

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 25, 2006

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

|   |  |   |
|---|--|---|
| Delaware<br>(State or other jurisdiction of<br>incorporation) | 001-32395<br>(Commission<br>File Number) | 01-0562944<br>(I.R.S. Employer<br>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 (see General Instruction A.2. below):

- 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))

Item 2.02 Results of Operations and Financial Condition

On January 25, 2006, ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended December 31, 2005. 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.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

- 99.1 -- Press release issued by ConocoPhillips on January 25, 2006.
- 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

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Rand C. Berney  
Vice President and Controller

January 25, 2006

EXHIBIT INDEX

| Exhibit<br>No.<br>- - - - | Description<br>-----  |
|---------------------------|---|
| 99.1                      | Press release issued by ConocoPhillips on January 25, 2006. |
| 99.2                      | Financial and operational tables.                           |
| 99.3                      | Supplemental financial information.                         |

## ConocoPhillips Reports Fourth-Quarter

Net Income of \$3.7 Billion; Income from continuing operations of \$3.8 billion, or \$2.69 per diluted share; Effectively reinvested 86 percent of 2005 net income

HOUSTON--(BUSINESS WIRE)--Jan. 25, 2006--ConocoPhillips (NYSE:COP):

## Earnings at a glance

|   | Fourth Quarter  |               | Twelve Months    |               |
|---|-----------------|---------------|------------------|---------------|
|   | 2005            | 2004          | 2005             | 2004          |
| Income from continuing operations                     | \$3,782 million | 2,480 million | \$13,640 million | 8,107 million |
| Income (loss) from discontinued operations            | \$ (15)         | (48)          | \$ (23)          | 22            |
| Cumulative effect of changes in accounting principles | \$ (88)         | -             | \$ (88)          | -             |
| Net income  | \$3,679         | 2,432         | \$13,529         | 8,129         |
| Diluted income per share                              |                 |               |                  |               |
| Income from continuing operations(a)                  | \$2.69          | 1.76          | \$9.63           | 5.79          |
| Net income(a)   | \$2.61          | 1.72          | \$9.55           | 5.80          |
| Revenues  | \$52.2 billion  | 40.1 billion  | \$183.4 billion  | 136.9 billion |

(a) Per-share amounts in all periods reflect the impact of a 2-for-1 stock split on June 1, 2005.

ConocoPhillips (NYSE:COP) today reported fourth-quarter net income of \$3,679 million, or \$2.61 per share, compared to \$2,432 million, or \$1.72 per share, for the same quarter in 2004. Total revenues were \$52.2 billion, versus \$40.1 billion a year ago.

Income from continuing operations for the fourth quarter was \$3,782 million, or \$2.69 per share, compared to \$2,480 million, or \$1.76 per share, for the same period a year ago.

"During the fourth quarter, our Gulf Coast operations continued to be impacted due to effects from the hurricanes. Otherwise, our operations ran well," said Jim Mulva, chairman and chief executive officer. "We produced 1.88 million BOE per day, including 1.59 million BOE per day from our Exploration and Production segment and an estimated 0.29 million BOE per day from our LUKOIL Investment segment. Our worldwide refining crude oil capacity utilization rate was 88 percent, as the Alliance refinery remained shut down due to Hurricane Katrina and the Lake Charles refinery returned to normal operations following Hurricane Rita.

"Our financial position continues to steadily improve, and our return on capital employed remains strong and competitive. We ended the quarter with a debt-to-capital ratio of 19 percent. During the quarter, we generated \$4.7 billion in cash from operations, spent \$3.0 billion in capital projects and investments, paid \$429 million in dividends, reduced debt by \$981 million, and repurchased \$759 million of ConocoPhillips common stock.

"For the year, we spent \$11,620 million on capital expenditures and investments, which effectively reflects an 86 percent reinvestment of 2005 net income. This represents a significant reinvestment into the growth and development of our businesses. In addition, we paid \$1,639 million in dividends, reduced debt by \$2,486 million and repurchased \$1,924 million of ConocoPhillips common stock."

For the twelve months of 2005, net income was \$13,529 million, or \$9.55 per share, versus \$8,129 million, or \$5.80 per share, for 2004. Income from continuing operations was \$13,640 million, or \$9.63 per share, compared with \$8,107 million, or \$5.79 per share, for the same period a year ago. Total revenues were \$183.4 billion, versus \$136.9 billion a year ago.

The results for ConocoPhillips' business segments follow.

## Exploration &amp; Production (E&amp;P)

Fourth-quarter financial results: E&P income from continuing operations was \$2,430 million, up from \$2,288 million in the third quarter of 2005 and \$1,671 million in the fourth quarter of 2004. The increase from the third quarter of 2005 primarily was the result of higher realized natural gas prices and higher volumes, partially offset by lower realized crude oil prices; higher exploration expenses; higher depreciation, depletion and amortization; and higher operating expenses. Improved results from the fourth quarter of 2004 primarily were due to higher crude oil and natural gas prices, partially offset by the negative impact of mark-to-market valuation on certain natural gas contracts in the United Kingdom; higher depreciation, depletion and amortization; higher exploration expenses; and the impact of higher commodity prices on production taxes.

As expected, ConocoPhillips' E&P daily production, including Canadian Syncrude and excluding LUKOIL, averaged 1.59 million barrels of oil equivalent (BOE) per day, up from 1.52 million BOE per day in the prior quarter. Compared with the previous quarter, output from the United Kingdom and Alaska was approximately 66,000 BOE per day greater, primarily due to less maintenance and seasonality. Production in the fourth quarter of 2005 was relatively flat compared to the

fourth quarter of 2004.

Twelve-months financial results: E&P income from continuing operations in 2005 was \$8,434 million, up from \$5,702 million in 2004. This primarily was due to higher realized prices, partially offset by higher operating expenses; higher depreciation, depletion and amortization; the negative impact of mark-to-market valuation on certain natural gas contracts in the United Kingdom; and reduced income tax benefits.

#### Midstream

Fourth-quarter financial results: Midstream income from continuing operations was \$147 million, up from \$88 million in the prior quarter and up from \$100 million in the fourth quarter of 2004. The primary reasons for the improvement over the previous quarter were higher natural gas liquids prices and the associated impact on inventory. Operating expenses also were lower for the quarter. The increase over the fourth quarter of 2004 primarily was due to higher natural gas liquids prices and increased ownership in DEFS, partially offset by the impact of the disposition of the Canadian Empress system.

Twelve-months financial results: Midstream income from continuing operations in 2005 increased to \$688 million, from \$235 million in 2004. The increase primarily was due to a net gain of \$300 million to ConocoPhillips in the first quarter of 2005 associated with the DEFS restructuring, as well as the company's increased ownership in DEFS and higher natural gas prices. This increase was partially offset by the impact of the disposition of the Canadian Empress system.

#### Refining and Marketing (R&M)

Fourth-quarter financial results: R&M income from continuing operations was \$1,056 million, down from \$1,390 million in the previous quarter and up from \$753 million in the fourth quarter of 2004. The decrease from the third quarter of 2005 primarily was the result of lower worldwide refining margins; continued hurricane-related volume and cost impacts; higher utility and turnaround costs; and increased taxes, partially offset by higher worldwide marketing results. The increase from the fourth quarter of 2004 primarily was a result of improved refining margins and marketing results, partially offset by ongoing hurricane-related volume and cost impacts, as well as higher utility costs.

Domestic fourth-quarter refining market crack spreads decreased relative to the third quarter, moderated by the company's refining configuration, which is more heavily weighted toward distillates. U.S. refineries operated at 85 percent of crude oil capacity utilization as hurricane-related downtime impaired fourth-quarter throughputs. Excluding the Alliance and Lake Charles refineries in Louisiana, the company's domestic crude oil capacity utilization rate improved 2 percent. Compared with the prior quarter, U.S. marketing results improved. U.S. marketing margins for the quarter were slightly higher than pre-hurricane levels.

International fourth-quarter realized refining margins were lower, while crude oil capacity utilization was slightly improved from the prior quarter.

Worldwide, R&M's refining crude oil capacity utilization rate averaged 88 percent, compared with 95 percent in the previous quarter and 94 percent in the fourth quarter of 2004. Before-tax turnaround costs were \$86 million in the fourth quarter of 2005, versus \$53 million in the previous quarter and \$73 million in the fourth quarter of 2004. Fourth-quarter hurricane-related maintenance expenditures were \$90 million, before-tax, reduced for accrued insurance recoveries.

The 247,000-barrel-per-day Alliance refinery has restored partial operations, with full operations expected around the end of the first quarter.

Twelve-months financial results: R&M income from continuing operations in 2005 increased to \$4,256 million, compared with \$2,743 million in 2004. The increased earnings were driven by higher worldwide refining margins, partially offset by hurricane-related volume and cost impacts, higher utility costs, and foreign exchange losses.

#### LUKOIL Investment

Fourth-quarter financial results: Income from continuing operations in the fourth quarter of 2005 was \$189 million, down from \$267 million in the prior quarter. This represents ConocoPhillips' estimate of the company's 15.5 percent weighted average equity share of LUKOIL's income for the fourth quarter, based on market indicators and historical production trends for LUKOIL. The decrease from the prior quarter was attributable to lower realized price estimates, partially offset by an increased equity ownership position. At the end of the fourth quarter, the company's equity ownership in LUKOIL was 16.1 percent.

For the fourth quarter of 2005, ConocoPhillips estimates its equity share of LUKOIL production was 293,000 BOE per day and its share of LUKOIL daily refining crude oil throughput was 156,000 barrels per day.

#### Chemicals

Fourth-quarter financial results: The Chemicals segment, which includes the company's 50 percent interest in Chevron Phillips Chemical Company LLC (CPChem), reported income from continuing operations of \$114 million, compared with \$13 million in the third quarter of 2005 and \$83 million in the fourth quarter of 2004. Improved results in the fourth quarter largely were due to higher margins, primarily from olefins and polyolefins, as well as recovery

from hurricane-related impacts in the third quarter. All CPChem hurricane-affected facilities resumed normal operations during the quarter, with all but two of the facilities fully operational in the first week of October. The increase from the fourth quarter of 2004 also reflects higher margins, mainly from olefins and polyolefins, partially offset by higher utility costs and higher maintenance costs.

Twelve-months financial results: During 2005, the Chemicals segment had income from continuing operations of \$323 million, compared with \$249 million for the same period a year ago. The improvement primarily was due to higher margins, primarily from olefins and polyolefins, partially offset by higher utility costs, higher maintenance costs and lower overall volumes.

#### Emerging Businesses

The Emerging Businesses segment incurred a loss from continuing operations of \$4 million in the fourth quarter of 2005, compared with slightly positive results in the third quarter of 2005 and a loss of \$24 million in the fourth quarter of 2004.

#### Corporate and Other

Fourth-quarter after-tax Corporate expenses from continuing operations were \$150 million, compared with \$242 million in the previous quarter and \$177 million in the fourth quarter of 2004. The decreased charges in the fourth quarter primarily were driven by reduced benefit-related charges, lower net interest expense and positive foreign exchange impacts. The decrease from the fourth quarter of 2004 primarily was the result of reduced benefit-related charges, partially offset by negative foreign exchange impacts.

Total debt at the end of the fourth quarter was \$12.5 billion, down approximately \$1.0 billion from the previous quarter and \$2.5 billion below the year-end 2004 level. At the end of the fourth quarter, the company's debt-to-capital ratio was 19 percent, down from 21 percent at the end of the third quarter.

The company's tax provision for the fourth quarter of 2005 was \$2.8 billion, resulting in an effective tax rate of 42.9 percent. This is compared with 42.0 percent in the previous quarter and fourth quarter of 2004.

#### Discontinued Operations

Fourth-quarter financial results: Fourth-quarter losses from discontinued operations were \$15 million, compared with losses of \$4 million in the third quarter and \$48 million in the fourth quarter of 2004.

Twelve-months financial results: During 2005, discontinued operations had a loss of \$23 million, compared with income of \$22 million for the same period a year ago. The decrease is attributable primarily to 2004 asset sales.

#### Cumulative Effect of Change in Accounting Principle

Net income in the fourth quarter of 2005 includes a \$88 million charge related to the cumulative effect of a change in accounting principle associated with the adoption of Financial Accounting Standards Board (FASB) Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143."

#### Outlook

Mr. Mulva concluded:

"We had another good quarter, which contributed to a solid year in terms of operating performance. This performance, combined with favorable commodity prices and margins, enabled us to achieve strong financial results.

"We are very pleased to have reached an agreement with Burlington Resources and are confident in the opportunities it provides our respective companies and shareholders. Integration teams composed of employees from both companies currently are working transition details, and we anticipate completing the transaction in the first half of 2006. With this transaction, ConocoPhillips will expand its portfolio of high-quality, low-risk, long-lived gas reserves and become a leading producer of natural gas in North America. Additionally, the transaction enhances ConocoPhillips' North American natural gas supply position in projects involving conventional and unconventional resources, as well as long-term LNG and Arctic gas projects.

"We also are pleased to resume our productive partnership with the people and state of Libya. This relationship provides a strong basis for us to invest in our aligned goals for increased reserves and production, and in the training and development of our Libyan work force.

"In December, we announced our participation in the Qatargas 3 LNG project. When fully operational, this 7.8-million-gross-tons-per-annum facility will help us meet the growing global energy demand. This project comprises upstream production facilities to produce approximately 1.4 billion gross cubic feet per day of natural gas, containing an average of approximately 70,000 gross barrels per day of liquids.

"The Darwin LNG plant has commenced production and is on target for its initial LNG delivery in the first quarter of 2006. This facility is anticipated to meet gross contracted sales of approximately 3 million tons of LNG per year for a period of 17 years.

