

Investing

Building

Growing



Barclays CEO Energy-Power Conference

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New York, N.Y.

Cautionary Statement



This presentation contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements relating to Phillips 66’s operations (including joint venture operations) are based on management’s expectations, estimates and projections about the company, its interests and the energy industry in general on the date this presentation was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include fluctuations in crude oil, NGL, and natural gas prices, and refining and petrochemical margins; unexpected changes in costs for constructing, modifying or operating our facilities; unexpected difficulties in manufacturing, refining or transporting our products; lack of, or disruptions in, adequate and reliable transportation for our crude oil, natural gas, NGL, and refined products; potential liability from litigation or for remedial actions, including removal and reclamation obligations, under environmental regulations; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; and other economic, business, competitive and/or regulatory factors affecting Phillips 66’s businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the “Investors” section of our website.

Corporate Strategy



Operating excellence

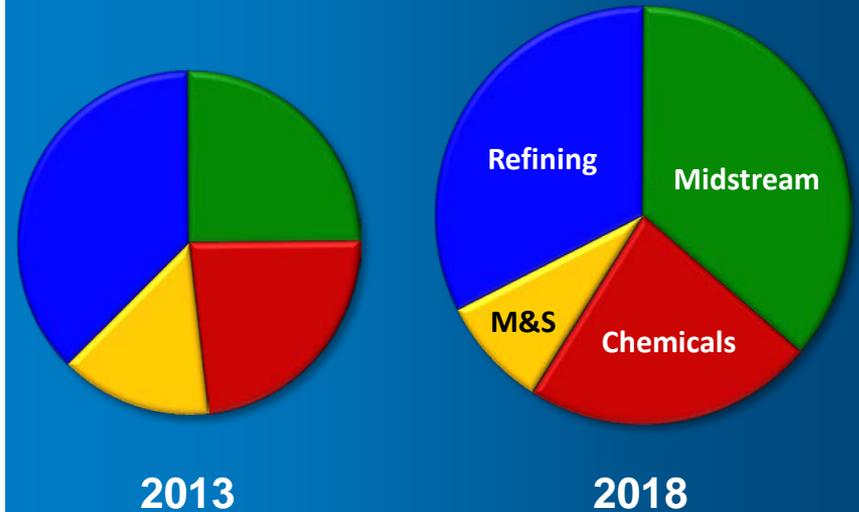
Growth

Returns

Distributions

High-performing organization

Enterprise Value

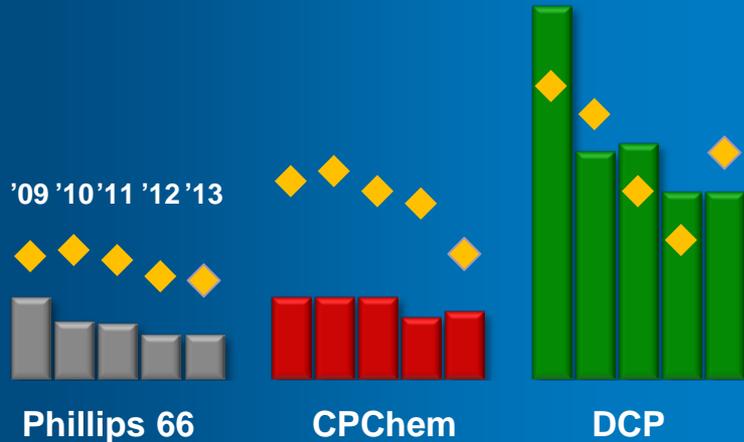


Operating Excellence

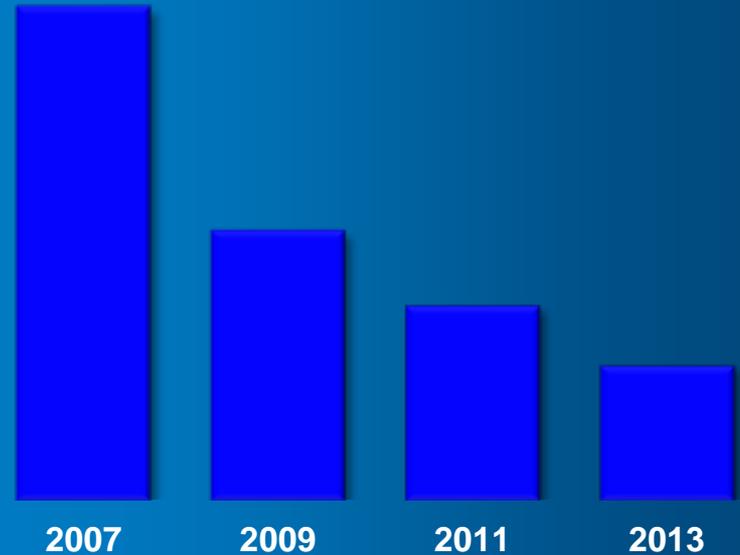


Total Recordable Rates Incidents per 200,000 Hours Worked

◆ Industry Average

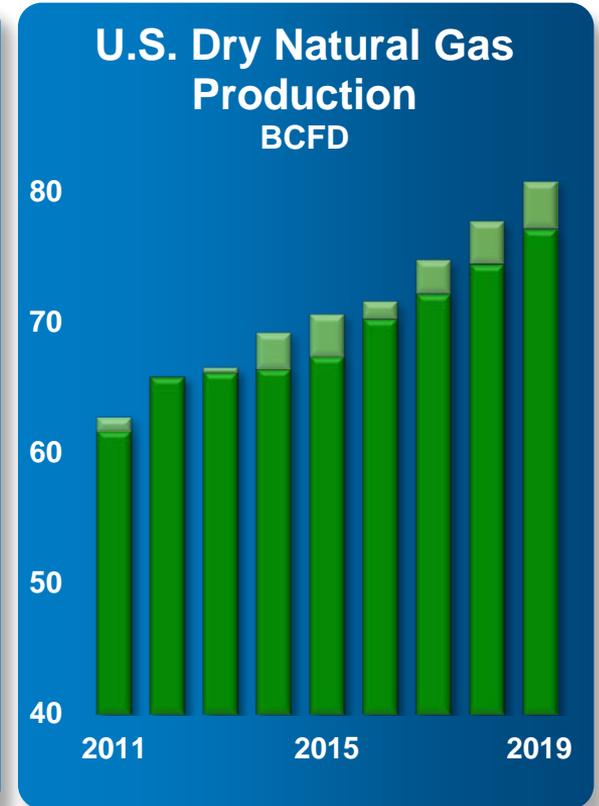
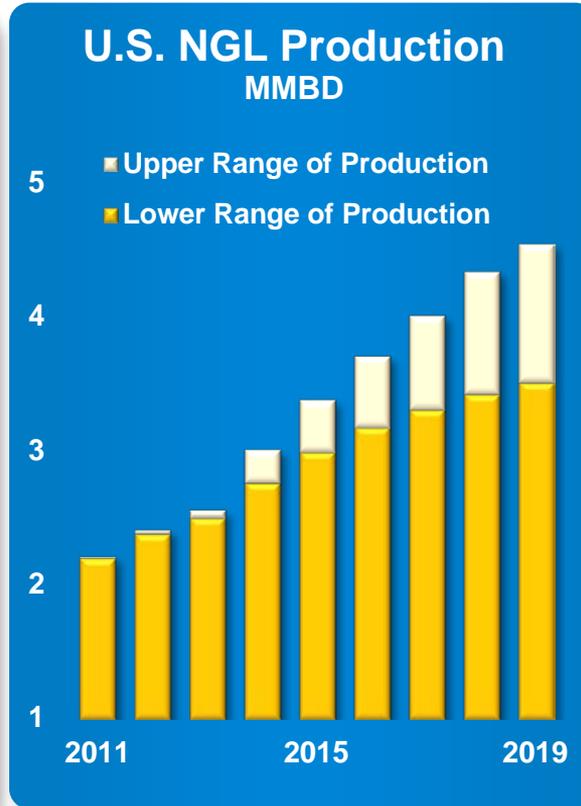
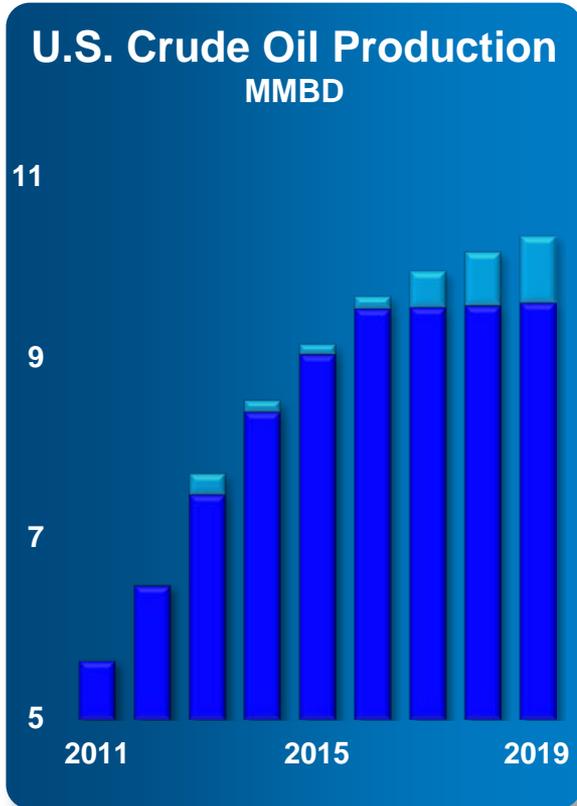


Refining Environmental Metrics



See appendix for footnotes.

U.S. Production Growth



Source: Industry consultants

Energy Landscape



North American oil and gas production growth

Energy infrastructure expansion

Global demand growth

Regulatory environment

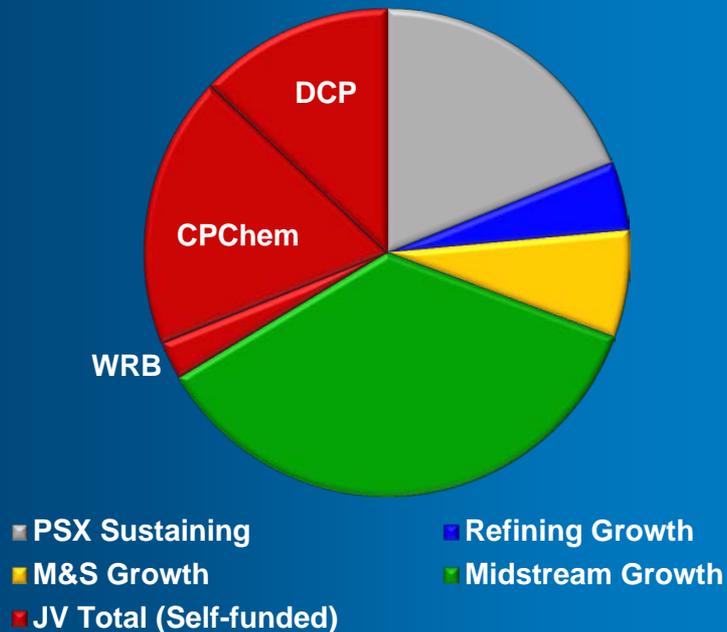
Major project execution



Capital Program



2014E Total Capital Program \$5.8 B



\$3.9 B 2014E Phillips 66 capital

\$2.7 B 2014E initial Phillips 66 capital

\$1.2 B increase for Phillips 66 capital

\$0.9 B acquisitions:

- Beaumont Terminal
- Spectrum Corporation
- Sweeny Cogen
- Explorer Pipeline ownership increase

\$0.3 B organic growth acceleration:

- Sweeny Frac and LPG Export Terminal

\$1.9 B 2014E JV capital (self-funded)

