



# FACT BOOK



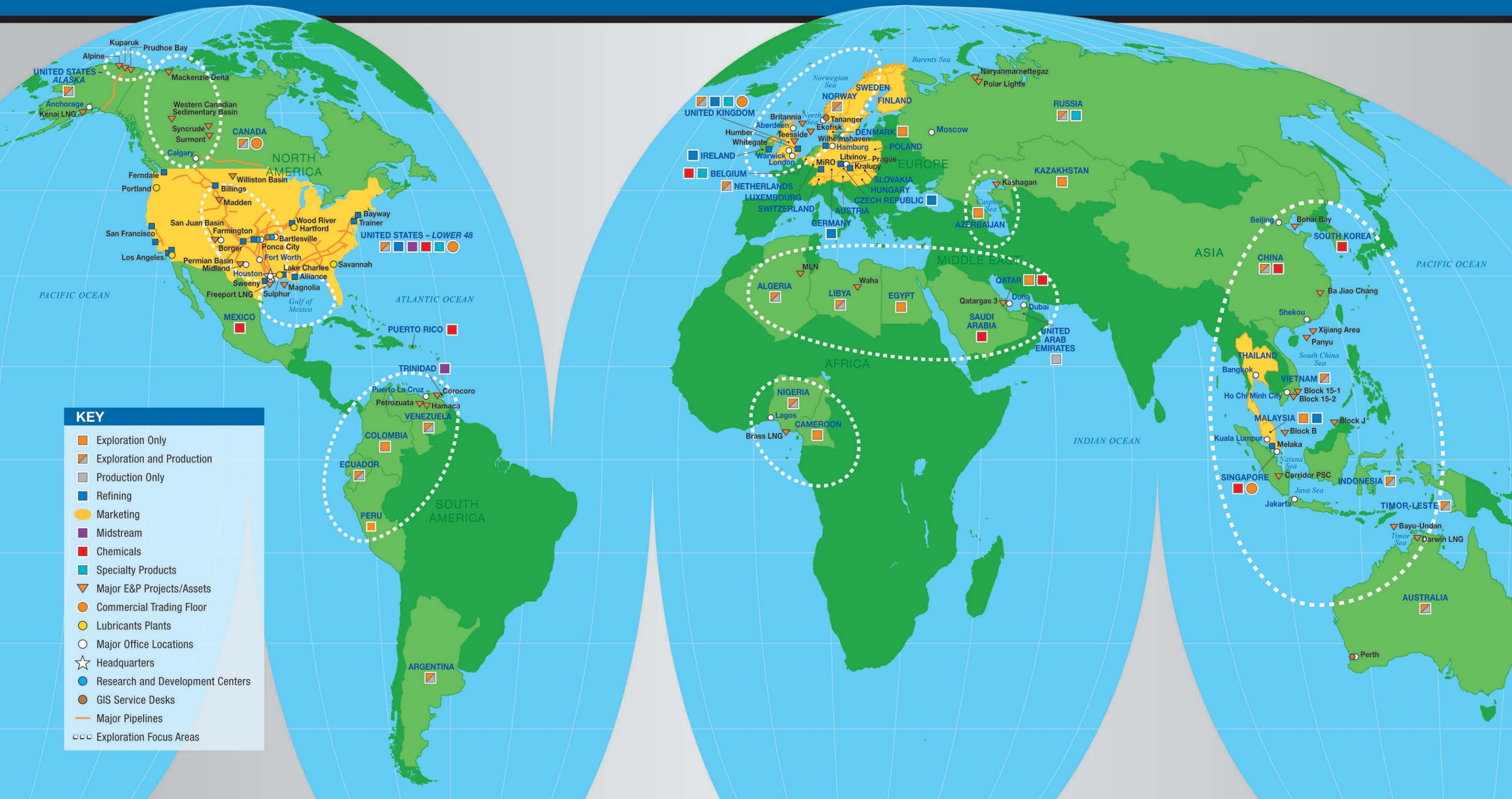


## About the Cover

As the world's need for energy continues to expand, ConocoPhillips is growing to meet that need with a portfolio of new investments. (On the cover, left to right) Announced in 2005, the company will begin a multi-year, domestic refining investment program designed to create an integrated advantage through its existing assets, such as the Borger, Texas, refinery. In the Timor Sea, the Bayu-Undan project was advanced with the connection of a natural gas pipeline from the offshore facilities to the liquefied natural gas facility near Darwin, Australia. The Burlington Resources acquisition, including major producing fields in Canada, has expanded ConocoPhillips' presence in North America through high-quality, long-life reserves and assets. Through the dedication of the company's solid work force, these and other projects will provide sustainable shareholder value well into the future.

# ConocoPhillips Key Assets, Operations and Locations

As of March 31, 2006, unless noted otherwise.



Third-largest integrated energy company in the United States. Fifth-largest proved reserves holder worldwide.\* Fourth-largest refiner worldwide,\* second-largest in the United States. About 38,000 employees worldwide.\*\* 1,808 active patents in about 70 countries.

\*Of nongovernment-controlled companies. \*\*Based on the Annual Reports on Form 10-K of ConocoPhillips and Burlington Resources for the year ended Dec. 31, 2005.

## Worldwide Locations

Algeria	Hungary	Saudi Arabia
Argentina	Indonesia	Singapore
Australia	Ireland	Slovakia
Austria	Kazakhstan	South Korea
Azerbaijan	Libya	Sweden
Belgium	Luxembourg	Switzerland
Cameroon	Malaysia	Thailand
Canada	Mexico	Timor-Leste
China	Netherlands	Trinidad
Colombia	Nigeria	United Arab Emirates
Czech Republic	Norway	United Kingdom
Denmark	Peru	United States
Ecuador	Poland	Venezuela
Egypt	Puerto Rico	Vietnam
Finland	Qatar	
Germany	Russia	

## Marine

### EUROPE

Downstream – 1 tanker

### NORTH AMERICA

Upstream – 6 tankers

Downstream – 7 push boats, 6 tankers

## Global Gas

### Liquefaction facilities:

Kenai, Alaska, U.S.  
Wickham Point, Australia

### Liquefaction facility opportunities:

Arctic Russia  
Nigeria  
Qatar  
Venezuela

### Regasification import terminal under construction:

Freeport, Texas, U.S.

### Regasification import terminal opportunities:

Netherlands (onshore)  
United Kingdom (onshore)  
United States (onshore California and offshore Alabama and Louisiana)

## Branded Marketing

### ASIA

Malaysia – 43 ProJET retail sites through joint ventures  
Thailand – 145 JET marketing outlets

### EUROPE

2,278 outlets in 14 countries

- JET brand in Austria, Belgium, the Czech Republic, Denmark, Finland, Germany, Hungary, Luxembourg, Norway, Poland, Slovakia, Sweden and the United Kingdom (2,110 outlets)
- Through a joint venture, refined products are marketed in Switzerland under the Coop brand (168 outlets)

### NORTH AMERICA

11,800 outlets in 49 states in the United States market gasoline, diesel fuel, jet fuel and aviation gasoline under the Phillips 66®, Conoco® and 76® brands.

