CONCHO

Raymond James
North American Equities Conference

September 2020

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,” “enable,” “strategy,” “intend,” “foresee,” “positioned,” “plan,” “will,” “guidance,” ”maximize,” “outlook,” “goal,” “strategy,” “target,” “emerge,” “focus” or other similar expressions 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, future market conditions, the impact of the COVID-19 pandemic and the actions taken by regulators and third parties in response to such pandemic and other factors believed to be appropriate. Forward-looking statements and historical results are not guarantees of future 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”). In particular, the unprecedented nature of the current economic downturn, pandemic and industry decline may make it particularly difficult to identify risks or predict the degree to which identified risks will impact the Company's business and financial condition. 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 Sustainability Report, is not part of this presentation. These other materials are subject to additional cautionary statements regarding risks and forward looking information.

To supplement the presentation of the Company’s financial results prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation contains certain financial measures that are not prepared in accordance with GAAP, such as operating cash flow before working capital changes, free cash flow (“FCF”) and net debt. See the appendix for the descriptions and reconciliations of these non-GAAP measures presented in this presentation to the most directly comparable financial measures calculated in accordance with GAAP. For future periods, the Company is unable to provide reconciliations of free cash flow and net debt to the most comparable GAAP financial measures because the information needed to reconcile these measures is dependent on future events, many of which are outside management's control. Additionally, estimating free cash flow and net debt to provide a meaningful reconciliation consistent with the Company's accounting policies for future periods is extremely difficult and requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward-looking estimates of free cash flow and net debt are estimated in a manner consistent with the relevant definitions and assumptions noted herein.

Cautionary Statement Regarding Production Forecasts and Other Matters

Concho’s guidance and outlook regarding future performance, including production forecasts and expectations for future periods and statements regarding drilling inventory, are dependent upon many assumptions, including estimates of commodity prices, market conditions, production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by a prolonged period of low commodity prices, further commodity price declines or drilling cost increases or other factors that are beyond Concho’s control. Statements regarding well inventory or drilling locations do not guarantee the number or location of wells that will actually be drilled or producing in the future.

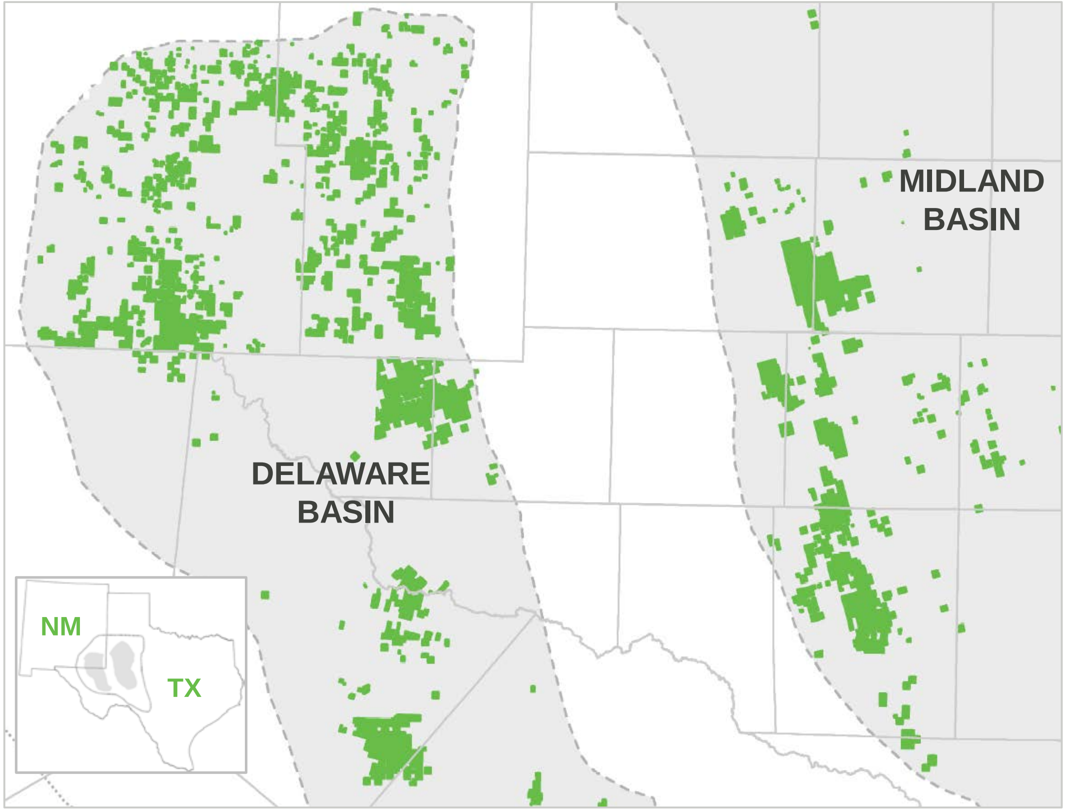
Disclaimer

Concho does not assume or confirm the estimates of future performance provided by sell-side research firms. The information about Concho’s peers and other companies included has not been independently verified and is presented for illustrative purposes only.

Concho Resources

Our Position in the Permian Basin

800,000 gross (550,000 net) acres



CXO Acreage

Key Messages

Focusing on free cash flow, capital discipline & emerging stronger

Prioritizing health & safety of employees & communities

Capturing sustainable cost efficiencies

Delivering exceptional performance

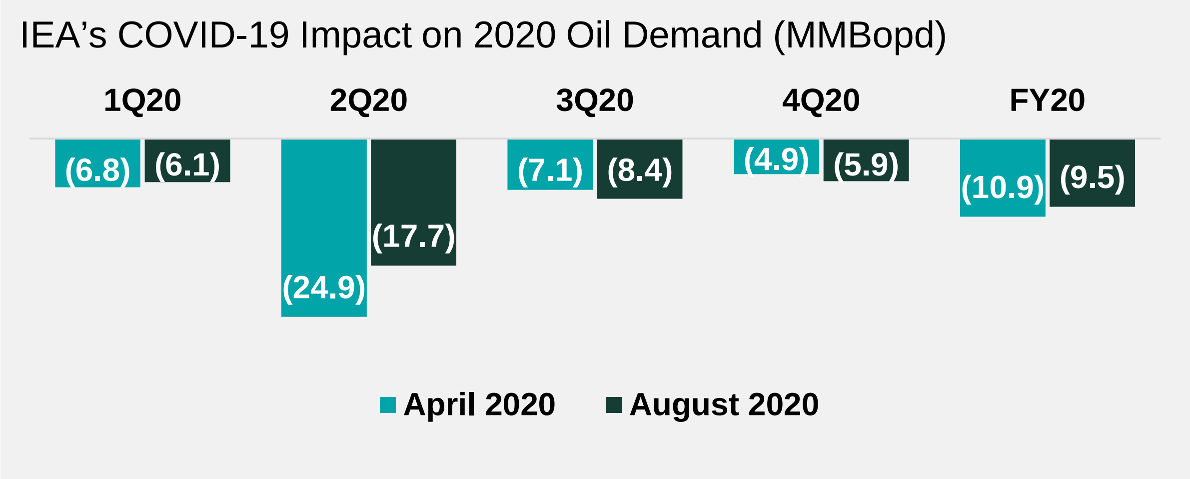
Strengthening our balance sheet

Well positioned to win the contraction & the recovery

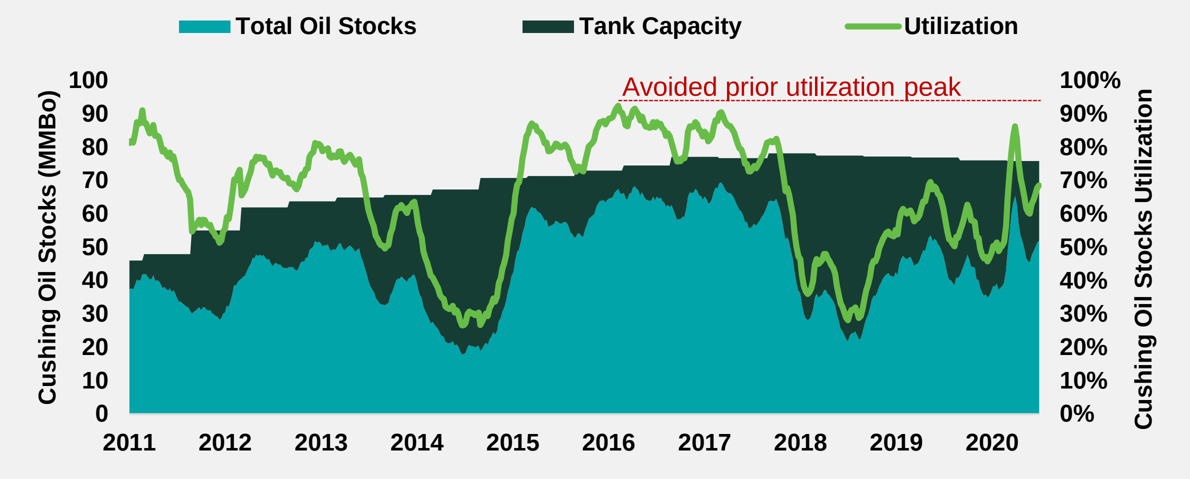
CXO acreage as of December 31, 2019.

