Investor Update
November 2017
Cautionary Statement

This presentation contains certain forward-looking statements. 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 the operations of Phillips 66 and Phillips 66 Partners LP (including their respective joint venture operations) are based on management’s expectations, estimates and projections about these entities, their 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 can be found in filings that Phillips 66 and Phillips 66 Partners LP make with the Securities and Exchange Commission. Phillips 66 and Phillips 66 Partners LP are under no obligation (and expressly disclaim any such obligation) to update or alter these 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 the websites of Phillips 66 and Phillips 66 Partners LP.
Diversified Downstream Company

**Midstream**
- Integrated Midstream Network
- Pursue Organic and M&A Opportunities
- PSXP as a Funding Vehicle

**Chemicals**
- 50% Interest in CPChem
- Location Advantaged Chemicals Portfolio
- USGC Petchem Project Nearing Completion

**Refining**
- Diversified Refining Portfolio
- Investing in Quick Payout Projects
- Footprint Offers Opportunities for Midstream Growth

**Marketing & Specialties**
- Stable, High-return Businesses
- Enhancing U.S. Fuels Brands
Executing Strategy

Leading Operating Excellence

Growth
- Sweeny Hub
- Bakken Pipeline
- Beaumont Terminal
- Phillips 66 Partners
- CPChem USGC Petrochemical Project

Returns
- Refinery yield flexibility projects
- U.S. marketing reimagining

Distributions
- 30% dividend CAGR since September 2012
- $9.9 B in total share repurchases/exchanges

High-Performing Organization

See appendix for footnotes.
### Operating Excellence

#### Total Recordable Rates
(Incidents per 200,000 Hours Worked)

- **Industry Average**
- **3Q YTD**
- '13 '14 '15 '16 '17

#### Refining Environmental Metrics
(No. of events)

<table>
<thead>
<tr>
<th>Year</th>
<th>Phillips 66</th>
<th>CPChem</th>
<th>DCP Midstream</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>317</td>
<td>302</td>
<td>278</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q YTD</td>
<td></td>
<td></td>
<td>172</td>
</tr>
</tbody>
</table>

#### Operating Costs and SG&A ($B)

- **Adjusted Op. Costs and SG&A**
- **Turnaround Costs**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>3Q YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>5.4</td>
<td>5.8</td>
<td>5.5</td>
<td>5.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Turnar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Refining Capacity Utilization (%)

- **Planned Maintenance and Turnarounds**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>3Q YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Turnar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See appendix for footnotes.
Environmental, Social, Governance

Robust enterprise-wide ESG issue management

$6 B invested in environmental projects and sustaining capital since 2012

6 of 11 refining AFPM 2016 safety awards received by Phillips 66

Employment opportunities focused on veterans, diversity and inclusion

$100 MM invested in community, educational and environmental initiatives since 2012

Proactive stakeholder engagement

See appendix for footnotes.
Midstream Macro Environment

**U.S. Crude Oil Export Volume (MMBD)**

- **Maximum Demonstrated Exports**
- **2012**
- **2013**
- **2014**
- **2015**
- **2016**
- **1H 2017**

**U.S. LPG Export Volume (MMBD)**

- **Maximum Demonstrated Exports**
- **2012**
- **2013**
- **2014**
- **2015**
- **2016**
- **1H 2017**

**U.S. Clean Product Exports (MMBD)**

- **Maximum Demonstrated Exports**
- **2012**
- **2013**
- **2014**
- **2015**
- **2016**
- **1H 2017**

**Phillips 66 Export Capacity (MMBD)**

- **2012**
- **2013**
- **2014**
- **2015**
- **2016**
- **1H 2017**

Source: EIA, Petroleum Monthly
Chemicals Macro Environment

U.S. Ethane Demand (MMBD)

- Exports
- Base Ethane Petrochem & Price-sensitive Flexible Feedstock

Global PE Capacity and Demand (MMTA)

- Capacity
- Demand

Source: I.H.S.
Refining Macro Environment

Global clean product demand expected to grow

Global utilization rates expected in low-80s, with U.S. refining in low-90s

Strong U.S. utilization due to cost and reliability advantages, and growing export demand

Source: I.H.S.
Integrated Midstream Network
Midstream

Platform for long-term growth

Focus on growing NGL value chain

Expand crude and products export capability

PSXP 2018E year-end run-rate EBITDA $1.1 B

See appendix for footnotes.
Phillips 66 Partners

Funding Midstream growth

Organic growth opportunities

- Sand Hills pipeline expansions (TX)
- STACK JV expansion (OK)
- Bayou Bridge pipeline extension (LA)
- Lake Charles isomerization unit (LA)