## Refineries

(As of Feb. 28, 2006)

### Crude Processing Capacity:

2.9 million barrels per day (BD)

**Key Products:** Gasoline, diesel fuel, jet fuel, liquefied petroleum gas, base oils, lubricants, solvents, aviation gasoline, and premium and fuel-grade petroleum cokes

### ASIA

Melaka – Melaka, Malaysia, 123,000 BD,  
our share (47%) 58,000 BD

### EUROPE

Czech Republic – Litvinov and Kralupy, Czech Republic,  
166,000 BD, our share (16.33%) 27,000 BD

Humber – North Lincolnshire, United Kingdom, 221,000 BD

MiRO – Karlsruhe, Germany, 297,000 BD,  
our share (18.75%) 56,000 BD

Wilhelmshaven – Wilhelmshaven, Germany, 260,000 BD

Whitegate – Cork, Ireland, 71,000 BD

### NORTH AMERICA

Alliance – Belle Chasse, La., 247,000 BD

Bayway – Linden, N.J., 238,000 BD

Billings – Billings, Mont., 58,000 BD

Borger – Borger, Texas, 146,000 BD

Ferndale – Ferndale, Wash., 96,000 BD

Lake Charles – Westlake, La., 239,000 BD

Los Angeles – Carson and Wilmington, Calif., 139,000 BD

Ponca City – Ponca City, Okla., 187,000 BD

San Francisco – Rodeo and Arroyo Grande, Calif., 120,000 BD

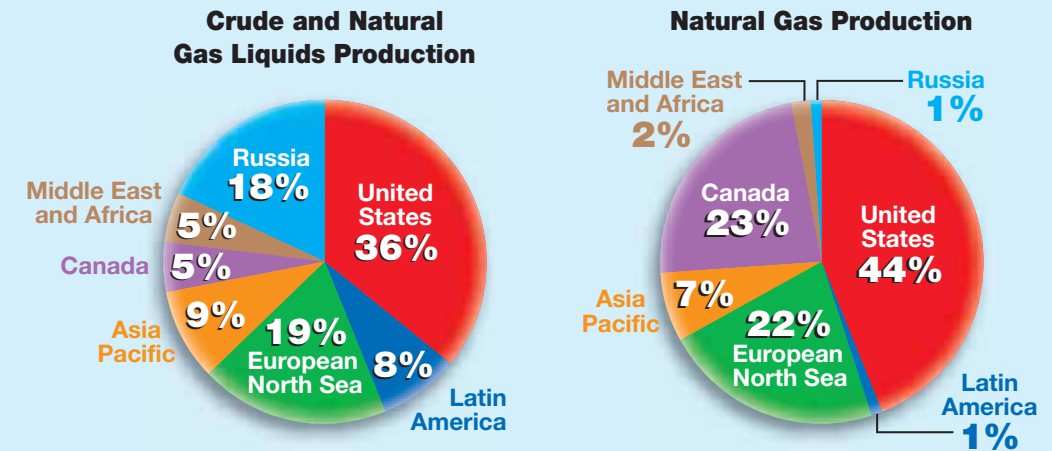
Sweeny – Old Ocean, Texas, 247,000 BD

Trainer – Trainer, Pa., 185,000 BD

Wood River – Roxana, Ill., 306,000 BD

## 2005 Worldwide Production

Includes Burlington Resources and LUKOIL, and excludes Syncrude



### Million net developed and undeveloped acres

ConocoPhillips	<b>41.2</b>
Burlington Resources	<b>23.4</b>
<b>TOTAL</b>	<b>64.6</b>

## Joint-Venture Operations

Duke Energy Field Services: **50% interest**  
Chevron Phillips Chemical Co.: **50% interest**

## Strategic Alliance

LUKOIL Investment: **17.1% interest**  
*as of March 31, 2006*

## 2005 Financial and Operating Information\* (Billions except as indicated)

	ConocoPhillips	Burlington Resources	TOTAL
<b>Total Revenues and Other Income:</b>	<b>\$183.4</b>	<b>\$7.6</b>	<b>\$191.0</b>
<b>Capital Expenditures and Investments:</b>	<b>\$11.6</b>	<b>\$2.7</b>	<b>\$14.3</b>
<b>Reserves [barrels of oil equivalent (BOE)]:</b>	<b>9.366</b>	<b>2.081</b>	<b>11.447</b>
<b>Production (million BOE per day):</b>	<b>1.789</b>	<b>0.477</b>	<b>2.266</b>

Reserves and production include LUKOIL and exclude Syncrude.

\*Based on the Annual Reports on Form 10-K of ConocoPhillips and Burlington Resources for the year ended Dec. 31, 2005.

ConocoPhillips



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## COMPANY PROFILE

ConocoPhillips is an international, integrated energy company. It is the third-largest integrated energy company in the United States, based on market capitalization, and oil and gas proved reserves and production; and the second largest refiner in the United States. Worldwide, of nongovernment-controlled companies, ConocoPhillips has the fifth-largest total of proved reserves and is the fourth-largest refiner.

Headquartered in Houston, Texas, ConocoPhillips operates in more than 40 countries. As of March 31, 2006, the company had approximately 38,000 employees worldwide and assets of \$160 billion. ConocoPhillips stock is listed on the New York Stock Exchange under the symbol "COP."

The company has four core activities worldwide:

- Petroleum exploration and production.
- Petroleum refining, marketing, supply and transportation.
- Natural gas gathering, processing and marketing, including a 50 percent interest in Duke Energy Field Services, LLC.
- Chemicals and plastics production and distribution through a 50 percent interest in Chevron Phillips Chemical Company LLC.

In addition, the company is investing in several emerging businesses – technology solutions, gas-to-liquids, power generation, renewable energy and emerging technologies – that provide current and potential growth opportunities.

### 2005 Significant Events

Date	Event
December	<p>ConocoPhillips, in conjunction with its co-venturers, reaches an agreement with the Libyan National Oil Corp. on the terms under which it will return to its former oil and gas production operations in Libya.</p> <p>ConocoPhillips Petroleum Co. U.K. Ltd., a subsidiary of ConocoPhillips, receives approval to make an application to obtain planning permission for a liquefied natural gas regasification facility and combined heat and power plant at the existing oil terminal site at Teesside, United Kingdom.</p> <p>ConocoPhillips and Burlington Resources Inc. announce a definitive agreement under which ConocoPhillips would acquire Burlington Resources in a transaction valued at \$33.8 billion. The transaction, approved by Burlington Resources shareholders and finalized in March 2006, provides ConocoPhillips with extensive, high-quality natural gas exploration and production assets, primarily located in North America.</p> <p>Seagas Pipeline Co., a subsidiary of ConocoPhillips, acquires 50 percent interest in the Seaway products pipeline, bringing its total interest to 100 percent.</p> <p>The Qatargas 3 liquefied natural gas project, jointly owned by Qatar Petroleum and ConocoPhillips, awards the onshore engineering, procurement and construction contract to the Chiyoda Corp. and Technip France Joint Venture.</p>
November	<p>The company announces its intention to purchase the Wilhelmshaven, Germany, refinery and expects to increase its planned 2006 capital expenditures by approximately \$1.4 billion to provide for the acquisition of the facility, including the initial expenditures toward a deep conversion project and other capital improvements. The transaction is finalized in February 2006.</p> <p>The third of three \$1 billion share repurchase programs is unveiled. By year-end 2005, the company completes \$1.9 billion in repurchases.</p> <p>TransCanada Corp., ConocoPhillips and ConocoPhillips Pipe Line Co. (CPPL), a wholly owned subsidiary of ConocoPhillips, sign a Memorandum of Understanding committing ConocoPhillips to ship crude oil on the proposed Keystone oil pipeline and gives CPPL the right to acquire up to 50 percent ownership interest in the pipeline.</p>
October	<p>Phase II of the Bayu-Undan project advances with the connection of a natural gas pipeline from the offshore facilities in the Timor Sea to the liquefied natural gas facility near Darwin, Australia.</p> <p>A growth project undertaken to extend the economic life of the Ekofisk field achieves first production.</p>
July	<p>ConocoPhillips and Duke Energy Corp. finalize the restructuring of their respective ownership levels in Duke Energy Field Services, LLC (DEFS), resulting in an increase in ConocoPhillips' ownership from 30.3 percent to 50 percent and equally shared governance of DEFS by the two companies.</p>
June	<p>ConocoPhillips and Essent Energie B.V. sign a Memorandum of Understanding to study the feasibility of developing a liquefied natural gas import terminal in the Netherlands.</p> <p>The creation of the Naryanmarneftegaz joint venture, a collaboration between ConocoPhillips and LUKOIL to develop resources in the northwest Arctic Russia, is completed.</p>
April	<p>The company discloses its plan to incrementally increase its investment in the domestic refining system in an effort to expand capacity and increase refining flexibility, creating an integrated advantage for the company through its existing assets. Currently, the company intends to invest \$4 billion to \$5 billion from 2006 to 2011 in the domestic refining system.</p>
February	<p>First production begins from the Clair field in the U.K. sector of the North Sea.</p>
January	<p>The company submits an application to the United States Coast Guard for the construction of a new offshore liquefied natural gas regasification facility offshore in the Gulf of Mexico. The proposed Beacon Port Clean Energy Terminal is planned to be located in federal waters, 56 miles south of the Louisiana mainland.</p>

