

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 29, 2004**

ConocoPhillips

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-49987
(Commission
File Number)

01-0562944
(I.R.S. Employer
Identification No.)

600 North Dairy Ashford
Houston, Texas 77079
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(281) 293-1000**

n/a
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure

ConocoPhillips is hereby furnishing a press release dated September 29, 2004 announcing the acquisition of a 7.59% ownership interest in Lukoil. ConocoPhillips is also furnishing the slide presentation to be used by certain executive officers of ConocoPhillips when they speak to the public, as well as various members of the financial and investing community on September 29, 2004. The press release and the presentation are filed as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

The information in Item 7.01 and Item 9.01 is being furnished, not filed. Accordingly, the information in this Item 7.01 and Item 9.01 will not be incorporated by reference into any registration statement filed by ConocoPhillips under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by ConocoPhillips that (i) the information in this report is material or complete or (ii) investors should consider this information before making an investment decision with respect to any security of ConocoPhillips or any of its affiliates.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

- 99.1 Press Release dated September 29, 2004.
 - 99.2 Slide presentation given by certain executive officers of ConocoPhillips on September 29, 2004.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONOCOPHILLIPS

September 29, 2004

/s/ Stephen F. Gates

Stephen F. Gates
Senior Vice President
and General Counsel

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated September 29, 2004.
99.2	Slide presentation given by certain executive officers of ConocoPhillips on September 29, 2004.

*ConocoPhillips and LUKOIL Form Strategic Alliance;
ConocoPhillips to Become Equity Investor in LUKOIL*



PRESS RELEASE
September 29, 2004

**ConocoPhillips and LUKOIL Form Strategic Alliance;
ConocoPhillips to Become Equity Investor in LUKOIL**

MOSCOW and HOUSTON, Sept. 29, 2004 — ConocoPhillips [NYSE:COP] and LUKOIL [LSE:LKOD] jointly announced today in Moscow, Russia, their agreement to form a broad-based strategic alliance in which ConocoPhillips will become a strategic equity investor in LUKOIL. The two major integrated oil and gas companies also announced the creation of a joint venture to develop resources in the northern part of Russia's Timan-Pechora oil and gas province and their intention to jointly seek the right to develop the giant West Qurna oil field in Iraq.

Equity Transaction

ConocoPhillips is announcing today that one of its affiliates was the successful bidder in an auction for 7.59 percent of LUKOIL's authorized and issued ordinary shares held by the Russian government for a price of \$1.988 billion, or \$30.76 per share. ConocoPhillips intends to initiate a tender offer outside the U.S. to non-U.S. LUKOIL shareholders for up to an additional 2.4 percent of LUKOIL's equity capital in the open market at a price of up to \$30.76 per share upon receipt of U.S. Federal Trade Commission clearance for the equity investment in LUKOIL. ConocoPhillips will have proportional board membership including one initial director on the LUKOIL board. In addition, LUKOIL and ConocoPhillips have agreed that ConocoPhillips may increase its total ownership stake in LUKOIL up to an aggregate total ownership interest of 20 percent. These, and other governance issues described below, are the subject of a comprehensive Shareholder Agreement between LUKOIL and ConocoPhillips. ConocoPhillips is assuming it will report this investment in its financial statements using the equity method of accounting.

Governance

LUKOIL and ConocoPhillips have entered into a Shareholder Agreement that will govern ConocoPhillips' equity investment in LUKOIL. Under the Shareholder Agreement, LUKOIL will propose for shareholder approval amendments to its corporate charter that will require unanimous board consent for certain key decisions. The Shareholder Agreement limits ConocoPhillips' ownership in LUKOIL to 20 percent and also limits ConocoPhillips' ability to sell LUKOIL shares for a period of four years.

ConocoPhillips and LUKOIL Form Strategic Alliance;
ConocoPhillips to Become Equity Investor in LUKOIL

LUKOIL and ConocoPhillips plan to commence a comprehensive exchange of management in corporate and operating areas beginning in early 2005.

