

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): **April 24, 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 April 24, 2008, ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended March 31, 2008. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference. Additional financial and operating information about the quarter is furnished as Exhibits 99.2 and 99.3 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 99.1 — Press release issued by ConocoPhillips on April 24, 2008.
- 99.2 — Financial and operational tables.
- 99.3 — Supplemental financial information.

SIGNATURES

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

CONOCOPHILLIPS

/s/ Rand C. Berney

Rand C. Berney

Vice President and Controller

April 24, 2008

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release issued by ConocoPhillips on April 24, 2008.
99.2	Financial and operational tables.
99.3	Supplemental financial information.

ConocoPhillips Reports First-Quarter Net Income of \$4.1 Billion Or \$2.62 Per Share

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

	Earnings at a glance	
	2008	2007
Net income	\$4,139 million	3,546 million
Diluted income per share	\$2.62	2.12
Revenues	\$54.9 billion	41.3 billion

ConocoPhillips (NYSE:COP) today reported first-quarter net income of \$4,139 million, or \$2.62 per share. This compared with \$3,546 million, or \$2.12 per share, for the same quarter in 2007. Revenues were \$54.9 billion, versus \$41.3 billion a year ago.

“Although we delivered solid financial results during the first quarter, unplanned downtime negatively impacted our performance,” said Jim Mulva, chairman and chief executive officer. “Our upstream business produced 2.25 million BOE per day, including our estimated share of LUKOIL’s production, and we benefited from higher commodity prices. In the downstream business, our worldwide refining crude oil capacity utilization rate was 89 percent and we were impacted by significantly lower realized margins.

“During the quarter, we generated \$6.6 billion of cash from operations and \$0.4 billion in proceeds from asset dispositions. This enabled us to repurchase \$2.5 billion of ConocoPhillips common stock, fund \$3.5 billion of our capital program, and pay \$0.7 billion in dividends. We ended the quarter with debt of \$21.5 billion, a debt-to-capital ratio of 19 percent and a cash balance of \$1.4 billion.”

The results for ConocoPhillips’ business segments follow.

Exploration and Production (E&P)

E&P first-quarter net income was \$2,887 million, up from \$2,608 million in the previous quarter and \$2,329 million in the first quarter of 2007. The increase from the fourth quarter of 2007 was primarily due to higher commodity prices, partially offset by reduced volumes and the absence of fourth-quarter 2007 benefits related to a Canadian federal tax-rate change and the extinguishment of the Hamaca project financing.

The increase from the first quarter of 2007 was primarily due to higher commodity prices, partially offset by higher taxes, lower volumes, a reduced net benefit from asset rationalization efforts, and increased operating costs.

Daily production from the E&P segment, including Canadian Syncrude and excluding the LUKOIL Investment segment, averaged 1.79 million barrels of oil equivalent (BOE) per day, a decrease from 1.84 million BOE per day in the previous quarter and 2.02 million BOE per day in the first quarter of 2007. The production decrease from the previous quarter was primarily due to unplanned downtime in the U.S. Lower 48, largely as a result of the shutdown of a non-operated natural gas processing plant in the San Juan Basin. In addition, volumes were negatively impacted by the absence of one-time, fourth-quarter natural gas liquids volume adjustments in the Lower 48. These decreases were partially offset by higher production in the Timor Sea as a result of less planned downtime.

The production decrease from the first quarter of 2007 was primarily due to the expropriation of the company's Venezuelan oil projects and ConocoPhillips' exit from Dubai, as well as normal field decline and unplanned downtime in the Lower 48. This decrease was partially offset by production from new developments in Canada, the United Kingdom and Norway.

Before-tax exploration expenses were \$309 million in the first quarter of 2008, compared with \$268 million in the previous quarter and \$262 million in the first quarter of 2007.

Midstream

The Midstream segment had first-quarter net income of \$137 million, down from \$162 million in the previous quarter and up from \$85 million in the first quarter of 2007. The decrease from the previous quarter was primarily due to lower realized natural gas liquids prices. The increase from the first quarter of 2007 was primarily due to significantly higher realized natural gas liquids prices.

Refining and Marketing (R&M)

R&M net income was \$520 million in the first quarter, down from \$1,122 million in the previous quarter and \$1,136 million in the first quarter of 2007.

Results for the first quarter were lower primarily due to the absence of inventory benefits realized in the fourth quarter of 2007. Despite a modest increase in the global market crack from the previous quarter, realized refining margins were also lower due to the adverse impact of certain domestic regional gasoline and distillate differentials, as well as secondary product prices, mainly for natural gas liquids and fuel oil. In addition, earnings were less than the previous quarter due to lower volumes, which included a decrease in ConocoPhillips' ownership interest in the Borger, Texas, refinery to 65 percent in 2008 from 85 percent in 2007. Earnings were also lower due to operational problems in the fluid catalytic cracking unit at the Humber refinery in the United Kingdom. These decreases were partially offset by increased gains from asset rationalization efforts and lower controllable costs.

The decrease in net income from the first quarter of 2007 was primarily due to lower U.S. refining market cracks and lower volumes. Refining volumes decreased due to unplanned downtime at the company's U.S. Gulf Coast refineries and the ownership interest change in Borger, while international marketing sales declined as a result of 2007 asset dispositions. These decreases were partially offset by higher realized international refining cracks.