## EXPLORATION AND PRODUCTION

Through its Exploration and Production (E&P) segment, ConocoPhillips is developing legacy assets – large oil and gas developments that can provide strong financial returns over long periods of time. E&P explores for and produces oil, natural gas and natural gas liquids (NGL) around the world.

On March 31, 2006, ConocoPhillips completed its \$33.8 billion acquisition of Burlington Resources, one of the world's largest independent oil and natural gas exploration and production companies. At the time of the acquisition, Burlington Resources conducted exploration, production and development operations in the United States, Canada, the United Kingdom, the Netherlands, Venezuela, Colombia, Ecuador, Peru, Argentina, Algeria, Egypt and China.

With the completion of the Burlington Resources transaction in March, ConocoPhillips holds acreage in 28 countries and produces

hydrocarbons in 18 (with proved reserves in two additional countries). Producing areas include: the United States, including the Gulf of Mexico; the Norwegian, U.K. and Dutch sectors of the North Sea; the East Irish Sea; Norwegian Sea; Canada; Venezuela; Ecuador; Argentina; Indonesia; the Timor Sea; Australia; Vietnam; China; Nigeria; Algeria; Libya; the United Arab Emirates; and Russia.

Exploration areas include: the United States, including the Gulf of Mexico; Canada; Venezuela; Colombia; Ecuador; Peru; Argentina; the North Sea; Russia; Caspian Sea; China; Vietnam; Malaysia; Indonesia; Australia; and the Timor Sea. ConocoPhillips drilled more than 40 wildcat exploration and appraisal wells in 2005, and the company secured new acreage in several locations, including offshore Alaska in the Beaufort Sea, the Gulf of Mexico and offshore Australia.

### E&P Facts

*As of year-end 2005 unless otherwise indicated; ConocoPhillips' data includes equity affiliates other than LUKOIL.*

	ConocoPhillips E&P Segment	Burlington Resources	Total Pro Forma
Total Reserves	7.9 BBOE <sup>1</sup>	2.1 BBOE	10.0 BBOE
E&P Assets (as of March 31, 2006)	\$108.3 billion	--	--
Employees	9,608	2,416	12,024
Five-Year Reserve Replacement Average	215 percent <sup>2</sup>	143 percent <sup>3</sup>	198 percent <sup>4</sup>
Total Worldwide Production	1.54 MMBOED <sup>5</sup>	0.48 MMBOED	2.02 MMBOED <sup>5</sup>
Crude Oil Production	907 MBD	93 MBD	1,000 MBD
Natural Gas Production	3,270 MMCFD	1,905 MMCFD	5,175 MMCFD
Natural Gas Liquids Production	91 MBD	67 MBD	158 MBD

<sup>1</sup> Excludes 251 MMBOE of Canadian Syncrude.

<sup>2</sup> Includes acquisitions, dispositions and equity affiliates. Assuming that Conoco and Phillips had been a single, merged company for the full five-year period, the comparable reserve replacement percentage would have been 109 percent.

<sup>3</sup> Includes acquisitions and dispositions.

<sup>4</sup> Includes acquisitions, dispositions, equity affiliates and assumes that ConocoPhillips and Burlington Resources had been a single, merged company for the full five-year period. Assuming that Conoco, Phillips and Burlington Resources had been a single, merged company for the full five-year period, the comparable reserve replacement average would have been 116 percent.

<sup>5</sup> Excludes 19 MBOED of Canadian Syncrude.

**Worldwide Exploration and Production as of March 31, 2006**



**Worldwide Proved Reserves Year-end 2005**

Includes equity affiliates other than LUKOIL.

Areas	Oil MMBBL	Gas BCF	NGL MMBBL	Total MMBOE
Alaska (all COP)	1,505	3,472	146	2,229
Canada Total <sup>1</sup>	60	3,509	82	727
COP Canada <sup>1</sup>	44	970	24	230
BR Canada	16	2,539	58	497
U.S. Lower 48 Total	356	9,389	439	2,360
COP Lower 48	170	4,114	108	964
BR Lower 48	186	5,275	331	1,396
Northwest Europe Total	808	3,506	50	1,442
COP Northwest Europe	808	3,062	50	1,368
BR Northwest Europe	--	444	--	74
Asia Pacific Total	288	3,725	71	981
COP Asia Pacific	274	3,700	71	962
BR Asia Pacific	14	25	--	19
Other Areas Total	593	1,420	3	832
COP Other Areas	535	1,195	3	737
BR Other Areas	58	225	--	95
Equity Affiliates (all COP)	1,188	1,351	21	1,434
<b>Total Reserves</b>	<b>4,798</b>	<b>26,372</b>	<b>812</b>	<b>10,005</b>

<sup>1</sup> Excludes 251 MMBOE of Canadian Syncrude.



**Worldwide Production** *Average Daily Net Production, 2005*

Includes equity affiliates other than LUKOIL.

