

ConocoPhillips

Energy – Exploration and Production

March 9, 2024

Stock Rating

HOLD

Investment Thesis

We recommend a HOLD rating with a target price of \$117-\$140 for ConocoPhillips. Though 2023 ConocoPhillips saw declining revenue that came amidst weaker energy demand, ConocoPhillips maintains strong growth potential with a portfolio of growing global projects. Looking forward, geopolitical risks may exert upward pressure on energy prices that will counteract downward pressures from tentatively weak domestic demand.

Drivers of Thesis

- We believe the Willow project, Eldfisk North and the recent acquisition of Surmont exemplify tailwinds that will grow production to 1.959MBOED in 2024, amounting to roughly a 7% increase.
- Greater global demand for energy will compensate for weaker domestic demand as GDP slows, highlighting the benefit of ConocoPhillips’s growing international operations and supporting our forecast of an 11% increase in crude oil production.
- Given ConocoPhillips’s conservative use of debt, they have been able to weather a year of lower operating revenues in 2023 (-28.5%) and now have the capacity for more debt issuances that could facilitate growth in their portfolio of asset.

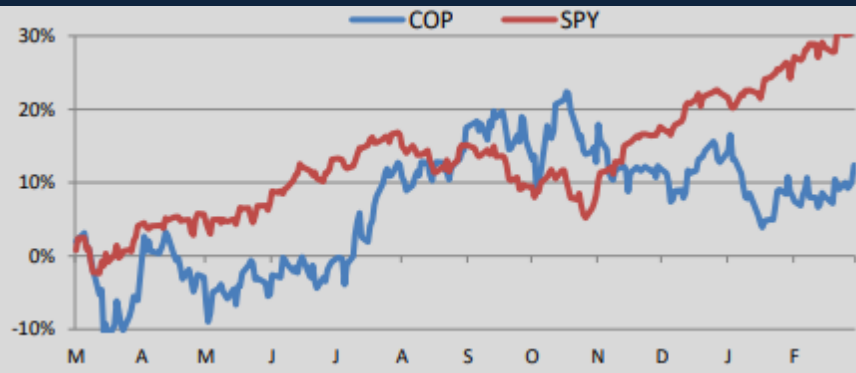
Risks to Thesis

- Recessionary risks loom and could stagnate the upstream segment by resulting in extended periods of low domestic demand that global demand may not be able to compensate for.
- Given the current oversupply of oil and natural gas, OPEC may look to flush the market with production to stunt US production growth such as in 2014 where OPEC did not cut production and crude prices tumbled roughly 60% to below \$30 per barrel.

Earnings Estimates

Year	2021	2022	2023	2024E	2025E	2026E
EPS	\$6.09	\$14.62	\$9.08	\$13.52	\$12.00	\$11.10
HF est.				\$12.33	\$11.90	\$9.06
growth	142.6%	140.1%	-37.9%	32.0%	-2.5%	-23.8%

12 Month Performance



Target Price

\$117-140

Henry Fund DCF	\$117
Henry Fund DDM	\$119
Relative Multiple	\$140

Price Data

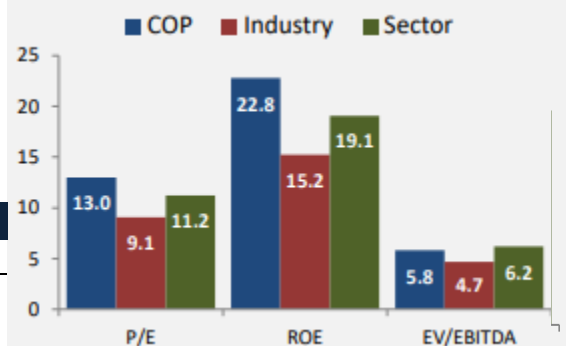
Current Price	\$112
52wk Range	\$91 – 127
Consensus 1yr Target	\$136

Key Statistics

Market Cap (B)	\$132.3
Shares Outstanding (M)	\$1178.1
Institutional Ownership	83.4%
Beta	0.71
Dividend Yield	3.6%
Est. 5yr Growth	9.0
Price/Earnings (TTM)	14.5
Price/Earnings (FY1)	9.4
Price/Sales (TTM)	2.4
Price/Book (mrq)	2.2

Profitability

Operating Margin	28.9%
Profit Margin	27.8%
Return on Assets (TTM)	11.7%
Return on Equity (TTM)	22.8%



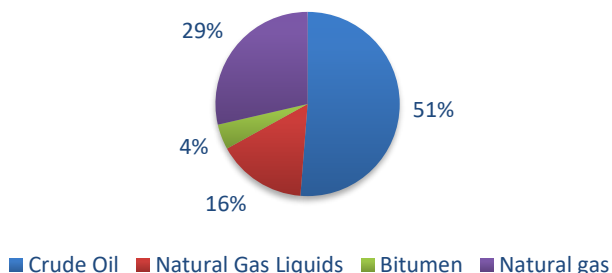
Company Description

ConocoPhillips operates in the exploration and production segment of the energy industry. They are an independent company and focus on the production, transportation, and marketing of energy products. Headquartered in Houston Texas, they operate in 13 countries and had a total of \$96 billion in assets as of 2023. They have a diverse portfolio of both resource-rich unconventional assets as well as conventional assets.

COMPANY DESCRIPTION

ConocoPhillips is an independent upstream oil and gas company that has operations in 13 countries. They manage a mix of conventional and unconventional assets and produce crude oil, natural gas (NG), natural gas liquids (NGLs) and bitumen.

2023 Production By Volume



Source: ConocoPhillips 10-K

Crude oil accounted for 51% of production in 2023 followed by natural gas at 29%. ConocoPhillips its geographic operations into six segments, which include: Asia Pacific, Canada, Alaska, Lower 48, Europe, and Other International. With regards to their operating revenues, Norway and Canada account for the largest sources of revenue by country following the United States, together totaling 9% of total sales revenue. Below is a map of the geographic regions in which ConocoPhillips operates.

ConocoPhillips Geographic Operations



Source: ConocoPhillips 10-K

REVENUE DRIVERS

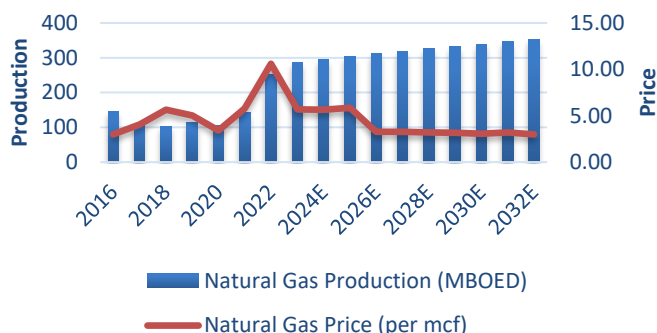
The Henry Fund forecasts for 2024 production is 1.959

millions of barrels of oil equivalent (MMBOED), which is in line with management guidance of production between 1.91 to 1.95 MMBOED.

Oil

Crude oil represents the largest product segment in ConocoPhillips’s production, averaging 50.4% of total production over the last 7 years. In 2023, US crude oil production has reached record highs, and we believe production will continue to grow, albeit slower, in the coming years as a result of new exploration projects and enhanced oil recovery from existing wells. Nonetheless, we anticipate global production continue to outpace demand as it has in the previous year, resulting in lower prices for crude oil in 2025 onwards. The forecasted prices are based on crude oil futures prices and are projected to consolidate around \$64, an 18% reduction from current prices. We project a 11% increase in crude oil production for ConocoPhillips in 2024 that is aided by international projects such as Eldfisk North. Despite the increases in output capacity, it is our view that production growth will taper off to 5% the following year and 2% by 2030 reflecting a shift in demand for cleaner energy such as natural gas. The chart below highlights changing prices alongside production growth:

Crude Oil Production & Price



Source: HF Estimates & CME Group

Bitumen

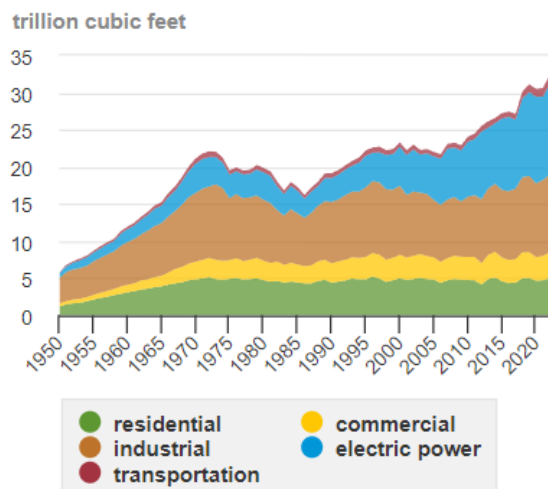
Bitumen is a dense and viscous petroleum-based hydrocarbon primarily used for road construction and roofing and waterproofing; it also represents the smallest

portion of ConocoPhillips’s production historically and has seen a decrease of 66% in 2023 from 2017 levels. Despite decreases in production over the years, it is our view that production will continually increase at a steady pace of 2%, in part due to ConocoPhillips’s acquisition of their remaining 50% stake in Surmont Oil Sands from TotalEnergies in 2023 as well as the moderate growth in construction expected both domestically and globally in the coming year¹⁵. The Surmont Oil Sands project, in Alberta, Canada, is a project focused on extracting bitumen from oil sands using steam-assisted gravity drainage (SAGD) technology.

Natural Gas

We forecast natural gas prices will continue to fall relative to prices in recent years as a result of their large supply in the market. We anticipate an average sales price of \$5.64 in 2024, marginally lower than that of \$5.69 in 2023, with a corresponding increase of 4% in production. Natural gas prices in February reached 30 year record lows at \$1.59 per thousand cubic feet with large drops in inventories³. Low prices have been the result of the El Niño weather patterns which are the result of warmer water in the eastern equatorial Pacific Ocean that then affect the winds that blow across the US ¹². Since electric power is a key use of Natural Gas (see below), these weather patterns have temporarily placed a ceiling on prices.

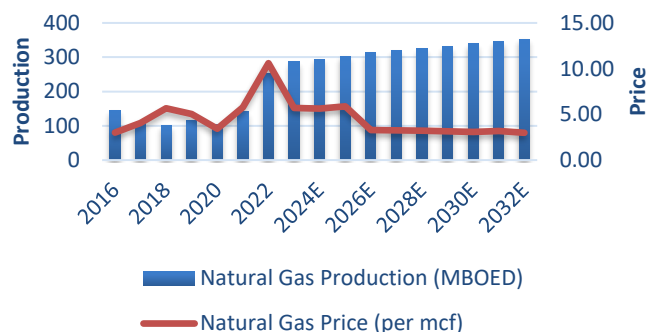
U.S. natural gas consumption by sector, 1950-2022



Source: EIA

We believe these extremely low prices are transient and prices will stabilize over the next few months resulting in average sales prices that are marginally lower from last year. Price estimates for the next two years were retrieved from Bloomberg followed by futures prices from the CME Group through 2032. Bloomberg price estimates more accurately highlighted the temporary effects of the recent drop in prices.

Natural Gas Production & Supply



Source: HF Estimates & CME Group

The CME group natural gas prices are derived from the Henry Hub, which is a more accurate reflection of supply and demand dynamics within the US. The Biden-Harris administration has placed a temporary pause on pending approvals for liquified natural gas exports (natural gas cooled down for transport) which has also contributed to increasing domestic supply, but we do not foresee this continuing for much longer and the US House has already passed a decision to reverse the pause¹⁴. We anticipate significant Natural Gas demand in Asia Pacific countries that we believe will support demand and raise natural gas prices.

Natural Gas Liquids

During natural gas processing, natural gas liquids (NGLs) are separated from natural gas, and as a result, tend to follow natural gas with regards to production and price estimates. In 2023, NGLs represented nearly 16% of ConocoPhillips’s production which we project will grow by 3% in 2024. A large portion of NGL demand arises from increasing demand for ethane and propane as

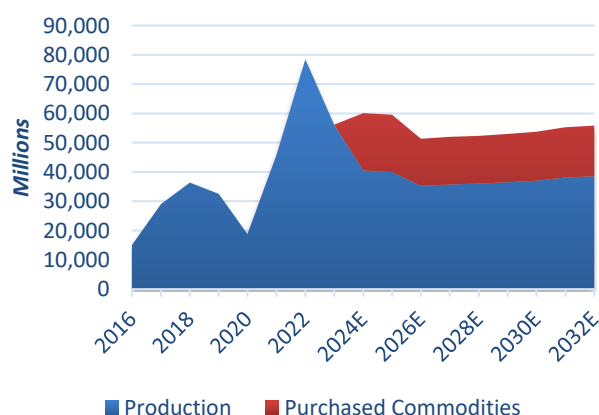
petrochemical feedstock which is used in the production of plastics, resins and industrial goods. We anticipate the need for petrochemical feedstock to continue rising as the use of plastics is forecasted to potentially triple by 2060 (OECD).

COST DRIVERS

Purchased Commodities

Purchased commodities are those commodities bought to fulfill contractual obligations that current production capacity do not allow for. Posing a large portion of their operating revenues and total costs, 35% and 40% respectively, we believe that purchased commodities will continue to represent a large portion of the companies' sales and expenses going forward. Purchased commodities are not a profit center, but rather amount to a break even between the purchasing and selling of the product or a slight loss. Purchased commodities are common in the exploration and production segment and can be seen in ConocoPhillips competitors such as Chevron and ExxonMobil with purchased commodities representing 60.5% and 57.6% of operating revenues respectively^{3,7}. The chart below highlights the forecasted portion of operating revenues that is achieved using purchased commodities for ConocoPhillips:

Purchased Commodities Proportion of Operating Sales



Source: ConocoPhillips 10-K & HF Estimates

Production and Operating Expenses

Apart from purchased commodities and DD&A, production and operating expenses represent the largest costs incurred by ConocoPhillips, historically averaging \$10.77 per Barrel of Equivalent (BOE) over the last 3 years. Given the advances in technology and efficiency gains due to increased recovery rates, this three year average is 6% lower than the 10 year average of \$11.5. Though the production costs per BOE have and will continue to decrease, overall production costs will increase because of increased overall production. The table below highlights ConocoPhillips' costs per BOE relative to peers based on 2023 operations (costs per BOE for 2023 are higher than the historical 3 year average as a result of inflationary effects on services and equipment needed for production):

Company Name	Cost per BOE
ExxonMobil	\$10.63
ConocoPhillips	\$11.87
Canadian Natural Resources	\$12.74
Chevron	\$10.23
EOG Resources	\$4.02

Source: FactSet

Exploration Expenses

2023 saw lower exploration expenses of \$396 million as a result of the absence of impairments relating to aged and suspended wells in the Canadian segment as well as lower dry hole expenses across the portfolio⁴. The corresponding ratio of exploration expenses to capital expenditures for 2023 was 3.4%. We view 2023 exploration activities as an outlier and anticipate future exploration expenses to be in line with the 5 historical average of 5% of capital expenditures.

