

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): **January 23, 2008**

ConocoPhillips
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32395
(Commission
File Number)

01-0562944
(IRS 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**

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 2.02 Results of Operations and Financial Condition.

On January 23, 2008, ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended December 31, 2007. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference. Additional financial and operating information about the quarter is furnished as Exhibits 99.2 and 99.3 hereto and incorporated herein by reference.

The press release contains the following measures that are not calculated in accordance with U.S. generally accepted accounting principles (GAAP):

- Earnings adjusted for the second-quarter 2007 Venezuela impairment.
- Diluted earnings per share adjusted for the second-quarter 2007 Venezuela impairment.
- E&P earnings adjusted for the second-quarter 2007 Venezuela impairment.

We have included these non-GAAP financial measures because, in management's opinion, excluding the second-quarter 2007 charge associated with the complete impairment of our Venezuelan oil interests is a useful indicator of the company's ongoing earnings and earnings per share, and is therefore useful in comparing the Company's results with prior and future periods.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

99.1 — Press release issued by ConocoPhillips on January 23, 2008.

99.2 — Financial and operational tables.

99.3 — Supplemental financial information.

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

/s/ Rand C. Berney

Rand C. Berney

Vice President and Controller

January 23, 2008

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1	Press release issued by ConocoPhillips on January 23, 2008.
99.2	Financial and operational tables.
99.3	Supplemental financial information.

ConocoPhillips Reports Fourth-Quarter Net Income of \$4.4 Billion Or \$2.71 Per Diluted Share

HOUSTON--(BUSINESS WIRE)--ConocoPhillips (NYSE:COP):

Earnings at a glance

	Fourth Quarter		Twelve Months	
	2007	2006	2007	2006
Net income	\$4,371 million	3,197 million	\$11,891 million	15,550 million
Diluted income per share	\$2.71	1.91	\$7.22	9.66
Earnings adjusted for the second-quarter 2007 Venezuela impairment	\$4,371 million	3,197 million	\$16,403 million	15,550 million
Diluted earnings per share adjusted for the second-quarter 2007 Venezuela impairment	\$2.71	1.91	\$9.97	9.66
Revenues*	\$52.7 billion	41.5 billion	\$187.4 billion	183.7 billion

* Effective April 1, 2006, revenues no longer include the sales portion of buy/sell contracts, reflecting the adoption of EITF No. 04-13, "Accounting for Purchases and Sales of Inventory with the Same Counterparty."

ConocoPhillips (NYSE:COP) today reported fourth-quarter net income of \$4,371 million, or \$2.71 per share. This compared with \$3,197 million, or \$1.91 per share, for the same quarter in 2006. Revenues were \$52.7 billion, versus \$41.5 billion a year ago.

"During the fourth quarter, our upstream business produced 2.26 million BOE per day, including our share of LUKOIL's production," said Jim Mulva, chairman and chief executive officer. "In the downstream business, our worldwide refining crude oil capacity utilization rate improved to 95 percent.

"We ended the quarter with debt of \$21.7 billion, a debt-to-capital ratio of 19 percent and a cash balance of \$1.5 billion. During the quarter, we repurchased \$2.5 billion of ConocoPhillips common stock, funded \$4.3 billion of our capital program, reduced debt by \$0.2 billion, and paid \$0.7 billion in dividends. This was accomplished using \$6.9 billion of cash generated from operations and \$0.5 billion in proceeds from asset dispositions."

For 2007, net income was \$11,891 million, or \$7.22 per share, including a second-quarter, after-tax impairment of \$4,512 million in the Exploration and Production segment related to the expropriation of the company's Venezuelan oil projects. Earnings for 2007 adjusted for the Venezuela impairment were \$16,403 million, or \$9.97 per share, versus net income of \$15,550 million, or \$9.66 per share, for 2006. Revenues were \$187.4 billion, versus \$183.7 billion a year ago.

The results for ConocoPhillips' business segments follow.

Exploration and Production (E&P)

Fourth-quarter financial results: E&P fourth-quarter net income was \$2,608 million, compared with third-quarter net income of \$2,082 million, and fourth-quarter 2006 net income of \$2,087 million. The increase from the third quarter of 2007 was primarily due to higher realized commodity prices, a deferred tax benefit from a federal rate reduction recently enacted in Canada, and the release of escrowed funds in connection with the extinguishment of the Hamaca project financing. This increase was partially offset by increased production taxes, primarily due to legislation enacted by the state of Alaska; lower net gains from asset rationalization efforts; and the absence of a benefit related to retroactive adjustments for crude oil quality differentials on Trans-Alaska Pipeline System shipments. The Alaska production tax legislation impact was \$234 million after-tax, of which \$95 million is associated with periods prior to the fourth quarter of 2007.

The increase from the fourth quarter of 2006 was primarily due to higher realized commodity prices, the Canadian tax-rate reduction, and the benefit from the release of the escrowed funds. This increase was partially offset by higher production taxes, including the Alaska production tax legislation impact, and lower volumes.

Daily production from the E&P segment, including Canadian Syncrude and excluding the LUKOIL Investment segment, averaged 1.84 million barrels of oil equivalent (BOE) per day, an increase from 1.76 million BOE per day in the previous quarter, and a decrease from 2.05 million BOE per day in the fourth quarter of 2006. The production increase from the previous quarter was primarily due to increased volumes from the United Kingdom and Alaska, reflecting seasonality and less planned and unplanned downtime.

The production decrease from the fourth quarter of 2006 was primarily due to expropriation of the company's Venezuelan oil projects, ConocoPhillips' exit from Dubai, the effect of asset dispositions, planned maintenance in the Timor Sea, and unplanned downtime in Nigeria.

Before-tax exploration expenses were \$268 million in the fourth quarter of 2007, compared with \$218 million in the previous quarter and \$391 million in the fourth quarter of 2006.

Twelve-month financial results: E&P net income for 2007 was \$4,615 million, or earnings of \$9,127 million adjusted for the second-quarter 2007 Venezuela impairment. This compared with \$9,848 million of net income for 2006. The decrease in earnings adjusted for the Venezuela impairment was primarily due to lower volumes; higher operating costs and taxes; and increased depreciation, depletion and amortization expense. These impacts were partially offset by higher realized prices and the net benefit from the company's asset rationalization efforts.

Midstream

Fourth-quarter financial results: The Midstream segment had fourth-quarter net income of \$162 million, up from \$104 million in the previous quarter and \$89 million in the fourth quarter of 2006. The increases from the previous quarter and the fourth quarter of 2006 were primarily due to higher realized natural gas liquids prices.

Twelve-month financial results: Midstream net income for 2007 was \$453 million, down from \$476 million in 2006. The decrease was primarily due to lower realized processing margins, partially offset by higher realized natural gas liquids prices.

Refining and Marketing (R&M)

Fourth-quarter financial results: R&M net income was \$1,122 million in the fourth quarter, down from \$1,307 million in the previous quarter and up from \$919 million in the fourth quarter of 2006. The decrease from the previous quarter was primarily due to a lower net benefit from the company's asset rationalization efforts and the absence of a third-quarter German tax legislation benefit. This decrease was partially offset by slightly higher realized worldwide refining margins. In the United States, although market indicators were lower, the company's realized margins benefited from planned inventory reductions and improved refining market capture due to crude differentials and clean product yield.

The increase from the fourth quarter of 2006 was primarily due to higher realized worldwide refining margins and net benefits from the company's asset rationalization efforts. This increase was partially offset by lower volumes due to the contribution of assets to the downstream business venture with EnCana and foreign currency impacts.

The domestic refining crude oil capacity utilization rate for the fourth quarter was 96 percent, a 1 percent decrease from the previous quarter due to higher turnaround activity, partially offset by lower unplanned downtime. The international crude oil capacity utilization rate was 92 percent, up from 84 percent in the previous quarter. The increase was primarily due to the return of the Wilhelmshaven, Germany, refinery to a full quarter of production.

Worldwide, R&M's refining crude oil capacity utilization rate was 95 percent, up slightly from 94 percent in both the previous quarter and the fourth quarter of 2006. Before-tax turnaround costs were \$80 million in the fourth quarter of 2007, up from \$27 million in the previous quarter and down from \$94 million in the fourth quarter of 2006.

Twelve-month financial results: R&M net income for 2007 was \$5,923 million, up from \$4,481 million in 2006. The increase was primarily due to the company's asset rationalization efforts and higher realized worldwide refining margins. The benefits from higher market cracks and planned inventory reductions were partially offset by the impact of specific refinery configurations and crude differentials on the company's market capture. In addition, net income benefited from higher Gulf and East Coast refining volumes and the German tax legislation benefit. The improvement in net income was partially offset by the net impact associated with the contribution of assets to the downstream business venture with EnCana, foreign currency impacts, and lower marketing sales volumes due to the marketing disposition program.