"In downstream, we expect worldwide utilization rates in the first quarter to be consistent with the previous quarter due to scheduled turnaround activity. Our incremental U.S. investment program of \$4

billion to \$5 billion over the next five to six years will result in expanded capacity and increased refining flexibility. In addition, the recently announced acquisition of the Wilhelmshaven refinery in Germany, which is anticipated to close in the first quarter, provides a unique opportunity to further enhance our strategic position in Europe and strengthens the company's ability to supply products to key export markets.

"We continue to grow and develop the business lines of our company with plans to invest approximately \$14 billion in 2006, including the investment necessary to bring our ownership in LUKOIL to 20 percent. We have positioned ourselves to provide long-term value for our shareholders."

ConocoPhillips is an integrated petroleum company with interests around the world. Headquartered in Houston, the company had approximately 35,600 employees, \$107 billion of assets, and \$183 billion of revenues as of Dec. 31, 2005. For more information, go to [www.conocophillips.com](http://www.conocophillips.com).

ConocoPhillips' quarterly conference call is scheduled for 11 a.m. Eastern today.

To listen to the conference call and to view related presentation materials, go to [www.conocophillips.com](http://www.conocophillips.com) and click on the "Investor Information" link.

For financial and operational tables and detailed supplemental information, go to <http://www.conocophillips.com/investor/reports/index.htm>

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

This update contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements including statements as to the expected benefits of the Burlington Resources acquisition such as efficiencies, cost savings, market profile and financial strength, and the competitive ability and position of the combined company, and other statements identified by words such as "estimates," "expects," "projects," "plans," and similar statements, such as "The 247,000-barrel-per-day Alliance refinery has restored partial operations, with full operations expected around the end of the first quarter"; "we anticipate completing the (Burlington Resources) transaction in the first half of 2006"; "when fully operational, this 7.8-million-gross-tons-per-annum facility will help us meet the growing global energy demand"; "This project comprises upstream production facilities to produce approximately 1.4 billion gross cubic feet per day of natural gas, containing an average of approximately 70,000 gross barrels per day of liquids"; "The Darwin LNG plant has commenced production and is on target for its initial LNG delivery in the first quarter of 2006"; "This facility is anticipated to meet gross contracted sales of approximately 3 million tons of LNG per year for a period of 17 years"; "In downstream, we expect worldwide utilization rates in the first quarter to be consistent with the previous quarter due to scheduled turnaround activity"; "the recently announced acquisition of the Wilhelmshaven refinery in Germany, which is anticipated to close in the first quarter"; "We continue to grow and develop the business lines of our company with plans to invest approximately \$14 billion in 2006, including the investment necessary to bring our ownership in LUKOIL to 20 percent", involve certain risks, uncertainties and assumptions that are difficult to predict. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Economic, business, competitive and regulatory factors that may affect ConocoPhillips' business are generally as set forth in ConocoPhillips' filings with the Securities and Exchange Commission (SEC). Unless legally required, ConocoPhillips undertakes no obligation (and expressly disclaims any such obligation) to update or alter its 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. We use certain terms in this release, such as "including Canadian Syncrude" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure 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](http://www.conocophillips.com/investor/sec). This information also can be obtained from the SEC by calling 1-800-SEC-0330.

#### ADDITIONAL INFORMATION AND WHERE TO FIND IT

ConocoPhillips will file a Form S-4, Burlington Resources will file a proxy statement and both companies will file other relevant documents concerning the proposed merger transaction with the Securities and Exchange Commission (SEC). INVESTORS ARE URGED TO READ THE FORM S-4 AND PROXY STATEMENT WHEN THEY BECOME AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the documents free of charge at the Web site maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, you may obtain documents filed with the SEC by

ConocoPhillips free of charge by contacting ConocoPhillips Shareholder Relations Department at 281-293-6800, P.O. Box 2197, Houston, Texas, 77079-2197. You may obtain documents filed with the SEC by Burlington Resources free of charge by contacting Burlington Resources Investor Relations Department at 800-262-3456, 717 Texas Avenue, Suite 2100, Houston, Texas 77002, e-mail: IR@br-inc.com.

ConocoPhillips, Burlington Resources and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from Burlington Resources' stockholders in connection with the merger. Information about the directors and executive officers of ConocoPhillips and their ownership of ConocoPhillips stock will be set forth in the proxy statement for ConocoPhillips' 2006 Annual Shareholders Meeting. Information about the directors and executive officers of Burlington Resources and their ownership of Burlington Resources stock is set forth in the proxy statement for Burlington Resources' 2005 Annual Meeting of Stockholders. Investors may obtain additional information regarding the interests of such participants by reading the Form S-4 and proxy statement for the merger when they become available.

Investors should read the Form S-4 and proxy statement carefully when they become available before making any voting or investment decisions.

CONTACT: ConocoPhillips, Houston  
Laura Hopkins, 281-293-6030 (media)  
or  
Gary Russell, 212-207-1996 (investors)



Preliminary  
FINANCIAL HIGHLIGHTS

|   | Millions of Dollars               |           |                                    |           |
|---|-----------------------------------|-----------|------------------------------------|-----------|
|   | Three Months Ended<br>December 31 |           | Twelve Months Ended<br>December 31 |           |
|   | 2005                              | 2004      | 2005                               | 2004      |
| <b>Revenues</b>   |                                   |           |                                    |           |
| Sales and other operating revenues*   | \$ 51,258                         | 39,385    | 179,442                            | 135,076   |
| Equity in earnings of affiliates  | 831                               | 555       | 3,457                              | 1,535     |
| Other income  | 84                                | 132       | 465                                | 305       |
|   | -----                             | -----     | -----                              | -----     |
|   | 52,173                            | 40,072    | 183,364                            | 136,916   |
| <b>Costs and expenses</b>   |                                   |           |                                    |           |
| Purchased crude oil, natural gas and products   | 36,322                            | 26,984    | 124,925                            | 90,182    |
| Production and operating expenses   | 2,481                             | 2,060     | 8,562                              | 7,372     |
| Selling, general and administrative expenses  | 557                               | 615       | 2,247                              | 2,128     |
| Exploration expenses  | 229                               | 192       | 661                                | 703       |
| Depreciation, depletion and amortization  | 1,178                             | 1,030     | 4,253                              | 3,798     |
| Property impairments  | 11                                | 101       | 42                                 | 164       |
| Taxes other than income taxes*  | 4,598                             | 4,609     | 18,356                             | 17,487    |
| Accretion on discounted liabilities   | 58                                | 45        | 193                                | 171       |
| Interest and debt expense   | 110                               | 141       | 497                                | 546       |
| Foreign currency transaction losses (gains)   | (4)                               | 17        | 48                                 | (36)      |
| Minority interests  | 12                                | 3         | 33                                 | 32        |
|   | -----                             | -----     | -----                              | -----     |
|   | 45,552                            | 35,797    | 159,817                            | 122,547   |
| <b>Income from continuing operations before income taxes</b>                              |                                   |           |                                    |           |
|   | 6,621                             | 4,275     | 23,547                             | 14,369    |
| Provision for income taxes  | 2,839                             | 1,795     | 9,907                              | 6,262     |
|   | -----                             | -----     | -----                              | -----     |
| Income from continuing operations   | 3,782                             | 2,480     | 13,640                             | 8,107     |
| Income (loss) from discontinued operations  | (15)                              | (48)      | (23)                               | 22        |
|   | -----                             | -----     | -----                              | -----     |
| Income before cumulative effect of changes in accounting principles                       | 3,767                             | 2,432     | 13,617                             | 8,129     |
| Cumulative effect of changes in accounting principles                                     | (88)                              | -         | (88)                               | -         |
|   | -----                             | -----     | -----                              | -----     |
| Net Income  | \$ 3,679                          | 2,432     | 13,529                             | 8,129     |
|   | =====                             | =====     | =====                              | =====     |
| <b>Income (loss) per share of common stock (dollars)**</b>                                |                                   |           |                                    |           |
| <b>Basic</b>  |                                   |           |                                    |           |
| Continuing operations   | \$ 2.73                           | 1.78      | 9.79                               | 5.87      |
| Discontinued operations   | (0.01)                            | (0.03)    | (0.02)                             | 0.01      |
|   | -----                             | -----     | -----                              | -----     |
| Before cumulative effect of changes in accounting principles                              | 2.72                              | 1.75      | 9.77                               | 5.88      |
| Cumulative effect of changes in accounting principles                                     | (0.06)                            | -         | (0.06)                             | -         |
|   | -----                             | -----     | -----                              | -----     |
| Net income  | \$ 2.66                           | 1.75      | 9.71                               | 5.88      |
|   | =====                             | =====     | =====                              | =====     |
| <b>Diluted</b>  |                                   |           |                                    |           |
| Continuing operations   | \$ 2.69                           | 1.76      | 9.63                               | 5.79      |
| Discontinued operations   | (0.01)                            | (0.04)    | (0.02)                             | 0.01      |
|   | -----                             | -----     | -----                              | -----     |
| Before cumulative effect of changes in accounting principles                              | 2.68                              | 1.72      | 9.61                               | 5.80      |
| Cumulative effect of changes in accounting principles                                     | (0.07)                            | -         | (0.06)                             | -         |
|   | -----                             | -----     | -----                              | -----     |
| Net income  | \$ 2.61                           | 1.72      | 9.55                               | 5.80      |
|   | =====                             | =====     | =====                              | =====     |
| <b>Average common shares outstanding (in thousands)**</b>                                 |                                   |           |                                    |           |
| Basic   | 1,385,034                         | 1,390,916 | 1,393,371                          | 1,381,568 |
| Diluted   | 1,407,375                         | 1,412,668 | 1,417,028                          | 1,401,300 |
| <b>*Includes excise, value added and other similar taxes on petroleum products sales:</b> |                                   |           |                                    |           |
|   | \$ 4,252                          | 4,284     | 17,037                             | 16,357    |

\*\* Per-share amounts and average number of common shares outstanding in all periods reflect a two-for-one stock split effected as a 100 percent stock dividend on June 1, 2005.

## SELECTED FINANCIAL DATA

|   | Millions of Dollars |             |                     |             |
|---|---------------------|-------------|---------------------|-------------|
|   | Three Months Ended  |             | Twelve Months Ended |             |
|   | December 31         | December 31 | December 31         | December 31 |
|   | 2005                | 2004        | 2005                | 2004        |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>   |                     |             |                     |             |
| E&P   |                     |             |                     |             |
| United States                                     | \$ 1,325            | 935         | 4,290               | 2,942       |
| International                                     | 1,105               | 736         | 4,144               | 2,760       |
| Total E&P   | 2,430               | 1,671       | 8,434               | 5,702       |
| Midstream   | 147                 | 100         | 688                 | 235         |
| R&M   |                     |             |                     |             |
| United States                                     | 805                 | 484         | 3,407               | 2,126       |
| International                                     | 251                 | 269         | 849                 | 617         |
| Total R&M   | 1,056               | 753         | 4,256               | 2,743       |
| LUKOIL Investment                                 | 189                 | 74          | 714                 | 74          |
| Chemicals   | 114                 | 83          | 323                 | 249         |
| Emerging Businesses                               | (4)                 | (24)        | (20)                | (102)       |
| Corporate and other                               | (150)               | (177)       | (755)               | (794)       |
| Consolidated                                      | \$ 3,782            | 2,480       | 13,640              | 8,107       |
| <b>CUMULATIVE EFFECT OF ACCOUNTING CHANGES</b>    |                     |             |                     |             |
| E&P   |                     |             |                     |             |
| United States                                     | \$ (2)              | -           | \$ (2)              | -           |
| International                                     | (2)                 | -           | (2)                 | -           |
| Total E&P   | (4)                 | -           | (4)                 | -           |
| Midstream   | -                   | -           | -                   | -           |
| R&M   |                     |             |                     |             |
| United States                                     | (78)                | -           | (78)                | -           |
| International                                     | (5)                 | -           | (5)                 | -           |
| Total R&M   | (83)                | -           | (83)                | -           |
| LUKOIL Investment                                 | -                   | -           | -                   | -           |
| Chemicals   | -                   | -           | -                   | -           |
| Emerging Businesses                               | (1)                 | -           | (1)                 | -           |
| Corporate and other                               | -                   | -           | -                   | -           |
| Consolidated                                      | \$ (88)             | -           | \$ (88)             | -           |
| <b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS</b> |                     |             |                     |             |
| Corporate and other                               | (15)                | (48)        | (23)                | 22          |
| <b>SUMMARY OF NET INCOME (LOSS)</b>               |                     |             |                     |             |
| E&P   |                     |             |                     |             |
| United States                                     | \$ 1,323            | 935         | 4,288               | 2,942       |
| International                                     | 1,103               | 736         | 4,142               | 2,760       |
| Total E&P   | 2,426               | 1,671       | 8,430               | 5,702       |
| Midstream   | 147                 | 100         | 688                 | 235         |
| R&M   |                     |             |                     |             |
| United States                                     | 727                 | 484         | 3,329               | 2,126       |
| International                                     | 246                 | 269         | 844                 | 617         |
| Total R&M   | 973                 | 753         | 4,173               | 2,743       |
| LUKOIL Investment                                 | 189                 | 74          | 714                 | 74          |
| Chemicals   | 114                 | 83          | 323                 | 249         |
| Emerging Businesses                               | (5)                 | (24)        | (21)                | (102)       |
| Corporate and other                               | (165)               | (225)       | (778)               | (772)       |
| Net income  | \$ 3,679            | 2,432       | 13,529              | 8,129       |