Debt Maturity Analysis

In 2023, ConocoPhillips restructured its long-term debt portfolio through various debt management activities and maintains an A- credit rating⁴ based on S&P Global credit ratings. Their credit rating is compared to their peers in the table below (though it is key to note ExxonMobil and Chevron may have higher credit ratings due to their diversified operations as integrated oils):

Company Name	Credit Rating
ExxonMobil	AA-
ConocoPhillips	A-
Canadian Natural Resources	BBB-
Chevron	AA-
EOG Resources	A-

Source: Factset

The company retired \$78 million in 7.65% notes and raised \$2.7 billion through new notes for the acquisition of their remaining 50% stake in Surmont. The issuances included \$1 billion at 5.05% due 2033, \$1 billion at 5.55% due 2053, and \$0.7 billion at 5.7% due 2063⁴. Moreover, ConocoPhillips issued \$1.1 billion in 5.3% notes due 2053 and repurchased \$1.1 billion of existing higher-cost debt; the debt extinguishment offered a realized gain of \$27 million⁴. We view these strategic moves reflecting a staggered maturity schedule as crucial for ConocoPhillips to continue to main their conservative care of shareholder capital. Excluding finance leases, due from 2024 to 2028, the companies debt totals \$2.3 billion. The principal payments of ConocoPhillips long-term debt over the next five years are scheduled as follows in the chart below:

Fiscal Year	Payment (Billions)
2024	\$0.76
2025	\$0.74
2026	\$0.10
2027	\$0.44
2028	\$0.27

Source: ConocoPhillips 10-K

RECENT DEVELOPMENTS

Recent Earnings Announcements

ConocoPhillips earnings in the fourth quarter of 2023 were \$3 billion, or \$2.52 per share, which represent a slight decrease from the corresponding quarters earnings in 2022 of \$3.2 billion. Nonetheless, ConocoPhillips had beat consensus by \$0.32 as consensus had been \$2.08 per share¹⁶. Additionally, total revenue for the quarter was \$15.31 billion, above consensus estimates of \$14.47 billion due to higher oil equivalent production volumes¹⁶. The decrease in earnings and adjusted earnings y-o-y indicate potential impacts from lower oil prices and volatility in the

market. Despite the declines in earnings, operational efficiency and increased recovery rates resulted in record production and \$11 billion returned to shareholders through ordinary dividends, variable dividends and share repurchases. The target capital return for 2024 is \$9 billion which illustrates belief in the financial stability.

Eldfisk North

In 2022, ConocoPhillips had submitted to the Norwegian Ministry of Petroleum a plan for development and operation (PDO) of the Eldfisk North Project. As of February 2024, the authorities have granted ConocoPhillips consent to begin production at the \$1.2 billion project and operations are set to come on line this year. The current expected amount of resources from the project is in the range of 50 to 90 billion barrels of oil. The project involves installation of two seabed templates for production and one for water injection that connect to a network of five injection wells and nine production wells. Given the sophisticated subsea infrastructure entailed, we believe ConocoPhillips will continue to invest in technology that optimizes production and increases oil recovery rates.

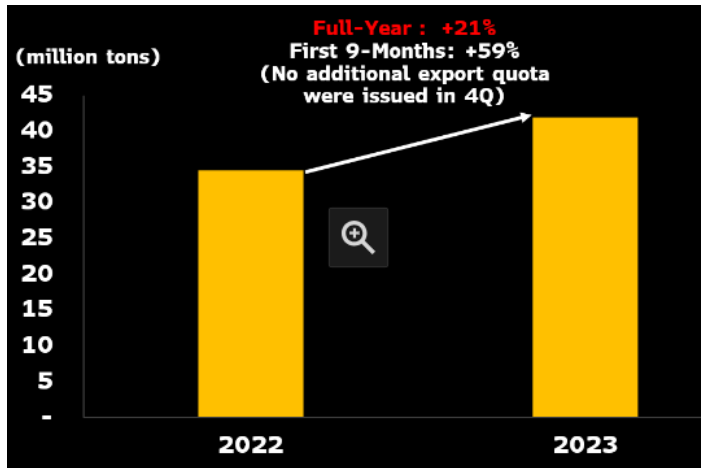
Willow Project

Following the Biden Administration's approval in 2023, ConocoPhillips announced in December of that year that it officially began development of the \$7-7.5 billion project. The Willow Project is currently estimated to have lifetime production of 600 million barrels from the three drill sites and is currently expected to come online in 2029⁴. We view this project to be a strong indicator of ConocoPhillips' future production potential as well as increasing U.S. energy independence. While ConocoPhillips lacks the scale and market share of many of the integrated oils that grow more consolidated, projects of the scale of the Willow Project highlight ConocoPhillips' continuing presence as a large player in the exploration and production segment.

China

China's reopening has been slower than anticipated with muted manufacturing activity alongside the continuing property crisis. Though China regained its position as the worlds largest liquified natural gas importer in 2023 with an increase of 7%, exports of gasoline, diesel and jet fuel

increased by 21% year over year. This is indicative of large inventories owing to weaker than expected demand. The chart below highlights their total fuel exports over the last two years.



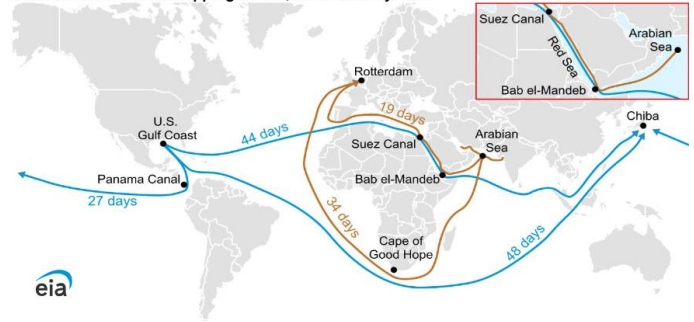
Source: Bloomberg

Crude oil imports are estimated to be 12% higher than in January of the previous year, though 2% lower than in 2022₂; the sluggish increases highlights the slow recovery post COVID Zero. Natural gas consumption in China is expected to grow as they continue to expand natural gas storage capacity with a target to increase LNG storage capacity by over 100% to 55-60bcm by 2025₂. Moreover, 2023 has seen continued natural gas pricing reforms such as the simplification of the gas transport tariff; this particular reform, effective January 2024, institutes four regional transport rates to replace the previous twenty. We anticipate increasing Chinese demand of oil and gas to support ConocoPhillips’s production by partially offsetting the slowed activity in the oversupplied US.

Red Sea

The Red Sea route accounts for 10-15% of world trade, including oil exports. In 2023, an estimated 10% of the world’s seaborne oil trade and 8% of global liquefied natural gas trade passed through this route₁₀.

Selected commercial shipping routes, as of January 2024

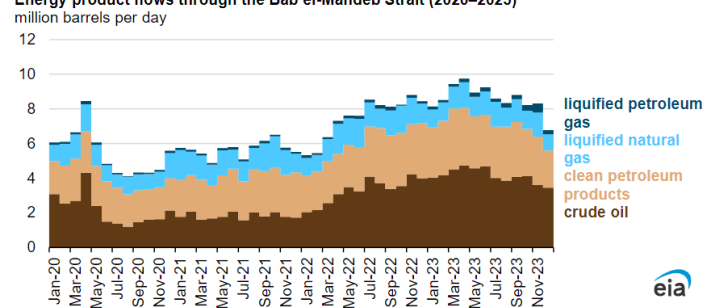


Data source: U.S. Energy Information Administration using calculations from Vortexa
Note: Voyage time is calculated for laden Suezmax tankers traveling at 14 knots without extended chokepoint delays.

Source: EIA

The geopolitical tensions in Gaza have now spilled over in other parts of the region, with Houthi Militants from Yemen responsible for attacks that have derailed trade through the Red Sea route by targeting the Bab el-Mandeb strait; The Bab el Mandeb Strait borders the Yemeni coast and connects the Red Sea to the Gulf of Aden. Many carriers have rerouted their path around the Cape of Good Hope in South Africa which has resulted in delays. Companies avoiding the Red Sea include Equinor, Euronav, QatarEnergy, Torm, Shell, and Reliance. There was an estimated 24% decrease in liquefied natural gas traded in December of 2023 in comparison to the rest of the year. While the initial financial burden falls on shipping companies and oil and gas companies who charter the vessels, ultimately, higher transportation costs lead to increased prices for oil and gas for downstream players and general consumers. The table below highlights the quantity of energy products that went through the Bab el Mandeb Strait over the last four years:

Energy product flows through the Bab el-Mandeb Strait (2020–2023)



Data source: Vortexa
Note: Clean petroleum products include gasoline, distillate, diesel, jet fuel, naphtha, and biodiesel.

Source: EIA

Interestingly, these hindrances to the trade route have not had a material impact on price. Lower demand in countries such as China and Germany have offered a buffer that trumps the volatility in the red sea. In conjunction with Asia Pacific oil and gas demand, it is our view that volatility persisting volatility in the region will keep oversupply from bringing prices down, stimulating further production for ConocoPhillips.

INDUSTRY TRENDS

ESG Analysis

In 2022, ConocoPhillips published their Plan for the Net-Zero Energy Transition. This plan entails targets to become a net-zero company for scope 1 and 2 emissions by 2050; scope 1 and 2 emissions representing those directly and indirectly produced by the company through its operations and activities. ConocoPhillips’s most recent progress report indicates they have reduced methane intensity by 70% since 2015 and spent \$150 million on scope 1 and 2 emissions reductions and low carbon opportunities in 2022⁴. It is our view that investments in projects such Eldfisk North that focus on enhanced oil recovery (EOR) and efficient well and water management techniques will continue to increase ConocoPhillips’s sustainability of production. The table below highlights ConocoPhillips’s ESG rating alongside its industry peers. Notably, ExxonMobil has the worst ESG rating, which is likely due to their larger scale and consequently larger environmental footprint.

Company Name	ESG Rating	
ExxonMobil	41.6	Severe
ConocoPhillips	35.1	High
Canadian Natural Resources	30.9	High
Chevron	36.8	High
EOG Resources	34.1	High
Marathon Petroleum	30.5	High

Source: Sustainalytics

Mergers & Acquisitions

The exploration and production industry has seen activity in the mergers and acquisition space in 2023 and that trend is likely to continue. As ExxonMobil looks to be the largest oil producer in the Permian Basin, they have agreed

to acquire Pioneer Natural Resources for \$64.5 billion². This consolidation will double Exxonmobils Permian footprint and strengthen their upstream portfolio. ExxonMobil has also acquired Denbury Inc for \$4.9 billion who specializes in developing stranded reserves from depleted reserves²⁰.

Chevron has also agreed to buy Hess for \$60 billion having bought PDC Energy for \$6.2 billion in August of 2023. Chevron’s worldwide production sat at 3.15 million barrels of equivalent (boed) at third quarter of 2023 and increased to 3.4 boed in the fourth quarter with the inclusion of PDC Energy².

Though ConocoPhillips was considering an offer for CrownRock, it was Occidental Petroleum that saw an acquisition of CrownRock for \$12 billion creating further consolidation in the Permian Basin². US Federal Trade Commission has requested additional documentation requests from Occidental and CrownRock as they look to assess whether the merger breaches anti-trust regulations. If the Merger is to be approved, Occidental would become a bigger player than both Chevron and Hess combined in the US Shale industry. The table below aggregates recent deals:

Merger & Acquisition	Year	Dollar Value (B)
Chevron - Hess	2023	\$60.00
ExxonMobil - Pioneer Natural Resources	2023	\$59.50
Chevron - PDC Energy	2023	\$6.20
Occidental - CrownRock	2023	\$12.00
ExxonMobil - Denbury	2023	\$4.90

Source: Reuters

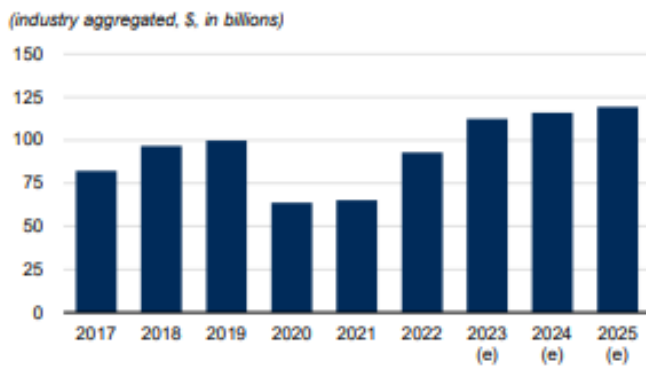
Though 2024 may not see deals as large as Exxon-Pioneer and Chevron-Hess in magnitude, we believe continued consolidation in the industry is probable and ConocoPhillips is likely to be involved. The most recent deal ConocoPhillips was involved in was their acquisition of Shell Enterprises LLC’s Delaware basin assets for \$9.5 billion in cash in 2021. Though not directly involved in M&A activity, we believe ConocoPhillips will continue to grow their operations and increase their footprint.

Capital Expenditures

Capital expenditures experienced strong growth in 2022 at a rate of 42.7% and consensus indicates 2023 to experience growth as around the 20.9% level¹⁴. The

dramatic increase in capital expenditures in 2022 reflect the higher energy prices during that period; WTI Crude averaged \$95 per barrel during that year, incentivizing greater production. The slightly more muted capex growth going forward reflects economic concerns as upstream companies act conservatively given the volatility of recent years. In line with the industry, ConocoPhillips is also set to maintain roughly similar capital expenditures in 2024 amounting to \$11.25 billion, highlighting strong production but cautious growth; our forecasts for ConocoPhillips' capex is slightly higher at \$11.59 billion, as a result of increased exploration efforts. Nonetheless, upstream producers are also able to leverage DUC's in order to keep capex low. The chart below highlights capex in the upstream segment with data until 2025 based on S&P Global Market Intelligence forecasts.