Macro Indicators

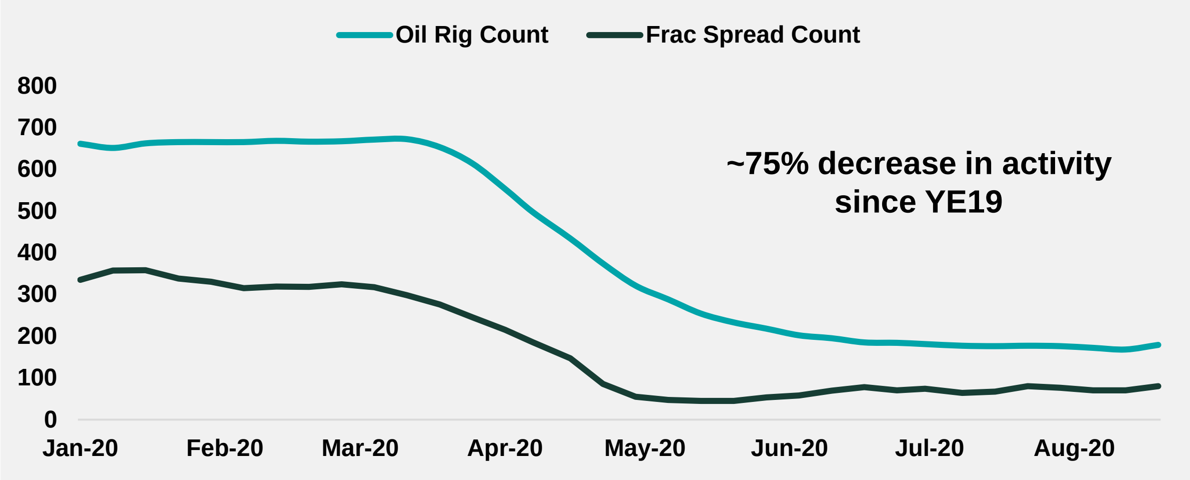
Demand Recovery Fragile



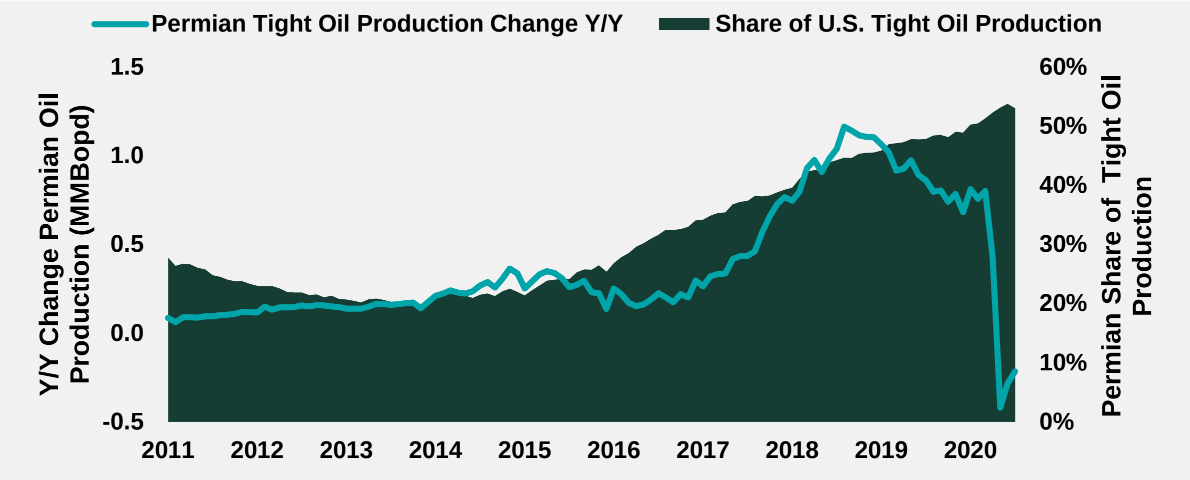
Oil Inventories Normalizing



U.S. Rig & Completion Activity Declining



Permian Production Rolling Over



Source: Baker Hughes, Bloomberg, EIA, IEA.

Concho's Strategy Is Our Competitive Advantage

The Core Principles of Our Strategy…

1 TEAM

- Build a great team
- Invest in their safety & development

2 ASSETS

- Invest in high-margin assets
- Actively manage portfolio

3 RETURNS

- Generate strong, full-cycle returns
- Drive capital efficiency improvements

4 BALANCE SHEET

- Prioritize balance sheet strength
- Protect financial position with hedges

…Provide Resilience

› Valuable hedge position mitigates cash flow volatility

› Strong financial position

› Significant operational & capital flexibility

…and Inform Our Priorities

› Generate free cash flow

› Maintain financial strength

› Return capital to shareholders

› Preserve operational capacity & high-quality inventory

What We Promised, What We Delivered

Our Commitments	A Year Ago	Our Progress
Lower Well Costs ($/ft)	$1,200 Delaware | $830 Midland	<$800 (↓33%) Delaware | <$650 (↓22%) Midland
Reduce controllable costs	$10.03/Boe	$7.49/Boe (↓25%)
Improve Capital Efficiency	$33k **FY19e Cost to Add Bopd**	$19k (↓42%) **FY20e Cost to Add Bopd**
Sell Non-Core Assets	Oryx Sale & Distribution ~$457mm	Sold Shelf for $925mm **$1.3bn FY19 Divestitures**
Maintain Strong Balance Sheet	$4.3bn Net Debt	$3.6bn Net Debt (↓16%)
Generate Sustainable FCF	Negative FCF of $113mm	FCF+ 4 Consecutive Quarters **$700mm Aggregate FCF**
Increase Returns to Shareholders	$0.125/sh Quarterly Dividend	$0.20/sh Quarterly Dividend (↑60%) $350mm Buyback (40% Shelf Proceeds)

Well costs refer to the cost to drill, complete and equip (DC&E) a well on a per-foot basis for a Delaware Basin Wolfcamp A well and a Midland Basin Lower Spraberry well; costs reflect authorization for expenditure. Controllable costs for 2Q19 and 2Q20 include oil and natural gas production expenses (consisting of lease operating and workover expenses), general and administrative expenses (which excludes non-cash stock-based compensation) and interest expense. Free cash flow (FCF) and net debt are non-GAAP measures. See appendix for definitions and reconciliations to GAAP measures.