Preliminary  
SELECTED FINANCIAL DATA

|  | Three Months Ended<br>December 31 |       | Twelve Months Ended<br>December 31 |        |
|--|-----------------------------------|-------|------------------------------------|--------|
|  | 2005                              | 2004  | 2005                               | 2004   |
| <b>INCOME FROM CONTINUING OPERATIONS</b>               |                                   |       |                                    |        |
| Effective tax rate %                                   | 42.9 %                            | 42.0  | 42.1                               | 43.6   |
| Millions of Dollars                                    |                                   |       |                                    |        |
| <b>FOREIGN CURRENCY GAINS (LOSSES)</b>                 |                                   |       |                                    |        |
| <b>AFTER-TAX</b>                                       |                                   |       |                                    |        |
| E&P  | \$ 1                              | (28)  | 7                                  | (13)   |
| Midstream  | -                                 | (1)   | 7                                  | (1)    |
| R&M  | (3)                               | 11    | (52)                               | 12     |
| LUKOIL Investment                                      | -                                 | -     | (1)                                | -      |
| Chemicals  | -                                 | -     | -                                  | -      |
| Emerging Businesses                                    | (1)                               | -     | (1)                                | -      |
| Corporate and other                                    | (15)                              | 23    | (42)                               | 44     |
|  | -----                             | ----- | -----                              | -----  |
|  | \$ (18)                           | 5     | (82)                               | 42     |
|  | =====                             | ===== | =====                              | =====  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |                                   |       |                                    |        |
| Income from continuing operations                      | \$ 3,782                          | 2,480 | 13,640                             | 8,107  |
| Depreciation, depletion and amortization               | 1,178                             | 1,030 | 4,253                              | 3,798  |
| Property impairments                                   | 11                                | 101   | 42                                 | 164    |
| Dry hole costs and leasehold impairment                | 138                               | 75    | 349                                | 417    |
| Accretion on discounted liabilities                    | 58                                | 45    | 193                                | 171    |
| Deferred income taxes                                  | 348                               | 27    | 1,101                              | 1,025  |
| Undistributed equity earnings                          | (92)                              | (236) | (1,774)                            | (777)  |
| Net (gain) loss on asset dispositions                  | (14)                              | (34)  | (278)                              | (116)  |
| Other  | (140)                             | (295) | (139)                              | (190)  |
| Working capital changes                                | (595)                             | 10    | 246                                | (601)  |
|  | -----                             | ----- | -----                              | -----  |
| Net cash provided by continuing operations             | 4,674                             | 3,203 | 17,633                             | 11,998 |
| Net cash provided by (used in) discontinued operations | 1                                 | (6)   | (5)                                | (39)   |
|  | -----                             | ----- | -----                              | -----  |
| Net cash provided by operating activities              | \$ 4,675                          | 3,197 | 17,628                             | 11,959 |
|  | =====                             | ===== | =====                              | =====  |
| <b>CAPITAL EXPENDITURES AND INVESTMENTS</b>            |                                   |       |                                    |        |
| <b>E&amp;P</b>   |                                   |       |                                    |        |
| United States  | \$ 416                            | 368   | 1,637                              | 1,314  |
| International  | 1,250                             | 1,184 | 5,047                              | 3,935  |
|  | -----                             | ----- | -----                              | -----  |
| Midstream  | 1,666                             | 1,552 | 6,684                              | 5,249  |
| R&M  | -                                 | 1     | 839                                | 7      |
| R&M  | 663                               | 574   | 1,738                              | 1,344  |
| LUKOIL Investment                                      | 637                               | 2,649 | 2,160                              | 2,649  |
| Chemicals  | -                                 | -     | -                                  | -      |
| Emerging Businesses                                    | -                                 | 1     | 5                                  | 75     |
| Corporate and other*                                   | 81                                | 60    | 194                                | 172    |
|  | -----                             | ----- | -----                              | -----  |
|  | \$ 3,047                          | 4,837 | 11,620                             | 9,496  |
|  | =====                             | ===== | =====                              | =====  |
| *Excludes discontinued operations                      |                                   |       |                                    |        |
| <b>OTHER</b>   |                                   |       |                                    |        |
| Total debt   | At December 31, 2005              |       | At December 31, 2004               |        |
|  | \$ 12,516                         |       | 15,002                             |        |
| Common stockholders' equity                            | \$ 52,731                         |       | 42,723                             |        |

Preliminary  
OPERATING HIGHLIGHTS

BY SEGMENT

|   | Three Months Ended<br>December 31 |       | Twelve Months Ended<br>December 31 |       |
|---|-----------------------------------|-------|------------------------------------|-------|
|   | 2005                              | 2004  | 2005                               | 2004  |
| Thousands of Barrels Daily  |                                   |       |                                    |       |
| E&P   |                                   |       |                                    |       |
| Crude oil produced  |                                   |       |                                    |       |
| United States   |                                   |       |                                    |       |
| Alaska  | 291                               | 313   | 294                                | 298   |
| Lower 48  | 54                                | 50    | 59                                 | 51    |
|   | -----                             | ----- | -----                              | ----- |
| Norway  | 345                               | 363   | 353                                | 349   |
| United Kingdom  | 188                               | 211   | 197                                | 207   |
| Canada  | 62                                | 66    | 60                                 | 64    |
| China   | 22                                | 24    | 23                                 | 25    |
| China   | 23                                | 17    | 23                                 | 25    |
| Indonesia   | 13                                | 18    | 15                                 | 15    |
| Vietnam   | 37                                | 33    | 29                                 | 33    |
| Timor Sea   | 36                                | 34    | 33                                 | 21    |
| Other   | 51                                | 55    | 53                                 | 58    |
|   | -----                             | ----- | -----                              | ----- |
| Total consolidated  | 777                               | 821   | 786                                | 797   |
| Equity affiliates   | 116                               | 103   | 121                                | 108   |
|   | -----                             | ----- | -----                              | ----- |
| Total Worldwide   | 893                               | 924   | 907                                | 905   |
|   | =====                             | ===== | =====                              | ===== |
| Syncrude  | 20                                | 20    | 19                                 | 21    |
|   | =====                             | ===== | =====                              | ===== |
| Natural gas liquids produced  |                                   |       |                                    |       |
| United States   |                                   |       |                                    |       |
| Alaska*   | 21                                | 24    | 20                                 | 23    |
| Lower 48  | 31                                | 26    | 30                                 | 26    |
|   | -----                             | ----- | -----                              | ----- |
| Norway  | 52                                | 50    | 50                                 | 49    |
| Canada  | 11                                | 9     | 9                                  | 8     |
| Timor Sea   | 10                                | 11    | 10                                 | 10    |
| Timor Sea   | 19                                | 16    | 16                                 | 9     |
| Other   | 7                                 | 6     | 6                                  | 8     |
|   | -----                             | ----- | -----                              | ----- |
| Total Worldwide   | 99                                | 92    | 91                                 | 84    |
|   | =====                             | ===== | =====                              | ===== |
| * Includes reinjected volumes sold lease-to-lease.                                      | 13                                | 13    | 9                                  | 13    |
| Millions of Cubic Feet Daily  |                                   |       |                                    |       |
| Natural gas produced*   |                                   |       |                                    |       |
| United States   |                                   |       |                                    |       |
| Alaska  | 172                               | 163   | 169                                | 165   |
| Lower 48  | 1,264                             | 1,214 | 1,212                              | 1,223 |
|   | -----                             | ----- | -----                              | ----- |
| Norway  | 1,436                             | 1,377 | 1,381                              | 1,388 |
| United Kingdom  | 264                               | 306   | 272                                | 301   |
| Canada  | 851                               | 852   | 751                                | 818   |
| Canada  | 430                               | 442   | 425                                | 433   |
| Timor Sea   | 33                                | 35    | 34                                 | 35    |
| Indonesia   | 33                                | 35    | 34                                 | 35    |
| Indonesia   | 330                               | 266   | 298                                | 250   |
| Vietnam   | 19                                | 19    | 18                                 | 16    |
| Other   | 105                               | 59    | 84                                 | 71    |
|   | -----                             | ----- | -----                              | ----- |
| Total consolidated  | 3,468                             | 3,356 | 3,263                              | 3,312 |
| Equity affiliates   | 3                                 | 4     | 7                                  | 5     |
|   | -----                             | ----- | -----                              | ----- |
| Total Worldwide   | 3,471                             | 3,360 | 3,270                              | 3,317 |
|   | =====                             | ===== | =====                              | ===== |
| * Represents quantities available for sale. Excludes gas equivalent of NGL shown above. |                                   |       |                                    |       |
| Liquefied natural gas sales   | 118                               | 107   | 117                                | 105   |
| LUKOIL Investment   |                                   |       |                                    |       |
| Production (MBOE/D)*  | 293                               | 159   | 246                                | 40    |
| Refinery crude oil throughput (MB/D)*   | 156                               | 77    | 122                                | 19    |

\* Represents our estimated net share of LUKOIL.

Preliminary  
OPERATING HIGHLIGHTS

|                             | Three Months Ended |       | Twelve Months Ended |       |
|-----------------------------|--------------------|-------|---------------------|-------|
|                             | December 31        |       | December 31         |       |
|                             | 2005               | 2004  | 2005                | 2004  |
| E&P                         |                    |       |                     |       |
|                             | Per Unit           |       |                     |       |
| Average sales prices        |                    |       |                     |       |
| Crude oil (per barrel)      |                    |       |                     |       |
| United States               |                    |       |                     |       |
| Alaska                      | \$ 57.61           | 44.37 | 52.24               | 38.47 |
| Lower 48                    | 46.62              | 42.30 | 45.24               | 36.95 |
| Total U.S.                  | 55.86              | 44.08 | 51.09               | 38.25 |
| International               | 54.49              | 41.75 | 52.27               | 37.18 |
| Total consolidated          | 55.06              | 42.79 | 51.74               | 37.65 |
| Equity affiliates           | 38.90              | 26.55 | 37.79               | 24.18 |
| Total Worldwide             | 53.05              | 40.96 | 49.87               | 36.06 |
| Natural gas-lease (per MCF) |                    |       |                     |       |
| United States               |                    |       |                     |       |
| Alaska                      | 3.01               | 2.23  | 2.75                | 2.35  |
| Lower 48                    | 9.37               | 6.04  | 7.28                | 5.46  |
| Total U.S.                  | 9.17               | 5.92  | 7.12                | 5.33  |
| International               | 7.19               | 4.63  | 5.78                | 4.14  |
| Total consolidated          | 7.96               | 5.13  | 6.32                | 4.62  |
| Equity affiliates           | 0.28               | 0.25  | 0.26                | 2.19  |
| Total Worldwide             | 7.94               | 5.13  | 6.30                | 4.61  |

|                               |                            |       |       |       |
|-------------------------------|----------------------------|-------|-------|-------|
| Midstream                     |                            |       |       |       |
|                               | Thousands of Barrels Daily |       |       |       |
| Natural gas liquids extracted |                            |       |       |       |
| Consolidated                  |                            |       |       |       |
| United States                 | 22                         | 23    | 22    | 32    |
| International                 | -                          | 49    | 25    | 45    |
| Equity affiliates             |                            |       |       |       |
| United States*                | 172                        | 113   | 142   | 111   |
| International                 | 6                          | 7     | 6     | 6     |
|                               | -----                      | ----- | ----- | ----- |
|                               | 200                        | 192   | 195   | 194   |
|                               | =====                      | ===== | ===== | ===== |

\* Represents 30.3 percent interest in Duke Energy Field Services, LLC (DEFS), through June 30, 2005 and 50 percent interest beginning in July 2005.

|                        |            |       |       |       |
|------------------------|------------|-------|-------|-------|
|                        | Per Barrel |       |       |       |
| U.S. product prices    |            |       |       |       |
| Weighted average NGL** |            |       |       |       |
| Consolidated           | \$ 42.70   | 34.40 | 36.68 | 29.38 |
| DEFS                   | 41.84      | 33.69 | 35.52 | 28.60 |

\*\* 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.



