



INVESTOR PRESENTATION

August 24, 2010





Forward-Looking Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including, among others, statements and projections regarding the Company's future financial position, operations, performance, business strategy, returns, budgets, reserves, levels of production and costs and statements regarding the plans and objectives of the Company's management for future operations, are forward-looking statements. The words "believe," "expect," "anticipate," "plan," "intend," "estimate," "potential," "should," "would," "could," or other similar expressions 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. Without limiting the generality of the foregoing, these statements are based on certain assumptions made by the Company based on management's experience, expectations and perception of historical trends, current conditions, anticipated future developments 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 factors discussed or referenced in the "Risk Factors" section of the Company's 10-K filed with the Securities and Exchange Commission ("SEC") on February 26, 2010 and risks relating to sustained or further declines in the prices we receive for our oil and natural gas, including natural gas liquids; uncertainties about the estimated quantities of oil and natural gas reserves, including uncertainties about the effects of the SEC's new rules governing reserve reporting; the effects of government regulation, permitting and other legal requirements, including new legislation or regulation of hydraulic fracturing; risks related to new federal oversight or regulation of over-the-counter derivatives; risks related to the elimination of certain federal income tax deductions currently available to oil and natural gas exploration activities; drilling and operating risks; the adequacy of our capital resources and liquidity, including access to additional borrowing capacity under our credit facility; difficult and adverse conditions in the domestic and global capital and credit markets; risks related to the concentration of our operations in the Permian Basin of Southeast New Mexico and West Texas; potential financial losses or earnings reductions from our commodity price risk management program; shortages of oilfield equipment, services and qualified personnel and increased costs for such equipment, services and personnel; risks and liabilities associated with acquired properties or businesses; uncertainty regarding the exercise of preferential purchase rights on assets to be acquired in the Marbob acquisition and the related litigation; risks related to the integration of the Marbob assets and employees with our operations; uncertainties about our ability to successfully execute our business and financial plans and strategies; uncertainties about our ability to replace reserves and economically develop our current reserves; general economic and business conditions, either internationally or domestically or in the jurisdictions in which we operate; competition in the oil and natural gas industry; uncertainty concerning our assumed or possible future results of operations; our existing indebtedness; and other important factors that could cause actual results to differ materially from those projected.

Accordingly, you should not place undue reliance on any of the Company's forward-looking statements. All forward-looking statements speak only as of the date on which such statements are 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.

Cautionary Statement Regarding Oil and Gas Quantities

The SEC requires oil and gas companies, in their filings with the SEC, to disclose proved reserves, which are those quantities of oil and 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 unweighted average 12-month 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, we currently do not disclose probable or possible reserves in our SEC filings.

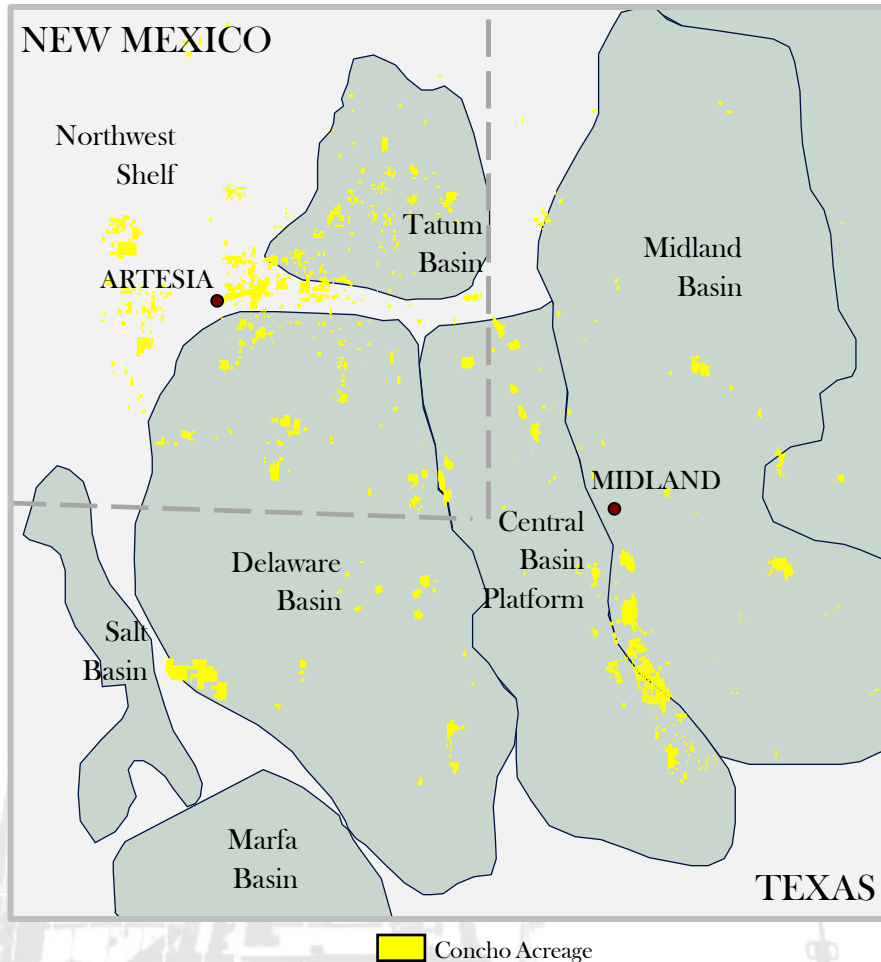
In this presentation, proved reserves attributable to the Company and Marbob as of July 1, 2010 are estimated utilizing SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices as of June 2010 of \$72.23 per Bbl of oil and \$4.10 per MMBtu of natural gas. The Company's estimate of its and Marbob's total proved reserves as of July 1, 2010 is based on the Company's internal reserve analysis and has not been prepared by, reviewed or audited by the Company's independent petroleum engineers.