The domestic refining crude oil capacity utilization rate for the first quarter was 90 percent, a 6 percent decrease from the previous quarter. Refining volumes decreased due to higher planned maintenance at the company's refineries in the East and Central regions of the United States, as well as the unplanned downtime at the Gulf Coast refineries. The international crude oil capacity utilization rate was 86 percent, down from 92 percent in the previous quarter. This decrease was primarily the result of weak hydro-skimming margins during the first quarter, which led to run reductions at ConocoPhillips' Wilhelmshaven, Germany, refinery.

Worldwide, R&M's refining crude oil capacity utilization rate was 89 percent, down from 95 percent the previous quarter and 94 percent in the first quarter of 2007. Before-tax turnaround costs were \$90 million in the first quarter of 2008, up from \$80 million in the previous quarter and \$75 million in the first quarter of 2007.

LUKOIL Investment

The LUKOIL Investment segment had first-quarter net income of \$710 million, up from \$649 million in the previous quarter and \$256 million in the first quarter of 2007. The results include ConocoPhillips' estimated equity share of OAO LUKOIL's (LUKOIL) income for the first quarter based on market indicators and LUKOIL's publicly available operating results. The increases in net income from the previous quarter and the first quarter of 2007 were primarily due to higher estimated realized prices, partially offset by higher estimated taxes.

For the first quarter of 2008, ConocoPhillips estimated its equity share of LUKOIL production was 459,000 BOE per day and its share of LUKOIL daily refining crude oil throughput was 222,000 barrels per day.

Chemicals

Chemicals net income was \$52 million in the first quarter, down from \$99 million in the previous quarter and \$82 million in the first quarter of 2007. The decrease from the previous quarter was primarily due to the absence of a one-time, capital-loss tax benefit included in the fourth quarter of 2007 and higher utility and turnaround costs, partially offset by higher olefins and polyolefins margins. The decrease from the first quarter of 2007 was primarily due to higher utility and turnaround costs, as well as lower aromatics and styrenics margins.

Emerging Businesses

The Emerging Businesses segment had net income of \$12 million in the first quarter, up from \$2 million in the previous quarter and a net loss of \$1 million in the first quarter of 2007. The increase from the previous quarter was primarily due to higher international power generation margins, partially offset by the effects of unplanned downtime at the company's Immingham Combined Heat and Power plant in the United Kingdom. The increase from the first quarter of 2007 was primarily due to higher international power generation results, partially offset by higher spending associated with ConocoPhillips' alternative energy programs.

Corporate and Other

First-quarter Corporate expenses were \$179 million after-tax, down from \$271 million in the previous quarter and \$341 million in the first quarter of 2007. The decreases from the previous quarter and the first quarter of 2007 were primarily due to lower net interest expense and reduced foreign exchange losses.

The company's effective tax rate for the quarter was 45.2 percent. This compared with 40.3 percent in the previous quarter and 41.5 percent in the first quarter of 2007.

Outlook

Mr. Mulva concluded:

"We expect to achieve our strategic objectives for 2008, and we are focused on continuous improvement in all of our operations. We will continue to supply crude oil, natural gas and refined product volumes to meet the world's energy needs through the disciplined development and efficient operation of our portfolio of high-quality assets.

"We are strengthening distributions to shareholders through increased dividends and continued share repurchases. During the first quarter, we repurchased \$2.5 billion of ConocoPhillips common stock and increased our dividend by approximately 15 percent. The number of weighted-average diluted shares outstanding during the first quarter was 1,582 million.

"In addition, we were the successful bidder on several prospective leases located in Alaska's Chukchi Sea and the U.S. Gulf of Mexico. We also formed a strategic research alliance with Iowa State University and the U.S. Department of Energy's National Renewable Energy Laboratory in order to identify promising cellulosic biomass conversion technologies.

"We are pleased to be working with BP to construct a pipeline that will move natural gas from Alaska's North Slope through Canada to the U.S. Lower 48. This pipeline will move approximately 4 billion cubic feet of natural gas per day to markets, and it will be the largest private sector construction project ever built in North America.

"Looking ahead to the second quarter, we expect the company's E&P segment production will be lower than the first quarter as a result of scheduled maintenance. We anticipate full-year 2008 production will be consistent with our operating plan. We expect exploration expenses to be approximately \$250 million for the quarter.

"Downstream, while margins are anticipated to improve, we expect continued negative pressure from crude costs relative to secondary product prices. As a result of planned maintenance during the quarter at several facilities and the potential for ongoing weak hydro-skimming margins at our Wilhelmshaven refinery, we anticipate the worldwide refining crude oil capacity utilization rate to be in the lower-90-percent range during the second quarter. Turnaround costs are expected to be approximately \$175 million before-tax for the quarter.

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

ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, the company had approximately 32,800 employees, \$183 billion of assets, and \$220 billion of annualized revenues as of March 31, 2008. For more information, go to www.conocophillips.com.

ConocoPhillips' quarterly conference call is scheduled for 10 a.m. Eastern time today.