## SUMMARY OF NET INCOME (LOSS) BY SEGMENT

Millions of Dollars

|  | 2004         |              |              |              |              | 2005         |              |              |              |               |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|  | 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                                   | 635          | 671          | 701          | 935          | 2,942        | 892          | 966          | 1,107        | 1,325        | 4,290         |
| International E&P                          | 622          | 683          | 719          | 736          | 2,760        | 895          | 963          | 1,181        | 1,105        | 4,144         |
| <b>Total E&amp;P</b>                       | <b>1,257</b> | <b>1,354</b> | <b>1,420</b> | <b>1,671</b> | <b>5,702</b> | <b>1,787</b> | <b>1,929</b> | <b>2,288</b> | <b>2,430</b> | <b>8,434</b>  |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| Midstream                                  | 55           | 42           | 38           | 100          | 235          | 385          | 68           | 88           | 147          | 688           |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| U.S. R&M                                   | 403          | 734          | 505          | 484          | 2,126        | 570          | 936          | 1,096        | 805          | 3,407         |
| International R&M                          | 61           | 84           | 203          | 269          | 617          | 130          | 174          | 294          | 251          | 849           |
| <b>Total R&amp;M</b>                       | <b>464</b>   | <b>818</b>   | <b>708</b>   | <b>753</b>   | <b>2,743</b> | <b>700</b>   | <b>1,110</b> | <b>1,390</b> | <b>1,056</b> | <b>4,256</b>  |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| LUKOIL Investment                          | -            | -            | -            | 74           | 74           | 110          | 148          | 267          | 189          | 714           |
| Chemicals                                  | 39           | 46           | 81           | 83           | 249          | 133          | 63           | 13           | 114          | 323           |
| Emerging Businesses                        | (22)         | (29)         | (27)         | (24)         | (102)        | (8)          | (8)          | -            | (4)          | (20)          |
| Corporate and Other                        | (190)        | (218)        | (209)        | (177)        | (794)        | (184)        | (179)        | (242)        | (150)        | (755)         |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| <b>Consolidated</b>                        | <b>1,603</b> | <b>2,013</b> | <b>2,011</b> | <b>2,480</b> | <b>8,107</b> | <b>2,923</b> | <b>3,131</b> | <b>3,804</b> | <b>3,782</b> | <b>13,640</b> |
| =====                                      |              |              |              |              |              |              |              |              |              |               |
| Cumulative Effect of Accounting Changes    |              |              |              |              |              |              |              |              |              |               |
| U.S. E&P                                   | -            | -            | -            | -            | -            | -            | -            | -            | (2)          | (2)           |
| International E&P                          | -            | -            | -            | -            | -            | -            | -            | -            | (2)          | (2)           |
| <b>Total E&amp;P</b>                       | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>(4)</b>   | <b>(4)</b>    |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| Midstream                                  | -            | -            | -            | -            | -            | -            | -            | -            | -            | -             |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| U.S. R&M                                   | -            | -            | -            | -            | -            | -            | -            | -            | (78)         | (78)          |
| International R&M                          | -            | -            | -            | -            | -            | -            | -            | -            | (5)          | (5)           |
| <b>Total R&amp;M</b>                       | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>(83)</b>  | <b>(83)</b>   |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| LUKOIL Investment                          | -            | -            | -            | -            | -            | -            | -            | -            | -            | -             |
| Chemicals                                  | -            | -            | -            | -            | -            | -            | -            | -            | -            | -             |
| Emerging Businesses                        | -            | -            | -            | -            | -            | -            | -            | -            | (1)          | (1)           |
| Corporate and Other                        | -            | -            | -            | -            | -            | -            | -            | -            | -            | -             |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| <b>Consolidated</b>                        | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>(88)</b>  | <b>(88)</b>   |
| =====                                      |              |              |              |              |              |              |              |              |              |               |
| Income (Loss) from Discontinued Operations |              |              |              |              |              |              |              |              |              |               |
| Corporate and Other                        | 13           | 62           | (5)          | (48)         | 22           | (11)         | 7            | (4)          | (15)         | (23)          |
| =====                                      |              |              |              |              |              |              |              |              |              |               |
| Net Income (Loss)                          |              |              |              |              |              |              |              |              |              |               |
| U.S. E&P                                   | 635          | 671          | 701          | 935          | 2,942        | 892          | 966          | 1,107        | 1,323        | 4,288         |
| International E&P                          | 622          | 683          | 719          | 736          | 2,760        | 895          | 963          | 1,181        | 1,103        | 4,142         |
| <b>Total E&amp;P</b>                       | <b>1,257</b> | <b>1,354</b> | <b>1,420</b> | <b>1,671</b> | <b>5,702</b> | <b>1,787</b> | <b>1,929</b> | <b>2,288</b> | <b>2,426</b> | <b>8,430</b>  |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| Midstream                                  | 55           | 42           | 38           | 100          | 235          | 385          | 68           | 88           | 147          | 688           |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| U.S. R&M                                   | 403          | 734          | 505          | 484          | 2,126        | 570          | 936          | 1,096        | 727          | 3,329         |
| International R&M                          | 61           | 84           | 203          | 269          | 617          | 130          | 174          | 294          | 246          | 844           |
| <b>Total R&amp;M</b>                       | <b>464</b>   | <b>818</b>   | <b>708</b>   | <b>753</b>   | <b>2,743</b> | <b>700</b>   | <b>1,110</b> | <b>1,390</b> | <b>973</b>   | <b>4,173</b>  |
| -----                                      |              |              |              |              |              |              |              |              |              |               |
| LUKOIL Investment                          | -            | -            | -            | 74           | 74           | 110          | 148          | 267          | 189          | 714           |
| Chemicals                                  | 39           | 46           | 81           | 83           | 249          | 133          | 63           | 13           | 114          | 323           |
| Emerging Businesses                        | (22)         | (29)         | (27)         | (24)         | (102)        | (8)          | (8)          | -            | (5)          | (21)          |
| Corporate and Other                        | (177)        | (156)        | (214)        | (225)        | (772)        | (195)        | (172)        | (246)        | (165)        | (778)         |

|              |       |       |       |       |       |       |       |       |       |        |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Consolidated | 1,616 | 2,075 | 2,006 | 2,432 | 8,129 | 2,912 | 3,138 | 3,800 | 3,679 | 13,529 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|

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INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES

Millions of Dollars

|  | 2004    |         |         |         |         | 2005    |         |         |         |        |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
|  | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD     | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD    |
| Income from Continuing Operations<br>Before Income Taxes |         |         |         |         |         |         |         |         |         |        |
| U.S. E&P   | 987     | 1,049   | 1,057   | 1,433   | 4,526   | 1,388   | 1,504   | 1,728   | 2,019   | 6,639  |
| International E&P  | 1,410   | 1,360   | 1,654   | 1,684   | 6,108   | 2,020   | 2,152   | 2,567   | 2,550   | 9,289  |
| Total E&P  | 2,397   | 2,409   | 2,711   | 3,117   | 10,634  | 3,408   | 3,656   | 4,295   | 4,569   | 15,928 |
| Midstream  | 86      | 66      | 62      | 158     | 372     | 449     | 107     | 138     | 208     | 902    |
| U.S. R&M   | 636     | 1,149   | 803     | 772     | 3,360   | 901     | 1,485   | 1,766   | 1,379   | 5,531  |
| International R&M  | 79      | 111     | 268     | 356     | 814     | 160     | 203     | 368     | 330     | 1,061  |
| Total R&M  | 715     | 1,260   | 1,071   | 1,128   | 4,174   | 1,061   | 1,688   | 2,134   | 1,709   | 6,592  |
| LUKOIL Investment  | -       | -       | -       | 74      | 74      | 115     | 153     | 275     | 196     | 739    |
| Chemicals  | 49      | 56      | 99      | 109     | 313     | 187     | 84      | (3)     | 148     | 416    |
| Emerging Businesses                                      | (34)    | (42)    | (44)    | (34)    | (154)   | (13)    | (13)    | (2)     | (10)    | (38)   |
| Corporate and Other                                      | (249)   | (279)   | (239)   | (277)   | (1,044) | (267)   | (243)   | (283)   | (199)   | (992)  |
| Consolidated   | 2,964   | 3,470   | 3,660   | 4,275   | 14,369  | 4,940   | 5,432   | 6,554   | 6,621   | 23,547 |
| Income from Continuing Operations<br>Effective Tax Rates |         |         |         |         |         |         |         |         |         |        |
| U.S. E&P   | 35.7%   | 36.0%   | 33.7%   | 34.8%   | 35.0%   | 35.7%   | 35.8%   | 35.9%   | 34.4%   | 35.4%  |
| International E&P  | 55.9%   | 49.8%   | 56.5%   | 56.3%   | 54.8%   | 55.7%   | 55.3%   | 54.0%   | 56.7%   | 55.4%  |
| Total E&P  | 47.6%   | 43.8%   | 47.6%   | 46.4%   | 46.4%   | 47.6%   | 47.2%   | 46.7%   | 46.8%   | 47.0%  |
| Midstream  | 36.0%   | 36.4%   | 38.7%   | 36.7%   | 36.8%   | 14.3%   | 36.4%   | 36.2%   | 29.3%   | 23.7%  |
| U.S. R&M   | 36.6%   | 36.1%   | 37.1%   | 37.3%   | 36.7%   | 36.7%   | 37.0%   | 37.9%   | 41.6%   | 38.4%  |
| International R&M  | 22.8%   | 24.3%   | 24.3%   | 24.4%   | 24.2%   | 18.8%   | 14.3%   | 20.1%   | 23.9%   | 20.0%  |
| Total R&M  | 35.1%   | 35.1%   | 33.9%   | 33.2%   | 34.3%   | 34.0%   | 34.2%   | 34.9%   | 38.2%   | 35.4%  |
| LUKOIL Investment  | n/a     | n/a     | n/a     | 0.0%    | 0.0%    | 4.3%    | 3.3%    | 2.9%    | 3.6%    | 3.4%   |
| Chemicals  | 20.4%   | 17.9%   | 18.2%   | 23.9%   | 20.4%   | 28.9%   | 25.0%   | --      | 23.0%   | 22.4%  |
| Emerging Businesses                                      | 35.3%   | 31.0%   | 38.6%   | 29.4%   | 33.8%   | 38.5%   | 38.5%   | --      | 60.0%   | 47.4%  |
| Corporate and Other                                      | 23.7%   | 21.9%   | 12.6%   | 36.1%   | 23.9%   | 31.1%   | 26.3%   | 14.5%   | 24.6%   | 23.9%  |
| Consolidated   | 45.9%   | 42.0%   | 45.1%   | 42.0%   | 43.6%   | 40.8%   | 42.4%   | 42.0%   | 42.9%   | 42.1%  |

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

Millions of Dollars

|  | 2004        |             |             |             |             | 2005       |            |             |              |             |
|--|-------------|-------------|-------------|-------------|-------------|------------|------------|-------------|--------------|-------------|
|  | 1st Qtr     | 2nd Qtr     | 3rd Qtr     | 4th Qtr     | YTD         | 1st Qtr    | 2nd Qtr    | 3rd Qtr     | 4th Qtr      | YTD         |
| <b>U.S. E&amp;P</b>                              |             |             |             |             |             |            |            |             |              |             |
| Gain (loss) on asset sales                       | -           | -           | -           | -           | -           | 90         | -          | -           | -            | 90          |
| Property impairments                             | (3)         | -           | -           | (9)         | (12)        | -          | -          | -           | -            | -           |
| Tax credit utilization                           | -           | -           | 22          | 28          | 50          | -          | -          | -           | -            | -           |
| Insurance premium adjustments                    | -           | -           | -           | (17)        | (17)        | -          | (5)        | (4)         | (8)          | (17)        |
| Pending claims and settlements                   | -           | -           | -           | -           | -           | -          | 15         | -           | (23)         | (8)         |
| <b>Total</b>                                     | <b>(3)</b>  | <b>-</b>    | <b>22</b>   | <b>2</b>    | <b>21</b>   | <b>90</b>  | <b>10</b>  | <b>(4)</b>  | <b>(31)</b>  | <b>65</b>   |
| <b>International E&amp;P</b>                     |             |             |             |             |             |            |            |             |              |             |
| Gain (loss) on asset sales                       | 56          | (13)        | -           | -           | 43          | -          | 15         | -           | -            | 15          |
| Property impairments                             | -           | -           | (1)         | (29)        | (30)        | -          | -          | -           | -            | -           |
| Insurance premium adjustments                    | -           | -           | -           | (17)        | (17)        | -          | (10)       | (12)        | (19)         | (41)        |
| Canada tax law change                            | -           | 31          | -           | 41          | 72          | -          | -          | -           | 38           | 38          |
| Pending claims and settlements                   | -           | -           | -           | -           | -           | -          | -          | -           | -            | -           |
| <b>Total</b>                                     | <b>56</b>   | <b>18</b>   | <b>(1)</b>  | <b>(5)</b>  | <b>68</b>   | <b>-</b>   | <b>5</b>   | <b>(12)</b> | <b>19</b>    | <b>12</b>   |
| <b>Total E&amp;P</b>                             | <b>53</b>   | <b>18</b>   | <b>21</b>   | <b>(3)</b>  | <b>89</b>   | <b>90</b>  | <b>15</b>  | <b>(16)</b> | <b>(12)</b>  | <b>77</b>   |
| <b>Midstream</b>                                 |             |             |             |             |             |            |            |             |              |             |
| Property impairments                             | (12)        | (10)        | -           | -           | (22)        | (6)        | (7)        | -           | -            | (13)        |
| DEFS' sale of TEPPCO general partnership         | -           | -           | -           | -           | -           | 306        | -          | -           | -            | 306         |
| <b>Total</b>                                     | <b>(12)</b> | <b>(10)</b> | <b>-</b>    | <b>-</b>    | <b>(22)</b> | <b>300</b> | <b>(7)</b> | <b>-</b>    | <b>-</b>     | <b>293</b>  |
| <b>U.S. R&amp;M</b>                              |             |             |             |             |             |            |            |             |              |             |
| Gain (loss) on asset sales                       | -           | -           | -           | -           | -           | 31         | -          | -           | -            | 31          |
| Property impairments                             | (5)         | -           | (6)         | (28)        | (39)        | -          | -          | -           | -            | -           |
| Insurance premium adjustments                    | -           | -           | -           | (6)         | (6)         | -          | (7)        | (9)         | (14)         | (30)        |
| Discontinuation of a marketing incentive program | -           | -           | -           | -           | -           | -          | -          | (16)        | -            | (16)        |
| Hurricanes impact on maintenance & repairs       | -           | -           | -           | -           | -           | -          | -          | -           | (57)         | (57)        |
| Pending claims and settlements                   | -           | -           | (34)        | -           | (34)        | -          | -          | -           | -            | -           |
| <b>Total</b>                                     | <b>(5)</b>  | <b>-</b>    | <b>(40)</b> | <b>(34)</b> | <b>(79)</b> | <b>31</b>  | <b>(7)</b> | <b>(25)</b> | <b>(71)</b>  | <b>(72)</b> |
| <b>International R&amp;M</b>                     |             |             |             |             |             |            |            |             |              |             |
| Gain (loss) on asset sales                       | -           | -           | -           | -           | -           | -          | 25         | -           | -            | 25          |
| Property impairments                             | -           | -           | -           | -           | -           | -          | -          | -           | -            | -           |
| Other  | -           | -           | -           | -           | -           | -          | -          | -           | -            | -           |
| <b>Total</b>                                     | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>   | <b>25</b>  | <b>-</b>    | <b>-</b>     | <b>25</b>   |
| <b>Total R&amp;M</b>                             | <b>(5)</b>  | <b>-</b>    | <b>(40)</b> | <b>(34)</b> | <b>(79)</b> | <b>31</b>  | <b>18</b>  | <b>(25)</b> | <b>(71)</b>  | <b>(47)</b> |
| <b>LUKOIL Investment</b>                         |             |             |             |             |             |            |            |             |              |             |
| <b>Total</b>                                     | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>   | <b>-</b>   | <b>-</b>    | <b>-</b>     | <b>-</b>    |
| <b>Chemicals</b>                                 |             |             |             |             |             |            |            |             |              |             |
| <b>Total</b>                                     | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>   | <b>-</b>   | <b>-</b>    | <b>-</b>     | <b>-</b>    |
| <b>Emerging Businesses</b>                       |             |             |             |             |             |            |            |             |              |             |
| <b>Total</b>                                     | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>   | <b>-</b>   | <b>-</b>    | <b>-</b>     | <b>-</b>    |
| <b>Corporate and Other</b>                       |             |             |             |             |             |            |            |             |              |             |
| Property impairments                             | -           | -           | -           | -           | -           | -          | -          | -           | -            | -           |
| Merger-related expenses                          | (14)        | -           | -           | -           | (14)        | -          | -          | -           | -            | -           |
| Premium on early debt retirement                 | -           | -           | (43)        | -           | (43)        | (8)        | -          | (42)        | (42)         | (92)        |
| Other  | -           | -           | -           | -           | -           | -          | -          | -           | -            | -           |
| <b>Total</b>                                     | <b>(14)</b> | <b>-</b>    | <b>(43)</b> | <b>-</b>    | <b>(57)</b> | <b>(8)</b> | <b>-</b>   | <b>(42)</b> | <b>(42)</b>  | <b>(92)</b> |
| <b>Total Company</b>                             | <b>22</b>   | <b>8</b>    | <b>(62)</b> | <b>(37)</b> | <b>(69)</b> | <b>413</b> | <b>26</b>  | <b>(83)</b> | <b>(125)</b> | <b>231</b>  |