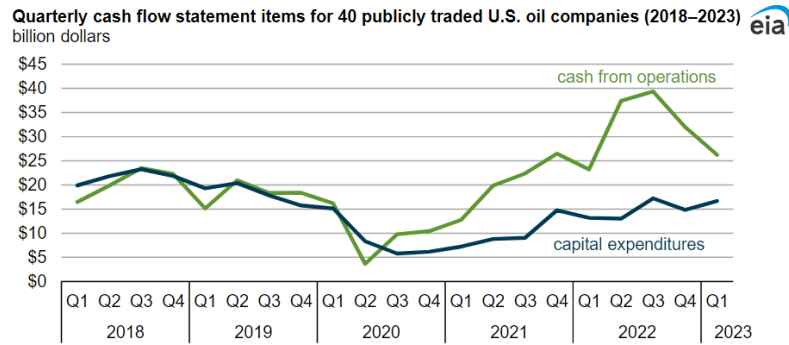
UPSTREAM'S CAPITAL EXPENDITURES



e-Estimate.
Source: S&P Global Market Intelligence, S&P Capital IQ Consensus Estimates.

Source: NetAdvantage

Crude oil prices are often also leading indicators in the direction of capex for exploration and production firms. The first quarter of 2023 saw a 12% increase in capex despite lower oil prices resulting in a higher-than-normal capex/cash from operations ratio of 64%¹⁰. Given the lower crude oil prices in the last quarter of 2023, capex is likely to also have been muted. The chart below indicates the quarterly cash flow from operations alongside capital expenditures of 40 US oil production and exploration firms.



Data source: Evaluate Energy
Note: Q=Quarter

Source: EIA

E&P Efficiency

US oil production has almost tripled in the last two decades owing much to advancements in technology and innovation in the sector. According to researchers at S&P Global Commodity Insights, the US has had a 10% increase in the amount of feet drilled per day over the last two years, indicating a 10% increase in drilling owing to increases in efficiency¹⁵. ConocoPhillips has been able to improve penetration rates by 30% and cut drilling costs by over \$0.5 million per well through the use of slim-hole drilling. Moreover, using twin-frac technology, they have been able to reduce frac cycle times by 40% resulting in around \$200,000 per well (OGL). As artificial intelligence and machine learning as leveraged in the exploration and production industry, we can expect to see more gains owing to optimization and efficiency. The chart below highlights the gains in efficiency over the last decade as rig counts have decreased but production has dramatically increased in the Permian:

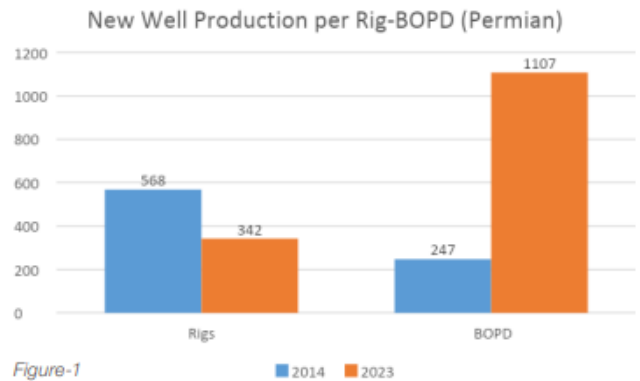


Figure-1

MARKETS AND COMPETITION

Degree of Competition

The US upstream sector is an increasingly consolidated sector with a few key players that are integrated oils – in that they operate both in both upstream and downstream segments. This dynamic offers integrated oils a natural hedge during oil price fluctuations which differentiates them from independent exploration and production firms.

Power of Buyers

It is the global market for crude oil and gas that dictates the prices of products rather than individual producers and customers. Buyers include refineries, distribution companies, national oil companies (NOCs), international oil companies (IOCs) and countries with large consumption needs. The agency available to buyers is in the quality of oil which is determined by global benchmarks such as Brent Blend, WTI and Dubai/Oman. Brent Blend is sourced from the North Sea and is the leading global price benchmark for Atlantic basin crude oils. WTI is used as a reference for oil prices in the Americas and is also known for its high quality, usually trading at a premium. Dubai/Oman are the benchmarks for the Asian market.

Power of Suppliers

The suppliers in this segment are large integrated oil and gas companies that operate throughout the entire oil and gas industry. Companies like Chevron, Shell, ExxonMobil and Saudi Aramco possess significant bargaining power due to their extensive involvement in the industry. Oil-rich countries who are OPEC members are also supported in number as they are able to assert influence together. It is key to note that oil-rich countries that lack technology such as Venezuela and Mexico maintain less bargaining power. In terms of suppliers to exploration and production firms, drillers and oilfield service companies have seldom had much bargaining power in the past. Beginning in 2022, however, exploration and production firms have started to spend more in the oil fields which decreased the need for oilfield services companies to offer concessions.

Threat of New Entrants & Substitutes

The threat for new entrants is low due to high capital requirements and the size of existing corporations who only grow more consolidated. While the FTC attempts to address the issue by ensuring antitrust regulations are met, the already large conglomerates will only get larger. Additionally, we do not expect the FTC will block the proposed mergers as, though moderately consolidated, the upstream segment is not as consolidated as other segments in the oil and gas industry. We believe the downstream segment's consolidation sets a precedent for what may become of the upstream segment. Moreover, geopolitical obstacles in oil-rich countries act as an added barrier as evidenced by Oil India's initial withdrawal from Libya.

In terms of substitutes, renewable energy is growing but has yet to impact demand for oil-based fuels largely driven by the transportation sector. In Texas, however, we see wind power as a rising threat as costs have dropped below natural gas; but even in such cases the energy sources have not matched the reliability of oil-based fuels.

Peers

Competitors and peers in the exploration and production segment include integrated oils such as ExxonMobil, Chevron, and Canadian Natural Resources as well as independents such as EOG resources. Their respective market capitalizations, revenues, and net incomes can be found in the table below.

Company	Market Cap	Total Sales	Net Income
ExxonMobil	474.9	\$344.6	\$36.1
ConocoPhillips	153.2	\$58.6	\$11.0
Canadian Natural Resources	114.4	\$36.0	\$8.2
Chevron	292.7	\$200.9	\$21.4
EOG Resources	76.8	\$24.2	\$7.6

Source: FactSet

*Scale in Billions

ExxonMobil

ExxonMobil operates with a large exploration and production portfolio globally, especially within the Guyana-Suriname Basin, Permian Basin and offshore Brazil. In 2023, their production amounted to almost 3.8 billion barrels of equivalent per day. The company is heavily concentrated on technology and innovation and

maintain a \$1 billion commitment annually to developing lower-emission energy solutions.

Chevron

Chevron has operations in over 180 countries and possesses a diversified exploration and production portfolio that entails substantial deepwater assets and shale and tight resource plays. The company has a strong presence in the Permian Basin and continues to grow as indicated by their acquisition of PDC Energy and their agreement to acquire Hess. In 2021, Chevron allocated \$3 Billion towards exploration into renewable energy and efforts to lower its carbon intensity.

Canadian Natural Resources

Canadian Natural Resources is Canada’s largest heavy crude oil producer with some of the worlds largest oil sands mining operations. Canadian Natural Resources’ Horizon Oil Sands project is a key component of its operations and accounts for a large part of their capital expenditures.

EOG Resources

EOG Resources is a large player in the US shale industry with operations focused in the Permian Basin, Eagle Ford Shale, Anadarko Basin and the Marcellus Shale. The company has seen efficiency gains through their use of precision targeting technology that has allowed it to reduce costs and improve hydrocarbon recovery rate.

PEER COMPARISON METRICS

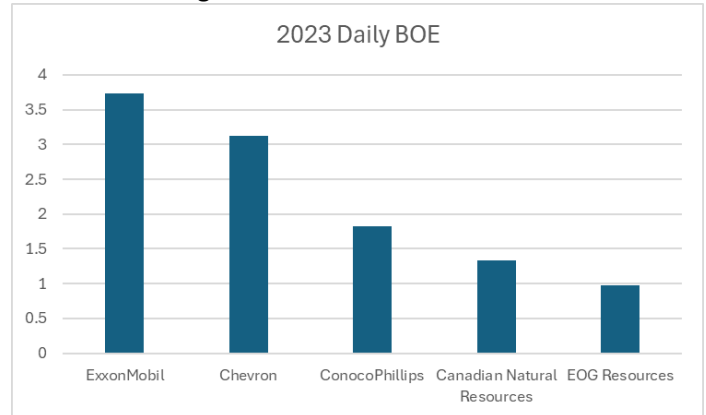
Industry Operating Metrics

The exploration and production segment maintains specific operating metrics that aid in better understanding companies with respect to their environment.

Daily BOE

The daily barrels of oil equivalents (BOE) is a significant metric in the exploration and production segment reflecting a companies total hydrocarbon output, aggregating both oil and gas. As such, the metric can be used to asses the productivity and output of a company relative to its peers. In the graph below we can observe

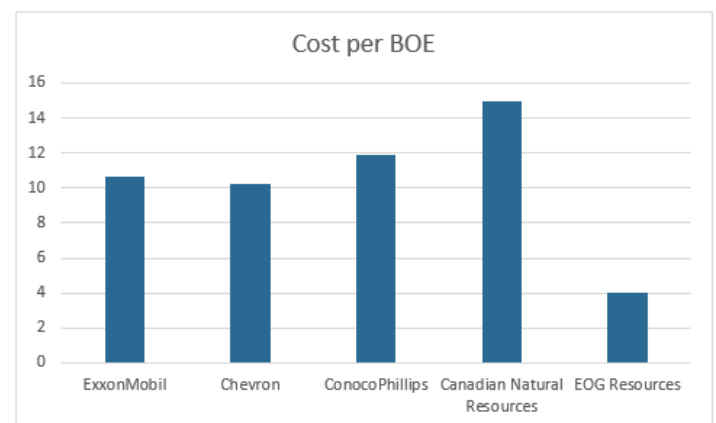
ExxonMobil to have the largest production output which can impact its market positioning and impact relative to others in the segment.



Source: Factset

Cost per BOE

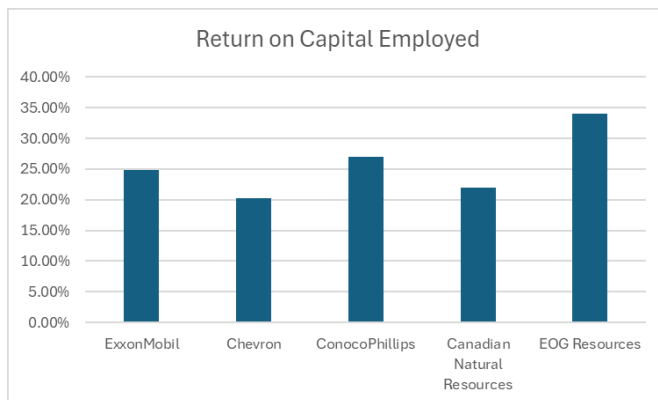
Cost per BOE is a key metric in assessing the cost effectiveness and efficiency of players in the upstream segment as it examines the average cost required to produce one barrel of oil equivalent. In the chart below, we observe EOG Resources to have the lowest cost per BOE which are due to efficiencies that lead to lower spending production but may also cause a ceiling for production volume. Technologies used to identify geological formations and subsequent extractions can dramatically reduce costs. ConocoPhillips and ExxonMobil also exhibit lower cost per BOE due to the scalability of their operations as large players.



Source: Factset

Return on Capital Employed (ROCE)

Another metric that examines efficiency in capital utilization is return on capital employed (ROCE) as it evaluates the returns generated from capital invested and is the ratio of net operating profit and capital employed. Interestingly, EOG exhibits the highest returns on capital employed which suggests efficient use of capital. This can be attributed to EOG Resources uncovering the Ohio Utica Combo and advancing the South Texas Dorado and Southern Powder River Basin in 2022. ConocoPhillips also stands out as maintaining the second highest return on capital employed, once again illustrating efficient use of capital and technology.



Source: Factset

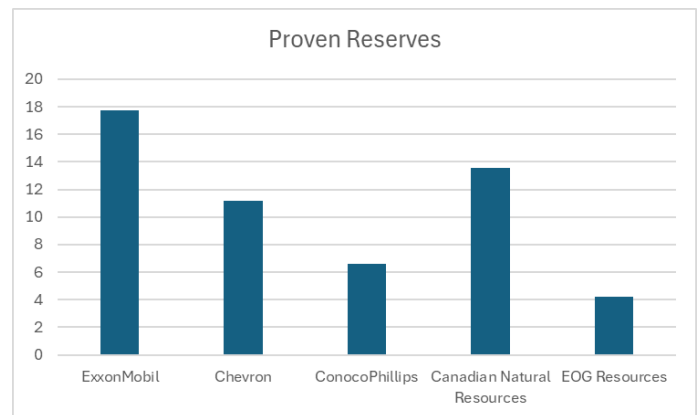
Operating margins also offer insight into how much profit the companies make on a dollar of sales after paying for variable costs of production and compliment the broader ROCE metric. The table below highlights the greater operating margins of Canadian Natural Resources, ConocoPhillips and EOG Resources as they are more focused on shale oil and gas rather than the large-scale offshore and international projects that Chevron and ExxonMobil undertake which require higher expenditures and dilute margins.

Company Name	Operating Margin
ExxonMobil	15.2%
Chevron	10.6%
Canadian Natural Resources	29.5%
ConocoPhillips	29.2%
EOG Resources	41.8%

Source:FactSet

Proved Reserves

Proved reserves indicate the resources that a company has discovered and can gain access to with a high level of confidence in the current operating environment given technology and prices. The high proved reserves Canadian Natural Resources maintains at 13.587 billion boe is a testament to the significant presence of oil sands in Canada. Though we do not believe this large proved reserve number to be truly indicative of future potential given the complexity of oil sand resource extraction as mining and refining is far more expensive. Though ConocoPhillips has relatively low proved reserves, we expect this number to change with updated information following their increasing acquisition of assets.



Source: Factset

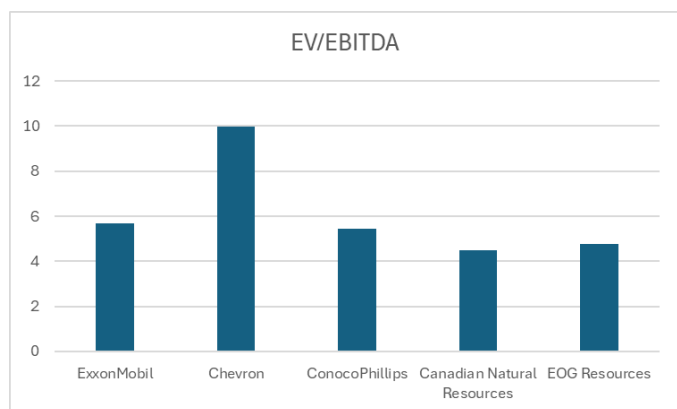
The number of years left of current “inventory” or production capacity was derived by dividing proved reserves by annual production. The table below highlights the number of years left to extract with current reserves. It is worth noting that Canadian Natural Resources possesses atypically high proved reserves relative to production largely due to their aggressive acquisitions of long-life, low-decline assets in Western Canada. The average ratio of proved reserves to yearly production in the industry seems to fall in the 10-13 year range, excluding Canadian Natural Resources as an outlier.