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

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

www.conocophillips.com/investor/financial_reports/earnings_reports

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

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

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

CONTACT:

ConocoPhillips, Houston

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or

Gary Russell, 212-207-1996 (investors)

ConocoPhillips
Houston, Texas 77079

Preliminary
FINANCIAL HIGHLIGHTS

	Millions of Dollars Three Months Ended March 31	
	2008	2007
Revenues and Other Income		
Sales and other operating revenues*	\$ 54,883	41,320
Equity in earnings of affiliates	1,359	929
Other income	310	618
	<u>56,552</u>	<u>42,867</u>
Costs and Expenses		
Purchased crude oil, natural gas and products	37,820	26,715
Production and operating expenses	2,691	2,492
Selling, general and administrative expenses	526	527
Exploration expenses	309	262
Depreciation, depletion and amortization	2,209	2,024
Impairments	6	(1)
Taxes other than income taxes*	5,155	4,374
Accretion on discounted liabilities	104	79
Interest and debt expense	207	307
Foreign currency transaction (gains) losses	(43)	1
Minority interests	19	21
	<u>49,003</u>	<u>36,801</u>
Income before income taxes	7,549	6,066
Provision for income taxes	3,410	2,520
Net Income	<u>\$ 4,139</u>	<u>3,546</u>
Net Income per share of common stock (dollars)		
Basic	\$ 2.65	2.15
Diluted	\$ 2.62	2.12
Average common shares outstanding (in thousands)		
Basic	1,562,198	1,647,352
Diluted	1,582,025	1,668,847
*Includes excise taxes on petroleum products sales:	\$ 3,857	3,841

Preliminary
SELECTED FINANCIAL DATA

Millions of Dollars
Three Months Ended
March 31

SUMMARY OF NET INCOME (LOSS)

	2008	2007
E&P		
United States	\$ 1,349	916
International	1,538	1,413
Total E&P	<u>2,887</u>	<u>2,329</u>
Midstream	<u>137</u>	<u>85</u>
R&M		
United States	435	896
International	85	240
Total R&M	<u>520</u>	<u>1,136</u>
LUKOIL Investment	710	256
Chemicals	52	82
Emerging Businesses	12	(1)
Corporate and other	(179)	(341)
Consolidated	<u>\$ 4,139</u>	<u>3,546</u>

Preliminary
SELECTED FINANCIAL DATA

	Three Months Ended	
	2008	2007
Effective tax rate %	45.2 %	41.5
	Millions of Dollars	
FOREIGN CURRENCY GAINS (LOSSES) AFTER-TAX		
E&P	\$ (10)	17
Midstream	-	-
R&M	38	-
LUKOIL Investment	(2)	-
Chemicals	-	-
Emerging Businesses	(1)	-
Corporate and other	(3)	(14)
	<u>\$ 22</u>	<u>3</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 4,139	3,546
Depreciation, depletion and amortization	2,209	2,024
Impairments	6	(1)
Dry hole costs and leasehold impairments	154	148
Accretion on discounted liabilities	104	79
Deferred taxes	(17)	77
Undistributed equity earnings	(987)	(557)
Gain on asset dispositions	(181)	(499)
Other	(164)	(94)
Working capital adjustments	1,324	2,150
Net cash provided by operating activities	<u>\$ 6,587</u>	<u>6,873</u>
CAPITAL EXPENDITURES AND INVESTMENTS		
E&P		
United States	\$ 1,079	843
International	1,739	1,727
	<u>2,818</u>	<u>2,570</u>
Midstream	-	-
R&M	363	205
LUKOIL Investment	-	-
Chemicals	-	-
Emerging Businesses	61	31
Corporate and other	80	41
	<u>\$ 3,322</u>	<u>2,847</u>
OTHER		
	March 31,	December 31,
	2008	2007
Total debt	\$ 21,492	21,687
Common stockholders' equity	\$ 89,575	88,983

Preliminary
OPERATING HIGHLIGHTS

BY SEGMENT

	Three Months Ended March 31	
	2008	2007
	Thousands of Barrels Daily	
E&P		
Crude oil produced		
United States		
Alaska	254	276
Lower 48	97	104
	351	380
Norway	153	179
United Kingdom	48	55
Canada	23	21
China	33	38
Indonesia	16	13
Vietnam	20	23
Timor Sea	23	24
Libya	47	45
Other	44	62
Total consolidated	758	840
Equity affiliates		
Canada	29	23
Russia	16	15
Venezuela	-	82
Total Worldwide	803	960
	20	23
Syncrude		
Natural gas liquids produced		
United States		
Alaska*	19	22
Lower 48	69	68
	88	90
Norway	13	8
United Kingdom	10	6
Canada	26	31
Timor Sea	15	12
Other	2	3
Total Worldwide	154	150
	13	16
<i>*Includes reinjected volumes sold lease-to-lease:</i>		
	Millions of Cubic Feet Daily	
Natural gas produced*		
United States		
Alaska	100	122
Lower 48	1,963	2,190
	2,063	2,312
Norway	273	247
United Kingdom	695	785
Canada	1,101	1,152
China	10	11
Timor Sea	246	243
Indonesia	314	331
Vietnam	16	15
Libya	9	5
Other	173	212
Total consolidated	4,900	5,313
Equity affiliates		
Venezuela	-	9
Total Worldwide	4,900	5,322
	480	492
Liquefied natural gas sales		
LUKOIL Investment		
Production (MBOE/D)*	459	445
Refinery crude oil throughput (MB/D)*	222	219
<i>*Represents our estimated net share of LUKOIL.</i>		

Preliminary
OPERATING HIGHLIGHTS

	Three Months Ended	
	2008	2007
E&P		
	Per Unit	
Average sales prices		
Crude oil (per barrel)		
United States		
Alaska	\$	95.47
Lower 48		90.35
Total U.S.		94.02
International		95.32
Total consolidated		94.71
Equity affiliates*		62.78
Total Worldwide		92.88
Natural gas (per MCF)		
United States		
Alaska	\$	4.31
Lower 48		7.67
Total U.S.		7.63
International		8.32
Total consolidated		8.03
Equity affiliates*		-
Total Worldwide		8.03