Areas	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Alaska ( <i>all COP</i> )	294	169	20	342
Canada Total <sup>1</sup>	29	1,229	34	268
COP Canada <sup>1</sup>	23	425	10	104
BR Canada	6	804	24	164
U.S. Lower 48 Total	108	2,162	73	541
COP Lower 48	59	1,212	30	291
BR Lower 48	49	950	43	250
Northwest Europe Total	257	1,148	13	462
COP Northwest Europe	257	1,023	13	441
BR Northwest Europe	--	125	--	21
Asia Pacific Total	115	355	16	190
COP Asia Pacific	100	350	16	174
BR Asia Pacific	15	5	--	16
Other Areas Total	76	105	2	95
COP Other Areas	53	84	2	69
BR Other Areas	23	21	--	26
Equity Affiliates ( <i>all COP</i> )	121	7	--	122
<b>Total Production</b>	<b>1,000</b>	<b>5,175</b>	<b>158</b>	<b>2,020</b>

<sup>1</sup> Excludes 19 MBOED of Canadian Syncrude.**Major Projects**

Region	Planned First Production	Asset	Interest
Canada	2006	Surmont	50.0%
Canada	2006	Syncrude Phase III	9.0%
Timor Sea	2006	Bayu-Undan Phase II (Darwin LNG)	56.7%
Alaska	2006	Alpine Satellites	78.0%
Alaska	2006	Trans-Alaska Pipeline System Upgrade	28.3%
Indonesia	2006	Kerisi and Hiu	40.0%
Indonesia	2007	Suban Phase II	54.0%
U.K. North Sea	2007	Britannia Satellites	79.0%
Norwegian North Sea	2007	Alvheim Area	20.0%
Norwegian and U.K. North Sea	2007	Statfjord Late Life	15.2%
Russia	2007	Yuzhno Khylochuyu	30.0%
China	2007	Bohai Phase II	49.0%
Algeria	2007+	Menzel Lejmat North Expansion	65.0%
Venezuela	2008	Corocoro Phase I	32.2%
Vietnam	2008	Su Tu Vang	23.3%
Caspian Sea	2008+	Kashagan	9.3%
Indonesia	2009	North Belut	40.0%
Qatar	2009	Qatargas 3 LNG	30.0%
Vietnam	2010	Su Tu Den Northeast	23.3%
Nigeria	2010+	Brass LNG	17.0%
Venezuela	2011	Plataforma Deltana	40.0%
Canada	2011+	Mackenzie Delta Gas	18.0-75.0%
Venezuela	2011+	Corocoro Phase II	32.2%
Timor Sea	2011+	Greater Sunrise	30.0%
Alaska	2011+	North Slope Gas	4.9-36.1%
Vietnam	2011+	Su Tu Trang	23.3%

## North America

### Alaska

ConocoPhillips is Alaska's largest oil and gas producer. The company also is the largest owner of state and federal exploration leases, with approximately 1.7 million net undeveloped acres at year-end 2005. Approximately 1.2 million acres are in the National Petroleum Reserve-Alaska (NPR-A).

ConocoPhillips has a major ownership interest in two of North America's largest oil fields located on Alaska's North Slope, Kuparuk

and Prudhoe Bay, and the company operates Kuparuk. ConocoPhillips also has a significant operating interest in Alpine, a field located on the Western North Slope. In southern Alaska, the company operates the Kenai liquefied natural gas (LNG) facility and the Tyonek platform on the North Cook Inlet field, as well as the Beluga gas field in the Cook Inlet area.

#### Alaska Production *ConocoPhillips Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Greater Prudhoe Area	36.1%	BP	132	7	20	153
Greater Kuparuk Area	52.2-55.5%	ConocoPhillips	86	--	--	86
Western North Slope	78.0%	ConocoPhillips	76	--	--	76
Cook Inlet Area	33.3-100%	ConocoPhillips	--	162	--	27
<b>Total Alaska</b>			<b>294</b>	<b>169</b>	<b>20</b>	<b>342</b>

#### Greater Prudhoe Area

*Operator: BP (26.4%)*

*Co-venturers: ExxonMobil (36.4%), ConocoPhillips (36.1%), Chevron (1.1%), Forest Oil (<1.0%)*

The Greater Prudhoe Area (GPA) is made up of the Prudhoe Bay field, the Prudhoe Bay satellite fields and the Greater Point McIntyre Area fields.

#### Prudhoe Bay Field

The largest producing oil field in the United States, the Prudhoe Bay field has more than 1,000 active wells. Drilling is expected to continue for many years. Prudhoe Bay is the site of one of the largest water flood and enhanced oil recovery projects in the world, as well as a large gas processing plant, which processes and reinjects more than 8 BCFD of natural gas back into the reservoir. The field reached peak gross production in 1988 at more than 1 MMBOED and has since declined to approximately 383 MBOED. In 2005, ConocoPhillips' net production at Prudhoe Bay averaged 122 MBOED.

#### Prudhoe Bay Satellites

The Prudhoe Bay satellites, including Aurora, Borealis, Midnight Sun, Polaris and Orion, contributed nearly 16 MBOD of net production in 2005. All Prudhoe Bay satellite fields produce through the Prudhoe Bay production facilities.

#### Greater Point McIntyre Area

The Greater Point McIntyre Area (GPMA) is made up of the Point McIntyre, Niakuk, Lisburne, West Beach and North Prudhoe Bay State (NPBS) fields. Point McIntyre, which began production in

1993, is seven miles north of Prudhoe Bay and extends into the Beaufort Sea. The offshore Niakuk field began production in 1994 from an onshore drill site. Permanent production modules became operational in 1995 and water flooding was started at that time. Production from the Lisburne field began in 1985. The fields within the GPMA are generally produced through the Lisburne Production Center, and net production averaged more than 15 MBOD in 2005.

#### Greater Kuparuk Area

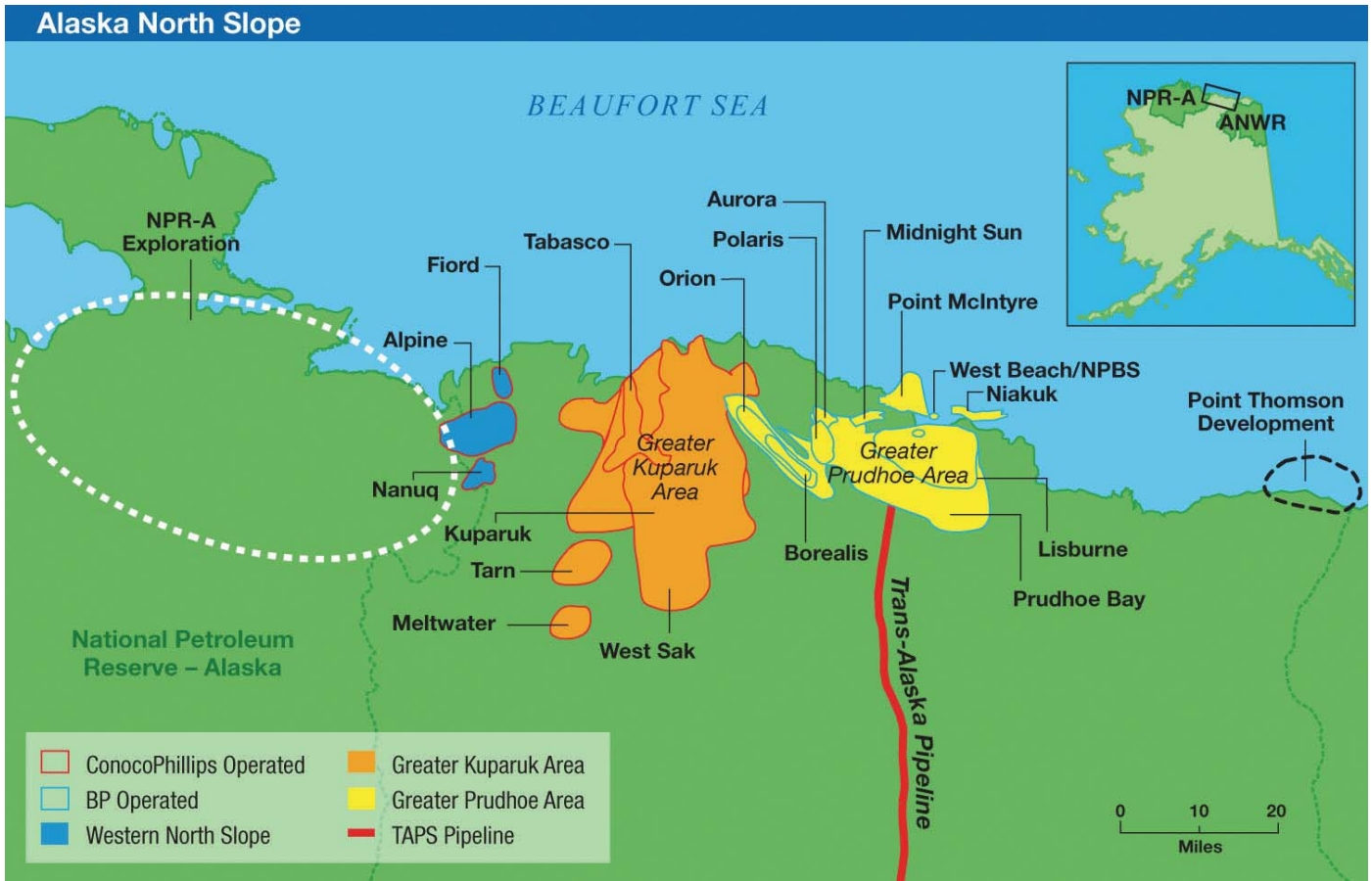
Located 40 miles west of Prudhoe Bay on the North Slope of Alaska, the Greater Kuparuk Area (GKA) contains the second largest onshore producing oil field in the United States, Kuparuk. GKA also includes four satellite fields: Tarn, West Sak, Tabasco and Meltwater. Facilities include the Kuparuk operations center and residence camp. Field installations include three central production facilities that separate oil, natural gas and water. The natural gas is either used for fuel or compressed for reinjection to enhance oil recovery.

