

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): **July 23, 2008**

ConocoPhillips

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-32395
(Commission
File Number)

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

600 North Dairy Ashford
Houston, Texas 77079

(Address of principal executive offices and zip code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On July 23, 2008, ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended June 30, 2008. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference. Additional financial and operating information about the quarter is furnished as Exhibit 99.2 hereto and incorporated herein by reference.

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

- Earnings adjusted for the Venezuela impairment.
- Diluted earnings per share adjusted for the Venezuela impairment.
- E&P earnings adjusted for the Venezuela impairment.
- Effective tax rate adjusted for the Venezuela impairment.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1	—	Press release issued by ConocoPhillips on July 23, 2008.
99.2	—	Supplemental financial information.

SIGNATURES

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

CONOCOPHILLIPS

/s/ Rand C. Berney

Rand C. Berney

Vice President and Controller

July 23, 2008

EXHIBIT INDEX

**Exhibit
No.**

Description

- | | |
|------|--|
| 99.1 | Press release issued by ConocoPhillips on July 23, 2008. |
| 99.2 | Supplemental financial information. |

ConocoPhillips Reports Second-Quarter Net Income of \$5.4 Billion or \$3.50 Per Share

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

Earnings at a glance

	Second Quarter		Six Months	
	2008	2007	2008	2007
Net income	\$5,439 million	301 million	\$9,578 million	3,847 million
Diluted income per share	\$3.50	0.18	\$6.11	2.31
Earnings adjusted for the second-quarter 2007 Venezuela impairment	\$5,439 million	4,813 million	\$9,578 million	8,359 million
Diluted earnings per share adjusted for the second-quarter 2007 Venezuela impairment	\$3.50	2.90	\$6.11	5.02
Revenues	\$71.4 billion	47.4 billion	\$126.3 billion	88.7 billion

ConocoPhillips (NYSE:COP) today reported second-quarter net income of \$5,439 million, or \$3.50 per share. This compared with \$301 million, or \$0.18 per share, for the same quarter in 2007, which included a \$4,512 million impairment associated with the company's Venezuelan operations. Second-quarter 2007 earnings adjusted for the Venezuela impairment were \$4,813 million, or \$2.90 per share. Revenues were \$71.4 billion, versus \$47.4 billion a year ago.

"During the second quarter, we produced 2.2 million BOE per day, including an estimated 0.4 million BOE per day from our LUKOIL Investment segment," said Jim Mulva, chairman and chief executive officer. "In the downstream business, our worldwide refining crude oil capacity utilization rate improved to 93 percent.

"We generated \$5.4 billion of cash from operations during the quarter, and this enabled us to repurchase \$2.5 billion of ConocoPhillips common stock, fund \$3.6 billion of our capital program, and pay \$0.7 billion in dividends. We ended the quarter with debt of \$21.9 billion and a debt-to-capital ratio of 19 percent."

The results for ConocoPhillips' business segments follow.

Exploration and Production (E&P)

Second-quarter financial results: E&P second-quarter net income was \$3,999 million, compared with net income of \$2,887 million in the previous quarter and a net loss of \$2,404 million in the second quarter of 2007. Second-quarter 2007 earnings adjusted for the Venezuela impairment were \$2,108 million.

The increase from the first quarter of 2008 was primarily due to higher commodity prices, partially offset by higher production taxes and increased operating costs. The increase from the second-quarter 2007 adjusted earnings was primarily due to higher commodity prices, partially offset by higher production taxes, lower volumes, and increased operating costs.

Daily production from the E&P segment, including Canadian Syncrude, averaged 1.75 million barrels of oil equivalent (BOE) per day, a decrease from 1.79 million BOE per day in the previous quarter and 1.91 million BOE per day in the second quarter of 2007. The decrease from the previous quarter was primarily due to downtime associated with planned and unplanned maintenance activities, mainly in the United Kingdom, Norway, Alaska and Canada. This decrease was partially offset by a net increase in production in the U.S. Lower 48, as higher natural gas production in the San Juan Basin was partly offset by planned maintenance in the region.

The decrease from the second quarter of 2007 was primarily due to the expropriation of the company's Venezuelan oil projects, as well as normal field decline. This decrease was partially offset by production from new developments, mainly in Indonesia, Norway, the United Kingdom, the U.S. Lower 48 and Canada.

Before-tax exploration expenses were \$288 million in the second quarter of 2008, compared with \$309 million in the previous quarter and \$259 million in the second quarter of 2007.

Six-month financial results: E&P net income for the first six months of 2008 was \$6,886 million, compared with a net loss of \$75 million during the first six months of 2007. Six-month 2007 earnings adjusted for the Venezuela impairment were \$4,437 million. The increase from the six-month 2007 adjusted earnings was primarily due to higher commodity prices, partially offset by higher production taxes, lower volumes, increased operating costs, and a lower net benefit from asset rationalization efforts.

Midstream

Second-quarter financial results: Midstream second-quarter net income was \$162 million, up from \$137 million in the previous quarter and \$102 million in the second quarter of 2007. The increases from the previous quarter and the second quarter of 2007 were primarily due to higher realized natural gas liquids prices.

Six-month financial results: Midstream net income for the first six months of 2008 was \$299 million, up from \$187 million in 2007. The increase was primarily due to higher realized natural gas liquids prices.

Refining and Marketing (R&M)

Second-quarter financial results: R&M net income was \$664 million in the second quarter, up from \$520 million in the previous quarter and down from \$2,358 million in the second quarter of 2007.

The increase in net income from the previous quarter was primarily due to higher worldwide realized refining margins and improved refining operations in the U.S. Gulf Coast and the United Kingdom. Although global refining margins improved by nearly 50 percent versus the previous quarter, the company's realized refining margins increased by 24 percent. The lower market capture was primarily due to secondary product prices, which have not kept pace with crude oil prices. Secondary products, such as fuel oil, natural gas liquids, and petroleum coke, comprised approximately 20 percent of ConocoPhillips' overall refined product output during the quarter. In addition, international realized refining margins were impacted in the second quarter by a temporary inventory build. The improvement in global realized margins was partially offset by a lower net benefit from asset rationalization efforts, as well as higher turnaround and utility costs. The decrease in net income from the second quarter of 2007 was primarily due to significantly lower U.S. refining and marketing margins, a lower net benefit from the company's asset rationalization efforts, and higher turnaround and utility costs.