Upstream Partnership in Russia

LUKOIL and ConocoPhillips also are announcing the creation of a joint venture (JV) with respective interests of 70 percent and 30 percent that will allow ConocoPhillips to partner in the development of LUKOIL's reserves in the northern Timan-Pechora area (north of European Russia). Under the terms of the joint-venture agreement, ConocoPhillips will pay to LUKOIL an acquisition price consisting of more than \$370 million for a 30 percent interest in the JV oil and gas resources, together with an additional payment for its 30 percent share of working capital and its 30% share of LUKOIL's capital investments in the JV fields from January 1, 2004. The precise amount of the acquisition price will be established at closing. The joint venture will be governed 50/50 by LUKOIL and ConocoPhillips, and is expected to be producing and marketing approximately 200,000 barrels per day (BPD) of oil by 2008.

Production from the joint-venture fields will be transported via pipeline to LUKOIL's existing terminal at Varandey Bay on the Barents Sea and then shipped via tanker to international markets. LUKOIL will expand the terminal to 240,000 BPD capacity by 2007 with ConocoPhillips participating in the design and financing of the terminal.

Partnership in Iraq

LUKOIL and ConocoPhillips will cooperate with the Iraqi government to confirm the validity of LUKOIL's rights under its production sharing agreement (PSA) relating to the West Qurna field in Iraq. Subject to confirmation of those rights, and subject to obtaining all required consents of governmental authorities and the parties to the contract, LUKOIL and ConocoPhillips expect to enter into further agreements regarding the assignment by LUKOIL to ConocoPhillips of a 17.5 percent interest in the PSA.

Strategic Rationale

The transaction represents a strategic step for both companies, has the strong support of both the Russian and U.S. governments, and furthers bilateral energy development between the countries, including the potential supply of Russian crude oil and natural gas to U.S. markets.

For LUKOIL, the alliance is an affirmation of its status as Russia's leading international oil and gas company, and a global energy player. Additionally, LUKOIL will benefit from:

- management experience in the international energy business from a trusted long-term partner,
- accelerated growth and improved efficiencies through exposure to global best practices and technology and involvement of the best human resources,

*ConocoPhillips and LUKOIL Form Strategic Alliance;
ConocoPhillips to Become Equity Investor in LUKOIL*

- increased resources for accelerated development of greenfield projects, both in Russia and internationally, and
- growth in LUKOIL's net income and shareholder value through efficiencies and other benefits of this partnership.

ConocoPhillips will gain further exposure to Russia's vast resource potential, where LUKOIL has leading positions in reserves and production. ConocoPhillips also will benefit from:

- an expected meaningful increase in its oil and gas reserves at an attractive cost, as well as access to possible substantial future reserve additions,
- experience in cost-efficient development of Russian reserves and associated best practices,
- a direct participation in world-class oil projects in the northern Timan-Pechora region, and an opportunity to potentially participate in the development of the West Qurna field in Iraq, as well as opportunities to leverage production knowledge and technology to improve the operations in both projects, and
- added shareholder value through additional earnings. The investment is expected to be accretive to ConocoPhillips' 2005 earnings per share, based on First Call consensus estimates.

This transaction is compatible with ConocoPhillips' strategic and financial plans. It does not affect spending on any of ConocoPhillips' previously announced or planned capital projects.

LUKOIL's Board of Directors approved the key terms of the strategic alliance with ConocoPhillips as one of the strategic priorities of LUKOIL.

"This investment is consistent with our Exploration & Production strategy of increasing reserves and production growth in new legacy areas at attractive costs," said Jim Mulva, ConocoPhillips President and Chief Executive Officer. "ConocoPhillips has a long and rich history of successfully doing business in Russia and the Caspian region. LUKOIL has a well-deserved reputation as the leading international oil and gas company in Russia, and we are looking forward to contributing to and sharing in their future success."