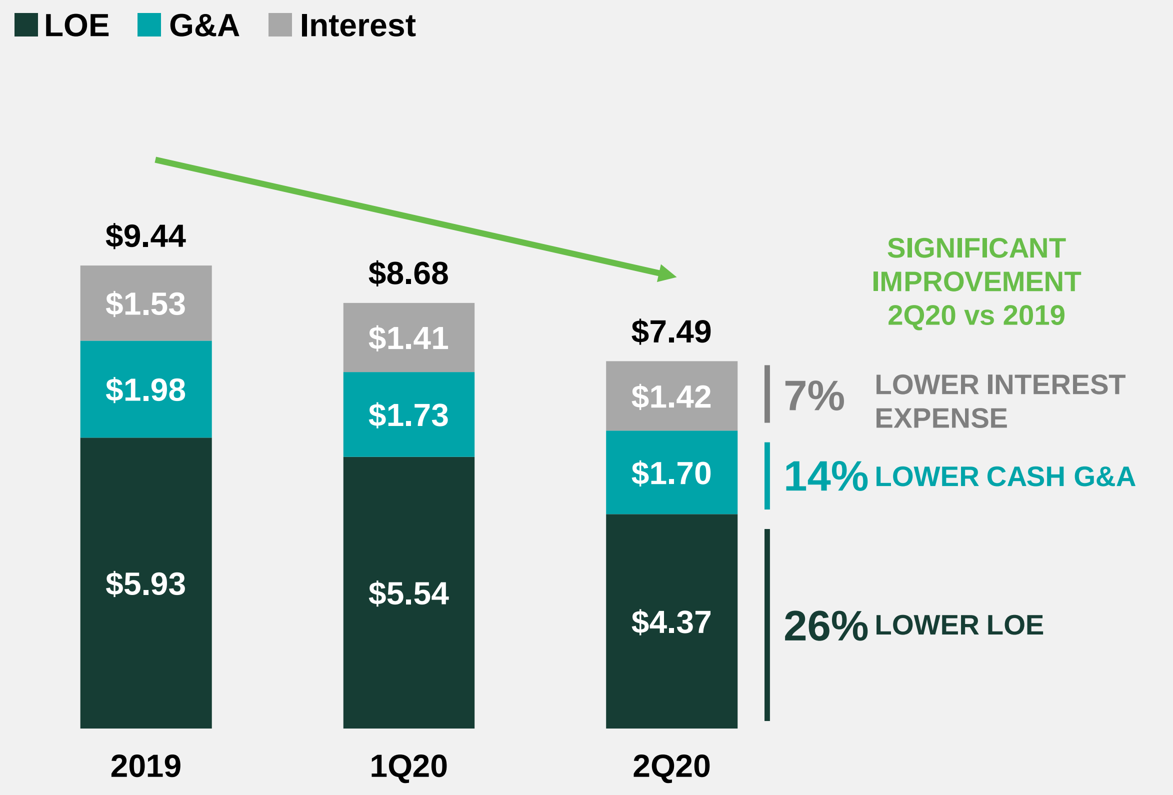
Resilient Performance in an Exceptionally Challenging Environment

Achieving sustainable cost efficiencies	Capturing operational efficiencies & reducing cycle times
Delivering exceptional performance	Improving well productivity & achieving near-term targets
Strengthening our balance sheet	Reducing interest expense & extending maturity profile
Accelerating the strategy, positioning to win	FCF providing valuable optionality in current environment

Free cash flow (FCF) is a non-GAAP measure. See appendix for definition and reconciliation to GAAP measure.

Driving Our Cost Structure Lower

Controllable Costs ($/Boe)



Cost Initiatives Support FCF Generation

› **Capturing sustainable cost efficiencies**

- Labor & supply chain costs decreasing
- Optimizing well maintenance activity
- Reducing water handling cost
- Reducing long-term debt & interest expense

› **Expect FY20 controllable costs to average <$8.40 per Boe**

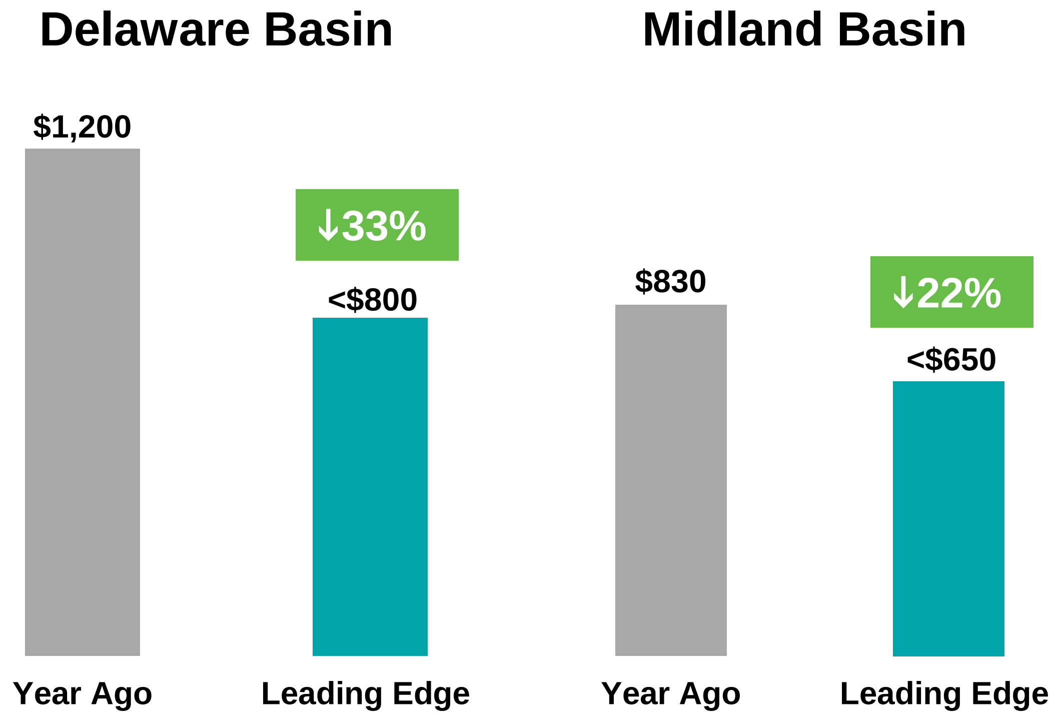
***Further* increasing 2020 controllable cost reduction target to >$150mm, up from $100mm at the start of the year**

Capturing sustainable cost efficiencies | **Delivering exceptional performance** | **Strengthening our balance sheet** | **Positioning to win**

Controllable costs include oil and natural gas production expenses (consisting of lease operating and workover expenses), general and administrative expenses (which excludes non-cash stock-based compensation) and interest expense.

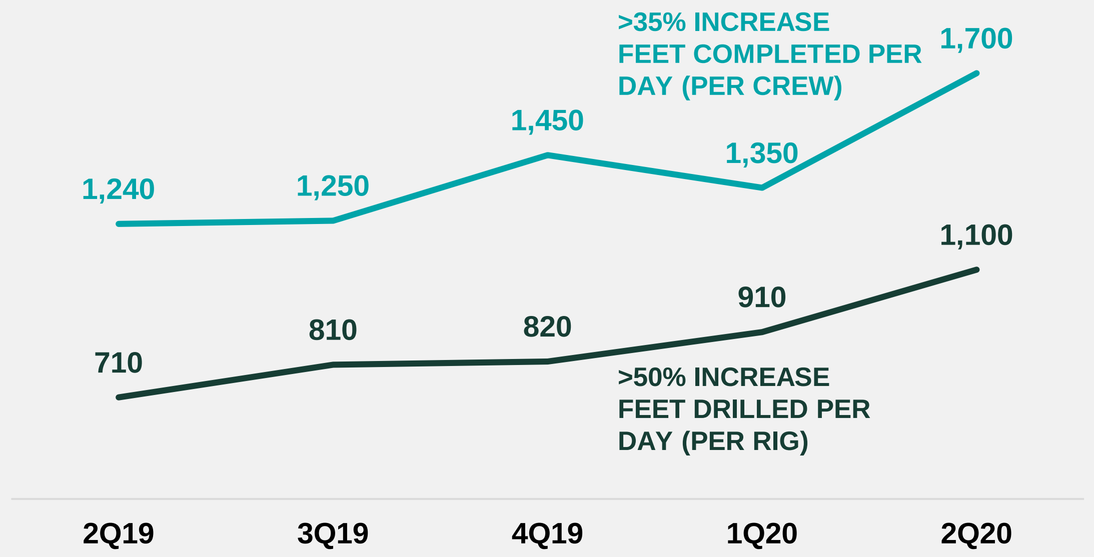
Reducing Well Costs

DC&E Costs ($/ft)