LUKOIL Investment

Fourth-quarter financial results: LUKOIL Investment segment net income was \$649 million, up from \$387 million in the previous quarter and \$302 million in the fourth quarter of 2006. The results include ConocoPhillips' estimated equity share of OAO LUKOIL's (LUKOIL) income for the fourth quarter based on market indicators and LUKOIL's publicly available operating results.

The increase in net income from the previous quarter was primarily due to higher estimated realized prices and the net impact from the alignment of estimated net income to LUKOIL's reported results. This increase was partially offset by higher estimated extraction and export taxes and lower estimated volumes. The increase from the fourth quarter of 2006 was primarily due to higher estimated realized prices, partially offset by the higher estimated taxes, the net impact from the alignment of estimated net income to LUKOIL's reported results, and higher estimated operating costs.

For the fourth quarter of 2007, ConocoPhillips estimated its equity share of LUKOIL production was 426,000 BOE per day and its share of LUKOIL daily refining crude oil throughput was 227,000 barrels per day.

Twelve-month financial results: Net income for 2007 was \$1,818 million, up from \$1,425 million in 2006. The increase was primarily due to higher estimated realized prices, higher estimated volumes, and ConocoPhillips' increased equity ownership. This increase was partially offset by the higher estimated taxes and operating costs, as well as the net impact from the alignment of estimated net income to LUKOIL's reported results.

Chemicals

Fourth-quarter financial results: The Chemicals segment had fourth-quarter net income of \$99 million, which included a one-time, capital-loss tax benefit of \$65 million. Net income for the segment was \$110 million in the third quarter of 2007 and \$98 million in the fourth quarter of 2006. Excluding the one-time tax benefit, the decreases from the previous quarter and the fourth quarter of 2006 were primarily due to lower olefins and polyolefins margins, and to a lesser extent, lower margins for aromatics and styrenics.

Twelve-month financial results: Net income for 2007 was \$359 million, down from \$492 million in 2006. The decrease was primarily due to lower olefins and polyolefins margins and higher turnaround and repair costs, partially offset by the one-time tax

benefit.

Emerging Businesses

The Emerging Businesses segment had net income of \$2 million in the fourth quarter, down from \$3 million in the previous quarter and \$8 million in the fourth quarter of 2006. The decrease from the fourth quarter of 2006 was primarily due to higher spending associated with the company's alternative energy programs.

Corporate and Other

Fourth-quarter Corporate expenses were \$271 million after-tax, down from \$320 million in the previous quarter and \$306 million in the fourth quarter of 2006. The decreases from the previous quarter and the fourth quarter of 2006 were primarily due to lower net interest expense and lower acquisition-related charges, partially offset by net foreign exchange losses.

The company's effective tax rate for the quarter was 40.3 percent. This compared with 42.3 percent in the previous quarter and 46.0 percent in the fourth quarter of 2006.

Outlook

Mr. Mulva concluded:

"We had another solid quarter, which contributed to a strong year in terms of operating performance and market conditions, enabling us to achieve positive financial results. We are delivering on our commitments, and we remain focused on continuous improvement in all of our operations.

"We were pleased to recently advance two important initiatives. Before year-end, ConocoPhillips acquired a 50 percent equity interest in the Keystone crude oil pipeline. This pipeline will play a critical role in supplying North American crude oil to refineries in the U.S. mid-continent region. In addition, we signed a Memorandum of Understanding with Qatar Petroleum International to pursue and develop international energy projects outside of Qatar, which represents an exciting opportunity for both companies.

"ConocoPhillips also recently announced its decision to join and support the World Bank's Global Gas Flaring Reduction partnership. We are committed to minimizing the environmental impact and improving the energy and material efficiency of our operations, and are confident this partnership will lead to major progress in reducing gas flaring around the world.

"As planned, we repurchased \$7 billion of ConocoPhillips common stock during the year, and the number of weighted-average diluted shares outstanding during the fourth quarter was 1,612 million. For the first quarter of 2008, we anticipate share repurchases will be between \$2 billion and \$3 billion.

"Our asset rationalization program remains on target, with proceeds of approximately \$3.8 billion since inception. We expect to continue our rationalization efforts in 2008, including the completion of the disposition of our U.S. retail assets. We will evaluate additional opportunities to optimize and strengthen our asset portfolio as the year progresses.

"We anticipate the company's first-quarter E&P segment production will be approximately 1.8 million BOE per day, and we expect exploration expenses to be in the range of \$250 million to \$300 million for the quarter. Downstream, we anticipate the worldwide refining crude oil capacity utilization rate in the first quarter to be in the mid-90-percent range. Turnaround costs are expected to be approximately \$125 million before-tax for the quarter.

"Our previously announced capital program of \$15.3 billion for 2008 supports our value-generating growth strategies, as well as a complementary financial strategy designed to strengthen distributions to shareholders through increased dividends and continued share repurchases.

"We look forward to discussing our 2008 capital and operating plans in greater detail when we meet with the investment community on March 12 in New York."

ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, the company had approximately 32,600 employees, \$178 billion of assets, and \$187 billion of revenues as of December 31, 2007. For more information, go to www.conocophillips.com.

ConocoPhillips' quarterly conference call is scheduled for 11 a.m. Eastern time today. To listen to the conference call and to view related presentation materials, go to www.conocophillips.com and click on the "Investor Information" link.

For financial and operational tables and detailed supplemental information, go to

www.conocophillips.com/investor/financial_reports/earnings_reports

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

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe

harbors created thereby. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our 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. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by a variety of risks and other matters including, but not limited to, crude oil and natural gas prices; refining and marketing margins; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects due to operating hazards, drilling risks, and the inherent uncertainties in interpreting engineering data relating to underground accumulations of oil and gas; unsuccessful exploratory drilling activities; lack of exploration success; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying company manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation; general domestic and international economic and political conditions, as well as changes in tax and other laws applicable to our business. Other factors that could cause actual results to differ materially from those described in the forward-looking statements include other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission (SEC). Unless legally required, ConocoPhillips undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors -- The SEC 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. Production is distinguished from oil and gas production because SEC regulations define Syncrude as mining-related and not part of conventional oil and natural gas reserves. The company uses certain terms in this release, such as "including Canadian Syncrude," and "resources" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosures in the company's periodic filings with the SEC, available from the company at 600 North Dairy Ashford Road, Houston, Texas 77079 and the company's Web site at www.conocophillips.com/investor/sec. This information also can be obtained from the SEC by calling 1-800-SEC-0330.

CONTACT:

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or

Gary Russell, 212-207-1996 (investors)

ConocoPhillips
Houston, Texas 77079

Preliminary
FINANCIAL HIGHLIGHTS

	Millions of Dollars			
	Three Months Ended December 31		Twelve Months Ended December 31	
	2007	2006	2007	2006
Revenues and Other Income				
Sales and other operating revenues*	\$ 52,685	41,519	\$ 187,437	183,650
Equity in earnings of affiliates	1,338	868	5,087	4,188
Other income	275	148	1,971	685
	<u>54,298</u>	<u>42,535</u>	<u>194,495</u>	<u>188,523</u>
Costs and Expenses				
Purchased crude oil, natural gas and products	35,032	25,445	123,429	118,899
Production and operating expenses	3,014	2,864	10,683	10,413
Selling, general and administrative expenses	606	650	2,306	2,476
Exploration expenses	268	391	1,007	834
Depreciation, depletion and amortization	2,206	2,002	8,298	7,284
Impairment - expropriated assets	-	-	4,588	-
Impairments	157	366	442	683
Taxes other than income taxes*	5,336	4,526	18,990	18,187
Accretion on discounted liabilities	100	74	341	281
Interest and debt expense	236	304	1,253	1,087
Foreign currency transaction gains	(3)	(20)	(201)	(30)
Minority interests	22	16	87	76
	<u>46,974</u>	<u>36,618</u>	<u>171,223</u>	<u>160,190</u>
Income before income taxes	7,324	5,917	23,272	28,333
Provision for income taxes	2,953	2,720	11,381	12,783
Net Income	<u>4,371</u>	<u>3,197</u>	<u>11,891</u>	<u>15,550</u>
Net Income per share of common stock (dollars)				
Basic	\$ 2.75	1.94	\$ 7.32	9.80
Diluted	\$ 2.71	1.91	\$ 7.22	9.66
Average common shares outstanding (in thousands)				
Basic	1,590,957	1,649,960	1,623,994	1,585,982
Diluted	1,612,179	1,672,375	1,645,919	1,609,530
<i>*Includes excise taxes on petroleum products sales:</i>	\$ 4,073	4,062	\$ 15,937	16,072