The domestic refining crude oil capacity utilization rate for the second quarter was 94 percent, a 4 percent increase from the previous quarter. The increase was primarily due to improved refining operations in the U.S. Gulf Coast. The international crude oil capacity utilization rate was 88 percent, up from 86 percent in the previous quarter. However, weak hydro-skimming margins continued to impact crude oil capacity utilization at ConocoPhillips' Wilhelmshaven, Germany, refinery.

Worldwide, R&M's refining crude oil capacity utilization rate was 93 percent, up from 89 percent the previous quarter and the same as the second quarter of 2007. Before-tax turnaround costs were \$170 million in the second quarter of 2008, up from \$90 million in the previous quarter and \$58 million in the second quarter of 2007.

Six-month financial results: R&M net income for the first six months of 2008 was \$1,184 million, down from \$3,494 million in 2007. The decrease was primarily due to significantly lower U.S. refining and marketing margins, as well as a reduced net benefit from the company's asset rationalization efforts, and higher turnaround and utility costs.

LUKOIL Investment

Second-quarter financial results: LUKOIL Investment segment net income for second quarter was \$774 million, up from \$710 million in the previous quarter and \$526 million in the second quarter of 2007. The results include ConocoPhillips' estimate of its equity share of OAO LUKOIL's (LUKOIL) income for the second quarter based on market indicators and LUKOIL's publicly available operating results. The increase in net income from the previous quarter was primarily due to higher estimated realized prices, partially offset by higher estimated taxes and operating costs, estimated downstream volume impacts, and a net \$104 million negative impact from the alignment of estimated net income to LUKOIL's reported results. The increase in net income from the second quarter of 2007 was primarily due to higher estimated realized prices, partially offset by higher estimated taxes and operating costs, as well as the net impact from the alignment of estimated net income to LUKOIL's reported results.

For the second quarter of 2008, ConocoPhillips estimated its equity share of LUKOIL production was 448,000 BOE per day and its share of LUKOIL daily refining crude oil throughput was 215,000 barrels per day (BPD).

Six-month financial results: Net income for the first six months of 2008 was \$1,484 million, up from \$782 million in 2007. The increase was primarily due to higher estimated realized prices, partially offset by higher estimated taxes and operating costs.

Chemicals

Second-quarter financial results: Chemicals net income was \$18 million in the second quarter, down from \$52 million in the previous quarter and \$68 million in the second quarter of 2007. The decrease from the previous quarter was primarily due to higher utility and turnaround costs. The decrease from the second quarter of 2007 was due to lower benzene and polyethylene margins as the result of significant increases in feedstock costs, as well as higher utility and turnaround costs. This decrease was partially offset by an asset retirement recorded in the second quarter of 2007.

Six-month financial results: Net income for the first six months of 2008 was \$70 million, down from \$150 million in 2007. The decrease was due to lower benzene and polyethylene margins as the result of significant increases in feedstock costs, as well as higher utility and turnaround costs. This decrease was partially offset by the asset retirement in 2007.

Emerging Businesses

Emerging Businesses segment net income was \$8 million in the second quarter, down from \$12 million in the previous quarter and up from a net loss of \$12 million in the second quarter of 2007. The decrease from the previous quarter was primarily due to lower domestic power generation results. The increase from the second quarter of 2007 was primarily due to higher international power generation results.

Corporate and Other

Second-quarter Corporate expenses were \$186 million after-tax, up from \$179 million in the previous quarter and down from \$337 million in the second quarter of 2007. The increase from the previous quarter was primarily due to lower interest income and higher benefit-related charges, partially offset by favorable foreign exchange impacts. The decrease from the second quarter of 2007 was primarily due to lower net interest expense and favorable foreign exchange impacts. The number of weighted-average diluted shares outstanding during the second quarter was 1,555 million.

The company's effective tax rate for the quarter was 44 percent. This compared with 45 percent in the previous quarter and 91 percent in the second quarter of 2007. Adjusted for the Venezuela impairment, the effective tax rate for the second quarter of 2007 was 41 percent.

Outlook

Mr. Mulva concluded:

“We recently signed an interim agreement with Abu Dhabi National Oil Company (ADNOC) to develop the Shah gas field in Abu Dhabi. The project will include the construction of a new 1 billion-cubic-feet-per-day natural gas processing plant at Shah, new natural gas and liquid pipelines, and sulfur-exporting facilities at Ruwais, United Arab Emirates.

“Elsewhere in the region, we approved the continued funding for the development of the Yanbu Export Refinery Project. Together with the Saudi Arabian Oil Company (Saudi Aramco), we expect to construct a grassroots, 400,000 BPD, full-conversion refinery in Yanbu Industrial City in The Kingdom of Saudi Arabia.

“We are pleased to be working with both ADNOC and Saudi Aramco on world-class projects that will help meet the growing demand for energy around the globe.

“ConocoPhillips also recently signed a Memorandum of Understanding with Petrobras, the leading Brazilian energy company. Through this agreement, we hope to identify opportunities to work together in oil and gas exploration, production, refining, marketing and transportation projects, as well as sugar-based ethanol production, transportation and marketing projects based on mutual interest and economic feasibility.

“In North America, through our joint ventures with TransCanada, we plan to expand the Keystone crude oil pipeline system and provide additional capacity of 500,000 BPD from Western Canada to the U.S. Gulf Coast. When completed in 2012, this expansion will increase the capacity of the Keystone pipeline system to approximately 1.1 million BPD.

“Looking ahead to the third quarter, we anticipate the company’s E&P segment production will be similar to the second quarter. We expect full-year 2008 production will be consistent with our operating plan. We anticipate exploration expenses to be approximately \$375 million for the quarter.

“In our downstream refining business, we expect continued negative impacts on market capture due to secondary product margins. We anticipate our U.S. crude oil capacity utilization will be similar to the second quarter. In international refining, utilization at our Wilhelmshaven refinery will continue to be impacted by hydro-skimming margins. Turnaround costs are expected to be approximately \$100 million before-tax for the third quarter.

“Lastly, we anticipate share repurchases will be between \$2 billion and \$3 billion for the third quarter, which is in line with our \$10 billion authorized share repurchase program for 2008.”

ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, the company had approximately 33,100 employees, \$190 billion of assets, and \$253 billion of annualized revenues as of June 30, 2008. For more information, go to www.conocophillips.com.

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

To listen to the conference call and to view related presentation materials, go to www.conocophillips.com and click on the "Investor Information" link.