#### Kuparuk

*Operator: ConocoPhillips (55.3%)*

*Co-venturers: BP (39.2%), Unocal (4.9%), ExxonMobil (0.6%)*

The second-largest onshore producing oil field in the United States, Kuparuk has been producing since 1981. In 2005, ConocoPhillips and its co-venturers completed a comprehensive 3-D seismic program to further delineate reservoir geology, characterize fault and flood behavior, and identify future infill development opportunities. Net production averaged nearly 65 MBOD in 2005, and the field produced its 2 billionth barrel in July.



### Tarn

*Operator: ConocoPhillips (55.4%)*

*Co-venturers: BP (39.3%), Unocal (4.9%), ExxonMobil (0.4%)*

Tarn, which began production in 1998, is located in the southwest corner of the GKA. It is the area's highest-producing satellite with 2005 net production of 11 MBOD from two drill pads.

### West Sak

*Operator: ConocoPhillips (52.2%)*

*Co-venturers: BP (37.0%), Unocal (5.0%), ExxonMobil (5.8%)*

Development of the West Sak reservoir within the Kuparuk River Unit began in 1998. Net production from West Sak in 2005 was 5 MBOD. An expansion program under way on the field includes the drilling of 13 wells at Drill Site 1E (an existing drill site) and 31 wells at Drill Site 1J (a new, stand-alone drill site). The development program also includes the expansion of facilities at Drill Site 1E and the construction of new facilities, pipelines and power lines for Drill Site 1J. Drill Site 1E began production in July 2004, and Drill Site 1J achieved first production in October 2005. Peak production from these projects is expected in 2007, and plans are under way to evaluate additional expansions.

### Tabasco

*Operator: ConocoPhillips (55.4%)*

*Co-venturers: BP (39.3%), Unocal (4.9%), ExxonMobil (0.4%)*

Tabasco is a satellite oil field in the western section of the Greater Kuparuk Area. Net production averaged 2 MBOD in 2005. Like West Sak, Tabasco utilizes a Kuparuk drill site.

### Meltwater

*Operator: ConocoPhillips (55.5%)*

*Co-venturers: BP (39.3%), Unocal (5.0%), ExxonMobil (0.2%)*

Meltwater is a satellite oil field in the southwest corner of GKA below the Tarn satellite. Meltwater began producing in 2001 and net production averaged 3 MBOD in 2005.

## Western North Slope

### Alpine

*Operator: ConocoPhillips (78.0%)*

*Co-venturer: Anadarko (22.0%)*

Located 40 miles west of Kuparuk, Alpine is the largest onshore oil field discovered in North America in the past decade. Directional drilling, zero-waste discharge, roadless development and other innovations minimize the Alpine development's environmental footprint

on the Arctic, with the total field being developed from 97 acres or about 0.2 percent of the 40,000-acre field.

The field began producing in late 2000, and net production averaged 76 MBOD in 2005. The third phase of a capacity expansion (ACX-3) project was approved in 2005 and will involve the installation of a condensate stabilizer and associated equipment at the Alpine central facility. The stabilizer is expected to add approximately 4 MBOD to the plant's total gross capacity in 2006.

**Alpine Satellites**

*Operator: ConocoPhillips (78.0%)*

*Co-venturer: Anadarko (22.0%)*

The necessary development permits were secured for the Fiord and Nanuq satellites in 2004. Fiord was discovered in 1999 six miles north of the Alpine field with the Fiord 4 and 5 exploration wells. Nanuq was discovered in 2001 four miles south of the Alpine field. Plans call for the drilling of approximately 40 wells, with first production scheduled for late 2006 and peak production in 2008. The

oil will be processed through the existing Alpine facilities.

ConocoPhillips and its co-venturer are evaluating additional opportunities near Alpine and are currently seeking state, local and federal permits for additional Alpine satellite development in the NPR-A.

