2018 Annual Meeting of Shareholders

May 9, 2018
Houston, TX



NYSE: PSX
www.phillips66.com
CPChem's Cedar Bayou Ethane Cracker

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.

Providing Energy. Improving Lives.
2017 Highlights



73,000
hours volunteered in local communities by employees

24 million
dollars donated to education & literacy, environment & sustainability, and safety & preparedness

4 million
dollars in disaster relief funding

4 million
dollars provided to employees in emergency cash and interest free loans during Hurricane Harvey

1,621
charitable organizations supported through the matching gift program

Executing Strategy

Operating Excellence	Growth	Returns	Distributions	High-Performing Organization
0.14 recordable injury rate	CPChem USGC petrochemical project	Refinery yield and feedstock flexibility projects	Returned over $20B to shareholders since 2012 through share repurchases, dividends and share exchange	Building capabilities
Environmental stewardship	Beaumont Terminal	U.S. Marketing reimaging		Doing the right thing
95% Refining utilization	Bakken Pipeline			Hurricane response

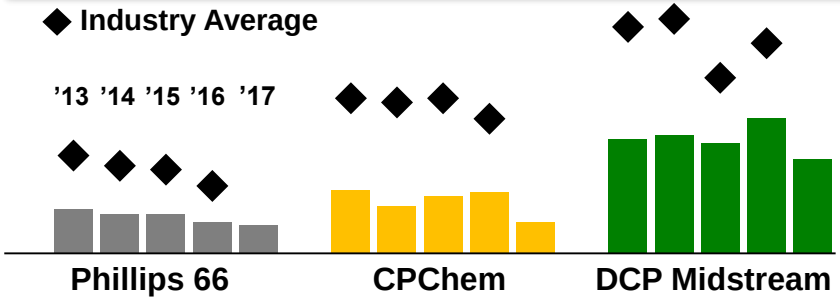




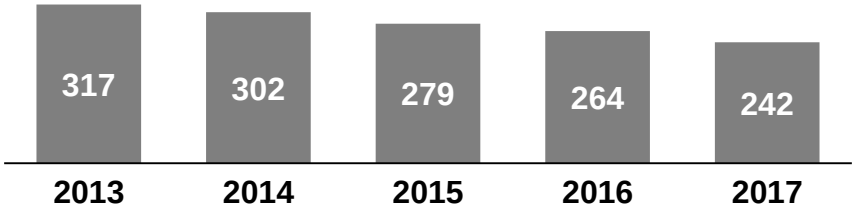


Operating Excellence

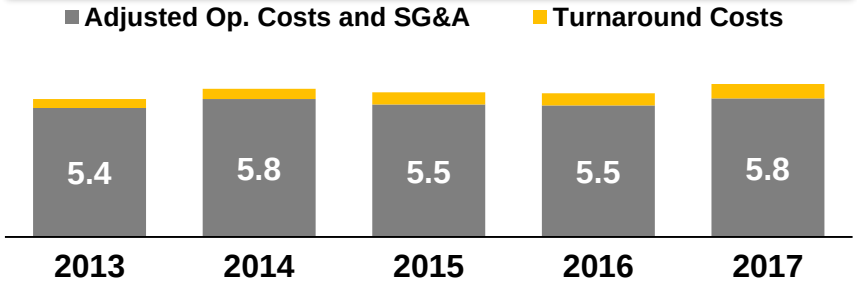
Total Recordable Rates
(Incidents per 200,000 Hours Worked)



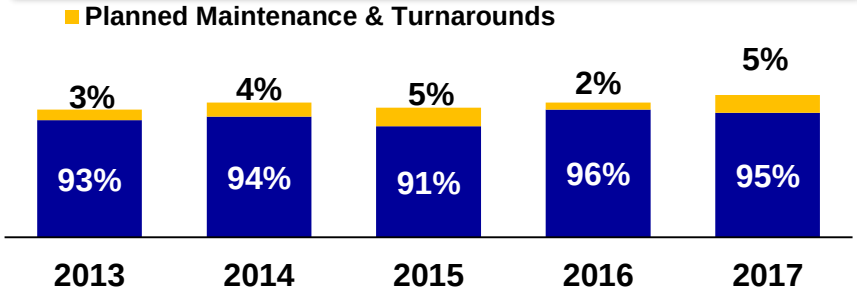
Refining Environmental Metrics
(No. of events)



Operating Costs and SG&A
($B)



Refining Capacity Utilization
(%)



See appendix for footnotes.