For detailed supplemental information, go to www.conocophillips.com/investor/financial_reports/earnings_reports

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

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that such expectation or belief will result or be achieved. The actual results of operations can and will be affected by a variety of risks and other matters including, but not limited to, crude oil and natural gas prices; refining and marketing margins; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects due to operating hazards, drilling risks, and the inherent uncertainties in interpreting engineering data relating to underground accumulations of oil and gas; unsuccessful exploratory activities; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying company manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation; general domestic and international economic and political conditions, as well as changes in tax, environmental and other laws applicable to our business. Other factors that could cause actual results to differ materially from those described in the forward-looking statements include other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission (SEC). Unless legally required, ConocoPhillips undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors -- *The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Production is distinguished from oil and gas production because SEC regulations define Syncrude as mining-related and not part of conventional oil and natural gas reserves. The company uses certain terms in this release, such as "including Canadian Syncrude," and "resources" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosures in the company's periodic filings with the SEC, available from the company at 600 North Dairy Ashford Road, Houston, Texas 77079 and the company's Web site at www.conocophillips.com/investor/sec. This information also can be obtained from the SEC by calling 1-800-SEC-0330.*

CONTACT:

ConocoPhillips

Becky Johnson, 281-293-6743 (media)

or

Gary Russell, 212-207-1996 (investors)

CONSOLIDATED INCOME STATEMENT

	Millions of Dollars									
	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Revenues and Other Income										
Sales and other operating revenues*	41,320	47,370	46,062	52,685	187,437	54,883	71,411			126,294
Equity in earnings of affiliates	929	1,506	1,314	1,338	5,087	1,359	1,812			3,171
Other income	618	521	557	275	1,971	310	130			440
	42,867	49,397	47,933	54,298	194,495	56,552	73,353			129,905
Costs and Expenses										
Purchased crude oil, natural gas and products	26,715	30,820	30,862	35,032	123,429	37,820	51,214			89,034
Production and operating expenses	2,492	2,557	2,620	3,014	10,683	2,691	3,111			5,802
Selling, general and administrative expenses	527	604	569	606	2,306	526	629			1,155
Exploration expenses	262	259	218	268	1,007	309	288			597
Depreciation, depletion and amortization	2,024	2,016	2,052	2,206	8,298	2,209	2,178			4,387
Impairments-expropriated assets	-	4,588	-	-	4,588	-	-			-
Impairments	(1)	98	188	157	442	6	19			25
Taxes other than income taxes*	4,374	4,697	4,583	5,336	18,990	5,155	5,796			10,951
Accretion on discounted liabilities	79	81	81	100	341	104	96			200
Interest and debt expense	307	319	391	236	1,253	207	210			417
Foreign currency transaction (gains) losses	1	(179)	(20)	(3)	(201)	(43)	-			(43)
Minority interests	21	19	25	22	87	19	17			36
	36,801	45,879	41,569	46,974	171,223	49,003	63,558			112,561
Income before income taxes	6,066	3,518	6,364	7,324	23,272	7,549	9,795			17,344
Provision for income taxes	2,520	3,217	2,691	2,953	11,381	3,410	4,356			7,766
Net Income	3,546	301	3,673	4,371	11,891	4,139	5,439			9,578
* Includes excise taxes on petroleum products sales:	3,841	4,069	3,954	4,073	15,937	3,857	4,091			7,948
Net income per share of common stock (dollars)										
Basic	2.15	0.18	2.26	2.75	7.32	2.65	3.54			6.18
Diluted	2.12	0.18	2.23	2.71	7.22	2.62	3.50			6.11
Average common shares outstanding (in thousands)										
Basic	1,647,352	1,635,848	1,622,456	1,590,957	1,623,994	1,562,198	1,534,975			1,548,587
Diluted	1,668,847	1,657,999	1,644,267	1,612,179	1,645,919	1,582,025	1,555,447			1,568,867

SUMMARY OF INCOME (LOSS) BY SEGMENT

	Millions of Dollars									
	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Net Income (Loss)										
U.S. E&P	916	1,055	1,225	1,052	4,248	1,349	1,852			3,201
International E&P	1,413	(3,459)	857	1,556	367	1,538	2,147			3,685
Total E&P	2,329	(2,404)	2,082	2,608	4,615	2,887	3,999			6,886
Midstream	85	102	104	162	453	137	162			299
U.S. R&M	896	1,879	873	967	4,615	435	587			1,022
International R&M	240	479	434	155	1,308	85	77			162
Total R&M	1,136	2,358	1,307	1,122	5,923	520	664			1,184
LUKOIL Investment	256	526	387	649	1,818	710	774			1,484
Chemicals	82	68	110	99	359	52	18			70
Emerging Businesses	(1)	(12)	3	2	(8)	12	8			20
Corporate and Other	(341)	(337)	(320)	(271)	(1,269)	(179)	(186)			(365)
Consolidated	3,546	301	3,673	4,371	11,891	4,139	5,439			9,578

SUMMARY OF INCOME (LOSS) BY SEGMENT (continued)

	Millions of Dollars									
	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Income Before Income Taxes										
U.S. E&P	1,425	1,627	1,867	1,560	6,479	2,094	2,848			4,942
International E&P	2,894	(1,976)	2,357	3,464	6,739	3,822	5,211			9,033
Total E&P	4,319	(349)	4,224	5,024	13,218	5,916	8,059			13,975
Midstream	132	156	157	245	690	206	243			449
U.S. R&M	1,400	2,891	1,369	1,526	7,186	717	938			1,655
International R&M	218	633	403	167	1,421	101	32			133
Total R&M	1,618	3,524	1,772	1,693	8,607	818	970			1,788
LUKOIL Investment	262	542	396	663	1,863	729	795			1,524
Chemicals	107	80	140	20	347	54	-			54
Emerging Businesses	(3)	(20)	(17)	(2)	(42)	15	17			32
Corporate and Other	(369)	(415)	(308)	(319)	(1,411)	(189)	(289)			(478)
Consolidated	6,066	3,518	6,364	7,324	23,272	7,549	9,795			17,344
Effective Tax Rates										
U.S. E&P	35.7%	35.2%	34.4%	32.6%	34.4%	35.6%	35.0%			35.2%
International E&P	51.2%	-	63.6%	55.1%	94.6%	59.8%	58.8%			59.2%
Total E&P	46.1%	-588.8%	50.7%	48.1%	65.1%	51.2%	50.4%			50.7%
Midstream	35.6%	34.6%	33.8%	33.9%	34.3%	33.5%	33.3%			33.4%
U.S. R&M	36.0%	35.0%	36.2%	36.6%	35.8%	39.3%	37.4%			38.2%
International R&M	-10.1%	24.3%	-7.7%	7.2%	8.0%	15.8%	-140.6%			-21.8%
Total R&M	29.8%	33.1%	26.2%	33.7%	31.2%	36.4%	31.5%			33.8%
LUKOIL Investment	2.3%	3.0%	2.3%	2.1%	2.4%	2.6%	2.6%			2.6%
Chemicals	23.4%	15.0%	21.4%	-	-3.5%	3.7%	-			-29.6%
Emerging Businesses	66.7%	40.0%	-	-	81.0%	20.0%	52.9%			37.5%
Corporate and Other	7.6%	18.8%	-3.9%	15.0%	10.1%	5.3%	35.6%			23.6%
Consolidated	41.5%	91.4%	42.3%	40.3%	48.9%	45.2%	44.4%			44.8%