We use the terms “unproved reserves,” “EUR” per well and “upside potential” to describe estimates of potentially recoverable hydrocarbons that the SEC rules prohibit from being included in filings with the SEC. These are the Company's internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. These quantities may not constitute “reserves” within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System or SEC rules and do not include any proved reserves. EUR estimates and drilling locations have not been risked by Company management. Actual locations drilled and quantities that may be ultimately recovered from the Company's interests will differ substantially. There is no commitment by the Company to drill all of the drilling locations which have been attributed these quantities. Factors affecting ultimate recovery include the scope of our ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors; and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of unproved reserves, per well EUR and upside potential may change significantly as development of the Company's oil and gas assets provide additional data.

In addition, certain of the assets in the Marbob acquisition are subject to preferential purchase rights of third parties. All estimates of proved reserves, unproved reserves, production and acreage related to the Marbob acquisition assume that such third parties do not exercise these preferential purchase rights, and to the extent such preferential purchase rights are exercised, our estimates of proved reserves, unproved reserves, production and acreage will be significantly lower than disclosed herein. If all of the contractual preferential rights were exercised, we estimate the purchase price would be reduced by approximately \$500 million

Our production forecasts and expectations for future periods 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.

Company Overview



Ticker:

CXO
LISTED
NYSE

Market Cap¹:

\$5.6 billion

Enterprise Value:

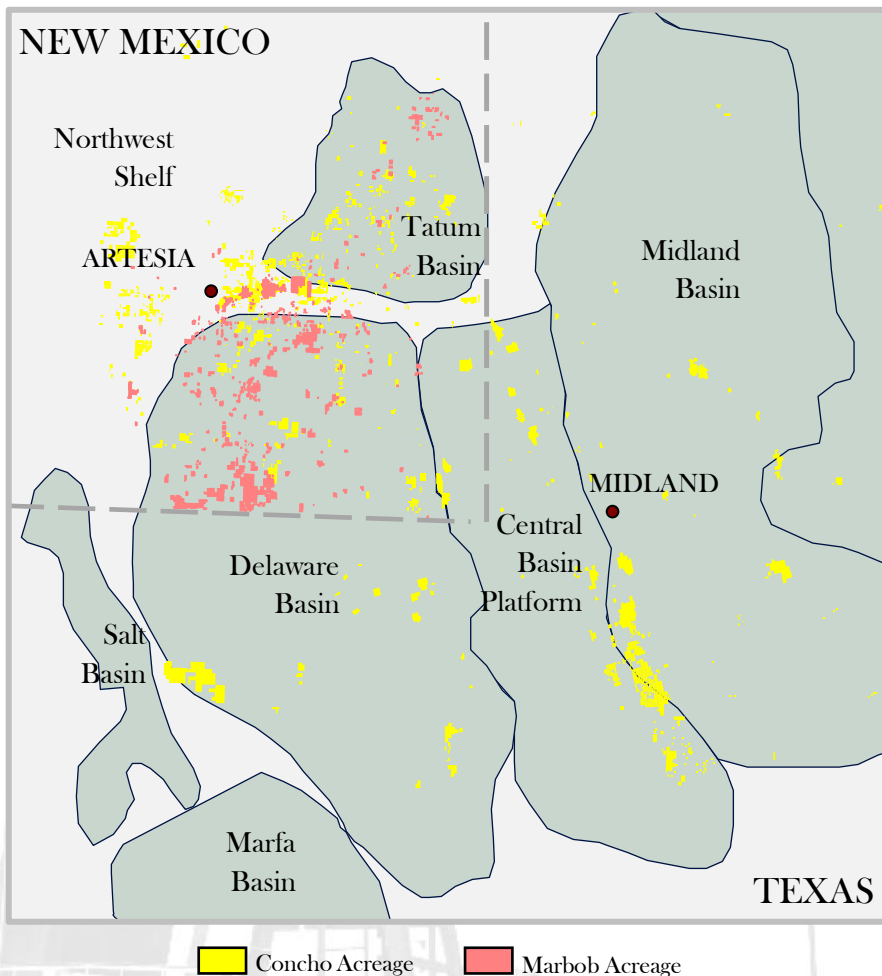
\$6.2 billion

- Q2 2010 average daily production of 37.9 MBoepd
- 234.5 MMBoe proved reserves (99% Permian)²
 - 67% oil
 - 53% proved developed
- 712,847 gross (293,397 net) acres²
- Approximately 4,200 drilling locations²

¹ Based on 8/12/10 closing price of \$60.53 and 91.7 million shares outstanding 06/30/10.

² As of 06/30/10.

Marbob Overlays Concho's Existing Assets



| | Concho | Marbob | Pro Forma |
|---|---------|---------|-----------|
| Acreage (Gross) | 712,847 | 281,383 | 994,230 |
| Acreage (Net) | 293,397 | 158,117 | 451,514 |
| Proved Reserves (MMBoe) ¹ | 234.5 | 75.4 | 309.9 |
| Daily Production (MBoepd) ² | 37.9 | 14.0 | 51.9 |
| Drilling Locations (Gross) ¹ | 4,220 | 2,075 | 6,295 |
| Current rig count | 25 | 5 | 30 |

- ~1,000,000 combined gross acres in the Permian adds to Concho strategic advantage
- Adds significant drilling inventory in New Mexico Shelf and Bone Spring play
- Accretive transaction
- Marbob allows Concho to accelerate its growth rate from a larger asset base

¹ Based on Concho's and Marbob's mid year reserves. See "Cautionary Statement Regarding Oil and Gas Quantities."

² Based on Concho's average Q2 2010 and Marbob's average Q1 2010.