Preliminary
SELECTED FINANCIAL DATA

SUMMARY OF NET INCOME (LOSS)	Millions of Dollars			
	Three Months Ended December 31		Twelve Months Ended December 31	
	2007	2006	2007	2006
E&P				
United States	\$ 1,052	872	\$ 4,248	4,348
International	1,556	1,215	367	5,500
Total E&P	<u>2,608</u>	<u>2,087</u>	<u>4,615</u>	<u>9,848</u>
Midstream	<u>162</u>	<u>89</u>	<u>453</u>	<u>476</u>
R&M				
United States	967	741	4,615	3,915
International	155	178	1,308	566
Total R&M	<u>1,122</u>	<u>919</u>	<u>5,923</u>	<u>4,481</u>
LUKOIL Investment	649	302	1,818	1,425
Chemicals	99	98	359	492
Emerging Businesses	2	8	(8)	15
Corporate and other	(271)	(306)	(1,269)	(1,187)
Consolidated	<u>\$ 4,371</u>	<u>3,197</u>	<u>\$ 11,891</u>	<u>15,550</u>

Preliminary
SELECTED FINANCIAL DATA

	Three Months Ended December 31		Twelve Months Ended December 31	
	2007	2006	2007	2006
Effective tax rate %	40.3 %	46.0	48.9 %	45.1
Millions of Dollars				
FOREIGN CURRENCY GAINS (LOSSES) AFTER-TAX				
E&P	\$ 34	3	\$ 216	(44)
Midstream	(1)	-	(2)	-
R&M	(11)	35	(13)	60
LUKOIL Investment	2	(2)	5	-
Chemicals	-	-	-	-
Emerging Businesses	-	1	1	1
Corporate and other	(55)	61	(120)	65
	<u>\$ (31)</u>	<u>98</u>	<u>\$ 87</u>	<u>82</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	\$ 4,371	3,197	\$ 11,891	15,550
Depreciation, depletion and amortization	2,206	2,002	8,298	7,284
Impairment - expropriated assets	-	-	4,588	-
Impairments	157	366	442	683
Dry hole costs and leasehold impairments	108	210	463	351
Accretion on discounted liabilities	100	74	341	281
Deferred taxes	(212)	(10)	(157)	263
Undistributed equity earnings	(351)	62	(1,823)	(945)
Gain on asset dispositions	(32)	(52)	(1,348)	(116)
Other	77	95	105	(201)
Working capital adjustments	496	(307)	1,750	(1,634)
Net cash provided by operating activities	<u>\$ 6,920</u>	<u>5,637</u>	<u>\$ 24,550</u>	<u>21,516</u>
CAPITAL EXPENDITURES AND INVESTMENTS				
E&P				
United States	\$ 1,232	825	\$ 3,788	2,828
International	1,808	1,856	6,147	6,685
	<u>3,040</u>	<u>2,681</u>	<u>9,935</u>	<u>9,513</u>
Midstream	3	2	5	4
R&M	634	532	1,386	3,016
LUKOIL Investment	-	753	-	2,715
Chemicals	-	-	-	-
Emerging Businesses	130	37	257	83
Corporate and other	77	78	208	265
	<u>\$ 3,884</u>	<u>4,083</u>	<u>\$ 11,791</u>	<u>15,596</u>
OTHER				
	At December 31, 2007		At December 31, 2006	
Total debt	\$21,687		27,134	
Common stockholders' equity	88,983		82,646	

Preliminary
OPERATING HIGHLIGHTS

BY SEGMENT

	Three Months Ended December 31		Twelve Months Ended December 31	
	2007	2006	2007	2006
Thousands of Barrels Daily				
E&P				
Crude oil produced				
United States				
Alaska	257	257	261	263
Lower 48	98	113	102	104
	<u>355</u>	<u>370</u>	<u>363</u>	<u>367</u>
Norway	158	185	162	189
United Kingdom	50	56	48	56
Canada	21	27	19	25
China	25	36	31	33
Indonesia	11	10	12	12
Vietnam	22	23	22	25
Timor Sea	19	27	22	36
Libya	47	56	47	50
Other	44	69	44	63
Total consolidated	<u>752</u>	<u>859</u>	<u>770</u>	<u>856</u>
Equity affiliates				
Canada	27	-	27	-
Russia	16	14	15	15
Venezuela	-	99	42	101
Total Worldwide	<u>795</u>	<u>972</u>	<u>854</u>	<u>972</u>
Syncrude	<u>23</u>	<u>26</u>	<u>23</u>	<u>21</u>
Natural gas liquids produced				
United States				
Alaska*	19	17	19	17
Lower 48**	106	72	79	62
	<u>125</u>	<u>89</u>	<u>98</u>	<u>79</u>
Norway	12	8	8	9
United Kingdom	8	6	6	4
Canada	25	31	27	25
Timor Sea	12	15	12	18
Other	5	1	4	1
Total Worldwide	<u>187</u>	<u>150</u>	<u>155</u>	<u>136</u>
	13	9	14	11
*Includes reinjected volumes sold lease-to-lease:				
**Fourth quarter of 2007 includes 22 MBD related to out-of-period adjustments for the first three quarters in 2007. The amounts attributable to the first, second and third quarters were 5, 8, and 9 MBD, respectively. Fourth quarter NGL production in L48 was 84 MBD excluding the adjustment.				
Millions of Cubic Feet Daily				
Natural gas produced*				
United States				
Alaska	102	131	110	145
Lower 48	2,101	2,250	2,182	2,028
	<u>2,203</u>	<u>2,381</u>	<u>2,292</u>	<u>2,173</u>
Norway	270	291	236	270
United Kingdom	723	734	673	761
Canada	1,073	1,140	1,106	983
China	8	9	11	7
Timor Sea	207	243	223	235
Indonesia	310	315	330	319
Vietnam	14	20	15	21
Libya	9	17	8	4
Other	164	237	188	188
Total consolidated	<u>4,981</u>	<u>5,387</u>	<u>5,082</u>	<u>4,961</u>
Equity affiliates				
Venezuela	-	7	5	9
Total Worldwide	<u>4,981</u>	<u>5,394</u>	<u>5,087</u>	<u>4,970</u>
Liquefied natural gas sales	426	470	468	423
LUKOIL Investment				
Production (MBOE/D)*	426	438	444	401
Refinery crude oil throughput (MB/D)*	227	220	214	179
*Represents our estimated net share of LUKOIL.				

Preliminary
OPERATING HIGHLIGHTS

	Three Months Ended December 31		Twelve Months Ended December 31	
	2007	2006	2007	2006
E&P				
	Per Unit			
Average sales prices				
Crude oil (per barrel)				
United States				
Alaska	\$87.88	57.00	\$69.75	62.66
Lower 48	78.98	51.26	63.49	57.04
Total U.S.	85.31	55.26	68.00	61.09
International	87.09	58.06	70.79	63.38
Total consolidated	86.28	56.87	69.47	62.39
Equity affiliates*	52.45	41.79	45.31	46.01
Total Worldwide	84.53	55.10	67.11	60.37
Natural gas (per MCF)				
United States				
Alaska	\$4.12	4.05	\$3.68	3.59
Lower 48	5.88	5.85	5.99	6.14
Total U.S.	5.86	5.84	5.98	6.11
International	7.31	6.38	6.51	6.27
Total consolidated	6.66	6.13	6.26	6.20
Equity affiliates*	-	0.32	0.30	0.30
Total Worldwide	6.66	6.12	6.26	6.19

*Excludes our equity share of LUKOIL reported in the LUKOIL Investment segment.

Midstream

	Thousands of Barrels Daily			
	2007	2006	2007	2006
Natural gas liquids extracted				
Consolidated				
United States	24	21	22	22
International	-	-	-	-
Equity affiliates				
United States	189	181	181	181
International	8	7	8	6
	<u>221</u>	<u>209</u>	<u>211</u>	<u>209</u>

	Per Barrel			
	2007	2006	2007	2006
U.S. product prices				
Weighted average NGL**				
Consolidated	\$ 60.19	37.41	\$ 47.93	40.22
DCP	58.60	36.34	46.80	39.45

**Prices are based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural gas liquids component and location mix.

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2007	2006	2007	2006
	Thousands of Barrels Daily		Thousands of Barrels Daily	
R&M				
United States*				
Crude oil capacity**	2,037	2,208	2,035	2,208
Crude oil runs	1,961	2,128	1,944	2,025
Refinery production	2,165	2,325	2,146	2,213
International*				
Crude oil capacity**	669	693	687	651
Crude oil runs	617	605	616	591
Refinery production	633	633	633	618
U.S. petroleum products sales volumes				
Gasoline	1,207	1,416	1,244	1,336
Distillates	929	921	872	850
Other products	309	535	432	531
	<u>2,445</u>	<u>2,872</u>	<u>2,548</u>	<u>2,717</u>
International	<u>710</u>	<u>720</u>	<u>697</u>	<u>759</u>
	<u><u>3,155</u></u>	<u><u>3,592</u></u>	<u><u>3,245</u></u>	<u><u>3,476</u></u>
		Per Gallon		Per Gallon
U.S. average sales prices***				
Gasoline-wholesale	\$ 2.41	1.74	\$ 2.27	2.04
Gasoline-retail	2.54	1.89	2.42	2.18
Distillates-wholesale	2.67	1.95	2.29	2.11

*Includes ConocoPhillips' share of equity affiliates, except for our share of LUKOIL, which is reported in the LUKOIL Investment segment.