CERTAIN ITEMS INCLUDED IN NET INCOME (AFTER-TAX)

Millions of Dollars

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P										
Gain on asset sales	36	11	-	25	72	4	12	-	-	16
FERC Rulings	-	-	94	-	94	-	-	-	-	-
Impairments	-	-	-	(45)	(45)	-	-	-	-	-
Business interruption insurance claims recovery	-	-	-	13	13	-	-	-	-	-
Total	36	11	94	(7)	134	4	12	-	-	16
International E&P										
Gain (loss) on asset sales	407	(82)	164	147	636	8	-	-	-	8
International tax law changes	38	-	-	171	209	-	-	-	-	-
Impairment - expropriated assets	-	(4,512)	-	-	(4,512)	-	-	-	-	-
Impairments	(88)	(33)	(32)	(75)	(228)	-	-	-	-	-
Pending claims and settlements	-	-	-	28	28	-	-	-	-	-
Total	357	(4,627)	132	271	(3,867)	8	-	-	-	8
Total E&P	393	(4,616)	226	264	(3,733)	12	12	-	-	24
Midstream										
Total	-	-	-	-	-	-	-	-	-	-
U.S. R&M										
Gain on asset sales	-	-	2	14	16	116	8	-	-	124
Impairments	(13)	-	3	(2)	(12)	(3)	(10)	-	-	(13)
Business interruption insurance claims recovery	-	-	-	10	10	-	-	-	-	-
Total	(13)	-	5	22	14	113	(2)	-	-	111
International R&M										
Gain on asset sales	-	163	158	2	323	-	1	-	-	1
Impairments	148	(5)	(30)	11	124	-	-	-	-	-
Germany tax rate change	-	-	141	-	141	-	-	-	-	-
Total	148	158	269	13	588	-	1	-	-	1
Total R&M	135	158	275	35	603	113	(1)	-	-	112
LUKOIL Investment										
Total	-	-	-	-	-	-	-	-	-	-
Chemicals										
Asset retirements recorded by CPChem	-	(21)	-	-	(21)	-	-	-	-	-
Tax benefit on capital loss	-	-	-	65	65	-	-	-	-	-
Total	-	(21)	-	65	44	-	-	-	-	-
Emerging Businesses										
Total	-	-	-	-	-	-	-	-	-	-
Corporate and Other										
Acquisition-related expenses	(13)	(16)	(11)	(4)	(44)	-	-	-	-	-
FERC Rulings	-	-	(14)	-	(14)	-	-	-	-	-
Premium on early debt retirement	(14)	-	-	-	(14)	-	-	-	-	-
Pending claims and settlements	-	-	-	-	-	35	-	-	-	35
Canada tax law change	-	-	-	15	15	-	-	-	-	-
Total	(27)	(16)	(25)	11	(57)	35	-	-	-	35
Total Company	501	(4,495)	475	375	(3,143)	160	11	-	-	171

CASH FLOW INFORMATION

Millions of Dollars

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Cash Flows from Operating Activities										
Net income	3,546	301	3,673	4,371	11,891	4,139	5,439			9,578
Depreciation, depletion and amortization	2,024	2,016	2,052	2,206	8,298	2,209	2,178			4,387
Impairment - expropriated assets	-	4,588	-	-	4,588	-	-			-
Impairments	(1)	98	188	157	442	6	19			25
Dry hole costs and leasehold impairments	148	133	74	108	463	154	127			281
Accretion on discounted liabilities	79	81	81	100	341	104	96			200
Deferred income taxes	77	103	(125)	(212)	(157)	(17)	28			11
Undistributed equity earnings	(557)	(678)	(237)	(351)	(1,823)	(987)	(1,001)			(1,988)
Net gain on asset dispositions	(499)	(428)	(389)	(32)	(1,348)	(181)	(32)			(213)
Other	(94)	182	(60)	77	105	(164)	83			(81)
Net working capital changes	2,150	(1,630)	734	496	1,750	1,324	(1,503)			(179)
Net Cash Provided by Operating Activities	6,873	4,766	5,991	6,920	24,550	6,587	5,434			12,021
Cash Flows from Investing Activities										
Capital expenditures & investments	(2,847)	(2,500)	(2,560)	(3,884)	(11,791)	(3,322)	(3,398)			(6,720)
Proceeds from asset dispositions	1,343	872	842	515	3,572	370	71			441
Long-term advances to/collections from affiliates and other investments	(144)	(97)	(118)	16	(343)	(60)	(83)			(143)
Net Cash Used for Investing Activities	(1,648)	(1,725)	(1,836)	(3,353)	(8,562)	(3,012)	(3,410)			(6,422)
Cash Flows from Financing Activities										
Net issuance (repayment) of debt	(3,491)	(865)	(961)	(202)	(5,519)	(202)	426			224
Issuance of stock	40	141	70	34	285	7	178			185
Repurchase of stock	(1,000)	(1,000)	(2,501)	(2,500)	(7,001)	(2,496)	(2,512)			(5,008)
Dividends	(674)	(668)	(667)	(652)	(2,661)	(730)	(719)			(1,449)
Other	(49)	(104)	(136)	(155)	(444)	(196)	(44)			(240)
Net Cash Used for Financing Activities	(5,174)	(2,496)	(4,195)	(3,475)	(15,340)	(3,617)	(2,671)			(6,288)
Effect of Exchange Rate Changes	(8)	6	8	(15)	(9)	9	11			20
Net Change in Cash and Cash Equivalents	43	551	(32)	77	639	(33)	(636)			(669)
Cash and cash equivalents at beginning of period	817	860	1,411	1,379	817	1,456	1,423			1,456
Cash and Cash Equivalents at End of Period	860	1,411	1,379	1,456	1,456	1,423	787			787