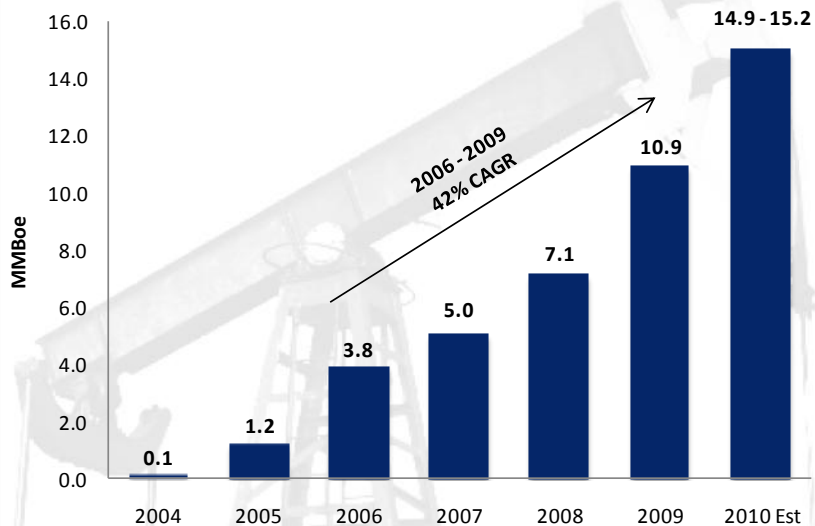
2nd Quarter 2010 Concho Stand-Alone Highlights

- Q2 2010 EBITDAX¹ of \$161.8 million, a 42% increase over Q2 2009
- Net income of \$124.2 million for Q2 2010 compared to a net loss of \$33.2 million
- Adjusted net income (non-GAAP)¹ of \$57.9 million for Q2 2010, a 97% increase over Q2 2009
- Q2 2010 production of 3.5 MMBoe, a 26% increase over Q2 2009 production
- Drilled 155 gross wells in Q2 2010
- 2010 capital budget assumes drilling over 550 gross wells
- 25 rigs currently running
- Capital budget and production increase

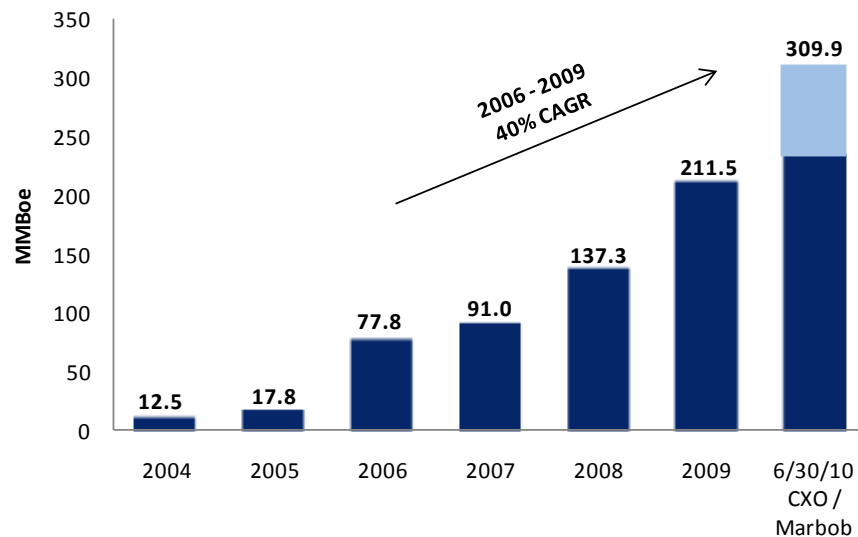
¹For an explanation of how we calculate and use EBITDAX and adjusted net income and a reconciliation of net income to EBITDAX and adjusted net income, please see appendix.

Recent Financial and Operational Highlights

Annual Production¹



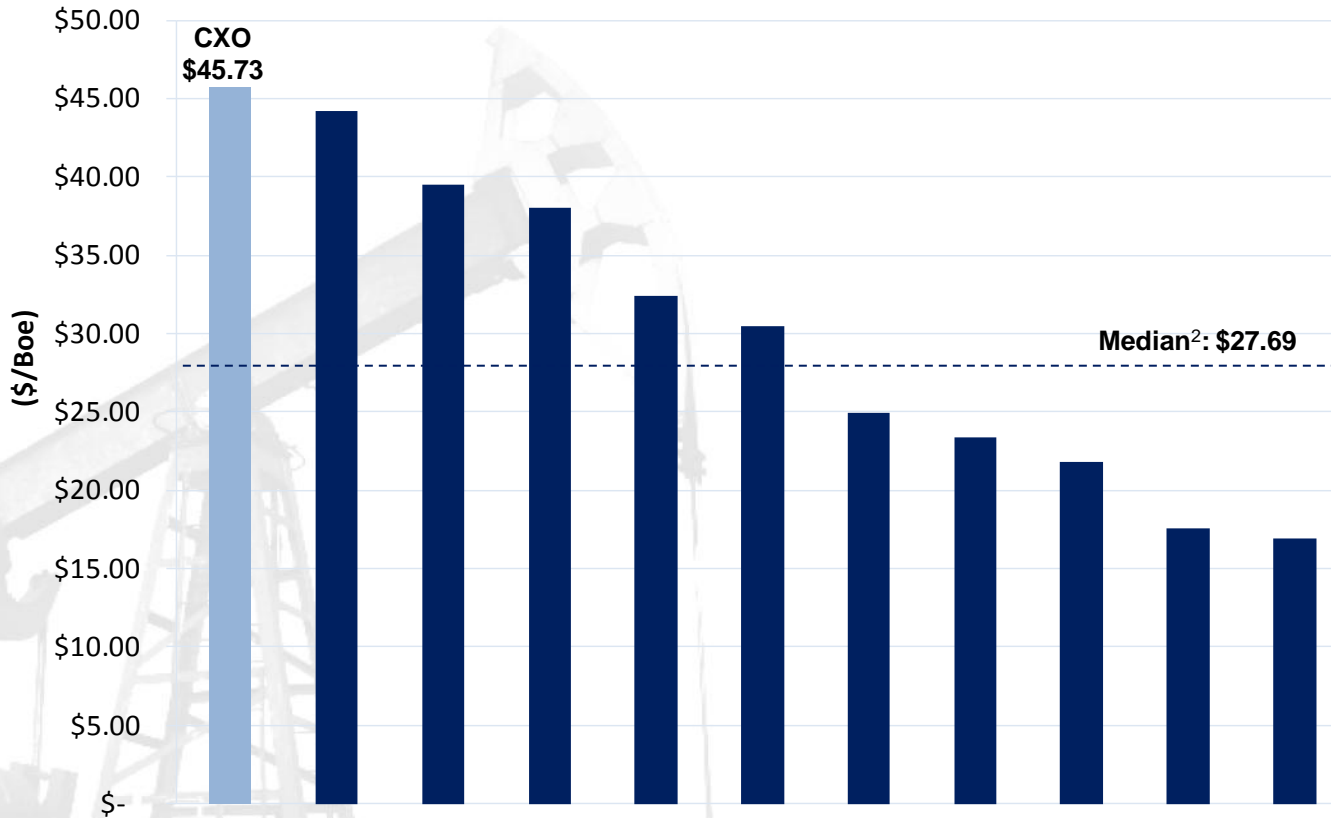
Proved Reserves



¹ 2010 includes estimated Marbob production for November and December.

