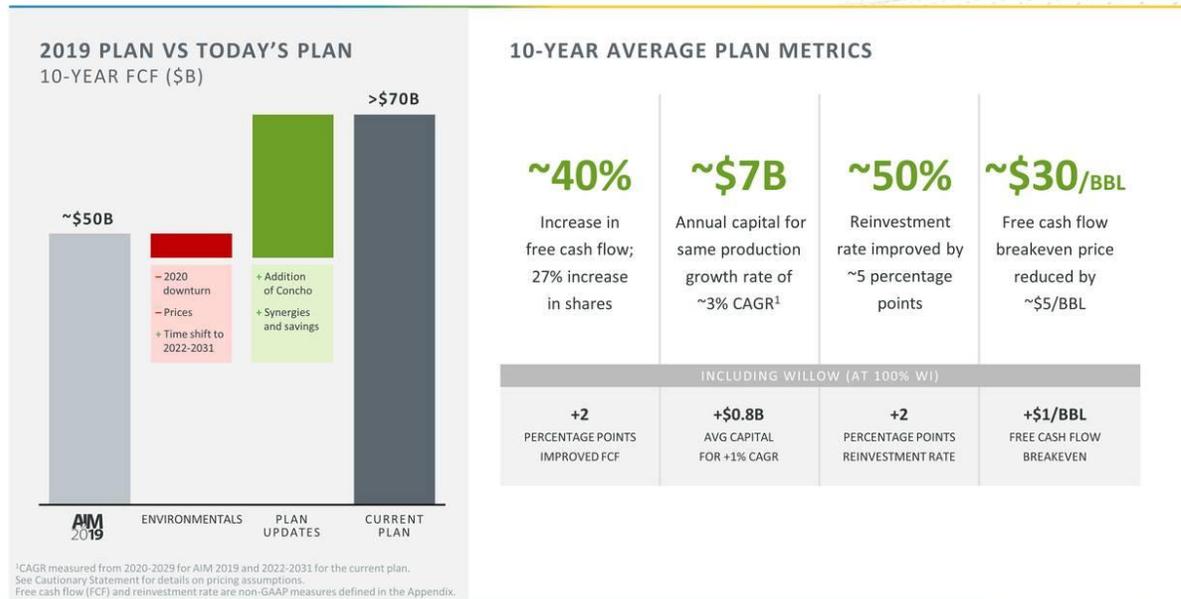
Conoco's Cash from Operations: Highest in Over 5 Years



Back in 2019, Conoco Phillips released a 10 Year Plan, a highly detailed and impressive plan for creating cash and value for investors over the next decade. Earlier this month, it released an update to that plan, given all that has happened in the past 18 months, with the Virus and oil crisis of mid 2020 but also with its purchase last year of Concho Resources, a large player in the Permian Basin. The new and improved Conoco now has a breakeven price of less than \$30/barrel, which is \$5 per barrel lower than its 2019 plan. It plans on generating \$145 billion in cash from operations over the next decade, with half coming from

US shale plays and half coming from its global operations. At \$50 per barrel, Conoco can cover all reinvestments in the company, a growing dividend, and share repurchases. Every dollar over \$50 creates even more cash.

Plan-on-Plan Reconciliation Demonstrates Strength of Transformation



There's a lot of information in this slide, but the focus is on the strength that the Concho acquisition adds to Conoco: 40% more free cash flow generated over the next decade. The US oil and gas industry was shocked in 2020. Conoco began moving towards a different business model years before 2020, but other producers are understanding now that the path to success is not through increasing production at all costs, but remaining disciplined with spending, having a rock solid balance sheet, and cutting costs. Conoco leads the field for US independent oil and gas producers, and we are certain we are at the beginning of a successful next decade for the company.

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