30% distribution CAGR 2013-2018

Top quartile growth post-2018

Distribution Growth (cents/unit)

32% CAGR
Well positioned in low-cost supply basins

Strong growth projects around existing footprint

Sand Hills NGL pipeline expansions to 365 MBD in 4Q 2017, 450 MBD in 2H 2018

DJ Basin gathering and processing infrastructure expansions of ~250 MMCFD in progress with another ~200 MMCFD approved

Gulf Coast Express Permian 1.9 BCFD natural gas JV pipeline expected in service 2H 2019

Stable distributions to LP unit holders and resumed distributions to owners
Feedstock Advantaged Chemicals Portfolio

Worldwide Net Ethylene Capacity: 4,770 kMTA

U.S. Net Ethylene Capacity: 3,645 kMTA

Middle East Net Ethylene Capacity: 1,125 kMTA

CPChem Manufacturing Facilities:
- Ethylene/Polyethylene
- Other

- CPChem NGL Pipeline
- Phillips 66 and Phillips 66 Partners Assets
- DCP Midstream Assets
- Phillips 66 Refinery
Chemicals Outlook

Middle East ethane and North America NGLs remain positioned at the low end of the cost curve

Global ethylene demand growing at ~1.5x GDP

Expect demand growth to rapidly absorb new capacity additions

Source: I.H.S., October 2017.
CPChem

USGC Petrochemicals Project

1,000 kMTA polyethylene at Old Ocean, TX
Started operations 3Q 2017

1,500 kMTA ethylene at Cedar Bayou, TX
Commissioning expected 1Q 2018

Long-term mid-cycle EBITDA ~ $1.2-1.4 B

Focus on project completion and start-up

Cash flow improvement expected in 2018

Additional projects in future years

EBITDA estimate is on a CPChem 100% basis and is based on July 2017 IHS forecast premises.
Enhancing Returns in Refining and Marketing
Refining

Improving returns

Billings heavy crude project

Ponca City yield flexibility

Wood River FCC modernization

Bayway FCC modernization

~ 40 other low-cost, high-return projects

Increasing clean product yield

Top tier refinery utilization rates

PSX Global Clean Product Yield

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>3Q YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield</td>
<td>84.6%</td>
<td>84.1%</td>
<td>84.4%</td>
<td>84.6%</td>
<td>85.1%</td>
</tr>
</tbody>
</table>

U.S. Refining Capacity Utilization

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>3Q YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilization Rate</td>
<td>88%</td>
<td>90%</td>
<td>91%</td>
<td>90%</td>
<td>91%</td>
</tr>
</tbody>
</table>

See appendix for footnotes.
Marketing and Specialties

Stable, high-return businesses

Marketing

- Enhancing U.S. fuels brands
  - 3% volume uplift at rebranded sites
- Adding 25-30 European sites per year
- Expanding brand licensing
- Providing ratable refinery off-take

Specialties

- Increasing value through integration, optimization, and product innovation
Capital Structure

Investment-grade credit ratings

PSX – BBB+ / A3
PSXP – BBB / Baa3

Over $7 B of available liquidity

~3.5x Debt/EBITDA target at PSXP
## Capital Allocation

Maintain financial strength, investment-grade credit rating

Fund sustaining capital expenditures

Pay a growing, secure and competitive dividend

Target long-term 60% reinvestment and 40% shareholder distributions

### 2018E Sources and Uses of Cash ($B)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>4.4</td>
<td>~1.0</td>
<td>3.4</td>
<td>~1.0</td>
<td>4.4</td>
<td>1.4</td>
<td>1.0-2.0</td>
<td>1.0-2.0</td>
</tr>
</tbody>
</table>

See appendix for footnotes.
2015 consolidated capital expenditures of $5.8 billion include $1.5 billion investment in DCP Midstream.

