CONCHO

Investor Presentation

September 2019

Forward-Looking Statements and Other Disclaimers

These materials and the accompanying oral presentation contain “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. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that Concho Resources Inc. (the “Company” or “Concho”) expects, believes or anticipates will or may occur in the future are forward-looking statements. The words “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “could,” “may,” “strategy,” “intend,” “foresee,” “plan,” “will,” “guidance,” ”maximize,” “outlook,” “goal,” “strategy,” “target,” or other similar expressions, as well as predicted or illustrative rates of return (“ROR”), that convey the uncertainty of future events or outcomes are intended to identify forward-looking statements, which generally are not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking. These statements are based on certain assumptions and analyses made by the Company based on management’s experience, expectations and perception of historical trends, current conditions, current plans, anticipated future developments, expected financings and other factors believed to be appropriate. Forward-looking statements are not guarantees of performance. Although the Company believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include the risk factors and other information discussed or referenced in the Company’s most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission (the “SEC”). Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law. Information on Concho’s website, including information referenced directly herein such as the Climate Risk Report, is not part of this presentation. These other materials are subject to additional cautionary statements regarding risks and forward looking information.

This presentation contains the non-GAAP term free cash flow, or FCF. Free cash flow is cash flow provided by operating activities in excess of cash flow used in investing activities for additions to oil and gas properties.

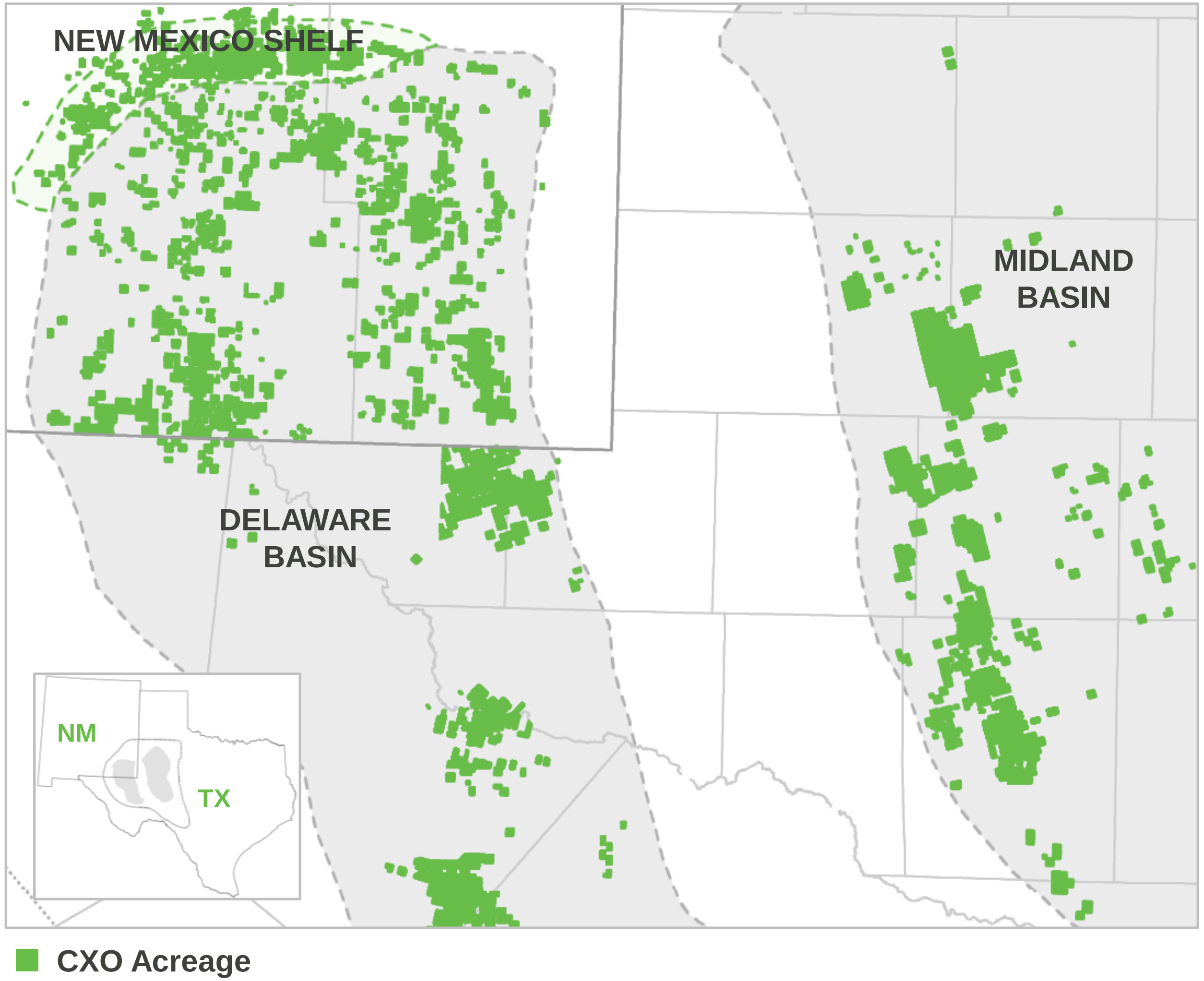
The SEC requires oil and natural gas companies, in their filings with the SEC, to disclose proved reserves, which are those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs and under existing economic conditions (using the trailing 12-month average first-day-of-the-month prices), operating methods and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The SEC also permits the disclosure of separate estimates of probable or possible reserves that meet SEC definitions for such reserves; however, the Company currently does not disclose probable or possible reserves in its SEC filings.

In this presentation, proved reserves attributable to the Company at December 31, 2018 are estimated utilizing SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices of $62.04 per Bbl of oil and $3.10 per MMBtu of natural gas.

Cautionary Statement Regarding Production Forecasts and Other Matters
Concho’s production forecasts and expectations for future periods and statements regarding drilling inventory and ROR are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases or other factors that are beyond Concho’s control.

Concho Resources

High-quality portfolio



Today's Message

Clear the Air

Our Focus

New Mexico Shelf Asset Sale

$925mm sale accelerates value & jumpstarts share repurchase program

$1.5bn Share Repurchase Plan

Our Priorities

Demonstrate consistent **execution**

Highlight **asset quality**

Reinforce commitment to **disciplined investment** & **cost management**

CXO acreage as of December 31, 2018.

