The New Company and Its Commitment to Sustainable Development

Prevention First 2004
A Symposium on Pollution Prevention and Technology

September 14-15, 2004
Long Beach, California
Who We Are...
Refining & Transportation
West Coast Region Summary

Transportation

- Product P/L: 100 mi
- Crude P/L: 700 mi
- Crude Gath.: 100 mi
- Terminals: 8

Total Stores: 2,874

Refining

- Capacity
  - LAR: 135
  - SMR/SFR: 115
  - Ferndale: 95
  - Total: 345

Marketing

- Product P/L: 100 mi
- Crude P/L: 700 mi
- Crude Gath.: 100 mi
- Terminals: 8

Total Assets: 2,874
San Francisco Refinery

San Francisco Refinery at Rodeo

Built in 1896, Rodeo refinery was the first major oil refinery in the Bay Area.

The original site occupied only 22 acres and processed 1,600 barrels of crude oil per day.

Today, the refinery and the carbon plant, located approximately five miles from each other, now occupy approximately 1,100 acres and employ about 450 people.

The refinery produces California Air Resources Board (CARB) gasoline using ethanol. Completion of a new ultra-low-sulfur diesel project is expected to finish in 1st quarter 2005.
Global Business – Global Responsibility

Today’s society has high expectations of the contribution private enterprise can make toward addressing environmental issues.

For ConocoPhillips, sustainable development provides a strong, business model for addressing these needs.
Sustainable Development
Our Position...

“Sustainable development is about our commitment to conduct our business to promote economic growth, a healthy environment and vibrant communities, now and into the future.”

Jim Mulva
President and Chief Executive Officer
Our Commitments…

SAFETY
Be transparent and accountable
Operate to the highest safety standard

ENVIRONMENT
Minimize the environmental impact of our operations

HEALTH
Positively impact communities wherever we operate

Invest in the well-being and development of employees

OPERATIONS
Practice and uphold the highest ethical standards

Increase the availability of ever-cleaner energy

Constantly improve the energy and material efficiency

At ConocoPhillips our most important measure of success has always been the health and safety of our employees, contractors, customers and neighbors.
Our Approach…

SAFETY
Establish Continuous Improvement process

ENVIRONMENT
Waste minimization
Recycling/re-use of waste materials

HEALTH
Reduce air emissions
Reduction in toxics

OPERATIONS
Energy efficiency
Improved natural resource utilization
Improved knowledge sharing

The environment we operate in as a company makes committing to sustainable development an essential strategy for ConocoPhillips.
Rodeo Refinery & Carbon Plant
Safety Performance
Recordable Incident Rate

Employees

Contractors

Lost Time Rate
Total Recordable Rate

YTD

0
1
2
3
4

0
1
2
3
4


ConocoPhillips
Summary of Refinery TRI Emissions 1997-2003

- Pounds/Year

- Year


- methanol
- nitrate compounds
- copper compounds
- Total Emissions

ConocoPhillips
### Emission Summary Table

<table>
<thead>
<tr>
<th>Pounds/Hour</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Bay Area</td>
<td>119,000 BAAQMD 2003 Estimated Summer Average Emissions (Less CO)</td>
</tr>
<tr>
<td>Bay Area Refining</td>
<td>5,700 Extrapolated from BAAQMD Web site Table IV</td>
</tr>
<tr>
<td>Rodeo Refinery</td>
<td>683 Projected ULSD Project increase less impacts of other projects</td>
</tr>
</tbody>
</table>

BAAQMD Permitted Sources: includes process units, steam turbines, heaters, tanks, and fugitive emissions
Ultra Low Sulfur Diesel
The Next Generation of Diesel Fuel

Construction and development of new hydrotreater at the Rodeo Refinery well ahead of regulatory requirements

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Tailpipe Emission Reductions</th>
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<tbody>
<tr>
<td></td>
<td>National*</td>
</tr>
<tr>
<td></td>
<td>California*</td>
</tr>
<tr>
<td>Sulfur Oxides</td>
<td>-586</td>
</tr>
<tr>
<td>Nitrogen Oxides</td>
<td>-7,123</td>
</tr>
<tr>
<td>Particulate Matter</td>
<td>-301</td>
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</tbody>
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* Based on volumes and estimates from EPA studies
Knowledge Sharing

• Functional Excellence Teams

• Establish Best Practice Policies

• Peer Reviews
Implementing Our Position

• Establish corporate-level goals for each commitment
• Identify priority issues
• Identify tools and metrics to measure performance
• Keep the public informed
“Beyond Compliance” Focus

Sustainable development provides an overarching framework for how we work. That includes taking pragmatic action on key safety, environmental and health concerns.