CONCHO

Investor Presentation

March 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," 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.

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, operating cash flow before working capital changes and free cash flow ("FCF"). 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 a reconciliation of free cash flow to the most comparable GAAP financial measure because the information needed to reconcile this measure is dependent on future events, many of which are outside management's control. Additionally, estimating free cash flow 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 are estimated in a manner consistent with the relevant definitions and assumptions noted above and herein.

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.

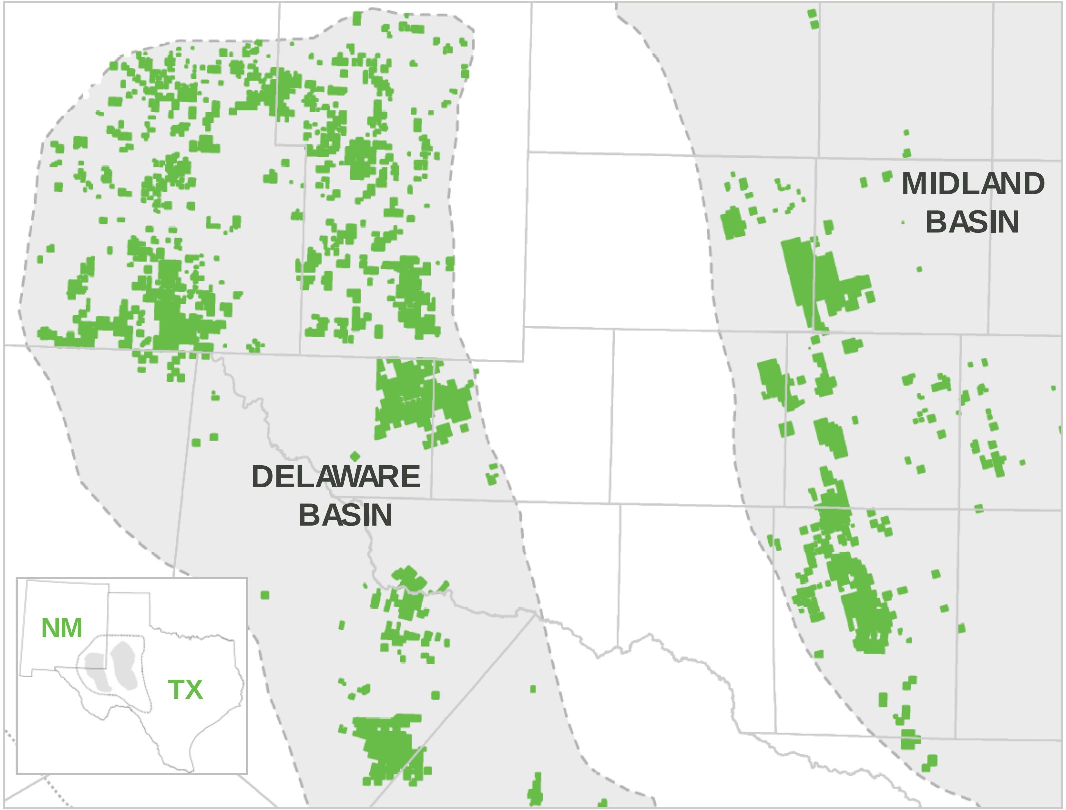
In this presentation, proved reserves attributable to the Company at December 31, 2019 are estimated utilizing SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices of $52.19 per Bbl of oil and $2.58 per MMBtu of natural gas.

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 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

Our Position in the Permian Basin

800,000 gross (550,000 net) acres



■ CXO Acreage

Well Positioned to Deliver Growth & Returns

› High-quality asset portfolio
  - Sustainable, long-term growth platform in the Midland & Delaware Basins

› Driving cost savings and efficiencies

› Free cash flow outlook for 2020 supports return of capital

› Commitment to financial discipline

Our Strategy

› Building a great **team**

› Investing in high-margin **assets**

› Generating high-quality **returns**

› Maintaining a strong **financial position**

CXO acreage as of December 31, 2019. Free cash flow (FCF) is a non-GAAP measure. See appendix for a definition and reconciliation to GAAP measure.