"The new partnership with ConocoPhillips represents an exceptional opportunity to combine the talents and resources of two great companies for the mutual benefit of the shareholders of both enterprises. ConocoPhillips' investment in LUKOIL and LUKOIL's assets shows the confidence that ConocoPhillips' management places in the continuing growth of investment attractiveness of Russia and the Russian energy industry, and opens new opportunities for high-quality growth of LUKOIL," said Vagit Alekperov, LUKOIL President.

Credit Suisse First Boston (CSFB) and Citigroup Global Markets Inc. acted as financial advisors to ConocoPhillips on the transaction. CSFB is conducting ConocoPhillips'

*ConocoPhillips and LUKOIL Form Strategic Alliance;
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planned tender offer for LUKOIL shares. Compass Advisers, L.L.P. acted as financial advisor to LUKOIL on the transaction.

Akin Gump Strauss Hauer & Feld LLP acted as legal advisor to LUKOIL on the transaction, while ConocoPhillips was represented by Freshfields Bruckhaus Deringer and Wachtell, Lipton, Rosen and Katz.

ConocoPhillips' senior executives will join LUKOIL's senior executives at their previously announced press conference at LUKOIL's Moscow offices at 4 p.m. today. See LUKOIL's Web site at www.lukoil.com for details of this press conference, as well as presentation files and broadcast access instruction.

In addition, a meeting with LUKOIL and ConocoPhillips executives for securities analysts and investors is scheduled for Thursday, Sept. 30, 2004, at 2:30 p.m. at the St. Regis Hotel in New York City. A webcast of this meeting, along with an investor supplement and conference call details, will be provided on ConocoPhillips' investor Web site, www.conocophillips.com/investor.

ConocoPhillips is an integrated oil company with interests around the world. For more information, go to www.conocophillips.com.

LUKOIL is an integrated oil and gas company active in Russia and nearly 30 other countries. The company's main activities are oil and gas exploration and production, and production and sale of petroleum products. For more information, go to www.lukoil.com.

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CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS
OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

*ConocoPhillips and LUKOIL Form Strategic Alliance;
ConocoPhillips to Become Equity Investor in LUKOIL*

This press release contains forward-looking statements within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that contain projections about revenues, income, earnings and other financial items, plans and objectives for the future, future economic performance, or other projections or estimates about assumptions relating to these types of statements. These statements usually relate to future events and anticipated revenues, earnings, business strategies, competitive position or other aspects of operations or operating results. In many cases you can identify forward-looking statements by terminology such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. The forward-looking statements are based on our respective managements’ expectations, estimates and projections about ConocoPhillips, LUKOIL and the petroleum industry in general on the date this statement was released. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Economic, business, competitive and regulatory factors that may affect the petroleum industry, including ConocoPhillips’ business in particular, are generally as set forth in ConocoPhillips’ filings with the United States Securities and Exchange Commission (SEC). Neither ConocoPhillips nor LUKOIL is under any obligation (and each expressly disclaims any such obligation) to update or alter any forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors - *The U.S. Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. ConocoPhillips uses certain terms in this press release such as “Society of Petroleum Engineers (SPE) reserves” that the SEC’s guidelines strictly prohibit including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in ConocoPhillips’ Form 10-K for the year ended Dec. 31, 2003.*

No invitation to engage in investment activity

This press release is for informational purposes only and is not, and is not intended to be, a communication of an invitation or inducement to engage in investment activity (as determined in accordance with the United Kingdom Financial Services and Markets Act 2000).



STRATEGIC ALLIANCE

Vagit Alekperov
President
LUKOIL

Jim Mulva
President and CEO
ConocoPhillips

September 29 & 30, 2004



CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The following presentation includes 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. You can identify forward-looking statements by the words "expects," "anticipates," "intends," "plans," "projects," "believes," "estimates," and similar expressions.

For risks related to these forward-looking statements, please review ConocoPhillips' SEC filings, including Form 10-K for the year ended December 31, 2003 and the recently filed Form 10-Q for the quarter ending June 30, 2004. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in such forward-looking statements, including the parties' ability to close the transaction and, if and when closed, to execute their strategic plans and capture the synergies discussed in this presentation. The parties disclaim any obligation to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.