Company Name	Years of "Inventory"
ExxonMobil	13
Chevron	10
Canadian Natural Resources	29
ConocoPhillips	10
EOG Resources	12

Source: FactSet

EV/EBITDA

The enterprise value to EBITDA ratio is a great indicator of the value of a company in relation to its core earnings which is a good metric for capital intensive companies such as those in exploration and production. Chevron's relatively high EV/EBITDA may indicate a potential overvaluation, but we believe it is more likely that the market observes future growth potential. Chevron has been active in the M&A space and the market anticipates increases in future performance. Though EOG Resources does not currently have the same production volume nor production efficiencies, they have true potential as previously indicated by their high ROCE having done a lot with relatively very little.



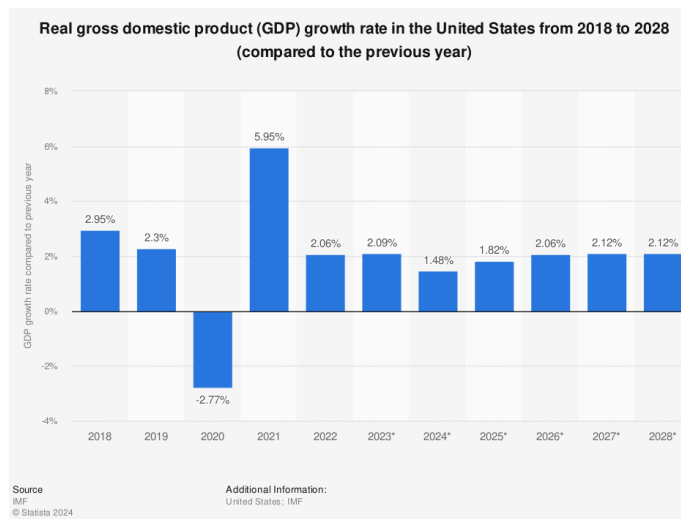
Source: Factset

ECONOMIC OUTLOOK

Real GDP Growth

Real GDP growth (decline) can dramatically impact ConocoPhillips and activity in the exploration and production sector as a whole. Increased economic activity consequently increases the demand for energy which can increase the price of oil thereby incentivizing further

production. Real GDP growth is forecasted to slow to under 1% in Q2 and Q3 of 2024 which indicates slower production. This is in line with our view of a period of slow increases in capital expenditures over the next year as weak demand and healthy supply is not likely to encourage dramatically increased activity. Though real GDP growth in the US is not forecasted to rise significantly in the coming years, as indicated in the chart below, we believe Asia Pacific activity that is slowly gaining momentum will have a significant impact on demand.

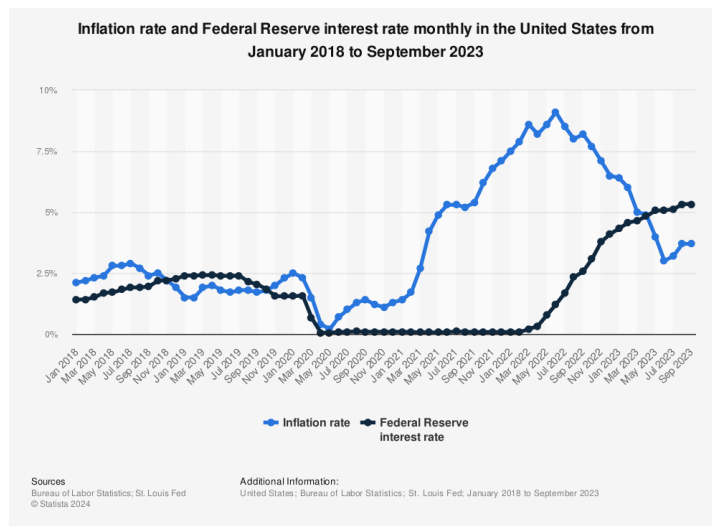


Source: Statista

Interest Rate Cuts

The market has expected up to six interest rate cuts going into 2024 which we believe was overly optimistic. Interest rate cuts would stimulate the economy and increase demand for energy thereby increasing activity in exploration and production. However, the economy has showed signs of resilience and growth; while the growth may be tempered, we believe this will be enough for the federal reserve to abstain from overly optimistic rate cuts. Inflation in the services sector is yet to show the improvements observed in goods, coupled with low unemployment at 3.7% this supports the higher for longer narrative. We expect a target rate of 4.75% to 5% by the end of 2024 for the Fed Funds Rate and a rate of 4.22% for the 10 year treasury; most of the movement in rates are expected to happen on the short end of the yield curve,

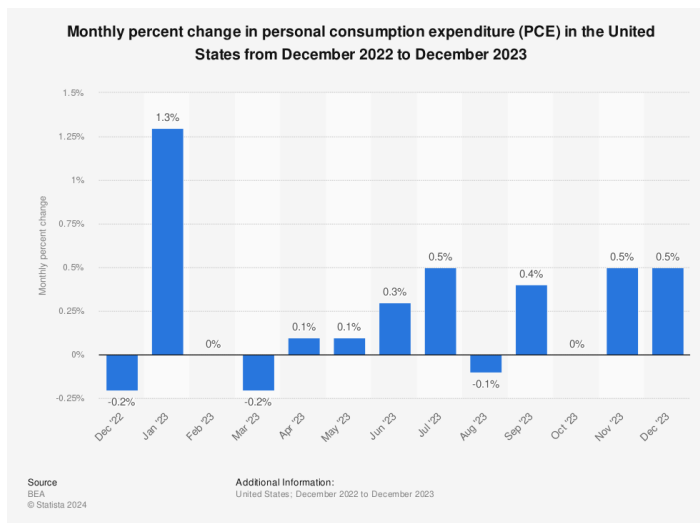
resulting in a relatively unchanged risk free rate assumption in the derivation of our weighted average cost of capital. Below is the federal reserve interest rate alongside the inflation rate over the last 5 years. In the case that interest rates do see cuts in line with a growing an expanding economy, the environment will be to the benefit of ConocoPhillips who can capitalize on their growing production capacity.



Source: Statista

Inflation

Inflation has a material impact on upstream activity, though directionality of the impact depends on the nature of the inflation. If inflation has a disproportionate impact on materials and services over oil prices, production costs will increase and may hinder activity. However, if the inflationary impacts are to impact oil prices in similar or greater magnitude, we can expect greater activity in the industry. We believe inflation in materials and goods has eased and will eventually follow suit in services, oil prices however are liable to be stickier due to geopolitical tensions. As a result, we believe inflationary impacts on ConocoPhillips to be low in the coming year.



VALUATION

Production Growth

In 2024, we forecast total production to increase to 1.959 million barrels of oil equivalent (MMBOED) which signifies a 7.3% increase. Production growth rates for each year were determined by forecasting individual product segments based on production capacity and future demand outlook. We foresee the ConocoPhillips's growing operations and an expanding portfolio of assets to strengthen production in the coming years.

Revenue Growth

ConocoPhillips saw falling revenue growth in 2023 amounting to -28.5% as subdued demand was reflected in lower energy prices. Oil prices, ConocoPhillips's largest production segment, saw a 19% decline in prices that dramatically affected operating revenues. The forecasted oil prices utilized in the model are future's prices retrieved from the CME group and highlight our thesis of higher production being met with lower prices as they are projected to reach \$64.5 in 2032. Given crude oil accounts for over 50% of production volume and operating sales, the sensitivity table below showcases how 2024 production growth and average sales changes would affect our calculated stock price. Our insights indicate that

production volume is more material than any price increase (decrease).

2024 Crude Oil Prices	DCF	2024 Crude Oil Production Growth						
	117.50	2%	5%	8%	11%	14%	17%	20%
60.61	97.27	102.77	108.26	113.76	119.25	124.75	130.24	
66.61	98.42	103.95	109.48	115.01	120.53	126.06	131.59	
72.61	99.57	105.13	110.69	116.25	121.82	127.38	132.94	
78.61	100.73	106.32	111.91	117.50	123.10	128.69	134.28	
84.61	101.88	107.50	113.13	118.75	124.38	130.01	135.63	
90.61	103.03	108.69	114.34	120.00	125.66	131.32	136.98	
96.61	104.18	109.87	115.56	121.25	126.94	132.64	138.33	

Crude Oil Production vs Crude Oil Price

Price estimates for natural gas over the next two years were retrieved from Bloomberg followed by prices from the CME group through 2032. Bloomberg price estimates more accurately highlighted the temporary effects of the recent drop in prices. Prices for both natural gas and oil are projected to be relatively stable going into 2024, with marginal declines of 4% and 8%, respectively, forecasted for 2025.

While there is no benchmark for bitumen prices, the average Bitumen to Crude Oil price ratio over the last 8 years was used to forecast prices from Crude Oil prices in the future; Bitumen's derivation from crude oil either through direct distillation or from residues of the refining process means when the price of crude oil rises, the cost of the raw material for Bitumen also rises. With respect to natural gas liquids, once again no benchmark for prices; as a result, natural gas liquid prices were forecasted from future natural gas prices by using the average ratio of NGLs to Natural Gas over the last 8 years. Since NGLs are components of natural gas separated from the gas state in the form of liquids, we believe natural gas production and price estimates are a fair way to interpolate their respective measures. In 2024, we forecast the average sale price for Natural Gas Liquids to increase by 19% and that of Bitumen to decrease by 18%.

Our forecasts of marginally higher production following the slowing in 2023, in conjunction with relatively stable prices, results in marginally increased operating revenue that we predict will be at the rate of 7.07%.

Operating Expenses

To forecast purchased commodities, we decided to derive individual purchases by product historically. Historical

production and product sales prices were subtracted from total revenues of individual product segments to identify the remaining revenues not resulting from production. We believe historical average ratio of purchased commodities to production should be limited to the most recent 5 years to reflect recent increases in production capacity; purchased commodities are forecasted to decrease by 11% in 2024.

Other notable expenses included production and operating expenses, which were derived as a function of production through historical averages of production and production expense ratios; we anticipate these will remain relatively unchanged in 2024, increasing by 0.16%. Depreciation, depletion and amortization and production taxes (taxes other than income taxes) were also forecasted as a historical average of their ratio to production of \$12.4 per barrel of equivalent (BOE).

Capital Expenditures

ConocoPhillips management's guidance for 2024 capital expenditures is \$11 to \$11.5 billion⁴, which is in line with 2023 capital expenditures of \$11.2 billion. As ConocoPhillips has growing global operations such as the Willow Project, Eldfisk North and their recent acquisition of the Surmont Oil Sands, we believe recent historical averages of capital expenditures should use to forecast future capex, with emphasis on the most recent 5 years. The historical average of exploration expense and capital expenditures ratios was taken to predict future exploratory expenses which we forecast to be marginally higher in 2024, reflecting growing operations.

Capital Structure

In 2023 ConocoPhillips completed a strategic debt refinancing to reduce near-term debt maturities and issued new long-term debt. They also had \$21.5 billion remaining in their \$45 billion share repurchase program that we anticipate will take place over the next 8 years with a yearly share repurchase of \$2.69 billion.

WACC Assumptions

The Henry Fund constructed a Weighted Average Cost of Capital of 7.29% for ConocoPhillips using the following

assumptions:

Risk-Free Rate: The risk-free rate of 4.26% is the current 10 US year treasury note.

Beta: A raw (historical) beta of 0.712 was sourced from Bloomberg.

Equity Risk Premium: A Henry Fund consensus of an equity risk premium of 5% was utilized.

Pre-Tax Cost of Debt: A pre-tax cost of debt of 5.32% was derived as an interpolated point on Bloomberg’s issuer curve.

Tax Rate: Using their historical average, we derived an implied marginal tax rate of 30.6%.

DCF / EP Models

The DCF and EP models offered an implied price of \$117.5, which is slightly higher than the current stock price. We believe this price to represent a good estimate that reflects it’s conservative assumptions. Given the uncertainty of the oil and gas industry in the future in light of the rising interest in renewable energy, a continuing value growth rate for operating profits of 2% was used. Though we believe that demand for the industry will remain for the next decade, this growth rate reflects our view of a plateau looking past 2032. As a result, though the implied price in these models reflects the current price, we suggest this price to be a baseline level and the bottom of the target range.

Our WACC assumptions of beta and equity risk premium also play a significant role in our implied stock price. We view a 5% equity risk premium to be a conservative estimate, the sensitivity table below highlights the potentially higher stock prices given different betas and equity risk premiums.

Beta	DCF	Equity Risk Premium						
	117.50	4.40%	4.60%	4.80%	5%	5.20%	5.40%	5.60%
0.50		152.12	148.90	145.81	142.83	139.98	137.22	134.57
0.57		142.64	139.40	136.29	133.32	130.47	127.73	125.10
0.64		134.22	130.99	127.90	124.94	122.11	119.40	116.80
0.71		126.70	123.49	120.43	117.50	114.71	112.04	109.48
0.78		119.94	116.76	113.74	110.85	108.10	105.48	102.96
0.85		113.83	110.69	107.71	104.87	102.16	99.59	97.12
0.92		108.27	105.17	102.24	99.45	96.80	94.27	91.86

Equity Risk Premium vs Beta

Relative Valuation

For our relative valuation models, we examined ConocoPhillips’s competitors in the oil and gas industry; they are all upstream exploration and production players with the exception of Marathon Petroleum, whom we believed still had enough exposure to the industry to offer insight in our valuation. Our P/E Valuation models yielded an implied price today of \$140 and \$126 based on 2023 and 2024 EPS figures implying the company is undervalued relative to its peers. We do not believe that the valuation using 2024 P/E to be accurate as ExxonMobil Chevron have relatively higher ratios solely for that year which may skew the average and may offer an artificially high valuation for ConocoPhillips. For that reason, we advocate for the use of the other valuation methodologies in evaluating ConocoPhillips’s stock price.