Operational Efficiencies

Improving Cycle Times



FY20 total program DC&E target <$800 per foot

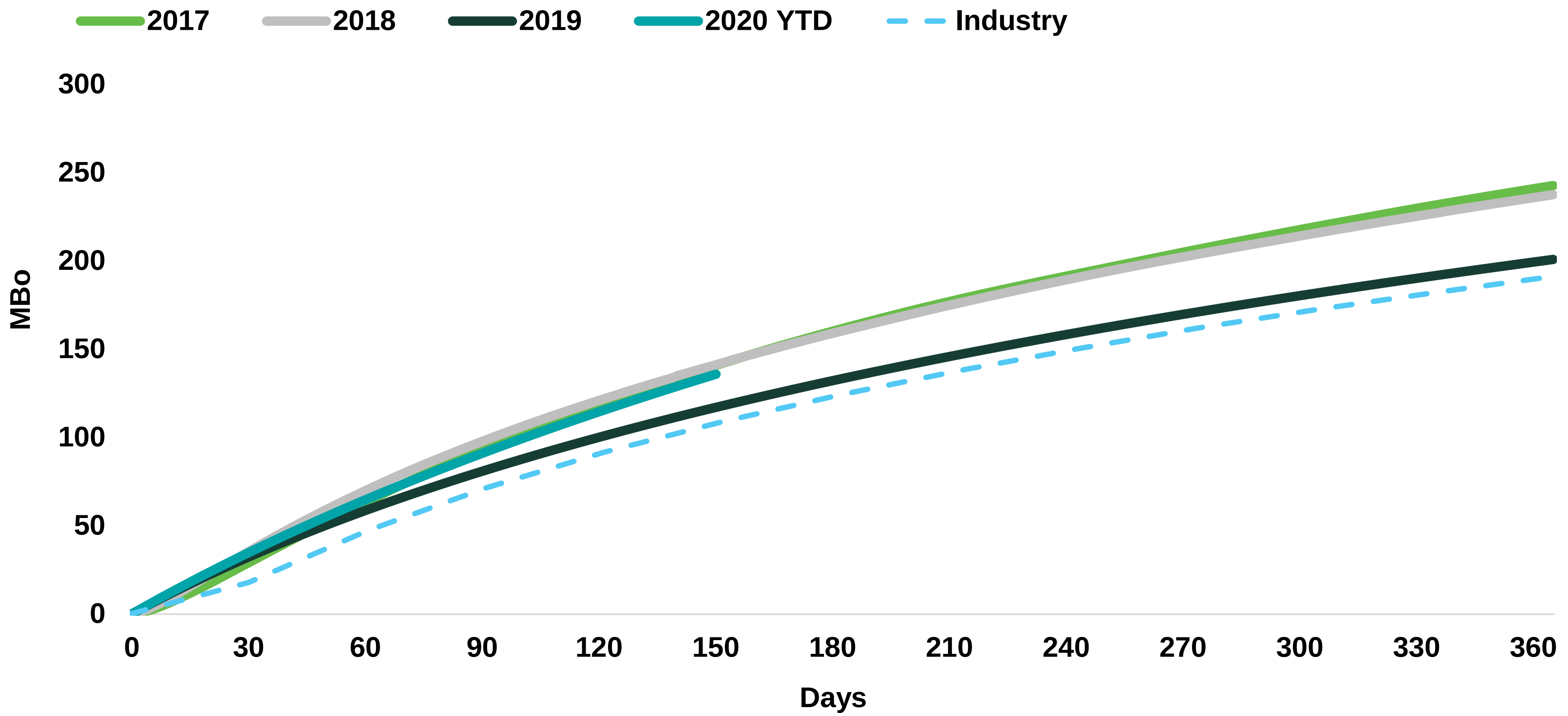
Capturing sustainable cost efficiencies	Delivering exceptional performance	Strengthening our balance sheet	Positioning to win

DC&E costs refer to the cost to drill, complete and equip a well on a per foot basis for a Delaware Basin Wolfcamp A well and a Midland Basin Lower Spraberry well; costs reflect authorization for expenditure.

Lower Well Costs & Better Well Productivity Improving Capital Efficiency

2020 Well Productivity In Line with Historical Performance & Exceeding Industry Average

Avg. Cumulative Oil Production per Well (MBo)



- Well costs on track to decrease ~40% vs 2018
- Well productivity improving
- Enables us to maintain production base on lower levels of capital

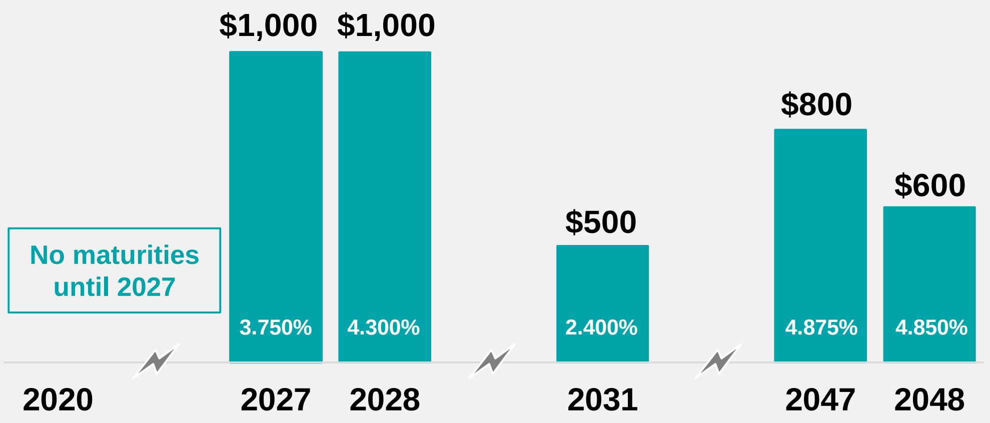
Capturing sustainable cost efficiencies	Delivering exceptional performance	Strengthening our balance sheet	Positioning to win

Cumulative oil production normalized to 10,000'. Industry average sourced from Enverus; industry data covers total Permian Basin as of 8/4/2020.

Strengthening Our Balance Sheet

Industry Leading Balance Sheet

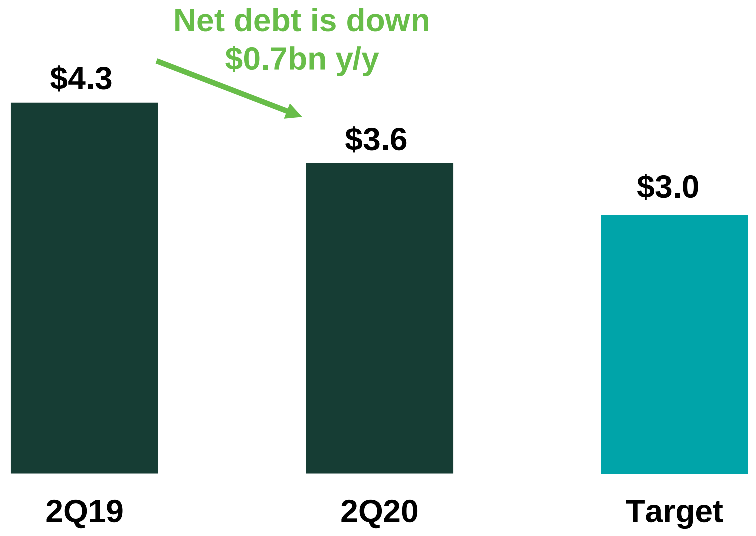
Debt maturity profile ($mm)



- Long-dated maturity profile with investment grade ratings
- Recent $500mm bond issuance at 2.4% interest rate
  - Extends average maturity to 15 years (previously 14 years)
  - Reduces average coupon to 4.1% (previously 4.4%)
  - Deleverages balance sheet by $100mm & results in ~$14mm annual interest savings

Targeting Reduction in Net Debt

Net debt ($bn)