Cash Margin Analysis

First Half 2010 Unhedged Cash Margin (\$/Boe)¹



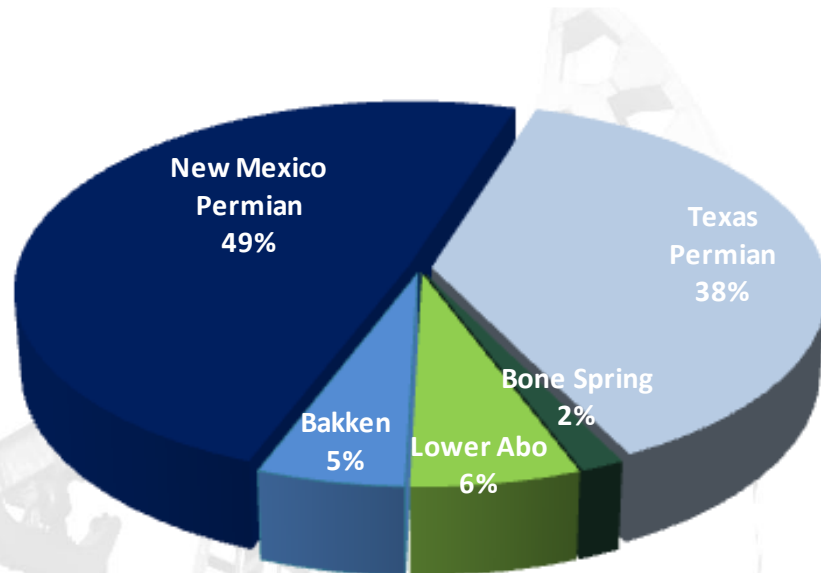
Note: Peers include DNR, PXD, PXP, RRC, SD, SM, SWN, WLL, XCO and XEC.

¹ Unhedged Cash Margin represents oil & gas revenues, less lease operating expenses, production taxes and cash G&A expense (excludes stock-based compensation) divided by production.

² Median excludes CXO.

2010 Concho Stand-Alone Capital Budget – \$700 Million

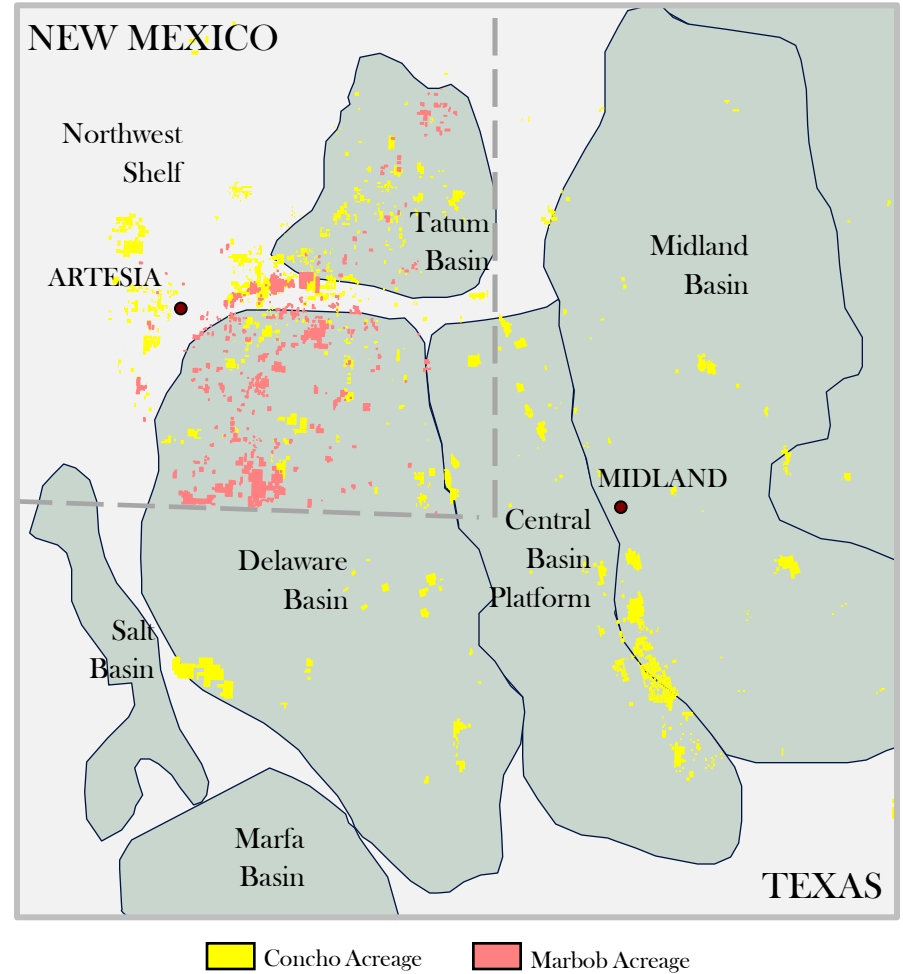
2010 Capital Budget



- 2010 capital budget to approximately \$700 million
- Increased activity level
 - 7 rigs in the Yeso to drill approximately 200 wells
 - 17 rigs currently drilling in the Wolfberry to drill over 300 wells
 - \$34 million allocated to the Bakken
 - \$39 million to the Lower Abo
 - \$35 million allocated to land and G&G
 - \$35 million allocated to facilities
- 64% of the last 6 months of 2010 production hedged

Technology in the Permian Basin

- Most of the active plays in the Permian Basin are the result of modern technology
 - Completions
 - Horizontal drilling
- Concho examples
 - Yeso
 - Wolfberry
 - Bone Spring
 - Abo
- Other plays
 - Overthrust
 - Deep Morrow
 - Spraberry
 - Other horizontal plays