Dividend Payout

Future dividend payments were forecasted using an implied growth rate calculated from previous dividend payments. ConocoPhillips dividend payments follow expectations around energy and given our outlook we forecast relatively gradual increases in dividends to coincide with stable increases in production.

Dividend Discount Model

The DDM offered an implied price of \$119 which we believe is an accurate valuation as we predict ConocoPhillips will continue to generate enough free cash to cover and increase ordinary dividends. The DDM was centered around a payout ratio that was calculated by analyzing total dividends paid as a percentage of net income; an average of the most recent three years was used as we believe they accurately highlight the anticipated capital returned to shareholders in the coming years. The sensitivity table below highlights how changes to the payout ratio would impact the calculated stock price, with the high of 43% representing their most recent payout ratio in 2023, and 13% representing their most recent low in 2022:

CV growth of EPS	DDM	Payout Ratio						
	119.44	13%	18%	23%	27.54%	33%	38%	43%
1.25%	103.28	106.83	110.32	113.73	117.09	120.38	123.61	
1.5%	104.68	108.35	111.95	115.49	118.95	122.35	125.69	
1.75%	106.19	109.99	113.72	117.38	120.97	124.49	127.95	
2.00%	107.83	111.77	115.64	119.44	123.16	126.81	130.39	
2.50%	111.58	115.84	120.03	124.13	128.16	132.11	135.99	
2.75%	113.73	118.18	122.54	126.83	131.03	135.15	139.19	
3.00%	116.10	120.76	125.32	129.80	134.20	138.51	142.74	

KEYS TO MONITOR

Considering recent data and forecasts, we believe the following indicators are worth monitoring going forward:

- Crude oil, representing over half of ConocoPhillips's production is forecasted to experience a 11% increase in 2024 but must be monitored as economic conditions can change production schedules.
- Projects and acquisitions such as Eldfisk North that are set to produce this year should be observed for any production delays.
- Natural gas prices, despite a temporary slump due to El Nino, are expected to stabilize though the large inventories should be monitored given the LNG pause may hinder distribution going forward.
- Technological advancements and operational efficiencies are reducing costs per BOE which would increase the longevity of ConocoPhillips in a world where there is less demand for fossil fuels decades from now.

Conclusion

In summary, the Henry Fund has placed a HOLD rating on ConocoPhillips as we advocate for exposure to the energy sector whilst trading cautiously through uncertain domestic and global environments. Central to our recommendation is our belief that global demand will slowly rise, especially in the Asia Pacific region as China recovers. We do not foresee volatility in the Middle East subsiding in the near term, thereby preventing the accumulated supply of oil from bringing prices down. OPEC cuts continue to be deep and also support prices, but this area is one that we feel requires careful monitoring given the option that they may flush the market, bringing down prices. It is also paramount to monitor economic conditions within the US. While the Henry Fund anticipates subdued economic activity with slight rate cuts, it is

possible for both recessionary risks and more aggressive rate cuts to both have dramatic effects on ConocoPhillips with regards to production activity. Relative to its peers, we believe ConocoPhillips differentiates itself through low costs per BOE and high return on capital employed. They are conservative with their debt aiding cash flows from shareholder perspectives.

REFERENCES

1. Factset
2. Bloomberg
3. XOM 10-K
4. COP 10 -K
5. EOG 10-K
6. CNQ 10-K
7. CVX 10-K
8. FRED
9. The Conference Board
10. EIA
11. IBIS Word
12. National Geographic
13. Statista
14. Reuters
15. Delloite
16. Yahoo Finance

DISCLAIMER

Henry Fund reports are created by graduate students in the Applied Securities Management program at the University of Iowa's Tippie College of Business. These reports provide potential employers and other interested parties an example of the analytical skills, investment knowledge, and communication abilities of our students. Henry Fund analysts are not registered investment advisors, brokers or licensed financial professionals. The investment opinion contained in this report does not represent an offer or solicitation to buy or sell any of the aforementioned securities. Unless otherwise noted, facts and figures included in this report are from publicly available sources. This report is not a complete compilation of data, and its accuracy is not guaranteed. From time to time, the University of Iowa, its faculty, staff, students, or the Henry Fund may hold an investment position in the companies mentioned in this report.

ConocoPhillips
Revenue Decomposition

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Consolidated Sales and other Operating Revenues	23,693	29,106	36,417	32,567	18,784	45,828	78,494	56,141	60,109	59,515	51,383	51,961	52,322	52,943	53,695	55,327	55,818			
%growth		22.85%	25.12%	-10.57%	-42.32%	143.97%	71.28%	-28.48%	7.07%	-0.99%	-13.66%	1.13%	0.69%	1.19%	1.42%	3.04%	0.89%			
Average Net Production (Daily)																				
Crude Oil (MBD)		598	599	653	705	568	829	898	936	1,039	1,088	1,140	1,194	1,230	1,254	1,279	1,305	1,331		
			0%	9%	8%	-19%	46%	8%	4%	11%	5%	5%	5%	3%	2%	2%	2%	2%		
Natural Gas Liquids (MBD)		145	111	102	115	105	142	252	287	294	304	313	319	326	332	339	346	353		
			-23%	-8%	13%	-9%	35%	77%	14%	3%	3%	3%	2%	2%	2%	2%	2%	2%		
Bitumen (MBD)		183	122	66	60	55	69	66	81	83	84	86	88	89	91	93	95	97		
			-33%	-46%	-9%	-8%	25%	-4%	5%	2%	2%	2%	2%	2%	2%	2%	2%	2%		
Natural gas (MBOED)		3,857	3,270	2,774	2,805	2,394	3,162	3,130	3,135	3,259	3,378	3,500	3,627	3,700	3,774	3,849	3,926	4,005		
			-15%	-15%	1%	-15%	32%	-1%	0%	4%	4%	4%	4%	4%	2%	2%	2%	2%		
Total Production (MBOED)		1,569	1,377	1,283	1,348	1,127	1,567	1,738	1,827	1,959	2,039	2,122	2,205	2,261	2,307	2,353	2,400	2,448		
Average Net Production (Yearly)																				
Crude Oil (MBD)		218	219	238	257	207	303	328	342	379	397	416	436	449	458	467	476	486		
			0%	9%	8%	-19%	46%	8%	4%	11%	5%	5%	5%	3%	2%	2%	2%	2%		
Natural Gas Liquids (MBD)		53	41	37	42	38	52	92	105	107	111	114	117	119	121	124	126	129		
			-23%	-8%	13%	-9%	35%	77%	14%	3%	3%	3%	2%	2%	2%	2%	2%	2%		
Bitumen (MBD)		67	45	24	22	20	25	24	30	30	31	31	32	33	33	34	35	35		
			-33%	-46%	-9%	-8%	25%	-4%	23%	2%	2%	2%	2%	2%	2%	2%	2%	2%		
Natural gas (MBOED)		1,408	1,194	1,013	1,024	874	1,154	1,142	1,144	1,190	1,233	1,278	1,324	1,351	1,378	1,405	1,433	1,462		
			-15%	-15%	1%	-15%	32%	-1%	0%	4%	4%	4%	4%	4%	2%	2%	2%	2%		
Total Production (MBOED)		573	503	468	492	411	572	634	667	715	744	775	805	825	842	859	876	893		
Average Sales Price																				
Crude Oil (per bbl)		40.86	51.96	68.13	60.99	39.54	67.64	97.23	78.96	78.61	72.05	68.20	65.78	64.45	64.09	64.10	64.25	64.45		
Natural Gas Liquids (per bbl)		16.68	25.22	30.48	20.09	14.61	32.45	36.50	22.82	27.15	28.25	15.75	15.69	15.44	15.17	14.74	15.35	14.35		
Bitumen (per bbl)		15.27	22.66	22.29	31.72	8.02	37.52	55.56	42.15	34.59	31.70	30.01	28.94	28.36	28.20	28.20	28.27	28.36		
Natural Gas (per mcf)		3.00	4.07	5.65	5.03	3.41	5.77	10.60	5.69	5.64	5.87	3.27	3.26	3.21	3.15	3.06	3.19	2.98		
Sales and Other Operating Revenues by Product																				
Crude Oil		10,801	13,260	19,571	18,482	9,736	23,648	41,492	37,833	29,811	28,618	28,373	28,663	28,926	29,340	29,931	30,601	31,311		
%growth			22.8%	47.6%	-5.6%	-47.3%	142.9%	75.5%	-9%	-21%	-4%	-1%	1%	1%	1%	2%	2%	2%		
Natural Gas		9,401	10,773	10,720	8,715	6,427	16,904	26,941	10,725	6,710	7,237	4,180	4,316	4,331	4,342	4,302	4,572	4,359		
%growth			14.6%	-0.5%	-18.7%	-26.3%	163.0%	59.4%	-60%	-37%	8%	-42%	3%	0%	0%	-1%	6%	-5%		
Natural Gas Liquids		837	1,102	1,114	814	528	1,668	3,650	2,609	2,918	3,131	1,799	1,829	1,835	1,840	1,823	1,937	1,847		
%growth			31.7%	1.1%	-26.9%	-35.1%	215.9%	118.8%	-29%	12%	7%	-43%	2%	0%	0%	-1%	6%	-5%		
Other*		2,654	3,971	5,012	4,556	2,093	3,608	6,411	4,974	1,043	975	941	926	926	939	958	979	1,002		
%growth			49.6%	26.2%	-9.1%	-54.1%	72.4%	77.7%	-22%	-79%	-7%	-3%	-2%	0%	1%	2%	2%	2%		
Total		23,693	29,106	36,417	32,567	18,784	45,828	78,494	56,141	40,482	39,961	35,294	35,734	36,018	36,460	37,014	38,089	38,519		
Purchased Commodities																				
Crude Oil		1,882	1,900	3,333	2,788	1,539	3,181	9,623	10,857	7,305	7,012	6,952	7,023	7,088	7,189	7,334	7,498	7,672		
Volume Purchased		46	37	49	46	39	47	99	138	93	97	102	107	110	112	114	117	119		
Natural Gas		5,178	5,915	4,999	3,565	3,447	10,245	14,831	4,214	7,058	7,613	4,397	4,540	4,556	4,567	4,526	4,809	4,585		
Volume Purchased		1,726	1,453	885	709	1,011	1,776	1,399	741	1,251	1,297	1,344	1,393	1,421	1,449	1,478	1,508	1,538		
Natural Gas Liquids		-46	80	-21	-29	-32	-14	293	218	46	49	28	29	29	29	29	30	29		
Volume Purchased		-3	3	-1	-1	-2	0	8	10	2	2	2	2	2	2	2	2	2		
Other*		1,634	2,962	4,475	3,861	1,932	2,663	5,073	3,728	5,219	4,879	4,711	4,634	4,632	4,698	4,792	4,900	5,013		
Volume Purchased		107	131	201	122	241	71	91	88	151	154	157	160	163	167	170	173	177		

ConocoPhillips (NYS: COP)

Income Statement

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Revenues and Other Income																				
Sales & other operating revenues	54,413	52,524	29,564	23,693	29,106	36,417	32,567	18,784	45,828	78,494	56,141	60,109	59,515	51,383	51,961	52,322	52,943	53,695	55,327	55,818
Equity in earnings of affiliates	2,219	2,529	655	52	772	1,074	779	432	832	2,081	1,720	1,785	1,853	1,924	1,997	2,073	2,151	2,233	2,318	2,406
Gain on dispositions	1,242	98	591	360	2,177	1,063	1,966	549	486	1,077	228	-	-	-	-	-	-	-	-	-
Other income (loss)	374	366	125	255	529	173	1,358	-509	1,203	504	485	318	711	1,107	1,320	1,506	1,658	1,778	1,862	1,918
Total revenues & other income	58,248	55,517	30,935	24,360	32,584	38,727	36,670	19,256	48,349	82,156	58,574	62,213	62,079	54,414	55,279	55,900	56,753	57,706	59,507	60,143
Costs and Expenses																				
Purchased commodities	22,643	22,099	12,426	9,994	12,475	14,294	11,842	8,078	18,158	33,971	21,975	19,628	19,553	16,089	16,227	16,304	16,483	16,681	17,238	17,300
Production & operating expenses	7,238	8,909	7,016	5,667	5,173	5,213	5,322	4,344	5,694	7,006	7,693	8,280	8,617	8,968	9,320	9,557	9,748	9,943	10,142	10,344
Selling, general & administrative expenses	854	735	953	723	561	401	556	430	719	623	705	897	888	767	775	781	790	801	825	833
Exploration expenses	1,232	2,045	4,192	1,915	938	369	743	1,457	344	564	398	596	395	395	395	395	395	395	395	395
Depreciation, depletion & amortization	7,434	8,329	9,113	9,062	6,845	5,956	6,090	5,521	7,208	7,504	8,270	8,890	9,252	9,629	10,007	10,261	10,466	10,676	10,889	11,107
Impairments	529	856	2,245	139	6,601	27	405	813	674	-12	14	-	-	-	-	-	-	-	-	-
Taxes other than income taxes	2,884	2,088	901	739	809	1,048	953	754	1,634	3,364	2,074	2,160	2,248	2,340	2,432	2,493	2,543	2,594	2,646	2,699
Accretion on discounted liabilities	434	484	483	425	362	353	326	252	242	250	283	354	401	398	383	380	377	374	371	368
Interest & debt expense	612	648	920	1,245	1,098	735	778	806	884	805	780	1,004	1,183	1,171	1,147	1,128	1,107	1,084	1,060	1,036
Foreign currency transaction gains (losses)	-58	-66	-75	-19	35	-17	66	-72	-22	-100	92	0	0	0	0	0	0	0	0	0
Other expenses	-	-	-	-	302	375	65	13	102	-47	2	250	248	214	216	218	220	224	230	232
Total costs & expenses	43,802	46,127	38,174	29,890	35,199	28,754	27,146	22,396	35,637	53,928	42,286	42,059	42,786	39,971	40,902	41,517	42,130	42,771	43,796	44,314
Income (loss) before income taxes	14,446	9,390	-7,239	-5,530	-2,615	9,973	9,524	-3,140	12,712	28,228	16,288	20,154	19,293	14,443	14,377	14,383	14,623	14,935	15,711	15,828
Income tax provision (benefit)	6,409	3,583	-2,868	-1,971	-1,822	3,668	2,267	-485	4,633	9,548	5,331	6,167	5,904	4,420	4,399	4,401	4,475	4,570	4,807	4,843
Net income (loss)	9,215	6,938	-4,371	-3,559	-793	6,305	7,257	-2,655	8,079	18,680	10,957	13,987	13,389	10,023	9,977	9,982	10,148	10,365	10,903	10,985
Less: net income attributable to noncontrolling	-59	-69	-57	-56	-62	-48	-68	-46	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to ConocoPhi	9,156	6,869	-4,428	-3,615	-855	6,257	7,189	-2,701	8,079	18,680	10,957	13,987	13,389	10,023	9,977	9,982	10,148	10,365	10,903	10,985
Net Income (Loss) Attributable to ConocoPhillips Per Share of Common Stock																				
Weighted average shares outstanding-basic	1,231	1,237	1,242	1,245	1,221	1,166	1,117	1,078	1,324	1,274	1,203	1,167	1,145	1,125	1,105	1,086	1,069	1,053	1,039	1,032
Net income (loss) per share-basic	\$7.43	\$5.54	-\$3.58	-\$2.91	-\$0.70	\$5.36	\$6.43	-\$2.51	\$6.09	\$14.62	\$9.08	\$11.99	\$11.69	\$8.91	\$9.03	\$9.19	\$9.49	\$9.84	\$10.50	\$10.65
Dividends paid per share of common stock	\$2.70	\$2.84	\$2.94	\$1.00	\$1.06	\$1.16	\$1.34	\$1.69	\$1.75	\$1.89	\$3.91	\$4.44	\$5.04	\$5.73	\$6.50	\$7.39	\$8.39	\$9.53	\$10.82	\$12.29
Year end shares outstanding	1,226	1,231	1,236	1,237	1,177	1,138	1,085	1,068	1,302	1,224	1,178	1,156	1,135	1,114	1,095	1,078	1,061	1,046	1,032	1,032