Key Messages

What's Changed:

- We've tested closer well spacing, and wells underperformed
- We've reprioritized smaller projects with wider spacing to maximize returns
- We've recalibrated our activity to align better with prevailing commodity prices
- We've monetized our legacy New Mexico Shelf assets
- We've initiated a share repurchase program
- Our leverage targets have been achieved

What Hasn't Changed:

- Our asset quality
- Our resource depth
- Our focus on consistent execution
- Our disciplined approach to cost management
- Our active portfolio management
- Our commitment to shareholders to deliver sustainable production growth and free cash flow

Clear the Air

1 Why the **FY19 capital plan** remains $2.8-$3.0bn despite…

2 …a reduction in activity and lower **oil production growth**…

3 …and, the rationale for and extent of **spacing tests**

2019 Capital Plan

1

2019 Capital Plan Remains $2.8-$3.0bn

Factors Influencing the Plan ($bn)

- Capital philosophy: align capital spending & cash flow
- Higher than expected non-op activity and well costs offset reduced activity
  - Higher well costs driven primarily by drilling and facilities costs

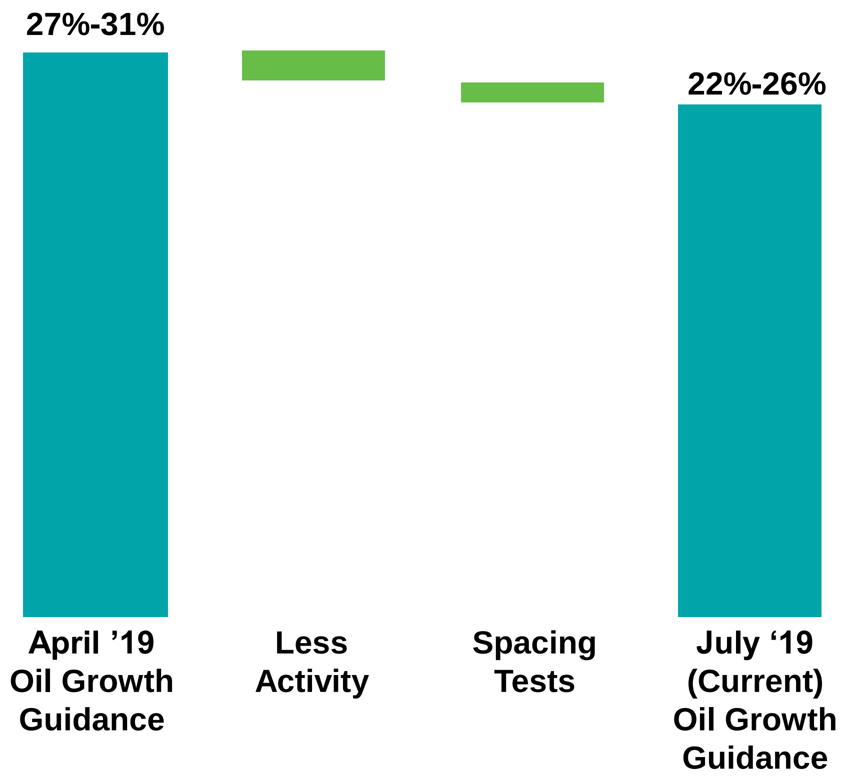
2019e capital plan is as of July 31, 2019 and excludes acquisitions.

2019 Oil Production Outlook

2

2019 Oil Growth Guidance

Exceeded 1H Forecast, but Lowered FY Guidance



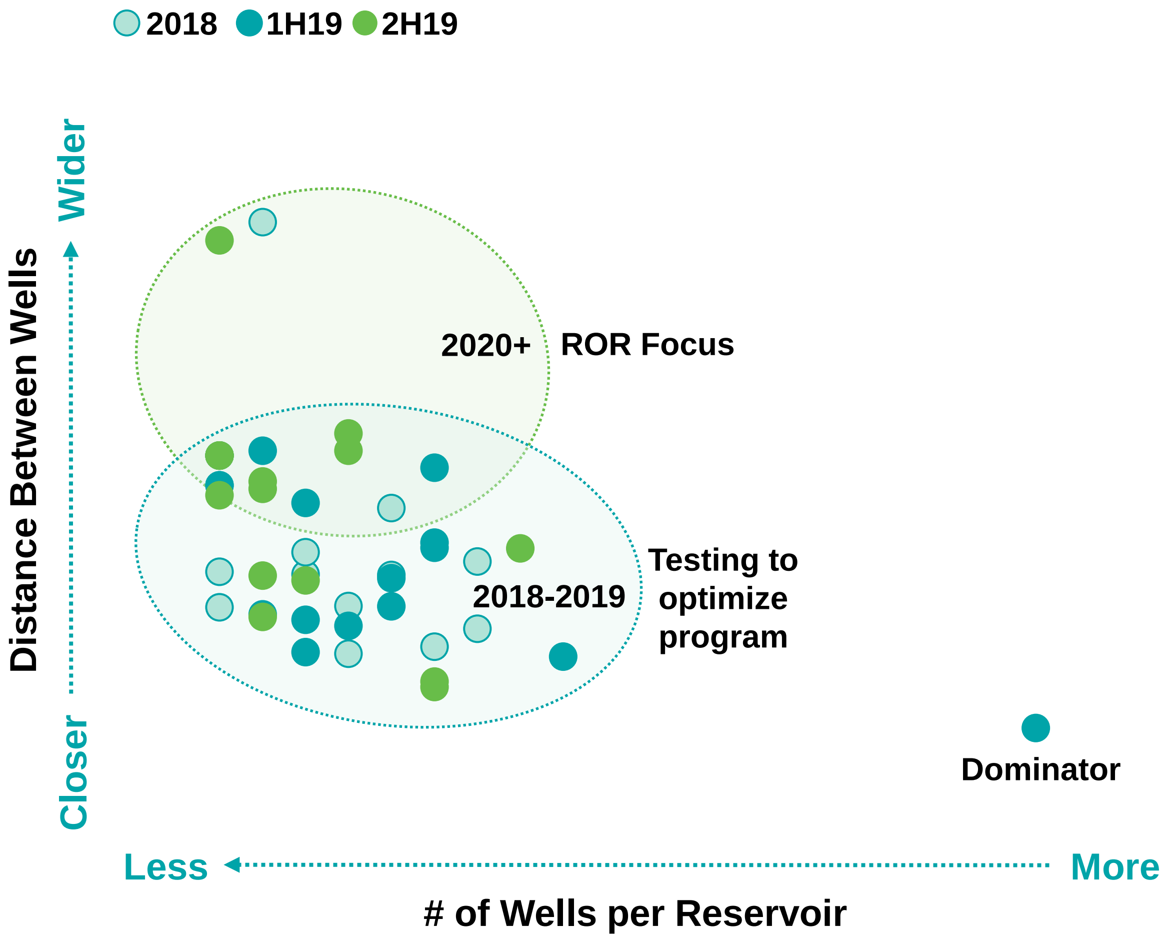
- Less operated activity negatively impacted oil volumes & accounted for 2/3 of the lowered outlook
  - Expect to place 300-320 wells on production, as compared to prior outlook of 330-350 wells
- Underperformance from spacing tests accounted for the remainder of the lowered outlook