**North Slope Transportation**

**Trans-Alaska Pipeline System**

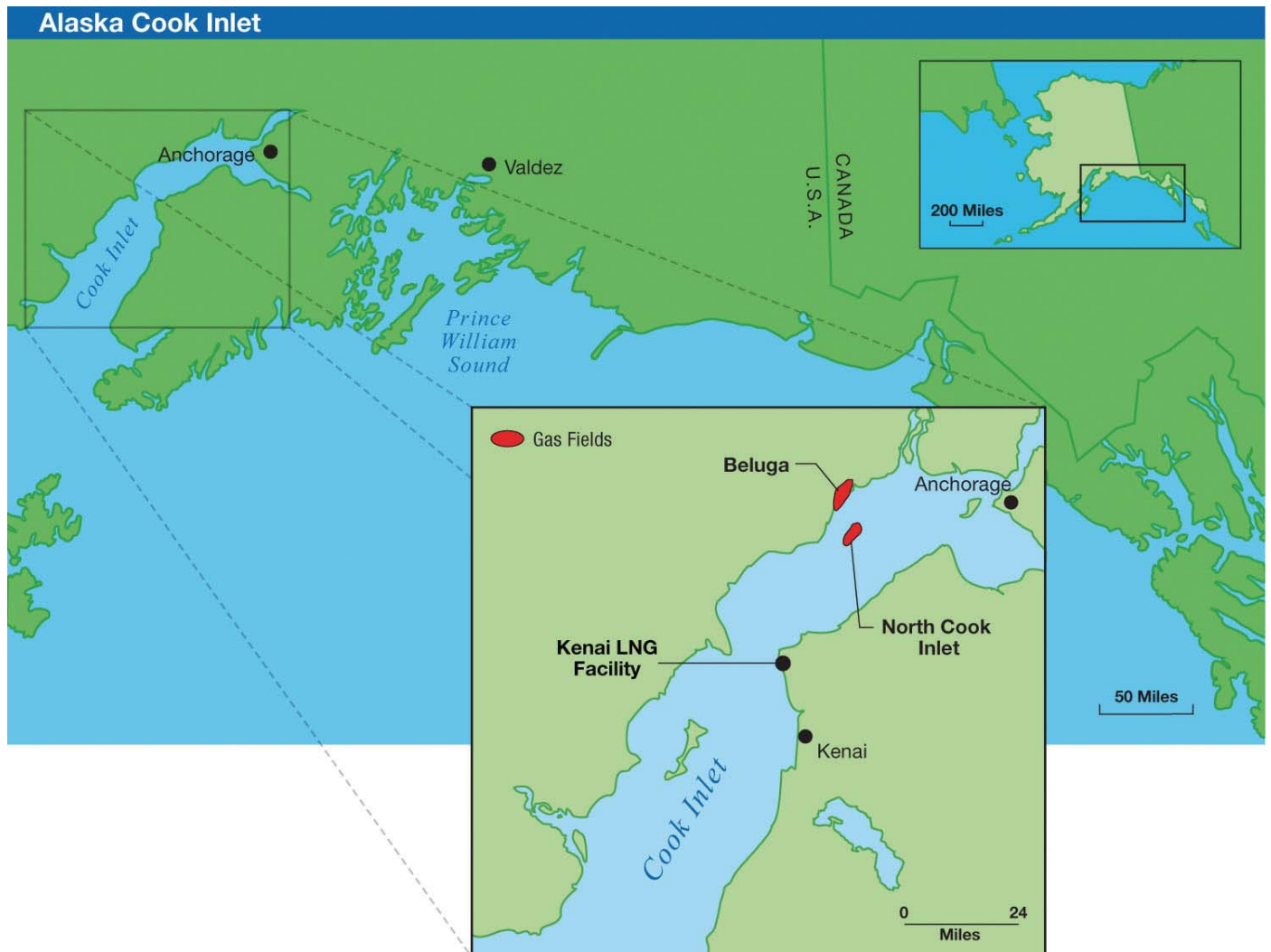
*Operator: Alyeska Pipeline Service Company*

*Co-venturers: BP (46.9%), ConocoPhillips (28.3%),*

*ExxonMobil (20.3%), Koch Alaska Pipeline Co. (3.1%),*

*Unocal (1.4%)*

The 800-mile Trans-Alaska Pipeline System (TAPS) transports North Slope oil to the tanker terminal in the ice-free port of Valdez, Alaska. The pipeline carries approximately 890 MBD of crude oil and natural gas liquids. In 2004, the owners of TAPS approved plans to upgrade the pipeline's pump stations. A phased start-up of the project will take place in the fourth quarter of 2006, with completion expected in 2007.



**Polar Tankers Inc.**

Polar Tankers Inc. (PTI), a wholly owned subsidiary, manages the marine transportation of ConocoPhillips' North Slope production. PTI operates six ships in the Alaska trade, chartering additional third-party operated vessels as necessary. Beginning with the Polar Endeavour in 2001, PTI has brought into service a new Endeavour Class tanker each year through 2004: the Polar Resolution in 2002, the Polar Discovery in 2003 and the Polar Adventure in 2004. These 140,000 deadweight-ton, double-hulled crude oil tankers are designed to meet or exceed the requirements of the 1990 Oil Pollution Act and regulations of the International Maritime Organization. The fifth and final Endeavour Class tanker is expected to arrive in Valdez in early 2007.

**Cook Inlet Area****North Cook Inlet**

*Operator: ConocoPhillips (100%)*

The North Cook Inlet field provides the majority of ConocoPhillips' share of natural gas feed for the Kenai LNG facility. The field was discovered in the northern waters of Cook Inlet in 1962 and is produced from the Tyonek platform, which began operation in 1968. Net gas production averaged 105 MMCFD in 2005.

**Beluga River**

*Operator: ConocoPhillips (33.3%)*

*Co-venturers: Chevron (33.3%), Municipal Light and Power (33.3%)*

The Beluga River natural gas field serves major customers in south-central Alaska, including local utilities and industrial consumers. Beluga River production also is used as back-up supply for the Kenai LNG facility. Net gas production averaged 57 MMCFD in 2005.

**Kenai Liquefied Natural Gas (LNG) Facility**

*Operator: ConocoPhillips (70.0%)*

*Co-venturer: Marathon Oil (30.0%)*

For 36 years, the company's proprietary LNG technology has been used to convert natural gas from nearby fields into liquefied natural gas. Utilizing two ships, the LNG is transported to Japanese utilities. Export authorizations have been obtained for Kenai LNG sales through March 2009. ConocoPhillips sold 42.8 BCF of LNG to Japan in 2005.

**Alaska Exploration and Business Development 2005 Activity**

License	Interest	Operator	Activity
NPR-A	78.0%	ConocoPhillips	Two wildcat wells were drilled and declared dry holes.
Alpine	78.0%	ConocoPhillips	One infrastructure-led exploration well was drilled and declared a dry hole.
West Sak	52.2%	ConocoPhillips	Two successful appraisal wells were drilled.

In 2006, ConocoPhillips plans to drill one exploration well near the Prudhoe Bay field and one near the Kuparuk field. In addition, four appraisal wells and one appraisal sidetrack are planned in the Kuparuk River and Prudhoe Bay units. In 2006, ConocoPhillips also is planning an extensive offshore seismic program.



**North Slope Natural Gas Pipeline**

With 36.1 percent of the Prudhoe Bay Unit gas cap and 4.9 percent of the Point Thomson Unit, ConocoPhillips has a sizeable resource of natural gas on Alaska’s North Slope. ConocoPhillips continues to take steps to promote a gas pipeline project to deliver natural gas from the North Slope to the Lower 48 states.

In 2004, federal legislation was passed regarding the federal regulatory process, federal loan guarantees and some taxes on the pipeline project. During 2005 and early 2006, the company and its co-venturers negotiated the terms of a fiscal contract with the state of Alaska under Alaska’s Stranded Gas Development Act. In May 2006, the state of Alaska released the draft fiscal contract resulting from those negotiations. Once approved, the fiscal contract is expected to provide the essential elements for clarity and fiscal certainty necessary to advance the pipeline project.

Following the required public review process, the fiscal contract must be reviewed by the Alaska State Legislature. Upon legislative authorization of the contract and clarity regarding the stability of Alaska’s future production tax system, the next phase in the project’s development – project planning – will commence. Additional agreements also are required for the Canadian portion of the project.

**Canada**

ConocoPhillips is the third-largest oil and gas producer in Canada. With the acquisition of Burlington Resources, key conventional production areas include Alberta, British Columbia and Saskatchewan.