ConocoPhillips (NYS: COP)

Balance Sheet

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Assets																				
Cash & cash equivalents	6,246	5,062	2,368	3,610	6,325	5,915	5,088	2,991	5,028	6,458	5,635	13,733	21,908	26,277	30,068	33,170	35,597	37,275	38,385	38,158
Short-term investments	272	-	-	50	1,873	248	3,028	3,609	446	2,785	971	1,018	1,067	1,118	1,172	1,229	1,288	1,350	1,415	1,483
Accounts & notes receivable (Net of allowar	8,273	6,675	4,314	3,249	4,179	3,920	3,267	2,634	6,543	7,075	5,461	7,260	7,188	6,206	6,276	6,319	6,394	6,485	6,682	6,742
Accounts & notes receivable - related partie	214	132	200	165	141	147	134	120	127	13	13	255	253	218	221	222	225	228	235	237
Investment in Cenovus Energy Inc.	-	-	-	-	1,899	1,462	2,111	1,256	1,117	-	-	-	-	-	-	-	-	-	-	-
Inventories	1,194	1,331	1,124	1,018	1,060	1,007	1,026	1,002	1,208	1,219	1,398	1,918	1,899	1,640	1,658	1,669	1,689	1,713	1,765	1,781
Prepaid expenses & other current assets	2,824	1,868	783	517	1,035	575	2,259	454	1,581	1,199	852	1,986	1,967	1,698	1,717	1,729	1,749	1,774	1,828	1,844
Total current assets	19,023	15,068	8,789	8,609	16,512	13,274	16,913	12,066	16,050	18,749	14,330	26,171	34,281	37,157	41,111	44,339	46,943	48,826	50,311	50,245
Investments & long-term receivables	23,907	24,335	20,490	21,091	9,599	9,329	8,687	8,017	7,113	8,225	9,130	9,860	10,649	11,501	12,421	13,415	14,488	15,647	16,899	18,251
Net properties, plants & equipment	72,827	75,444	66,446	58,331	45,683	45,698	42,269	39,893	64,911	64,866	70,044	72,654	71,018	69,005	66,615	63,970	61,120	58,061	54,788	51,298
Other assets	943	888	1,063	1,160	1,107	1,344	2,426	2,528	2,587	1,989	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420
Total assets	118,057	116,539	97,484	89,772	73,362	69,980	70,514	62,618	90,661	93,829	95,924	111,105	118,368	120,083	122,567	124,144	124,971	124,954	124,418	122,214
Liabilities																				
Accounts payable	9,250	7,982	4,895	3,631	4,009	3,863	3,176	2,669	5,002	6,113	5,083	7,882	7,804	6,738	6,813	6,861	6,942	7,041	7,255	7,319
Accounts payable - related parties	64	44	38	22	21	32	24	29	23	50	34	56	55	48	48	48	49	50	51	52
Short-term debt	589	182	1,427	1,089	2,575	112	105	619	1,200	417	1,074	306	303	261	264	266	269	273	281	284
Accrued income & other taxes	2,713	1,051	499	484	1,038	1,320	1,030	320	2,862	3,193	1,811	1,989	1,969	1,700	1,719	1,731	1,752	1,777	1,831	1,847
Employee benefit obligations	842	878	887	689	725	809	663	608	755	728	774	719	667	620	575	534	496	460	428	397
Other accruals	1,671	1,400	1,510	994	1,029	1,259	2,045	1,121	2,179	2,346	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229
Total current liabilities	15,129	11,537	9,256	6,909	9,397	7,395	7,043	5,366	12,021	12,847	10,005	12,180	12,027	10,595	10,649	10,670	10,737	10,830	11,075	11,128
Long-term debt	21,073	22,383	23,453	26,186	17,128	14,856	14,790	14,750	18,734	16,226	17,863	22,018	21,799	21,380	21,025	20,622	20,191	19,733	19,258	18,736
Asset retirement obligations & accrued envi	9,883	10,647	9,580	8,425	7,631	7,688	5,352	5,430	5,754	6,401	7,220	7,220	7,220	7,220	7,220	7,220	7,220	7,220	7,220	7,220
Deferred income taxes	15,220	15,070	10,999	8,949	5,282	5,021	4,634	3,747	6,179	7,726	8,813	8,813	8,812	8,812	8,812	8,811	8,811	8,811	8,810	8,810
Employee benefit obligations	2,459	2,964	2,286	2,552	1,854	1,764	1,781	1,697	1,153	1,074	1,009	919	837	762	694	632	576	524	477	435
Other liabilities & deferred credits	1,801	1,665	1,828	1,525	1,269	1,192	1,864	1,779	1,414	1,552	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735	1,735
Total liabilities	65,565	64,266	57,402	54,546	42,561	37,916	35,464	32,769	45,255	45,826	46,645	52,885	52,430	50,504	50,135	49,690	49,270	48,852	48,575	48,063
Equity																				
Common Equity	45,708	46,089	46,375	46,525	46,640	46,897	47,001	47,151	60,602	61,163	61,324	61,411	61,464	61,464	61,464	61,464	61,464	61,464	61,464	61,464
Treasury stock	-36,780	-36,780	-36,780	-36,906	-39,906	-42,905	-46,405	-47,297	-50,920	-60,189	(65,640)	(65,640)	(65,640)	(65,640)	(65,640)	(65,640)	(65,640)	(65,640)	(65,640)	(65,640)
Accumulated other comprehensive income	2,002	-1,902	-6,247	-6,193	-5,518	-6,063	-5,357	-5,218	-4,950	-6,000	(5,673)	(5,673)	(5,673)	(5,673)	(5,673)	(5,673)	(5,673)	(5,673)	(5,673)	(5,673)
Retained earnings (accumulated deficit)	41,160	44,504	36,414	31,548	29,391	34,010	39,742	35,213	40,674	53,029	59,268	68,123	75,788	79,428	82,281	84,303	85,550	85,951	85,692	84,000
Total equity	52,492	52,273	40,082	35,226	30,801	32,064	35,050	29,849	45,406	48,003	49,279	58,220	65,938	69,579	72,432	74,454	75,701	76,102	75,843	74,151
Total Liabilities and Equity	118,057	116,539	97,484	89,772	73,362	69,980	70,514	62,618	90,661	93,829	95,924	111,105	118,368	120,083	122,567	124,144	124,971	124,954	124,418	122,214

ConocoPhillips (NYS: COP)
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Scale	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Cash Flows From Operating Activities										
Net income (loss)	9,215	6,938	-4,371	-3,559	-793	6,305	7,257	-2,655	8,079	18,680
Depreciation, depletion & amortization	7,434	8,329	9,113	9,062	6,845	5,956	6,090	5,521	7,208	7,504
Impairments	529	856	2,245	139	6,601	27	405	813	674	-12
Dry hole costs & leasehold impairments	443	1,166	3,065	1,184	566	95	421	1,083	44	340
Accretion on discounted liabilities	434	484	483	425	362	353	326	252	242	250
Deferred taxes	1,311	709	-2,772	-2,221	-3,681	283	-444	-834	1,346	2,086
Undistributed equity losses (earnings)	-822	77	101	299	-232	152	594	645	446	942
Loss (gain) on dispositions	-1,242	-98	-591	-360	-2,177	-1,063	-1,966	-549	-486	-1,077
Loss (gain) on investment in Cenovus Energy Inc.	-	-	-	-	-	-	-	-	-	-251
Other adjustments	-371	-233	321	-85	-429	191	-1,000	43	-788	86
Accounts & notes receivable	744	1,227	1,810	820	-886	235	505	521	-2,500	-963
Inventories	-278	-193	166	44	-55	86	-67	-25	-160	-38
Prepaid expenses & other current assets	-83	-190	239	105	69	-55	37	76	-649	-173
Accounts payable	183	-783	-1,647	-524	265	-52	-378	-249	1,399	901
Taxes & other accruals	-518	-566	-590	-926	622	421	-676	-695	3,181	39
Net cash flows from operating activities	16,087	16,735	7,572	4,403	7,077	12,934	11,104	4,802	16,996	28,314
Cash Flows From Investing Activities										
Acquisition of businesses, net of cash acquired	-	-	-	-	-	-	-	-	-8,290	-60
Capital expenditures & investments	-15,537	-17,085	-10,050	-4,869	-4,591	-6,750	-6,636	-4,715	-5,324	-10,159
Working capital changes associated with investing act	-	-	-968	-331	132	-68	-103	-155	134	520
Proceeds from asset dispositions	10,220	1,603	1,952	1,286	13,860	1,082	3,012	1,317	1,653	3,471
Net sales (purchases) of investments	-	-	-	-	-	-	-	-658	3,091	-2,629
Collection of advances or loans - related parties	145	603	105	108	115	119	127	116	105	114
Other investing activities	-212	-446	306	-2	36	154	-108	-26	87	2
Net cash flows from investing activities	-6,251	-15,131	-8,655	-3,859	7,762	-3,843	-6,618	-4,121	-8,544	-8,741
	0	0	0	0	0	0	0	0	0	0
Issuance of debt	-	2,994	2,498	4,594	-	-	-	300	-	2,897
Repayment of debt	-946	-2,014	-103	-2,251	-7,876	-4,995	-80	-254	-505	-6,267
Issuance of company common stock	20	35	-82	-63	-63	121	-30	-5	145	362
Repurchase of company common stock	-	-	-	-126	-3,000	-2,999	-3,500	-892	-3,623	-9,270
Dividends paid	-3,334	-3,525	-3,664	-1,253	-1,305	-1,363	-1,500	-1,831	-2,359	-5,726
Other financing activities	-3,621	-64	-78	-137	-112	-123	-119	-26	7	-49
Net cash flows from financing activities	-7,133	-2,574	-1,429	764	-12,356	-9,359	-5,229	-2,708	-6,335	-18,053
Effect of exchange rate changes on cash & cash equi	-75	-214	-182	-66	232	-117	-46	-20	-34	-224
Net change in cash, cash equivalents & restricted i	2,628	-1,184	-2,694	1,242	2,715	-385	-789	-2,047	2,083	1,296
	0	0	0	0	0	0	0	0	0	0
Cash, cash equivalents & restricted cash at beginning	3,618	6,246	5,062	2,368	3,610	6,536	6,151	5,362	3,315	5,398
Cash, cash equivalents & restricted cash at end of	6,246	5,062	2,368	3,610	6,325	6,151	5,362	3,315	5,398	6,694

ConocoPhillips

Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Net Income	13,987	13,389	10,023	9,977	9,982	10,148	10,365	10,903	10,985
Depreciation and Amortization	8,890	9,252	9,629	10,007	10,261	10,466	10,676	10,889	11,107
Change in Deferred Taxes	(0.35)	(0.35)	(0.35)	(0.35)	(0.35)	(0.35)	(0.35)	(0.35)	(0.35)
Adjustments to reconcile net income									
Short term investments	(47)	(49)	(51)	(54)	(56)	(59)	(62)	(65)	(68)
Accounts & notes receivable	(1,799)	72	982	(70)	(44)	(75)	(91)	(197)	(59)
Accounts & notes receivable - related parties	(242)	3	35	(2)	(2)	(3)	(3)	(7)	(2)
Inventories	(520)	19	259	(18)	(12)	(20)	(24)	(52)	(16)
Prepaid expenses & other current assets	(1,134)	20	269	(19)	(12)	(21)	(25)	(54)	(16)
Accounts payable	2,799	(78)	(1,066)	76	47	81	99	214	64
Accounts payable - related parties	22	(1)	(8)	1	0	1	1	2	0
Accrued income & other taxes	178	(20)	(269)	19	12	21	25	54	16
Employee benefit obligations	(55)	(51)	(48)	(44)	(41)	(38)	(35)	(33)	(31)
Other accruals	0	0	0	0	0	0	0	0	0
Net Cash from Operating Activities	22,077	22,556	19,755	19,871	20,136	20,501	20,924	21,653	21,980
Short term investments	(15,181)	(7,264)	(1,715)	(2,484)	(1,577)	(827)	17	536	2,204
Investments & long-term receivables	(730)	(789)	(852)	(920)	(994)	(1,073)	(1,159)	(1,252)	(1,352)
Other assets	0	0	0	0	0	0	0	0	0
Capital Expenditures	(11,500)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)
Net Cash from Investing Activities	(12,230)	(8,405)	(8,468)	(8,536)	(8,610)	(8,690)	(8,775)	(8,868)	(8,968)
Short term debt	(768)	(3)	(41)	3	2	3	4	8	2
Long-term debt	4,155	(219)	(419)	(355)	(403)	(430)	(459)	(475)	(522)
Employee benefit obligations	(90)	(82)	(75)	(68)	(62)	(56)	(51)	(47)	(43)
Other liabilities	-	-	-	-	-	-	-	-	-
Repurchase of stock	0	0	0	0	0	0	0	0	0
Issuance of stock	87	53	0	0	0	0	0	0	0
Payments of dividends	(5,132)	(5,724)	(6,383)	(7,124)	(7,960)	(8,902)	(9,964)	(11,162)	(12,677)
Cash provided by financing activities	(1,749)	(5,976)	(6,918)	(7,544)	(8,423)	(9,385)	(10,470)	(11,675)	(13,239)