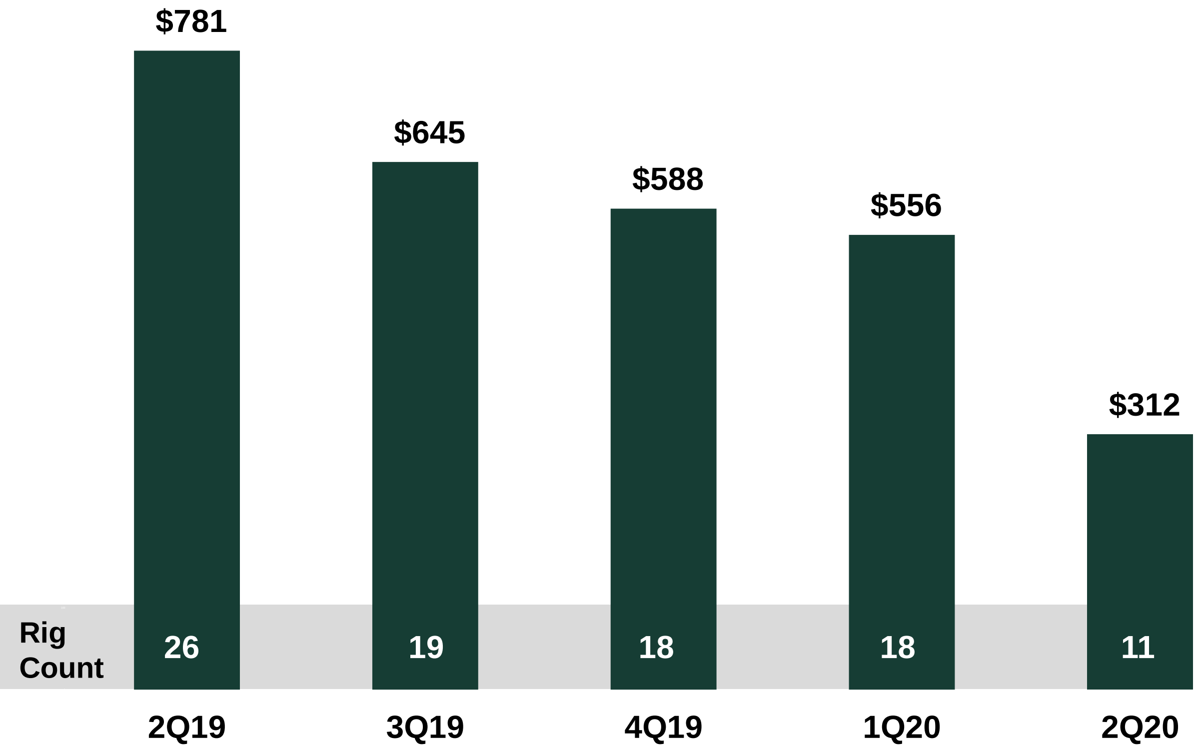
Targeting $0.6bn reduction in net debt – *goal is not mutually exclusive with increasing shareholder returns*

Capturing sustainable cost efficiencies | **Delivering exceptional performance** | **Strengthening our balance sheet** | **Positioning to win**

Net debt is a non-GAAP measure. See appendix for definition and reconciliation to GAAP measure.

Prudently & Dynamically Managing Capital Program

Capital Spending ($mm)



2Q20 Capital Spend

› Averaged 11 rigs & 4 completion crews

› DC&E costs benefitting from better efficiencies with 2Q20 costs below $800 per foot

Outlook

› Plan to average ~8 rigs & ~4 completion crews 2H20

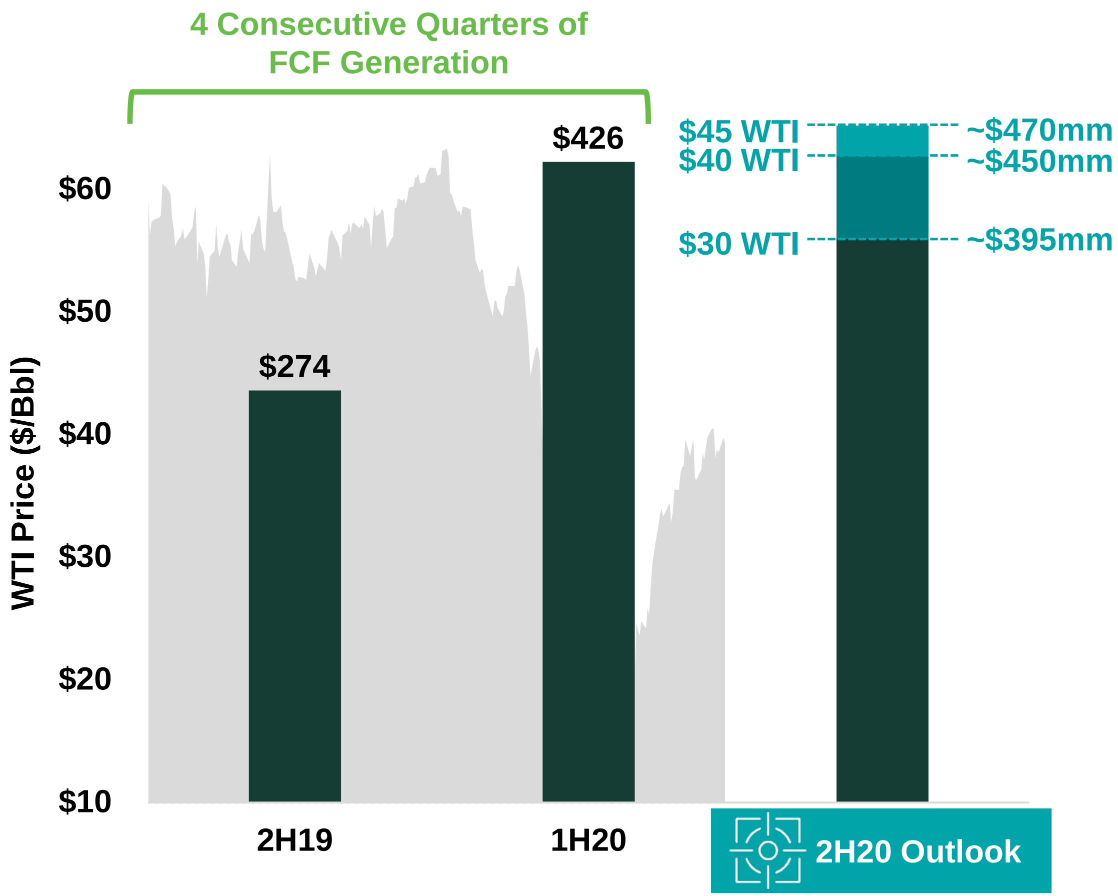
› No change to FY20 capital outlook of $1.6bn

Capturing sustainable cost efficiencies | **Delivering exceptional performance** | **Strengthening our balance sheet** | **Positioning to win**

DC&E cost refers to the cost to drill, complete and equip a well.

Capital Discipline Supports Strong FCF Outlook for 2020+

Free Cash Flow Generation ($mm)



Near-Term Capital Investment Framework

- Generate FCF & remain disciplined with capital investment
- Free cash to accrue to balance sheet & shareholders
- Reduce net debt to $3bn

- Plan around conservative commodity prices
- Maintain operational capacity
- Generate FCF

- Financial strength & hedge book provide flexibility
- Adjust capital program to market conditions with a focus on FCF

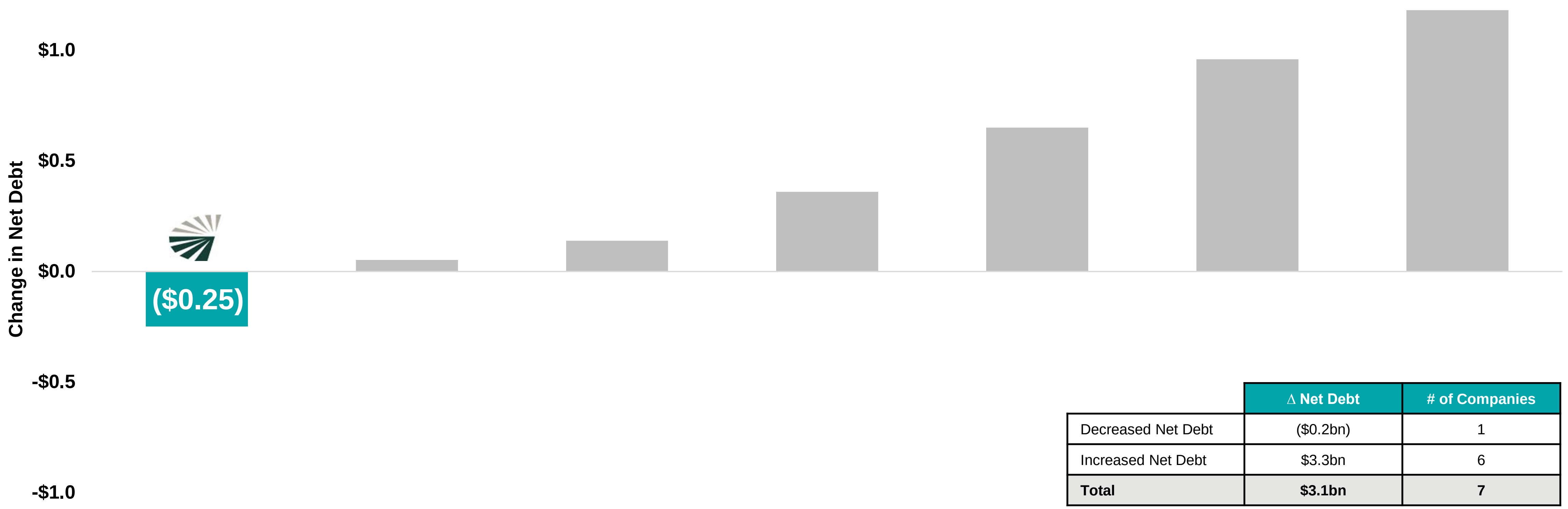
Capturing sustainable cost efficiencies	Delivering exceptional performance	Strengthening our balance sheet	Positioning to win

FCF and net debt are non-GAAP measures. See appendix for definitions and reconciliations to GAAP measures.

