

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 28, 2009**

ConocoPhillips

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-32395
(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**

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 28, 2009, ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended December 31, 2008. 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 Exhibit 99.2 hereto and incorporated herein by reference.

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

- 99.1 — Press release issued by ConocoPhillips on January 28, 2009.
- 99.2 — 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 28, 2009

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1	Press release issued by ConocoPhillips on January 28, 2009.
99.2	Supplemental financial information.

ConocoPhillips Reports Fourth-Quarter Net Loss of \$31.8 Billion

(\$21.37 per share)

Adjusted earnings of \$1.9 billion or \$1.28 per share

HOUSTON--(BUSINESS WIRE)--January 28, 2009--ConocoPhillips:

	Earnings at a glance			
	Fourth Quarter		Twelve Months	
	2008	2007	2008	2007
Net income (loss)	\$ (31,764) million	4,371 million	\$ (16,998) million	11,891 million
Diluted income (loss) per share	\$ (21.37)	2.71	\$ (11.16)	7.22
Adjusted earnings *	\$ 1,914 million	4,108 million	\$ 16,432 million	15,152 million
Diluted adjusted earnings per share *	\$ 1.28	2.55	\$ 10.66	9.21
Revenues	\$ 44.5 billion	52.7 billion	\$ 240.8 billion	187.4 billion

* See tables below for reconciliation of net income (loss) to adjusted earnings.

ConocoPhillips (NYSE:COP) today reported a fourth-quarter net loss of \$31,764 million, or \$21.37 per share. This compared with net income of \$4,371 million, or \$2.71 per share, for the same quarter in 2007. Revenues were \$44.5 billion, versus \$52.7 billion a year ago.

As previously communicated, the company's fourth-quarter 2008 results include certain items related to the substantial decline in global equity markets, commodity prices, and margins, as well as the company's asset rationalization efforts and revised capital plans. These after-tax items were comprised of:

- A \$25,443 million impairment of all Exploration & Production (E&P) segment goodwill.
- A \$7,410 million impairment of the book value of the company's investment in OAO LUKOIL (LUKOIL), reducing the book value to market value.
- Other asset impairments totaling \$1,251 million, consisting of:
 - \$599 million in E&P, primarily related to producing properties in the U.S. Lower 48 and Canada;
 - \$537 million in Refining and Marketing (R&M), primarily related to reductions in the book value of two refineries;
 - \$85 million in Emerging Businesses for a U.S. cogeneration power plant; and
 - \$30 million in Corporate.
- Severance accruals of \$99 million.
- A \$525 million net benefit from asset rationalization efforts.

Fourth-quarter 2008 adjusted earnings were \$1,914 million or \$1.28 per share. This compares with fourth-quarter 2007 adjusted earnings of \$4,108 million, or \$2.55 per share.

“Our financial performance for the quarter reflects the depressed economic conditions and business environment impacting not only our industry, but domestic and global markets as well,” said Jim Mulva, chairman and chief executive officer. “However, we ran well during the quarter, as our upstream business produced 2.32 million BOE per day, including our share of LUKOIL’s production, resulting in full year production of 2.23 million BOE per day. In our downstream business, our worldwide refining crude oil capacity utilization rate was 93 percent for the quarter.

“During the quarter, we invested \$8.7 billion in our capital program, including funding for the transaction with Origin Energy. We repurchased \$0.7 billion of ConocoPhillips common stock and paid \$0.7 billion in dividends. This primarily reflects the use of \$3.1 billion of cash generated from operations, a debt increase of \$5.4 billion, and \$0.9 billion in proceeds from asset dispositions. We ended the quarter with debt of \$27.5 billion, a debt-to-capital ratio of 33 percent, and a cash balance of \$0.8 billion.”

For 2008, the company recorded a net loss of \$16,998 million, or \$11.16 per share, compared with 2007 net income of \$11,891 million, or \$7.22 per share. Full-year 2008 adjusted earnings were \$16,432 million, or \$10.66 per share. This compares with full-year 2007 adjusted earnings of \$15,152 million, or \$9.21 per share. Revenues were \$240.8 billion, versus \$187.4 billion a year ago.

The results for ConocoPhillips’ business segments follow.

Exploration and Production

Fourth-quarter financial results: The E&P segment reported a fourth-quarter net loss of \$24,293 million, compared with net income of \$3,928 million in the previous quarter and \$2,608 million in the fourth quarter of 2007. Fourth-quarter 2008 E&P adjusted earnings were \$1,392 million, compared with adjusted earnings of \$3,818 million in the previous quarter and \$2,385 million in the fourth quarter of 2007.

Fourth-quarter 2008 adjusted earnings were lower than third-quarter 2008 adjusted earnings due to significantly lower commodity prices, partially offset by lower production taxes and higher volumes. Fourth-quarter 2008 adjusted earnings were lower than fourth-quarter 2007 adjusted earnings primarily due to lower commodity prices and higher exploration expenses, partially offset by lower production taxes and higher volumes.

Daily production from the E&P segment, including Canadian Syncrude, averaged 1.87 million barrels of oil equivalent (BOE) per day, an increase from 1.75 million BOE per day in the previous quarter and 1.84 million BOE per day in the fourth quarter of 2007. When compared with the previous quarter, production from new developments, primarily in the United Kingdom, Vietnam, Canada, and China, more than offset the impact of field decline. Production also increased due to improved well performance and seasonality in Alaska and the U.S. Lower 48, as well as less planned and unplanned downtime. When compared with the fourth quarter of 2007, production from new developments, primarily in the United Kingdom, Russia, Canada, Norway, and Indonesia, more than offset the impact of field decline.

Before-tax exploration expenses were \$473 million in the fourth quarter of 2008, compared with \$267 million in the previous quarter and \$268 million in the fourth quarter of 2007. The increases from the previous quarter and the fourth quarter of 2007 were primarily due to higher dry hole costs and lease impairments.

Twelve-month financial results: The E&P segment had a net loss for 2008 of \$13,479 million, compared with net income of \$4,615 million in 2007. The 2008 E&P adjusted earnings were \$12,072 million, while 2007 adjusted earnings were \$8,483 million. The increase was primarily due to higher commodity prices, partially offset by higher production and other taxes, lower volumes, increased operating and exploration costs, and higher depreciation expense.

Full-year 2008 E&P segment production averaged 1.79 million BOE per day, which includes the impact of higher commodity prices on production sharing contracts, as well as downtime resulting from hurricanes. Excluding these impacts, production would have averaged 1.81 million BOE per day. Full-year 2007 E&P segment production averaged 1.88 million BOE per day, which includes two quarters of production related to the company's expropriated Venezuelan assets.

Midstream

Fourth-quarter financial results: The Midstream segment had fourth-quarter net income of \$69 million, compared with \$173 million in the previous quarter and \$162 million in the fourth quarter of 2007. The decrease from the previous quarter was primarily attributable to lower realized natural gas liquids prices, partially offset by higher volumes due to a return to normal levels following hurricane disruptions in the prior quarter. The decrease from the fourth quarter of 2007 was primarily due to lower realized natural gas liquids prices.

Twelve-month financial results: Midstream net income for 2008 was \$541 million, compared with \$453 million in 2007. The increase was primarily due to higher realized natural gas liquids prices, partially offset by higher operating costs.

Refining and Marketing

Fourth-quarter financial results: The R&M segment reported fourth-quarter net income of \$289 million, compared with \$849 million in the previous quarter and \$1,122 million in the fourth quarter of 2007. Fourth-quarter 2008 R&M adjusted earnings were \$753 million, compared with adjusted earnings of \$847 million in the previous quarter and \$1,097 million in the fourth quarter of 2007.