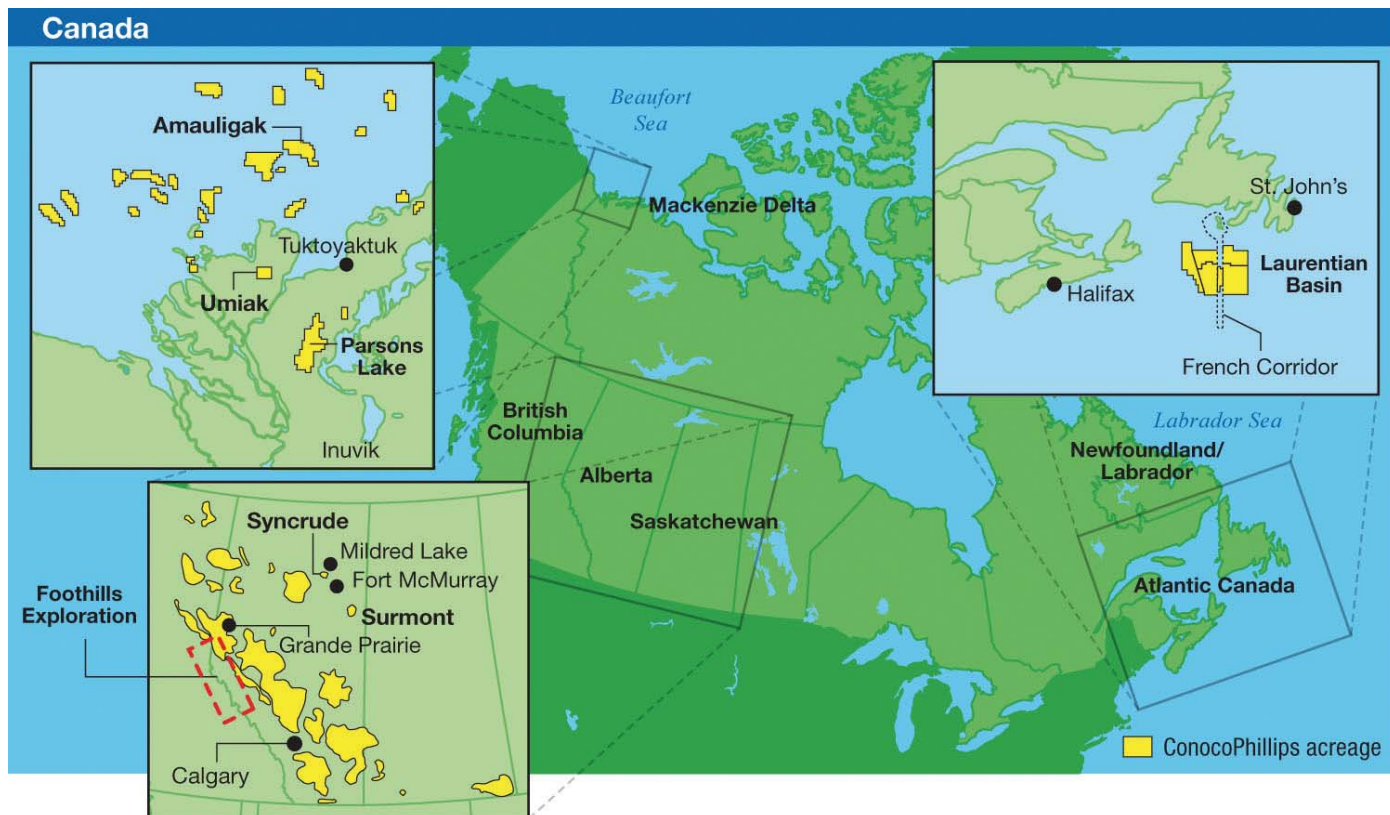
Major projects under development include a long-life, large-scale Syncrude project; the Surmont Athabasca oil sands project; and two future potential gas developments in the Mackenzie Delta.

<b>Canada Production Combined Average Daily Net Production, 2005</b>						
Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Western Conventional Total	--	--	29	1,229	34	268
COP WC	Various	ConocoPhillips	23	425	10	104
BR WC	Various	Burlington Resources	6	804	24	164
Syncrude (COP)	9.0%	Syncrude	19	--	--	19
<b>Total Canada</b>			<b>48</b>	<b>1,229</b>	<b>34</b>	<b>287</b>

**Western Canada Gas**

ConocoPhillips became the second-largest gas producer in Canada with the acquisition of Burlington Resources. The acquisition more than doubled ConocoPhillips’ reserves, capital, wells and production

in the region. The company’s operations are primarily located in Alberta and British Columbia, with some production in Saskatchewan. ConocoPhillips’ operations also include ownership of several gas processing plants in the region.



### Deep Basin

ConocoPhillips is the largest operator and producer in the Deep Basin, located west of Grande Prairie in northwest Alberta and north-east British Columbia. The Deep Basin provides productive potential from a total of 14 prospective geological formations. As of March 31, 2006, the company held mineral rights in 2.2 million gross acres (1.5 million net acres). The company conducts an active drilling program in the Deep Basin area, consisting of approximately 275 to 300 wells per year. ConocoPhillips operates about 90 percent of its activity in the area. Average production as of March 31, 2006, was 375 MMCFD of gas, 7 MBD of NGL and 2 MBOD.

The company holds significant working interests in seven major gas processing facilities in the area. The primary gas processing facility is the ConocoPhillips-operated Elmworth gas plant near Grande Prairie. Gas processing capacity at Elmworth is currently being expanded from 300 MMCFD to 450 MMCFD. ConocoPhillips holds an 87 percent interest in the Elmworth facility.

### Central

The Central region encompasses the O'Chiese and Rimbe operating areas in central Alberta. ConocoPhillips' assets in the region are characterized by multi-horizon, medium-depth (6,000-9,000 foot) reservoirs. An active capital program is under way, targeting low- to medium-risk development and extension opportunities. Net production for the first quarter of 2006 averaged 248 MMCFD of gas, 10 MBD of NGL and 5 MBOD.

### Southern Plains

Comprising primarily eastern and southern Alberta, Southern Plains is made up of shallow gas (including all of the Horseshoe Canyon coalbed methane) and medium heavy oil (15-25 API) assets. With virtually year-round access and less than 5,000 foot depth targets, this area offers lower cost, low-risk development opportunities. The 2006 capital program includes drilling more than 500 wells. ConocoPhillips' net production was 280 MMCFD of gas, 1 MBD of NGL and 11 MBOD in the first quarter of 2006.

### Foothills

ConocoPhillips has a core position of 630,000 net acres in the Canadian foothills, which extends 250 miles (15 to 20 miles wide) along the Rocky Mountains from the Central foothills area, northwest of Calgary, Alberta, and into northeast British Columbia. The program is focused on two main components: deep sour gas production in the inner foothills and sweet gas production from the outer foothills. Associated development and exploration programs of eight to 10 sour wells and 20 to 25 sweet wells annually are expected to grow production and reserves along this fairway. Net gas production averaged 135 MMCFD in the first quarter of 2006.

### Northern Plains

In the Northern Plains area, located in northwestern Alberta and northeastern British Columbia, ConocoPhillips holds approximately 1.5 million net acres of development and exploration assets. The main producing horizons consist of shallow gas in the Bluesky/Gething and Montney in the Ring Border Area. The company is pursuing exploration opportunities in the Debolt and Slave Point formations. Average production from the Northern Plains area as of March 31, 2006, was 23 MBOED.

### Kaybob/Edson

The Kaybob/Edson area is located in west-central Alberta and covers nearly 8 millions acres of land. ConocoPhillips is one of the largest operators in the Kaybob/Edson area, holding 1.1 million net acres of land and producing nearly 50 MBOED as of March 31, 2006. Activity is split between downspacing and development drilling in the Rock Creek, Cadomin and Bluesky/Gething, and trend extension and concentric exploration in the Falher, Cadotte and other Lower Mannville units. Significant recompletion potential exists in secondary targets such as the Cardium, Viking and Belly River. In 2005, the company drilled 155 wells.