4Q19 Summary

Key messages

Delivering growth & lower costs

- Production exceeded high end of guidance
- Continued reduction of DC&E costs
- Achieved controllable cost target 1 year early

Driving strong free cash flow

- 2020 capital program expected to deliver ~$350mm in FCF at $50/Bbl WTI
- Hedging program designed to protect cash flow

Strengthening investment case

- Repurchased $250mm shares in 4Q19
- 60% increase in quarterly dividend to $0.20 per share in 1Q20

Growing sustainably

- Continuous improvement in emissions reduction
- Published climate risk report using the TCFD framework

2020 Outlook

Growing margins

Growing free cash flow

Growing distributions

Advancing sustainability progress

Drill, complete, and equipment (DC&E) costs are for operated activity and include drilling, completion and wellsite equipment. 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. Free cash flow (FCF) is a non-GAAP measure. See appendix for a definition and reconciliation to GAAP measure.

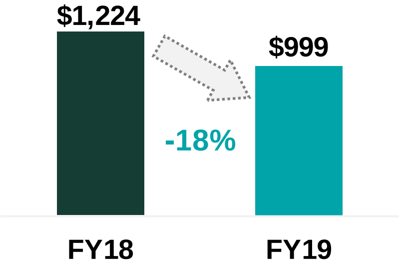
FY19 Summary

Strategic focus resulting in better margins, optimized portfolio & increasing returns

Capital Efficiency

- Execute a returns-based program
- Improve cycle times & reduce well costs

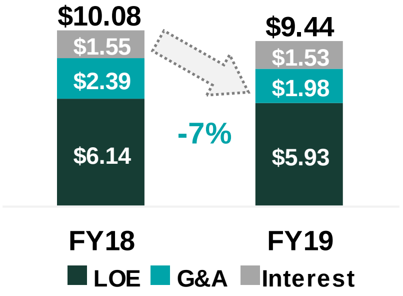
Total Program DC&E Costs
($ per foot)



Margin Expansion

- Capture efficiencies through scale
- $9/Boe controllable cost target for FY20

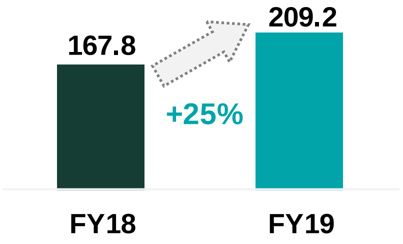
Controllable Costs
($ per Boe)



Sustainable Growth

- Deliver cost-efficient oil growth over the long term
- Long inventory run way

Oil Production
(MBopd)



Portfolio Management

- Sell non-core assets, accelerate cash distribution
- Continuously optimizing portfolio

$1.3bn
Non-core asset sales

- ✓ **Oryx sale generated strong ROI**
- ✓ **New Mexico Shelf asset sale focused portfolio**

Financial Strength

- Exercise capital discipline, maintain strong financial position & flexibility

$500-750mm
Debt reduction target

✓ **Achieved by paying down revolver with proceeds from asset sales**

Shareholder Returns

- Increase shareholder returns with dividend growth & share repurchases

$100mm
FY19 dividends paid

$1.5bn
Share repurchase program

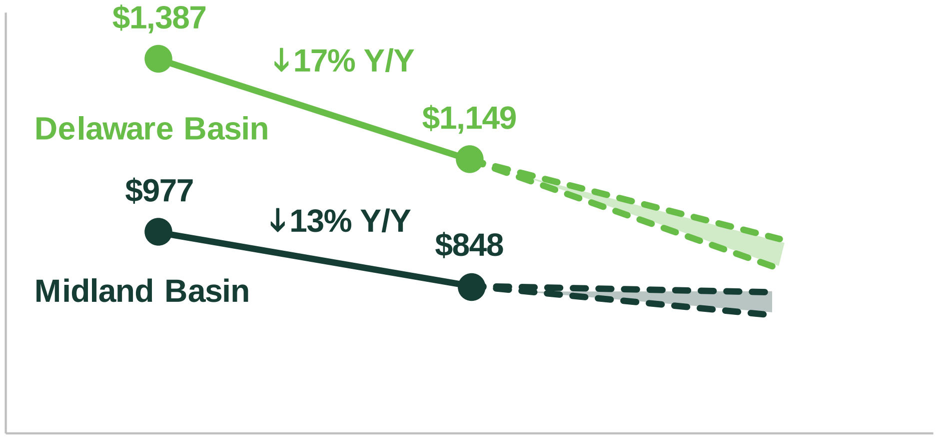
Controllable costs include oil and natural gas production expenses (consisting of lease operating and workover expenses), general and administrative expenses (which excludes non-cash stock-based compensation) and interest expense.