Fourth-quarter 2008 adjusted earnings were lower than third-quarter 2008 adjusted earnings due to lower U.S. realized refining margins, reflecting the significant decline in market crack spreads which more than offset higher margins from secondary products and improved sour crude differentials. This decrease also was partially offset by lower foreign exchange losses and utility costs. Fourth-quarter 2008 adjusted earnings were lower than fourth-quarter 2007 adjusted earnings primarily due to significantly lower U.S. market crack spreads, partially offset by higher international marketing margins.

The domestic refining crude oil capacity utilization rate for the fourth quarter was 94 percent, a 4 percent increase from the previous quarter, which was impacted by hurricane-related downtime. The international crude oil capacity utilization rate was 89 percent, up from 75 percent in the previous quarter, including lower economic run reductions in the fourth quarter at the Wilhelmshaven, Germany, refinery.

Worldwide, R&M's refining crude oil capacity utilization rate was 93 percent, up from 87 percent in the previous quarter and down slightly from the 95 percent in the fourth quarter of 2007. Before-tax turnaround costs were \$70 million in the fourth quarter of 2008, down from \$73 million in the previous quarter and \$80 million in the fourth quarter of 2007.

Twelve-month financial results: R&M net income for 2008 was \$2,322 million, compared with \$5,923 million in 2007. The 2008 R&M adjusted earnings were \$2,672 million, while 2007 adjusted earnings were \$5,331 million. The decrease was primarily due to significantly lower U.S. market crack spreads, lower refining volumes, net foreign exchange losses, and higher utility costs. This decrease was partially offset by higher international marketing margins.

LUKOIL Investment

Fourth-quarter financial results: The LUKOIL Investment segment had a net loss of \$7,410 million in the fourth quarter, compared with net income of \$438 million in the previous quarter and net income of \$649 million in the fourth quarter of 2007. Fourth-quarter 2008 adjusted earnings were zero. The results include ConocoPhillips' estimated equity share of LUKOIL's income for the fourth quarter based on market indicators, LUKOIL's publicly available operating results, and estimated hedging gains in the current quarter based on publicly available information.

Fourth-quarter 2008 also included a \$101 million positive impact from the alignment of estimated net income to LUKOIL's third-quarter 2008 reported results. The alignment to reported results was primarily due to hedging gains recorded by LUKOIL in the third quarter of 2008, which were not publicly available at the time of ConocoPhillips' third-quarter estimate.

Fourth-quarter 2008 adjusted earnings were lower than third-quarter 2008 net income primarily due to lower estimated realized prices. While lower extraction and export taxes partially offset the impact of price decreases, export taxes recorded in the fourth quarter were much higher than commodity prices imply given the sharply declining price environment, since export taxes are based on prior-period prices. Fourth-quarter adjusted earnings also benefited from higher estimated volumes and a net \$202 million positive impact from the alignment of estimated net income to LUKOIL's reported results.

Fourth-quarter 2008 adjusted earnings were lower than fourth-quarter 2007 net income primarily due to lower estimated realized prices and higher estimated operating costs, partially offset by lower estimated taxes and a net \$92 million positive impact from the alignment of estimated net income to LUKOIL's reported results.

For the fourth quarter of 2008, ConocoPhillips estimated its equity share of LUKOIL production was 451,000 BOE per day and its share of LUKOIL daily refining crude oil throughput was 250,000 barrels per day.

Twelve-month financial results: The LUKOIL Investment segment had a net loss for 2008 of \$5,488 million, compared with net income of \$1,818 million in 2007. The 2008 adjusted earnings of \$1,922 million were higher than 2007 net income primarily due to higher estimated realized prices and hedging gains, partially offset by higher estimated taxes and operating costs, as well as lower estimated volumes.

Chemicals

Fourth-quarter financial results: The Chemicals segment reported a fourth-quarter net loss of \$6 million, compared with net income of \$46 million in the previous quarter and \$99 million in the fourth quarter of 2007. The decrease from the previous quarter was primarily due to lower margins and volumes. The decrease from the fourth quarter of 2007 was primarily due to the absence of a one-time, capital-loss tax benefit, as well as lower aromatics and styrenics margins.

Twelve-month financial results: The Chemicals segment had net income of \$110 million for 2008, compared with \$359 million in 2007. The decrease was primarily due to lower aromatics and styrenics margins, as well as the absence of the one-time tax benefit.

Emerging Businesses

The Emerging Businesses segment had a net loss of \$25 million in the fourth quarter, compared with net income of \$35 million in the previous quarter and \$2 million in the fourth quarter of 2007. Fourth-quarter 2008 adjusted earnings were \$60 million. Fourth-quarter 2008 adjusted earnings were higher than net income in the previous quarter and the fourth quarter of 2007 primarily due to higher international power generation results.

Corporate and Other

Fourth-quarter Corporate expenses were \$388 million after-tax, compared with \$281 million in the previous quarter and \$271 million in the fourth quarter of 2007. Fourth-quarter 2008 and fourth-quarter 2007 adjusted Corporate expenses were \$354 million and \$286 million after-tax, respectively. Fourth-quarter 2008 adjusted expenses were higher than the previous quarter's expenses mainly due to higher net interest expense, which includes lower capitalized interest, and higher environmental costs, as well as higher taxes. Fourth-quarter 2008 adjusted expenses were higher than fourth-quarter 2007 adjusted expenses primarily due to higher taxes and net interest expense.

Outlook

Mr. Mulva concluded:

“We have created a self-sustaining, competitive international integrated energy company, and our long-term strategy remains unchanged. Through organic growth and prior business transactions, we have the resources and opportunities for long-term growth. Our existing portfolio of high-quality assets enables us to replace reserves, maintain current production levels, and responsibly deliver energy to consumers in a low price environment. In light of the current business environment, we are reducing our cost structure and constraining capital to live within our means.

“We anticipate the company’s first-quarter E&P segment production will be near fourth-quarter 2008 production, and we expect exploration expenses to be around \$400 million for the quarter. Downstream, we anticipate the worldwide refining crude oil capacity utilization rate in the first quarter to be in the low-80-percent range due to planned turnaround activity in the United States and continued economic run reductions at the Wilhelmshaven refinery. Turnaround costs are expected to be approximately \$225 million before-tax for the quarter.

“We look forward to discussing our 2009 capital, operating and financial plans in greater detail when we meet with the investment community on March 11 in New York.”

ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, the company had approximately 33,800 employees, \$143 billion of assets, and \$241 billion of revenues as of December 31, 2008. 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 detailed supplemental information, go to www.conocophillips.com/investor/financial_reports/earnings_reports/index.htm.

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 activities; 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; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; general domestic and international economic and political conditions, as well as changes in tax, environmental 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.

Use of Non-GAAP Financial Information -- *This press release includes the terms adjusted earnings, results and expenses and adjusted earnings per share. These are non-GAAP financial measures and are included to help facilitate comparisons of company operating performance across periods. A reconciliation of adjusted earnings to net income is shown in the tables below.*

Reconciliation of Adjusted Earnings to Net Income
Millions of dollars, except per share amounts