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

	Thousands of Barrels Daily	
	2008	2007
Midstream		
Natural gas liquids extracted		
Consolidated		
United States	-	15
International	-	-
Equity affiliates		
United States	190	174
International	8	8
	<u>198</u>	<u>197</u>

	Per Barrel	
U.S. product prices		
Weighted average NGL**		
Consolidated	\$	60.09
DCP		56.48

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

	Three Months Ended March 31	
	2008	2007
	Thousands of Barrels Daily	
R&M		
United States*		
Crude oil capacity	2,008	2,033
Crude oil runs	1,806	1,938
Refinery production	1,991	2,152
International*		
Crude oil capacity	670	696
Crude oil runs	578	623
Refinery production	574	644
U.S. petroleum products sales volumes		
Gasoline	1,070	1,258
Distillates	869	862
Other products	384	480
	2,323	2,600
International	616	713
	2,939	3,313
	Per Gallon	
U.S. average sales prices**		
Gasoline-wholesale	\$ 2.54	1.86
Gasoline-retail	2.67	2.03
Distillates-wholesale	2.89	1.94

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

**Excludes excise taxes.

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				1,349
International E&P	1,413	(3,459)	857	1,556	367	1,538				1,538
Total E&P	2,329	(2,404)	2,082	2,608	4,615	2,887				2,887
Midstream	85	102	104	162	453	137				137
U.S. R&M	896	1,879	873	967	4,615	435				435
International R&M	240	479	434	155	1,308	85				85
Total R&M	1,136	2,358	1,307	1,122	5,923	520				520
LUKOIL Investment	256	526	387	649	1,818	710				710
Chemicals	82	68	110	99	359	52				52
Emerging Businesses	(1)	(12)	3	2	(8)	12				12
Corporate and Other	(341)	(337)	(320)	(271)	(1,269)	(179)				(179)
Consolidated	3,546	301	3,673	4,371	11,891	4,139				4,139
Income Before Income Taxes										
U.S. E&P	1,425	1,627	1,867	1,560	6,479	2,094				2,094
International E&P	2,894	(1,976)	2,357	3,464	6,739	3,822				3,822
Total E&P	4,319	(349)	4,224	5,024	13,218	5,916				5,916
Midstream	132	156	157	245	690	206				206
U.S. R&M	1,400	2,891	1,369	1,526	7,186	717				717
International R&M	218	633	403	167	1,421	101				101
Total R&M	1,618	3,524	1,772	1,693	8,607	818				818
LUKOIL Investment	262	542	396	663	1,863	729				729
Chemicals	107	80	140	20	347	54				54
Emerging Businesses	(3)	(20)	(17)	(2)	(42)	15				15
Corporate and Other	(369)	(415)	(308)	(319)	(1,411)	(189)				(189)
Consolidated	6,066	3,518	6,364	7,324	23,272	7,549				7,549
Effective Tax Rates										
U.S. E&P	35.7%	35.2%	34.4%	32.6%	34.4%	35.6%				35.6%
International E&P	51.2%	-	63.6%	55.1%	94.6%	59.8%				59.8%
Total E&P	46.1%	-588.8%	50.7%	48.1%	65.1%	51.2%				51.2%
Midstream	35.6%	34.6%	33.8%	33.9%	34.3%	33.5%				33.5%
U.S. R&M	36.0%	35.0%	36.2%	36.6%	35.8%	39.3%				39.3%
International R&M	-10.1%	24.3%	-7.7%	7.2%	8.0%	15.8%				15.8%
Total R&M	29.8%	33.1%	26.2%	33.7%	31.2%	36.4%				36.4%
LUKOIL Investment	2.3%	3.0%	2.3%	2.1%	2.4%	2.6%				2.6%
Chemicals	23.4%	15.0%	21.4%	-	-3.5%	3.7%				3.7%
Emerging Businesses	66.7%	40.0%	-	-	81.0%	20.0%				20.0%
Corporate and Other	7.6%	18.8%	-3.9%	15.0%	10.1%	5.3%				5.3%
Consolidated	41.5%	91.4%	42.3%	40.3%	48.9%	45.2%				45.2%

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				4
FERC Rulings	-	-	94	-	94	-				-
Impairments	-	-	-	(45)	(45)	-				-
Business interruption insurance claims recovery	-	-	-	13	13	-				-
Total	36	11	94	(7)	134	4				4
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
Midstream										
Total	-	-	-	-	-	-				-
U.S. R&M										
Gain on asset sales	-	-	2	14	16	84				84
Impairments	(13)	-	3	(2)	(12)	(3)				(3)
Business interruption insurance claims recovery	-	-	-	10	10	-				-
Total	(13)	-	5	22	14	81				81
International R&M										
Gain on asset sales	-	163	158	2	323	32				32
Impairments	148	(5)	(30)	11	124	-				-
Germany tax rate change	-	-	141	-	141	-				-
Total	148	158	269	13	588	32				32
Total R&M	135	158	275	35	603	113				113
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				160