2017E Consolidated – ~$2.0 B

Phillips 66 2017E – ~$1.6 B

$0.6 B Growth

$1.0 B Sustaining

Phillips 66 Partners 2017E – $0.4 B

2018E Consolidated – $2-3 B

Consolidated Capital Expenditures ($B)

PSX  PSXP
Distributions

Important source of shareholder value

Growing, secure and competitive dividends

30% CAGR with seven increases since May 2012

Committed to share repurchases

Repurchased/exchanged 137 MM shares, over 20% of shares initially outstanding

Annual Dividend ($/share)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend ($/share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.33</td>
</tr>
<tr>
<td>2014</td>
<td>1.89</td>
</tr>
<tr>
<td>2015</td>
<td>2.18</td>
</tr>
<tr>
<td>2016</td>
<td>2.45</td>
</tr>
<tr>
<td>2017</td>
<td>2.73</td>
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</table>

Cumulative Distributions ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cumulative Distributions ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.7</td>
</tr>
<tr>
<td>2014</td>
<td>8.4</td>
</tr>
<tr>
<td>2015</td>
<td>11.1</td>
</tr>
<tr>
<td>2016</td>
<td>13.4</td>
</tr>
<tr>
<td>3Q YTD 2017</td>
<td>15.6</td>
</tr>
</tbody>
</table>

See appendix for footnotes.
Creating Value

~ $1.5 B long-term expected EBITDA growth for projects coming online 2017-2018

Moving from heavy-investment period to increasing net cash generation

Continued investment in higher-valued businesses generating strong returns

Mid-Cycle Incremental Run-Rate Adjusted EBITDA ($B)

See appendix for footnotes.
Delivering Shareholder Returns

Integrated portfolio

Disciplined capital allocation

Returns focused

Value-added growth

Strong balance sheet

Compelling investment

See appendix for footnotes.
Phillips 66 Partners Ownership Structure

As of October 31, 2017.

Phillips 66 Partners GP LLC
(PSXP General Partner)
General Partner Units
IDRs

100% ownership interest

Phillips 66 Partners (NYSE: PSX)

Operating Subsidiaries
Joint Ventures

55% limited partner interest

PSXP Public Unitholders

43% limited partner interest

2% general partner interest

100% ownership interest

43% limited partner interest
Phillips 66 Partners

Strong alignment with Phillips 66

Highly integrated assets

Stable and predictable cash flows

Strong growth potential

Financial flexibility
Distribution Growth

3Q 2013 distribution represents the minimum quarterly distribution, actual distribution of 15.48 cents equal to MQD prorated.

Coverage Ratio:
- 1Q 2013: 1.13x
- 2Q 2013: 1.10x
- 3Q 2013: 1.10x
- 4Q 2013: 1.44x
- 1Q 2014: 1.32x
- 2Q 2014: 1.28x
- 3Q 2014: 1.14x
- 4Q 2014: 1.17x
- 1Q 2015: 1.39x
- 2Q 2015: 1.45x
- 3Q 2015: 1.14x
- 4Q 2015: 1.20x
- 1Q 2016: 1.24x
- 2Q 2016: 1.48x
- 3Q 2016: 1.31x
- 4Q 2016: 1.35x
- 1Q 2017: 1.12x
- 2Q 2017: 1.12x
- 3Q 2017: 1.12x

32% CAGR Since IPO
Financial Performance

Adjusted EBITDA ($MM)

- 3Q 2016: 111
- 4Q 2016: 161
- 1Q 2017: 155
- 2Q 2017: 170
- 3Q 2017: 168

+ 51% y/y

Distributable Cash Flow ($MM)

- 3Q 2016: 102
- 4Q 2016: 130
- 1Q 2017: 124
- 2Q 2017: 140
- 3Q 2017: 136

+ 33% y/y

Adjusted EBITDA and Distributable Cash Flow shown are attributable to PSXP.
Phillips 66 Partners Capital Expenditures

2017E Capex of $437 MM

$381 MM Growth
- Bayou Bridge Pipeline
- Sand Hills Pipeline
- STACK Pipeline JV
- River Parish NGL System

$56 MM Sustaining
Bayou Bridge Pipeline
- Transports crude from Nederland, TX to Lake Charles, LA, and eventually to St. James, LA
- Increases crude supply options for Louisiana refineries
- Nederland to Lake Charles leg began operations in April 2016
- Development continues for segment from Lake Charles to St. James, completion in 2H 2018

Sand Hills Pipeline
- Adding lateral connections and increasing pumping capacity

STACK Pipeline JV
- Expanding the capacity of the STACK Pipeline through looping the pipeline from Cashion Terminal to Cushing

River Parish NGL system
- Expanding the system to reactivate and develop pipeline connections and a storage cavern
$2.9 B Total Debt as of October 31, 2017

$2.9 B Senior Notes:

5-Year $300 MM notes, 2.646% coupon
10-Year $500 MM notes, 3.605% coupon
10-Year $500 MM notes, 3.550% coupon
10-Year $500 MM notes, 3.750% coupon
30-Year $450 MM notes, 4.680% coupon
30-Year $625 MM notes, 4.900% coupon

Weighted average cost of 3.97%

BBB / Baa3 credit rating

Senior Notes Maturity Profile ($MM)