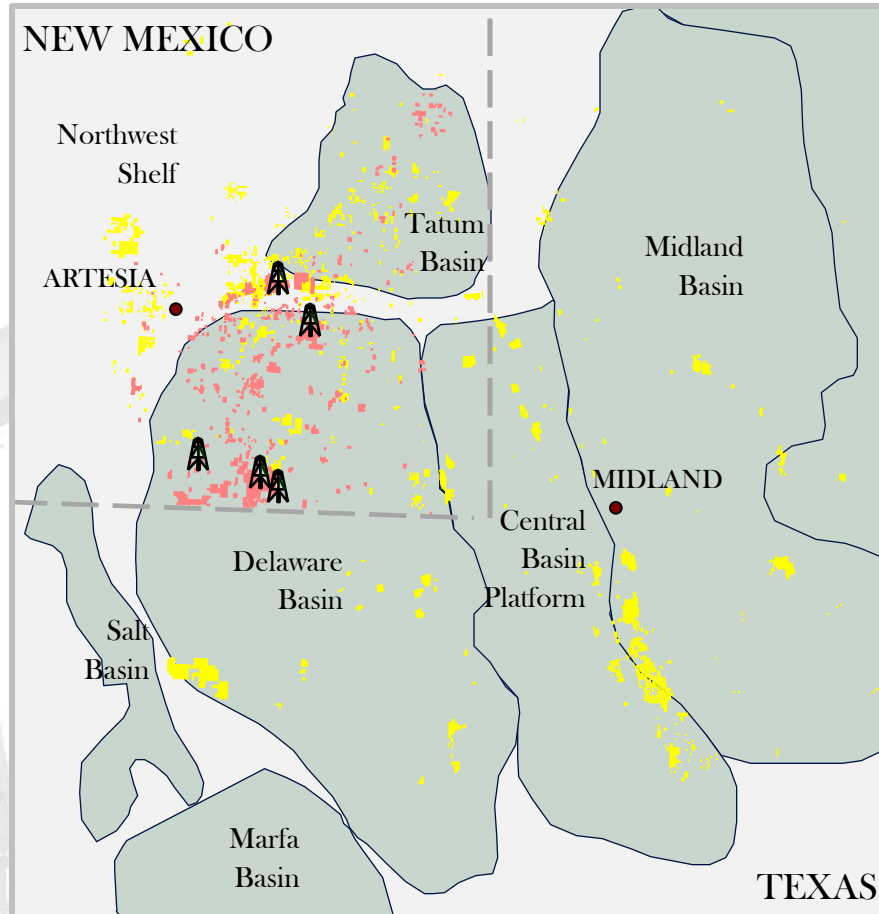


New Mexico Shelf

- 7 rigs currently drilling
- 58% of proved reserves¹
- 61% of production²
- Majority of opportunities < 7,000'
- Paddock, Blinebry, Abo, Atoka, Morrow, Strawn
- 1,550 drilling opportunities

Wolfberry

- 17 rigs currently drilling
- 36% of proved reserves¹
- 25% of production²
- Activities concentrated in Wolfberry play
- 1,628 drilling opportunities



Concho Acreage
 Marbob Acreage
 Marbob Rigs

Bone Spring

- Building acreage position
- >100,000 acres pro forma with Marbob

Lower Abo

- 1 rig currently drilling
- ~50,000 net acres currently
- 2% of proved reserves¹
- 5% of production²
- 361 drilling opportunities

234.5 MMBoe proved reserves¹

- 67% oil
- 53% proved developed

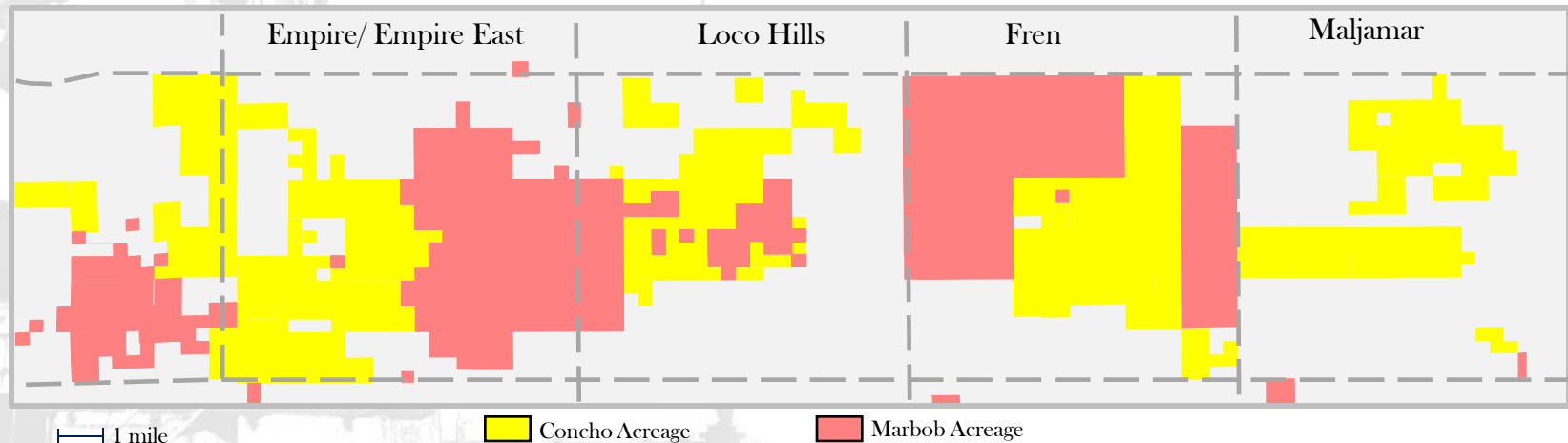
Concho stand-alone Q2 average daily production of 37.9 MBoepd

¹ Based on Concho's mid-year estimate of proved reserves. See "Cautionary Statement Regarding Oil and Gas Quantities."