Spacing Tests

3

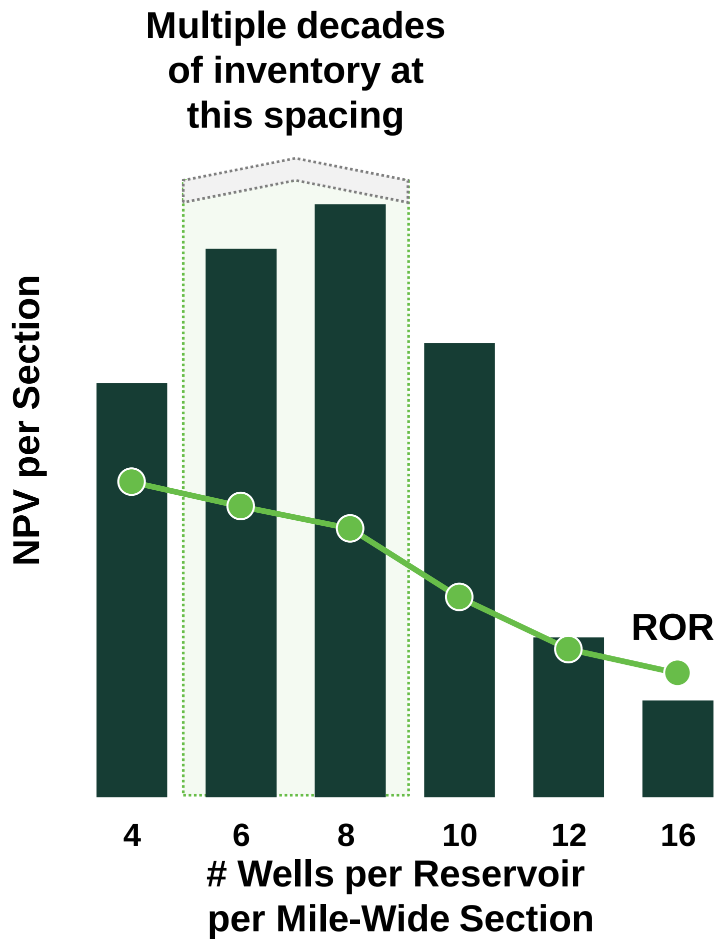
2018-2019 Project Development

Wells per Reservoir vs. Spacing



Go-Forward Plan: **Prioritize Returns**

Optimizing Spacing – Illustrative Example



- ✓ More suitable for low/volatile commodity price environment
- ✓ Enables resilient, consistent development program
- ✓ Supports sustainable oil production and FCF growth

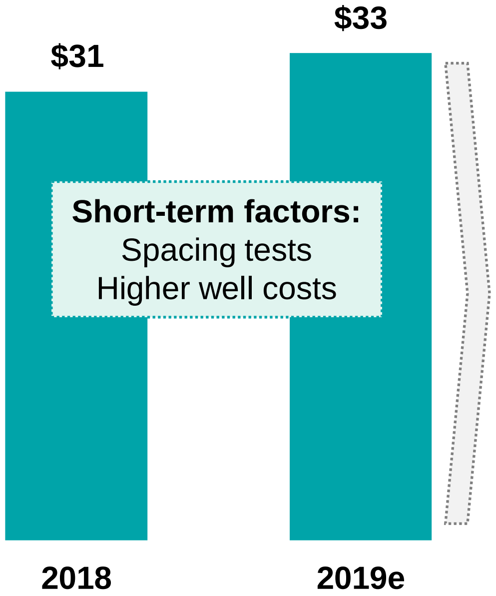
Our Focus

Capital Efficiency	› Develop fewer wells per project on less dense spacing & improve cycle times › Reduce well costs
Margin Expansion	› Reduce cost structure & improve price realizations
Sustainable Growth	› Deliver cost-efficient growth over the long term
Portfolio Management	› Sell non-core assets, accelerate value
Financial Strength	› Exercise capital discipline, maintain strong financial position & flexibility
Shareholder Returns	› Drive sustainable free cash flow growth › Increase shareholder returns with dividend growth and share repurchases

Free cash flow is a non-GAAP measure. See slide 2 for a definition.

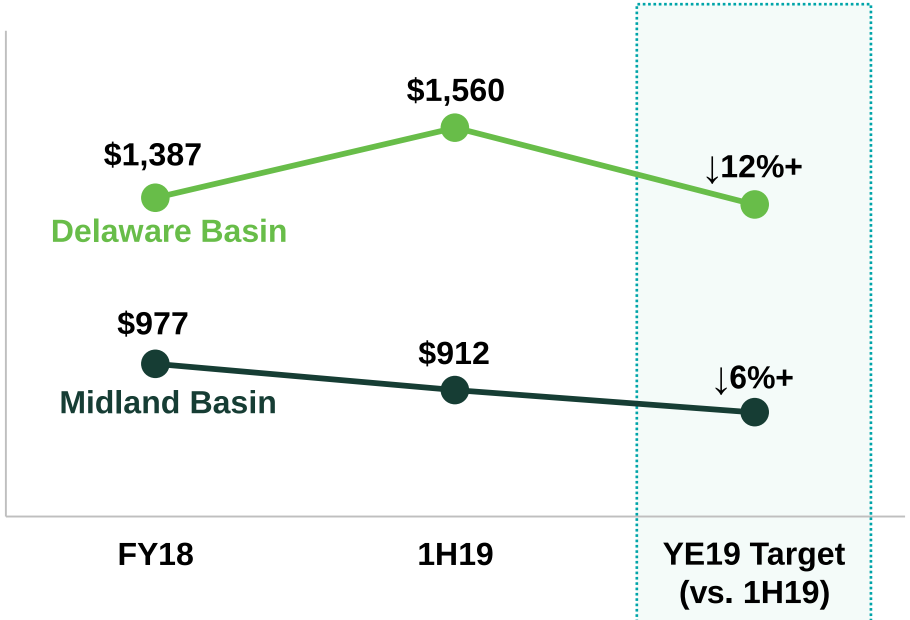
Capital Efficiency

2018-2019e Capital Efficiency
($m per Bopd added)



Drive substantial improvement in 2020 by:
- Developing fewer wells per project
- Optimizing well spacing
- Reducing well costs

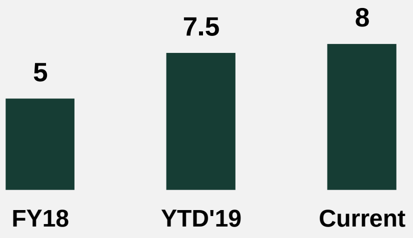
Reducing Well Costs
Basin-Level D,C&E Costs ($ per foot)



	FY18	1H19	YE19 Target (vs. 1H19)
Total Program	**$1,223**	**$1,184**	**↓10%+**

Ongoing Plan for Reducing Well Costs
- Further optimize drilling, completion & facilities design
- Increase use of in-basin sand and lower sand costs
- Utilize new commercial water solutions
- Improve wireline efficiency & expand use of dissolvable plugs
- Reduce drilling days & increase stages per day