Midstream



NGL

Pipelines and fractionation
Export terminals

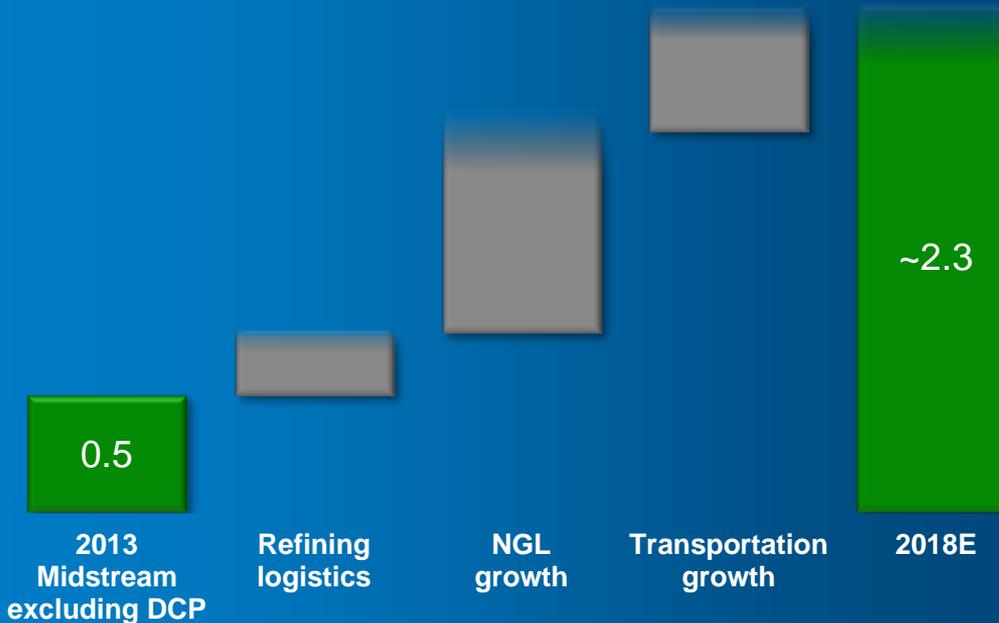
Transportation

Crude and product pipelines
Terminals and storage
Rail, marine and trucks

DCP Midstream

Gathering and processing
Pipelines and fractionation

Midstream and Refining Logistics EBITDA \$B



See appendix for footnotes.

NGL – Gulf Coast



Sweeny Fractionator One – 100 MBD

Storage caverns – 8 MMBbls

LPG export terminal – 150 MBD

Mont Belvieu pipeline – 200 MBD

Sweeny Fractionator Two – 100 MBD



Transportation – Midcontinent



3,600+ miles of pipeline

Over 20 crude and products terminals

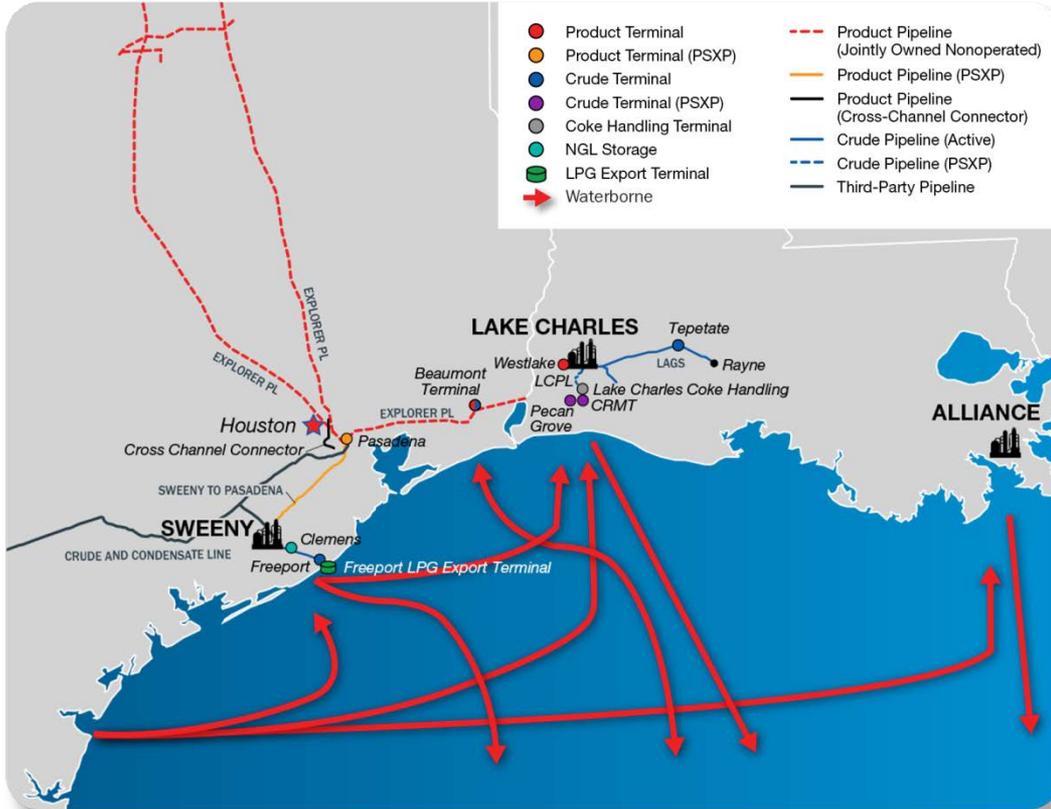
Crude gathering infrastructure

Increased ownership in Explorer Pipeline

Transportation – West and East Coast



Transportation – Gulf Coast



Beaumont Terminal optionality

Integration with Refining

Access to Eagle Ford and Permian Basin

Increase export capability

Beaumont Terminal



7.1 MMBbls storage capacity terminal

4.7 MMBbls crude storage capacity

2.4 MMBbls refined product storage capacity

Marine docks

Two Aframax capable marine docks

One barge dock

Loading and unloading capabilities

Rail

Truck

Growth opportunities

Phillips 66 Partners



Increases PSX value

PSX sponsorship provides:

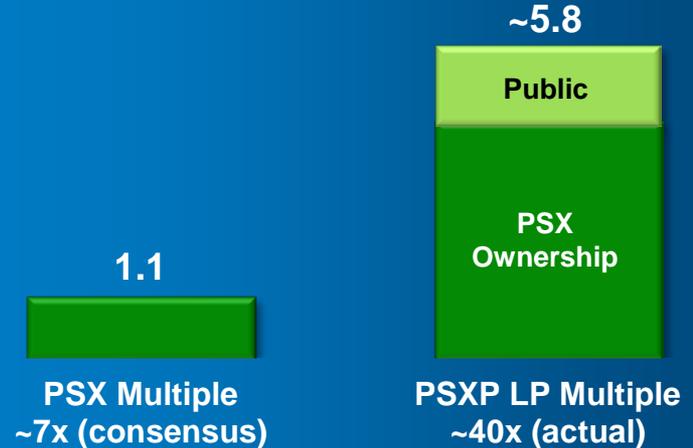
Strong portfolio of existing assets

Pipeline of organic growth

Low cost of capital

Enterprise Value

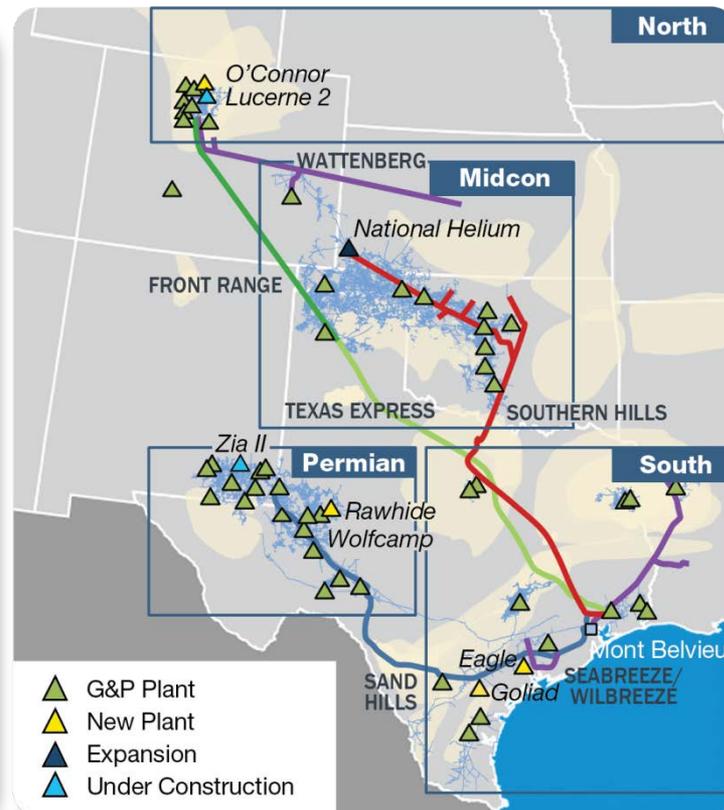
\$B



DCP Midstream



	2013 NGL Production MBD	Processing Capacity BCFD	Capex 2014E-2016E \$B
Permian	~130	1.4	1.0 - 1.5
South	~130	3.2	.50 - 1.0
North	~ 40	0.9	1.0 - 1.5
Midcon	~120	2.0	.75 - 1.0
Logistics	N/A	N/A	.75 - 1.0



EBITDA chart reflects 100% DCP Midstream. See appendix for additional footnotes.

Chemicals – CPChem Portfolio



50/50 JV with Chevron
11 joint ventures
2 research facilities
Sales into 139 countries

**Total Net Capacity
2013**



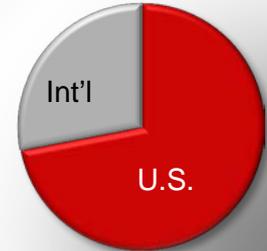
**2013 Income Before Taxes from Continuing
Operations**

SA&S



Int'l

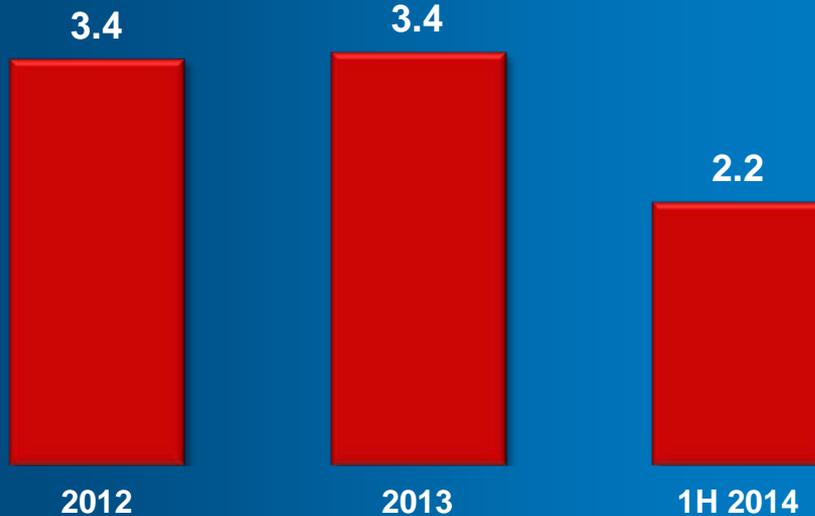
U.S.