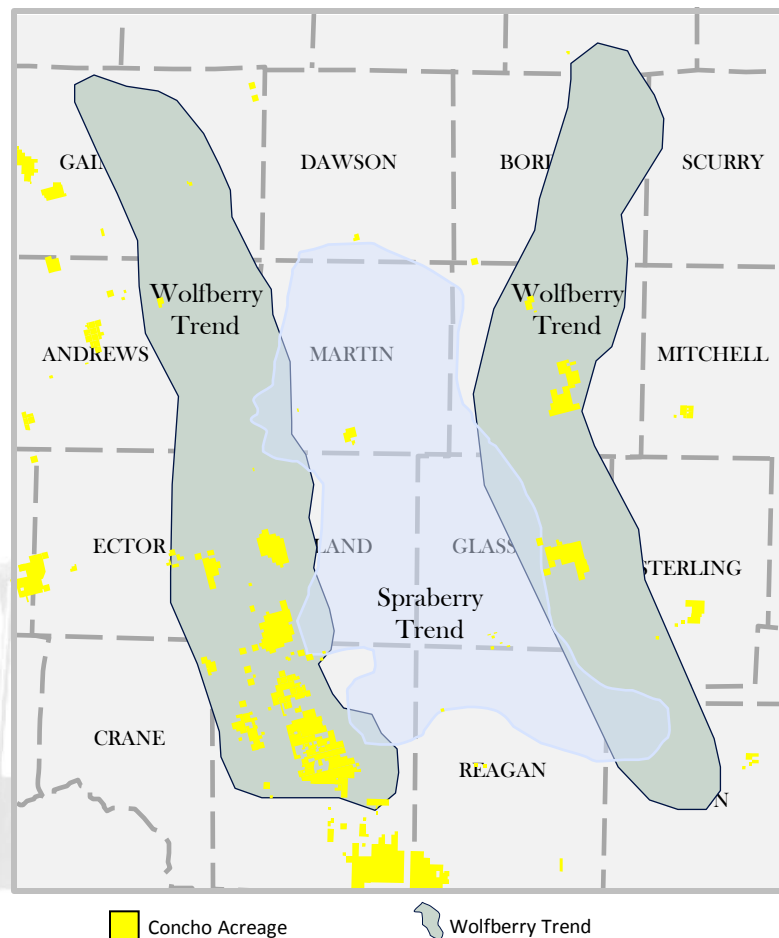
² 2nd quarter 2010 production.

New Mexico Shelf

- Acquired a largely undeveloped set of properties which provide a multi-year inventory of drilling opportunities
 - Added ~55 MMBoe of estimated proved reserves and ~70 MMBoe of estimated unproved reserves
- Concho has drilled over 550 wells in Yeso since 2006 Chase acquisition
- Marbob's New Mexico Shelf assets significantly increases Concho's existing New Mexico Shelf drilling inventory
- Plan to increase rig count in 2011
- 5,000' to 7,000' vertical wells
- Certain of Marbob's New Mexico Shelf assets are subject to preferential rights to purchase



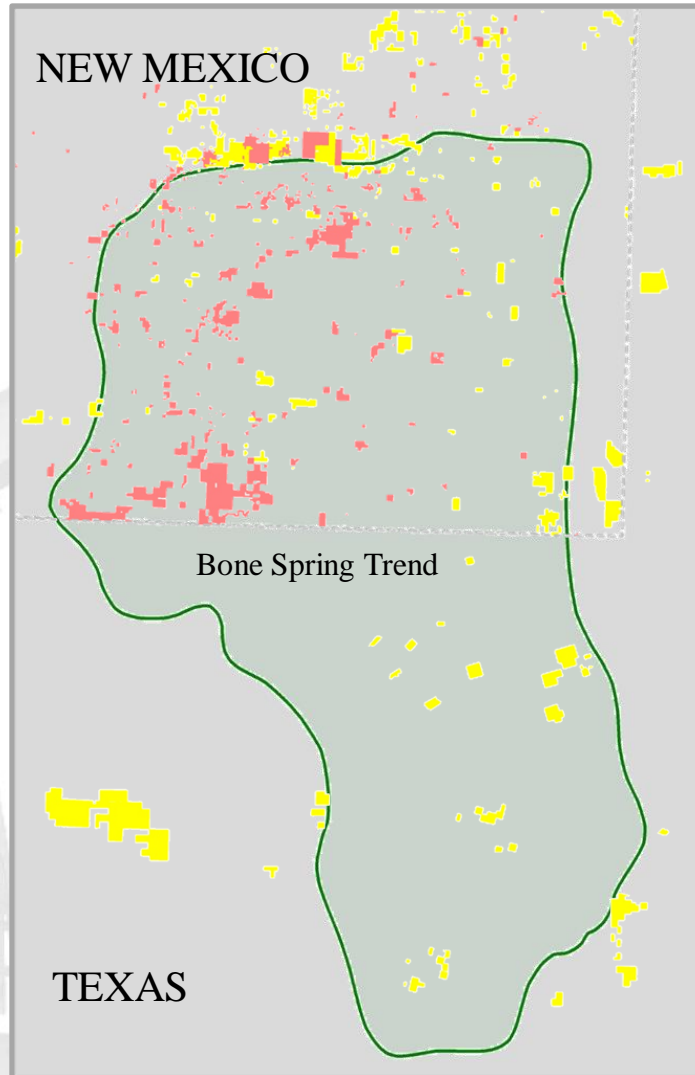
Wolfberry Core Area



- Currently operating 17 rigs in the Wolfberry
- Depth typically 7,500' to 11,000'
- Approximately 5 years of drilling inventory at current pace
- Technical team will have drilled over 1,000 wells by year end 2010
 - 300+ wells to be drilled in 2010
- Further bolt-on consolidation potential
- Average EUR – 140 MBoe per well
- Current capital cost of approximately \$1.3 million per well
- 12-15 days to drill
- 8-10 stage frac

Bone Spring Play

| Delaware Basin | | |
|----------------|---------------|---|
| Age | Strata | Oil Plays |
| Triassic | Chinle | |
| | Santa Rosa | |
| Ochoan | Dewey Lake | |
| | Rustler | |
| | Salado | |
| | Castile | |
| | | |
| Gualalupian | Bell Canyon | Delaware Mountain Group Basinal Sandstone |
| | Cherry Canyon | |
| | Brushy Canyon | |
| Leonardian | Upper | 1st Bone Spring/ Avalon Shale |
| | Middle | 2nd Bone Spring |
| | Lower | 3rd Bone Spring |
| Wolfcampian | Wolfcamp | Wolfcamp/ Leonard/ Basinal Carbonate |