Completion Efficiency
Avg. Stages per Day Up 50%+

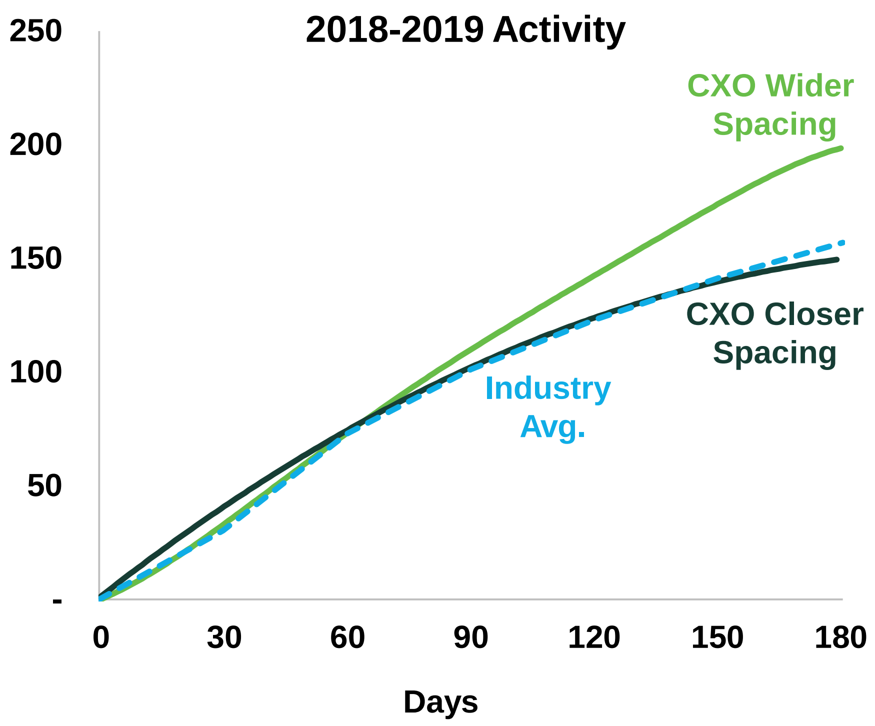


2018 Capital efficiency excludes impact of RSP acquisition. Basin-level D,C&E costs are for operated activity and include drilling, completion and wellsite equipment. Completion efficiency reflects CXO's Northern Delaware Basin and Midland Basin development program.

Operational Performance – Northern Delaware Basin Wolfcamp A

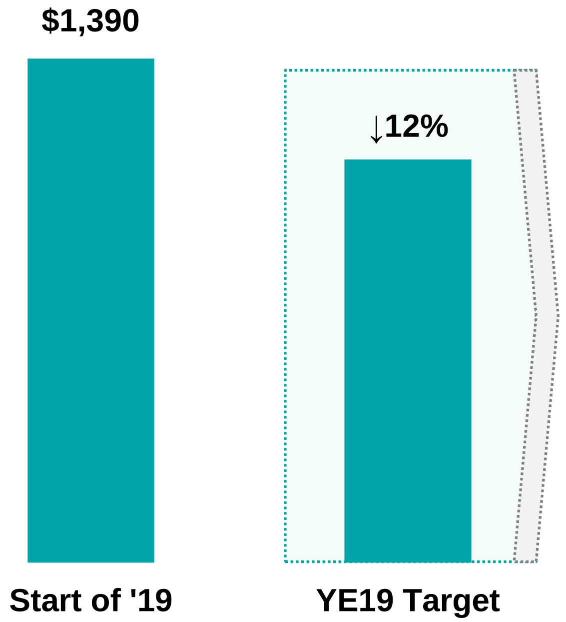
Generating Strong Well Performance

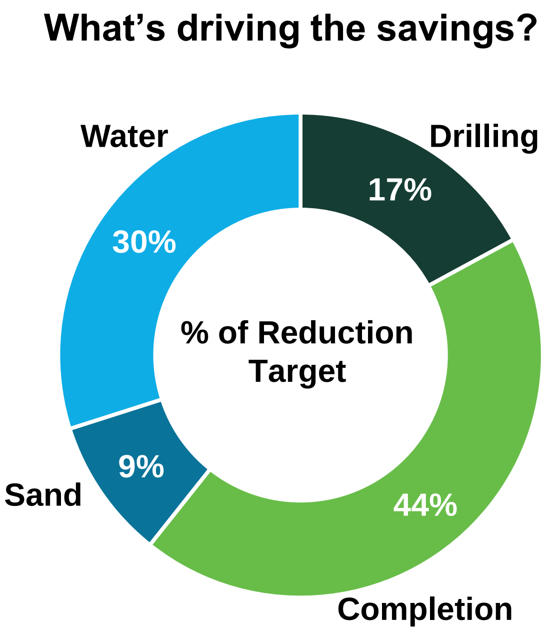
180-day Cumulative Oil Production (MBo)



Reducing Well Costs

D,C&E Costs ($ per foot)