## CASH FLOW INFORMATION

Millions of Dollars

|   | 2004    |         |         |         |         | 2005    |         |         |         |          |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
|   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD     | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD      |
| <b>Cash Flows from Operating Activities</b>                             |         |         |         |         |         |         |         |         |         |          |
| Income from continuing operations                                       | 1,603   | 2,013   | 2,011   | 2,480   | 8,107   | 2,923   | 3,131   | 3,804   | 3,782   | 13,640   |
| DD&A and property impairments   | 949     | 932     | 950     | 1,131   | 3,962   | 1,063   | 994     | 1,049   | 1,189   | 4,295    |
| Dry hole costs and leasehold impairments                                | 87      | 105     | 150     | 75      | 417     | 109     | 47      | 55      | 138     | 349      |
| Accretion on discounted liabilities                                     | 36      | 41      | 49      | 45      | 171     | 48      | 41      | 46      | 58      | 193      |
| Deferred income taxes   | 360     | 310     | 328     | 27      | 1,025   | 123     | 369     | 261     | 348     | 1,101    |
| Undistributed equity earnings   | (181)   | (97)    | (263)   | (236)   | (777)   | (805)   | (414)   | (463)   | (92)    | (1,774)  |
| Net (gain) loss on asset dispositions                                   | (82)    | (6)     | 6       | (34)    | (116)   | (177)   | (65)    | (22)    | (14)    | (278)    |
| Other   | 70      | 65      | (30)    | (295)   | (190)   | (78)    | (113)   | 192     | (140)   | (139)    |
| Net working capital changes   | (777)   | (1,101) | 1,267   | 10      | (601)   | 888     | (1,224) | 1,177   | (595)   | 246      |
| Discontinued operations   | 8       | 14      | (55)    | (6)     | (39)    | (5)     | 2       | (3)     | 1       | (5)      |
| <b>Net Cash Provided by Operating Activities</b>                        |         |         |         |         |         |         |         |         |         |          |
|   | 2,073   | 2,276   | 4,413   | 3,197   | 11,959  | 4,089   | 2,768   | 6,096   | 4,675   | 17,628   |
| <b>Cash Flows from Investing Activities</b>                             |         |         |         |         |         |         |         |         |         |          |
| Capital expenditures and investments:                                   |         |         |         |         |         |         |         |         |         |          |
| E&P   | (1,210) | (1,239) | (1,248) | (1,552) | (5,249) | (1,206) | (2,337) | (1,475) | (1,666) | (6,684)  |
| Midstream   | (3)     | (2)     | (1)     | (1)     | (7)     | (1)     | -       | (838)   | -       | (839)    |
| R&M   | (215)   | (278)   | (277)   | (574)   | (1,344) | (275)   | (360)   | (440)   | (663)   | (1,738)  |
| LUKOIL Investment Chemicals   | -       | -       | -       | (2,649) | (2,649) | (324)   | (384)   | (815)   | (637)   | (2,160)  |
| Emerging Businesses   | (28)    | (27)    | (19)    | (1)     | (75)    | 4       | (7)     | (2)     | -       | (5)      |
| Corporate and Other   | (25)    | (38)    | (49)    | (60)    | (172)   | (20)    | (37)    | (56)    | (81)    | (194)    |
| <b>Total capital expend. &amp; investments</b>                          |         |         |         |         |         |         |         |         |         |          |
|   | (1,481) | (1,584) | (1,594) | (4,837) | (9,496) | (1,822) | (3,125) | (3,626) | (3,047) | (11,620) |
| Acquisitions - adoption & application of FIN 46                         | -       | -       | 11      | -       | 11      | -       | -       | -       | -       | -        |
| Proceeds from asset dispositions  | 449     | 905     | 73      | 164     | 1,591   | 87      | 221     | 300     | 160     | 768      |
| Long-term advances to/collections from affiliates and other investments | (44)    | 9       | 30      | 112     | 107     | 25      | 4       | (58)    | (135)   | (164)    |
| Discontinued operations   | (1)     | (1)     | -       | 1       | (1)     | -       | -       | -       | -       | -        |
| <b>Net Cash Used for Investing Activities</b>                           |         |         |         |         |         |         |         |         |         |          |
|   | (1,077) | (671)   | (1,480) | (4,560) | (7,788) | (1,710) | (2,900) | (3,384) | (3,022) | (11,016) |
| <b>Cash Flows from Financing Activities</b>                             |         |         |         |         |         |         |         |         |         |          |
| Net issuance (repayment) of debt  | (722)   | (1,361) | (221)   | (471)   | (2,775) | (986)   | (13)    | (513)   | (1,038) | (2,550)  |
| Issuance of stock   | 112     | 95      | 62      | 161     | 430     | 155     | 108     | 114     | 25      | 402      |
| Repurchase of stock   | -       | -       | -       | -       | -       | (194)   | (382)   | (589)   | (759)   | (1,924)  |
| Dividends   | (294)   | (296)   | (296)   | (346)   | (1,232) | (348)   | (432)   | (430)   | (429)   | (1,639)  |
| Other   | 89      | 94      | (66)    | 61      | 178     | 64      | 33      | (10)    | (60)    | 27       |
| <b>Net Cash Provided by (Used for) Financing Activities</b>             |         |         |         |         |         |         |         |         |         |          |
|   | (815)   | (1,468) | (521)   | (595)   | (3,399) | (1,309) | (686)   | (1,428) | (2,261) | (5,684)  |
| <b>Effect of Exchange Rate Changes</b>                                  |         |         |         |         |         |         |         |         |         |          |
|   | (12)    | 8       | 47      | 82      | 125     | (36)    | (62)    | (22)    | 19      | (101)    |
| <b>Net Change in Cash and Cash Equivalents</b>                          |         |         |         |         |         |         |         |         |         |          |
|   | 169     | 145     | 2,459   | (1,876) | 897     | 1,034   | (880)   | 1,262   | (589)   | 827      |
| Cash and cash equivalents at beginning of period                        | 490     | 659     | 804     | 3,263   | 490     | 1,387   | 2,421   | 1,541   | 2,803   | 1,387    |
| <b>Cash and Cash Equivalents at End of Period</b>                       |         |         |         |         |         |         |         |         |         |          |
|   | 659     | 804     | 3,263   | 1,387   | 1,387   | 2,421   | 1,541   | 2,803   | 2,214   | 2,214    |

## TOTAL E&amp;P

|   | 2004    |         |         |         |       | 2005    |         |         |         |       |
|---|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|
|   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   |
| E&P Net Income (\$ Millions)                                      | 1,257   | 1,354   | 1,420   | 1,671   | 5,702 | 1,787   | 1,929   | 2,288   | 2,426   | 8,430 |
| Production  |         |         |         |         |       |         |         |         |         |       |
| Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D) | 1,611   | 1,563   | 1,484   | 1,596   | 1,563 | 1,600   | 1,537   | 1,521   | 1,590   | 1,562 |
| E&P segment plus LUKOIL Investment segment:                       | 1,611   | 1,563   | 1,484   | 1,755   | 1,603 | 1,801   | 1,760   | 1,787   | 1,883   | 1,808 |
| Crude Oil and Condensate (MB/D)                                   |         |         |         |         |       |         |         |         |         |       |
| Consolidated  | 828     | 809     | 733     | 821     | 797   | 822     | 780     | 766     | 777     | 786   |
| Equity affiliates   | 113     | 104     | 111     | 103     | 108   | 120     | 123     | 124     | 116     | 121   |
| Total   | 941     | 913     | 844     | 924     | 905   | 942     | 903     | 890     | 893     | 907   |
| Sales of crude oil produced (MB/D)                                | 927     | 888     | 875     | 903     | 898   | 940     | 932     | 883     | 916     | 918   |
| Natural Gas Liquids (MB/D)  |         |         |         |         |       |         |         |         |         |       |
|   | 76      | 79      | 87      | 92      | 84    | 94      | 80      | 92      | 99      | 91    |
| Natural Gas (MMCF/D)  |         |         |         |         |       |         |         |         |         |       |
| Consolidated  | 3,415   | 3,299   | 3,179   | 3,356   | 3,312 | 3,295   | 3,191   | 3,099   | 3,468   | 3,263 |
| Equity affiliates   | 9       | 4       | 4       | 4       | 5     | 5       | 7       | 10      | 3       | 7     |
| Total   | 3,424   | 3,303   | 3,183   | 3,360   | 3,317 | 3,300   | 3,198   | 3,109   | 3,471   | 3,270 |
| Canadian Syncrude (MB/D)  |         |         |         |         |       |         |         |         |         |       |
|   | 23      | 20      | 22      | 20      | 21    | 14      | 21      | 21      | 20      | 19    |
| Industry Prices (Platt's)   |         |         |         |         |       |         |         |         |         |       |
| Crude Oil (\$/bbl)  |         |         |         |         |       |         |         |         |         |       |
| WTI spot  | 35.23   | 38.31   | 43.86   | 48.29   | 41.42 | 49.70   | 53.03   | 63.05   | 59.99   | 56.44 |
| Brent dated   | 31.95   | 35.36   | 41.54   | 44.00   | 38.21 | 47.50   | 51.59   | 61.54   | 56.90   | 54.38 |
| Natural Gas (\$/mmbtu)  |         |         |         |         |       |         |         |         |         |       |
| Henry Hub -- First of Month                                       | 5.69    | 6.00    | 5.75    | 7.07    | 6.13  | 6.27    | 6.74    | 8.53    | 13.00   | 8.64  |
| Average Realized Prices   |         |         |         |         |       |         |         |         |         |       |
| Crude Oil and Condensate (\$/bbl)                                 |         |         |         |         |       |         |         |         |         |       |
| Consolidated  | 32.08   | 35.32   | 40.41   | 42.79   | 37.65 | 44.89   | 48.88   | 58.49   | 55.06   | 51.74 |
| Equity affiliates   | 19.27   | 25.48   | 26.19   | 26.55   | 24.18 | 30.38   | 36.11   | 45.25   | 38.90   | 37.79 |
| Total   | 30.44   | 34.17   | 38.78   | 40.96   | 36.06 | 43.15   | 46.93   | 56.64   | 53.05   | 49.87 |
| Natural Gas Liquids (\$/bbl)                                      |         |         |         |         |       |         |         |         |         |       |
|   | 25.43   | 26.71   | 30.73   | 35.37   | 30.02 | 33.44   | 35.10   | 41.54   | 42.75   | 38.32 |
| Natural Gas (\$/mcf)  |         |         |         |         |       |         |         |         |         |       |
| Consolidated  | 4.41    | 4.43    | 4.48    | 5.13    | 4.62  | 5.24    | 5.53    | 6.40    | 7.96    | 6.32  |
| Equity affiliates   | 3.91    | 0.31    | 0.31    | 0.25    | 2.19  | 0.25    | 0.32    | 0.20    | 0.28    | 0.26  |
| Total   | 4.41    | 4.43    | 4.48    | 5.13    | 4.61  | 5.24    | 5.52    | 6.38    | 7.94    | 6.30  |
| Exploration Charges (\$ Millions)                                 |         |         |         |         |       |         |         |         |         |       |
| Dry Holes   | 67      | 42      | 82      | 51      | 242   | 88      | 30      | 32      | 83      | 233   |
| Lease Impairments   | 20      | 63      | 68      | 24      | 175   | 20      | 18      | 23      | 55      | 116   |
| Total Non-Cash Charges  | 87      | 105     | 150     | 75      | 417   | 108     | 48      | 55      | 138     | 349   |
| Other (G&G and Lease Rentals)                                     | 56      | 58      | 55      | 117     | 286   | 63      | 73      | 85      | 91      | 312   |
| Total Exploration Charges   | 143     | 163     | 205     | 192     | 703   | 171     | 121     | 140     | 229     | 661   |
| Depreciation, Depletion and Amortization (DD&A) (\$ Millions)     |         |         |         |         |       |         |         |         |         |       |
|   | 704     | 720     | 711     | 783     | 2,918 | 819     | 755     | 823     | 915     | 3,312 |