Weighted average cost excludes revolving credit facility.
Financial Flexibility

Investment-grade credit rating

Financial targets:

  30% distribution CAGR 2013-2018
  3.5x debt / EBITDA
  1.1x annual coverage ratio

Support Phillips 66 Midstream growth
Total Return Since IPO

PSXP +151%
Alerian MLP Index -23%

Closed $700 MM acquisition
Closed $340 MM acquisition
Closed $1.0 B acquisition
Closed $236 MM acquisition
Closed $775 MM acquisition
Closed $1.3 B acquisition
Closed $2.4 B acquisition

Chart reflects total unitholder return July 22, 2013 to October 27, 2017. Distributions assumed to be reinvested in units. Source: Bloomberg. See appendix for further footnotes.
## Corporate Strategy

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Excellence</td>
<td>Committed to safety, reliability and environmental stewardship while protecting shareholder value</td>
</tr>
<tr>
<td>Growth</td>
<td>Reshaping our portfolio by capturing growth opportunities in Midstream and Chemicals</td>
</tr>
<tr>
<td>Returns</td>
<td>Enhancing returns by maximizing earnings from existing assets and investing capital efficiently</td>
</tr>
<tr>
<td>Distributions</td>
<td>Committed to dividend growth, share repurchases and financial strength</td>
</tr>
<tr>
<td>High-Performing Organization</td>
<td>Building capability, pursuing excellence and doing the right thing</td>
</tr>
</tbody>
</table>
Midcontinent
Integrated Growth

Midstream
- Palermo rail terminal/Sacagawea pipeline (PSXP)
- Bakken Pipeline (PSXP)

Refining, Marketing & Specialties
- Ponca City
  - Yield improvement projects
  - Tight oil processing flexibility
  - 100% lease crude purchases
- Wood River
  - Dilbit capacity increase
  - ULSD expansion
  - FCC modernization
- Billings
  - Vacuum tower project
- Marketing & Specialties
  - Grow branded fuels volumes
  - Enhance Phillips 66 brand
  - Marketing JVs and alliances
Western Gulf
Creating a World-Class Energy Complex

Midstream
Sweeny Fractionator One (PSXP)
Freeport LPG Export Terminal

Refining, Marketing & Specialties
Sweeny
- Strategic asset integration
- FCC optimization
Marketing & Specialties
- Grow unbranded fuels volumes
- Focus on high-quality branded assets
- Increase high-margin exports
Eastern Gulf
Refining Logistics and Midstream Growth

Midstream
- Beaumont Terminal expansion
- Bayou Bridge Pipeline (PSXP)
- River Parish NGL System (PSXP)

Refining, Marketing & Specialties
- Lake Charles
  - Increase feedstock advantage
  - New Isomerization unit (PSXP)
- Alliance
  - Increase light crude runs
- Marketing & Specialties
  - Grow unbranded fuels volumes
  - Leverage brand value through licensing
  - Increase high-margin exports
  - Grow performance lubricants and export sales
West Coast Enhancing Returns

Midstream
- Los Angeles waterborne crude tank

Refining, Marketing & Specialties
- San Francisco
  - Yield improvements
- Los Angeles
  - FCC energy reduction
- Marketing & Specialties
  - Grow branded and unbranded fuels volumes
  - Enhance 76 brand
  - Increase high-margin exports
  - Grow export lubricant sales
Atlantic Basin
Enhancing Returns

Refining, Marketing & Specialties

Bayway
- FCC modernization
- Yield improvements

Marketing & Specialties
- Grow JET and COOP brands in Europe
- Increase unbranded volumes in the U.K. and U.S.
- Expand brand licensing in the U.S.
Adjusted Free Cash Flow
2012–1H 2017 Average

Midstream ($B)

<table>
<thead>
<tr>
<th>PSXP Contributions</th>
<th>Adjusted CFO &amp; PSXP Contributions</th>
<th>Sustaining Capex</th>
<th>Available Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.8</td>
<td>(0.3)</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>0.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chemicals ($B)

<table>
<thead>
<tr>
<th></th>
<th>Adjusted CFO</th>
<th>Sustaining Capex</th>
<th>Adjusted FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.0</td>
<td>(0.2)</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Refining ($B)

<table>
<thead>
<tr>
<th></th>
<th>Adjusted CFO</th>
<th>Sustaining Capex</th>
<th>Adjusted FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.7</td>
<td>(0.8)</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Marketing & Specialties ($B)