Cautionary Note to U.S. Investors – The U. S. Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. ConocoPhillips uses certain terms in this presentation such as "oil/gas resources", "Syncrude", and/or "Society of Petroleum Engineers (SPE) proved reserves" that the SEC's guidelines strictly prohibit including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in ConocoPhillips' Form 10-K for the year ended December 31, 2003.

This presentation includes certain non-GAAP financial measures, as indicated. Such non-GAAP measures are intended to supplement, not substitute for, comparable GAAP measures. Investors are urged to consider closely the GAAP reconciliation tables provided in the presentation Appendix.

STRATEGIC EQUITY ALLIANCE

Jim Mulva
President and CEO
ConocoPhillips

- **Strategic factors favor cooperation of efforts in global oil industry**
 - Focus on capital intensive production in difficult conditions
- **LUKOIL and ConocoPhillips form a strategic alliance to respond**
 - Accelerated development of Russian oil and gas reserves
 - Further bi-lateral energy development between US and Russia

ALLIANCE OF TWO STRONG PARTNERS



ConocoPhillips

LUKOIL

Operations

- Over 40 countries
- Over 30 countries

Market Cap

- \$56B
- \$27B

2003 Production

- 1.6 mln boe/day
- 1.7 mln boe/day

YE 2003 Reserves*

- 7.8 BBOE
- 20.1 BBOE

Refining

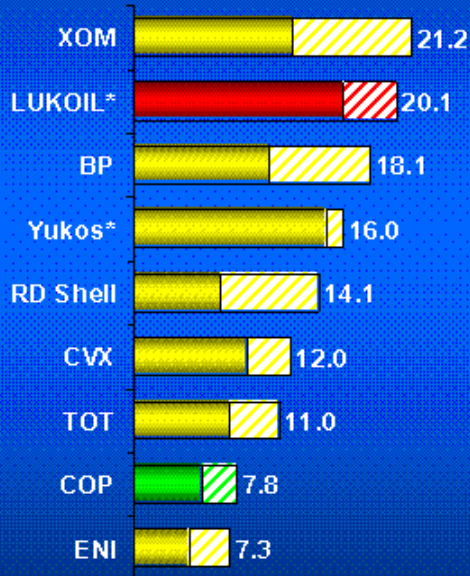
- Largest in the U.S.
- 4th largest in world
- Largest Russian refiner

Note: ConocoPhillips reserves are on an SEC basis; LUKOIL reserves are on an SPE basis

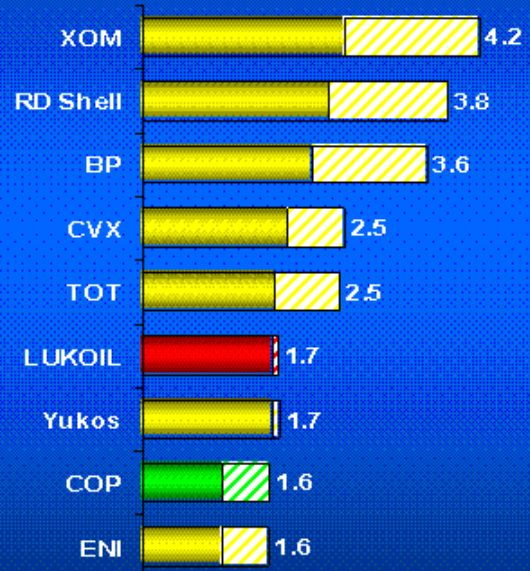
WORLD CLASS RESERVES AND PRODUCTION



YE 2003 Reserves, BBOE



2003 Production, MMBOEPD



Source: Company Filings. * LUKOIL and Yukos reserves are SPE basis.