Millions of Dollars

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Capital Program										
E&P										
Capital expenditures and investments	2,570	2,148	2,177	3,040	9,935	2,818	2,806			5,624
Loans and advances	157	111	122	238	628	67	85			152
Joint venture acquisition obligation--principal	-	140	142	143	425	145	148			293
E&P total	2,727	2,399	2,441	3,421	10,988	3,030	3,039			6,069
Midstream*	-	2	-	3	5	-	-			-
R&M										
Capital expenditures and investments	205	271	276	634	1,386	363	510			873
Loans and advances	17	37	-	-	54	-	2			2
R&M total	222	308	276	634	1,440	363	512			875
LUKOIL Investment*	-	-	-	-	-	-	-			-
Chemicals*	-	-	-	-	-	-	-			-
Emerging Businesses*	31	34	62	130	257	61	51			112
Corporate and Other*	41	45	45	77	208	80	31			111
Total Capital Program	3,021	2,788	2,824	4,265	12,898	3,534	3,633			7,167

* Capital expenditures and investments only.

TOTAL E&P

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
E&P Net Income (Loss) (\$ Millions)	2,329	(2,404)	2,082	2,608	4,615	2,887	3,999			6,886
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	2,020	1,910	1,759	1,835	1,880	1,794	1,750			1,772
<i>E&P segment plus LUKOIL Investment segment:</i>	2,465	2,383	2,191	2,261	2,324	2,253	2,198			2,226
Crude Oil and Condensate (MB/D)										
Consolidated	840	760	730	752	770	758	731			744
Equity affiliates	120	128	44	43	84	45	41			43
Total	960	888	774	795	854	803	772			787
Sales of crude oil produced (MB/D)	949	876	803	792	854	773	803			788
Natural Gas Liquids (MB/D)										
Consolidated	5,313	5,124	4,916	4,981	5,082	4,900	4,818			4,859
Equity affiliates	9	9	-	-	5	-	-			-
Total	5,322	5,133	4,916	4,981	5,087	4,900	4,818			4,859
Canadian Syncrude (MB/D)										
	23	21	27	23	23	20	19			20
Industry Prices (Platt's)										
Crude Oil (\$/bbl)										
WTI spot	57.99	64.89	75.48	90.66	72.25	97.94	123.98			110.96
Brent dated	57.76	68.76	74.87	88.69	72.52	96.90	121.38			109.14
Natural Gas (\$/mmbtu)										
Henry Hub -- First of Month	6.77	7.55	6.16	6.97	6.86	8.03	10.94			9.49
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated	55.17	64.55	73.01	86.28	69.47	94.71	119.24			107.27
Equity affiliates	40.02	47.74	44.60	52.45	45.31	62.78	93.20			76.86
Total	53.38	61.97	71.34	84.53	67.11	92.88	118.01			105.68
Natural Gas Liquids (\$/bbl)										
	38.56	44.80	48.09	54.82	47.13	60.14	68.42			64.40
Natural Gas (\$/mcf)										
Consolidated	6.36	6.45	5.56	6.66	6.26	8.03	9.87			8.94
Equity affiliates	0.29	0.30	-	-	0.30	-	-			-
Total	6.35	6.44	5.56	6.66	6.26	8.03	9.87			8.94
Exploration Charges (\$ Millions)										
Dry Holes	62	74	23	50	209	94	68			162
Lease Impairments	86	59	51	58	254	60	59			119
Total Non-Cash Charges	148	133	74	108	463	154	127			281
Other (G&G and Lease Rentals)	114	126	144	160	544	155	161			316
Total Exploration Charges	262	259	218	268	1,007	309	288			597
Depreciation, Depletion and Amortization (DD&A) (\$ Millions)										
	1,802	1,790	1,828	1,971	7,391	1,946	1,940			3,886
Foreign Currency Gains (Losses) After-Tax (\$ Millions)										
	17	152	13	34	216	(10)	2			(8)

U.S. E&P

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P Net Income (\$ Millions)	916	1,055	1,225	1,052	4,248	1,349	1,852			3,201
Alaska (\$ Millions)	507	535	765	448	2,255	603	700			1,303
Lower 48 (\$ Millions)	409	520	460	604	1,993	746	1,152			1,898
Production										
Total U.S. (MBOE/D)	855	848	821	847	843	783	787			786
Crude Oil and Condensate (MB/D)										
Alaska	276	267	241	257	261	254	244			249
Lower 48	104	105	103	98	102	97	95			96
Total	380	372	344	355	363	351	339			345
Sales of crude oil produced (MB/D)	372	370	380	340	365	344	353			348
Natural Gas Liquids (MB/D)*										
Alaska	22	18	15	19	19	19	17			18
Lower 48**	68	71	73	106	79	69	76			73
Total	90	89	88	125	98	88	93			91
*Includes reinjection volumes sold lease-to-lease:	16	15	11	13	14	13	11			12
Natural Gas (MMCF/D)										
Alaska	122	100	116	102	110	100	98			99
Lower 48	2,190	2,219	2,219	2,101	2,182	1,963	2,034			1,998
Total	2,312	2,319	2,335	2,203	2,292	2,063	2,132			2,097
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Alaska										
North Slope	48.83	56.31	66.54	81.17	62.91	89.07	112.23			100.93
West Coast	55.50	63.26	73.57	87.88	69.75	95.47	118.88			107.45
Lower 48	49.32	58.50	67.77	78.98	63.49	90.35	118.06			104.02
Total U.S.	53.78	61.91	72.00	85.31	68.00	94.02	118.66			106.51
Natural Gas Liquids (\$/bbl)										
Alaska	55.27	63.52	73.40	88.12	71.85	94.27	117.24			105.45
Lower 48***	36.46	43.29	46.37	48.88	44.43	55.33	62.27			58.97
Total U.S.	37.86	44.17	47.73	51.23	46.00	58.33	65.96			62.31
Natural Gas (\$/mcf)										
Alaska	4.19	4.04	2.15	4.12	3.68	4.31	3.81			4.10
Lower 48	6.21	6.51	5.38	5.88	5.99	7.67	9.74			8.72
Total U.S.	6.19	6.49	5.36	5.86	5.98	7.63	9.69			8.67
Kenai, Alaska LNG Sales										
Volume (MMCF/D)	104	72	88	78	85	63	72			67
Sales price per MCF	5.83	5.86	6.01	7.28	6.21	6.72	7.15			6.95
U.S. Exploration Charges (\$ Millions)										
Dry Holes	13	36	19	14	82	25	20			45
Lease Impairments	43	43	43	40	169	42	40			82
Total Non-Cash Charges	56	79	62	54	251	67	60			127
Other (G&G and Lease Rentals)	26	40	57	50	173	39	50			89
Total U.S. Exploration Charges	82	119	119	104	424	106	110			216
Alaska Only	17	32	31	26	106	11	25			36
DD&A (\$ Millions)										
Alaska	168	167	165	167	667	149	163			312
Lower 48	618	661	667	642	2,588	616	613			1,229
Total U.S.	786	828	832	809	3,255	765	776			1,541