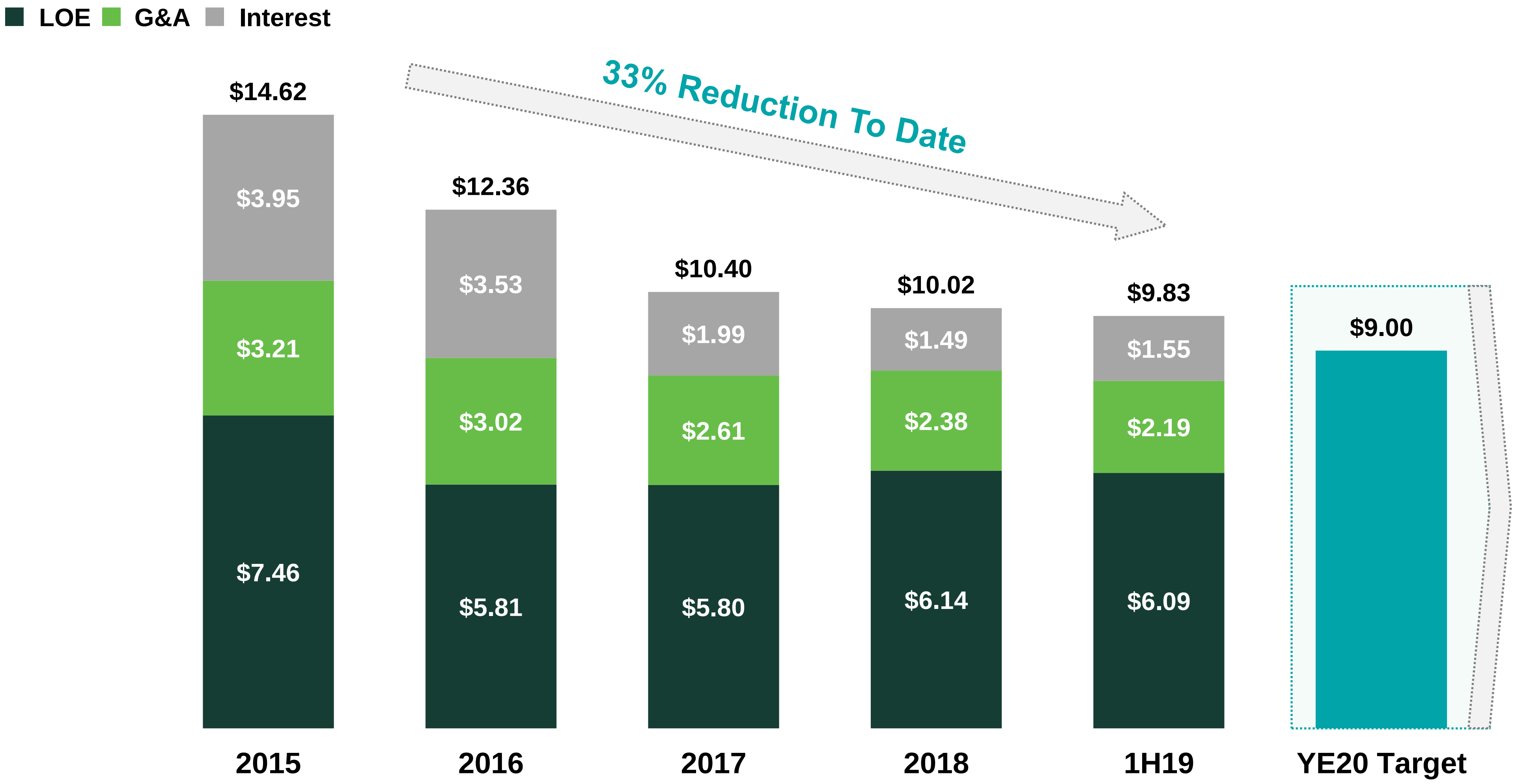


Cumulative oil production normalized to 7,000'. Industry average covers Lea County, NM and sourced from Enverus.
Northern Delaware Basin Wolfcamp A D,C&E costs are for operated activity and include drilling, completion and wellsite equipment.

Improving Cost Structure Supports Margin Expansion

Controllable Cash Costs on a Two-Stream Basis

Cash Expenses excl. GP&T ($ per Boe)



Reducing Cash Costs

- New Mexico Shelf asset sale reduces LOE & interest expense
- Focus on further reducing cash costs

CXO controllable cash costs would be ~10% lower if calculated on a three-stream basis.

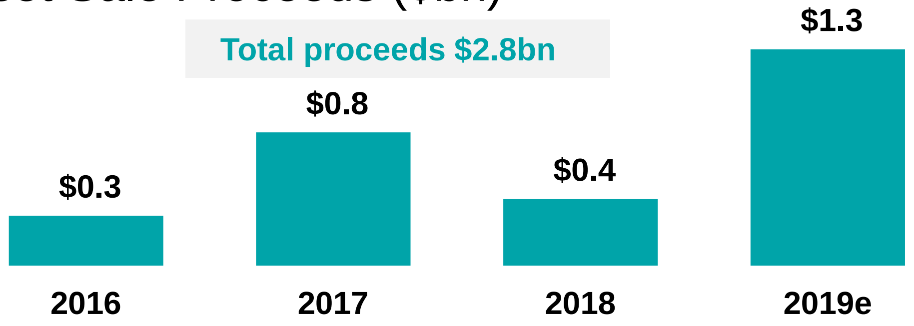
Active Portfolio Management Accelerates Value

New Mexico Shelf Asset Sale

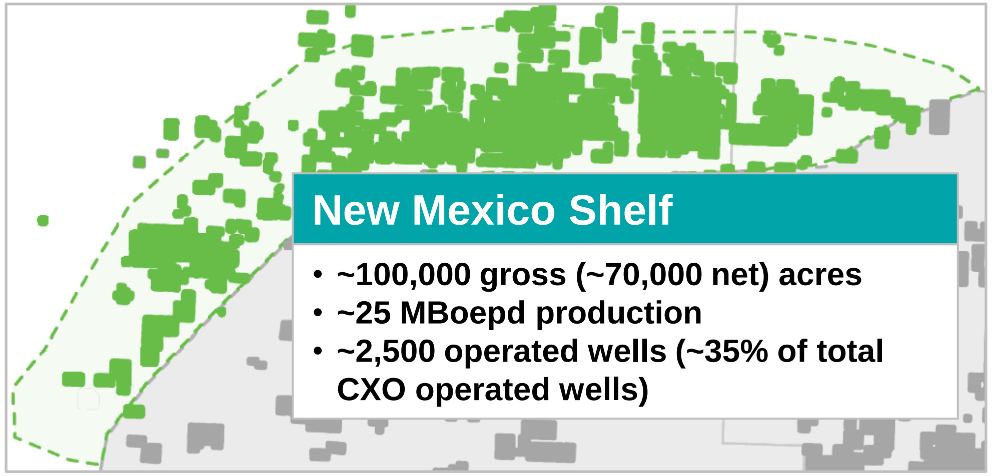
- Accelerates value from legacy asset
- Focuses the portfolio, while maintaining leading Permian resource depth
  - Minimal impact to corporate base decline rate
- Improves cash cost structure
  - Removing higher cost vertical wells (represents ~35% of total operated wells)
- Achieves debt reduction target & increases returns to shareholders

Track Record of Portfolio Management

Asset Sale Proceeds ($bn)



Transaction Summary



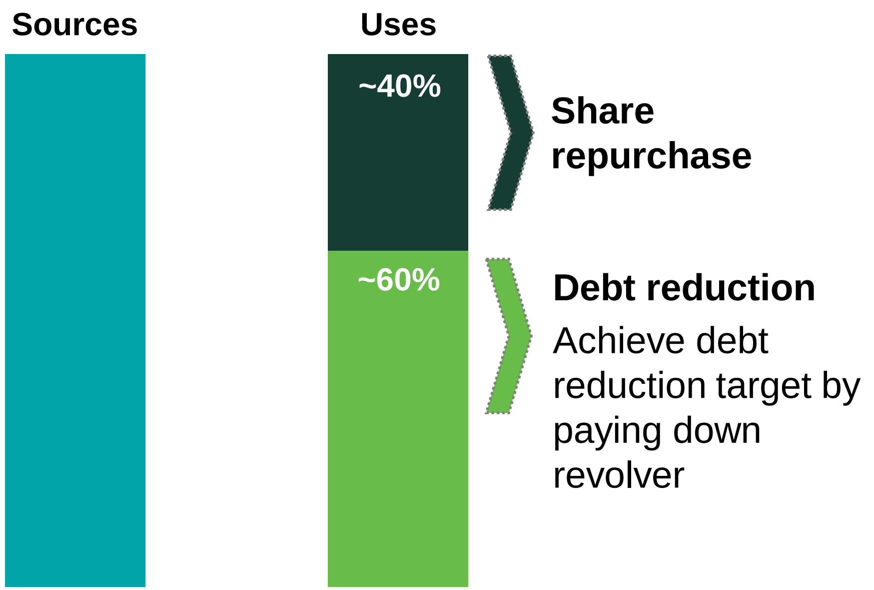
- $925mm purchase price (all cash consideration)
- Closing anticipated November 2019