**Weighted-average crude oil capacity for the three-and twelve-month periods.

Actual capacity at December 31, 2007 and 2006, was 2,037,000 and 2,208,000 barrels per day, respectively, for our domestic refineries, 669,000 and 693,000 barrels per day, respectively, for our international refineries and 2,706,000 and 2,901,000 barrels per day, respectively, worldwide.

***Excludes excise taxes.

SUMMARY OF NET INCOME (LOSS) BY SEGMENT

	Millions of Dollars									
	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Income (Loss) from Continuing Operations										
U.S. E&P	1,181	1,300	995	872	4,348	916	1,055	1,225	1,052	4,248
International E&P	1,372	2,004	909	1,215	5,500	1,413	(3,459)	857	1,556	367
Total E&P	2,553	3,304	1,904	2,087	9,848	2,329	(2,404)	2,082	2,608	4,615
Midstream	110	108	169	89	476	85	102	104	162	453
U.S. R&M	297	1,433	1,444	741	3,915	896	1,879	873	967	4,615
International R&M	93	275	20	178	566	240	479	434	155	1,308
Total R&M	390	1,708	1,464	919	4,481	1,136	2,358	1,307	1,122	5,923
LUKOIL Investment	249	387	487	302	1,425	256	526	387	649	1,818
Chemicals	149	103	142	98	492	82	68	110	99	359
Emerging Businesses	8	(12)	11	8	15	(1)	(12)	3	2	(8)
Corporate and Other	(168)	(412)	(301)	(306)	(1,187)	(341)	(337)	(320)	(271)	(1,269)
Consolidated	3,291	5,186	3,876	3,197	15,550	3,546	301	3,673	4,371	11,891
Cumulative Effect of Accounting Changes										
U.S. E&P	-	-	-	-	-	-	-	-	-	-
International E&P	-	-	-	-	-	-	-	-	-	-
Total E&P	-	-	-	-	-	-	-	-	-	-
Midstream	-	-	-	-	-	-	-	-	-	-
U.S. R&M	-	-	-	-	-	-	-	-	-	-
International R&M	-	-	-	-	-	-	-	-	-	-
Total R&M	-	-	-	-	-	-	-	-	-	-
LUKOIL Investment	-	-	-	-	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-	-	-	-
Emerging Businesses	-	-	-	-	-	-	-	-	-	-
Corporate and Other	-	-	-	-	-	-	-	-	-	-
Consolidated	-	-	-	-	-	-	-	-	-	-
Income (Loss) from Discontinued Operations										
Corporate and Other	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)										
U.S. E&P	1,181	1,300	995	872	4,348	916	1,055	1,225	1,052	4,248
International E&P	1,372	2,004	909	1,215	5,500	1,413	(3,459)	857	1,556	367
Total E&P	2,553	3,304	1,904	2,087	9,848	2,329	(2,404)	2,082	2,608	4,615
Midstream	110	108	169	89	476	85	102	104	162	453
U.S. R&M	297	1,433	1,444	741	3,915	896	1,879	873	967	4,615
International R&M	93	275	20	178	566	240	479	434	155	1,308
Total R&M	390	1,708	1,464	919	4,481	1,136	2,358	1,307	1,122	5,923
LUKOIL Investment	249	387	487	302	1,425	256	526	387	649	1,818
Chemicals	149	103	142	98	492	82	68	110	99	359
Emerging Businesses	8	(12)	11	8	15	(1)	(12)	3	2	(8)
Corporate and Other	(168)	(412)	(301)	(306)	(1,187)	(341)	(337)	(320)	(271)	(1,269)
Consolidated	3,291	5,186	3,876	3,197	15,550	3,546	301	3,673	4,371	11,891

INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES

	Millions of Dollars									
	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Income from Continuing Operations Before Income Taxes										
U.S. E&P	1,853	2,062	1,598	1,380	6,893	1,425	1,627	1,867	1,560	6,479
International E&P	2,862	3,814	3,460	2,948	13,084	2,894	(1,976)	2,357	3,464	6,739
Total E&P	4,715	5,876	5,058	4,328	19,977	4,319	(349)	4,224	5,024	13,218
Midstream	173	187	214	150	724	132	156	157	245	690
U.S. R&M	512	2,260	2,282	1,195	6,249	1,400	2,891	1,369	1,526	7,186
International R&M	112	343	107	222	784	218	633	403	167	1,421
Total R&M	624	2,603	2,389	1,417	7,033	1,618	3,524	1,772	1,693	8,607
LUKOIL Investment	257	398	496	311	1,462	262	542	396	663	1,863
Chemicals	209	134	191	128	662	107	80	140	20	347
Emerging Businesses	9	(20)	14	11	14	(3)	(20)	(17)	(2)	(42)
Corporate and Other	(190)	(496)	(425)	(428)	(1,539)	(369)	(415)	(308)	(319)	(1,411)
Consolidated	5,797	8,682	7,937	5,917	28,333	6,066	3,518	6,364	7,324	23,272
Income from Continuing Operations Effective Tax Rates										
U.S. E&P	36.3%	37.0%	37.7%	36.8%	36.9%	35.7%	35.2%	34.4%	32.6%	34.4%
International E&P	52.1%	47.5%	73.7%	58.8%	58.0%	51.2%	-	63.6%	55.1%	94.6%
Total E&P	45.9%	43.8%	62.4%	51.8%	50.7%	46.1%	-	50.7%	48.1%	65.1%
Midstream	36.4%	42.2%	21.0%	40.7%	34.3%	35.6%	34.6%	33.8%	33.9%	34.3%
U.S. R&M	42.0%	36.6%	36.7%	38.0%	37.3%	36.0%	35.0%	36.2%	36.6%	35.8%
International R&M	17.0%	19.8%	81.3%	19.8%	27.8%	-10.1%	24.3%	-7.7%	7.2%	8.0%
Total R&M	37.5%	34.4%	38.7%	35.1%	36.3%	29.8%	33.1%	26.2%	33.7%	31.2%
LUKOIL Investment	3.1%	2.8%	1.8%	2.9%	2.5%	2.3%	3.0%	2.3%	2.1%	2.4%
Chemicals	28.7%	23.1%	25.7%	23.4%	25.7%	23.4%	15.0%	21.4%	-	-3.5%
Emerging Businesses	11.1%	40.0%	21.4%	27.3%	-7.1%	66.7%	40.0%	-	-	81.0%
Corporate and Other	11.6%	16.9%	29.2%	28.5%	22.9%	7.6%	18.8%	-3.9%	15.0%	10.1%
Consolidated	43.2%	40.3%	51.2%	46.0%	45.1%	41.5%	91.4%	42.3%	40.3%	48.9%

CERTAIN ITEMS INCLUDED IN INCOME FROM CONTINUING OPERATIONS (AFTER-TAX)