<table>
<thead>
<tr>
<th></th>
<th>Adjusted CFO</th>
<th>Sustaining Capex</th>
<th>Adjusted FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.9</td>
<td>(0.1)</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Adjusted CFO excludes working capital. Sustaining capex excludes capital leases.
Midstream adjusted CFO excludes PSXP. PSXP contributions are calculated as consideration paid by PSXP to PSX in dropdown transactions plus quarterly cash distributions paid from PSXP to PSX.
Midstream sustaining capex excludes PSXP.
Phillips 66’s share of DCP Midstream, CPChem and WRB adjusted CFO reflects that portion of those entities’ cash flow over which Phillips 66 has significant influence over reinvestment/distribution decisions. DCP Midstream, CPChem and WRB free cash flow calculated based on Phillips 66’s share of after tax cash flow at the enterprise level.
2009–3Q 2017 Average Adjusted ROCE

- **M&S**
  - 22%

- **Chemicals**
  - 20%

- **Refining**
  - 9%

- **Midstream**
  - 8%

- **Corporate**
  - (11%)

- **PSX Total**
  - 11%

Average Capital Employed ($B)
Phillips 66 Debt and Liquidity

Debt Maturity Profile ($B)

- 2019: 0.3
- 2020: 0.5
- 2021: 5.0
- 2022-30: 1.4
- 2031-50: 4.0

Liquidity ($B)

- Cash: 1.5
- Undrawn Revolving Credit Facility: 4.8
- Total Committed Liquidity: 6.3

Debt maturity profile and liquidity as of September 29, 2017. Excludes PSXP. Debt maturity profile excludes capital leases.
## 2017 Sensitivities

### Midstream - DCP (net to Phillips 66)

<table>
<thead>
<tr>
<th>Sensitivity</th>
<th>Impact ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10¢/Gal Increase in NGL price</td>
<td>5</td>
</tr>
<tr>
<td>10¢/MMBtu Increase in Natural Gas price</td>
<td>1</td>
</tr>
<tr>
<td>$1/BBL Increase in WTI price</td>
<td>1</td>
</tr>
</tbody>
</table>

### Chemicals - CPChem (net to Phillips 66)

<table>
<thead>
<tr>
<th>Sensitivity</th>
<th>Impact ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)</td>
<td>35</td>
</tr>
</tbody>
</table>

### Worldwide Refining

<table>
<thead>
<tr>
<th>Sensitivity</th>
<th>Impact ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1/BBL Increase in Gasoline Margin</td>
<td>215</td>
</tr>
<tr>
<td>$1/BBL Increase in Distillate Margin</td>
<td>190</td>
</tr>
</tbody>
</table>

**Impacts due to Actual Crude Feedstock Differing from Feedstock Assumed in Market Indicators:**

<table>
<thead>
<tr>
<th>Sensitivity</th>
<th>Impact ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1/BBL Widening WTI / WCS Differential (WTI less WCS)</td>
<td>40</td>
</tr>
<tr>
<td>$1/BBL Widening LLS / Maya Differential (LLS less Maya)</td>
<td>35</td>
</tr>
<tr>
<td>$1/BBL Widening LLS / Medium Sour Differential (LLS less Medium Sour)</td>
<td>20</td>
</tr>
<tr>
<td>$1/BBL Widening WTI / WTS Differential (WTI less WTS)</td>
<td>10</td>
</tr>
<tr>
<td>$1/BBL Widening LLS / WTI Differential (LLS less WTI)</td>
<td>10</td>
</tr>
<tr>
<td>$1/BBL Widening ANS / Medium Sour Differential (ANS less Medium Sour)</td>
<td>10</td>
</tr>
<tr>
<td>$1/BBL Widening ANS / WCS Differential (ANS less WCS)</td>
<td>5</td>
</tr>
<tr>
<td>10¢/MMBtu Increase in Natural Gas price</td>
<td>(10)</td>
</tr>
</tbody>
</table>

Sensitivities shown above are independent and are only valid within a limited price range.
### Phillips 66 Outlook

#### 4Q 2017
- **Global Olefins & Polyolefins utilization**: High-70%
- **Refining crude utilization**: Mid-90%
- **Refining turnaround expenses (pre-tax)**: $100 MM - $130 MM
- **Corporate & other costs (after-tax)**: $125 MM - $140 MM

#### 2017
- **Refining turnaround expenses (pre-tax)**: $625 MM - $675 MM
- **Corporate & Other costs (after-tax)**: $490 MM - $510 MM
- **Depreciation and amortization**: $1.3 B
- **Effective income tax rate**: Mid-30%
Slide 3
Total share repurchases and exchanges include the PSPI share exchange in 2014.