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

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

INTERNATIONAL E&P

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
International E&P										
Net Income (Loss) (\$ Millions)	1,413	(3,459)	857	1,556	367	1,538	2,147			3,685
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	1,165	1,062	938	988	1,037	1,011	963			986
Crude Oil and Condensate (MB/D)										
Consolidated										
Norway	179	145	166	158	162	153	145			150
United Kingdom	55	48	37	50	48	48	49			48
Canada	21	19	17	21	19	23	24			23
China	38	32	29	25	31	33	32			32
Indonesia	13	13	11	11	12	16	15			15
Vietnam	23	22	22	22	22	20	18			19
Timor Sea	24	26	21	19	22	23	21			22
Libya	45	47	48	47	47	47	48			48
Other	62	36	35	44	44	44	40			42
Equity affiliates										
Canada	23	28	29	27	27	29	25			27
Russia	15	15	15	16	15	16	16			16
Venezuela	82	85	-	-	42	-	-			-
Total	580	516	430	440	491	452	433			442
Sales of crude oil produced (MB/D)	577	506	423	452	489	429	450			440
Natural Gas Liquids (MB/D)										
Norway	8	5	7	12	8	13	11			12
United Kingdom	6	6	4	8	6	10	8			9
Canada	31	28	26	25	27	26	25			26
Timor Sea	12	14	11	12	12	15	14			14
Other	3	3	3	5	4	2	5			3
Total	60	56	51	62	57	66	63			64
Natural Gas (MMCF/D)										
Consolidated										
Norway	247	202	226	270	236	273	205			239
United Kingdom	785	668	519	723	673	695	623			659
Canada	1,152	1,133	1,069	1,073	1,106	1,101	1,055			1,078
China	11	12	13	8	11	10	9			10
Timor Sea	243	250	194	207	223	246	231			239
Indonesia	331	329	349	310	330	314	360			337
Vietnam	15	12	19	14	15	16	16			16
Libya	5	9	9	9	8	9	9			9
Other	212	190	183	164	188	173	178			175
Equity affiliates										
Canada	-	-	-	-	-	-	-			-
Russia	-	-	-	-	-	-	-			-
Venezuela	9	9	-	-	5	-	-			-
Total	3,010	2,814	2,581	2,778	2,795	2,837	2,686			2,762
Canadian Syncrude (MB/D)	23	21	27	23	23	20	19			20
Darwin, Australia LNG Sales (MMCF/D)	388	449	347	348	383	417	396			407

INTERNATIONAL E&P (continued)

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated										
Norway	57.36	67.50	75.54	88.75	72.04	97.27	122.34			109.98
United Kingdom	55.52	66.99	72.98	86.26	71.01	93.96	118.79			108.44
Canada	48.70	58.42	67.75	73.08	61.77	84.49	108.43			96.58
China	54.93	66.39	71.79	85.51	67.69	93.69	120.63			107.21
Indonesia	54.66	65.46	72.46	89.26	69.99	92.48	109.83			101.06
Vietnam	57.88	67.03	75.14	89.64	72.54	98.31	126.11			111.30
Timor Sea	59.15	73.51	71.20	83.95	71.50	93.85	114.20			102.47
Libya	56.19	67.39	73.88	88.11	72.02	95.21	120.86			109.72
Other	55.73	67.71	74.48	87.54	69.76	97.56	119.35			108.94
Equity affiliates										
Canada	32.46	32.46	38.48	46.90	37.94	57.95	96.78			76.77
Russia	37.92	50.25	55.84	63.05	52.29	70.41	86.00			77.03
Venezuela	42.54	51.54	-	-	47.46	-	-			-
Total	53.12	62.02	70.75	83.94	66.44	91.96	117.49			105.02
Natural Gas Liquids (\$/bbl)										
Norway	38.82	45.72	46.77	56.25	48.36	54.48	59.19			56.80
United Kingdom	34.93	39.34	36.91	52.79	41.78	55.88	66.90			62.07
Canada	41.15	46.82	51.77	66.27	50.85	68.84	83.57			76.06
Timor Sea	44.13	49.43	48.71	72.60	52.63	69.79	74.03			71.75
Other	8.32	29.42	34.00	42.30	31.17	13.83	43.22			32.88
Total	39.38	45.64	48.63	61.56	48.80	62.20	71.40			66.86
Natural Gas (\$/mcf)										
Consolidated										
Norway	7.00	7.10	7.51	9.08	7.74	10.27	11.75			10.92
United Kingdom	8.14	7.23	6.69	9.19	7.92	9.20	10.48			9.81
Canada	6.38	6.60	5.13	6.20	6.09	7.81	10.19			8.97
China	2.64	2.74	2.78	3.37	2.85	3.60	3.69			3.64
Timor Sea	0.76	0.68	0.66	0.74	0.71	0.79	0.90			0.85
Indonesia	6.04	6.99	7.78	8.51	7.31	10.33	12.14			11.29
Vietnam	1.10	1.09	1.12	1.13	1.11	1.14	1.12			1.13
Libya	0.07	0.09	0.09	0.09	0.09	0.09	0.09			0.09
Other	2.71	2.53	2.41	3.43	2.75	3.79	3.99			3.89
Equity affiliates										
Canada	-	-	-	-	-	-	-			-
Russia	-	-	-	-	-	-	-			-
Venezuela	0.29	0.30	-	-	0.30	-	-			-
Total	6.47	6.40	5.75	7.31	6.50	8.32	10.02			9.15
International Exploration Charges (\$ Millions)										
Dry Holes	49	38	4	36	127	69	48			117
Lease Impairments	43	16	8	18	85	18	19			37
Total Non-Cash Charges	92	54	12	54	212	87	67			154
Other (G&G and Lease Rentals)	88	86	87	110	371	116	111			227
Total International Exploration Charges	180	140	99	164	583	203	178			381
DD&A (\$ Millions)	1,016	962	996	1,162	4,136	1,181	1,164			2,345