Continuing to Reduce Well Costs

Basin-Level DC&E Costs

($ per Foot)

- Delivered significant well cost savings in 2019
- Focus on continued improvement in 2020+



	FY18	FY19	FY20e
Total Program	**$1,224**	**$999**	**$850 - $900**

Operational Efficiencies

Drilling & completion efficiencies contributing to lower costs

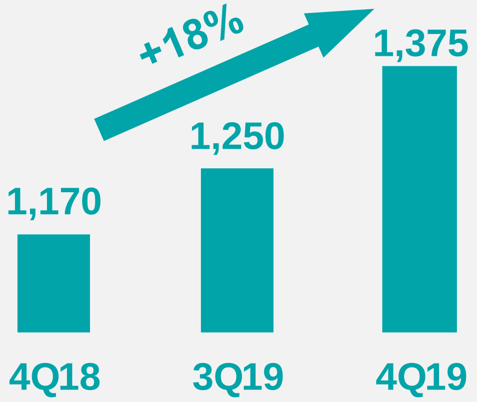
Improving Cycle Times

Drilling more footage per day

- **29% increase 4Q19 vs. 4Q18**
- **Target additional improvement in 2020**

Completion Efficiency

(Avg. Treated Lateral Feet per Day)



Dual Fuel Technology

Cleaner Emissions, Efficient & Cost Effective

50% Dual Fuel Fleets Currently

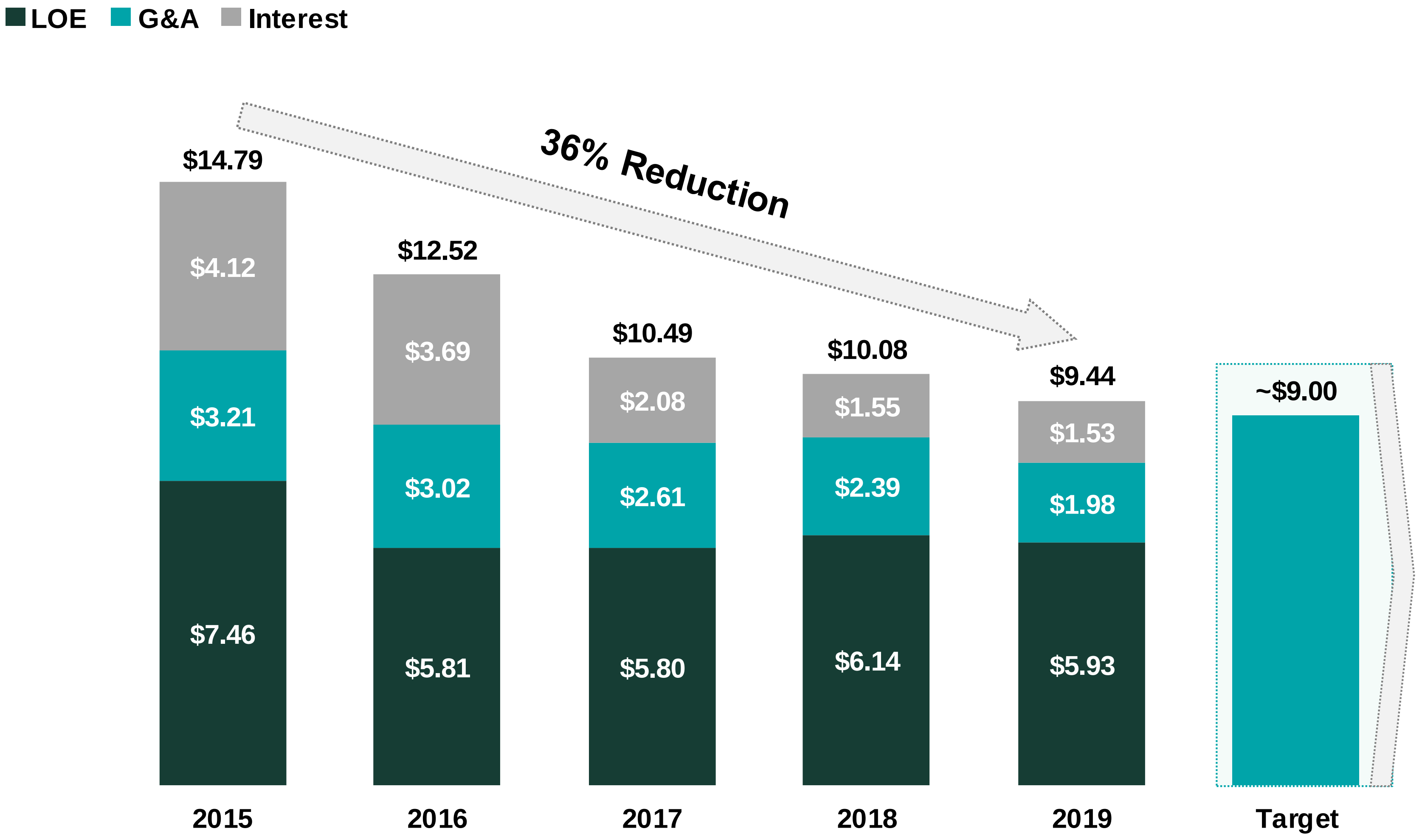
>80% By June 2020

- **~$250k savings/month/fleet**
- **Running one of the only Tier 4 fleets in the Permian Basin**
  - Achieves 80% diesel displacement with cleaner burning natural gas

Achieving Controllable Cost Target

Controllable Costs

Expenses excl. GP&T ($ per Boe)