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				4,139
DD&A and impairments	2,023	2,114	2,240	2,363	8,740	2,215				2,215
Impairment - expropriated assets	-	4,588	-	-	4,588	-				-
Dry hole costs and leasehold impairments	148	133	74	108	463	154				154
Accretion on discounted liabilities	79	81	81	100	341	104				104
Deferred income taxes	77	103	(125)	(212)	(157)	(17)				(17)
Undistributed equity earnings	(557)	(678)	(237)	(351)	(1,823)	(987)				(987)
Net gain on asset dispositions	(499)	(428)	(389)	(32)	(1,348)	(181)				(181)
Other	(94)	182	(60)	77	105	(164)				(164)
Net working capital changes	2,150	(1,630)	734	496	1,750	1,324				1,324
Net Cash Provided by Operating Activities	6,873	4,766	5,991	6,920	24,550	6,587				6,587
Cash Flows from Investing Activities										
Capital expenditures & investments	(2,847)	(2,500)	(2,560)	(3,884)	(11,791)	(3,322)				(3,322)
Proceeds from asset dispositions	1,343	872	842	515	3,572	370				370
Long-term advances to/collections from affiliates and other investments	(144)	(97)	(118)	16	(343)	(60)				(60)
Net Cash Used for Investing Activities	(1,648)	(1,725)	(1,836)	(3,353)	(8,562)	(3,012)				(3,012)
Cash Flows from Financing Activities										
Net issuance (repayment) of debt	(3,491)	(865)	(961)	(202)	(5,519)	(202)				(202)
Issuance of stock	40	141	70	34	285	7				7
Repurchase of stock	(1,000)	(1,000)	(2,501)	(2,500)	(7,001)	(2,496)				(2,496)
Dividends	(674)	(668)	(667)	(652)	(2,661)	(730)				(730)
Other	(49)	(104)	(136)	(155)	(444)	(196)				(196)
Net Cash Used for Financing Activities	(5,174)	(2,496)	(4,195)	(3,475)	(15,340)	(3,617)				(3,617)
Effect of Exchange Rate Changes	(8)	6	8	(15)	(9)	9				9
Net Change in Cash and Cash Equivalents	43	551	(32)	77	639	(33)				(33)
Cash and cash equivalents at beginning of period	817	860	1,411	1,379	817	1,456				1,456
Cash and Cash Equivalents at End of Period	860	1,411	1,379	1,456	1,456	1,423				1,423

	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				2,818
Loans and advances	157	111	122	238	628	67				67
Joint venture acquisition obligation--principal	-	140	142	143	425	145				145
E&P total	2,727	2,399	2,441	3,421	10,988	3,030				3,030
Midstream*	-	2	-	3	5	-				-
R&M										
Capital expenditures and investments	205	271	276	634	1,386	363				363
Loans and advances	17	37	-	-	54	-				-
R&M total	222	308	276	634	1,440	363				363
LUKOIL Investment*	-	-	-	-	-	-				-
Chemicals*	-	-	-	-	-	-				-
Emerging Businesses*	31	34	62	130	257	61				61
Corporate and Other*	41	45	45	77	208	80				80
Total Capital Program	3,021	2,788	2,824	4,265	12,898	3,534				3,534

* 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				2,887
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	2,020	1,910	1,759	1,835	1,880	1,794				1,794
<i>E&P segment plus LUKOIL Investment segment:</i>	<i>2,465</i>	<i>2,383</i>	<i>2,191</i>	<i>2,261</i>	<i>2,324</i>	<i>2,253</i>				<i>2,253</i>
Crude Oil and Condensate (MB/D)										
Consolidated	840	760	730	752	770	758				758
Equity affiliates	120	128	44	43	84	45				45
Total	960	888	774	795	854	803				803
Sales of crude oil produced (MB/D)										
	949	876	803	792	854	773				773
Natural Gas Liquids (MB/D)										
	150	145	139	187	155	154				154
Natural Gas (MMCF/D)										
Consolidated	5,313	5,124	4,916	4,981	5,082	4,900				4,900
Equity affiliates	9	9	-	-	5	-				-
Total	5,322	5,133	4,916	4,981	5,087	4,900				4,900
Canadian Syncrude (MB/D)										
	23	21	27	23	23	20				20
Industry Prices (Platt's)										
Crude Oil (\$/bbl)										
WTI spot	57.99	64.89	75.48	90.66	72.25	97.94				97.94
Brent dated	57.76	68.76	74.87	88.69	72.52	96.90				96.90
Natural Gas (\$/mmbtu)										
Henry Hub -- First of Month	6.77	7.55	6.16	6.97	6.86	8.03				8.03
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated	55.17	64.55	73.01	86.28	69.47	94.71				94.71
Equity affiliates	40.02	47.74	44.60	52.45	45.31	62.78				62.78
Total	53.38	61.97	71.34	84.53	67.11	92.88				92.88
Natural Gas Liquids (\$/bbl)										
	38.56	44.80	48.09	54.82	47.13	60.14				60.14
Natural Gas (\$/mcf)										
Consolidated	6.36	6.45	5.56	6.66	6.26	8.03				8.03
Equity affiliates	0.29	0.30	-	-	0.30	-				-
Total	6.35	6.44	5.56	6.66	6.26	8.03				8.03
Exploration Charges (\$ Millions)										
Dry Holes	62	74	23	50	209	94				94
Lease Impairments	86	59	51	58	254	60				60
Total Non-Cash Charges	148	133	74	108	463	154				154
Other (G&G and Lease Rentals)	114	126	144	160	544	155				155
Total Exploration Charges	262	259	218	268	1,007	309				309
Depreciation, Depletion and Amortization (DD&A) (\$ Millions)										
	1,802	1,790	1,828	1,971	7,391	1,946				1,946