Consolidated	4Q08	3Q08	4Q07	2008	2007
Net income (loss)	\$ (31,764)	\$ 5,188	\$ 4,371	\$ (16,998)	\$ 11,891
Goodwill recoverability impairment	(25,443)			(25,443)	
LUKOIL investment impairment	(7,410)			(7,410)	
Impairment - expropriated assets					(4,512)
Impairments - other	(1,251)	(28)	(111)	(1,292)	(161)
Total Impairments	(34,104)	(28)	(111)	(34,145)	(4,673)
Gain (loss) on asset sales	525	140	188	814	1,047
Tax rate changes			186		365
Severance accruals	(99)			(99)	
Total Adjustments	(33,678)	112	263	(33,430)	(3,261)
Adjusted earnings	\$ 1,914	\$ 5,076	\$ 4,108	\$ 16,432	\$ 15,152
Income (loss) per share of common stock	\$ (21.37)	\$ 3.39	\$ 2.71	\$ (11.16)	\$ 7.22
Adjusted earnings per share of common stock*	\$ 1.28	\$ 3.32	\$ 2.55	\$ 10.66	\$ 9.21
<i>* Based on adjusted diluted shares of (in millions):</i>	1,497.8			1,540.8	
E&P					
	4Q08	3Q08	4Q07	2008	2007
Net income (loss)	\$ (24,293)	\$ 3,928	\$ 2,608	\$ (13,479)	\$ 4,615
Goodwill recoverability impairment	(25,443)			(25,443)	
Impairment - expropriated assets					(4,512)
Impairments - other	(599)	(28)	(120)	(627)	(273)
Total Impairments	(26,042)	(28)	(120)	(26,070)	(4,785)
Gain (loss) on asset sales	428	138	172	590	708
Tax rate changes			171		209
Severance accruals	(71)			(71)	
Total Adjustments	(25,685)	110	223	(25,551)	(3,868)
Adjusted earnings	\$ 1,392	\$ 3,818	\$ 2,385	\$ 12,072	\$ 8,483
R&M					
	4Q08	3Q08	4Q07	2008	2007
Net income	\$ 289	\$ 849	\$ 1,122	\$ 2,322	\$ 5,923
Impairments	(537)		9	(550)	112
Gain (loss) on asset sales	97	2	16	224	339
Tax rate changes					141
Severance accruals	(24)			(24)	
Total Adjustments	(464)	2	25	(350)	592
Adjusted earnings	\$ 753	\$ 847	\$ 1,097	\$ 2,672	\$ 5,331
LUKOIL Investment					
	4Q08	3Q08	4Q07	2008	2007
Net income (loss)	\$ (7,410)	\$ 438	\$ 649	\$ (5,488)	\$ 1,818
Impairment	(7,410)			(7,410)	
Adjusted earnings	\$ -	\$ 438	\$ 649	\$ 1,922	\$ 1,818
Emerging Businesses					
	4Q08	3Q08	4Q07	2008	2007
Net income (loss)	\$ (25)	\$ 35	\$ 2	\$ 30	\$ (8)
Impairments	(85)			(85)	
Adjusted earnings	\$ 60	\$ 35	\$ 2	\$ 115	\$ (8)
Corporate					
	4Q08	3Q08	4Q07	2008	2007
Net income (loss)	\$ (388)	\$ (281)	\$ (271)	\$ (1,034)	\$ (1,269)
Impairments	(30)			(30)	
Tax rate changes			15		15
Severance accruals	(4)			(4)	
Total Adjustments	(34)	-	15	(34)	15
Adjusted earnings (expenses)	\$ (354)	\$ (281)	\$ (286)	\$ (1,000)	\$ (1,284)

CONTACT:

ConocoPhillips

Becky Johnson, 281-293-6743 (media)

Gary Russell, 212-207-1996 (investors)

CONSOLIDATED STATEMENT OF OPERATIONS

Millions of Dollars

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Revenues and Other Income										
Sales and other operating revenues*	41,320	47,370	46,062	52,685	187,437	54,883	71,411	70,044	44,504	240,842
Equity in earnings of affiliates	929	1,506	1,314	1,338	5,087	1,359	1,812	1,214	(135)	4,250
Other income	618	521	557	275	1,971	310	130	115	535	1,090
	42,867	49,397	47,933	54,298	194,495	56,552	73,353	71,373	44,904	246,182
Costs and Expenses										
Purchased crude oil, natural gas and products	26,715	30,820	30,862	35,032	123,429	37,820	51,214	49,608	30,021	168,663
Production and operating expenses	2,492	2,557	2,620	3,014	10,683	2,691	3,111	3,059	2,957	11,818
Selling, general and administrative expenses	527	604	569	606	2,306	526	629	513	561	2,229
Exploration expenses	262	259	218	268	1,007	309	288	267	473	1,337
Depreciation, depletion and amortization	2,024	2,016	2,052	2,206	8,298	2,209	2,178	2,361	2,264	9,012
Impairments										
Goodwill recoverability	-	-	-	-	-	-	-	-	25,443	25,443
LUKOIL investment	-	-	-	-	-	-	-	-	7,410	7,410
Expropriated assets	-	4,588	-	-	4,588	-	-	-	-	-
Other	(1)	98	188	157	442	6	19	57	1,604	1,686
Taxes other than income taxes*	4,374	4,697	4,583	5,336	18,990	5,155	5,796	5,619	4,067	20,637
Accretion on discounted liabilities	79	81	81	100	341	104	96	114	104	418
Interest and debt expense	307	319	391	236	1,253	207	210	239	279	935
Foreign currency transaction (gains) losses	1	(179)	(20)	(3)	(201)	(43)	-	54	106	117
Minority interests	21	19	25	22	87	19	17	15	19	70
	36,801	45,879	41,569	46,974	171,223	49,003	63,558	61,906	75,308	249,775
Income (loss) before income taxes	6,066	3,518	6,364	7,324	23,272	7,549	9,795	9,467	(30,404)	(3,593)
Provision for income taxes	2,520	3,217	2,691	2,953	11,381	3,410	4,356	4,279	1,360	13,405
Net Income (Loss)	3,546	301	3,673	4,371	11,891	4,139	5,439	5,188	(31,764)	(16,998)
* Includes excise taxes on petroleum products sales:	3,841	4,069	3,954	4,073	15,937	3,857	4,091	4,022	3,448	15,418

Net income (loss) per share of common stock (dollars)										
Basic	2.15	0.18	2.26	2.75	7.32	2.65	3.54	3.43	(21.37)	(11.16)
Diluted	2.12	0.18	2.23	2.71	7.22	2.62	3.50	3.39	(21.37)	(11.16)
Average common shares outstanding (in thousands)										
Basic	1,647,352	1,635,848	1,622,456	1,590,957	1,623,994	1,562,198	1,534,975	1,510,897	1,486,204	1,523,432
Diluted	1,668,847	1,657,999	1,644,267	1,612,179	1,645,919	1,582,025	1,555,447	1,528,187	1,486,204	1,523,432

SUMMARY OF INCOME (LOSS) BY SEGMENT

Millions of Dollars

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Net Income (Loss)										
U.S. E&P	916	1,055	1,225	1,052	4,248	1,349	1,852	1,606	181	4,988
International E&P	1,413	(3,459)	857	1,556	367	1,538	2,147	2,322	969	6,976
Goodwill Recoverability Impairment	-	-	-	-	-	-	-	-	(25,443)	(25,443)
Total E&P	2,329	(2,404)	2,082	2,608	4,615	2,887	3,999	3,928	(24,293)	(13,479)
Midstream	85	102	104	162	453	137	162	173	69	541
U.S. R&M	896	1,879	873	967	4,615	435	587	524	(6)	1,540
International R&M	240	479	434	155	1,308	85	77	325	295	782
Total R&M	1,136	2,358	1,307	1,122	5,923	520	664	849	289	2,322
LUKOIL Investment	256	526	387	649	1,818	710	774	438	(7,410)	(5,488)
Chemicals	82	68	110	99	359	52	18	46	(6)	110
Emerging Businesses	(1)	(12)	3	2	(8)	12	8	35	(25)	30
Corporate and Other	(341)	(337)	(320)	(271)	(1,269)	(179)	(186)	(281)	(388)	(1,034)
Consolidated	3,546	301	3,673	4,371	11,891	4,139	5,439	5,188	(31,764)	(16,998)

SUMMARY OF INCOME (LOSS) BY SEGMENT (continued)