Slide 4
Industry averages are from: Phillips 66 – American Fuel & Petrochemical Manufacturers (AFPM) refining data, Chevron Phillips Chemical Company LLC (CPChem) – American Chemistry Council (ACC), DCP Midstream, LLC (DCP Midstream) – Gas Processors Association (GPA).

Slide 5
Investment in environmental projects and sustaining capital since 2012 excludes investment purchases.
Sulfur oxides (SOx), nitrous oxides (NOx) and particulate matter (PM).
Slide 11
Run-rate adjusted EBITDA for PSXP assets online represents the estimated run-rate view as of October 31, 2017. Run-rate adjusted EBITDA for PSX assets online represents the sum of (i) forecasted EBITDA of other Midstream assets currently online and (ii) an estimate of the run-rate EBITDA potential of terminal, storage and other logistics assets currently embedded in the Refining segment if they were transferred to the Midstream segment and market-based fees were charged to Refining for their use.

Slide 18
For ease of comparison to current operating assets, clean product yield shown excludes impacts from Whitegate and Melaka prior to their sales. U.S. Industry average from U.S. Energy Information Administration (EIA).
Consensus CFO is calculated as analysts’ consensus net income plus consensus depreciation and amortization. Source: Nasdaq, as of October 31, 2017. The analysts’ consensus estimates are not forecast or projected by Phillips 66, and Phillips 66 has not been involved in preparation of such consensus estimates or any analyst’s estimate from which such consensus estimates have been derived. Phillips 66 does not endorse, approve or adopt the consensus estimates or any analyst’s estimate from which such consensus estimates have been derived.


PSXP Contr. range represents estimated cash contribution to be received by Phillips 66 in the form of dropdown proceeds from Phillips 66 Partners, with such funds raised by PSXP through third-party debt and equity financings.

Dividends and Share Repurch. represent company estimates.

Growth Capex includes estimated growth capital expenditures for Phillips 66 and Phillips 66 Partners.
Slide 23
Annual dividend reflects sum of declared quarterly dividends. 2017 reflects one quarterly dividend of $0.63 and three quarterly dividends of $0.70. 2014 share repurchases/exchanges include the PSPI share exchange.

Slide 24
Chart reflects estimated mid-cycle run-rate adjusted EBITDA contribution of projects coming online in 2017 and 2018.

Slide 25
Chart reflects total shareholder return May 1, 2012 to October 27, 2017. Dividends assumed to be reinvested in stock. Source: Bloomberg.

Slide 36

$2.4 B transaction closed as of October 6, 2017, includes $625 MM non-recourse Bakken JV debt and $100 MM of Merey Sweeny, LP (MSLP) debt.

1H 2017

1H 2017 is as of June 30, 2017, or the six-month period ended June 30, 2017, as applicable; except as otherwise noted.

3Q YTD 2017

3Q YTD 2017 is as of September 30, 2017, or the nine-month period ended September 30, 2017, as applicable; except as otherwise noted.

Forecasted and Estimated EBITDA

We are unable to present reconciliations of various forecasted and estimated EBITDA included in this presentation, because certain elements of net income, including interest, depreciation and income taxes, are not reasonably available. Together, these items generally result in EBITDA being significantly greater than net income.
### Non-GAAP Reconciliation (slide 4)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>3Q 2017 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production and operating expenses</td>
<td>$4,206</td>
<td>$4,435</td>
<td>$4,294</td>
<td>$4,275</td>
<td>$3,541</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>1,478</td>
<td>1,663</td>
<td>1,670</td>
<td>1,638</td>
<td>1,258</td>
</tr>
<tr>
<td>Total expenses</td>
<td>5,684</td>
<td>6,098</td>
<td>5,964</td>
<td>5,913</td>
<td>4,800</td>
</tr>
<tr>
<td>Plus: Sentinel operating expenses*</td>
<td>81</td>
<td>90</td>
<td>88</td>
<td>94</td>
<td>72</td>
</tr>
<tr>
<td>Total expenses</td>
<td>5,765</td>
<td>6,188</td>
<td>6,052</td>
<td>6,006</td>
<td>4,871</td>
</tr>
<tr>
<td>Less: Turnaround expenses**</td>
<td>368</td>
<td>424</td>
<td>516</td>
<td>506</td>
<td>496</td>
</tr>
<tr>
<td>Adjusted Operating Costs and SG&amp;A</td>
<td>$5,397</td>
<td>$5,764</td>
<td>$5,536</td>
<td>$5,500</td>
<td>$4,375</td>
</tr>
</tbody>
</table>

*Sentinel Transportation, LLC became a wholly-owned subsidiary of Phillips 66 on 12/31/16. Costs for 2013 - 2016 are included for comparison purposes.