Change in Net Debt A Good Proxy for Real FCF Generation

YTD Change in Net Debt Across Peers ($bn)

6/30/20 vs. 12/31/19



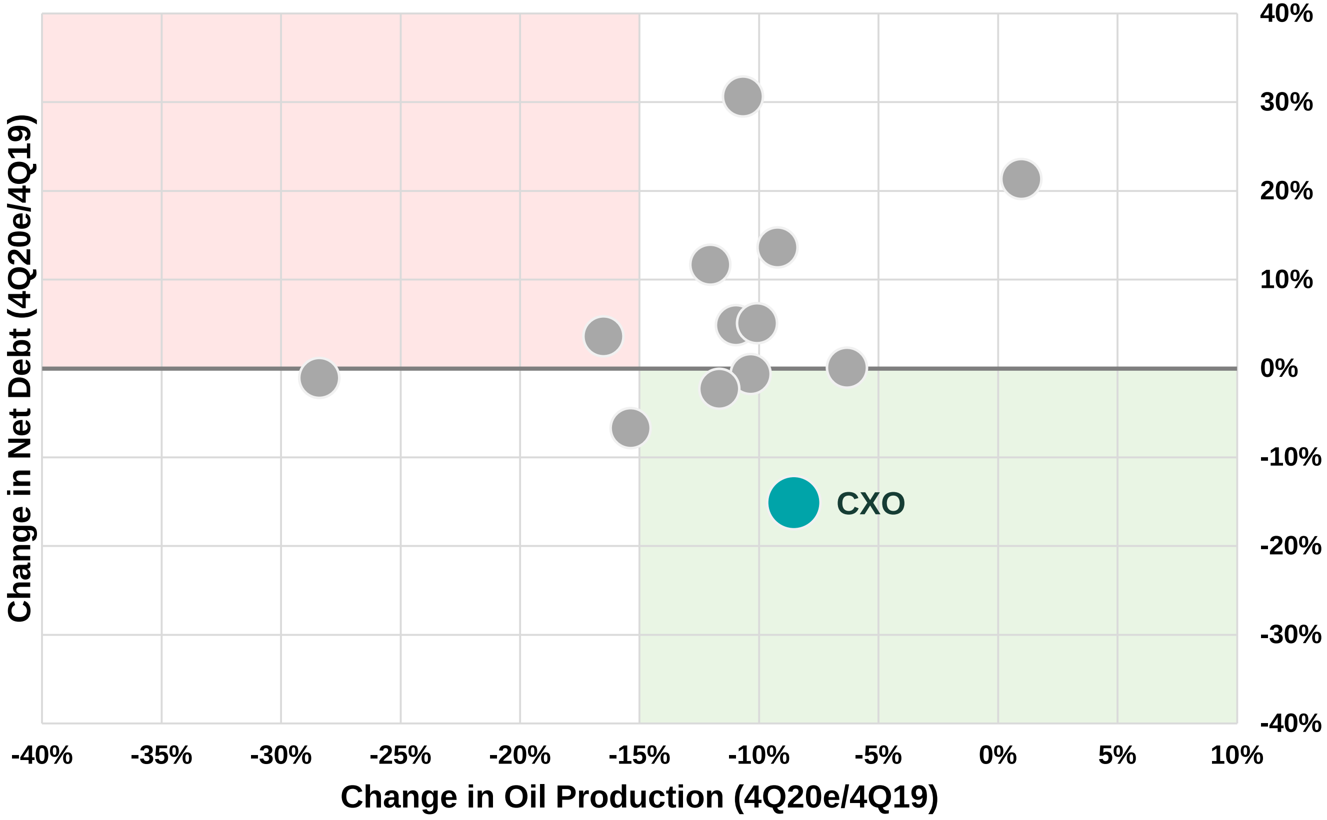
	∆ Net Debt	# of Companies
Decreased Net Debt	($0.2bn)	1
Increased Net Debt	$3.3bn	6
Total	**$3.1bn**	**7**

Capturing sustainable cost efficiencies | **Delivering exceptional performance** | **Strengthening our balance sheet** | **Positioning to win**

Source: Public filings. For the purposes of this chart, net debt is calculated as long-term debt plus short-term debt less cash, cash equivalents and short-term investments. Long-term debt and short-term debt are unadjusted for acquisitions. Companies include: COP, EOG, FANG, PE, PXD and XEC.

Maintaining Operational Momentum While Reducing Leverage

Change in Net Debt vs. Change in Oil Production Exit Rate (4Q20e/4Q19)



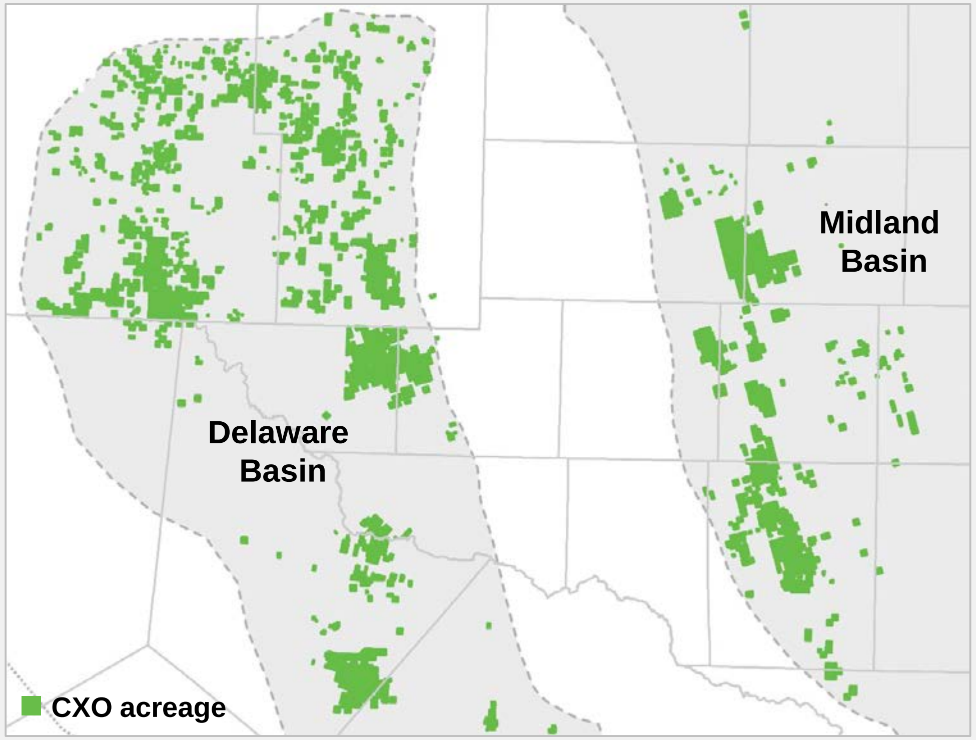
› **CXO has best combination of stabilizing oil volumes and improving financial position**

Capturing sustainable cost efficiencies | **Delivering exceptional performance** | **Strengthening our balance sheet** | **Positioning to win**

Source: BMO Capital Markets (August 2020); public filings. Net debt (which is calculated as long-term debt plus short-term debt less cash, cash equivalents and short-term investments) and production values pro forma for acquisitions and divestitures. Peers include: APA, CLR, COG, COP, DVN, EOG, FANG, HES, MRO, OXY, PE, PXD and XEC.