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				1,349
Alaska (\$ Millions)	507	535	765	448	2,255	603				603
Lower 48 (\$ Millions)	409	520	460	604	1,993	746				746
Production										
Total U.S. (MBOE/D)	855	848	821	847	843	783				783
Crude Oil and Condensate (MB/D)										
Alaska	276	267	241	257	261	254				254
Lower 48	104	105	103	98	102	97				97
Total	380	372	344	355	363	351				351
Sales of crude oil produced (MB/D)	372	370	380	340	365	344				344
Natural Gas Liquids (MB/D)*										
Alaska	22	18	15	19	19	19				19
Lower 48**	68	71	73	106	79	69				69
Total	90	89	88	125	98	88				88
<i>*Includes reinjection volumes sold lease-to-lease:</i>	16	15	11	13	14	13				13
Natural Gas (MMCF/D)										
Alaska	122	100	116	102	110	100				100
Lower 48	2,190	2,219	2,219	2,101	2,182	1,963				1,963
Total	2,312	2,319	2,335	2,203	2,292	2,063				2,063
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Alaska										
North Slope	48.83	56.31	66.54	81.17	62.91	89.07				89.07
West Coast	55.50	63.26	73.57	87.88	69.75	95.47				95.47
Lower 48	49.32	58.50	67.77	78.98	63.49	90.35				90.35
Total U.S.	53.78	61.91	72.00	85.31	68.00	94.02				94.02
Natural Gas Liquids (\$/bbl)										
Alaska	55.27	63.52	73.40	88.12	71.85	94.27				94.27
Lower 48***	36.46	43.29	46.37	48.88	44.43	55.33				55.33
Total U.S.	37.86	44.17	47.73	51.23	46.00	58.33				58.33
Natural Gas (\$/mcf)										
Alaska	4.19	4.04	2.15	4.12	3.68	4.31				4.31
Lower 48	6.21	6.51	5.38	5.88	5.99	7.67				7.67
Total U.S.	6.19	6.49	5.36	5.86	5.98	7.63				7.63
Kenai, Alaska LNG Sales										
Volume (MMCF/D)	104	72	88	78	85	63				63
Sales price per MCF	5.83	5.86	6.01	7.28	6.21	6.72				6.72
U.S. Exploration Charges (\$ Millions)										
Dry Holes	13	36	19	14	82	25				25
Lease Impairments	43	43	43	40	169	42				42
Total Non-Cash Charges	56	79	62	54	251	67				67
Other (G&G and Lease Rentals)	26	40	57	50	173	39				39
Total U.S. Exploration Charges	82	119	119	104	424	106				106
Alaska Only	17	32	31	26	106	11				11
DD&A (\$ Millions)										
Alaska	168	167	165	167	667	149				149
Lower 48	618	661	667	642	2,588	616				616
Total U.S.	786	828	832	809	3,255	765				765

** 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				1,538
Production										
Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	1,165	1,062	938	988	1,037	1,011				1,011
Crude Oil and Condensate (MB/D)										
Consolidated										
Norway	179	145	166	158	162	153				153
United Kingdom	55	48	37	50	48	48				48
Canada	21	19	17	21	19	23				23
China	38	32	29	25	31	33				33
Indonesia	13	13	11	11	12	16				16
Vietnam	23	22	22	22	22	20				20
Timor Sea	24	26	21	19	22	23				23
Libya	45	47	48	47	47	47				47
Other	62	36	35	44	44	44				44
Equity affiliates										
Canada	23	28	29	27	27	29				29
Russia	15	15	15	16	15	16				16
Venezuela	82	85	-	-	42	-				-
Total	580	516	430	440	491	452				452
Sales of crude oil produced (MB/D)	577	506	423	452	489	429				429
Natural Gas Liquids (MB/D)										
Norway	8	5	7	12	8	13				13
United Kingdom	6	6	4	8	6	10				10
Canada	31	28	26	25	27	26				26
Timor Sea	12	14	11	12	12	15				15
Other	3	3	3	5	4	2				2
Total	60	56	51	62	57	66				66
Natural Gas (MMCF/D)										
Consolidated										
Norway	247	202	226	270	236	273				273
United Kingdom	785	668	519	723	673	695				695
Canada	1,152	1,133	1,069	1,073	1,106	1,101				1,101
China	11	12	13	8	11	10				10
Timor Sea	243	250	194	207	223	246				246
Indonesia	331	329	349	310	330	314				314
Vietnam	15	12	19	14	15	16				16
Libya	5	9	9	9	8	9				9
Other	212	190	183	164	188	173				173
Equity affiliates										
Canada	-	-	-	-	-	-				-
Russia	-	-	-	-	-	-				-
Venezuela	9	9	-	-	5	-				-
Total	3,010	2,814	2,581	2,778	2,795	2,837				2,837
Canadian Syncrude (MB/D)	23	21	27	23	23	20				20
Darwin, Australia LNG Sales (MMCF/D)	388	449	347	348	383	417				417