Environmental, Social, Governance

Board engaged in setting company ESG strategy

Extensive ESG engagement

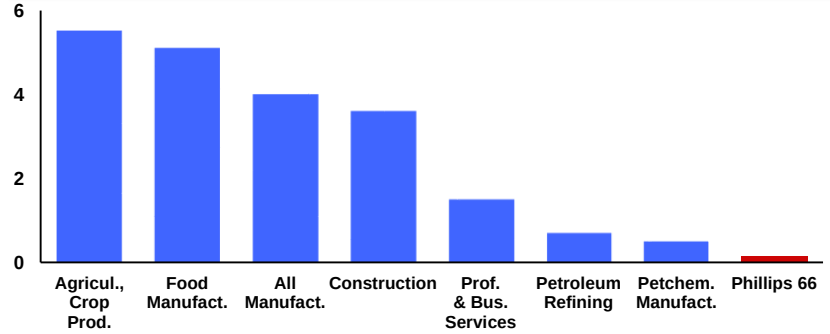
Record low reportable environmental events

Investing in forward-looking research and development technology

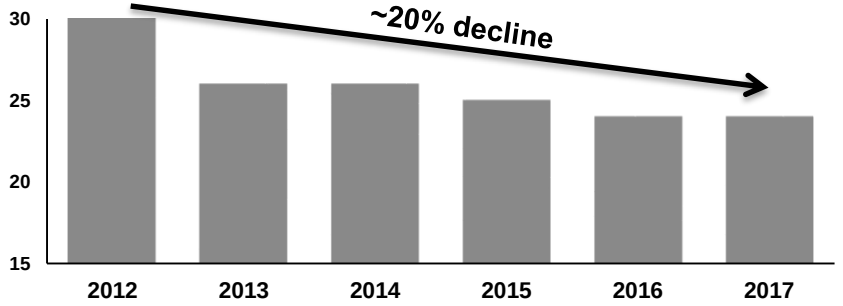
Promoting inclusive and diverse workforce

Giving back to communities where we live and work

Industry Safety Metrics
(Incidents per 200,000 Hours Worked)



Phillips 66 SOx, NOx, PM Emissions
(Thousand tonnes)



See appendix for footnotes.

Growth

USGC Petrochemicals Project

Bakken Pipeline

Beaumont Terminal

Gulf Coast pipelines

Sweeny Hub Phase 2

Phillips 66 Partners



Beaumont Terminal, Nederland, TX

Returns

Billings Refinery heavy crude project

Ponca City Refinery yield flexibility

Bayway Refinery FCC modernization

Wood River Refinery FCC modernization

Lake Charles Refinery crude flexibility

Enhancing U.S. fuel brands

Expanding Europe retail sites



Vacuum Tower, Billings Refinery, Billings, MT

Capital Allocation

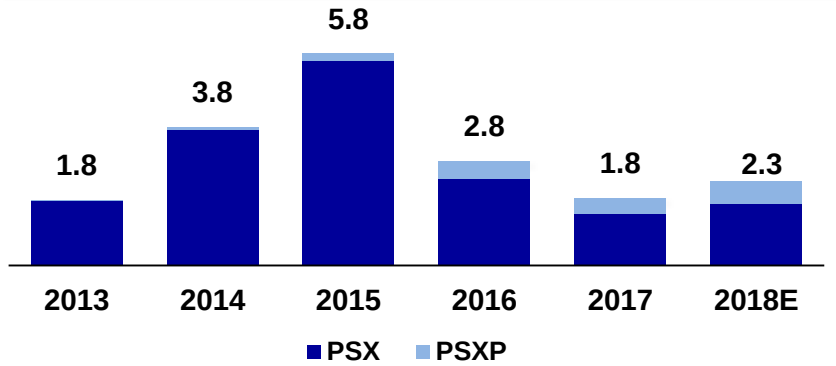
Maintain financial strength, strong investment-grade credit rating