**Turnaround expenses are reported under Operating expenses in the Income Statement.
## PSXP Adjusted EBITDA and Distributable Cash Flow
Reconciliation to Operating Cash Flow (Slide 31)

### PSXP Reconciliation to Net Cash Provided by Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>3Q 2016*</th>
<th>4Q 2016</th>
<th>1Q 2017</th>
<th>2Q 2017</th>
<th>3Q 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>128</td>
<td>121</td>
<td>139</td>
<td>131</td>
<td>152</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest expense</td>
<td>10</td>
<td>21</td>
<td>24</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>—</td>
<td>1</td>
<td>—</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>8</td>
<td>12</td>
<td>(17)</td>
<td>6</td>
<td>(20)</td>
</tr>
<tr>
<td>Adjustment to equity earnings for cash distributions received</td>
<td>3</td>
<td>(5)</td>
<td>4</td>
<td>(6)</td>
<td>—</td>
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<tr>
<td>Accrued environmental costs</td>
<td>—</td>
<td>(1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>(2)</td>
<td>—</td>
<td>(3)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>PSXP EBITDA</strong></td>
<td>147</td>
<td>149</td>
<td>147</td>
<td>154</td>
<td>152</td>
</tr>
<tr>
<td>Distributions in excess of equity earnings</td>
<td>1</td>
<td>10</td>
<td>4</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Expenses indemnified by Phillips 66</td>
<td>—</td>
<td>2</td>
<td>3</td>
<td>—</td>
<td>4</td>
</tr>
<tr>
<td>Transaction costs associated with acquisitions</td>
<td>2</td>
<td>—</td>
<td>1</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td>EBITDA attributable to Predecessors</td>
<td>(39)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>PSXP Adjusted EBITDA</strong></td>
<td>111</td>
<td>161</td>
<td>155</td>
<td>170</td>
<td>168</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue impacts**</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest expense</td>
<td>10</td>
<td>21</td>
<td>24</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Maintenance capital expenditures</td>
<td>3</td>
<td>14</td>
<td>11</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>PSXP Distributable Cash Flow</strong></td>
<td>102</td>
<td>130</td>
<td>124</td>
<td>140</td>
<td>136</td>
</tr>
</tbody>
</table>

*Prior-period financial information has been retrospectively adjusted for acquisitions of businesses under common control.
**Difference between cash receipts and revenue recognition.
### PSXP Adjusted EBITDA and Distributable Cash Flow Reconciliation to Net Income (Slide 31)

<table>
<thead>
<tr>
<th></th>
<th>3Q 2016*</th>
<th>4Q 2016</th>
<th>1Q 2017</th>
<th>2Q 2017</th>
<th>3Q 2017</th>
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<tbody>
<tr>
<td><strong>PSXP Reconciliation to Net Income</strong></td>
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<tr>
<td>Net income</td>
<td>112</td>
<td>102</td>
<td>97</td>
<td>103</td>
<td>99</td>
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<tr>
<td>Plus:</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Depreciation</td>
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<td>25</td>
<td>26</td>
<td>26</td>
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</tr>
<tr>
<td>Net interest expense</td>
<td>10</td>
<td>21</td>
<td>24</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>—</td>
<td>1</td>
<td>—</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td><strong>PSXP EBITDA</strong></td>
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<td>149</td>
<td>147</td>
<td>154</td>
<td>152</td>
</tr>
<tr>
<td>Distributions in excess of equity earnings</td>
<td>1</td>
<td>10</td>
<td>4</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Expenses indemnified by Phillips 66</td>
<td>—</td>
<td>2</td>
<td>3</td>
<td>—</td>
<td>4</td>
</tr>
<tr>
<td>Transaction costs associated with acquisitions</td>
<td>2</td>
<td>—</td>
<td>1</td>
<td>—</td>
<td>2</td>
</tr>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue impacts**</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest expense</td>
<td>10</td>
<td>21</td>
<td>24</td>
<td>24</td>
<td>23</td>
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<tr>
<td>Maintenance capital expenditures</td>
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<td>10</td>
<td>10</td>
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<tr>
<td><strong>PSXP Distributable Cash Flow</strong></td>
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<td>130</td>
<td>124</td>
<td>140</td>
<td>136</td>
</tr>
</tbody>
</table>

*Prior-period financial information has been retrospectively adjusted for acquisitions of businesses under common control.