Federal Acreage Exposure

High-Quality Growth Platform…



› **Total position spans 800,000 gross (550,000 net) acres**
- Delaware Basin position covers 520,000 gross (350,000 net) acres
- Midland Basin position covers 280,000 gross (200,000 net) acres

…Spans the Delaware & Midland Basins with Manageable Federal Acreage Exposure

› **High-quality acreage position across the core fairways in the Delaware and Midland Basins**
- ~20% of the Company's net acreage position is on federal lands
- ~30% of capital program directed to the Company's federal leasehold
- Flexibility to redirect capital without diminishing drilling program returns

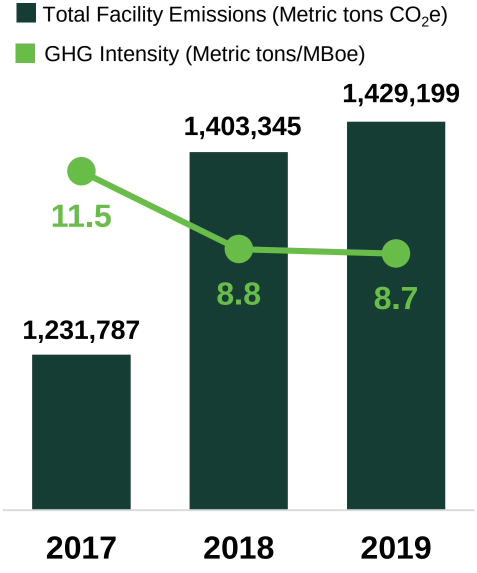
› **Helping create jobs and economic opportunity**
- Oil & gas development is an important economic driver for New Mexico
- New Mexico received a record $3.1bn in oil & gas revenues in 2019, up more than $0.9bn y/y & contributing to nearly 40% of the State's General Fund

CXO acreage as of 12/31/2019.

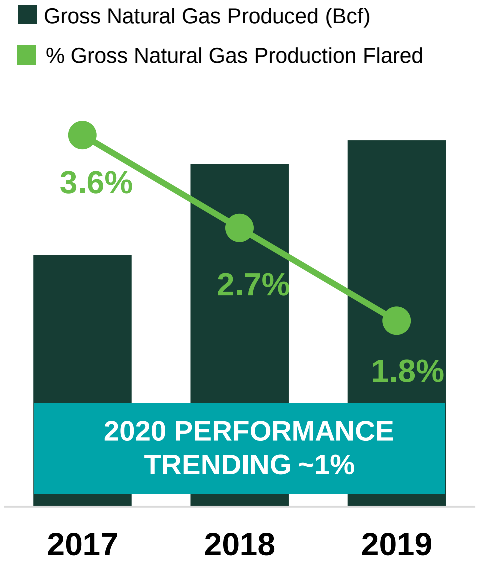
Advancing Sustainability Progress

Reducing Emissions & Flaring

Total GHG Emissions

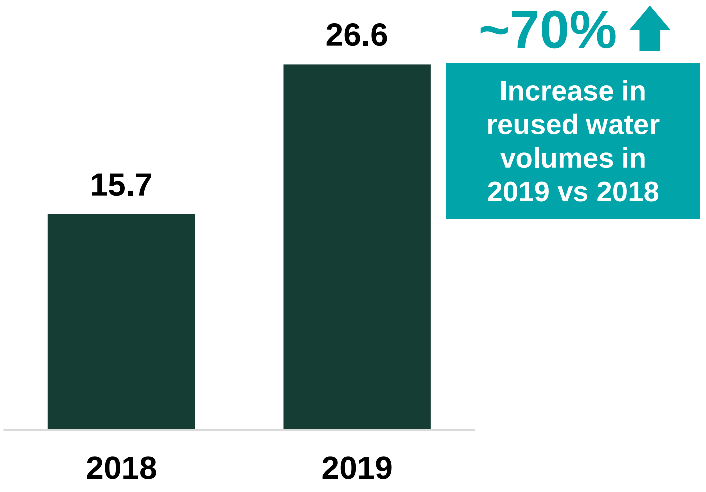


Flaring Performance



Increasing Water Recycling

Reused Water Volumes (MMBbls)



2020 Sustainability Report

www.concho.com/sustainability

Investing in Our Team & Communities

$5mm

Contributed more than $5 million to Permian Basin communities during 2019

$100k

Donated $100,000 to the West Texas Food Bank for COVID-19 relief

Note: Reused water volumes include reclaimed wastewater & treated produced water.

Oil market indicators have strengthened, although uncertainty regarding global oil supply & demand persists

We continue to execute from a position of strength, with continued focus on what we can control: generating FCF, maintaining capital discipline & emerging stronger

OUR PRIORITIES

- Generate free cash flow
- Maintain financial strength
- Return capital to shareholders
- Preserve operational capacity & high-quality inventory

Appendix

Reconciliation of Net Cash Provided by Operating Activities to Operating Cash Flow Before Working Capital Changes and to Free Cash Flow

Non-GAAP reconciliation

The Company provides OCF before working capital changes, which is a non-GAAP financial measure. OCF before working capital changes represents net cash provided by operating activities as determined under GAAP without regard to changes in operating assets and liabilities, net of acquisitions and dispositions as determined in accordance with GAAP. The Company believes OCF before working capital changes is an accepted measure of an oil and natural gas company's ability to generate cash used to fund development and acquisition activities and service debt or pay dividends. Additionally, the Company provides free cash flow, which is a non-GAAP financial measure. Free cash flow is cash flow from operating activities before changes in working capital in excess of additions to oil and natural gas properties. The Company believes that free cash flow is useful to investors as it provides a measure to compare both cash flow from operating activities and additions to oil and natural gas properties across periods on a consistent basis.

The Company previously defined free cash flow for periods prior to 2020 as cash flow from operating activities before changes in working capital in excess of exploration and development costs incurred. Exploration and development costs incurred include those costs that are capitalized or charged to expense such as geological and geophysical costs and capitalized asset retirement costs. The Company's new calculation better aligns with the way its industry peers compute free cash flow and can be derived directly from line items appearing on the Company's statement of cash flows.

These non-GAAP measures should not be considered as alternatives to, or more meaningful than, net cash provided by operating activities as an indicator of operating performance.

The following tables provide a reconciliation from the GAAP measure of net cash provided by operating activities to OCF before working capital changes and to free cash flow:

	Three Months Ended					Six Months Ended	
	June 30,	March 31,	December 31,	September 30,	June 30,	June 30,	
(in millions)	2020	2020	2019	2019	2019	2020	2019
Net cash provided by operating activities	$ 689	$ 836	$ 769	$ 665	$ 779	$ 1,525	$ 1,402
Changes in cash due to changes in operating assets and liabilities:							
Accounts receivable	(223)	(122)	71	52	(144)	(345)	(33)
Prepaid costs and other	(14)	(2)	1	5	5	(16)	(4)
Inventory	3	(5)	1	(1)	(1)	(2)	(1)
Accounts payable	28	(27)	13	(11)	6	1	(5)
Revenue payable	88	8	(48)	25	3	96	(5)
Other current liabilities	(21)	56	(6)	(29)	20	35	15
Total working capital changes	(139)	(92)	32	41	(111)	(231)	(33)
Operating cash flow before working capital changes	$ 550	$ 744	$ 801	$ 706	$ 668	$ 1,294	$ 1,369

	Three Months Ended					Six Months Ended	
	June 30,	March 31,	December 31,	September 30,	June 30,	June 30,	
(in millions)	2020	2020	2019	2019	2019	2020	2019
Operating cash flow before working capital changes	$ 550	$ 744	$ 801	$ 706	$ 668	$ 1,294	$ 1,369
Additions to oil and natural gas properties	(312)	(556)	(588)	(645)	(781)	(868)	(1,699)
Free Cash Flow	$ 238	$ 188	$ 213	$ 61	$ (113)	$ 426	$ (330)

Net Debt

Non-GAAP reconciliation

The Company defines net debt as debt less cash and cash equivalents. Net debt should not be considered an alternative to, or more meaningful than, total debt, the most directly comparable GAAP measure. Management uses net debt to determine the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand. The Company believes this metric is useful to analysts and investors in determining the Company's leverage position because the Company has the ability to, and may decide to, use a portion of its cash and cash equivalents to reduce debt.