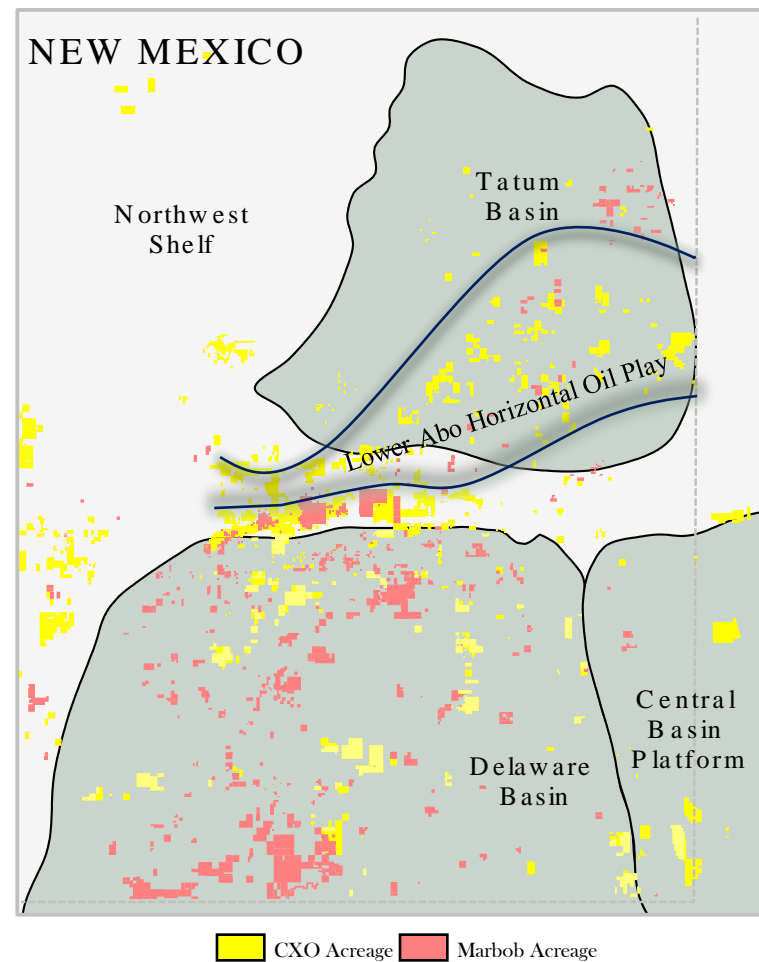


CXO Acreage
 Marbob Acreage

- Combined position in the Bone Spring creates a new core area
- Significant increase to Concho's existing acreage position – pro forma over 100,000 net acres
 - Approximately 1,100 drilling locations
 - Approximately 100 MMBoe of estimated unproved reserves
- Marbob currently operating 4 rigs
 - Plan to increase to 8 rigs in 2011
- Industry has drilled ~250 Bone Spring horizontal wells to date
 - Marbob has operated 51 wells
- EUR range of 200 to 400 MBoe per well with average well costs of \$3 million to \$5 million
- Typical reservoir depths of 6,000' to 13,500'

Lower Abo

- Geographically close to the New Mexico Yeso
- Approx. 54,237 net acres at 06/30/10
- Drilled 19 operated wells, including discovery well in early 2007, and participated as a non-operator in an additional 13 wells
- Q2 2010 production averaged 1,700 Boepd
- Capital cost of approximately \$4 million per well
- 6,500-10,000' vertical depth, laterals to 4,500'
- 8-12 stage frac
- 25-35 days to drill
- Currently running 1 rig
- Plan to drill or participate in 14 gross wells and expect to spend approximately \$39 million in 2010





Key Investment Highlights

- Proven track record of operational and acquisition expertise
- Concentrated asset base
- Exposure to greater reserve and production growth from combined asset base with approximately 6,300 drilling locations
- Strong price realizations and low cost structure provides industry leading margins
- Consistent and focused business strategy to grow in the Permian



Appendix



Hedges as of August 4, 2010

| | 2010 | | | 2011 | 2012 - 2015 |
|---|----------------|----------------|----------------|----------------|----------------|
| | Third Quarter | Fourth Quarter | Total | | |
| Oil Swaps | | | | | |
| Volume (Bbl) | 1,817,936 | 1,651,936 | 3,469,872 | 6,872,746 | 7,566,000 |
| NYMEX price (Bbl) (a) | \$ 76.78 | \$ 76.43 | \$ 76.61 | \$ 81.65 | \$ 88.79 |
| Natural Gas Swaps | | | | | |
| Volume (MMBtu) | 2,427,000 | 2,258,000 | 4,685,000 | 10,776,000 | 300,000 |
| NYMEX price (MMBtu) (b) | \$ 6.03 | \$ 6.03 | \$ 6.03 | \$ 6.58 | \$ 6.54 |
| Natural Gas Collars | | | | | |
| Volume (MMBtu) | 1,500,000 | 1,500,000 | 3,000,000 | 1,500,000 | - |
| NYMEX price (MMBtu) (b) | | | | | |
| Ceiling | \$ 5.75 | \$ 6.80 | \$ 6.28 | \$ 6.80 | - |
| Floor | \$ 5.25 | \$ 6.00 | \$ 5.63 | \$ 6.00 | - |
| Natural Gas Basis Swaps | | | | | |
| Volume (MMBtu) | 2,100,000 | 2,100,000 | 4,200,000 | 7,200,000 | - |
| Price differential (\$/MMBtu) (c) | \$ 0.85 | \$ 0.85 | \$ 0.85 | \$ 0.79 | - |
| Interest Rate Swap | | | | | |
| Notional Amount | \$ 300,000,000 | \$ 300,000,000 | \$ 300,000,000 | \$ 300,000,000 | \$ 300,000,000 |
| Annual Rate (d) | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% |

(a) The index prices for the oil contracts are based on the NYMEX-West Texas Intermediate monthly average futures price.