	Millions of Dollars									
	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P										
Gain (loss) on asset sales	-	15	-	33	48	36	11	-	25	72
FERC Rulings	-	-	-	-	-	-	-	94	-	94
Impairments	-	(26)	-	(10)	(36)	-	-	-	(45)	(45)
Insurance premium adjustments	(2)	-	(5)	(4)	(11)	-	-	-	-	-
Pending claims and settlements	-	-	18	-	18	-	-	-	-	-
Business interruption insurance claims recovery	-	-	15	-	15	-	-	-	13	13
Enacted tax legislation	-	2	-	-	2	-	-	-	-	-
Total	(2)	(9)	28	19	36	36	11	94	(7)	134
International E&P										
Gain (loss) on asset sales	-	25	-	-	25	407	(82)	164	147	636
Insurance premium adjustments	(10)	-	(10)	(8)	(28)	-	-	-	-	-
International tax law changes	-	401	(270)	(31)	100	38	-	-	171	209
Impairment - expropriated assets	-	-	-	-	-	-	(4,512)	-	-	(4,512)
Impairments	-	-	(4)	(104)	(108)	(88)	(33)	(32)	(75)	(228)
Business interruption insurance claims recovery	-	-	11	3	14	-	-	-	-	-
Pending claims and settlements	-	-	-	25	25	-	-	-	28	28
Total	(10)	426	(273)	(115)	28	357	(4,627)	132	271	(3,867)
Total E&P	(12)	417	(245)	(96)	64	393	(4,616)	226	264	(3,733)
Midstream										
Business interruption insurance claims recovery	-	-	-	5	5	-	-	-	-	-
DCP Midstream's sale of TEPPCO general ptr	-	-	30	-	30	-	-	-	-	-
Enacted tax legislation	-	(6)	-	-	(6)	-	-	-	-	-
Total	-	(6)	30	5	29	-	-	-	-	-
U.S. R&M										
Gain (loss) on asset sales	-	-	-	-	-	-	-	2	14	16
Impairments	-	-	(35)	(192)	(227)	(13)	-	3	(2)	(12)
Enacted tax legislation	-	34	-	-	34	-	-	-	-	-
Insurance premium adjustments	(6)	-	(7)	(6)	(19)	-	-	-	-	-
Business interruption insurance claims recovery	-	-	111	-	111	-	-	-	10	10
Total	(6)	34	69	(198)	(101)	(13)	-	5	22	14
International R&M										
Gain (loss) on asset sales	-	-	-	-	-	-	163	158	2	323
Impairments	-	-	(214)	-	(214)	148	(5)	(30)	11	124
Germany tax rate change	-	-	-	-	-	-	-	141	-	141
Insurance premium adjustments	(1)	-	(1)	(1)	(3)	-	-	-	-	-
Total	(1)	-	(215)	(1)	(217)	148	158	269	13	588
Total R&M	(7)	34	(146)	(199)	(318)	135	158	275	35	603
LUKOIL Investment										
Ownership interest adjustment	-	-	23	-	23	-	-	-	-	-
Total	-	-	23	-	23	-	-	-	-	-
Chemicals										
Business interruption insurance claims recovery	-	-	7	13	20	-	-	-	-	-
Asset retirements recorded by CPChem	-	-	-	(16)	(16)	-	(21)	-	-	(21)
Tax benefit on capital loss	-	-	-	-	-	-	-	-	65	65
Enacted tax legislation	-	(5)	-	-	(5)	-	-	-	-	-
Total	-	(5)	7	(3)	(1)	-	(21)	-	65	44
Emerging Businesses										
Property write-down	-	(14)	-	-	(14)	-	-	-	-	-
Total	-	(14)	-	-	(14)	-	-	-	-	-
Corporate and Other										
Acquisition-related expenses	(5)	(39)	(32)	(22)	(98)	(13)	(16)	(11)	(4)	(44)
FERC Rulings	-	-	-	-	-	-	-	(14)	-	(14)
Premium on early debt retirement	-	-	-	-	-	(14)	-	-	-	(14)
Pending claims and settlements	(15)	-	-	-	(15)	-	-	-	-	-
Canada tax law change	-	(10)	-	-	(10)	-	-	-	15	15
Total	(20)	(49)	(32)	(22)	(123)	(27)	(16)	(25)	11	(57)
Total Company	(39)	377	(363)	(315)	(340)	501	(4,495)	475	375	(3,143)

CASH FLOW INFORMATION

Millions of Dollars

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Cash Flows from Operating Activities										
Net income	3,291	5,186	3,876	3,197	15,550	3,546	301	3,673	4,371	11,891
DD&A and impairments	1,180	2,015	2,404	2,368	7,967	2,023	2,114	2,240	2,363	8,740
Impairment - expropriated assets	-	-	-	-	-	-	4,588	-	-	4,588
Dry hole costs and leasehold impairments	38	47	56	210	351	148	133	74	108	463
Accretion on discounted liabilities	60	73	74	74	281	79	81	81	100	341
Deferred income taxes	168	(390)	495	(10)	263	77	103	(125)	(212)	(157)
Undistributed equity earnings	(67)	(687)	(253)	62	(945)	(557)	(678)	(237)	(351)	(1,823)
Net gain on asset dispositions	(3)	(53)	(8)	(52)	(116)	(499)	(428)	(389)	(32)	(1,348)
Other	(203)	189	(282)	95	(201)	(94)	182	(60)	77	105
Net working capital changes	336	(1,536)	(127)	(307)	(1,634)	2,150	(1,630)	734	496	1,750
Net Cash Provided by Operating Activities	4,800	4,844	6,235	5,637	21,516	6,873	4,766	5,991	6,920	24,550
Cash Flows from Investing Activities										
Capital expenditures and investments*:										
E&P	(2,206)	(2,172)	(2,454)	(2,681)	(9,513)	(2,570)	(2,148)	(2,177)	(3,040)	(9,935)
Midstream	(1)	(1)	-	(2)	(4)	-	(2)	-	(3)	(5)
R&M	(1,635)	(475)	(374)	(532)	(3,016)	(205)	(271)	(276)	(634)	(1,386)
LUKOIL Investment	(612)	(648)	(702)	(753)	(2,715)	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-	-	-	-
Emerging Businesses	(12)	(28)	(6)	(37)	(83)	(31)	(34)	(62)	(130)	(257)
Corporate and Other	(48)	(78)	(61)	(78)	(265)	(41)	(45)	(45)	(77)	(208)
Total capital expend. & investments	(4,514)	(3,402)	(3,597)	(4,083)	(15,596)	(2,847)	(2,500)	(2,560)	(3,884)	(11,791)
Acquisition of Burlington Resources Inc.*	(14,190)	(94)	(1)	-	(14,285)	-	-	-	-	-
Proceeds from asset dispositions	5	68	173	299	545	1,343	872	842	515	3,572
Long-term advances to/collections from affiliates and other investments	(115)	(151)	(251)	(140)	(657)	(144)	(97)	(118)	16	(343)
Net Cash Used for Investing Activities	(18,814)	(3,579)	(3,676)	(3,924)	(29,993)	(1,648)	(1,725)	(1,836)	(3,353)	(8,562)
Cash Flows from Financing Activities										
Net issuance (repayment) of debt	15,324	(2,756)	(1,630)	(706)	10,232	(3,491)	(865)	(961)	(202)	(5,519)
Issuance of stock	40	64	41	75	220	40	141	70	34	285
Repurchase of stock	-	(425)	(250)	(250)	(925)	(1,000)	(1,000)	(2,501)	(2,500)	(7,001)
Dividends	(496)	(595)	(593)	(593)	(2,277)	(674)	(668)	(667)	(652)	(2,661)
Other	(27)	(20)	(76)	(62)	(185)	(49)	(104)	(136)	(155)	(444)
Net Cash Provided by (Used for) Financing Activities	14,841	(3,732)	(2,508)	(1,536)	7,065	(5,174)	(2,496)	(4,195)	(3,475)	(15,340)
Effect of Exchange Rate Changes	(33)	113	(9)	(56)	15	(8)	6	8	(15)	(9)
Net Change in Cash and Cash Equivalents	794	(2,354)	42	121	(1,397)	43	551	(32)	77	639
Cash and cash equivalents at beginning of period	2,214	3,008	654	696	2,214	817	860	1,411	1,379	817
Cash and Cash Equivalents at End of Period	3,008	654	696	817	817	860	1,411	1,379	1,456	1,456

* Net of cash acquired.

TOTAL E&P

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
E&P Net Income (Loss) (\$ Millions)	2,553	3,304	1,904	2,087	9,848	2,329	(2,404)	2,082	2,608	4,615
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	1,610	2,134	2,036	2,047	1,957	2,020	1,910	1,759	1,835	1,880
<i>E&P segment plus LUKOIL Investment segment:</i>	1,932	2,537	2,472	2,485	2,358	2,465	2,383	2,191	2,261	2,324
Crude Oil and Condensate (MB/D)										
Consolidated	777	924	865	859	856	840	760	730	752	770
Equity affiliates	126	121	104	113	116	120	128	44	43	84
Total	903	1,045	969	972	972	960	888	774	795	854
Sales of crude oil produced (MB/D)										
	913	1,040	953	988	973	949	876	803	792	854
Natural Gas Liquids (MB/D)										
	97	152	146	150	136	150	145	139	187	155
Natural Gas (MMCF/D)										
Consolidated	3,554	5,498	5,379	5,387	4,961	5,313	5,124	4,916	4,981	5,082
Equity affiliates	11	10	8	7	9	9	9	-	-	5
Total	3,565	5,508	5,387	5,394	4,970	5,322	5,133	4,916	4,981	5,087
Canadian Syncrude (MB/D)										
	16	19	23	26	21	23	21	27	23	23
Industry Prices (Platt's)										
Crude Oil (\$/bbl)										
WTI spot	63.28	70.40	70.38	59.94	66.00	57.99	64.89	75.48	90.66	72.25
Brent dated	61.75	69.62	69.49	59.68	65.14	57.76	68.76	74.87	88.69	72.52
Natural Gas (\$/mmbtu)										
Henry Hub -- First of Month	9.01	6.80	6.58	6.56	7.24	6.77	7.55	6.16	6.97	6.86
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated	58.97	65.89	67.37	56.87	62.39	55.17	64.55	73.01	86.28	69.47
Equity affiliates	43.38	52.28	46.98	41.79	46.01	40.02	47.74	44.60	52.45	45.31
Total	56.63	64.34	65.04	55.10	60.37	53.38	61.97	71.34	84.53	67.11
Natural Gas Liquids (\$/bbl)										
	43.13	41.75	43.62	38.23	41.50	38.56	44.80	48.09	54.82	47.13
Natural Gas (\$/mcf)										
Consolidated	7.26	5.86	5.92	6.13	6.20	6.36	6.45	5.56	6.66	6.26
Equity affiliates	0.23	0.36	0.32	0.32	0.30	0.29	0.30	-	-	0.30
Total	7.24	5.85	5.91	6.12	6.19	6.35	6.44	5.56	6.66	6.26
Exploration Charges (\$ Millions)										
Dry Holes	19	15	18	142	194	62	74	23	50	209
Lease Impairments	19	33	37	68	157	86	59	51	58	254
Total Non-Cash Charges	38	48	55	210	351	148	133	74	108	463
Other (G&G and Lease Rentals)	74	86	142	181	483	114	126	144	160	544
Total Exploration Charges	112	134	197	391	834	262	259	218	268	1,007
Depreciation, Depletion and Amortization (DD&A) (\$ Millions)										
	910	1,659	1,860	1,703	6,132	1,802	1,790	1,828	1,971	7,391