	Millions of Dollars									
	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Income (Loss) Before Income Taxes										
U.S. E&P	1,425	1,627	1,867	1,560	6,479	2,094	2,848	2,518	145	7,605
International E&P	2,894	(1,976)	2,357	3,464	6,739	3,822	5,211	5,134	2,430	16,597
Goodwill Recoverability Impairment	-	-	-	-	-	-	-	-	(25,443)	(25,443)
Total E&P	4,319	(349)	4,224	5,024	13,218	5,916	8,059	7,652	(22,868)	(1,241)
Midstream	132	156	157	245	690	206	243	260	93	802
U.S. R&M	1,400	2,891	1,369	1,526	7,186	717	938	852	(33)	2,474
International R&M	218	633	403	167	1,421	101	32	442	421	996
Total R&M	1,618	3,524	1,772	1,693	8,607	818	970	1,294	388	3,470
LUKOIL Investment	262	542	396	663	1,863	729	795	451	(7,414)	(5,439)
Chemicals	107	80	140	20	347	54	-	64	7	125
Emerging Businesses	(3)	(20)	(17)	(2)	(42)	15	17	45	(53)	24
Corporate and Other	(369)	(415)	(308)	(319)	(1,411)	(189)	(289)	(299)	(557)	(1,334)
Consolidated	6,066	3,518	6,364	7,324	23,272	7,549	9,795	9,467	(30,404)	(3,593)
Effective Tax Rates										
U.S. E&P	35.7%	35.2%	34.4%	32.6%	34.4%	35.6%	35.0%	36.2%	-24.8%	34.4%
International E&P	51.2%	-	63.6%	55.1%	94.6%	59.8%	58.8%	54.8%	60.1%	58.0%
Total E&P	46.1%	-588.8%	50.7%	48.1%	65.1%	51.2%	50.4%	48.7%	-6.2%	-986.1%
Midstream	35.6%	34.6%	33.8%	33.9%	34.3%	33.5%	33.3%	33.5%	25.8%	32.5%
U.S. R&M	36.0%	35.0%	36.2%	36.6%	35.8%	39.3%	37.4%	38.5%	81.8%	37.8%
International R&M	-10.1%	24.3%	-7.7%	7.2%	8.0%	15.8%	-140.6%	26.5%	29.9%	21.5%
Total R&M	29.8%	33.1%	26.2%	33.7%	31.2%	36.4%	31.5%	34.4%	25.5%	33.1%
LUKOIL Investment	2.3%	3.0%	2.3%	2.1%	2.4%	2.6%	2.6%	2.9%	0.1%	-0.9%
Chemicals	23.4%	15.0%	21.4%	-	-3.5%	3.7%	-	28.1%	185.7%	12.0%
Emerging Businesses	66.7%	40.0%	-	-	81.0%	20.0%	52.9%	22.2%	52.8%	-25.0%
Corporate and Other	7.6%	18.8%	-3.9%	15.0%	10.1%	5.3%	35.6%	6.0%	30.3%	22.5%
Consolidated	41.5%	91.4%	42.3%	40.3%	48.9%	45.2%	44.4%	45.2%	-4.5%	-373.1%

ESTIMATED TAXES PAID

	Millions of Dollars									
	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Cash income taxes paid	1,199	4,326	2,444	3,361	11,330	1,649	4,756	3,845	2,872	13,122
Taxes other than income taxes	4,374	4,697	4,583	5,336	18,990	5,155	5,796	5,619	4,067	20,637
Less: Excise taxes*	(3,841)	(4,069)	(3,954)	(4,073)	(15,937)	(3,857)	(4,091)	(4,022)	(3,448)	(15,418)
Estimated Taxes Paid	1,732	4,954	3,073	4,624	14,383	2,947	6,461	5,442	3,491	18,341

* Represents taxes collected by ConocoPhillips and reimbursed to taxing authorities.

CERTAIN ITEMS INCLUDED IN NET INCOME (AFTER-TAX)

Millions of Dollars

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P										
Gain on asset sales	36	11	-	25	72	4	12	-	11	27
FERC Rulings	-	-	94	-	94	-	-	-	-	-
Impairments	-	-	-	(45)	(45)	-	-	-	(403)	(403)
Business interruption insurance claims recovery	-	-	-	13	13	-	-	-	-	-
Severance accrual	-	-	-	-	-	-	-	-	(43)	(43)
Total	36	11	94	(7)	134	4	12	-	(435)	(419)
International E&P										
Gain (loss) on asset sales	407	(82)	164	147	636	8	-	138	417	563
International tax law changes	38	-	-	171	209	-	-	-	-	-
Impairment - expropriated assets	-	(4,512)	-	-	(4,512)	-	-	-	-	-
Impairments	(88)	(33)	(32)	(75)	(228)	-	-	(28)	(196)	(224)
Pending claims and settlements	-	-	-	28	28	-	-	-	-	-
Severance accrual	-	-	-	-	-	-	-	-	(28)	(28)
Total	357	(4,627)	132	271	(3,867)	8	-	110	193	311
Goodwill recoverability impairment	-	-	-	-	-	-	-	-	(25,443)	(25,443)
Total E&P	393	(4,616)	226	264	(3,733)	12	12	110	(25,685)	(25,551)
Midstream										
Total	-	-	-	-	-	-	-	-	-	-
U.S. R&M										
Gain (loss) on asset sales	-	-	2	14	16	116	8	2	(5)	121
Impairments	(13)	-	3	(2)	(12)	(3)	(10)	-	(357)	(370)
Business interruption insurance claims recovery	-	-	-	10	10	-	-	-	-	-
Severance accrual	-	-	-	-	-	-	-	-	(23)	(23)
Total	(13)	-	5	22	14	113	(2)	2	(385)	(272)
International R&M										
Gain on asset sales	-	163	158	2	323	-	1	-	102	103
Impairments	148	(5)	(30)	11	124	-	-	-	(180)	(180)
Germany tax rate change	-	-	141	-	141	-	-	-	-	-
Severance accrual	-	-	-	-	-	-	-	-	(1)	(1)
Total	148	158	269	13	588	-	1	-	(79)	(78)
Total R&M	135	158	274	35	602	113	(1)	2	(464)	(350)
LUKOIL Investment										
Impairment	-	-	-	-	-	-	-	-	(7,410)	(7,410)
Total	-	-	-	-	-	-	-	-	(7,410)	(7,410)
Chemicals										
Asset retirements recorded by CPChem	-	(21)	-	-	(21)	-	-	-	-	-
Tax benefit on capital loss	-	-	-	65	65	-	-	-	-	-
Total	-	(21)	-	65	44	-	-	-	-	-
Emerging Businesses										
Impairments	-	-	-	-	-	-	-	-	(85)	(85)
Total	-	-	-	-	-	-	-	-	(85)	(85)
Corporate and Other										
Acquisition-related expenses	(13)	(16)	(11)	(4)	(44)	-	-	-	-	-
FERC Rulings	-	-	(14)	-	(14)	-	-	-	-	-
Premium on early debt retirement	(14)	-	-	-	(14)	-	-	-	-	-
Pending claims and settlements	-	-	-	-	-	35	-	-	-	35
Canada tax law change	-	-	-	15	15	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	(30)	(30)
Severance accrual	-	-	-	-	-	-	-	-	(4)	(4)
Total	(27)	(16)	(25)	11	(57)	35	-	-	(34)	1
Total Company	501	(4,495)	475	375	(3,144)	160	11	112	(33,678)	(33,395)