R&M

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
R&M Net Income (\$ Millions)	1,136	2,358	1,307	1,122	5,923	520	664			1,184
United States (\$ Millions)	896	1,879	873	967	4,615	435	587			1,022
International (\$ Millions)	240	479	434	155	1,308	85	77			162
Market Indicators										
U.S. East Coast Crack Spread (\$/bbl)	11.81	22.57	11.73	8.47	13.64	7.79	10.93			9.36
U.S. Gulf Coast Crack Spread (\$/bbl)	10.06	24.28	11.74	6.55	13.16	7.90	12.11			10.00
U.S. Group Central Crack Spread (\$/bbl)	14.84	31.26	20.92	9.37	19.10	10.26	13.47			11.87
U.S. West Coast Crack Spread (\$/bbl)	28.68	34.32	16.22	16.58	23.95	15.37	21.91			18.64
U.S. Weighted 3:2:1 Crack Spread (\$/bbl)	15.30	27.56	14.74	9.65	16.81	9.94	14.19			12.07
NW Europe Crack Spread (\$/bbl)	12.06	15.56	13.37	15.55	14.14	16.09	25.78			20.94
Singapore 3:1:2 Crack Spread (\$/bbl)	14.06	17.94	14.80	17.13	15.98	19.90	29.35			24.63
U.S. Wholesale Gasoline Mktg Mrgn (\$/bbl)	1.15	2.09	0.65	(0.43)	0.87	1.07	0.37			0.72
Realized Margins										
Refining Margin (\$/bbl)										
U.S.	11.87	19.59	10.86	11.56	13.41	8.00	10.29			9.18
International	5.06	9.68	6.05	6.72	6.92	6.42	6.70			6.56
Marketing Margin (\$/bbl)*										
U.S.	1.31	2.36	2.20	1.43	1.83	1.18	1.23			1.20
International	7.08	7.68	9.49	7.69	7.92	7.74	9.05			8.41
DD&A (\$ Millions)	191	196	194	203	784	208	206			414
Foreign Currency Gains (Losses) After-Tax (\$ Millions)	-	(2)	-	(11)	(13)	38	(13)			25
Turnaround Expense (\$ Millions)	75	58	27	80	240	90	170			260
Eastern U.S.										
Crude Oil Charge Input (MB/D)	411	404	383	412	402	340	405			373
Total Charge Input (MB/D)	460	447	414	453	443	400	441			421
Crude Oil Capacity Utilization (%)	97%	96%	91%	97%	95%	80%	96%			88%
Clean Product Yield (%)	89%	86%	86%	90%	88%	89%	87%			88%
U.S. Gulf Coast										
Crude Oil Charge Input (MB/D)	744	709	736	712	726	659	720			689
Total Charge Input (MB/D)	823	790	829	794	810	732	810			771
Crude Oil Capacity Utilization (%)	102%	97%	100%	97%	99%	90%	98%			94%
Clean Product Yield (%)	81%	81%	80%	82%	81%	81%	76%			79%
Western U.S.										
Crude Oil Charge Input (MB/D)	333	388	415	395	383	405	343			374
Total Charge Input (MB/D)	375	420	445	433	418	425	396			410
Crude Oil Capacity Utilization (%)	81%	94%	100%	95%	92%	97%	82%			90%
Clean Product Yield (%)	79%	79%	80%	80%	80%	80%	78%			79%
Central U.S. - Consolidated										
Crude Oil Charge Input (MB/D)	185	170	166	175	174	177	182			179
Total Charge Input (MB/D)	188	175	170	179	178	179	184			181
Crude Oil Capacity Utilization (%)	99%	91%	89%	94%	93%	95%	97%			96%
Clean Product Yield (%)	88%	93%	88%	92%	90%	88%	89%			88%
Central U.S. - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	265	225	280	267	259	225	241			233
Total Charge Input (MB/D)	288	250	301	288	282	241	258			250
Crude Oil Capacity Utilization (%)	96%	81%	101%	96%	94%	91%	97%			94%
Clean Product Yield (%)	82%	85%	83%	84%	84%	84%	84%			84%
TOTAL UNITED STATES										
Crude Oil Charge Input (MB/D)	1,938	1,896	1,980	1,961	1,944	1,806	1,891			1,848
Total Charge Input (MB/D)	2,134	2,082	2,159	2,147	2,131	1,977	2,089			2,033
Crude Oil Capacity Utilization (%)	95%	93%	97%	96%	96%	90%	94%			92%
Clean Product Yield (%)	83%	83%	82%	84%	83%	83%	81%			82%
Refined Products Production (MB/D)										
Gasoline	962	957	959	978	964	892	876			884
Distillates	762	736	779	795	768	719	775			747
Other	428	394	439	392	414	380	444			412
Total	2,152	2,087	2,177	2,165	2,146	1,991	2,095			2,043
Petroleum Products Sales (MB/D)										
Gasoline	1,258	1,300	1,212	1,207	1,244	1,070	1,127			1,098
Distillates	862	827	869	929	872	869	912			890
Other	480	503	439	309	432	384	404			394
Total	2,600	2,630	2,520	2,445	2,548	2,323	2,443			2,382

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

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

R&M (continued)