Cash Proceeds Jumpstart Share Repurchase & Reinforce Financial Strength

Capital Allocation Framework

Cash Flow Priorities	Dividend	Fund with Cash Flow from Operations
	Capital Program	
Free Cash Flow Opportunities	Strengthen Balance Sheet	Achieved debt reduction target
	Additional Returns to Shareholders	Additional returns as excess cash materializes
	Portfolio Enhancement	Fund with Free Cash to Maximize Returns

Allocation of Asset Sale Proceeds

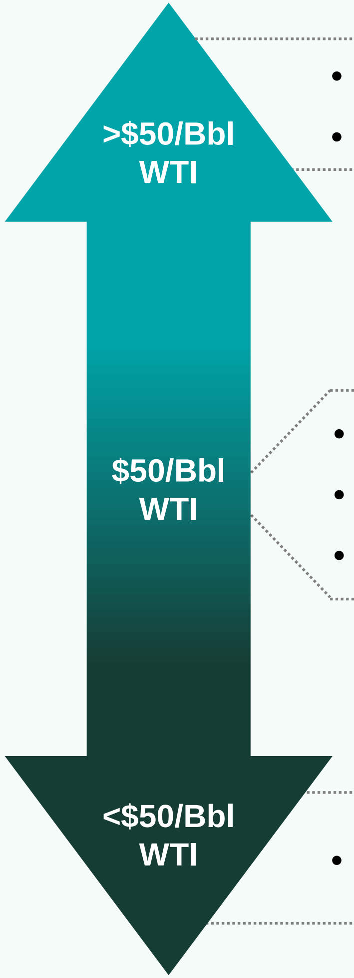


Board Authorizes Initiation of $1.5bn Share Repurchase Program

- Initial share repurchase authorization
- Asset sale proceeds jumpstart repurchase; returning ~40% of sale proceeds

Insight into Capital Planning for 2020+

Capital Allocation Strategy



- Generate robust FCF
- Increase capital returns to shareholders

- Plan around conservative commodity prices
- Deliver sustainable oil production growth
- Generate FCF

- Financial strength provides flexibility

- Commitment to capital discipline underpins capital allocation decisions
- Operational focus on improving returns
  - Capital efficiency
  - Margin expansion
  - Sustainable growth
- Financial strength enables through-cycle performance

Our Commitment to Sustainability

Reduce Flaring

↓50%
2016-2018

Expand Water Recycling

Asset-Wide Focus

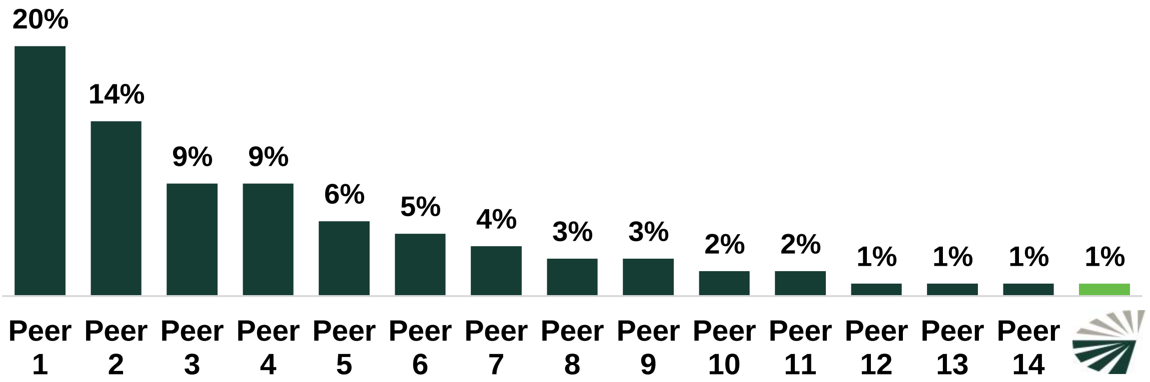
Manage Climate Risk

Published Inaugural Report

Gas Capture Performance

Texas Permian Basin

% Wellhead Gas Flared/Vented for December 2018



Available at www.concho.com/corporate-responsibility

Source: Bernstein Research dated July 19, 2019. Peers include APA, CDEV, CVX, FANG, ECA, Endeavor, EOG, NBL, OXY, PE, PXD, WPX, XEC and XOM.

High-Quality Portfolio to Deliver Growth & Shareholder Returns

We have a sense of urgency to demonstrate consistent execution

Our core portfolio is stronger than ever

Disciplined investment & cost management is a priority

Appendix

Our Extensive Development Program Informs Optimization Strategy

Horizontal Wells Drilled by Zone (Gross Operated)

Delaware Basin

~5,000'

Formation	2009 - 2019 Well Count	2018 - 1H19
Brushy Canyon	23	-
Avalon Shale	143	24
1st Bone Spring	21	6
2nd Bone Spring	391	30
3rd Bone Spring	176	38
Wolfcamp Sands	44	31
Wolfcamp A	310	103
Wolfcamp B	33	22
Wolfcamp C	9	5
Wolfcamp D	38	13
Total	1,188	272

Midland Basin

~3,000'

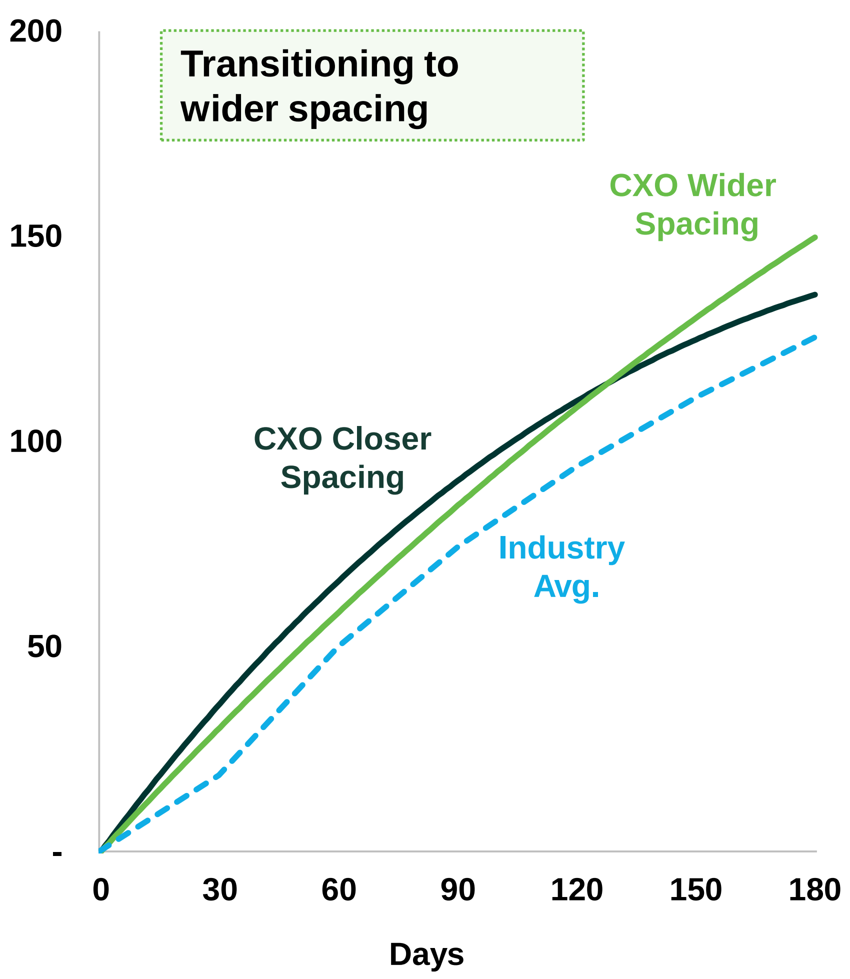
Formation	2009 - 2019 Well Count	2018 - 1H19
Middle Spraberry	40	27
Jo Mill	8	8
Lower Spraberry	127	77
Wolfcamp A	120	20
Wolfcamp B	121	42
Wolfcamp C	6	3
Wolfcamp D	3	3
Total	425	180