## U.S. E&amp;P

|  | 2004    |         |         |         |       | 2005    |         |         |         |       |
|--|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|
|  | 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)                  | 635     | 671     | 701     | 935     | 2,942 | 892     | 966     | 1,107   | 1,323   | 4,288 |
| Alaska (\$ Millions)                               | 403     | 397     | 451     | 581     | 1,832 | 532     | 572     | 730     | 718     | 2,552 |
| Lower 48 (\$ Millions)                             | 232     | 274     | 250     | 354     | 1,110 | 360     | 394     | 377     | 605     | 1,736 |
| Production   |         |         |         |         |       |         |         |         |         |       |
| Total U.S. (MBOE/D)                                | 659     | 637     | 579     | 642     | 629   | 648     | 631     | 617     | 636     | 633   |
| Crude Oil and Condensate (MB/D)                    |         |         |         |         |       |         |         |         |         |       |
| Alaska   | 320     | 307     | 253     | 313     | 298   | 309     | 297     | 281     | 291     | 294   |
| Lower 48   | 53      | 52      | 50      | 50      | 51    | 62      | 63      | 56      | 54      | 59    |
| Total  | 373     | 359     | 303     | 363     | 349   | 371     | 360     | 337     | 345     | 353   |
| Sales of crude oil produced (MB/D)                 | 373     | 354     | 312     | 356     | 349   | 386     | 352     | 352     | 337     | 357   |
| Natural Gas Liquids (MB/D)*                        |         |         |         |         |       |         |         |         |         |       |
| Alaska   | 26      | 23      | 19      | 24      | 23    | 24      | 16      | 18      | 21      | 20    |
| Lower 48   | 24      | 26      | 26      | 26      | 26    | 27      | 31      | 30      | 31      | 30    |
| Total  | 50      | 49      | 45      | 50      | 49    | 51      | 47      | 48      | 52      | 50    |
| *Includes reinjection volumes sold lease-to-lease: | 16      | 15      | 10      | 13      | 13    | 13      | 1       | 8       | 13      | 9     |
| Natural Gas (MMCF/D)                               |         |         |         |         |       |         |         |         |         |       |
| Alaska   | 185     | 147     | 164     | 163     | 165   | 185     | 148     | 173     | 172     | 169   |
| Lower 48   | 1,233   | 1,226   | 1,220   | 1,214   | 1,223 | 1,169   | 1,195   | 1,218   | 1,264   | 1,212 |
| Total  | 1,418   | 1,373   | 1,384   | 1,377   | 1,388 | 1,354   | 1,343   | 1,391   | 1,436   | 1,381 |
| Average Realized Prices                            |         |         |         |         |       |         |         |         |         |       |
| Crude Oil and Condensate (\$/bbl)                  |         |         |         |         |       |         |         |         |         |       |
| Alaska   |         |         |         |         |       |         |         |         |         |       |
| North Slope  | 28.00   | 31.69   | 35.66   | 39.53   | 33.61 | 38.93   | 43.92   | 53.30   | 52.34   | 46.95 |
| West Coast   | 32.93   | 36.53   | 40.48   | 44.37   | 38.47 | 44.15   | 49.22   | 58.70   | 57.61   | 52.24 |
| Lower 48   | 31.86   | 34.39   | 39.56   | 42.30   | 36.95 | 41.29   | 43.58   | 50.00   | 46.62   | 45.24 |
| Total U.S.   | 32.78   | 36.22   | 40.33   | 44.08   | 38.25 | 43.69   | 48.21   | 57.31   | 55.86   | 51.09 |
| Natural Gas Liquids (\$/bbl)                       |         |         |         |         |       |         |         |         |         |       |
| Alaska   | 32.93   | 36.38   | 40.52   | 43.78   | 38.64 | 44.33   | 49.20   | 57.11   | 57.58   | 51.30 |
| Lower 48   | 24.19   | 25.82   | 29.40   | 32.80   | 28.14 | 30.96   | 31.22   | 39.92   | 42.89   | 36.43 |
| Total U.S.   | 26.80   | 28.38   | 32.22   | 36.21   | 31.05 | 34.68   | 37.26   | 43.95   | 45.94   | 40.40 |
| Natural Gas (\$/mcf)                               |         |         |         |         |       |         |         |         |         |       |
| Alaska   | 2.54    | 2.31    | 2.22    | 2.23    | 2.35  | 2.96    | 2.49    | 2.57    | 3.01    | 2.75  |
| Lower 48   | 5.00    | 5.49    | 5.29    | 6.04    | 5.46  | 5.66    | 6.20    | 7.67    | 9.37    | 7.28  |
| Total U.S.   | 4.88    | 5.35    | 5.19    | 5.92    | 5.33  | 5.57    | 6.07    | 7.48    | 9.17    | 7.12  |
| Kenai, Alaska LNG Sales                            |         |         |         |         |       |         |         |         |         |       |
| Volume (MMCF/D)                                    | 118     | 82      | 115     | 107     | 105   | 132     | 96      | 123     | 118     | 117   |
| Sales price per MCF                                | 4.51    | 4.80    | 5.06    | 5.25    | 4.90  | 5.27    | 5.24    | 5.90    | 6.36    | 5.71  |
| U.S. Exploration Charges (\$ Millions)             |         |         |         |         |       |         |         |         |         |       |
| Dry Holes  | 32      | 32      | (5)     | -       | 59    | 74      | 8       | (2)     | 3       | 83    |
| Lease Impairments                                  | 11      | 11      | 10      | 10      | 42    | 10      | 9       | 9       | 10      | 38    |
| Total Non-Cash Charges                             | 43      | 43      | 5       | 10      | 101   | 84      | 17      | 7       | 13      | 121   |
| Other (G&G and Lease Rentals)                      | 15      | 19      | 15      | 37      | 86    | 12      | 17      | 19      | 7       | 55    |
| Total U.S. Exploration Charges                     | 58      | 62      | 20      | 47      | 187   | 96      | 34      | 26      | 20      | 176   |
| Alaska Only  | 17      | 43      | 7       | 14      | 81    | 85      | 13      | 11      | 1       | 110   |

## DD&amp;A (\$ Millions)

|            |     |     |     |     |       |     |     |     |     |       |
|------------|-----|-----|-----|-----|-------|-----|-----|-----|-----|-------|
| Alaska     | 119 | 125 | 122 | 144 | 510   | 133 | 134 | 126 | 142 | 535   |
| Lower 48   | 146 | 145 | 157 | 150 | 598   | 219 | 172 | 243 | 231 | 865   |
| -----      |     |     |     |     |       |     |     |     |     |       |
| Total U.S. | 265 | 270 | 279 | 294 | 1,108 | 352 | 306 | 369 | 373 | 1,400 |
| =====      |     |     |     |     |       |     |     |     |     |       |

## INTERNATIONAL E&amp;P

|   | 2004    |         |         |         |       | 2005    |         |         |         |       |
|---|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|
|   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   |
| International E&P   |         |         |         |         |       |         |         |         |         |       |
| Net Income (\$ Millions)  | 622     | 683     | 719     | 736     | 2,760 | 895     | 963     | 1,181   | 1,103   | 4,142 |
| Production  |         |         |         |         |       |         |         |         |         |       |
| Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D) | 952     | 926     | 905     | 954     | 934   | 952     | 906     | 904     | 954     | 929   |
| Crude Oil and Condensate (MB/D)                                   |         |         |         |         |       |         |         |         |         |       |
| Consolidated  |         |         |         |         |       |         |         |         |         |       |
| Norway  | 215     | 212     | 189     | 211     | 207   | 207     | 195     | 198     | 188     | 197   |
| United Kingdom  | 67      | 64      | 59      | 66      | 64    | 61      | 60      | 56      | 62      | 60    |
| Canada  | 27      | 25      | 24      | 24      | 25    | 23      | 23      | 22      | 22      | 23    |
| China   | 32      | 28      | 25      | 17      | 25    | 22      | 25      | 22      | 23      | 23    |
| Indonesia   | 15      | 14      | 14      | 18      | 15    | 21      | 16      | 10      | 13      | 15    |
| Vietnam   | 31      | 31      | 35      | 33      | 33    | 27      | 26      | 30      | 37      | 29    |
| Timor Sea   | 5       | 15      | 29      | 34      | 21    | 36      | 21      | 38      | 36      | 33    |
| Other   | 63      | 61      | 55      | 55      | 58    | 54      | 54      | 53      | 51      | 53    |
| Equity affiliates   | 113     | 104     | 111     | 103     | 108   | 120     | 123     | 124     | 116     | 121   |
| Total   | 568     | 554     | 541     | 561     | 556   | 571     | 543     | 553     | 548     | 554   |
| Sales of crude oil produced (MB/D)                                | 554     | 534     | 563     | 547     | 549   | 554     | 580     | 531     | 579     | 561   |
| Natural Gas Liquids (MB/D)  |         |         |         |         |       |         |         |         |         |       |
| Norway  | 9       | 8       | 8       | 9       | 8     | 10      | 9       | 10      | 11      | 9     |
| Canada  | 10      | 10      | 10      | 11      | 10    | 10      | 10      | 10      | 10      | 10    |
| Timor Sea   | -       | 4       | 14      | 16      | 9     | 17      | 9       | 20      | 19      | 16    |
| Other   | 7       | 8       | 10      | 6       | 8     | 6       | 5       | 4       | 7       | 6     |
| Total   | 26      | 30      | 42      | 42      | 35    | 43      | 33      | 44      | 47      | 41    |
| Natural Gas (MMCF/D)  |         |         |         |         |       |         |         |         |         |       |
| Consolidated  |         |         |         |         |       |         |         |         |         |       |
| Norway  | 319     | 303     | 274     | 306     | 301   | 298     | 268     | 259     | 264     | 272   |
| United Kingdom  | 879     | 821     | 720     | 852     | 818   | 824     | 741     | 588     | 851     | 751   |
| Canada  | 428     | 437     | 425     | 442     | 433   | 417     | 422     | 429     | 430     | 425   |
| Timor Sea   | 40      | 32      | 35      | 35      | 35    | 35      | 35      | 35      | 33      | 34    |
| Indonesia   | 248     | 237     | 248     | 266     | 250   | 273     | 287     | 303     | 330     | 298   |
| Vietnam   | 17      | 15      | 15      | 19      | 16    | 18      | 14      | 20      | 19      | 18    |
| Other   | 66      | 81      | 78      | 59      | 71    | 76      | 81      | 74      | 105     | 84    |
| Equity affiliates   | 9       | 4       | 4       | 4       | 5     | 5       | 7       | 10      | 3       | 7     |
| Total   | 2,006   | 1,930   | 1,799   | 1,983   | 1,929 | 1,946   | 1,855   | 1,718   | 2,035   | 1,889 |
| Canadian Syncrude (MB/D)  | 23      | 20      | 22      | 20      | 21    | 14      | 21      | 21      | 20      | 19    |
| Average Realized Prices   |         |         |         |         |       |         |         |         |         |       |
| Crude Oil and Condensate (\$/bbl)                                 |         |         |         |         |       |         |         |         |         |       |
| Consolidated  |         |         |         |         |       |         |         |         |         |       |
| Norway  | 32.13   | 34.72   | 40.70   | 41.82   | 37.55 | 45.52   | 50.21   | 60.42   | 56.36   | 53.18 |
| United Kingdom  | 31.27   | 34.19   | 39.57   | 44.79   | 37.00 | 49.47   | 48.02   | 60.83   | 54.87   | 53.13 |
| Canada  | 28.95   | 30.58   | 36.16   | 36.44   | 32.92 | 36.96   | 41.09   | 54.74   | 46.44   | 44.70 |
| China   | 29.91   | 33.02   | 37.99   | 32.87   | 33.31 | 41.51   | 46.95   | 51.89   | 49.86   | 47.85 |
| Indonesia   | 32.21   | 36.20   | 42.71   | 45.43   | 39.21 | 46.51   | 47.57   | 61.77   | 47.00   | 49.45 |
| Vietnam   | 31.76   | 36.42   | 41.36   | 42.94   | 38.31 | 47.77   | 53.32   | 58.52   | 52.77   | 53.23 |
| Timor Sea   | 35.49   | 37.32   | 46.65   | 45.95   | 43.91 | 47.99   | 50.90   | 59.03   | 52.90   | 52.95 |
| Other   | 30.89   | 34.87   | 39.54   | 39.28   | 36.05 | 44.56   | 50.11   | 60.99   | 57.03   | 52.93 |
| Equity affiliates   | 19.27   | 25.48   | 26.19   | 26.55   | 24.18 | 30.38   | 36.11   | 45.25   | 38.90   | 37.79 |
| Total   | 28.86   | 32.81   | 37.92   | 38.93   | 34.67 | 42.77   | 46.16   | 56.19   | 51.41   | 49.09 |
| Natural Gas Liquids (\$/bbl)                                      |         |         |         |         |       |         |         |         |         |       |
| Norway  | 24.34   | 24.22   | 27.79   | 37.64   | 28.92 | 30.63   | 28.20   | 37.29   | 33.81   | 32.45 |
| Canada  | 26.38   | 28.58   | 31.15   | 36.61   | 30.77 | 37.37   | 37.66   | 44.22   | 49.63   | 42.20 |
| Timor Sea   | -       | 29.13   | 33.96   | 37.11   | 34.94 | 34.40   | 35.99   | 40.45   | 47.29   | 40.11 |
| Other   | 18.43   | 18.03   | 22.76   | 19.64   | 19.99 | 21.34   | 22.30   | 26.63   | 20.30   | 22.17 |
| Total   | 23.53   | 24.69   | 29.53   | 34.59   | 28.96 | 32.35   | 32.03   | 39.29   | 40.04   | 36.25 |
| Natural Gas (\$/mcf)  |         |         |         |         |       |         |         |         |         |       |
| Consolidated  |         |         |         |         |       |         |         |         |         |       |
| Norway  | 4.37    | 3.99    | 4.12    | 4.45    | 4.24  | 5.03    | 5.30    | 5.13    | 6.40    | 5.46  |
| United Kingdom  | 4.04    | 3.47    | 3.79    | 4.76    | 4.03  | 5.54    | 5.01    | 4.92    | 7.64    | 5.89  |
| Canada  | 4.88    | 5.01    | 4.64    | 5.43    | 5.00  | 5.33    | 6.14    | 7.54    | 9.86    | 7.25  |
| Timor Sea   | 0.43    | 0.45    | 0.46    | 0.49    | 0.46  | 0.52    | 0.52    | 0.56    | 0.61    | 0.55  |
| Indonesia   | 4.38    | 4.28    | 5.02    | 4.74    | 4.61  | 5.08    | 5.96    | 6.73    | 6.23    | 6.03  |
| Vietnam   | 1.10    | 0.99    | 1.01    | 1.05    | 1.04  | 1.04    | 1.04    | 1.05    | 1.07    | 1.05  |
| Other   | 0.66    | 0.59    | 0.62    | 0.97    | 0.69  | 0.70    | 0.59    | 0.66    | 0.72    | 0.67  |