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
International - Consolidated*										
Crude Oil Charge Input (MB/D)	503	505	434	493	484	455	466			460
Total Charge Input (MB/D)	532	528	455	517	508	463	479			471
Crude Oil Capacity Utilization (%)	91%	92%	79%	89%	88%	82%	84%			83%
Clean Product Yield (%)	68%	67%	71%	65%	68%	65%	69%			67%
International - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	120	145	140	124	132	123	123			123
Total Charge Input (MB/D)	121	146	142	125	134	124	124			124
Crude Oil Capacity Utilization (%)	83%	101%	104%	106%	98%	104%	104%			104%
Clean Product Yield (%)	77%	79%	81%	84%	80%	86%	83%			85%
TOTAL INTERNATIONAL										
Crude Oil Charge Input (MB/D)	623	650	574	617	616	578	589			583
Total Charge Input (MB/D)	653	674	597	642	642	587	603			595
Crude Oil Capacity Utilization (%)	90%	93%	84%	92%	90%	86%	88%			87%
Clean Product Yield (%)	70%	69%	74%	69%	70%	70%	72%			71%
Refined Products Production (MB/D)										
Gasoline	160	159	160	160	160	129	155			142
Distillates	289	302	273	277	285	274	274			274
Other	195	203	160	196	188	171	163			167
Total	644	664	593	633	633	574	592			583
Petroleum Products Sales (MB/D)										
Gasoline	176	186	161	173	174	139	190			165
Distillates	381	379	328	366	363	321	324			323
Other	156	174	140	171	160	156	169			162
Total	713	739	629	710	697	616	683			650
Worldwide - Including Net Share of Equity Affiliates										
Crude Oil Charge Input (MB/D)	2,561	2,546	2,554	2,578	2,560	2,384	2,480			2,431
Total Charge Input (MB/D)	2,787	2,756	2,756	2,789	2,773	2,564	2,692			2,628
Crude Oil Capacity Utilization (%)	94%	93%	94%	95%	94%	89%	93%			91%
Clean Product Yield (%)	80%	80%	80%	81%	80%	80%	79%			80%
Refined Products Production (MB/D)										
Gasoline	1,122	1,116	1,119	1,138	1,124	1,021	1,031			1,026
Distillates	1,051	1,038	1,052	1,072	1,053	993	1,049			1,021
Other	623	597	599	588	602	551	607			579
Total	2,796	2,751	2,770	2,798	2,779	2,565	2,687			2,626
Petroleum Products Sales (MB/D)										
Gasoline	1,434	1,486	1,373	1,380	1,418	1,209	1,317			1,263
Distillates	1,243	1,206	1,197	1,295	1,235	1,190	1,236			1,213
Other	636	677	579	480	592	540	573			556
Total	3,313	3,369	3,149	3,155	3,245	2,939	3,126			3,032

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

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

LUKOIL INVESTMENT

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
LUKOIL Investment										
Net Income (\$ Millions)	256	526	387	649	1,818	710	774			1,484

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

Upstream

Production*

Net crude oil production (MB/D)	393	427	390	395	401	392	387			390
Net natural gas production (MMCF/D)	309	278	249	188	256	404	363			383
BOE Total (MBOE/D)	445	473	432	426	444	459	448			454

Downstream

Refinery Throughput*

Crude Processed (MB/D)	219	184	226	227	214	222	215			218
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** Represents our estimated net share of LUKOIL's crude processed.*

Crude Oil (\$/bbl)										
Urals crude (CIF Mediterranean)	53.96	65.30	72.21	85.90	69.49	93.01	117.34			105.27

MIDSTREAM

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Midstream Net Income (\$ Millions)	85	102	104	162	453	137	162			299
U.S. Equity Affiliate (\$ Millions)*	50	76	90	120	336	118	137			255
Natural Gas Liquids Extracted (MB/D)										
Consolidated										
United States	15	23	26	24	22	-	-			-
International	-	-	-	-	-	-	-			-
Equity Affiliates										
United States*	174	181	182	189	181	190	188			189
International	8	7	8	8	8	8	8			8
Total	197	211	216	221	211	198	196			197

** Represents 50 percent interest in DCP Midstream.*

Natural Gas Liquids Fractionated (MB/D)

United States*	161	163	155	160	160	141	149			145
International	13	13	13	13	13	13	13			13
Total	174	176	168	173	173	154	162			158

** Excludes DCP Midstream.*

Product Prices

Weighted Average NGL (\$/bbl)*

Consolidated	37.73	45.19	48.62	60.19	47.93	60.09	68.21			64.15
DCP Midstream	36.55	44.30	47.73	58.60	46.80	56.48	62.53			59.51

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

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

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Chemicals										
Net Income (Loss) (\$ Millions)	82	68	110	99	359	52	18			70
Industry Margins (Cents/Lb)*										
Ethylene industry cash margin	11.1	10.8	11.5	9.7	10.8	10.6	10.2			10.4
HDPE industry contract sales margin	13.5	14.6	14.8	13.6	14.1	14.9	15.0			15.0
Styrene industry contract sales margin	11.1	11.6	11.5	10.7	11.2	11.6	11.3			11.5

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

EMERGING BUSINESSES

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Emerging Businesses										
Net Income (Loss) (\$ Millions)	(1)	(12)	3	2	(8)	12	8			20
Detail of Net Income (Loss) (\$ Millions)										
Power	13	(1)	21	20	53	27	26			53
Other	(14)	(11)	(18)	(18)	(61)	(15)	(18)			(33)
Total	(1)	(12)	3	2	(8)	12	8			20

CORPORATE AND OTHER

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Corporate and Other										
Net Income (Loss) (\$ Millions)	(341)	(337)	(320)	(271)	(1,269)	(179)	(186)			(365)

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

Net interest expense	(244)	(224)	(195)	(157)	(820)	(108)	(119)			(227)
Corporate overhead	(23)	(54)	(49)	(50)	(176)	(44)	(68)			(112)
Acquisition-related expenses	(13)	(16)	(11)	(4)	(44)	-	-			-
Other	(61)	(43)	(65)	(60)	(229)	(27)	1			(26)
Total	(341)	(337)	(320)	(271)	(1,269)	(179)	(186)			(365)

Before-Tax Net Interest Expense (\$ Millions)

Interest expense	(395)	(411)	(485)	(340)	(1,631)	(319)	(324)			(643)
Capitalized interest	135	139	141	150	565	157	157			314
Interest revenue	31	24	153	38	246	72	14			86
Premium on early debt retirement	(17)	-	-	-	(17)	(14)	-			(14)
Total	(246)	(248)	(191)	(152)	(837)	(104)	(153)			(257)

Foreign Currency Gains

(Losses) After-Tax (\$ Millions)	(14)	(16)	(35)	(55)	(120)	(3)	41			38
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Debt

Total Debt (\$ Millions)	23,668	22,812	21,876	21,687	21,687	21,492	21,924			21,924
Debt-to-Capital Ratio	22%	21%	20%	19%	19%	19%	19%			19%

Common Stockholders' Equity (\$ Millions)

	84,782	84,928	86,933	88,983	88,983	89,575	92,398			92,398
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