CASH FLOW INFORMATION

	Millions of Dollars									
	2007					2008				
	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 (loss)	3,546	301	3,673	4,371	11,891	4,139	5,439	5,188	(31,764)	(16,998)
Depreciation, depletion and amortization	2,024	2,016	2,052	2,206	8,298	2,209	2,178	2,361	2,264	9,012
Impairments	(1)	4,686	188	157	5,030	6	19	57	34,457	34,539
Dry hole costs and leasehold impairments	148	133	74	108	463	154	127	118	299	698
Accretion on discounted liabilities	79	81	81	100	341	104	96	114	104	418
Deferred income taxes	77	103	(125)	(88)	(33)	(17)	28	48	(487)	(428)
Undistributed equity earnings	(557)	(678)	(237)	(351)	(1,823)	(987)	(1,001)	(542)	921	(1,609)
Net gain on asset dispositions	(499)	(428)	(389)	(32)	(1,348)	(181)	(32)	(133)	(545)	(891)
Other	(94)	182	(60)	148	176	(164)	83	(53)	(930)	(1,064)
Net working capital changes	2,150	(1,630)	734	301	1,555	1,324	(1,503)	357	(1,197)	(1,019)
Net Cash Provided by Operating Activities	6,873	4,766	5,991	6,920	24,550	6,587	5,434	7,515	3,122	22,658
Cash Flows from Investing Activities										
Capital expenditures & investments	(2,847)	(2,500)	(2,560)	(3,884)	(11,791)	(3,322)	(3,398)	(3,815)	(8,564)	(19,099)
Proceeds from asset dispositions	1,343	872	842	515	3,572	370	71	288	911	1,640
Long-term advances to/collections from affiliates and other investments	(144)	(97)	(118)	16	(343)	(60)	(83)	(209)	195	(157)
Net Cash Used for Investing Activities	(1,648)	(1,725)	(1,836)	(3,353)	(8,562)	(3,012)	(3,410)	(3,736)	(7,458)	(17,616)
Cash Flows from Financing Activities										
Net issuance (repayment) of debt	(3,491)	(865)	(961)	(202)	(5,519)	(202)	426	183	5,353	5,760
Issuance of stock	40	141	70	34	285	7	178	(3)	16	198
Repurchase of stock	(1,000)	(1,000)	(2,501)	(2,500)	(7,001)	(2,496)	(2,512)	(2,492)	(749)	(8,249)
Dividends	(674)	(668)	(667)	(652)	(2,661)	(730)	(719)	(710)	(695)	(2,854)
Other	(49)	(104)	(136)	(155)	(444)	(196)	(44)	(186)	(193)	(619)
Net Cash Provided by (Used for) Financing Activities	(5,174)	(2,496)	(4,195)	(3,475)	(15,340)	(3,617)	(2,671)	(3,208)	3,732	(5,764)
Effect of Exchange Rate Changes	(8)	6	8	(15)	(9)	9	11	(242)	243	21
Net Change in Cash and Cash Equivalents	43	551	(32)	77	639	(33)	(636)	329	(361)	(701)
Cash and cash equivalents at beginning of period	817	860	1,411	1,379	817	1,456	1,423	787	1,116	1,456
Cash and Cash Equivalents at End of Period	860	1,411	1,379	1,456	1,456	1,423	787	1,116	755	755

	Millions of Dollars									
	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Capital Program										
E&P										
Capital expenditures and investments	2,570	2,148	2,177	3,040	9,935	2,818	2,806	3,079	7,753	16,456
Loans and advances	157	111	122	238	628	67	85	26	(18)	160
Joint venture acquisition obligation--principal	-	140	142	143	425	145	148	149	151	593
E&P total	2,727	2,399	2,441	3,421	10,988	3,030	3,039	3,254	7,886	17,209
Midstream*	-	2	-	3	5	-	-	-	4	4
R&M										
Capital expenditures and investments	205	271	276	634	1,386	363	510	674	722	2,269
Loans and advances	17	37	-	-	54	-	2	1	-	3
R&M total	222	308	276	634	1,440	363	512	675	722	2,272
LUKOIL Investment*	-	-	-	-	-	-	-	-	-	-
Chemicals*	-	-	-	-	-	-	-	-	-	-
Emerging Businesses*	31	34	62	130	257	61	51	25	19	156
Corporate and Other*	41	45	45	77	208	80	31	37	66	214
Total Capital Program	3,021	2,788	2,824	4,265	12,898	3,534	3,633	3,991	8,697	19,855

* Capital expenditures and investments only.

TOTAL E&P

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
E&P Net Income (Loss) (\$ Millions)	2,329	(2,404)	2,082	2,608	4,615	2,887	3,999	3,928	(24,293)	(13,479)
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	2,020	1,910	1,759	1,835	1,880	1,794	1,750	1,748	1,867	1,789
<i>E&P segment plus LUKOIL Investment segment:</i>	2,465	2,383	2,191	2,261	2,324	2,253	2,198	2,170	2,318	2,234
Crude Oil and Condensate (MB/D)										
Consolidated	840	760	730	752	770	758	731	718	803	752
Equity affiliates	120	128	44	43	84	45	41	63	67	54
Total	960	888	774	795	854	803	772	781	870	806
Sales of crude oil produced (MB/D)										
	949	876	803	792	854	773	803	776	853	801
Natural Gas Liquids (MB/D)										
	150	145	139	187	155	154	156	148	155	153
Natural Gas (MMCF/D)										
Consolidated	5,313	5,124	4,916	4,981	5,082	4,900	4,818	4,769	4,854	4,836
Equity affiliates	9	9	-	-	5	-	-	-	45	11
Total	5,322	5,133	4,916	4,981	5,087	4,900	4,818	4,769	4,899	4,847
Canadian Syncrude (MB/D)										
	23	21	27	23	23	20	19	24	25	22
Industry Prices (Platt's)										
Crude Oil (\$/bbl)										
WTI spot	57.99	64.89	75.48	90.66	72.25	97.94	123.98	117.83	58.49	99.56
Brent dated	57.76	68.76	74.87	88.69	72.52	96.90	121.38	114.78	54.91	96.99
Natural Gas (\$/mmbtu)										
Henry Hub -- First of Month	6.77	7.55	6.16	6.97	6.86	8.03	10.94	10.25	6.95	9.04
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated	55.17	64.55	73.01	86.28	69.47	94.71	119.24	114.20	55.11	95.15
Equity affiliates	40.02	47.74	44.60	52.45	45.31	62.78	93.20	88.32	25.35	63.89
Total	53.38	61.97	71.34	84.53	67.11	92.88	118.01	112.19	52.82	93.12
Natural Gas Liquids (\$/bbl)										
	38.56	44.80	48.09	54.82	47.13	60.14	68.42	68.81	32.57	57.43
Natural Gas (\$/mcf)										
Consolidated	6.36	6.45	5.56	6.66	6.26	8.03	9.87	8.91	6.37	8.28
Equity affiliates	0.29	0.30	-	-	0.30	-	-	-	2.04	2.04
Total	6.35	6.44	5.56	6.66	6.26	8.03	9.87	8.91	6.32	8.27
Exploration Charges (\$ Millions)										
Dry Holes	62	74	23	50	209	94	68	58	205	425
Lease Impairments	86	59	51	58	254	60	59	60	94	273
Total Non-Cash Charges	148	133	74	108	463	154	127	118	299	698
Other (G&G and Lease Rentals)	114	126	144	160	544	155	161	149	174	639
Total Exploration Charges	262	259	218	268	1,007	309	288	267	473	1,337
Depreciation, Depletion and Amortization (DD&A) (\$ Millions)										
	1,802	1,790	1,828	1,971	7,391	1,946	1,940	2,123	2,019	8,028
Foreign Currency Gains (Losses) After-Tax (\$ Millions)										
	17	152	13	34	216	(10)	2	118	106	216