Oil Gas

- **ConocoPhillips becomes strategic equity investor in LUKOIL**
 - First step taken with purchase of 7.6% of LUKOIL at privatization
 - Near term ownership objective is 10%
 - ConocoPhillips is permitted to acquire up to 20% of LUKOIL pursuant to a comprehensive Shareholder Agreement
- **Joint development of world class reserves**
 - Northern Timan-Pechora Joint Venture (Nenets Okrug, Russia)
 - Includes participation in full value chain and access to international markets
 - Cooperate to pursue West Qurna-2 PSA in Iraq
- **Supported by Russian and U.S. governments**

- **Strategic Equity Investor in LUKOIL**
 - **ConocoPhillips becomes LUKOIL's exclusive equity partner**
 - **ConocoPhillips is permitted to acquire up to 20% of LUKOIL**
 - **ConocoPhillips near-term ownership objective is 10%**
 - Initial acquisition of 7.6% of LUKOIL through government privatization process at \$30.76/share, or \$1.988 B
 - Tender offer for up to 2.4% of LUKOIL stock at \$30.76/share
 - **ConocoPhillips may acquire additional LUKOIL shares at its own timing**
 - **Comprehensive shareholders agreement details governance**

<u>Components:</u>	<u>LKOD</u>	<u>COP</u>
US GAAP accounts*	Y	Y
Quarterly reporting	Y	Y
Listing	LSE	NYSE
Independent BOD members	Y	Y
Audit Committee	Y	Y
Management stock incentives	Y	Y

- Alliance of partners with strong corporate governance foundations
- Initially one ConocoPhillips Board member (full BOD of 11 members) with participation on board committees
- LUKOIL to seek charter amendments requiring unanimous BOD approval for certain key decisions

Note: LUKOIL's US GAAP uses SPE reserves; ConocoPhillips' US GAAP uses SEC reserves (per FAS 19 requirements)

- **ConocoPhillips and LUKOIL will exchange management and other employees through secondment**
 - 15-20 managers initially, starting Q1-2005
 - Long-term with involvement in the host company's processes
- **Secondment Objectives:**
 - Sharing of organizational and technological practices
 - Development of cross-functional expertise
 - Establishing closer ties between the two companies

THE RIGHT TRANSACTION FOR CONOCOPHILLIPS



- Strategic alliance with Russia's leading international oil and gas company
- Meaningful ownership position and governance rights
- Active JV participation in Russia
 - Vast undeveloped hydrocarbon region
- Potential large opportunity in Iraq
- Participation in key corporate and operational decisions
- Enhances current growth portfolio

COOPERATION IN UPSTREAM

Vagit Alekperov
President
LUKOIL

THE RIGHT TRANSACTION FOR RUSSIA



- Affirms government's openness to foreign investment in Russia
- Successfully concludes Russian government's privatization of LUKOIL
 - Russian government to receive \$1.988 billion in auction proceeds
- Enhances energy cooperation and economic and political ties with United States
- Potential for Russian crude oil and natural gas to supply U.S. markets
- Accelerates development of Russia's vast undeveloped resources:
 - Increased revenues, employment, & infrastructure development