**Difference between cash receipts and revenue recognition.
### Non-GAAP Reconciliations (Slide 45)

#### Millions of Dollars

<table>
<thead>
<tr>
<th>FCF Reconciliation</th>
<th>Midstream</th>
<th>Chemicals</th>
<th>Refining</th>
<th>Marketing &amp; Specialties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash From Operations GAAP</td>
<td>858</td>
<td>402</td>
<td>2,464</td>
<td>1,083</td>
</tr>
<tr>
<td>Less: Change in Non-Cash Working Cap.</td>
<td>7</td>
<td>-</td>
<td>278</td>
<td>(217)</td>
</tr>
<tr>
<td>Cash From Operations (excluding WC)</td>
<td>865</td>
<td>402</td>
<td>2,742</td>
<td>866</td>
</tr>
<tr>
<td>Less: P66 Equity affiliate cash from ops</td>
<td>181</td>
<td>402</td>
<td>543</td>
<td>-</td>
</tr>
<tr>
<td>Add: Equity look through cash from ops</td>
<td>353</td>
<td>1,046</td>
<td>508</td>
<td>-</td>
</tr>
<tr>
<td>Less: PSXP’s portion of CFO*</td>
<td>147</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted FCF (excl WC)</td>
<td>890</td>
<td>1,046</td>
<td>2,707</td>
<td>866</td>
</tr>
</tbody>
</table>

| Total Capex GAAP                                  | 1,776     | -         | 961      | 198                     |
| Less: Growth Capex                                | 1,341     | -         | 229      | 135                     |
| Sustaining Capex                                  | 435       | -         | 732      | 63                      |
| Less: P66 Equity affiliate sustaining capex       | 273       | -         | -        | -                       |
| Add: Equity look through sustaining capex         | 117       | 203       | 117      | -                       |
| Less: PSXP’s portion of sustaining capex          | 12        | -         | -        | -                       |
| Adjusted Sustaining Capex                         | 267       | 203       | 849      | 63                      |

| PSXP Contributions*                               | 799       | -         | -        | -                       |

| Adjusted Free Cash Flow                           | 1,422     | 843       | 1,858    | 803                     |
### Phillips 66 ROCE

#### Numerator

<table>
<thead>
<tr>
<th></th>
<th>Phillips 66**</th>
<th>Midstream</th>
<th>Chemicals</th>
<th>Refining</th>
<th>M&amp;S</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>3,039</td>
<td>536</td>
<td>734</td>
<td>1,225</td>
<td>800</td>
<td>(361)</td>
</tr>
<tr>
<td>After-tax interest expense</td>
<td>132</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>132</td>
</tr>
<tr>
<td>GAAP ROCE earnings</td>
<td>3,171</td>
<td>536</td>
<td>734</td>
<td>1,225</td>
<td>800</td>
<td>(229)</td>
</tr>
<tr>
<td>Special Items</td>
<td>(41)</td>
<td>(126)</td>
<td>40</td>
<td>193</td>
<td>(56)</td>
<td>12</td>
</tr>
<tr>
<td>Adjusted ROCE earnings</td>
<td>$3,130</td>
<td>411</td>
<td>773</td>
<td>1,418</td>
<td>744</td>
<td>(217)</td>
</tr>
</tbody>
</table>

#### Denominator

<table>
<thead>
<tr>
<th></th>
<th>Phillips 66**</th>
<th>Midstream</th>
<th>Chemicals</th>
<th>Refining</th>
<th>M&amp;S</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP average capital employed*</td>
<td>29,820</td>
<td>5,181</td>
<td>3,883</td>
<td>15,010</td>
<td>3,328</td>
<td>1,982</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>(104)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted average capital employed*</td>
<td>$29,717</td>
<td>5,181</td>
<td>3,883</td>
<td>15,010</td>
<td>3,328</td>
<td>1,982</td>
</tr>
</tbody>
</table>

*Total equity plus debt.

<table>
<thead>
<tr>
<th></th>
<th>Phillips 66**</th>
<th>Midstream</th>
<th>Chemicals</th>
<th>Refining</th>
<th>M&amp;S</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP ROCE (percent)</td>
<td>11%</td>
<td>10%</td>
<td>19%</td>
<td>8%</td>
<td>24%</td>
<td>-12%</td>
</tr>
<tr>
<td>Adjusted ROCE (percent)</td>
<td>11%</td>
<td>8%</td>
<td>20%</td>
<td>9%</td>
<td>22%</td>
<td>-11%</td>
</tr>
</tbody>
</table>

**Phillips 66 consolidated includes discontinued operations.