U.S. E&P

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P Net Income (Loss) (\$ Millions)	916	1,055	1,225	1,052	4,248	1,349	1,852	1,606	181	4,988
Alaska (\$ Millions)	507	535	765	448	2,255	603	700	556	456	2,315
Lower 48 (\$ Millions)	409	520	460	604	1,993	746	1,152	1,050	(275)	2,673
Production										
Total U.S. (MBOE/D)	855	848	821	847	843	783	787	736	790	775
Crude Oil and Condensate (MB/D)										
Alaska	276	267	241	257	261	254	244	218	258	244
Lower 48	104	105	103	98	102	97	95	85	88	91
Total	380	372	344	355	363	351	339	303	346	335
Sales of crude oil produced (MB/D)										
	372	370	380	340	365	344	353	299	340	334
Natural Gas Liquids (MB/D)*										
Alaska	22	18	15	19	19	19	17	13	20	17
Lower 48**	68	71	73	106	79	69	76	74	75	74
Total	90	89	88	125	98	88	93	87	95	91
<i>*Includes reinjection volumes sold lease-to-lease:</i>										
	16	15	11	13	14	13	11	8	11	11
Natural Gas (MMCF/D)										
Alaska	122	100	116	102	110	100	98	102	88	97
Lower 48	2,190	2,219	2,219	2,101	2,182	1,963	2,034	1,971	2,007	1,994
Total	2,312	2,319	2,335	2,203	2,292	2,063	2,132	2,073	2,095	2,091
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Alaska										
North Slope	48.83	56.31	66.54	81.17	62.91	89.07	112.23	115.11	57.63	92.73
West Coast	55.50	63.26	73.57	87.88	69.75	95.47	118.88	121.51	64.13	99.23
Lower 48	49.32	58.50	67.77	78.98	63.49	90.35	118.06	112.36	49.36	92.77
Total U.S.	53.78	61.91	72.00	85.31	68.00	94.02	118.66	118.90	60.32	97.47
Natural Gas Liquids (\$/bbl)										
Alaska	55.27	63.52	73.40	88.12	71.85	94.27	117.24	119.29	64.23	94.29
Lower 48***	36.46	43.29	46.37	48.88	44.43	55.33	62.27	65.11	26.70	52.28
Total U.S.	37.86	44.17	47.73	51.23	46.00	58.33	65.96	68.84	30.61	55.63
Natural Gas (\$/mcf)										
Alaska	4.19	4.04	2.15	4.12	3.68	4.31	3.81	4.36	4.90	4.38
Lower 48	6.21	6.51	5.38	5.88	5.99	7.67	9.74	8.67	4.76	7.71
Total U.S.	6.19	6.49	5.36	5.86	5.98	7.63	9.69	8.64	4.76	7.67
Kenai, Alaska LNG Sales										
Volume (MMCF/D)	104	72	88	78	85	63	72	89	74	74
Sales price per MCF	5.83	5.86	6.01	7.28	6.21	6.72	7.15	7.77	8.65	7.62
U.S. Exploration Charges (\$ Millions)										
Dry Holes	13	36	19	14	82	25	20	6	137	188
Lease Impairments	43	43	43	40	169	42	40	43	65	190
Total Non-Cash Charges	56	79	62	54	251	67	60	49	202	378
Other (G&G and Lease Rentals)	26	40	57	50	173	39	50	42	61	192
Total U.S. Exploration Charges	82	119	119	104	424	106	110	91	263	570
Alaska Only	17	32	31	26	106	11	25	19	45	100
DD&A (\$ Millions)										
Alaska	168	167	165	167	667	149	163	152	186	650
Lower 48	618	661	667	642	2,588	616	613	649	577	2,455
Total U.S.	786	828	832	809	3,255	765	776	801	763	3,105

***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

	2007					2008				
	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)	1,413	(3,459)	857	1,556	367	1,538	2,147	2,322	969	6,976
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	1,165	1,062	938	988	1,037	1,011	963	1,012	1,077	1,014
Crude Oil and Condensate (MB/D)										
Consolidated										
Norway	179	145	166	158	162	153	145	164	163	156
United Kingdom	55	48	37	50	48	48	49	57	78	58
Canada	21	19	17	21	19	23	24	25	27	25
China	38	32	29	25	31	33	32	31	36	33
Indonesia	13	13	11	11	12	16	15	15	15	15
Vietnam	23	22	22	22	22	20	18	19	28	21
Timor Sea	24	26	21	19	22	23	21	22	20	22
Libya	45	47	48	47	47	47	48	42	50	47
Other	62	36	35	44	44	44	40	40	40	40
Equity affiliates										
Canada	23	28	29	27	27	29	25	32	35	30
Russia	15	15	15	16	15	16	16	31	32	24
Venezuela	82	85	-	-	42	-	-	-	-	-
Total	580	516	430	440	491	452	433	478	524	471
Sales of crude oil produced (MB/D)	577	506	423	452	489	429	450	477	513	467
Natural Gas Liquids (MB/D)										
Norway	8	5	7	12	8	13	11	9	11	11
United Kingdom	6	6	4	8	6	10	8	6	8	8
Canada	31	28	26	25	27	26	25	24	24	25
Timor Sea	12	14	11	12	12	15	14	15	13	14
Other	3	3	3	5	4	2	5	7	4	4
Total	60	56	51	62	57	66	63	61	60	62
Natural Gas (MMCF/D)										
Consolidated										
Norway	247	202	226	270	236	273	205	222	257	239
United Kingdom	785	668	519	723	673	695	623	581	757	664
Canada	1,152	1,133	1,069	1,073	1,106	1,101	1,055	1,061	1,001	1,054
China	11	12	13	8	11	10	9	-	-	5
Timor Sea	243	250	194	207	223	246	231	266	236	245
Indonesia	331	329	349	310	330	314	360	361	336	343
Vietnam	15	12	19	14	15	16	16	21	11	16
Libya	5	9	9	9	8	9	9	6	9	8
Other	212	190	183	164	188	173	178	178	152	171
Equity affiliates										
Australia	-	-	-	-	-	-	-	-	45	11
Canada	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-
Venezuela	9	9	-	-	5	-	-	-	-	-
Total	3,010	2,814	2,581	2,778	2,795	2,837	2,686	2,696	2,804	2,756
Canadian Syncrude (MB/D)	23	21	27	23	23	20	19	24	25	22
Darwin, Australia LNG Sales (MMCF/D)	388	449	347	348	383	417	396	464	460	434

INTERNATIONAL E&P (continued)

	2007					2008				
	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	57.36	67.50	75.54	88.75	72.04	97.27	122.34	115.67	55.95	97.54
United Kingdom	55.52	66.99	72.98	86.26	71.01	93.96	118.79	107.54	51.14	90.67
Canada	48.70	58.42	67.75	73.08	61.77	84.49	108.43	99.77	34.36	80.18
China	54.93	66.39	71.79	85.51	67.69	93.69	120.63	111.93	46.41	91.51
Indonesia	54.66	65.46	72.46	89.26	69.99	92.48	109.83	108.47	53.08	90.98
Vietnam	57.88	67.03	75.14	89.64	72.54	98.31	126.11	122.45	54.02	96.57
Timor Sea	59.15	73.51	71.20	83.95	71.50	93.85	114.20	103.11	38.05	86.91
Libya	56.19	67.39	73.88	88.11	72.02	95.21	120.86	108.33	53.48	93.22
Other	55.73	67.71	74.48	87.54	69.76	97.56	119.35	103.59	49.23	92.82
Equity affiliates										
Canada	32.46	32.46	38.48	46.90	37.94	57.95	96.78	81.32	9.53	58.54
Russia	37.92	50.25	55.84	63.05	52.29	70.41	86.00	96.67	42.95	71.15
Venezuela	42.54	51.54	-	-	47.46	-	-	-	-	-
Total	53.12	62.02	70.75	83.94	66.44	91.96	117.49	107.99	47.84	90.01
Natural Gas Liquids (\$/bbl)										
Norway	38.82	45.72	46.77	56.25	48.36	54.48	59.19	56.67	39.00	53.04
United Kingdom	34.93	39.34	36.91	52.79	41.78	55.88	66.90	60.43	28.48	53.65
Canada	41.15	46.82	51.77	66.27	50.85	68.84	83.57	77.49	35.19	66.40
Timor Sea	44.13	49.43	48.71	72.60	52.63	69.79	74.03	73.79	41.61	64.54
Other	8.32	29.42	34.00	42.30	31.17	13.83	43.22	49.69	21.19	35.91
Total	39.38	45.64	48.63	61.56	48.80	62.20	71.40	68.78	35.25	59.70
Natural Gas (\$/mcf)										
Consolidated										
Norway	7.00	7.10	7.51	9.08	7.74	10.27	11.75	12.79	10.70	11.28
United Kingdom	8.14	7.23	6.69	9.19	7.92	9.20	10.48	10.20	11.07	10.26
Canada	6.38	6.60	5.13	6.20	6.09	7.81	10.19	8.03	5.56	7.92
China	2.64	2.74	2.78	3.37	2.85	3.60	3.69	-	-	3.64
Timor Sea	0.76	0.68	0.66	0.74	0.71	0.79	0.90	0.97	1.17	0.96
Indonesia	6.04	6.99	7.78	8.51	7.31	10.33	12.14	12.35	6.17	10.36
Vietnam	1.10	1.09	1.12	1.13	1.11	1.14	1.12	1.13	1.16	1.13
Libya	0.07	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Other	2.71	2.53	2.41	3.43	2.75	3.79	3.99	3.91	4.44	4.09
Equity affiliates										
Australia	-	-	-	-	-	-	-	-	2.04	2.04
Canada	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-
Venezuela	0.29	0.30	-	-	0.30	-	-	-	-	-
Total	6.47	6.40	5.75	7.31	6.50	8.32	10.02	9.13	7.55	8.73
International Exploration Charges (\$ Millions)										
Dry Holes	49	38	4	36	127	69	48	52	68	237
Lease Impairments	43	16	8	18	85	18	19	17	29	83
Total Non-Cash Charges	92	54	12	54	212	87	67	69	97	320
Other (G&G and Lease Rentals)	88	86	87	110	371	116	111	107	113	447
Total International Exploration Charges	180	140	99	164	583	203	178	176	210	767
DD&A (\$ Millions)										
	1,016	962	996	1,162	4,136	1,181	1,164	1,322	1,256	4,923