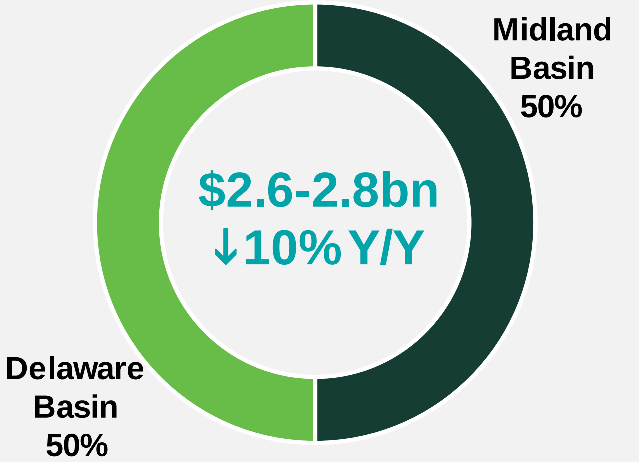
On track to deliver 2020 target of $9 per BOE

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.

2020 Outlook: Capital Allocation to Support Growing Margins

Overview

2020 Capital Program



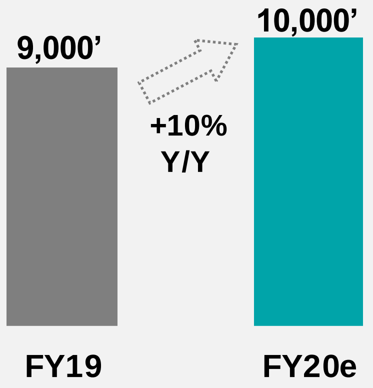
18-20 Rigs

6-7 Crews

280-300 Wells POP

Improving **Operating** Efficiency

Extending Lateral Lengths

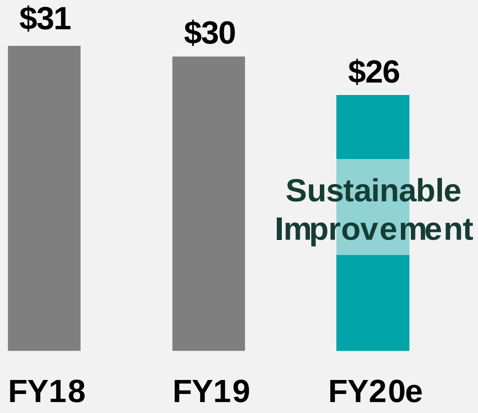


⬇ 10% Capital

⬆ 10% Lateral Feet

Improving **Capital** Efficiency

($m per Bopd Added)



Key Drivers

- Returns-based capital allocation framework
- Develop fewer wells per project
- Optimize well spacing

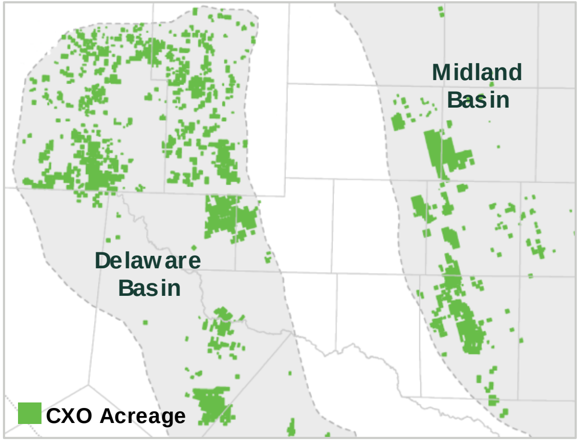
Growing margins | Growing free cash flow | Growing distributions | Advancing sustainability progress

Reduction in Y/Y capital program calculated using the midpoint of the 2020 guidance range. Wells POP indicates expected gross operated wells put on production in 2020.