(in millions)	June 30, 2020	December 31, 2019	June 30, 2019
Long-term debt	$ 3,957	$ 3,955	$ 4,350
Cash and cash equivalents	(320)	(70)	--
Net debt	$ 3,637	$ 3,885	$ 4,350

2Q20 Summary

2Q20 Operational & Financial Highlights

($mm, unless noted)	1Q20	**2Q20**
Oil production (MBopd)	209	**200**
Total production (MBoepd)	*326*	***319***
Realized price ($/Boe)	$31.13	**$16.31**
Operating cash flow (OCF)	$836	**$689**
OCF before working capital changes	$744	**$550**
Capital expenditures	$556	**$312**
FCF	$188	**$238**

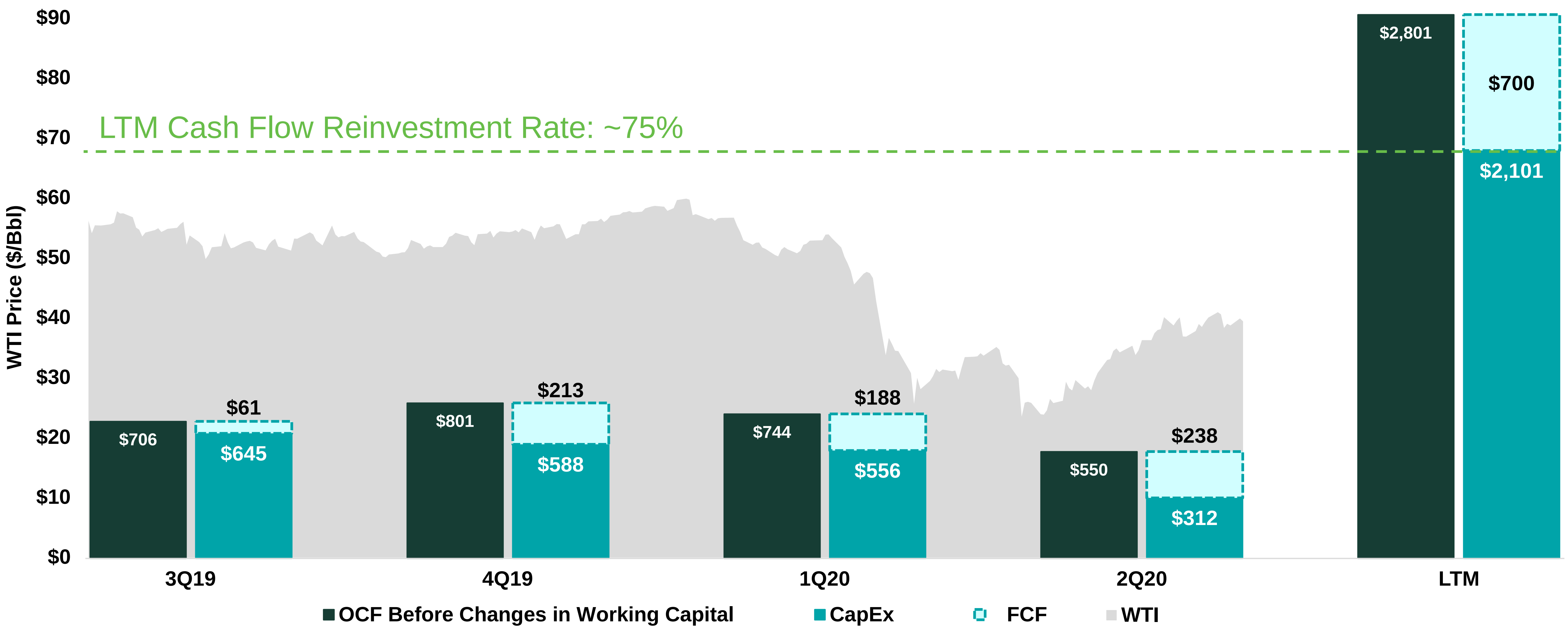
Strong Performance in a Challenging Environment

- **Record quarterly FCF driven by consistent hedging strategy & cost control**
  - OCF before working capital changes includes ~$30mm charge related to the Company's voluntary separation program
- **Net debt of $3.6bn is down $0.7bn y/y**
- **Lower volumes q/q reflects slowdown in activity and curtailing ~5 MBopd (net)**
  - Curtailed volumes largely returned to production
- **Returned capital to shareholders**
  - Dividend of ~$40mm, or $0.20 per share

OCF before working capital changes, FCF and net debt are non-GAAP measures. See appendix for definitions and reconciliations to GAAP measures. Capital expenditures refers to additions to oil & natural gas properties as reported on the Company's statements of cash flows.

Track Record of Capital Discipline

OCF Before Changes in Working Capital vs. CapEx ($mm)



OCF before working capital changes and FCF are non-GAAP measures. See appendix for definitions and reconciliations to GAAP measures. CapEx refers to additions to oil & natural gas properties as reported on the Company's statements of cash flows.

Extensive Development Program

Optimizing multi-zone development

Horizontal Wells Drilled by Zone (Gross Operated)

Delaware Basin

~5,000'

Formation	2009 - 2020 Well Count	2020
Brushy Canyon	23	-
Avalon Shale	154	-
1st Bone Spring	24	-
2nd Bone Spring	407	13
3rd Bone Spring	187	5
Wolfcamp Sands	62	7
Wolfcamp A	366	28
Wolfcamp B	34	-
Wolfcamp C	9	-
Wolfcamp D	39	-
Total	1,305	53

Midland Basin

~3,000'

Formation	2009 - 2020 Well Count	2020
Middle Spraberry	57	8
Jo Mill	11	2
Lower Spraberry	189	33
Wolfcamp A	134	5
Wolfcamp B	147	11
Wolfcamp C	9	-
Wolfcamp D	3	-
Total	550	59

Depth, quality & scale of development inventory a competitive advantage

Hedge Position

Updated as of July 29, 2020

	2020			2021	2022
	3Q	4Q	Total	Total	Total
Oil Price Swaps - WTI[1]:					
Volume (MBbl)	14,147	12,116	26,263	32,482	6,969
Price per Bbl	$ 52.22	$ 53.50	$ 52.81	$ 46.89	$ 41.38
Oil Price Swaps - Brent[2]:					
Volume (MBbl)	2,756	2,477	5,233	6,023	1,095
Price per Bbl	$ 49.75	$ 49.11	$ 49.45	$ 40.82	$ 45.55
Oil Basis Swaps[3]:					
Volume (MBbl)	13,054	11,192	24,246	30,657	6,570
Price per Bbl	$ (0.57)	$ (0.69)	$ (0.62)	$ 0.50	$ 0.25
WTI Oil Roll Swaps[4]:					
Volume (MBbl)	2,303	4,876	7,179	730	-
Price per Bbl	$ (0.20)	$ (0.20)	$ (0.20)	$ (0.18)	$ -
Natural Gas Price Swaps[5]:					
Volume (BBtu)	35,858	34,938	70,796	97,600	36,500
Price per MMBtu	$ 2.41	$ 2.44	$ 2.42	$ 2.50	$ 2.38
Natural Gas Basis Swaps - HH/EPP[6]:					
Volume (BBtu)	27,285	26,370	53,655	83,030	36,500
Price per MMBtu	$ (0.94)	$ (0.95)	$ (0.94)	$ (0.68)	$ (0.72)
Natural Gas Basis Swaps - HH/WAHA[7]:					
Volume (BBtu)	8,590	8,280	16,870	25,550	7,300
Price per MMBtu	$ (1.00)	$ (1.03)	$ (1.02)	$ (0.80)	$ (0.85)
Propane Price Swaps[8]:					
Volume (gal)	46,326	50,232	96,558	-	-
Price per gal	$ 0.52	$ 0.52	$ 0.52	$ -	$ -

Explanatory Notes

[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. These contracts are settled on a calendar-month basis.

[4] These oil derivative contracts are settled based on differentials between the NYMEX – WTI prices for certain futures contracts.

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

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

[7] The basis differential price is between NYMEX – Henry Hub and WAHA.

[8] These contracts are settled based on the OPIS Mont Belvieu Propane (non-TET) calendar-month average futures price.

Outlook

Updated as of September 2, 2020

- **As previously disclosed, the Company's prior annual guidance is no longer applicable given continued uncertainty associated with the COVID-19 pandemic**
- **Under current assumptions, the Company expects:**

FY20 oil production	197 MBopd
FY20 capital spending	$1.6bn
2H20 controllable costs (per quarter)	$240mm
2H20 oil & gas production taxes	8-10% of O&G revenues

FY20 operated activity (gross)	
Drilled	180 – 200
Completed	210 – 230
Put on production	190 – 210

The Company's capital program guidance excludes acquisitions. Controllable costs include oil and natural gas production expenses (consisting of lease operating and workover expenses), general and administrative expenses (which excludes non-cash stock-based compensation) and interest expense. The Company's outlook speaks only as of the date of this presentation and is subject to change without notice depending upon a number of factors, including commodity prices, industry conditions, changes in the capital program and other factors that are beyond the Company's control. The Company undertakes no obligation to update its outlook.