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				97.27
United Kingdom	55.52	66.99	72.98	86.26	71.01	93.96				93.96
Canada	48.70	58.42	67.75	73.08	61.77	84.49				84.49
China	54.93	66.39	71.79	85.51	67.69	93.69				93.69
Indonesia	54.66	65.46	72.46	89.26	69.99	92.48				92.48
Vietnam	57.88	67.03	75.14	89.64	72.54	98.31				98.31
Timor Sea	59.15	73.51	71.20	83.95	71.50	93.85				93.85
Libya	56.19	67.39	73.88	88.11	72.02	95.21				95.21
Other	55.73	67.71	74.48	87.54	69.76	97.56				97.56
Equity affiliates										
Canada	32.46	32.46	38.48	46.90	37.94	57.95				57.95
Russia	37.92	50.25	55.84	63.05	52.29	70.41				70.41
Venezuela	42.54	51.54	-	-	47.46	-				-
Total	53.12	62.02	70.75	83.94	66.44	91.96				91.96
Natural Gas Liquids (\$/bbl)										
Norway	38.82	45.72	46.77	56.25	48.36	54.48				54.48
United Kingdom	34.93	39.34	36.91	52.79	41.78	55.88				55.88
Canada	41.15	46.82	51.77	66.27	50.85	68.84				68.84
Timor Sea	44.13	49.43	48.71	72.60	52.63	69.79				69.79
Other	8.32	29.42	34.00	42.30	31.17	13.83				13.83
Total	39.38	45.64	48.63	61.56	48.80	62.20				62.20
Natural Gas (\$/mcf)										
Consolidated										
Norway	7.00	7.10	7.51	9.08	7.74	10.27				10.27
United Kingdom	8.14	7.23	6.69	9.19	7.92	9.20				9.20
Canada	6.38	6.60	5.13	6.20	6.09	7.81				7.81
China	2.64	2.74	2.78	3.37	2.85	3.60				3.60
Timor Sea	0.76	0.68	0.66	0.74	0.71	0.79				0.79
Indonesia	6.04	6.99	7.78	8.51	7.31	10.33				10.33
Vietnam	1.10	1.09	1.12	1.13	1.11	1.14				1.14
Libya	0.07	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				3.79
Equity affiliates										
Canada	-	-	-	-	-	-				-
Russia	-	-	-	-	-	-				-
Venezuela	0.29	0.30	-	-	0.30	-				-
Total	6.47	6.40	5.75	7.31	6.50	8.32				8.32
International Exploration Charges (\$ Millions)										
Dry Holes	49	38	4	36	127	69				69
Lease Impairments	43	16	8	18	85	18				18
Total Non-Cash Charges	92	54	12	54	212	87				87
Other (G&G and Lease Rentals)	88	86	87	110	371	116				116
Total International Exploration Charges	180	140	99	164	583	203				203
DD&A (\$ Millions)	1,016	962	996	1,162	4,136	1,181				1,181

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				520
United States (\$ Millions)	896	1,879	873	967	4,615	435				435
International (\$ Millions)	240	479	434	155	1,308	85				85
Market Indicators										
U.S. East Coast Crack Spread (\$/bbl)	11.81	22.57	11.73	8.47	13.64	7.79				7.79
U.S. Gulf Coast Crack Spread (\$/bbl)	10.06	24.28	11.74	6.55	13.16	7.90				7.90
U.S. Group Central Crack Spread (\$/bbl)	14.84	31.26	20.92	9.37	19.10	10.26				10.26
U.S. West Coast Crack Spread (\$/bbl)	28.68	34.32	16.22	16.58	23.95	15.37				15.37
U.S. Weighted 3:2:1 Crack Spread (\$/bbl)	15.30	27.56	14.74	9.65	16.81	9.94				9.94
NW Europe Crack Spread (\$/bbl)	12.06	15.56	13.37	15.55	14.14	16.09				16.09
Singapore 3:1:2 Crack Spread (\$/bbl)	14.06	17.94	14.80	17.13	15.98	19.90				19.90
U.S. Wholesale Gasoline Mktg Mrgn (\$/bbl)	1.15	2.09	0.65	(0.43)	0.87	1.07				1.07
Realized Margins										
Refining Margin (\$/bbl)										
U.S.	11.87	19.59	10.86	11.56	13.41	8.00				8.00
International	5.06	9.68	6.05	6.72	6.92	6.42				6.42
Marketing Margin (\$/bbl)*										
U.S.	1.31	2.36	2.20	1.43	1.83	1.18				1.18
International	7.08	7.68	9.49	7.69	7.92	7.74				7.74
DD&A (\$ Millions)	191	196	194	203	784	208				208
Turnaround Expense (\$ Millions)	75	58	27	80	240	90				90
Eastern U.S.										
Crude Oil Charge Input (MB/D)	411	404	383	412	402	340				340
Total Charge Input (MB/D)	460	447	414	453	443	400				400
Crude Oil Capacity Utilization (%)	97%	96%	91%	97%	95%	80%				80%
Clean Product Yield (%)	89%	86%	86%	90%	88%	89%				89%
U.S. Gulf Coast										
Crude Oil Charge Input (MB/D)	744	709	736	712	726	659				659
Total Charge Input (MB/D)	823	790	829	794	810	732				732
Crude Oil Capacity Utilization (%)	102%	97%	100%	97%	99%	90%				90%
Clean Product Yield (%)	81%	81%	80%	82%	81%	81%				81%
Western U.S.										
Crude Oil Charge Input (MB/D)	333	388	415	395	383	405				405
Total Charge Input (MB/D)	375	420	445	433	418	425				425
Crude Oil Capacity Utilization (%)	81%	94%	100%	95%	92%	97%				97%
Clean Product Yield (%)	79%	79%	80%	80%	80%	80%				80%
Central U.S. - Consolidated										
Crude Oil Charge Input (MB/D)	185	170	166	175	174	177				177
Total Charge Input (MB/D)	188	175	170	179	178	179				179
Crude Oil Capacity Utilization (%)	99%	91%	89%	94%	93%	95%				95%
Clean Product Yield (%)	88%	93%	88%	92%	90%	88%				88%
Central U.S. - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	265	225	280	267	259	225				225
Total Charge Input (MB/D)	288	250	301	288	282	241				241
Crude Oil Capacity Utilization (%)	96%	81%	101%	96%	94%	91%				91%
Clean Product Yield (%)	82%	85%	83%	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				1,806
Total Charge Input (MB/D)	2,134	2,082	2,159	2,147	2,131	1,977				1,977
Crude Oil Capacity Utilization (%)	95%	93%	97%	96%	96%	90%				90%
Clean Product Yield (%)	83%	83%	82%	84%	83%	83%				83%
Refined Products Production (MB/D)										
Gasoline	962	957	959	978	964	892				892
Distillates	762	736	779	795	768	719				719
Other	428	394	439	392	414	380				380
Total	2,152	2,087	2,177	2,165	2,146	1,991				1,991
Petroleum Products Sales (MB/D)										
Gasoline	1,258	1,300	1,212	1,207	1,244	1,070				1,070
Distillates	862	827	869	929	872	869				869
Other	480	503	439	309	432	384				384
Total	2,600	2,630	2,520	2,445	2,548	2,323				2,323