2020 Development Outlook

High-Quality Growth Platform

High Grading Inventory with Long Laterals & Acreage Trades

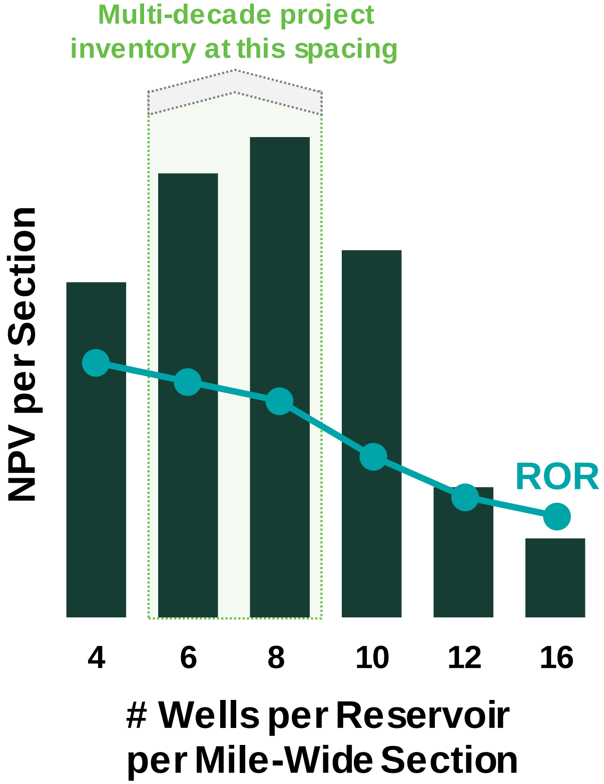


- Avg. lateral length of inventory ⬆ 7% Y/Y
- Working interest of inventory ⬆ 2% Y/Y

YE19 Acreage	Gross	Net
Total	**800,000**	**550,000**
Delaware Basin	520,000	350,000
Midland Basin	280,000	200,000

Returns-Focused Capital Allocation

Optimizing Spacing; Maximizing Project Economics



2020 Development Outlook

Project Size
~6 wells

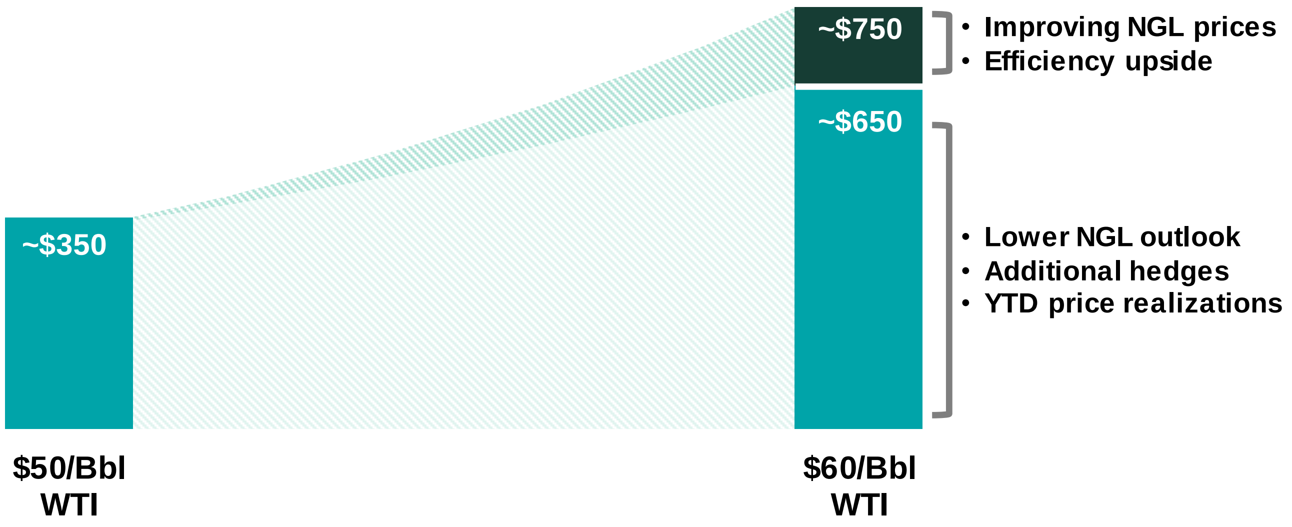
Project Spacing
700'-800'