|   |      |      |      |      |       |      |      |      |      |       |
|---|------|------|------|------|-------|------|------|------|------|-------|
| Equity affiliates                               | 3.91 | 0.31 | 0.31 | 0.25 | 2.19  | 0.25 | 0.32 | 0.20 | 0.28 | 0.26  |
| Total   | 4.11 | 3.81 | 3.98 | 4.63 | 4.14  | 5.03 | 5.15 | 5.57 | 7.16 | 5.76  |
| -----   |      |      |      |      |       |      |      |      |      |       |
| International Exploration Charges (\$ Millions) |      |      |      |      |       |      |      |      |      |       |
| Dry Holes                                       | 35   | 10   | 87   | 51   | 183   | 14   | 22   | 34   | 80   | 150   |
| Lease Impairments                               | 9    | 52   | 58   | 14   | 133   | 10   | 9    | 14   | 45   | 78    |
| -----   |      |      |      |      |       |      |      |      |      |       |
| Total Non-Cash Charges                          | 44   | 62   | 145  | 65   | 316   | 24   | 31   | 48   | 125  | 228   |
| Other (G&G and Lease Rentals)                   | 41   | 39   | 40   | 80   | 200   | 51   | 56   | 66   | 84   | 257   |
| -----   |      |      |      |      |       |      |      |      |      |       |
| Total International Exploration Charges         | 85   | 101  | 185  | 145  | 516   | 75   | 87   | 114  | 209  | 485   |
| =====   |      |      |      |      |       |      |      |      |      |       |
| DD&A (\$ Millions)                              | 439  | 450  | 432  | 489  | 1,810 | 467  | 449  | 454  | 542  | 1,912 |
| -----   |      |      |      |      |       |      |      |      |      |       |



## R&amp;M

|  | 2004    |         |         |         |       | 2005    |         |         |         |       |
|--|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|
|  | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   |
| R&M Net Income (\$ Millions)   | 464     | 818     | 708     | 753     | 2,743 | 700     | 1,110   | 1,390   | 973     | 4,173 |
| United States (\$ Millions)  | 403     | 734     | 505     | 484     | 2,126 | 570     | 936     | 1,096   | 727     | 3,329 |
| International (\$ Millions)  | 61      | 84      | 203     | 269     | 617   | 130     | 174     | 294     | 246     | 844   |
| Market Indicators  |         |         |         |         |       |         |         |         |         |       |
| U.S. East Coast Crack Spread (\$/bbl)  | 6.87    | 9.14    | 7.00    | 5.73    | 7.19  | 6.40    | 8.80    | 14.81   | 9.32    | 9.83  |
| U.S. Gulf Coast Crack Spread (\$/bbl)  | 6.36    | 9.17    | 6.33    | 4.09    | 6.49  | 6.37    | 9.63    | 17.42   | 10.27   | 10.92 |
| U.S. Group Central Crack Spread (\$/bbl)                                     | 6.91    | 11.65   | 8.09    | 5.52    | 8.04  | 7.92    | 11.51   | 17.06   | 11.93   | 12.10 |
| U.S. West Coast Crack Spread (\$/bbl)  | 16.10   | 24.13   | 17.92   | 17.25   | 18.85 | 19.61   | 22.20   | 26.61   | 16.29   | 21.18 |
| U.S. Weighted 3:2:1 Crack Spread (\$/bbl)                                    | 8.39    | 12.60   | 9.10    | 7.24    | 9.33  | 9.24    | 12.35   | 18.51   | 11.69   | 12.95 |
| NW Europe Crack Spread (\$/bbl)  | 7.78    | 10.43   | 11.76   | 15.24   | 11.30 | 11.14   | 15.09   | 16.53   | 13.68   | 14.11 |
| Singapore 3:2:1 Crack Spread (\$/bbl)  | 10.33   | 9.48    | 13.11   | 17.22   | 12.54 | 13.23   | 13.95   | 16.70   | 12.43   | 14.08 |
| U.S. Wholesale Gasoline Mktg Mrgn (\$/bbl)                                   | 0.69    | 1.83    | 1.50    | 1.97    | 1.50  | 0.16    | 2.20    | 0.42    | 3.98    | 1.69  |
| Realized Margins   |         |         |         |         |       |         |         |         |         |       |
| Refining Margin (\$/bbl)   |         |         |         |         |       |         |         |         |         |       |
| U.S.   | 7.12    | 9.88    | 8.84    | 8.38    | 8.56  | 10.11   | 11.23   | 14.61   | 12.71   | 12.17 |
| International*   | 4.51    | 6.57    | 8.36    | 10.03   | 7.56  | 8.26    | 8.79    | 10.44   | 8.73    | 9.07  |
| Marketing Margin (\$/bbl)  |         |         |         |         |       |         |         |         |         |       |
| U.S.   | 1.08    | 1.49    | 1.15    | 1.85    | 1.39  | 0.46    | 2.01    | 0.18    | 2.52    | 1.28  |
| International  | 6.50    | 8.20    | 7.69    | 8.13    | 7.66  | 5.61    | 8.56    | 6.80    | 8.62    | 7.43  |
| * 2004 and first-quarter 2005 amounts restated to include equity affiliates. |         |         |         |         |       |         |         |         |         |       |
| DD&A (\$ Millions)   | 186     | 172     | 202     | 212     | 772   | 194     | 197     | 197     | 230     | 818   |
| Turnaround Expense (\$ Millions)   | 59      | 78      | 57      | 73      | 267   | 108     | 106     | 53      | 86      | 353   |
| Eastern U.S.   |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)  | 413     | 375     | 368     | 346     | 375   | 403     | 414     | 409     | 416     | 410   |
| Total Charge Input (MB/D)  | 440     | 421     | 415     | 407     | 421   | 449     | 454     | 456     | 446     | 451   |
| Crude Oil Capacity Utilization (%)   | 96%     | 87%     | 87%     | 82%     | 88%   | 95%     | 98%     | 97%     | 98%     | 97%   |
| Clean Product Yield (%)  | 87%     | 84%     | 87%     | 90%     | 87%   | 92%     | 88%     | 89%     | 91%     | 90%   |
| U.S. Gulf Coast  |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)  | 699     | 709     | 617     | 689     | 678   | 659     | 715     | 596     | 397     | 591   |
| Total Charge Input (MB/D)  | 774     | 789     | 717     | 779     | 765   | 733     | 835     | 674     | 467     | 676   |
| Crude Oil Capacity Utilization (%)   | 97%     | 99%     | 88%     | 98%     | 96%   | 92%     | 100%    | 83%     | 55%     | 83%   |
| Clean Product Yield (%)  | 79%     | 75%     | 78%     | 82%     | 78%   | 73%     | 79%     | 80%     | 80%     | 78%   |
| Central U.S.   |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)  | 601     | 638     | 634     | 583     | 614   | 538     | 594     | 620     | 619     | 594   |
| Total Charge Input (MB/D)  | 636     | 673     | 669     | 614     | 648   | 577     | 625     | 653     | 666     | 630   |
| Crude Oil Capacity Utilization (%)   | 96%     | 102%    | 99%     | 91%     | 97%   | 84%     | 93%     | 97%     | 97%     | 93%   |
| Clean Product Yield (%)  | 83%     | 83%     | 85%     | 84%     | 84%   | 86%     | 84%     | 85%     | 85%     | 85%   |
| Western U.S.   |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)  | 392     | 397     | 392     | 387     | 392   | 357     | 410     | 415     | 421     | 401   |
| Total Charge Input (MB/D)  | 409     | 419     | 409     | 409     | 412   | 382     | 431     | 439     | 445     | 425   |
| Crude Oil Capacity Utilization (%)   | 100%    | 101%    | 99%     | 98%     | 99%   | 90%     | 101%    | 102%    | 104%    | 100%  |
| Clean Product Yield (%)  | 81%     | 81%     | 82%     | 83%     | 82%   | 80%     | 82%     | 79%     | 79%     | 80%   |
| TOTAL UNITED STATES  |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)  | 2,105   | 2,119   | 2,011   | 2,005   | 2,059 | 1,957   | 2,133   | 2,040   | 1,853   | 1,996 |
| Total Charge Input (MB/D)  | 2,259   | 2,302   | 2,210   | 2,209   | 2,246 | 2,141   | 2,345   | 2,222   | 2,024   | 2,182 |
| Crude Oil Capacity Utilization (%)   | 97%     | 98%     | 93%     | 93%     | 95%   | 90%     | 98%     | 93%     | 85%     | 92%   |
| Clean Product Yield (%)  | 82%     | 80%     | 82%     | 84%     | 82%   | 82%     | 83%     | 83%     | 84%     | 83%   |
| Refined Products Production (MB/D)   |         |         |         |         |       |         |         |         |         |       |
| Gasoline   | 1,059   | 1,043   | 1,060   | 1,072   | 1,059 | 968     | 1,071   | 1,030   | 949     | 1,004 |
| Distillates  | 604     | 591     | 574     | 619     | 597   | 599     | 655     | 640     | 583     | 619   |
| Aviation Fuel  | 167     | 177     | 164     | 158     | 167   | 166     | 174     | 153     | 135     | 157   |
| Other  | 415     | 489     | 400     | 383     | 422   | 414     | 449     | 400     | 370     | 406   |
| Total  | 2,245   | 2,300   | 2,198   | 2,232   | 2,245 | 2,147   | 2,349   | 2,223   | 2,037   | 2,186 |
| Petroleum Products Sales (MB/D)  |         |         |         |         |       |         |         |         |         |       |
| Gasoline   | 1,315   | 1,328   | 1,366   | 1,415   | 1,356 | 1,302   | 1,426   | 1,397   | 1,368   | 1,374 |
| Distillates  | 570     | 538     | 544     | 562     | 553   | 642     | 680     | 725     | 653     | 675   |
| Aviation Fuel  | 178     | 191     | 200     | 195     | 191   | 198     | 214     | 203     | 189     | 201   |

|       |       |       |       |       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Other | 517   | 573   | 553   | 613   | 564   | 461   | 566   | 526   | 521   | 519   |
| Total | 2,580 | 2,630 | 2,663 | 2,785 | 2,664 | 2,603 | 2,886 | 2,851 | 2,731 | 2,769 |