Multiple decades of inventory

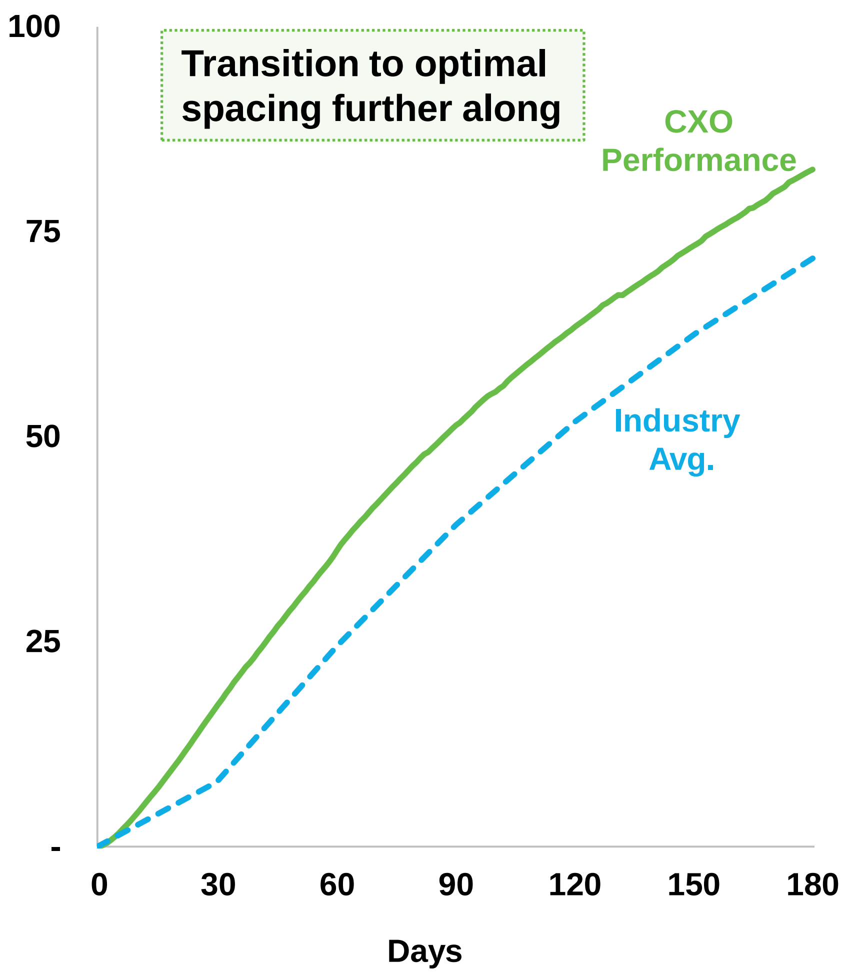
Our Extensive Development Program is Outperforming Industry

2018-2019 program 180-day cumulative oil production (MBo)

Northern Delaware Basin



Midland Basin

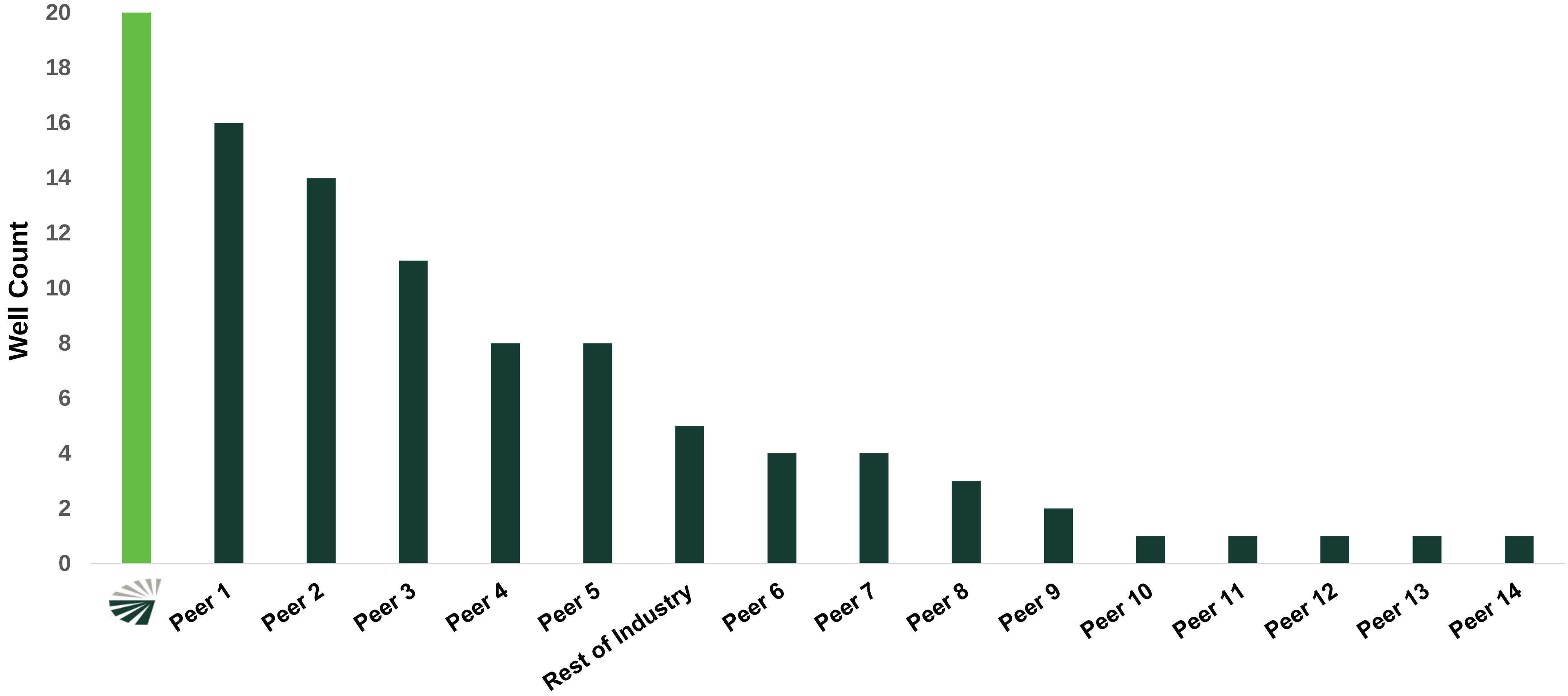


Cumulative oil production normalized to 7,000'. Industry averages sourced from Enverus; Northern Delaware Basin industry data covers Lea & Eddy counties, NM.