Program Lateral Length
10,000'

Focused on Delivering Sustainable Free Cash Flow

Free Cash Flow Potential

2020 FCF Outlook ($mm)



› Driving margin expansion through productivity & cost control

› Prioritizing efficient capital allocation
  - Run a steady program
  - Continue project development to maximize program economics

› Expecting to deliver 10-12% oil production growth, pro forma for New Mexico Shelf asset sale

Committed to sustainable FCF generation

Growing margins | **Growing free cash flow** | **Growing distributions** | **Advancing sustainability progress**

2020 FCF outlook price scenarios assume $2.25/Mcf; $50/Bbl WTI price scenario assumes current market NGL prices.

Capital Allocation Strategy to Deliver Both Growth & Returns

Capital Discipline

>$50/Bbl WTI

› Generate robust FCF
› Remain disciplined with capital investment
› Increase capital returns to shareholders

$50/Bbl WTI

› Plan around conservative commodity prices
› Deliver 10-12% oil production growth in 2020
› Generate FCF

<$50/Bbl WTI

› Financial strength provides flexibility

Capital Allocation Framework

Cash From Operations

Invest for Profitable Growth	Returns to Shareholders
• Disciplined capital investment • Deliver sustainable, cost-efficient growth	• Target continued dividend growth
• Strengthen balance sheet • Build cash / reduce debt / refinance debt	• Share repurchase program • Returning 40% of New Mexico Shelf sale proceeds

↑60% Increase in quarterly dividend to $0.20 per share
Highlights commitment to growing FCF & returns

Growing margins | **Growing free cash flow** | **Growing distributions** | **Advancing sustainability progress**

2020 oil production growth pro forma for New Mexico Shelf sale.

Growing Sustainably

Ongoing commitment to sustainable development & improving ESG disclosures

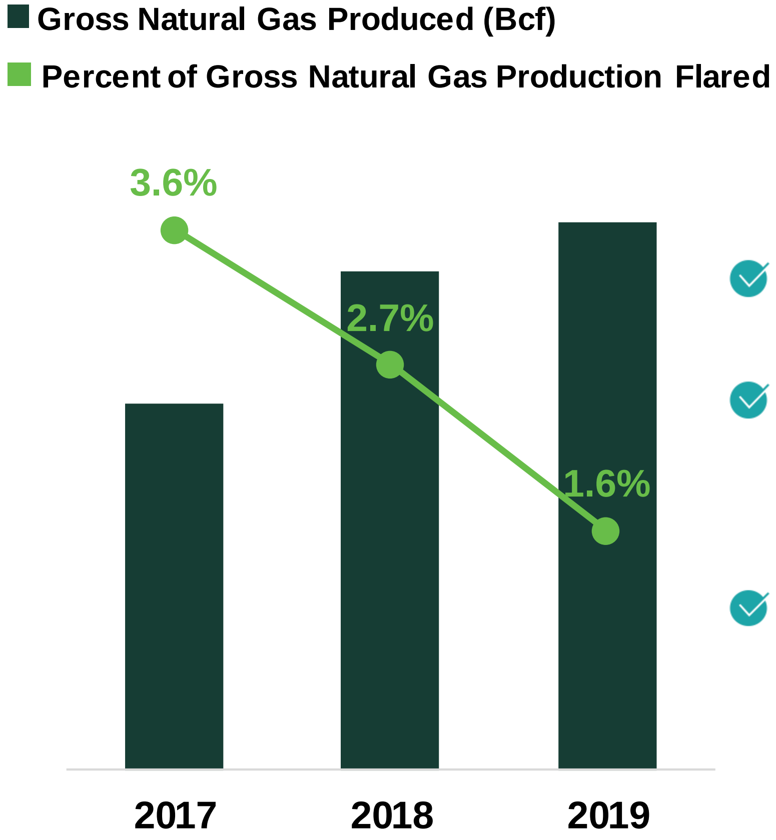
Reduce Flaring
↓35%
2017-2019

Manage Climate Risk
Published Inaugural
Report

Invest in our Team
Great Place to Work
5 Years Running

Expand Water Recycling
Company Wide
Focus

Emission Reduction Performance



- Consistent reduction in flared volumes
- Advanced planning for production facilities and takeaway prior to placing wells online
- Consistent surveillance of fugitive emissions