R&M

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
R&M Net Income (Loss) (\$ Millions)	1,136	2,358	1,307	1,122	5,923	520	664	849	289	2,322
United States (\$ Millions)	896	1,879	873	967	4,615	435	587	524	(6)	1,540
International (\$ Millions)	240	479	434	155	1,308	85	77	325	295	782
Market Indicators										
U.S. East Coast Crack Spread (\$/bbl)	11.81	22.57	11.73	8.47	13.64	7.79	10.93	10.43	5.66	8.70
U.S. Gulf Coast Crack Spread (\$/bbl)	10.06	24.28	11.74	6.55	13.16	7.90	12.11	14.70	2.80	9.38
U.S. Group Central Crack Spread (\$/bbl)	14.84	31.26	20.92	9.37	19.10	10.26	13.47	14.38	6.00	11.03
U.S. West Coast Crack Spread (\$/bbl)	28.68	34.32	16.22	16.58	23.95	15.37	21.91	16.34	11.46	16.27
U.S. Weighted 3:2:1 Crack Spread (\$/bbl)	15.30	27.56	14.74	9.65	16.81	9.94	14.19	14.07	5.89	11.02
NW Europe Crack Spread (\$/bbl)	12.06	15.56	13.37	15.55	14.14	16.09	25.78	21.10	17.58	20.14
Singapore 3:1:2 Crack Spread (\$/bbl)	14.06	17.94	14.80	17.13	15.98	19.90	29.35	19.10	13.01	20.34
U.S. Wholesale Gasoline Mktg Mrgn (\$/bbl)	1.15	2.09	0.65	(0.43)	0.87	1.07	0.37	4.53	5.54	2.88
Realized Margins										
Refining Margin (\$/bbl)										
U.S.	11.87	19.59	10.86	11.56	13.41	8.00	10.29	9.03	6.96	8.57
International	5.06	9.68	6.05	6.72	6.92	6.42	6.70	11.24	8.31	8.07
Marketing Margin (\$/bbl)*										
U.S.	1.31	2.36	2.20	1.43	1.83	1.18	1.23	3.56	3.73	2.42
International	7.08	7.68	9.49	7.69	7.92	7.74	9.05	9.90	8.84	8.89
DD&A (\$ Millions)	191	196	194	203	784	208	206	211	214	839
Foreign Currency Gains (Losses) After-Tax (\$ Millions)										
	-	(2)	-	(11)	(13)	38	(13)	(127)	(71)	(173)
Turnaround Expense (\$ Millions)	75	58	27	80	240	90	170	73	70	403
Eastern U.S.										
Crude Oil Charge Input (MB/D)	411	404	383	412	402	340	405	412	390	387
Total Charge Input (MB/D)	460	447	414	453	443	400	441	450	445	434
Crude Oil Capacity Utilization (%)	97%	96%	91%	97%	95%	80%	96%	97%	92%	91%
Clean Product Yield (%)	89%	86%	86%	90%	88%	89%	87%	86%	90%	88%
U.S. Gulf Coast										
Crude Oil Charge Input (MB/D)	744	709	736	712	726	659	720	572	686	659
Total Charge Input (MB/D)	823	790	829	794	810	732	810	641	773	739
Crude Oil Capacity Utilization (%)	102%	97%	100%	97%	99%	90%	98%	78%	94%	90%
Clean Product Yield (%)	81%	81%	80%	82%	81%	81%	76%	77%	82%	79%
Western U.S.										
Crude Oil Charge Input (MB/D)	333	388	415	395	383	405	343	417	407	393
Total Charge Input (MB/D)	375	420	445	433	418	425	396	439	431	422
Crude Oil Capacity Utilization (%)	81%	94%	100%	95%	92%	97%	82%	100%	98%	94%
Clean Product Yield (%)	79%	79%	80%	80%	80%	80%	78%	82%	82%	81%
Central U.S. - Consolidated										
Crude Oil Charge Input (MB/D)	185	170	166	175	174	177	182	184	163	177
Total Charge Input (MB/D)	188	175	170	179	178	179	184	187	166	179
Crude Oil Capacity Utilization (%)	99%	91%	89%	94%	93%	95%	97%	98%	87%	94%
Clean Product Yield (%)	88%	93%	88%	92%	90%	88%	89%	93%	91%	90%
Central U.S. - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	265	225	280	267	259	225	241	228	239	233
Total Charge Input (MB/D)	288	250	301	288	282	241	258	246	253	250
Crude Oil Capacity Utilization (%)	96%	81%	101%	96%	94%	91%	97%	92%	96%	94%
Clean Product Yield (%)	82%	85%	83%	84%	84%	84%	84%	85%	84%	84%
TOTAL UNITED STATES										
Crude Oil Charge Input (MB/D)	1,938	1,896	1,980	1,961	1,944	1,806	1,891	1,813	1,885	1,849
Total Charge Input (MB/D)	2,134	2,082	2,159	2,147	2,131	1,977	2,089	1,963	2,068	2,024
Crude Oil Capacity Utilization (%)	95%	93%	97%	96%	96%	90%	94%	90%	94%	92%
Clean Product Yield (%)	83%	83%	82%	84%	83%	83%	81%	83%	85%	83%
Refined Products Production (MB/D)										
Gasoline	962	957	959	978	964	892	876	852	929	887
Distillates	762	736	779	795	768	719	775	743	791	757
Other	428	394	439	392	414	380	444	380	359	391
Total	2,152	2,087	2,177	2,165	2,146	1,991	2,095	1,975	2,079	2,035
Petroleum Products Sales (MB/D)										
Gasoline	1,258	1,300	1,212	1,207	1,244	1,070	1,127	1,089	1,227	1,128
Distillates	862	827	869	929	872	869	912	858	934	893
Other	480	503	439	309	432	384	404	365	342	374
Total	2,600	2,630	2,520	2,445	2,548	2,323	2,443	2,312	2,503	2,395

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

** Represents a 50 percent interest in the Wood River refinery. Represents an 85 percent interest in the Borger refinery in 2007. Our ownership interest in the Borger refinery was reduced to 65 percent effective January 1, 2008. These refineries were contributed to a business venture with EnCana, effective January 1, 2007.