U.S. E&P

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P Net Income (\$ Millions)	1,181	1,300	995	872	4,348	916	1,055	1,225	1,052	4,248
Alaska (\$ Millions)	692	760	425	470	2,347	507	535	765	448	2,255
Lower 48 (\$ Millions)	489	540	570	402	2,001	409	520	460	604	1,993
Production										
Total U.S. (MBOE/D)	636	894	846	856	808	855	848	821	847	843
Crude Oil and Condensate (MB/D)										
Alaska	283	279	234	257	263	276	267	241	257	261
Lower 48	64	120	119	113	104	104	105	103	98	102
Total	347	399	353	370	367	380	372	344	355	363
Sales of crude oil produced (MB/D)	363	398	355	371	371	372	370	380	340	365
Natural Gas Liquids (MB/D)*										
Alaska	22	20	11	17	17	22	18	15	19	19
Lower 48**	29	70	75	72	62	68	71	73	106	79
Total	51	90	86	89	79	90	89	88	125	98
*Includes reinjection volumes sold lease-to-lease:	14	14	7	9	11	16	15	11	13	14
Natural Gas (MMCF/D)										
Alaska	163	163	123	131	145	122	100	116	102	110
Lower 48	1,264	2,265	2,320	2,250	2,028	2,190	2,219	2,219	2,101	2,182
Total	1,427	2,428	2,443	2,381	2,173	2,312	2,319	2,335	2,203	2,292
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Alaska										
North Slope	52.92	59.89	62.85	51.11	56.47	48.83	56.31	66.54	81.17	62.91
West Coast	58.87	66.02	69.66	57.00	62.66	55.50	63.26	73.57	87.88	69.75
Lower 48	52.21	59.63	62.45	51.26	57.04	49.32	58.50	67.77	78.98	63.49
Total U.S.	57.70	64.09	67.25	55.26	61.09	53.78	61.91	72.00	85.31	68.00
Natural Gas Liquids (\$/bbl)										
Alaska	58.88	65.25	67.12	57.03	61.06	55.27	63.52	73.40	88.12	71.85
Lower 48***	38.20	38.29	41.34	34.51	38.10	36.46	43.29	46.37	48.88	44.43
Total U.S.	43.00	40.45	42.68	36.74	40.35	37.86	44.17	47.73	51.23	46.00
Natural Gas (\$/mcf)										
Alaska	3.58	3.42	3.36	4.05	3.59	4.19	4.04	2.15	4.12	3.68
Lower 48	7.50	5.81	6.00	5.85	6.14	6.21	6.51	5.38	5.88	5.99
Total U.S.	7.42	5.78	5.98	5.84	6.11	6.19	6.49	5.36	5.86	5.98
Kenai, Alaska LNG Sales										
Volume (MMCF/D)	128	126	110	88	113	104	72	88	78	85
Sales price per MCF	6.45	5.16	6.16	6.33	6.00	5.83	5.86	6.01	7.28	6.21
U.S. Exploration Charges (\$ Millions)										
Dry Holes	8	3	8	67	86	13	36	19	14	82
Lease Impairments	8	15	13	46	82	43	43	43	40	169
Total Non-Cash Charges	16	18	21	113	168	56	79	62	54	251
Other (G&G and Lease Rentals)	14	1	66	55	136	26	40	57	50	173
Total U.S. Exploration Charges	30	19	87	168	304	82	119	119	104	424
Alaska Only	18	(7)	50	21	82	17	32	31	26	106
DD&A (\$ Millions)										
Alaska	132	135	137	151	555	168	167	165	167	667
Lower 48	251	634	784	623	2,292	618	661	667	642	2,588
Total U.S.	383	769	921	774	2,847	786	828	832	809	3,255

**Fourth quarter of 2007 includes 22 MBD related to out-of-period adjustments for the first three quarters in 2007. The amounts attributable to Q1, Q2, and Q3 2007 were 5, 8, and 9 MBD, respectively. Fourth-quarter 2007 NGL production in L48 was 84 MBD excluding the adjustments.

***Fourth quarter of 2007 includes \$6.36/bbl related to out-of-period adjustments for the first three quarters in 2007. The amounts attributable to Q1, Q2, and Q3 2007 were \$1.64/bbl, \$2.23/bbl, and \$2.49/bbl, respectively. Fourth-quarter 2007 NGL realized price in L48 was \$55.24/bbl excluding the adjustments.

INTERNATIONAL E&P

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
International E&P										
Net Income (Loss) (\$ Millions)	1,372	2,004	909	1,215	5,500	1,413	(3,459)	857	1,556	367
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	974	1,240	1,190	1,191	1,149	1,165	1,062	938	988	1,037
Crude Oil and Condensate (MB/D)										
Consolidated										
Norway	188	192	190	185	189	179	145	166	158	162
United Kingdom	62	57	50	56	56	55	48	37	50	48
Canada	22	27	26	27	25	21	19	17	21	19
China	25	34	36	36	33	38	32	29	25	31
Indonesia	14	14	11	10	12	13	13	11	11	12
Vietnam	31	22	24	23	25	23	22	22	22	22
Timor Sea	39	39	40	27	36	24	26	21	19	22
Libya	-	74	71	56	50	45	47	48	47	47
Other	49	66	64	69	63	62	36	35	44	44
Equity affiliates										
Canada	-	-	-	-	-	23	28	29	27	27
Russia	16	15	15	14	15	15	15	15	16	15
Venezuela	110	106	89	99	101	82	85	-	-	42
Total	556	646	616	602	605	580	516	430	440	491
Sales of crude oil produced (MB/D)	550	642	598	617	602	577	506	423	452	489
Natural Gas Liquids (MB/D)										
Norway	11	8	9	8	9	8	5	7	12	8
United Kingdom	4	4	2	6	4	6	6	4	8	6
Canada	9	30	28	31	25	31	28	26	25	27
Timor Sea	20	20	20	15	18	12	14	11	12	12
Other	2	-	1	1	1	3	3	3	5	4
Total	46	62	60	61	57	60	56	51	62	57
Natural Gas (MMCF/D)										
Consolidated										
Norway	269	260	260	291	270	247	202	226	270	236
United Kingdom	851	796	665	734	761	785	668	519	723	673
Canada	424	1,204	1,154	1,140	983	1,152	1,133	1,069	1,073	1,106
China	-	10	8	9	7	11	12	13	8	11
Timor Sea	144	251	300	243	235	243	250	194	207	223
Indonesia	294	323	342	315	319	331	329	349	310	330
Vietnam	24	19	20	20	21	15	12	19	14	15
Libya	-	-	-	17	4	5	9	9	9	8
Other	121	207	187	237	188	212	190	183	164	188
Equity affiliates										
Canada	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-
Venezuela	11	10	8	7	9	9	9	-	-	5
Total	2,138	3,080	2,944	3,013	2,797	3,010	2,814	2,581	2,778	2,795
Canadian Syncrude (MB/D)	16	19	23	26	21	23	21	27	23	23
Darwin, Australia LNG Sales (MMCF/D)	136	305	411	382	310	388	449	347	348	383

INTERNATIONAL E&P (continued)

