



600 North Dairy Ashford Road  
Houston, TX 77079-1175  
Media Relations: 281-293-1149  
[www.conocophillips.com/media](http://www.conocophillips.com/media)

## NEWS RELEASE

Aug. 20, 2018

### ConocoPhillips Signs \$2 Billion Settlement Agreement with PDVSA on ICC Arbitration Award

**HOUSTON** – ConocoPhillips (NYSE: COP) announced today that it has entered into a settlement agreement with Petróleos de Venezuela, S.A. (PDVSA), the Venezuelan state-owned oil company, to recover approximately \$2 billion, the full amount awarded to ConocoPhillips by an arbitral tribunal constituted under the rules of the International Chamber of Commerce (ICC), plus interest through the payment period.

PDVSA has agreed to recognize the ICC judgment and make initial payments totaling approximately \$500 million within a period of 90 days from the time of signing. The balance of the settlement is to be paid quarterly over a period of 4.5 years.

As a result of the settlement, ConocoPhillips has agreed to suspend its legal enforcement actions of the ICC award, including in the Dutch Caribbean. ConocoPhillips has ensured that the settlement meets all appropriate U.S. regulatory requirements, including any applicable sanctions imposed by the U.S. against Venezuela. Further details of the agreement are confidential.

On April 25, 2018, the ICC tribunal awarded ConocoPhillips approximately \$2 billion arising out of PDVSA's failure to uphold its contractual commitments. The award relates to the unlawful expropriation of ConocoPhillips' investments in the Hamaca and Petrozuata heavy crude oil projects in Venezuela in 2007 and other pre-expropriation fiscal measures. The ICC arbitration award is final and binding upon the parties.

Additionally, ConocoPhillips has a separate and independent legal action pending against the government of Venezuela before a tribunal under the auspices of the World Bank's International Centre for Settlement of Investment Disputes (ICSID). The ICSID tribunal has already ruled that Venezuela's expropriation of ConocoPhillips' investments violated international law. Proceedings are underway to determine the amount of compensation owed to ConocoPhillips.

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#### **About ConocoPhillips**

ConocoPhillips is the world's largest independent E&P company based on production and proved reserves. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 17 countries, \$69 billion of total assets, and approximately 11,200 employees as of June 30, 2018. Production excluding Libya averaged 1,216 MBOED for the six months ended June 30, 2018, and proved reserves were 5.0 billion BOE as of Dec. 31, 2017. For more information, go to [www.conocophillips.com](http://www.conocophillips.com).

#### **Contacts**

Daren Beaudou (media)  
281-293-2073  
[daren.beaudou@conocophillips.com](mailto:daren.beaudou@conocophillips.com)

Mark Keener (investors)  
281-293-5000  
[mark.m.keener@conocophillips.com](mailto:mark.m.keener@conocophillips.com)

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

*This news release contains forward-looking statements. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our operations or operating results. In many cases you can identify forward-looking*

statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "on track," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by a variety of risks and other matters including, but not limited to changes in commodity prices; changes in expected levels of oil and gas reserves or production; operating hazards, drilling risks, unsuccessful exploratory activities; difficulties in developing new products and manufacturing processes; unexpected cost increases or technical difficulties in constructing, maintaining, or modifying company facilities; international monetary conditions and exchange rate fluctuations; changes in international trade relationships, including the imposition of trade restrictions or tariffs relating to crude oil, bitumen, natural gas, LNG, natural gas liquids and any materials or products (such as aluminum and steel) used in the operation of our business; our ability to liquidate the common stock issued to us by Cenovus Energy Inc. at prices we deem acceptable, or at all; our ability to complete the sale of our announced dispositions on the timeline currently anticipated, if at all; the possibility that regulatory approvals for our announced dispositions will not be received on a timely basis, if at all, or that such approvals may require modification to the terms of our announced dispositions or our remaining business; business disruptions during or following our announced dispositions, including the diversion of management time and attention; the ability to deploy net proceeds from our announced dispositions in the manner and timeframe we currently anticipate, if at all; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; and general domestic and international economic and political conditions; as well as changes in tax, environmental and other laws applicable to our business. Other factors that could cause actual results to differ materially from those described in the forward-looking statements include other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission (SEC). Unless legally required, ConocoPhillips undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.