Our Extensive Development Program is Outperforming Industry

2017-2019 Wells Put on Production

Top 100 Wells in the Permian Basin by Six Month Cumulative Oil Production



Source: IHS Enerdeq as of 8/26/2019. Permian wells with production start date January 2017 through February 2019. Peers include APA, COP, CVX, DVN, EOG, FANG, NBL, OXY, PDC, PE, PXD, SM, XEC, XOM

Hedge Position

Updated as of July 31, 2019

	2019			2020	2021
	3Q	4Q	Total	Total	Total
Oil Price Swaps - WTI[1]:					
Volume (Bbl)	16,570,000	12,513,000	29,083,000	40,080,500	13,137,000
Price per Bbl	$ 56.96	$ 56.65	$ 56.83	$ 57.27	$ 55.33
Oil Price Swaps - Brent[2]:					
Volume (Bbl)	-	1,810,000	1,810,000	4,026,000	-
Price per Bbl	$ -	$ 62.48	$ 62.48	$ 61.03	$ -
Oil Costless Collars[1]:					
Volume (Bbl)	1,135,000	1,058,000	2,193,000	-	-
Ceiling price per Bbl	$ 63.47	$ 62.95	$ 63.22	$ -	$ -
Floor price per Bbl	$ 55.74	$ 55.43	$ 55.60	$ -	$ -
Oil Basis Swaps[3]:					
Volume (Bbl)	15,778,000	16,053,000	31,831,000	45,083,000	14,600,000
Price per Bbl	$ (2.32)	$ (2.19)	$ (2.25)	$ (0.63)	$ 0.57
Natural Gas Price Swaps[4]:					
Volume (MMBtu)	17,298,537	17,209,535	34,508,072	61,303,000	29,200,000
Price per MMBtu	$ 2.87	$ 2.87	$ 2.87	$ 2.55	$ 2.52
Natural Gas Basis Swaps[5]:					
Volume (MMBtu)	2,400,000	7,360,000	9,760,000	29,280,000	-
Price per MMBtu	$ (0.70)	$ (0.70)	$ (0.70)	$ (1.04)	$ -

[1]These oil derivative contracts are settled based on the New York Mercantile Exchange (“NYMEX”) – West Texas Intermediate ("WTI") calendar-month average futures price.

[2]These oil derivative contracts are settled based on the Brent calendar-month average futures price.

[3]The basis differential price is between Midland – WTI and Cushing – WTI. The majority of these contracts are settled on a calendar-month basis, while certain contracts assumed in connection with the RSP acquisition are settled on a trading-month basis.

[4]The natural gas derivative contracts are settled based on the NYMEX – Henry Hub last trading day futures price.

[5]The basis differential price is between NYMEX – Henry Hub and El Paso Permian.

Activity Overview

1H19 Activity – Well Counts

Total Gross	Number of Wells Drilled	Number of Wells Completed	Number of Wells Put on Production
Delaware Basin	182	115	153
Midland Basin	80	101	98
Total	**262**	**216**	**251**

Gross Operated	Number of Wells Drilled	Number of Wells Completed	Number of Wells Put on Production
Delaware Basin	86	69	100
Midland Basin	64	79	77
Total	**150**	**148**	**177**

Net Operated	Number of Wells Drilled	Number of Wells Completed	Number of Wells Put on Production
Delaware Basin	71	56	81
Midland Basin	54	63	64
Total	**125**	**119**	**145**
Avg. WI	**80.7%**	**81.1%**	**81.4%**

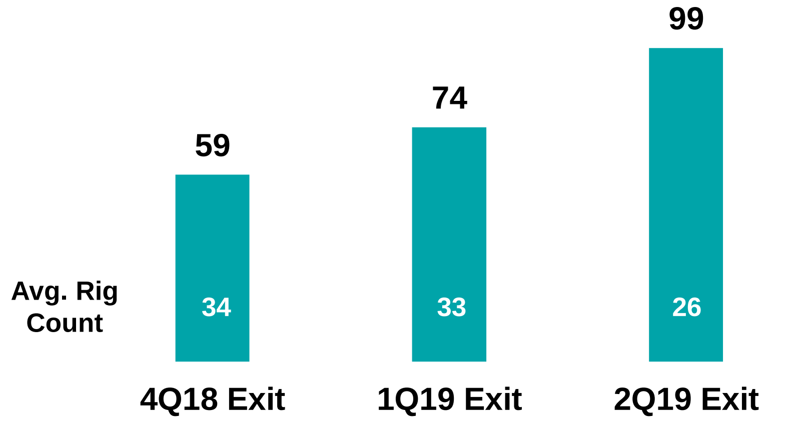
	Current Guide	Previous Guide
2H19 Avg. Rig Count	18	24
FY19 Gross Operated Activity (# wells)		
Drilling	270-290	310-330
Completing	270-290	310-330
Put on Production	300-320	330-350

1H19 Activity – Drilling Rigs & Frac Crews

Total	1Q19	2Q19
Avg. Rig Count	33	26
Avg. Frac Crews	8	8

Inventory of Wells Waiting on Completion

Gross Operated



2019 Guidance

Updated as of July 31, 2019

3Q19 Guidance

- 316 MBoepd – 322 MBoepd
- Expect consistent oil mix 2H19 vs. 1H19 (63%)
- Expect natural gas price realization to trend towards low end of FY19 range

	2019 Guidance
Production	
Total production growth	23% - 27%
Oil production growth	22% - 26%
Price realizations, excluding commodity derivatives	
Oil differential (per Bbl) (Relative to NYMEX - WTI; excludes Midland-Cushing basis differential)	($2.00) - ($2.50)
Natural gas (per Mcf) (% of NYMEX - Henry Hub)	60% - 80%
Operating costs and expenses ($ per Boe, unless noted)	
Lease operating expense and workover costs	$6.00 - $6.50
Gathering, processing and transportation	$0.85 - $0.95
Oil and natural gas taxes (% of oil & natural gas revenues)	7.60%
General and administrative ("G&A") expense:	
Cash G&A expense	$2.20 - $2.40
Non-cash stock-based compensation	$0.70 - $0.90
DD&A	$15.75 - $16.25
Cash exploration and other	$0.25 - $0.50
Interest expense ($mm):	
Cash	$200 - $220
Non-cash	$6
Income tax rate (%)	22%
Capital program ($bn)	$2.8 - $3.0

Note: The Company's capital program guidance excludes acquisitions. All guidance is subject to change without notice depending upon a number of factors, including commodity prices, industry conditions and other factors that are beyond the Company's control.