Fund sustaining capital expenditures

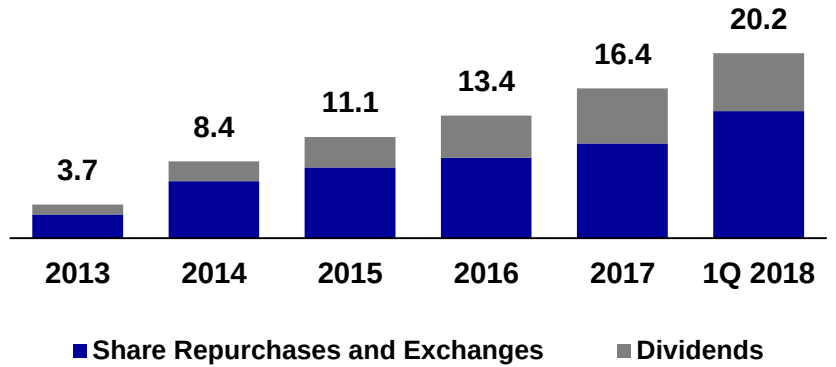
Pay a secure, competitive and growing dividend

60% reinvestment and 40% shareholder distributions

Consolidated Capital Expenditures ($B)



Cumulative Distributions ($B)



See appendix for footnotes.

High-Performing Organization

Highly engaged workforce

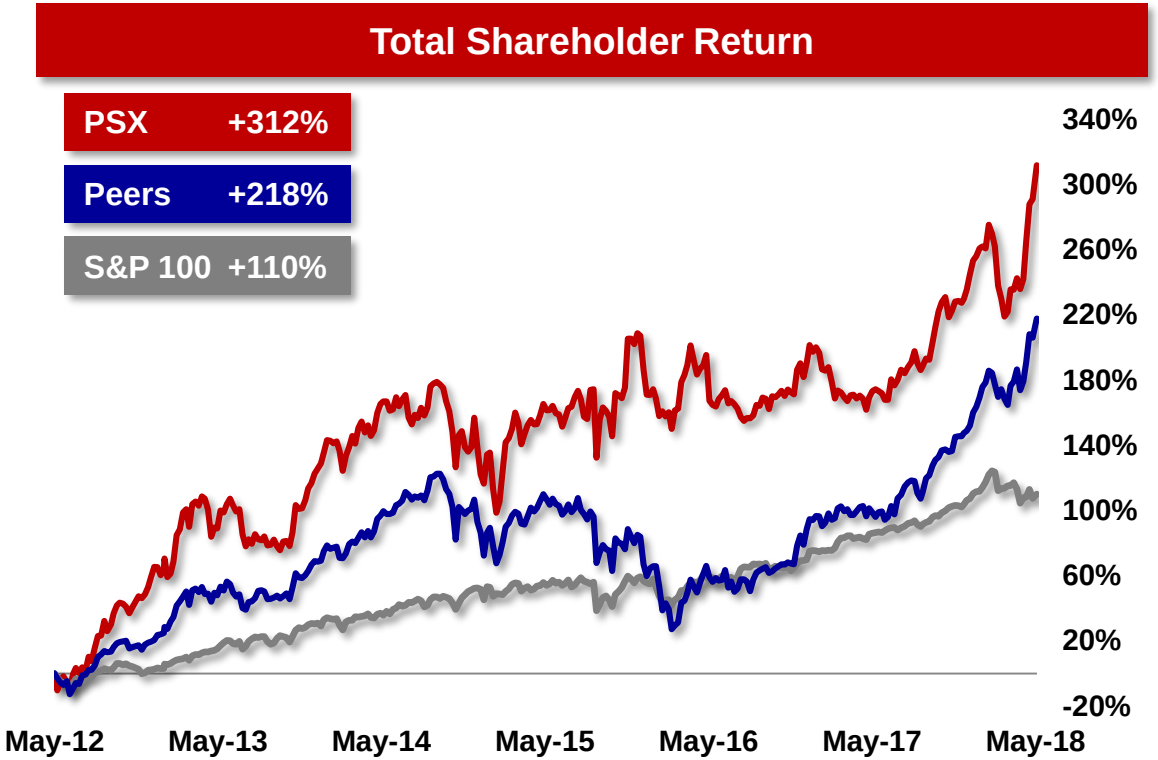
- Valuing inclusion and diversity
- Investing in employee and leadership development
- Improving performance management