R&M (continued)

|   | 2004    |         |         |         |       | 2005    |         |         |         |       |
|---|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|
|   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   |
| International - Consolidated - United Kingdom and Ireland |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)                             | 289     | 197     | 291     | 298     | 269   | 294     | 259     | 289     | 291     | 283   |
| Total Charge Input (MB/D)                                 | 299     | 216     | 300     | 308     | 280   | 307     | 266     | 305     | 310     | 297   |
| Crude Oil Capacity Utilization (%)                        | 94%     | 64%     | 100%    | 102%    | 90%   | 101%    | 89%     | 99%     | 100%    | 97%   |
| Clean Product Yield (%)                                   | 84%     | 81%     | 83%     | 81%     | 82%   | 79%     | 76%     | 82%     | 82%     | 80%   |
| International - Equity Affiliates - Net Share*            |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)                             | 120     | 112     | 134     | 140     | 127   | 134     | 143     | 142     | 144     | 141   |
| Total Charge Input (MB/D)                                 | 121     | 113     | 138     | 145     | 130   | 137     | 147     | 145     | 145     | 144   |
| Crude Oil Capacity Utilization (%)                        | 87%     | 81%     | 99%     | 103%    | 92%   | 98%     | 105%    | 105%    | 106%    | 103%  |
| Clean Product Yield (%)                                   | 82%     | 83%     | 81%     | 81%     | 82%   | 83%     | 82%     | 80%     | 83%     | 82%   |
| TOTAL INTERNATIONAL                                       |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)                             | 409     | 309     | 425     | 438     | 396   | 428     | 402     | 431     | 435     | 424   |
| Total Charge Input (MB/D)                                 | 420     | 329     | 438     | 453     | 410   | 444     | 413     | 450     | 455     | 441   |
| Crude Oil Capacity Utilization (%)                        | 92%     | 69%     | 99%     | 102%    | 91%   | 100%    | 94%     | 101%    | 102%    | 99%   |
| Clean Product Yield (%)                                   | 84%     | 82%     | 82%     | 81%     | 82%   | 80%     | 78%     | 81%     | 82%     | 80%   |
| Refined Products Production (MB/D)                        |         |         |         |         |       |         |         |         |         |       |
| Gasoline  | 124     | 109     | 138     | 144     | 129   | 141     | 115     | 143     | 152     | 138   |
| Distillates   | 181     | 136     | 190     | 190     | 174   | 186     | 178     | 191     | 191     | 186   |
| Aviation Fuel   | 24      | 16      | 22      | 25      | 22    | 21      | 21      | 24      | 24      | 22    |
| Other   | 81      | 57      | 89      | 94      | 80    | 95      | 96      | 90      | 91      | 93    |
| Total   | 410     | 318     | 439     | 453     | 405   | 443     | 410     | 448     | 458     | 439   |
| Petroleum Products Sales (MB/D)                           |         |         |         |         |       |         |         |         |         |       |
| Gasoline  | 185     | 180     | 173     | 180     | 180   | 185     | 176     | 178     | 175     | 178   |
| Distillates   | 228     | 184     | 207     | 222     | 210   | 221     | 212     | 216     | 224     | 218   |
| Aviation Fuel   | 6       | 9       | 10      | 8       | 8     | 7       | 10      | 12      | 8       | 9     |
| Other   | 82      | 67      | 82      | 83      | 79    | 82      | 79      | 64      | 83      | 77    |
| Total   | 501     | 440     | 472     | 493     | 477   | 495     | 477     | 470     | 490     | 482   |
| Worldwide - Including Net Share of Equity Affiliates      |         |         |         |         |       |         |         |         |         |       |
| Crude Oil Charge Input (MB/D)                             | 2,514   | 2,428   | 2,436   | 2,443   | 2,455 | 2,385   | 2,535   | 2,471   | 2,288   | 2,420 |
| Total Charge Input (MB/D)                                 | 2,679   | 2,631   | 2,648   | 2,662   | 2,656 | 2,585   | 2,758   | 2,672   | 2,479   | 2,623 |
| Crude Oil Capacity Utilization (%)                        | 96%     | 93%     | 94%     | 94%     | 94%   | 92%     | 97%     | 95%     | 88%     | 93%   |
| Clean Product Yield (%)                                   | 82%     | 80%     | 82%     | 84%     | 82%   | 82%     | 82%     | 83%     | 84%     | 82%   |
| Refined Products Production (MB/D)                        |         |         |         |         |       |         |         |         |         |       |
| Gasoline  | 1,183   | 1,152   | 1,198   | 1,216   | 1,188 | 1,109   | 1,186   | 1,173   | 1,101   | 1,142 |
| Distillates   | 785     | 727     | 764     | 809     | 771   | 785     | 833     | 831     | 774     | 805   |
| Aviation Fuel   | 191     | 193     | 186     | 183     | 189   | 187     | 195     | 177     | 159     | 179   |
| Other   | 496     | 546     | 489     | 477     | 502   | 509     | 545     | 490     | 461     | 499   |
| Total   | 2,655   | 2,618   | 2,637   | 2,685   | 2,650 | 2,590   | 2,759   | 2,671   | 2,495   | 2,625 |
| Petroleum Products Sales (MB/D)                           |         |         |         |         |       |         |         |         |         |       |
| Gasoline  | 1,500   | 1,508   | 1,539   | 1,595   | 1,536 | 1,487   | 1,602   | 1,575   | 1,543   | 1,552 |
| Distillates   | 798     | 722     | 751     | 784     | 763   | 863     | 892     | 941     | 877     | 893   |
| Aviation Fuel   | 184     | 200     | 210     | 203     | 199   | 205     | 224     | 215     | 197     | 210   |
| Other   | 599     | 640     | 635     | 696     | 643   | 543     | 645     | 590     | 604     | 596   |
| Total   | 3,081   | 3,070   | 3,135   | 3,278   | 3,141 | 3,098   | 3,363   | 3,321   | 3,221   | 3,251 |

\* Represents 18.75 percent interest in a refinery complex at Karlsruhe, Germany; 16.33 percent interest in two refineries in Kralupy and Litvinov, Czech Republic; and 47 percent interest in a refinery at Melaka, Malaysia.

LUKOIL INVESTMENT

|                                     | 2004    |         |         |         |     | 2005    |         |         |         |     |
|-------------------------------------|---------|---------|---------|---------|-----|---------|---------|---------|---------|-----|
|                                     | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD |
| LUKOIL Investment                   |         |         |         |         |     |         |         |         |         |     |
| Net Income (\$ Millions)            | -       | -       | -       | 74      | 74  | 110     | 148     | 267     | 189     | 714 |
| Upstream Production*                |         |         |         |         |     |         |         |         |         |     |
| Net crude oil production (MB/D)     | -       | -       | -       | 150     | 38  | 190     | 215     | 253     | 281     | 235 |
| Net natural gas production (MMCF/D) | -       | -       | -       | 51      | 13  | 67      | 50      | 79      | 72      | 67  |
| BOE Total (MBOE/D)                  | -       | -       | -       | 159     | 40  | 201     | 223     | 266     | 293     | 246 |

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

| Industry Prices                 |   |   |   |       |       |       |       |       |       |       |
|---------------------------------|---|---|---|-------|-------|-------|-------|-------|-------|-------|
| Crude Oil (\$/bbl)              |   |   |   |       |       |       |       |       |       |       |
| Urals crude (CIF Mediterranean) | - | - | - | 38.82 | 38.82 | 43.21 | 48.49 | 57.39 | 54.07 | 50.87 |

| Downstream             |   |   |   |    |    |    |     |     |     |     |
|------------------------|---|---|---|----|----|----|-----|-----|-----|-----|
| Refinery Throughput*   |   |   |   |    |    |    |     |     |     |     |
| Crude Processed (MB/D) | - | - | - | 77 | 19 | 92 | 101 | 138 | 156 | 122 |

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

MIDSTREAM

|                                      | 2004    |         |         |         |     | 2005    |         |         |         |     |
|--------------------------------------|---------|---------|---------|---------|-----|---------|---------|---------|---------|-----|
|                                      | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD |
| Midstream Net Income (\$ Millions)   | 55      | 42      | 38      | 100     | 235 | 385     | 68      | 88      | 147     | 688 |
| U.S. Equity Affiliate (\$ Millions)* | 33      | 33      | 26      | 51      | 143 | 359     | 51      | 76      | 105     | 591 |
| Natural Gas Liquids Extracted (MB/D) |         |         |         |         |     |         |         |         |         |     |
| Consolidated                         |         |         |         |         |     |         |         |         |         |     |
| United States                        | 54      | 24      | 28      | 23      | 32  | 23      | 21      | 23      | 22      | 22  |
| International                        | 47      | 33      | 49      | 49      | 45  | 53      | 44      | 5       | -       | 25  |
| Equity Affiliates                    |         |         |         |         |     |         |         |         |         |     |
| United States*                       | 109     | 112     | 111     | 113     | 111 | 110     | 112     | 171     | 172     | 142 |
| International                        | 6       | 5       | 6       | 7       | 6   | 6       | 6       | 6       | 6       | 6   |
| Total                                | 216     | 174     | 194     | 192     | 194 | 192     | 183     | 205     | 200     | 195 |

\* Represents 30.3 percent interest in Duke Energy Field Services, LLC (DEFS), through June 30, 2005, and 50 percent interest beginning in July 2005.

|   |     |     |     |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Natural Gas Liquids Fractionated (MB/D) |     |     |     |     |     |     |     |     |     |     |
| United States*                          | 158 | 144 | 145 | 140 | 147 | 149 | 131 | 123 | 127 | 132 |
| International                           | 63  | 43  | 62  | 62  | 58  | 64  | 55  | 15  | 10  | 36  |
| Total                                   | 221 | 187 | 207 | 202 | 205 | 213 | 186 | 138 | 137 | 168 |

\* Excludes DEFS.

| Product Prices                 |       |       |       |       |       |       |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Weighted Average NGL (\$/bbl)* |       |       |       |       |       |       |       |       |       |       |
| Consolidated                   | 25.68 | 26.42 | 31.03 | 34.40 | 29.38 | 31.95 | 32.49 | 39.60 | 42.70 | 36.68 |
| DEFS                           | 24.81 | 25.61 | 30.27 | 33.69 | 28.60 | 30.61 | 31.33 | 38.31 | 41.84 | 35.52 |

\* 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) | 13 | 9 | 11 | 10 | 43 | 9 | 8 | 7 | 8 | 32 |
|--------------------|----|---|----|----|----|---|---|---|---|----|

CHEMICALS

|                                 | 2004    |         |         |         |     | 2005    |         |         |         |     |
|---------------------------------|---------|---------|---------|---------|-----|---------|---------|---------|---------|-----|
|                                 | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD |
| Chemicals                       |         |         |         |         |     |         |         |         |         |     |
| Net Income (Loss) (\$ Millions) | 39      | 46      | 81      | 83      | 249 | 133     | 63      | 13      | 114     | 323 |

| Industry Margins (Cents/Lb)*           |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Ethylene industry cash margin          | 9.38  | 10.70 | 8.27  | 12.22 | 10.14 | 18.11 | 12.76 | 8.78  | 21.06 | 15.18 |
| HDPE industry contract sales margin    | 9.43  | 9.21  | 9.23  | 11.68 | 9.89  | 12.09 | 12.01 | 8.16  | 12.90 | 11.29 |
| Styrene industry contract sales margin | 13.06 | 13.33 | 13.73 | 13.40 | 13.38 | 13.91 | 13.63 | 12.44 | 12.31 | 13.07 |

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\* 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

|   | 2004    |         |         |         |       | 2005    |         |         |         |      |
|---|---------|---------|---------|---------|-------|---------|---------|---------|---------|------|
|   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD   | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD  |
| Emerging Businesses                       |         |         |         |         |       |         |         |         |         |      |
| Net Income (Loss) (\$ Millions)           | (22)    | (29)    | (27)    | (24)    | (102) | (8)     | (8)     | -       | (5)     | (21) |
| Detail of Net Income (Loss) (\$ Millions) |         |         |         |         |       |         |         |         |         |      |
| Technology Solutions                      | (4)     | (4)     | (3)     | (7)     | (18)  | (2)     | (4)     | (5)     | (5)     | (16) |
| Gas-to-Liquids                            | (9)     | (7)     | (9)     | (8)     | (33)  | (7)     | (7)     | (4)     | (5)     | (23) |
| Power                                     | (4)     | (16)    | (8)     | (3)     | (31)  | 2       | 9       | 17      | 15      | 43   |
| Other                                     | (5)     | (2)     | (7)     | (6)     | (20)  | (1)     | (6)     | (8)     | (10)    | (25) |
| Total                                     | (22)    | (29)    | (27)    | (24)    | (102) | (8)     | (8)     | -       | (5)     | (21) |

## CORPORATE AND OTHER

|   | 2004    |         |         |         |       | 2005    |         |         |         |       |
|---|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|
|   | 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)           | (177)   | (156)   | (214)   | (225)   | (772) | (195)   | (172)   | (246)   | (165)   | (778) |
| Detail of Net Income (Loss) (\$ Millions) |         |         |         |         |       |         |         |         |         |       |
| Net interest expense                      | (113)   | (143)   | (149)   | (109)   | (514) | (101)   | (84)    | (123)   | (114)   | (422) |
| Corporate overhead                        | (48)    | (52)    | (51)    | (61)    | (212) | (58)    | (46)    | (64)    | (15)    | (183) |
| Discontinued operations                   | 13      | 62      | (5)     | (48)    | 22    | (11)    | 7       | (4)     | (15)    | (23)  |
| Merger-related costs                      | (14)    | -       | -       | -       | (14)  | -       | -       | -       | -       | -     |
| Accounting change                         | -       | -       | -       | -       | -     | -       | -       | -       | -       | -     |
| Other                                     | (15)    | (23)    | (9)     | (7)     | (54)  | (25)    | (49)    | (55)    | (21)    | (150) |
| Total                                     | (177)   | (156)   | (214)   | (225)   | (772) | (195)   | (172)   | (246)   | (165)   | (778) |

|   |       |       |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Before-Tax Net Interest Expense (\$ Millions) |       |       |       |       |       |       |       |       |       |       |
| Interest expense                              | (260) | (263) | (222) | (231) | (976) | (226) | (219) | (223) | (224) | (892) |
| Capitalized interest                          | 115   | 104   | 121   | 90    | 430   | 88    | 91    | 102   | 114   | 395   |
| Interest revenue                              | 16    | 12    | 8     | 11    | 47    | 25    | 24    | 28    | 36    | 113   |
| Receivables monetization related              | (1)   | (1)   | 3     | 1     | 2     | (1)   | -     | -     | -     | (1)   |
| Premium on early debt retirement              | -     | -     | (58)  | -     | (58)  | (9)   | -     | (50)  | (51)  | (110) |
| Total   | (130) | (148) | (148) | (129) | (555) | (123) | (104) | (143) | (125) | (495) |

|                          |        |        |        |        |        |        |        |        |        |        |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Debt                     |        |        |        |        |        |        |        |        |        |        |
| Total Debt (\$ Millions) | 17,109 | 15,619 | 15,486 | 15,002 | 15,002 | 14,012 | 14,013 | 13,497 | 12,516 | 12,516 |
| Debt-to-Capital Ratio    | 32%    | 29%    | 28%    | 26%    | 26%    | 23%    | 22%    | 21%    | 19%    | 19%    |