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated										
Norway	61.36	68.64	68.48	60.07	64.61	57.36	67.50	75.54	88.75	72.04
United Kingdom	59.13	65.32	64.67	58.71	62.08	55.52	66.99	72.98	86.26	71.01
Canada	44.28	60.86	61.00	49.28	54.25	48.70	58.42	67.75	73.08	61.77
China	57.90	66.68	64.68	51.06	60.00	54.93	66.39	71.79	85.51	67.69
Indonesia	57.94	58.15	62.69	52.21	57.80	54.66	65.46	72.46	89.26	69.99
Vietnam	62.34	68.53	71.35	56.77	64.75	57.88	67.03	75.14	89.64	72.54
Timor Sea	60.37	66.98	66.84	57.27	63.21	59.15	73.51	71.20	83.95	71.50
Libya	-	68.07	67.75	58.19	65.11	56.19	67.39	73.88	88.11	72.02
Other	62.95	69.20	70.39	60.92	65.85	55.73	67.71	74.48	87.54	69.76
Equity affiliates										
Canada	-	-	-	-	-	32.46	32.46	38.48	46.90	37.94
Russia	40.86	46.87	48.29	36.86	43.20	37.92	50.25	55.84	63.05	52.29
Venezuela	43.71	53.03	46.78	42.48	46.40	42.54	51.54	-	-	47.46
Total	55.92	64.50	63.73	55.00	59.92	53.12	62.02	70.75	83.94	66.44
Natural Gas Liquids (\$/bbl)										
Norway	42.55	40.99	43.91	39.46	41.61	38.82	45.72	46.77	56.25	48.36
United Kingdom	35.39	34.87	38.51	22.38	31.29	34.93	39.34	36.91	52.79	41.78
Canada	46.21	46.73	46.16	43.87	45.62	41.15	46.82	51.77	66.27	50.85
Timor Sea	46.68	41.35	45.63	41.62	43.95	44.13	49.43	48.71	72.60	52.63
Other	8.11	8.09	8.11	8.25	8.15	8.32	29.42	34.00	42.30	31.17
Total	43.25	43.28	44.89	40.25	42.89	39.38	45.64	48.63	61.56	48.80
Natural Gas (\$/mcf)										
Consolidated										
Norway	7.28	7.09	7.48	8.58	7.61	7.00	7.10	7.51	9.08	7.74
United Kingdom	8.81	6.84	7.08	8.52	7.85	8.14	7.23	6.69	9.19	7.92
Canada	6.28	5.47	5.43	5.91	5.67	6.38	6.60	5.13	6.20	6.09
China	-	1.90	4.11	2.80	2.87	2.64	2.74	2.78	3.37	2.85
Timor Sea	0.67	0.65	0.69	0.74	0.69	0.76	0.68	0.66	0.74	0.71
Indonesia	7.45	7.53	6.71	5.78	6.86	6.04	6.99	7.78	8.51	7.31
Vietnam	1.07	1.07	1.07	1.05	1.06	1.10	1.09	1.12	1.13	1.11
Libya	-	-	-	0.09	0.09	0.07	0.09	0.09	0.09	0.09
Other	0.82	2.57	2.04	2.02	1.98	2.71	2.53	2.41	3.43	2.75
Equity affiliates										
Canada	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-
Venezuela	0.23	0.36	0.32	0.32	0.30	0.29	0.30	-	-	0.30
Total	7.13	5.90	5.85	6.36	6.25	6.47	6.40	5.75	7.31	6.50
International Exploration Charges (\$ Millions)										
Dry Holes	11	12	10	75	108	49	38	4	36	127
Lease Impairments	11	18	24	22	75	43	16	8	18	85
Total Non-Cash Charges	22	30	34	97	183	92	54	12	54	212
Other (G&G and Lease Rentals)	60	85	76	126	347	88	86	87	110	371
Total International Exploration Charges	82	115	110	223	530	180	140	99	164	583
DD&A (\$ Millions)	527	890	939	929	3,285	1,016	962	996	1,162	4,136

	R&M									
	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
R&M Net Income (\$ Millions)	390	1,708	1,464	919	4,481	1,136	2,358	1,307	1,122	5,923
United States (\$ Millions)	297	1,433	1,444	741	3,915	896	1,879	873	967	4,615
International (\$ Millions)	93	275	20	178	566	240	479	434	155	1,308
Market Indicators										
U.S. East Coast Crack Spread (\$/bbl)	7.52	15.21	10.54	7.86	10.28	11.81	22.57	11.73	8.47	13.64
U.S. Gulf Coast Crack Spread (\$/bbl)	8.28	17.26	11.00	6.77	10.83	10.06	24.28	11.74	6.55	13.16
U.S. Group Central Crack Spread (\$/bbl)	9.81	19.60	17.75	10.11	14.32	14.84	31.26	20.92	9.37	19.10
U.S. West Coast Crack Spread (\$/bbl)	18.87	32.47	21.70	20.36	23.35	28.68	34.32	16.22	16.58	23.95
U.S. Weighted 3:2:1 Crack Spread (\$/bbl)	10.56	20.39	14.86	10.49	14.07	15.30	27.56	14.74	9.65	16.81
NW Europe Crack Spread (\$/bbl)	10.18	15.20	14.18	11.46	12.75	12.06	15.56	13.37	15.55	14.14
Singapore 3:1:2 Crack Spread (\$/bbl)	10.58	19.30	15.13	11.03	14.01	14.06	17.94	14.80	17.13	15.98
U.S. Wholesale Gasoline Mktg Mrgn (\$/bbl)	0.71	1.83	5.75	1.81	2.52	1.15	2.09	0.65	(0.43)	0.87
Realized Margins										
Refining Margin (\$/bbl)										
U.S.	10.18	17.23	14.10	11.39	13.29	11.87	19.59	10.86	11.56	13.41
International	5.30	7.64	6.46	6.22	6.50	5.06	9.68	6.05	6.72	6.92
Marketing Margin (\$/bbl)*										
U.S.	0.12	0.48	2.92	1.34	1.23	1.31	2.36	2.20	1.43	1.83
International	6.07	6.67	11.17	9.50	8.38	7.08	7.68	9.49	7.69	7.92
DD&A (\$ Millions)	239	253	246	266	1,004	191	196	194	203	784
Turnaround Expense (\$ Millions)	163	115	42	94	414	75	58	27	80	240
Eastern U.S.										
Crude Oil Charge Input (MB/D)	354	281	377	411	356	411	404	383	412	402
Total Charge Input (MB/D)	359	309	418	457	386	460	447	414	453	443
Crude Oil Capacity Utilization (%)	84%	66%	89%	97%	84%	97%	96%	91%	97%	95%
Clean Product Yield (%)	90%	87%	88%	90%	89%	89%	86%	86%	90%	88%
U.S. Gulf Coast										
Crude Oil Charge Input (MB/D)	529	681	730	737	670	744	709	736	712	726
Total Charge Input (MB/D)	587	777	822	812	750	823	790	829	794	810
Crude Oil Capacity Utilization (%)	72%	93%	100%	101%	91%	102%	97%	100%	97%	99%
Clean Product Yield (%)	74%	81%	83%	80%	80%	81%	81%	80%	82%	81%
Western U.S.										
Crude Oil Charge Input (MB/D)	386	419	420	397	406	333	388	415	395	383
Total Charge Input (MB/D)	419	443	446	426	433	375	420	445	433	418
Crude Oil Capacity Utilization (%)	94%	101%	102%	96%	98%	81%	94%	100%	95%	92%
Clean Product Yield (%)	79%	81%	80%	79%	80%	79%	79%	80%	80%	80%
Central U.S. - Consolidated										
Crude Oil Charge Input (MB/D)	571	619	600	583	593	185	170	166	175	174
Total Charge Input (MB/D)	613	663	638	621	634	188	175	170	179	178
Crude Oil Capacity Utilization (%)	89%	97%	94%	91%	93%	99%	91%	89%	94%	93%
Clean Product Yield (%)	84%	86%	85%	85%	85%	88%	93%	88%	92%	90%
Central U.S. - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	-	-	-	-	-	265	225	280	267	259
Total Charge Input (MB/D)	-	-	-	-	-	288	250	301	288	282
Crude Oil Capacity Utilization (%)	-	-	-	-	-	96%	81%	101%	96%	94%
Clean Product Yield (%)	-	-	-	-	-	82%	85%	83%	84%	84%
TOTAL UNITED STATES										
Crude Oil Charge Input (MB/D)	1,840	2,000	2,127	2,128	2,025	1,938	1,896	1,980	1,961	1,944
Total Charge Input (MB/D)	1,978	2,192	2,324	2,316	2,203	2,134	2,082	2,159	2,147	2,131
Crude Oil Capacity Utilization (%)	83%	91%	96%	96%	92%	95%	93%	97%	96%	96%
Clean Product Yield (%)	81%	83%	84%	83%	83%	83%	83%	82%	84%	83%
Refined Products Production (MB/D)										
Gasoline	890	1,031	1,084	1,061	1,017	962	957	959	978	964
Distillates	684	764	821	824	774	762	736	779	795	768
Other	414	403	429	440	422	428	394	439	392	414
Total	1,988	2,198	2,334	2,325	2,213	2,152	2,087	2,177	2,165	2,146
Petroleum Products Sales (MB/D)										
Gasoline	1,258	1,300	1,369	1,416	1,336	1,258	1,300	1,212	1,207	1,244
Distillates	813	820	848	921	850	862	827	869	929	872
Other	517	555	519	535	531	480	503	439	309	432
Total	2,588	2,675	2,736	2,872	2,717	2,600	2,630	2,520	2,445	2,548

* Represents marketing sales price less product costs for all distribution channels other than commercial product supply.

** Represents a 50 percent and 85 percent interest in the Wood River and Borger refineries, respectively. These refineries were contributed to a business venture with EnCana, effective January 1, 2007.