Building capabilities, pursuing excellence and always doing the right thing

Delivering Shareholder Returns

- Integrated portfolio
- Disciplined capital allocation
- Returns focused
- Value-added growth
- Strong balance sheet
- Compelling investment



See appendix for footnotes.



Providing Energy. Improving Lives.®

2018 Sensitivities

	Annual Net Income $MM
Midstream - DCP (net to Phillips 66)	
10¢/Gal Increase in NGL price	5
10¢/MMBtu Increase in Natural Gas price	1
$1/BBL Increase in WTI price	1
Chemicals - CPChem (net to Phillips 66)	
1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	45
Worldwide Refining	
$1/BBL Increase in Gasoline Margin	260
$1/BBL Increase in Distillate Margin	230
Impacts due to Actual Crude Feedstock Differing from Feedstock Assumed in Market Indicators:	
$1/BBL Widening WTI / WCS Differential (WTI less WCS)	50
$1/BBL Widening LLS / Maya Differential	40
$1/BBL Widening LLS / Medium Sour Differential	30
$1/BBL Widening LLS / WCS Differential	25
$1/BBL Widening WTI / WTS Differential	15
$1/BBL Widening LLS / WTI Differential	10
$1/BBL Widening ANS / WTI Differential	10
$1/BBL Widening Brent / WTI Differential	5
10¢/MMBtu Increase in Natural Gas price	(15)

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

Footnotes

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

Industry safety metrics as of 2016. Source: Bureau of Labor Statistics.
Sulfur oxides (SOx), nitrous oxides (NOx) and particulate matter (PM).

Slide 8

Reinvestment excludes Phillips 66's portion of self-funded capital spending by DCP, CPChem and WRB. Includes $1.5 B equity contribution to DCP in 2015. 2014 share repurchases/exchanges include the PSPI share exchange.

Footnotes

Slide 10

Chart reflects total shareholder return May 1, 2012 to May 4, 2018. Dividends assumed to be reinvested in stock. Source: Bloomberg.

Peer average includes Delek US Holdings, Inc., HollyFrontier Corporation, Marathon Petroleum Corporation, PBF Energy Inc., Andeavor (formerly Tesoro Corporation), Valero Energy Corporation, Enterprise Products Partners L.P., ONEOK, Inc., Targa Resources Corp., Celanese Corporation, Eastman Chemical Company, Huntsman Corporation, LyondellBasell Industries, and Westlake Chemical Corporation.

Non-GAAP Reconciliation (slide 4)

	Millions of Dollars				
	2013	**2014**	**2015**	**2016**	**2017**
Production and operating expenses	$ 4,206	$ 4,435	$ 4,294	$ 4,275	$ 4,699
Selling, general and administrative expenses	1,478	1,663	1,670	1,638	1,695
	5,684	6,098	5,964	5,913	6,394
Plus:					
Sentinel operating expenses*	81	90	88	94	-
Total expenses	5,765	6,188	6,052	6,006	6,394
Less:					
Turnaround expenses**	368	424	516	506	598
Adjusted Operating Costs and SG&A	**$ 5,397**	**$ 5,764**	**$ 5,536**	**$ 5,500**	**$ 5,796**

**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*