Chemicals – CPChem



Adjusted EBITDA \$B



Leading returns

Market leader

Largest global HDPE producer

2nd largest global alpha olefins producer

4th largest N.A. ethylene producer

Estimated new project EBITDA

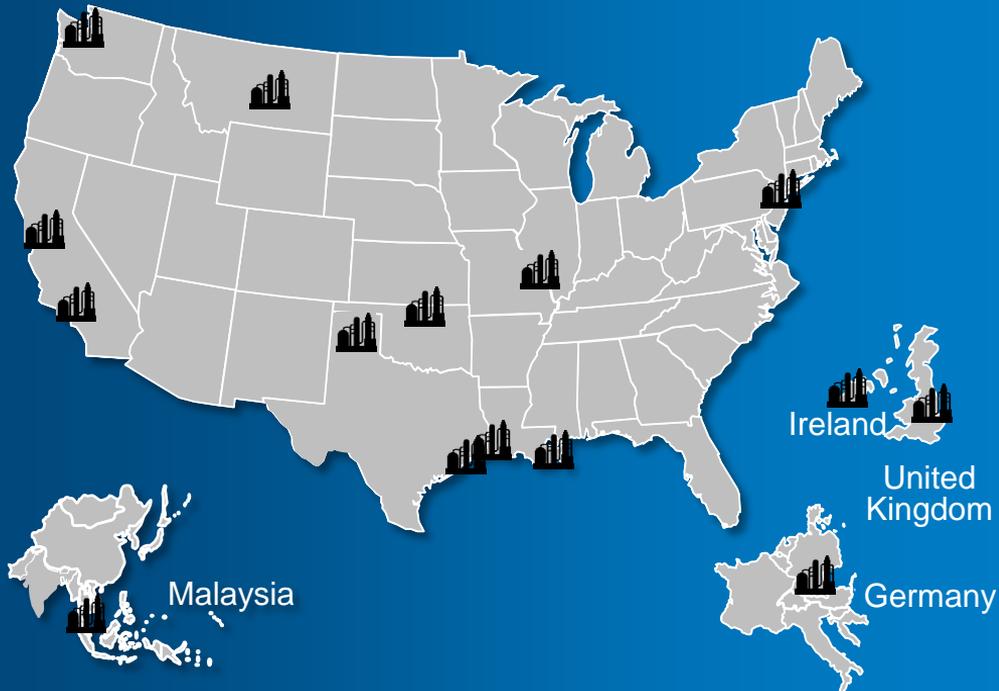
\$1.3 – 1.6 B/year 2017+

Figures reflect 100% CPChem.

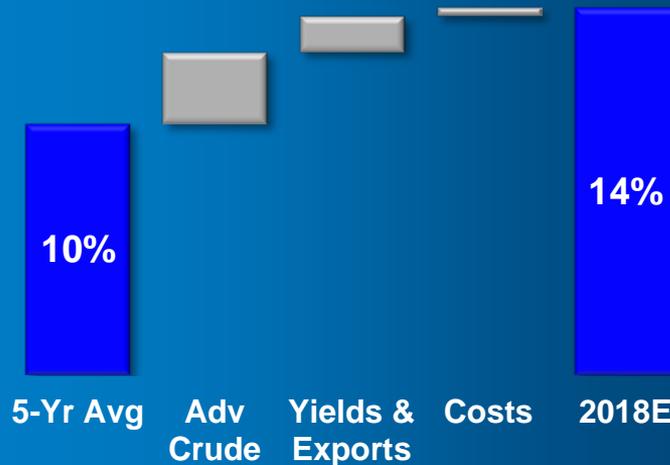
Refining



15 refineries worldwide – 2.2 MMBD crude capacity



ROCE Improvement Constant Crack Spreads



See appendix for footnotes.