ConocoPhillips (NYS: COP)

Income Statement

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Revenues and Other Income																				
Sales & other operating revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Equity in earnings of affiliates	4.08%	4.81%	2.22%	0.22%	2.65%	2.95%	2.39%	2.30%	1.82%	2.65%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Gain on dispositions	2.28%	0.19%	2.00%	1.52%	7.48%	2.92%	6.04%	2.92%	1.06%	1.37%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%
Other income (loss)	0.69%	0.70%	0.42%	1.08%	1.82%	0.48%	4.17%	-2.71%	2.63%	0.64%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%
Total revenues & other income	107.05%	105.70%	104.64%	102.82%	111.95%	106.34%	112.60%	102.51%	105.50%	104.67%	104.33%	103.50%	104.31%	105.90%	106.38%	106.84%	107.20%	107.47%	107.55%	107.75%
Costs and Expenses																				
Purchased commodities	41.61%	42.07%	42.03%	42.18%	42.86%	39.25%	36.36%	43.00%	39.62%	43.28%	40.30%	40.30%	40.30%	40.30%	40.30%	40.30%	40.30%	40.30%	40.30%	40.30%
Production & operating expenses	13.30%	16.96%	23.73%	23.92%	17.77%	14.31%	16.34%	23.13%	12.42%	8.93%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%
Selling, general & administrative expenses	1.57%	1.40%	3.22%	3.05%	1.93%	1.10%	1.71%	2.29%	1.57%	0.79%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Exploration expenses	2.26%	3.89%	14.18%	8.08%	3.22%	1.01%	2.28%	7.76%	0.72%	0.71%	0.99%	0.66%	0.77%	0.76%	0.75%	0.75%	0.74%	0.71%	0.71%	0.71%
Depreciation, depletion & amortization	13.66%	15.86%	30.82%	38.25%	23.52%	16.35%	18.70%	29.39%	15.73%	9.56%	14.73%	14.79%	15.55%	18.74%	19.26%	19.61%	19.77%	19.88%	19.68%	19.90%
Impairments	0.97%	1.63%	7.59%	0.59%	22.68%	0.07%	1.24%	4.33%	1.47%	-0.02%										
Taxes other than income taxes	5.30%	3.98%	3.05%	3.12%	2.78%	2.88%	2.93%	4.01%	3.57%	4.29%	3.59%	3.42%	3.36%	3.39%	3.42%	3.49%	3.55%	3.61%	3.57%	3.57%
Accretion on discounted liabilities	0.80%	0.92%	1.63%	1.79%	1.24%	0.97%	1.00%	1.34%	0.53%	0.32%	0.83%	1.06%	1.07%	1.02%	0.94%	0.91%	0.90%	0.89%	0.85%	0.88%
Interest & debt expense	1.12%	1.23%	3.11%	5.25%	3.77%	2.02%	2.39%	4.29%	1.93%	1.03%	1.39%	1.67%	1.99%	2.28%	2.21%	2.16%	2.09%	2.02%	1.92%	1.86%
Foreign currency transaction gains (losses)	-0.11%	-0.13%	-0.25%	-0.08%	0.12%	-0.05%	0.20%	-0.38%	-0.05%	-0.13%	-0.08%	-0.08%	-0.08%	-0.06%	-0.06%	-0.08%	-0.08%	-0.11%	-0.08%	-0.08%
Other expenses					1.04%	1.03%	0.20%	0.22%	0.07%	-0.06%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Total costs & expenses	80.50%	87.82%	129.12%	126.16%	120.93%	78.96%	83.35%	119.23%	77.76%	68.70%	75.32%	69.97%	71.89%	77.79%	78.72%	79.35%	79.58%	79.66%	79.16%	79.39%
Income (loss) before income taxes	26.55%	17.88%	-24.49%	-23.34%	-8.98%	27.39%	29.24%	-16.72%	27.74%	35.96%	29.01%	33.53%	32.42%	28.11%	27.67%	27.49%	27.62%	27.81%	28.40%	28.36%
Income tax provision (benefit)	11.78%	6.82%	-9.70%	-8.32%	-6.26%	10.07%	6.96%	-2.58%	10.11%	12.16%	9.50%	10.26%	9.92%	8.60%	8.47%	8.41%	8.45%	8.51%	8.69%	8.68%
Net income (loss)	16.94%	13.21%	-14.78%	-15.02%	-2.72%	17.31%	22.28%	-14.13%	17.63%	23.80%	19.52%	23.27%	22.50%	19.51%	19.20%	19.08%	19.17%	19.30%	19.71%	19.68%
Less: net income attributable to noncontrolling	-0.11%	-0.13%	-0.19%	-0.24%	-0.21%	-0.13%	-0.21%	-0.24%												
Net income (loss) attributable to ConocoPhi	16.83%	13.08%	-14.98%	-15.26%	-2.94%	17.18%	22.07%	-14.38%	17.63%	23.80%	19.52%	23.27%	22.50%	19.51%	19.20%	19.08%	19.17%	19.30%	19.71%	19.68%

ConocoPhillips (NYS: COP)

Balance Sheet

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Assets																				
Cash & cash equivalents	11.48%	9.64%	8.01%	15.24%	21.73%	16.24%	15.62%	15.92%	10.97%	8.23%	10.04%	22.85%	36.81%	51.14%	57.87%	63.40%	67.24%	69.42%	69.38%	68.36%
Short-term investments	0.50%			0.21%	6.44%	0.68%	9.30%	19.21%	0.97%	3.55%	1.73%	1.69%	1.79%	2.18%	2.26%	2.35%	2.43%	2.51%	2.56%	2.66%
Accounts & notes receivable (Net of allowar	15.20%	12.71%	14.59%	13.71%	14.36%	10.76%	10.03%	14.02%	14.28%	9.01%	12.08%	12.08%	12.08%	12.08%	12.08%	12.08%	12.08%	12.08%	12.08%	12.08%
Accounts & notes receivable - related partie	0.39%	0.25%	0.68%	0.70%	0.48%	0.40%	0.41%	0.64%	0.28%	0.02%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Investment in Cenovus Energy Inc.					6.52%	4.01%	6.48%	6.69%	2.44%											
Inventories	2.19%	2.53%	3.80%	4.30%	3.64%	2.77%	3.15%	5.33%	2.64%	1.55%	3.19%	3.19%	3.19%	3.19%	3.19%	3.19%	3.19%	3.19%	3.19%	3.19%
Prepaid expenses & other current assets	5.19%	3.56%	2.65%	2.18%	3.56%	1.58%	6.94%	2.42%	3.45%	1.53%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Total current assets	34.96%	28.69%	29.73%	36.34%	56.73%	36.45%	51.93%	64.24%	35.02%	23.89%	25.53%	43.54%	57.60%	72.31%	79.12%	84.74%	88.67%	90.93%	90.93%	90.02%
Investments & long-term receivables	43.94%	46.33%	69.31%	89.02%	32.98%	25.62%	26.67%	42.68%	15.52%	10.48%	16.26%	16.40%	17.89%	22.38%	23.90%	25.64%	27.37%	29.14%	30.54%	32.70%
Net properties, plants & equipment	133.84%	143.64%	224.75%	246.20%	156.95%	125.49%	129.79%	212.38%	141.64%	82.64%	124.76%	120.87%	119.33%	134.30%	128.20%	122.26%	115.44%	108.13%	99.03%	91.90%
Other assets	1.73%	1.69%	3.60%	4.90%	3.80%	3.69%	7.45%	13.46%	5.65%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%
Total assets	216.96%	221.88%	329.74%	378.90%	252.05%	192.16%	216.52%	333.36%	197.83%	119.54%	170.86%	184.84%	198.89%	233.70%	235.88%	237.27%	236.05%	232.71%	224.88%	218.95%
Liabilities																				
Accounts payable	17.00%	15.20%	16.56%	15.33%	13.77%	10.61%	9.75%	14.21%	10.91%	7.79%	13.11%	13.11%	13.11%	13.11%	13.11%	13.11%	13.11%	13.11%	13.11%	13.11%
Accounts payable - related parties	0.12%	0.08%	0.13%	0.09%	0.07%	0.09%	0.07%	0.15%	0.05%	0.06%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
Short-term debt	1.08%	0.35%	4.83%	4.60%	8.85%	0.31%	0.32%	3.30%	2.62%	0.53%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%
Accrued income & other taxes	4.99%	2.00%	1.69%	2.04%	3.57%	3.62%	3.16%	1.70%	6.25%	4.07%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%
Employee benefit obligations	1.55%	1.67%	3.00%	2.91%	2.49%	2.22%	2.04%	3.24%	1.65%	0.93%	1.38%	1.20%	1.12%	1.21%	1.11%	1.02%	0.94%	0.86%	0.77%	0.71%
Other accruals	3.07%	2.67%	5.11%	4.20%	3.54%	3.46%	6.28%	5.97%	4.75%	2.99%	2.19%	2.04%	2.07%	2.39%	2.37%	2.35%	2.32%	2.29%	2.22%	2.20%
Total current liabilities	27.80%	21.97%	31.31%	29.16%	32.29%	20.31%	21.63%	28.57%	26.23%	16.37%	17.82%	20.26%	20.21%	20.62%	20.49%	20.39%	20.28%	20.17%	20.02%	19.94%
Long-term debt	38.73%	42.61%	79.33%	110.52%	58.85%	40.79%	45.41%	78.52%	40.88%	20.67%	55.63%	55.63%	55.63%	55.63%	55.63%	55.63%	55.63%	55.63%	55.63%	55.63%
Asset retirement obligations & accrued envi	18.16%	20.27%	32.40%	35.56%	26.22%	21.11%	16.43%	28.91%	12.56%	8.15%										
Deferred income taxes	27.97%	28.69%	37.20%	37.77%	18.15%	13.79%	14.23%	19.95%	13.48%	9.84%	15.70%	14.66%	14.81%	17.15%	16.96%	16.84%	16.64%	16.41%	15.92%	15.78%
Employee benefit obligations	4.52%	5.64%	7.73%	10.77%	6.37%	4.84%	5.47%	9.03%	2.52%	1.37%	1.80%	1.53%	1.41%	1.48%	1.34%	1.21%	1.09%	0.98%	0.86%	0.78%
Other liabilities & deferred credits	3.31%	3.17%	6.18%	6.44%	4.36%	3.27%	5.72%	9.47%	3.09%	1.98%	3.09%	2.89%	2.92%	3.38%	3.34%	3.32%	3.28%	3.23%	3.14%	3.11%
Total liabilities	120.50%	122.36%	194.16%	230.22%	146.23%	104.12%	108.90%	174.45%	98.75%	58.38%	83.09%	87.98%	88.10%	98.29%	96.49%	94.97%	93.06%	90.98%	87.80%	86.11%
Equity																				
Common Equity	84.00%	87.75%	156.86%	196.37%	160.24%	128.78%	144.32%	251.02%	132.24%	77.92%	109.23%	102.17%	103.27%	119.62%	118.29%	117.47%	116.09%	114.47%	111.09%	110.11%
Treasury stock	-67.59%	-70.03%	-124.41%	-155.77%	-137.11%	-117.82%	-142.49%	-251.79%	-111.11%	-76.68%	-116.92%	-109.20%	-110.29%	-127.75%	-126.32%	-125.45%	-123.98%	-122.25%	-118.64%	-117.60%
Accumulated other comprehensive income	3.68%	-3.62%	-21.13%	-26.14%	-18.96%	-16.65%	-16.45%	-27.78%	-10.80%	-7.64%	-10.10%	-9.44%	-9.53%	-11.04%	-10.92%	-10.84%	-10.72%	-10.57%	-10.25%	-10.16%
Retained earnings (accumulated deficit)	75.64%	84.73%	123.17%	133.15%	100.98%	93.39%	122.03%	187.46%	88.75%	67.56%	105.57%	113.33%	127.34%	154.58%	158.35%	161.12%	161.59%	160.07%	154.88%	150.49%
Total equity	96.47%	99.52%	135.58%	148.68%	105.82%	88.05%	107.62%	158.91%	99.08%	61.15%	87.78%	96.86%	110.79%	135.41%	139.40%	142.30%	142.98%	141.73%	137.08%	132.84%
Total Liabilities and Equity	216.96%	221.88%	329.74%	378.90%	252.05%	192.16%	216.52%	333.36%	197.83%	119.54%	170.86%	184.84%	198.89%	233.70%	235.88%	237.27%	236.05%	232.71%	224.88%	218.95%

ConocoPhillips

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	4.26%
Beta	0.71
Equity Risk Premium	5.00%
Cost of Equity	7.82%

ASSUMPTIONS:

10 Year treasury
Retrieved from Bloomberg Oil and Gas Exploration and Production subindustry beta
Henry Fund Assumptions

Cost of Debt:

Risk-Free Rate	4.26%
Implied Default Premium	1.04%
Pre-Tax Cost of Debt	5.30%
Marginal Tax Rate	31%
After-Tax Cost of Debt	3.68%

10-year Treasury bond

Market Value of Common Equity:

Total Shares Outstanding	1178
Current Stock Price	\$112.45
MV of Equity	132,477.46

MV Weights

87.10%

Market Value of Debt:

Short-Term Debt	1,074
Current Portion of LTD	0
Long-Term Debt	17,863
PV of Operating Leases	691
MV of Total Debt	19,628.00

12.90%

Market Value of the Firm

152,105.46

100.00%

Estimated WACC

7.29%

ConocoPhillips

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

Fiscal Years Ending	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
----------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

EPS	\$ 12.33	\$ 11.90	\$ 9.06	\$ 9.19	\$ 9.36	\$ 9.70	\$ 10.11	\$ 10.87	\$ 11.16
-----	----------	----------	---------	---------	---------	---------	----------	----------	----------

Key Assumptions

CV growth of EPS	2.00%
------------------	-------

CV Year ROE	14.76%
-------------	--------

Cost of Equity	7.82%
----------------	-------

Future Cash Flows

P/E Multiple (CV Year)										14.85
------------------------	--	--	--	--	--	--	--	--	--	-------

EPS (CV Year)										\$ 11.16
---------------	--	--	--	--	--	--	--	--	--	----------

Future Stock Price										\$ 165.71
--------------------	--	--	--	--	--	--	--	--	--	-----------