THE RIGHT TRANSACTION FOR LUKOIL

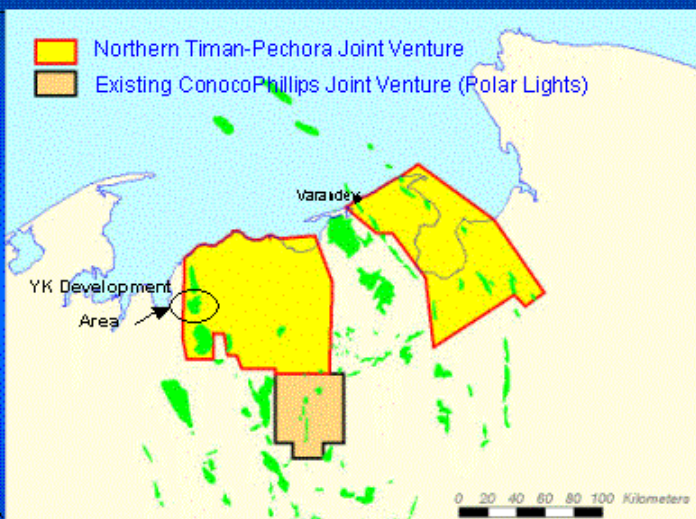


- **Strategic alliance with trusted long-term partner**
 - **Sharing experience in the international energy business through management exchange**
 - **Enhancement to growth plans through exposure to global best practices and technology, including arctic & offshore operations, gas commercialization, refining and information systems and reporting**
- **Affirmation of LUKOIL as Russia's leading international oil and gas company and a global energy player**
 - **Potential cooperation in supply activity in Europe**
 - **Acceleration of development of West Qurna through joint efforts**
- **Increased resources for accelerated development of greenfield projects both in Russia and internationally**
- **Increased net income and shareholder value through efficiencies and other benefits of this partnership**

NORTHERN TIMAN-PECHORA JV



• 16,289 sq. km. (over 4 MM acres) AMI for further development opportunities

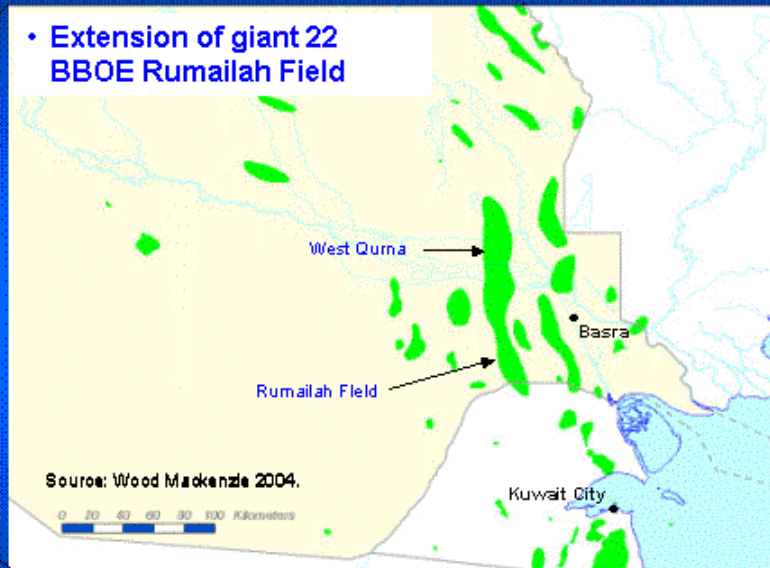


ConocoPhillips joins LUKOIL in development of Timan-Pechora – its premier near-term growth region

- **World-class oil assets**
 - Largely undeveloped basin with significant discoveries
 - New production from YK field expected to initiate in 2007
 - Total JV production ramping up to ~200 MBOPD in 2008-2011
 - Exported through terminal at Varandey, with planned expansion to capacity of 240 MBOPD
- **Governance principles to maximize value**
 - Economic interest: LUKOIL 70% / ConocoPhillips 30%
 - Management and decision making: 50 / 50
 - Joint staffing to facilitate sharing of best practices
- **Purchase price**
 - More than \$370 MM for 30% share in oil and gas resources
 - 30% share of JV working capital, determined at closing
 - 30% share of JV capital expenditures from January 1, 2004, determined at closing



• Extension of giant 22 BBOE Rumailah Field



- LUKOIL and ConocoPhillips to jointly pursue West Qurna PSA in Iraq
- Subject to confirmation from the Iraqi government that PSA is still valid
- Assuming completion, interests would be: LUKOIL 51% (currently 68.5%), ConocoPhillips 17.5%, Iraq Government 25%, Other Russian companies 6.5%

- **Innovative transaction expands on strong historical ConocoPhillips / LUKOIL relationship**
- **Serves strategic objectives of both companies**
 - For ConocoPhillips, increased access to important resource regions with strong partner
 - For LUKOIL, application of global energy company management practices to its world-class asset base
- **Opportunities for future cooperation**
- **Value growth for both companies**



STRATEGIC ALLIANCE

QUESTIONS AND ANSWERS

Vagit Alekperov
President
LUKOIL

Jim Mulva
President and CEO
ConocoPhillips

September 29 & 30, 2004