Marketing and Specialties



U.S. Marketing

Ensures Refining pull-through

International Marketing

Retail in Europe

Specialties

Finished lubricants

Base oil joint venture

Needle and anode coke

Adjusted EBITDA 2009 – 2014 Q2 YTD



Disciplined Capital Allocation



Investment

- Sustain operations
- Fund capacity growth
- Generate competitive returns

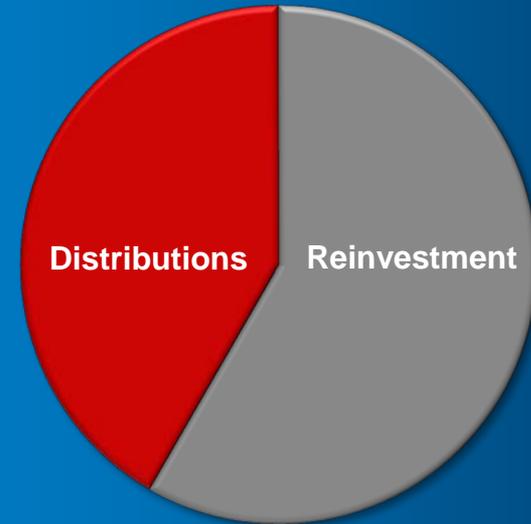
Distributions

- Double-digit dividend growth rate
- Repurchase shares

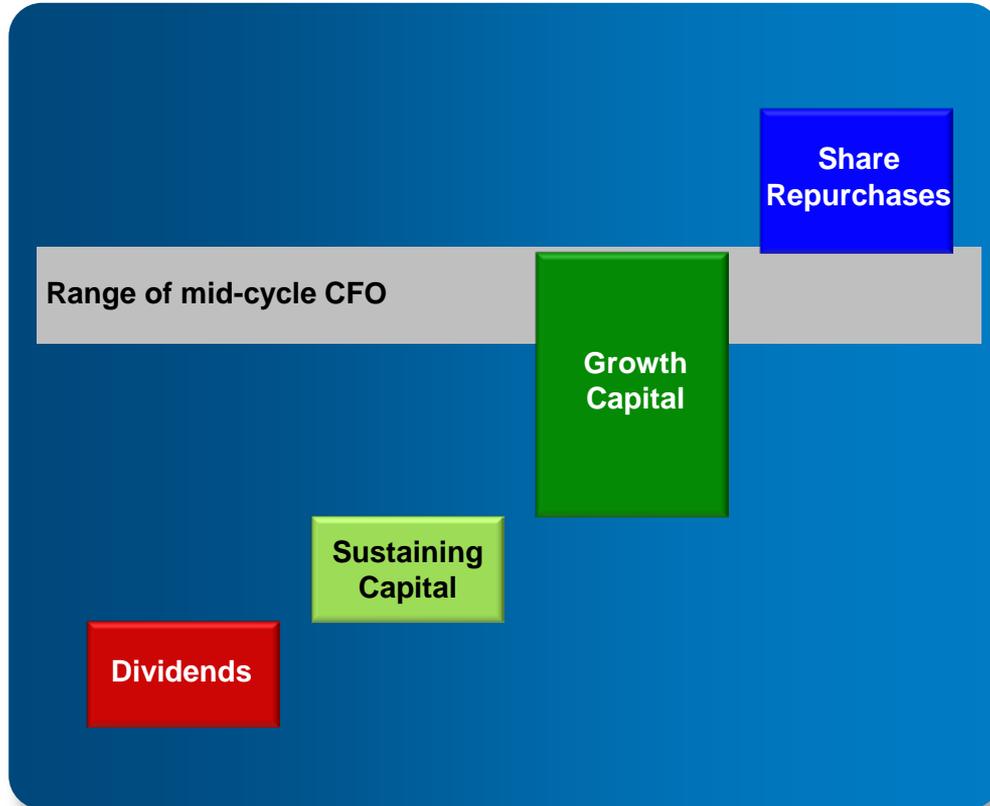
Capital Structure

- Maintain financial flexibility
- Target debt-to-capital 20 – 30%

2014E – 2016E



Capacity to Execute



Additional Sources:

Cash on hand

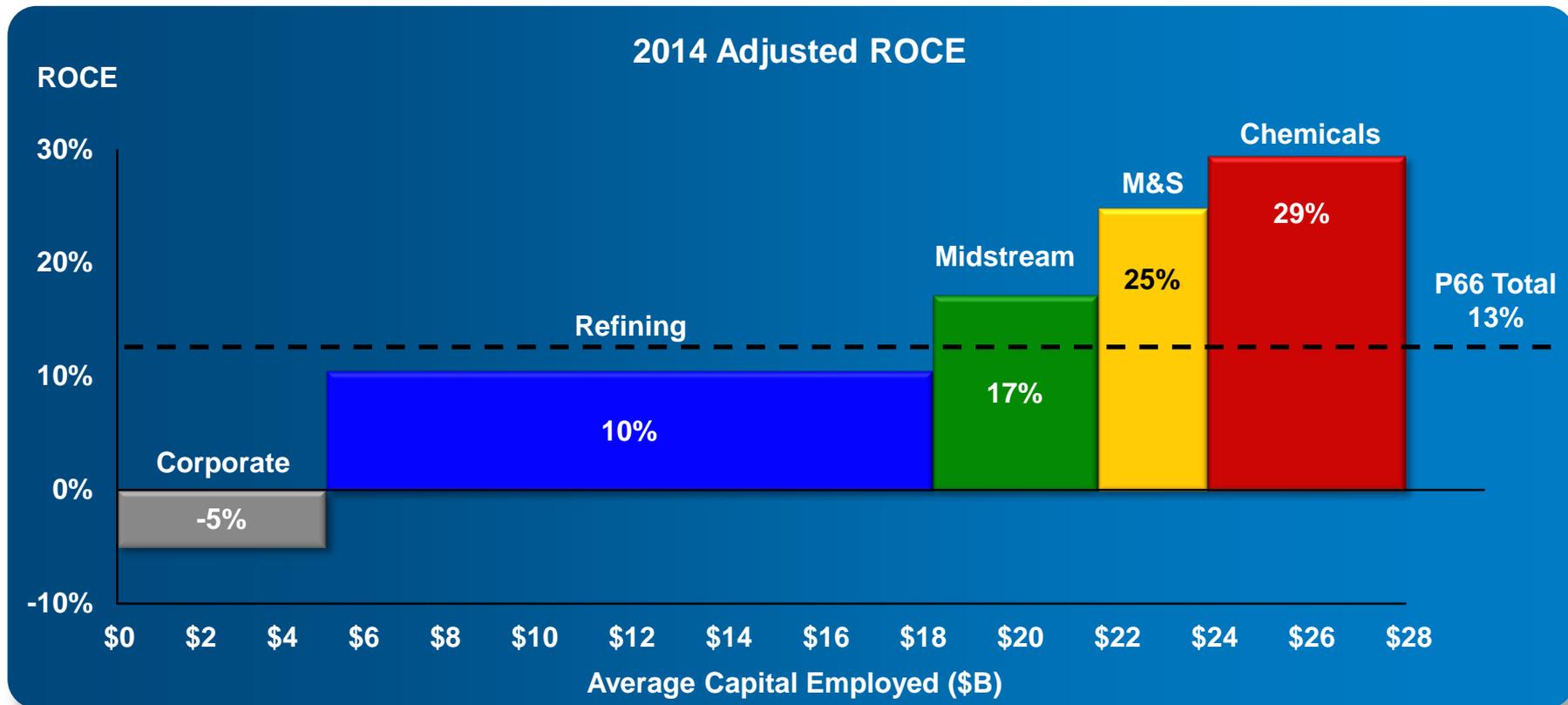
Debt capacity

MLP drop-downs

Asset sales

New project cash flows

Returns

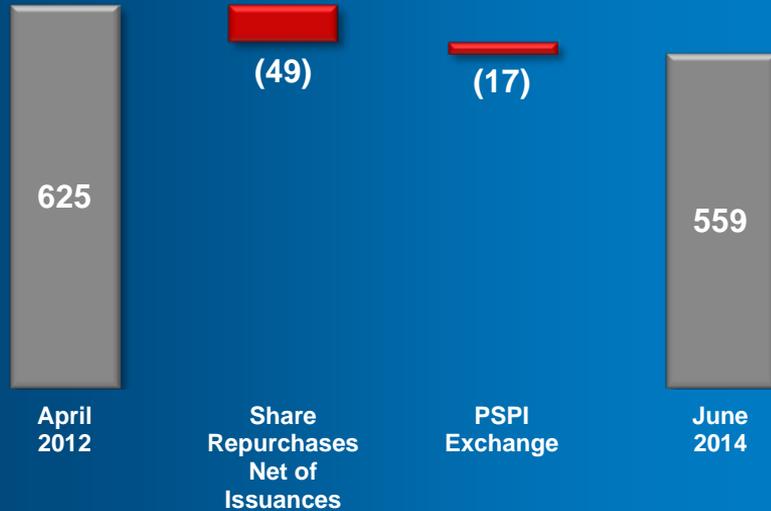


See appendix for footnotes.