Growing margins | Growing free cash flow | Growing distributions | **Advancing sustainability progress**

Sustainable Growth & Returns

- Growing margins
- Growing free cash flow
- Growing distributions
- Advancing sustainability progress

Our core portfolio is stronger than ever

Disciplined investment & cost management is a priority

Focused on delivering predictable, repeatable growth & returns

CONCHO

Appendix

4Q19 Summary

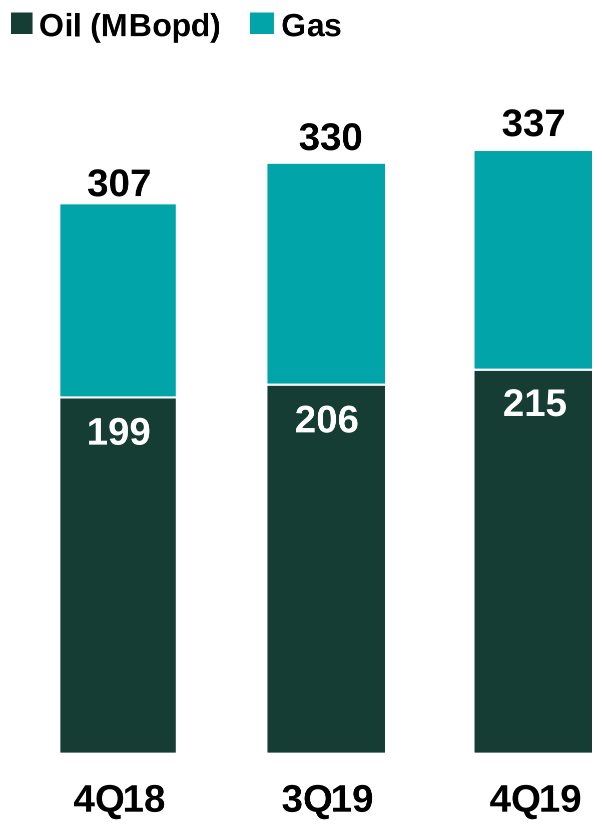
Strong Production Volumes & Lower Costs Driving Excess Cash Flow

Financial Highlights ($mm)

	3Q19	**4Q19**
Realized price ($/Boe)	$36.74	**$40.17**
Operating cash flow (OCF)	$665	**$769**
OCF before working capital changes	$706	**$801**
E&D costs incurred	$670	**$614**
FCF	$36	**$187**

Production Volumes Exceed High End of Guidance Range

Quarterly Production (MBoepd)



- 4Q19 total production & oil production above high end of guidance
  - Oil production up 4% Q/Q and 8% Y/Y
- New Mexico Shelf transaction closed November 1
  - Consistent with 4Q19 guidance, November & December production excludes New Mexico Shelf

OCF before working capital changes and FCF are non-GAAP measures. See appendix for reconciliations to GAAP measures. E&D costs incurred is the sum of exploration and development costs incurred.

Our Extensive Development Program Informs Optimization Strategy

Horizontal Wells Drilled by Zone (Gross Operated)

Delaware Basin

~5,000'

Formation	2009 - 2019 Well Count	2018 - 2019
Brushy Canyon	23	-
Avalon Shale	154	35
1st Bone Spring	24	9
2nd Bone Spring	394	33
3rd Bone Spring	182	44
Wolfcamp Sands	55	42
Wolfcamp A	338	131
Wolfcamp B	34	23
Wolfcamp C	9	5
Wolfcamp D	39	14
Total	1,252	336

Midland Basin

~3,000'

Formation	2009 - 2019 Well Count	2018 - 2019
Middle Spraberry	49	36
Jo Mill	9	9
Lower Spraberry	156	106
Wolfcamp A	129	29
Wolfcamp B	136	57
Wolfcamp C	9	6
Wolfcamp D	3	3
Total	491	246

Multiple decades of inventory

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 Operating Cash Flow (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 exploration and development costs incurred. The Company believes that free cash flow is useful to investors as it provides measures to compare cash from operating activities and exploration and development costs across periods on a consistent basis.