Dividends Per Share	\$ 5.58	\$ 5.38	\$ 4.10	\$ 4.15	\$ 4.23	\$ 4.38	\$ 4.57	\$ 4.91		
---------------------	---------	---------	---------	---------	---------	---------	---------	---------	--	--

Discounted Cash Flows	\$ 5.17	\$ 4.63	\$ 3.27	\$ 3.07	\$ 2.90	\$ 2.79	\$ 2.70	\$ 2.69	\$ 90.73	
-----------------------	---------	---------	---------	---------	---------	---------	---------	---------	----------	--

Intrinsic Value as of Last FYE	\$ 117.95
--------------------------------	-----------

Implied Price as of Today	\$ 119.44
----------------------------------	------------------

ConocoPhillips

Relative Valuation Models

Ticker	Company	Price	EPS		P/E 24	P/E 25	EV	2024E EBITDA	Multiple
			2024E	2025E					
XOM	ExxonMobil	\$104.44	\$8.73	\$9.60	11.96	10.88	578.0	85.00	6.80
CVX	Chevron	\$154.55	\$12.58	\$14.60	12.29	10.59	302.7	53.10	5.70
EOG	EOG Resources	\$114.17	\$11.69	\$11.54	9.77	9.89	39.0	13.00	3.00
CNQ	Canadian Natural Resources	\$65.38	\$5.55	\$6.30	11.78	10.38	109.0	17.30	6.30
MPC	Marathon Petroleum	\$169.23	\$15.11	\$14.76	11.20	11.47	86.6	14.20	6.10
							62.0	9.68	6.40
			Average		11.40	10.64		32.05	5.72

COP	ConocoPhillips	\$112.45	\$12.33	\$11.90	9.1	9.4	146.7	25.3	5.8
-----	----------------	----------	---------	---------	-----	-----	-------	------	-----

Implied Relative Value:

P/E (EPS24)	\$ 140.52
P/E (EPS25)	\$ 126.66
EV/EBITDA (2024)	\$ 128.66

ConocoPhillips*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	3.26
Average Time to Maturity (years):	<u>1.98</u>
Expected Annual Number of Options Exercised:	2

Current Average Strike Price:	\$ 52.55
Cost of Equity:	7.82%
Current Stock Price:	\$112.45

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Increase in Shares Outstanding:	2	2	0	0	0	0	0	0	0	0
Average Strike Price:	\$ 52.55	\$ 52.55	\$ 52.55	\$ 52.55	\$ 52.55	\$ 52.55	\$ 52.55	\$ 52.55	\$ 52.55	\$ 52.55
Increase in Common Stock Account:	87	53	-	-	-	-	-	-	-	-
Share Repurchases (\$)	2,699	2,699	2,699	2,699	2,699	2,699	2,699	2,699	0	0
Expected Price of Repurchased Shares:	\$ 112.45	\$ 121.24	\$ 130.72	\$ 140.95	\$ 151.97	\$ 163.85	\$ 176.67	\$ 190.48	\$ 205.38	\$ 221.44
Number of Shares Repurchased:	24	22	21	19	18	16	15	14	-	-
Shares Outstanding (beginning of the year)	1,178	1,156	1,135	1,114	1,095	1,078	1,061	1,046	1,032	1,032
Plus: Shares Issued Through ESOP	2	2	0	0	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	24	22	21	19	18	16	15	14	-	-
Shares Outstanding (end of the year)	1,156	1,135	1,114	1,095	1,078	1,061	1,046	1,032	1,032	1,032

ConocoPhillips*Valuation of Options Granted under ESOP*

Current Stock Price	\$112.45
Risk Free Rate	4.26%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	22.60%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	3.265	52.55	1.98	\$ 64.18	\$ 210
Total	3	\$ 52.55	1.98	\$ 64.18	\$ 210

ConocoPhillips

Key Management Ratios

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Liquidity Ratios:																			
Quick Ratio: (Current Assets-Inventories) / Current Liabilities:	1.19	0.83	1.10	1.64	1.66	2.26	2.06	1.23	1.36	1.29	1.99	2.69	3.35	3.70	4.00	4.21	4.35	4.38	4.36
Cash Ratio: Cash/Current Liabilities	0.44	0.26	0.52	0.67	0.80	0.72	0.56	0.42	0.50	0.56	1.13	1.82	2.48	2.82	3.11	3.32	3.44	3.47	3.43
Current Ratio: Current Assets / Current Liabilities	1.31	0.95	1.25	1.76	1.79	2.40	2.25	1.34	1.46	1.43	2.15	2.85	3.51	3.86	4.16	4.37	4.51	4.54	4.52
Asset-Management Ratios:																			
Current Asset Turnover: Sales / Current Assets	3.49	3.36	2.75	1.76	2.74	1.93	1.56	2.86	4.19	3.92	2.30	1.74	1.38	1.26	1.18	1.13	1.10	1.10	1.11
Total Asset Turnover: Sales / Total Assets	0.45	0.30	0.26	0.40	0.52	0.46	0.30	0.51	0.84	0.59	0.54	0.50	0.43	0.42	0.42	0.42	0.43	0.44	0.46
Fixed Asset Turnover: Sales / Property Plant and Equipment	0.70	0.44	0.41	0.64	0.80	0.77	0.47	0.71	1.21	0.80	0.83	0.84	0.74	0.78	0.82	0.87	0.92	1.01	1.09
Financial Leverage Ratios:																			
Debt Ratio: Total Debt / Total Assets	0.19	0.26	0.30	0.27	0.21	0.21	0.25	0.22	0.18	0.20	0.20	0.19	0.18	0.17	0.17	0.16	0.16	0.16	0.16
LT Debt to Assets: LT Debt / Total Assets	0.19	0.24	0.29	0.23	0.21	0.21	0.24	0.21	0.17	0.19	0.20	0.18	0.18	0.17	0.17	0.16	0.16	0.15	0.15
LT Debt to Equity: LT Debt / Total Equity	0.43	0.59	0.74	0.56	0.46	0.42	0.49	0.41	0.34	0.36	0.38	0.33	0.31	0.29	0.28	0.27	0.26	0.25	0.25
Profitability Ratios:																			
Return on Equity (NI/Beg TSE)	13.1%	-8.5%	-9.0%	-2.4%	20.3%	22.4%	-7.7%	27.1%	41.1%	22.8%	28.4%	23.0%	15.2%	14.3%	13.8%	13.6%	13.7%	14.3%	14.5%
Net Margin: Net Income / Total Revenue and other income	12.4%	-14.3%	-14.8%	-2.6%	16.2%	19.6%	-14.0%	16.7%	22.7%	18.7%	22.5%	21.6%	18.4%	18.0%	17.9%	17.9%	18.0%	18.3%	18.3%
Return on Assets: Net Income / Total Assets	5.8%	-3.8%	-3.7%	-1.0%	8.5%	10.3%	-3.8%	12.9%	20.6%	11.7%	14.6%	12.1%	8.5%	8.3%	8.1%	8.2%	8.3%	8.7%	8.8%
Payout Policy Ratios:																			
Dividend Payout Ratio (Dividend/EPS)	51.3%	-82.1%	-34.4%	-151.4%	21.6%	20.8%	-67.3%	28.7%	12.9%	43.1%	37.0%	43.1%	64.3%	72.0%	80.4%	88.4%	96.8%	103.1%	115.4%
Total Payout Ratio ((Divs. + Repurchases)/NI)	50.9%	-82.1%	-30.7%	204.9%	-26.8%	-28.5%	-33.8%	-16.6%	-37.2%	42.0%	36.7%	42.8%	63.7%	71.4%	79.7%	87.7%	96.1%	102.4%	115.4%

ConocoPhillips

Present Value of Operating Lease Obligations

Fiscal Years Ending Dec. 31	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Year 1	872.0	767.0	477.0	602.0	568.0	671.0	277.0	278.0	248.0	348.0	245.0
Year 2	637.0	519.0	580.0	519.0	712.0	360.0	238.0	214.0	425.0	247.0	155.0
Year 3	529.0	382.0	380.0	483.0	523.0	215.0	172.0	414.0	136.0	130.0	116.0
Year 4	346.0	300.0	314.0	318.0	347.0	156.0	390.0	126.0	319.0	82.0	94.0
Year 5	272.0	202.0	110.0	182.0	168.0	374.0	114.0	307.0	54.0	63.0	55.0
Thereafter	721.0	591.0	290.0	645.0	631.0	381.0	435.0	209.0	212.0	149.0	200.0
Total Minimum Payments	3377.0	2761.0	2151.0	2749.0	2949.0	2157.0	1626.0	1548.0	1394.0	1019.0	865.0
Less: Cumulative Interest	522.6	424.5	305.0	452.7	475.8	315.8	298.5	243.5	213.1	133.5	137.0
PV of Minimum Payments	2854.4	2336.5	1846.0	2296.3	2473.2	1841.2	1327.5	1304.5	1180.9	885.5	728.0
	142.7	116.8	92.3	114.8	123.7	92.1	66.4	65.2	59.0	44.3	36.4
Implied Interest in Year 1 Payment		151.3	123.8	97.8	121.7	131.1	97.6	70.4	69.1	62.6	46.9
Pre-Tax Cost of Debt	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%
Years Implied by Year 6 Payment	2.7	2.9	2.6	3.5	3.8	1.0	3.8	1.0	3.9	2.4	3.6
Expected Obligation in Year 6 & Beyond	272	202	110	182	168	374	114	209	54	63	55
Present Value of Lease Payments											
PV of Year 1	828.1	728.4	453.0	571.7	539.4	637.2	263.1	264.0	235.5	330.5	232.7
PV of Year 2	574.5	468.1	523.1	468.1	642.1	324.7	214.6	193.0	383.3	222.8	139.8
PV of Year 3	453.1	327.2	325.5	413.7	447.9	184.1	147.3	354.6	116.5	111.3	99.4
PV of Year 4	281.4	244.0	255.4	258.7	282.2	126.9	317.2	102.5	259.5	66.7	76.5
PV of Year 5	210.1	156.0	85.0	140.6	129.8	288.9	88.1	237.1	41.7	48.7	42.5
PV of 6 & beyond	507.2	412.8	204.1	443.6	431.7	279.3	297.2	153.3	144.4	105.6	137.2
Capitalized PV of Payments	2854.4	2336.5	1846.0	2296.3	2473.2	1841.2	1327.5	1304.5	1180.9	885.5	728.0

ConocoPhillips
Sensitivity Tables

DCF		NOPLAT Growth (CV)						
Risk Free Rate		1.25%	1.50%	1.75%	2.0%	2.75%	3.00%	3.25%
117.50								
4.56%		106.15	107.86	109.72	111.75	119.12	122.11	125.45
4.46%		107.74	109.54	111.48	113.61	121.34	124.50	128.03
4.36%		109.39	111.26	113.30	115.52	123.65	126.98	130.72
4.26%		111.07	113.03	115.16	117.50	126.05	129.57	133.52
4.16%		112.81	114.86	117.09	119.54	128.54	132.25	136.43
4.06%		114.59	116.74	119.08	121.64	131.12	135.05	139.48
3.96%		116.43	118.67	121.13	123.82	133.80	137.96	142.66

DCF		Equity Risk Premium						
Beta		4.40%	4.60%	4.80%	5%	5.20%	5.40%	5.60%
117.50								
0.50		152.12	148.89	145.80	142.83	139.97	137.22	134.57
0.57		142.63	139.39	136.29	133.31	130.46	127.72	125.09
0.64		134.22	130.98	127.89	124.94	122.11	119.40	116.80
0.71		126.70	123.49	120.42	117.50	114.71	112.03	109.47
0.78		119.94	116.76	113.73	110.85	108.10	105.47	102.96
0.85		113.82	110.68	107.70	104.86	102.16	99.58	97.12
0.92		108.26	105.17	102.23	99.44	96.79	94.26	91.85

DCF		2024 Natural Gas Production Growth						
2024 Natural Gas Price		-14%	-8%	-2%	4%	10%	16%	22%
117.50								
4.14		116.29	116.25	116.20	116.15	116.10	116.05	116.01
4.64		116.69	116.66	116.63	116.60	116.57	116.54	116.51
5.14		117.09	117.07	117.06	117.05	117.04	117.03	117.01
5.64		117.48	117.49	117.49	117.50	117.51	117.51	117.52
6.14		117.88	117.90	117.93	117.95	117.97	118.00	118.02
6.64		118.27	118.32	118.36	118.40	118.44	118.48	118.52
7.14		118.67	118.73	118.79	118.85	118.91	118.97	119.03

DDM		Payout Ratio						
CV growth of EPS		13%	18%	23%	27.54%	33%	38%	43%
119.44								
1.25%		103.28	106.83	110.32	113.73	117.09	120.38	123.61
1.5%		104.68	108.35	111.95	115.49	118.95	122.35	125.69
1.75%		106.19	109.99	113.72	117.38	120.97	124.49	127.95
2.00%		107.83	111.77	115.64	119.44	123.16	126.81	130.39
2.50%		111.58	115.84	120.03	124.13	128.16	132.11	135.99
2.75%		113.73	118.18	122.54	126.83	131.03	135.15	139.19
3.00%		116.10	120.76	125.32	129.80	134.20	138.51	142.74

DCF		2024 Crude Oil Production Growth						
2024 Crude Oil Prices		2%	5%	8%	11%	14%	17%	20%
117.50								
60.61		97.25	102.74	108.24	113.74	119.24	124.74	130.24
66.61		98.40	103.93	109.46	114.99	120.52	126.06	131.59
72.61		99.55	105.12	110.68	116.25	121.81	127.37	132.94
78.61		100.71	106.31	111.90	117.50	123.10	128.69	134.29
84.61		101.86	107.49	113.12	118.75	124.38	130.01	135.64
90.61		103.02	108.68	114.34	120.00	125.67	131.33	136.99
96.61		104.17	109.87	115.56	121.26	126.95	132.65	138.34

DCF		Depreciation, Depletion and Amortization						
WACC		15.43	14.43	13.43	12.43	11.43	10.43	9.43
117.50								
7.89%		97.03	99.67	102.30	104.94	107.57	110.21	112.84
7.69%		100.37	103.19	106.02	108.84	111.67	114.49	117.31
7.49%		103.93	106.96	109.99	113.02	116.05	119.08	122.11
7.29%		107.75	111.00	114.25	117.50	120.76	124.01	127.26
7.09%		111.85	115.35	118.84	122.33	125.82	129.32	132.81
6.89%		116.27	120.03	123.78	127.54	131.30	135.05	138.81
6.69%		121.05	125.09	129.14	133.18	137.23	141.27	145.31