Distributions



Phillips 66 Common Stock MM shares



Dividend Growth ¢/share



150% growth vs. 50% peer average

See appendix for footnotes.

Delivering on Commitments



Growth

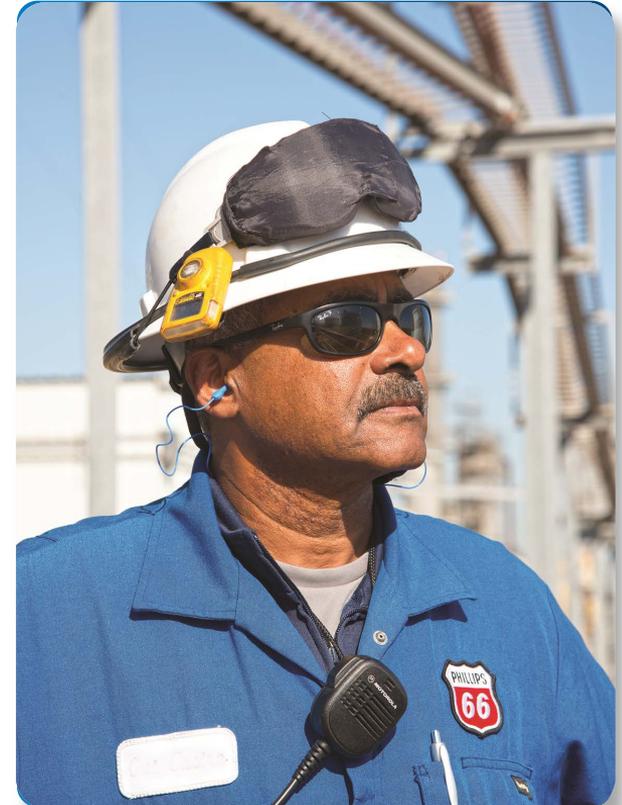
- \$4.2 B 2014E growth capital program
- Beaumont Terminal and Spectrum acquisitions
- Grow Phillips 66 Partners

Returns

- 93% advantaged crude slate in 2Q 2014
- Record export volumes

Distributions

- 28% dividend increase
- \$2 B additional share repurchases



Compelling Investment



Shareholder returns

Unique portfolio

EBITDA growth

Disciplined capital allocation

Multiple expansion



Appendix



Institutional Investors Contact

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Footnotes



Slide 4

Injury statistics do not include major projects.

Industry Averages are from: Phillips 66 – American Fuel & Petrochemical Manufacturers (AFPM) refining data, CPChem – American Chemistry Council (ACC), DCP – Gas Processors Association (GPA).

Slide 7

“Sustaining” capital shown in chart includes Phillips 66 share only. Proportionate share of JV sustaining is included in the respective sections for DCP, CPChem and WRB, each of which is expected to be self-funding. 70% of capital program invested in growth based on 2014E – 2016E.

Slide 8

Refining logistics earnings are reported in Refining segment.

Slide 14

Phillips 66 ownership consists of ~75% of the total LP and GP units; Phillips 66 multiple of 7x is based on consensus; Phillips 66 Partners multiple is based on actuals as of August 22, 2014.

Slide 15

EBITDA assumes commodity-neutral growth and includes noncontrolling interests.

Slide 17

Capital expenditures are estimates.

Slide 19

The 5-year average adjusted ROCE has been recast to reflect realignment of specific businesses moved from the Refining segment to the Marketing and Specialties segment.

Footnotes



Slide 22

Mid-cycle cash from operations is estimated based on a 10-year history normalized for Phillips 66's current operations and structure.

Slide 23

Data reflects 2Q 2014 YTD Annualized Adjusted Return on Capital Employed (ROCE).

Slide 24

Peer average includes DOW, MPC, TSO and VLO.

Slide 25

\$4.2 B 2014E growth capital program includes proportionate share of JV growth capital.

Slide 26

Chart reflects total shareholder return May 1, 2012 to August 22, 2014. Phillips 66 dividends assumed to be reinvested in stock on payment date.

2014 Sensitivities



	Net Income \$MM
Midstream	
1¢/Gal Increase in NGL price	4
10¢/MMBtu Increase in Natural Gas price	2
\$1/BBL Increase in WTI price	2
Chemicals	
1¢/Lb Increase in Olefins Chain Margin (Ethylene, Polyethylene, NAO)	35
Worldwide Refining (assuming 94% refining utilization)	
\$1/BBL Increase in Refining Margin	440
Impacts due to Actual Crude Feedstock Differing from Feedstock Assumed in Market Indicators:	
\$1/BBL Widening LLS / Maya Differential (LLS less Maya)	50
\$1/BBL Widening WTI / WCS Differential (WTI less WCS)	40
\$1/BBL Widening WTI / WTS Differential (WTI less WTS)	15
\$1/BBL Widening LLS / WCS Differential (LLS less WCS)	10
\$1/BBL Widening ANS / WCS Differential (ANS less WCS)	10
\$.10/MMBtu Increase in Natural Gas price	(10)

Sensitivities shown above are independent and are only valid within a limited price range.

Capital Program



Millions of Dollars

2014 Budget

Growth Sustaining Total

Capital Expenditures and Investments*

Consolidated

Midstream

Transportation	806	150	956
NGL	1,262	5	1,267
	2,068	155	2,223
Chemicals	-	-	-
Refining	264	751	1,015
Marketing and Specialties	413	74	487
Corporate	15	116	131
	2,760	1,096	3,856

Selected Equity Affiliates

DCP	600	150	750
CPChem	852	194	1,046
WRB	28	117	145
	1,480	461	1,941

Capital Program**

Midstream

Transportation	806	150	956
DCP	600	150	750
NGL	1,262	5	1,267
	2,668	305	2,973
Chemicals	852	194	1,046
Refining	292	868	1,160
Marketing and Specialties	413	74	487
Corporate	15	116	131
	4,240	1,557	5,797

*Includes non-cash capitalized leases and interest.