(b) The index prices for the natural gas contracts are based on the NYMEX-Henry Hub last trading day of the month futures price.

(c) The basis differential between the El Paso Permian delivery point and NYMEX-Henry Hub delivery point.

(d) The index rate is based on the one-month LIBOR and expires in May 2012.

- Management expects that the acquisition will be accretive

| | 2010 Concho Stand Alone Guidance | Acquisition Impact on 2010 Results (Nov. and Dec. only) | Acquisition Impact on 2011 Results |
|--|---|--|--|
| Oil equivalent (MMBoe) | 14.1 -14.3 | 0.8 - 0.9 | 6.0 - 6.2 |
| Oil (MMBbls) | 9.3 – 9.4 | 0.4 - 0.5 | 3.2 - 3.3 |
| Natural gas (Bcf) | 28.8 – 29.4 | 2.4 - 2.5 | 16.8 - 17.4 |
| Price differentials to NYMEX: (excluding the effects of hedging) | | | |
| Oil (Bbl) | 93 - 95% | 93 - 95% | 93 - 95% |
| Natural gas (Mcf) | 105 - 120% | 105% - 120% | 105% - 120% |
| Operating costs and expenses: | | | |
| Lease operating expense | | | |
| Direct lease operating expense (\$/Boe) | \$5.75 - \$6.25 | \$6.00 - \$6.25 | \$6.00 - \$6.25 |
| Oil & natural gas taxes (% of oil and natural gas revenue) | 8.00% | 8.00% | 8.00% |
| G&A expense - Recurring (\$/Boe) | \$3.40 - \$3.60 | \$2.50 - \$3.00 | \$2.50 - \$3.00 |
| Exploration, abandonments and G&G (\$/Boe) | \$1.90 - \$2.10 | \$1.90 - \$2.10 | \$1.90 - \$2.10 |
| Capital expenditures (\$ in millions) | Approximately \$700 | Approximately \$50 | Approximately \$450 |



EBITDAX and Adjusted Net Income Reconciliation

| (in thousands) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------------|------------------------------|-------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Net income (loss) | \$ 124,171 | \$ (33,218) | \$ 191,711 | \$ (46,443) |
| Exploration and abandonments | 878 | 1,424 | 2,173 | 7,419 |
| Depreciation, depletion and amortization | 54,101 | 52,402 | 107,944 | 103,150 |
| Accretion of discount on asset retirement obligations | 372 | 301 | 772 | 579 |
| Impairments of long-lived assets | 4,692 | 4,499 | 7,312 | 8,555 |
| Non-cash stock-based compensation | 2,871 | 2,188 | 5,702 | 4,113 |
| Bad debt expense | 33 | - | 572 | - |
| Unrealized mark to market (gain) loss on derivatives not designated as hedges | (111,222) | 105,947 | (137,635) | 148,117 |
| Interest expense | 11,192 | 6,200 | 22,257 | 10,570 |
| Income tax expense (benefit) | 74,744 | (25,691) | 114,684 | (33,797) |
| EBITDAX | <u>\$ 161,832</u> | <u>\$ 114,052</u> | <u>\$ 315,492</u> | <u>\$ 202,263</u> |

| (in thousands, except per share amounts) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|------------------|---------------------------|------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Net income (loss) - as reported | \$ 124,171 | \$ (33,218) | \$ 191,711 | \$ (46,443) |
| Adjustments for certain non-cash items: | | | | |
| Unrealized (gain) loss on derivatives not designated as hedges | (111,222) | 105,947 | (137,635) | 148,117 |
| Impairments of long-lived assets | 4,692 | 4,499 | 7,312 | 8,555 |
| Leasehold abandonments | 318 | 531 | 727 | 4,428 |
| Tax impact ^(a) | 39,910 | (48,399) | 48,508 | (67,855) |
| Adjusted net income | <u>\$ 57,869</u> | <u>\$ 29,360</u> | <u>\$ 110,623</u> | <u>\$ 46,802</u> |
| Adjusted basic earnings per share: | | | | |
| Adjusted net income per share | \$ 0.64 | \$ 0.35 | \$ 1.23 | \$ 0.55 |
| Weighted average shares used in adjusted basic earnings per share | 91,044 | 84,799 | 89,944 | 84,665 |
| Adjusted diluted earnings per share: | | | | |
| Adjusted net income per share | \$ 0.63 | \$ 0.34 | \$ 1.21 | \$ 0.55 |
| Weighted average shares used in adjusted diluted earnings per share | 92,297 | 85,963 | 91,220 | 85,812 |

^(a) The tax impact is computed utilizing the Company's statutory effective federal and state income tax rates. The income tax rates for the three months ended June 30, 2010 and 2009 was approximately 37.6 percent and 43.6 percent, respectively, and approximately 37.4 percent and 42.1 percent for the six months ended June 30, 2010 and 2009, respectively.



Cash Margin

| | Six Months Ended June 30, 2010 |
|---|--------------------------------------|
| (\$in thousands, except per unit amounts) | |
| Net income (loss) before income taxes | \$ 306,395 |
| Exploration and abandonments | 2,173 |
| Depreciation, depletion and amortization | 107,944 |
| Accretion of discount on asset retirement obligations | 772 |
| Impairments of long-lived assets | 7,312 |
| Non-cash stock-based compensation | 5,702 |
| (Gain) loss on derivatives not designated as hedges | (128,336) |
| Non-cash interest expense | 2,390 |
| Other income (expense), net | 377 |
| Cash Margin | <u>\$ 304,729</u> |
| Production | 6,663 MBoe |
| Cash Margin (\$/Boe) | \$ 45.73 |

Cash margin per BOE (as defined above) is presented herein, and reconciled to the generally accepted accounting principle (“GAAP”) measure of income (loss) from operations. Management believes this presentation may be helpful to investors as it represents the cash generated by our oil and gas assets that is available for reinvestment. Concho management uses this information to analyze operating trends for comparative purposes within the industry. This measure is not intended to replace GAAP statistics but rather to provide additional information that may be helpful in evaluating trends and performance.