R&M (continued)

	2007					2008				
	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)	503	505	434	493	484	455	466	383	475	445
Total Charge Input (MB/D)	532	528	455	517	508	463	479	404	493	460
Crude Oil Capacity Utilization (%)	91%	92%	79%	89%	88%	82%	84%	69%	86%	81%
Clean Product Yield (%)	68%	67%	71%	65%	68%	65%	69%	74%	71%	70%
International - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	120	145	140	124	132	123	123	122	122	122
Total Charge Input (MB/D)	121	146	142	125	134	124	124	124	127	125
Crude Oil Capacity Utilization (%)	83%	101%	104%	106%	98%	104%	104%	103%	103%	104%
Clean Product Yield (%)	77%	79%	81%	84%	80%	86%	83%	89%	85%	86%
TOTAL INTERNATIONAL										
Crude Oil Charge Input (MB/D)	623	650	574	617	616	578	589	505	597	567
Total Charge Input (MB/D)	653	674	597	642	642	587	603	528	620	585
Crude Oil Capacity Utilization (%)	90%	93%	84%	92%	90%	86%	88%	75%	89%	85%
Clean Product Yield (%)	70%	69%	74%	69%	70%	70%	72%	77%	74%	73%
Refined Products Production (MB/D)										
Gasoline	160	159	160	160	160	129	155	148	170	151
Distillates	289	302	273	277	285	274	274	255	285	272
Other	195	203	160	196	188	171	163	120	155	152
Total	644	664	593	633	633	574	592	523	610	575
Petroleum Products Sales (MB/D)										
Gasoline	176	186	161	173	174	139	190	176	144	163
Distillates	381	379	328	366	363	321	324	324	336	326
Other	156	174	140	171	160	156	169	134	164	156
Total	713	739	629	710	697	616	683	634	644	645
Worldwide - Including Net Share of Equity Affiliates										
Crude Oil Charge Input (MB/D)	2,561	2,546	2,554	2,578	2,560	2,384	2,480	2,318	2,482	2,416
Total Charge Input (MB/D)	2,787	2,756	2,756	2,789	2,773	2,564	2,692	2,491	2,688	2,609
Crude Oil Capacity Utilization (%)	94%	93%	94%	95%	94%	89%	93%	87%	93%	90%
Clean Product Yield (%)	80%	80%	80%	81%	80%	80%	79%	82%	82%	81%
Refined Products Production (MB/D)										
Gasoline	1,122	1,116	1,119	1,138	1,124	1,021	1,031	1,000	1,099	1,038
Distillates	1,051	1,038	1,052	1,072	1,053	993	1,049	998	1,076	1,029
Other	623	597	599	588	602	551	607	500	514	543
Total	2,796	2,751	2,770	2,798	2,779	2,565	2,687	2,498	2,689	2,610
Petroleum Products Sales (MB/D)										
Gasoline	1,434	1,486	1,373	1,380	1,418	1,209	1,317	1,265	1,371	1,291
Distillates	1,243	1,206	1,197	1,295	1,235	1,190	1,236	1,182	1,270	1,219
Other	636	677	579	480	592	540	573	499	506	530
Total	3,313	3,369	3,149	3,155	3,245	2,939	3,126	2,946	3,147	3,040

* Represents our Humber refinery in the United Kingdom, the Whitegate refinery in Ireland, and 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

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
LUKOIL Investment										
Net Income (Loss) (\$ Millions)	256	526	387	649	1,818	710	774	438	(7,410)	(5,488)

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

Industry Prices										
Crude Oil (\$/bbl)										
Urals crude (CIF Mediterranean)	53.96	65.30	72.21	85.90	69.49	93.01	117.34	113.54	54.66	94.79

Downstream										
Refinery Throughput*										
Crude Processed (MB/D)	219	184	226	227	214	222	215	228	250	229

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

MIDSTREAM

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Midstream Net Income (\$ Millions)	85	102	104	162	453	137	162	173	69	541
U.S. Equity Affiliate (\$ Millions)*	50	76	90	120	336	118	137	153	50	458
Natural Gas Liquids Extracted (MB/D)										
Consolidated										
United States	15	23	26	24	22	-	-	-	-	-
International	-	-	-	-	-	-	-	-	-	-
Equity Affiliates										
United States*	174	181	182	189	181	190	188	169	175	180
International	8	7	8	8	8	8	8	7	7	8
Total	197	211	216	221	211	198	196	176	182	188

* Represents 50 percent interest in DCP Midstream.

Natural Gas Liquids Fractionated (MB/D)										
United States*	161	163	155	160	160	141	149	166	150	151
International	13	13	13	13	13	13	13	15	15	14
Total	174	176	168	173	173	154	162	181	165	165

* Excludes DCP Midstream.

Product Prices										
Weighted Average NGL (\$/bbl)*										
Consolidated	37.73	45.19	48.62	60.19	47.93	60.09	68.21	67.39	29.49	56.29
DCP Midstream	36.55	44.30	47.73	58.60	46.80	56.48	62.53	60.46	28.85	52.08

* 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.

DD&A (\$ Millions)	4	3	4	3	14	2	1	2	1	6
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CHEMICALS

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Chemicals										
Net Income (Loss) (\$ Millions)	82	68	110	99	359	52	18	46	(6)	110
Industry Margins (Cents/Lb)*										
Ethylene industry cash margin	11.1	10.8	11.5	9.7	10.8	10.6	10.2	16.0	15.3	13.0
HDPE industry contract sales margin	13.5	14.6	14.8	13.6	14.1	14.9	15.0	23.4	22.5	19.0
Styrene industry contract sales margin	11.1	11.6	11.5	10.7	11.2	11.6	11.3	14.4	16.0	13.3

* 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

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Emerging Businesses										
Net Income (Loss) (\$ Millions)	(1)	(12)	3	2	(8)	12	8	35	(25)	30
Detail of Net Income (Loss) (\$ Millions)										
Power	13	(1)	21	20	53	27	26	53	-	106
Other	(14)	(11)	(18)	(18)	(61)	(15)	(18)	(18)	(25)	(76)
Total	(1)	(12)	3	2	(8)	12	8	35	(25)	30

CORPORATE AND OTHER

	2007					2008				
	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)	(341)	(337)	(320)	(271)	(1,269)	(179)	(186)	(281)	(388)	(1,034)
Detail of Net Income (Loss) (\$ Millions)										
Net interest expense	(244)	(224)	(195)	(157)	(820)	(108)	(119)	(149)	(182)	(558)
Corporate overhead	(23)	(54)	(49)	(50)	(176)	(44)	(68)	(41)	(49)	(202)
Acquisition-related expenses	(13)	(16)	(11)	(4)	(44)	-	-	-	-	-
Other	(61)	(43)	(65)	(60)	(229)	(27)	1	(91)	(157)	(274)
Total	(341)	(337)	(320)	(271)	(1,269)	(179)	(186)	(281)	(388)	(1,034)
Before-Tax Net Interest Expense (\$ Millions)										
Interest expense	(395)	(411)	(485)	(340)	(1,631)	(319)	(324)	(326)	(362)	(1,331)
Capitalized interest	135	139	141	150	565	157	157	130	125	569
Interest revenue	31	24	153	38	246	72	14	28	14	128
Premium on early debt retirement	(17)	-	-	-	(17)	(14)	-	-	(1)	(15)
	(246)	(248)	(191)	(152)	(837)	(104)	(153)	(168)	(224)	(649)
Foreign Currency Gains (Losses) After-Tax (\$ Millions)	(14)	(16)	(35)	(55)	(120)	(3)	41	(56)	(54)	(72)
Debt										
Total Debt (\$ Millions)	23,668	22,812	21,876	21,687	21,687	21,492	21,924	22,100	27,455	27,455
Debt-to-Capital Ratio	22%	21%	20%	19%	19%	19%	19%	19%	33%	33%
Common Stockholders' Equity (\$ Millions)	84,782	84,928	86,933	88,983	88,983	89,575	92,398	92,876	55,165	55,165