**Includes Phillips 66's share of capital spending by DCP, CPChem and WRB, which are expected to be self-funded.

Non-GAAP Reconciliations



	Millions of Dollars	
Year Ended December 31	<u>2013</u>	
Transportation and NGL		
Net income attributable to Phillips 66	\$	259
Plus:		
Net income attributable to noncontrolling interests		17
Income taxes		142
Depreciation and amortization		88
EBITDA*	\$	506

*Includes noncontrolling interests.

Refining logistics, NGL growth and Transportation growth forecasts were derived on an EBITDA-only basis. Accordingly, elements of net income including tax and depreciation information are not available. Together, these items generally result in a significant uplift in EBITDA over net income.

Non-GAAP Reconciliations



	<u>Millions of Dollars</u>	
	<u>First Year</u>	
Sweeny Fractionator One and Freeport Export Facility		
Estimated net income	\$	210
Plus:		
Estimated income taxes		135
Estimated net interest expense		5
Estimated depreciation and amortization		140
<u>Estimated EBITDA</u>	<u>\$</u>	<u>490</u>

Non-GAAP Reconciliations



	<u>Millions of Dollars</u>	
	<u>First Year</u>	
Sweeny Fractionator Two		
Estimated net income	\$	181
Plus:		
Estimated income taxes		113
Estimated net interest expense		3
Estimated depreciation and amortization		44
<u>Estimated EBITDA</u>	<u>\$</u>	<u>341</u>

Non-GAAP Reconciliations



	<u>Millions of Dollars</u>
Years Ended December 31	<u>2014E</u>
Phillips 66 Partners LP	
Net income	\$ 119.0 - 124.0
Plus:	
Depreciation	15.0
Net interest expense	5.4
Amortization of deferred rentals	0.4
Provision for income taxes	0.4
<u>EBITDA</u>	<u>\$ 140.2 - 145.2</u>

Non-GAAP Reconciliations



Years Ended December 31	Millions of Dollars		
	2012	2014E	2016E
100% DCP Midstream			
Net income attributable to members' interest	\$ 486	510	555
Plus:			
Net income attributable to noncontrolling interests	97	135	255
Income taxes	2	10	10
Net interest expense	193	315	345
Depreciation and amortization	291	360	430
EBITDA*	\$ 1,069	1,330	1,595

*Includes noncontrolling interests.

Non-GAAP Reconciliation



	Millions of Dollars		
	2012	2013	1H 2014
100% CPChem			
Net income	\$ 2,403	2,743	1,830
Plus:			
Income taxes	67	71	46
Net interest expense	8	(3)	(1)
Depreciation and amortization	356	278	138
EBITDA	\$ 2,834	3,089	2,013
Adjustments (pre-tax):			
Proportional share of equity affiliates income taxes	91	115	63
Proportional share of equity affiliates net interest expense	17	24	9
Proportional share of equity affiliates depreciation and amortization	157	214	109
Premium on early debt retirement	287	-	-
Adjusted EBITDA	\$ 3,386	3,442	2,194

Non-GAAP Reconciliations



	Millions of Dollars	
	Low	High
100% CPChem Incremental Project Earnings Projections		
Estimated incremental net income	\$ 1,000	1,313
Plus:		
Estimated income taxes	20	27
Estimated net interest expense	-	-
Estimated depreciation	280	260
Estimated EBITDA	\$ 1,300	1,600

Non-GAAP Reconciliations



Millions of Dollars
Average 2009 - 2013

Refining - ROCE

Numerator

Average 2009 - 2013 net income	\$	998
After-tax interest expense		-
GAAP ROCE earnings		998
Special Items		452
Adjusted ROCE earnings	\$	1,450

Denominator

GAAP average capital employed*	\$	13,940
Adjusted ROCE (<i>percent</i>)		10%
GAAP ROCE (<i>percent</i>)		7%

*2013 average total equity plus debt.

Non-GAAP Reconciliations



	Millions of Dollars		
	January 1, 2009 - June 30, 2014		
	U.S. Marketing	International Marketing	Specialties
Net income	\$ 1,397	1,022	1,206
Plus:			
Provision for income taxes	881	563	723
Net interest expense	(119)	-	3
Depreciation and amortization	145	531	42
EBITDA	\$ 2,304	2,116	1,974
Adjustments (pretax):			
Gain on asset dispositions	(260)	3	(83)
Pending claims and settlements	(19)	-	-
Impairments	71	-	-
Exit of a business line	-	-	54
Tax law impacts	(6)	-	-
Adjusted EBITDA	\$ 2,090	2,119	1,945

Non-GAAP Reconciliations



	Millions of Dollars					
	Six Months Ended June 30, 2013					
	Phillips 66	Midstream	Chemicals	Refining	Marketing & Specialties	Corporate
ROCE						
Numerator						
Net Income	\$ 2,450	311	640	696	299	(202)
After-tax interest expense	87	-	-	-	-	87
GAAP ROCE earnings	2,537	311	640	696	299	(115)
Special Items	(706)	-	-	-	-	-
Adjusted ROCE earnings	\$ 1,831	311	640	696	299	(115)
Denominator						
GAAP average capital employed*	\$ 28,357	3,622	4,348	13,288	2,414	4,589
Discontinued Operations	(96)	-	-	-	-	-
Adjusted average capital employed*	\$ 28,261	3,622	4,348	13,288	2,414	4,589
Annualized Adjusted ROCE (percent)	13%	17%	29%	10%	25%	-5%
Annualized GAAP ROCE (percent)	18%	17%	29%	10%	25%	-5%

*Total equity plus debt.