* 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				455
Total Charge Input (MB/D)	532	528	455	517	508	463				463
Crude Oil Capacity Utilization (%)	91%	92%	79%	89%	88%	82%				82%
Clean Product Yield (%)	68%	67%	71%	65%	68%	65%				65%
International - Equity Affiliates - Net Share**										
Crude Oil Charge Input (MB/D)	120	145	140	124	132	123				123
Total Charge Input (MB/D)	121	146	142	125	134	124				124
Crude Oil Capacity Utilization (%)	83%	101%	104%	106%	98%	104%				104%
Clean Product Yield (%)	77%	79%	81%	84%	80%	86%				86%
TOTAL INTERNATIONAL										
Crude Oil Charge Input (MB/D)	623	650	574	617	616	578				578
Total Charge Input (MB/D)	653	674	597	642	642	587				587
Crude Oil Capacity Utilization (%)	90%	93%	84%	92%	90%	86%				86%
Clean Product Yield (%)	70%	69%	74%	69%	70%	70%				70%
Refined Products Production (MB/D)										
Gasoline	160	159	160	160	160	129				129
Distillates	289	302	273	277	285	274				274
Other	195	203	160	196	188	171				171
Total	644	664	593	633	633	574				574
Petroleum Products Sales (MB/D)										
Gasoline	176	186	161	173	174	139				139
Distillates	381	379	328	366	363	321				321
Other	156	174	140	171	160	156				156
Total	713	739	629	710	697	616				616
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				2,384
Total Charge Input (MB/D)	2,787	2,756	2,756	2,789	2,773	2,564				2,564
Crude Oil Capacity Utilization (%)	94%	93%	94%	95%	94%	89%				89%
Clean Product Yield (%)	80%	80%	80%	81%	80%	80%				80%
Refined Products Production (MB/D)										
Gasoline	1,122	1,116	1,119	1,138	1,124	1,021				1,021
Distillates	1,051	1,038	1,052	1,072	1,053	993				993
Other	623	597	599	588	602	551				551
Total	2,796	2,751	2,770	2,798	2,779	2,565				2,565
Petroleum Products Sales (MB/D)										
Gasoline	1,434	1,486	1,373	1,380	1,418	1,209				1,209
Distillates	1,243	1,206	1,197	1,295	1,235	1,190				1,190
Other	636	677	579	480	592	540				540
Total	3,313	3,369	3,149	3,155	3,245	2,939				2,939

* 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				710

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

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

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

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

MIDSTREAM

	2007					2008				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Midstream Net Income (\$ Millions)	85	102	104	162	453	137				137
U.S. Equity Affiliate (\$ Millions)*	50	76	90	120	336	118				118
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				190
International	8	7	8	8	8	8				8
Total	197	211	216	221	211	198				198

** Represents 50 percent interest in DCP Midstream.*

Natural Gas Liquids Fractionated (MB/D)										
United States*	161	163	155	160	160	141				141
International	13	13	13	13	13	13				13
Total	174	176	168	173	173	154				154

** Excludes DCP Midstream.*

Product Prices										
Weighted Average NGL (\$/bbl)*										
Consolidated	37.73	45.19	48.62	60.19	47.93	60.09				60.09
DCP Midstream	36.55	44.30	47.73	58.60	46.80	56.48				56.48

** 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				2
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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				52
Industry Margins (Cents/Lb)*										
Ethylene industry cash margin	11.1	10.8	11.5	9.7	10.8	10.6				10.6
HDPE industry contract sales margin	13.5	14.6	14.8	13.6	14.1	14.9				14.9
Styrene industry contract sales margin	11.1	11.6	11.5	10.7	11.2	11.6				11.6

* 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				12
Detail of Net Income (Loss) (\$ Millions)										
Power	13	(1)	21	20	53	27				27
Other	(14)	(11)	(18)	(18)	(61)	(15)				(15)
Total	(1)	(12)	3	2	(8)	12				12

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)				(179)
Detail of Net Income (Loss) (\$ Millions)										
Net interest expense	(244)	(224)	(195)	(157)	(820)	(108)				(108)
Corporate overhead	(23)	(54)	(49)	(50)	(176)	(44)				(44)
Acquisition-related expenses	(13)	(16)	(11)	(4)	(44)	-				-
Other	(61)	(43)	(65)	(60)	(229)	(27)				(27)
Total	(341)	(337)	(320)	(271)	(1,269)	(179)				(179)

Before-Tax Net Interest Expense (\$ Millions)

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

Debt

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