These non-GAAP measures should not be considered as alternatives to, or more meaningful than, net cash provided by operating activities as indicators 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 September 30,		Three Months Ended December 31,		Years Ended December 31,	
(in millions)	2019	2018	2019	2018	2019	2018
Net cash provided by operating activities	**$ 665**	**$ 771**	**$ 769**	**$ 697**	**$ 2,836**	**$ 2,558**
Changes in cash due to changes in operating assets and liabilities:						
Accounts receivable	52	1	71	(22)	90	35
Prepaid costs and other	5	(7)	1	(5)	2	10
Inventory	(1)	9	1	-	(1)	12
Accounts payable	(11)	32	13	(28)	(3)	(1)
Revenue payable	25	(19)	(48)	10	(28)	(52)
Other current liabilities	(29)	(30)	(6)	44	(20)	(8)
Total working capital changes	41	(14)	32	(1)	40	(4)
Operating cash flow before working capital changes	**$ 706**	**$ 757**	**$ 801**	**$ 696**	**$ 2,876**	**$ 2,554**

	Three Months Ended September 30,		Three Months Ended December 31,		Years Ended December 31,	
(in millions)	2019	2018	2019	2018	2019	2018
Operating cash flow before working capital changes	$ 706	$ 757	$ 801	$ 696	$ 2,876	$ 2,554
Exploration and development costs	670	761	614	926	2,995	2,638
Free Cash Flow	**$ 36**	**$ (4)**	**$ 187**	**$ (230)**	**$ (119)**	**$ (84)**

Hedge Position

Updated as of February 18, 2020

	2020					2021	2022
	1Q	2Q	3Q	4Q	Total	Total	Total
Oil Price Swaps - WTI[1]:							
Volume (MBbl)	14,674	12,494	11,080	10,045	48,293	18,977	-
Price per Bbl	$ 57.13	$ 56.90	$ 56.88	$ 57.00	$ 56.98	$ 54.21	$ -
Oil Price Swaps - Brent[2]:							
Volume (MBbl)	2,578	2,031	1,768	1,503	7,880	-	-
Price per Bbl	$ 60.78	$ 60.33	$ 60.29	$ 60.14	$ 60.43	$ -	$ -
Oil Basis Swaps[3]:							
Volume (MBbl)	14,951	12,376	11,165	10,181	48,673	20,440	-
Price per Bbl	$ (0.43)	$ (0.41)	$ (0.57)	$ (0.70)	$ (0.52)	$ 0.68	$ -
Natural Gas Price Swaps - HH[4]:							
Volume (BBtu)	35,023	32,314	30,038	28,498	125,873	69,350	36,500
Price per MMBtu	$ 2.46	$ 2.46	$ 2.47	$ 2.47	$ 2.47	$ 2.44	$ 2.38
Natural Gas Basis Swaps - HH/EPP[5]:							
Volume (BBtu)	25,770	23,960	22,080	21,770	93,580	51,100	29,200
Price per MMBtu	$ (1.06)	$ (1.07)	$ (1.07)	$ (1.07)	$ (1.07)	$ (0.78)	$ (0.72)
Natural Gas Basis Swaps - HH/WAHA[6]:							
Volume (BBtu)	7,280	7,280	7,360	7,360	29,280	18,250	7,300
Price per MMBtu	$ (1.10)	$ (1.10)	$ (1.10)	$ (1.10)	$ (1.10)	$ (0.92)	$ (0.85)

[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]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.

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

2020 Guidance

Updated as of February 18, 2020

1Q20 Production Guidance

- 316-325 MBoepd
- 202-208 MBopd

	2020 Guidance
Production growth, pro forma for New Mexico Shelf asset sale	
Total production growth	6% - 8%
Oil production growth	10% - 12%
Price realizations, excluding commodity derivatives	
Oil differential (per Bbl) (Excludes basis differential)	($1.00) - ($2.00)
Natural gas (per Mcf) (% of NYMEX - Henry Hub)	30% - 50%
Operating costs and expenses ($ per Boe, unless noted)	
Lease operating expense and workover costs	$5.50 - $5.80
Gathering, processing and transportation	$1.30 - $1.50
Oil and natural gas taxes (% of oil & natural gas revenues)	8.10%
General and administrative ("G&A") expense:	
Cash G&A expense	$1.90 - $2.00
Non-cash stock-based compensation	$0.70 - $0.90
Depletion, depreciation and amortization expense	$17.25 - $18.25
Cash exploration and other	$0.30 - $0.60
Interest expense ($mm)	$190
Income tax rate (%)	23% - 25%
Capital program ($bn)	$2.6 - $2.8
Gross Operated Activity	
Drilled	280 - 300
Completed	300 - 320
Put on production	280 - 300

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.