R&M (continued)

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
International - Consolidated*										
Crude Oil Charge Input (MB/D)	357	505	474	461	450	503	505	434	493	484
Total Charge Input (MB/D)	369	550	503	494	479	532	528	455	517	508
Crude Oil Capacity Utilization (%)	94%	92%	86%	83%	88%	91%	92%	79%	89%	88%
Clean Product Yield (%)	71%	64%	69%	72%	69%	68%	67%	71%	65%	68%
International - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	133	144	143	144	141	120	145	140	124	132
Total Charge Input (MB/D)	137	149	149	147	145	121	146	142	125	134
Crude Oil Capacity Utilization (%)	94%	102%	102%	102%	100%	83%	101%	104%	106%	98%
Clean Product Yield (%)	82%	82%	81%	80%	81%	77%	79%	81%	84%	80%
TOTAL INTERNATIONAL										
Crude Oil Charge Input (MB/D)	490	649	617	605	591	623	650	574	617	616
Total Charge Input (MB/D)	506	699	652	641	624	653	674	597	642	642
Crude Oil Capacity Utilization (%)	94%	94%	89%	87%	91%	90%	93%	84%	92%	90%
Clean Product Yield (%)	74%	68%	72%	74%	72%	70%	69%	74%	69%	70%
Refined Products Production (MB/D)										
Gasoline	142	165	165	172	161	160	159	160	160	160
Distillates	228	297	288	291	276	289	302	273	277	285
Other	130	233	190	170	181	195	203	160	196	188
Total	500	695	643	633	618	644	664	593	633	633
Petroleum Products Sales (MB/D)										
Gasoline	197	225	204	186	203	176	186	161	173	174
Distillates	339	397	374	399	377	381	379	328	366	363
Other	159	249	171	135	179	156	174	140	171	160
Total	695	871	749	720	759	713	739	629	710	697
Worldwide - Including Net Share of Equity Affiliates										
Crude Oil Charge Input (MB/D)	2,330	2,649	2,744	2,733	2,616	2,561	2,546	2,554	2,578	2,560
Total Charge Input (MB/D)	2,484	2,891	2,976	2,957	2,827	2,787	2,756	2,756	2,789	2,773
Crude Oil Capacity Utilization (%)	85%	91%	95%	94%	92%	94%	93%	94%	95%	94%
Clean Product Yield (%)	79%	80%	81%	81%	80%	80%	80%	80%	81%	80%
Refined Products Production (MB/D)										
Gasoline	1,032	1,196	1,249	1,233	1,178	1,122	1,116	1,119	1,138	1,124
Distillates	912	1,061	1,109	1,115	1,050	1,051	1,038	1,052	1,072	1,053
Other	544	636	619	610	603	623	597	599	588	602
Total	2,488	2,893	2,977	2,958	2,831	2,796	2,751	2,770	2,798	2,779
Petroleum Products Sales (MB/D)										
Gasoline	1,455	1,525	1,573	1,602	1,539	1,434	1,486	1,373	1,380	1,418
Distillates	1,152	1,217	1,222	1,320	1,227	1,243	1,206	1,197	1,295	1,235
Other	676	804	690	670	710	636	677	579	480	592
Total	3,283	3,546	3,485	3,592	3,476	3,313	3,369	3,149	3,155	3,245

* Represents our Humber refinery in the United Kingdom, the Whitegate refinery in Ireland, and, effective March 1, 2006, our Wilhelmshaven refinery in Germany.

** Represents 18.75 percent interest in a refinery complex in Karlsruhe, Germany, and 47 percent interest in a refinery in Melaka, Malaysia. Through August 31, 2007, represents a 16.33 percent interest in two refineries in Kralupy and Litvinov, Czech Republic. We sold our interest in the two Czech refineries effective September 1, 2007.

LUKOIL INVESTMENT

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
LUKOIL Investment										
Net Income (\$ Millions)	249	387	487	302	1,425	256	526	387	649	1,818

Upstream Production*

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Net crude oil production (MB/D)	306	346	388	397	360	393	427	390	395	401
Net natural gas production (MMCF/D)	98	343	288	247	244	309	278	249	188	256
BOE Total (MBOE/D)	322	403	436	438	401	445	473	432	426	444

** Represents our estimated net share of LUKOIL's production.*

Industry Prices

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Crude Oil (\$/bbl)										
Urals crude (CIF Mediterranean)	58.25	64.85	65.81	56.48	61.35	53.96	65.30	72.21	85.90	69.49

Downstream Refinery Throughput*

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Crude Processed (MB/D)	163	168	164	220	179	219	184	226	227	214

** Represents our estimated net share of LUKOIL's crude processed.*

MIDSTREAM

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Midstream Net Income (\$ Millions)	110	108	169	89	476	85	102	104	162	453
U.S. Equity Affiliate (\$ Millions)*	93	91	128	73	385	50	76	90	120	336

Natural Gas Liquids Extracted (MB/D)

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Consolidated										
United States	23	22	23	21	22	15	23	26	24	22
International	-	-	-	-	-	-	-	-	-	-
Equity Affiliates										
United States*	178	183	180	181	181	174	181	182	189	181
International	6	6	7	7	6	8	7	8	8	8
Total	207	211	210	209	209	197	211	216	221	211

** Represents 50 percent interest in DCP Midstream.*

Natural Gas Liquids Fractionated (MB/D)

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
United States*	141	125	124	136	131	161	163	155	160	160
International	11	14	14	12	13	13	13	13	13	13
Total	152	139	138	148	144	174	176	168	173	173

** Excludes DCP Midstream.*

Product Prices

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Weighted Average NGL (\$/bbl)*										
Consolidated	37.64	41.73	44.10	37.41	40.22	37.73	45.19	48.62	60.19	47.93
DCP Midstream	37.29	41.18	43.00	36.34	39.45	36.55	44.30	47.73	58.60	46.80

** Prices are based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural gas liquids component and location mix.*

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
DD&A (\$ Millions)	7	8	7	7	29	4	3	4	3	14

CHEMICALS

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Chemicals										
Net Income (Loss) (\$ Millions)	149	103	142	98	492	82	68	110	99	359
Industry Margins (Cents/Lb)*										
Ethylene industry cash margin	20.5	14.3	17.0	16.0	17.0	11.1	10.8	11.5	9.7	10.8
HDPE industry contract sales margin	15.9	14.0	13.9	11.9	13.9	13.5	14.6	14.8	13.6	14.1
Styrene industry contract sales margin	12.5	11.9	11.3	11.5	11.8	11.1	11.6	11.5	10.7	11.2

* Prices, economics and views expressed by CMAI are strictly the opinion of CMAI and Purvin & Gertz and are based on information collected within the public sector and on assessments by CMAI and Purvin & Gertz staff utilizing reasonable care consistent with normal industry practice. CMAI and Purvin & Gertz make no guarantee or warranty and assume no liability as to their use.

EMERGING BUSINESSES

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Emerging Businesses										
Net Income (Loss) (\$ Millions)	8	(12)	11	8	15	(1)	(12)	3	2	(8)
Detail of Net Income (Loss) (\$ Millions)										
Power	31	3	26	22	82	13	(1)	21	20	53
Other	(23)	(15)	(15)	(14)	(67)	(14)	(11)	(18)	(18)	(61)
Total	8	(12)	11	8	15	(1)	(12)	3	2	(8)

CORPORATE AND OTHER

	2006					2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Corporate and Other										
Net Income (Loss) (\$ Millions)	(168)	(412)	(301)	(306)	(1,187)	(341)	(337)	(320)	(271)	(1,269)

Detail of Net Income (Loss) (\$ Millions)

Net interest expense	(93)	(267)	(242)	(268)	(870)	(244)	(224)	(195)	(157)	(820)
Corporate overhead	(26)	(39)	(35)	(33)	(133)	(23)	(54)	(49)	(50)	(176)
Acquisition-related expenses	(5)	(39)	(32)	(22)	(98)	(13)	(16)	(11)	(4)	(44)
Other	(44)	(67)	8	17	(86)	(61)	(43)	(65)	(60)	(229)
Total	(168)	(412)	(301)	(306)	(1,187)	(341)	(337)	(320)	(271)	(1,269)

Before-Tax Net Interest Expense (\$ Millions)

Interest expense	(226)	(468)	(417)	(434)	(1,545)	(395)	(411)	(485)	(340)	(1,631)
Capitalized interest	111	107	110	130	458	135	139	141	150	565
Interest revenue	30	35	38	2	105	31	24	153	38	246
Premium on early debt retirement	-	-	-	-	-	(17)	-	-	-	(17)
	(85)	(326)	(269)	(302)	(982)	(246)	(248)	(191)	(152)	(837)

Debt

Total Debt (\$ Millions)	32,193	29,510	27,807	27,134	27,134	23,668	22,812	21,876	21,687	21,687
Debt-to-Capital Ratio	30%	27%	25%	24%	24%	22%	21%	20%	19%	19%