### Oil Sands

#### Syncrude

*Operator: Syncrude Canada Ltd.*

*Co-venturers: Canadian Oil Sands Ltd. (31.7%),*

*Imperial Oil Resources (25.0%), Petro-Canada Oil & Gas (12.0%), ConocoPhillips (9.0%), Others (22.3%)*

Syncrude is a joint-venture oil sands project that has operated in northeastern Alberta since 1978. The project mines oil sands, extracting 8-degree API bitumen and upgrading it into a 32-degree API, sweet, synthetic crude oil called Syncrude Sweet Blend. The primary plant and facilities are located at Mildred Lake, about 25 miles north of Fort McMurray, Alberta, with an auxiliary mining and extraction facility approximately 20 miles from the Mildred Lake plant. All production is shipped via a dedicated third-party pipeline to the Edmonton area, where custody is turned over to the eight owners for marketing to eastern Canada and much of the northern United States. The gross production rate at year-end 2005 was 238 MBOD.

The development of the Stage III expansion-mining project continued in 2005, and when complete in 2006, it is expected to increase gross production capacity to 353 MBOD. Net production in 2005 was 19 MBOD.

### Surmont

*Operator: ConocoPhillips (50.0%)*

*Co-venturer: Total (50.0%)*

Surmont is a significant oil sands deposit within the Athabasca region of northern Alberta approximately 35 miles south of Fort McMurray. The bitumen is too deep to mine and will be extracted using steam-assisted gravity drainage that involves the injection of steam deep into the oil sands, effectively melting the heavy bitumen, which then is recovered and pumped to the surface for further processing. Over the life of this 30-plus-year project, ConocoPhillips anticipates that approximately 500 production and steam-injection well pairs will be drilled.

The 110 MBOD gross Surmont project received company, co-venturer and regulatory approvals in 2003. Construction of the facilities and development drilling began in 2004. Commercial production is expected to begin in late 2006, with peak production anticipated in 2013. ConocoPhillips plans to use its share of the production as a feedstock in the company's U.S. refineries.

### Canada Exploration and Business Development

ConocoPhillips holds exploration acreage in three areas of Canada: offshore eastern Canada, the foothills of western Alberta and the Canadian Arctic.

#### Atlantic Canada

In deepwater Newfoundland, the company operates eight contiguous exploration licenses in the deepwater Laurentian basin. Recent exploratory activity included a 2-D seismic survey in 2004 and two 3-D seismic programs in 2005.

ConocoPhillips also holds a 35.0 percent interest in four gas discoveries offshore Labrador. Development of these fields depends on the expansion of gas infrastructure offshore Labrador.

#### Foothills of Western Alberta

Three wildcat exploration wells were drilled in 2005. One well is being tied-in for production. The remaining two are being tested. Throughout the rest of the Western Canadian Sedimentary basin, ConocoPhillips participated in the drilling of approximately 70 low-risk wells near its own producing assets.



### Canadian Arctic

ConocoPhillips Canada has been one of the principal players in the Mackenzie Delta and Beaufort Sea since the late 1960s and is the operator of the Parsons Lake and Amauligak discoveries.

ConocoPhillips holds 43 significant discovery licenses and one exploration license and is the operator of 11 of these licenses. At year-end 2005, total leasehold for the region was 597,184 gross acres and 178,847 net acres.

- **Parsons Lake**

*Operator: ConocoPhillips (75.0%)*

*Co-venturer: ExxonMobil (25.0%)*

Discovered in 1972, the Parsons Lake natural gas field is located in the Mackenzie Delta, 45 miles north of Inuvik and about 35 miles southwest of Tuktoyaktuk. Parsons is one of the three anchor fields that will be produced into the Mackenzie Gas Project.

ConocoPhillips participated, with a 25 percent interest, in the Umiak N-16 exploration well, which was drilled in the Mackenzie Delta in 2004. This well was tested in early 2005, and an appraisal well was completed. Plans to commercialize this discovery will be linked to the progress of the Mackenzie Gas Project and its infrastructure development.

- **Amauligak**

*Operator: ConocoPhillips (50.9%)*

*Co-venturers: Chevron (18.1%), Anadarko (14.2%),*

*Imperial (7.3%), Others (9.5%)*

Amauligak is the largest oil and gas field in the region. It lies approximately 50 kilometers offshore in shallow water.

Development planning will be linked to the progress of the Mackenzie Gas Project.

### Mackenzie Gas Project

ConocoPhillips is working with three other energy companies on a project to transport onshore gas reserves from the Mackenzie Delta in northern Canada to established gas markets in North America.

The initial design capacity for the Mackenzie Valley Pipeline is planned to be 1.2 BCFD of natural gas, which will be expandable with additional compression to 1.8 BCFD. A separate pipeline also is planned to transport natural gas liquids from the Mackenzie Delta to existing pipeline infrastructure for delivery to the North American market. The Parsons Lake gas field is one of three primary fields in the Mackenzie Delta that would anchor the pipeline development.

In June 2003, the Mackenzie Gas Project proponents completed funding and participation agreements with the Aboriginal Pipeline Group and TransCanada Pipelines Limited. As a result, ConocoPhillips holds an average 18 percent interest in the proposed natural gas pipeline and gathering system. Formal regulatory applications for the project were submitted in 2004. Regulatory hearings began in January 2006 after the co-venturers progressed arrangements with both the Canadian federal government and four aboriginal groups. First production from Parsons Lake is expected in 2011.

## U.S. Lower 48

ConocoPhillips' acquisition of Burlington Resources significantly added to the company's presence in the U.S. Lower 48.

Onshore, ConocoPhillips is primarily focused on delivering production from the San Juan, Wind River, Williston, Anadarko, Permian, Fort Worth, Uinta and Black Warrior basins, as well as from the Guymon-Hugoton Trend in the panhandles of Texas and Oklahoma; the Lobo Trend in south Texas; Louisiana; the Texas Gulf Coast; and the Florida Panhandle.

Offshore, ConocoPhillips operates four fields and has interests

in several fields operated by co-venturers. The company is concentrating its deepwater Gulf of Mexico effort around the Ursa/Princess, Magnolia and K2 field developments and acreage positions in water depths greater than 1,000 feet.

Additionally, ConocoPhillips is participating in the construction of a regasification facility onshore Texas and pursuing several potential sites in key U.S. locations, including offshore Alabama and Louisiana, and onshore California.

### U.S. Lower 48 Production *Combined Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
San Juan Total	--	--	2	992	49	216
COP San Juan	Various	Various	1	478	18	99
BR San Juan	Various	Various	1	514	31	117
Permian Total	--	--	26	130	6	54
COP Permian	Various	Various	22	118	3	45
BR Permian	Various	Various	4	12	3	9
Wind River (BR)	Various	Various	--	127	--	21
Williston (BR)	Various	Various	34	11	--	36
Anadarko (BR)	Various	Various	--	72	2	14
Fort Worth (BR)	Various	Various	1	41	4	12
Texas/Oklahoma Panhandle (COP)	Various	Various	2	122	4	26
Lobo (COP)	97.0%	ConocoPhillips	1	275	--	47
Bossier Trend (BR)	Various	Various	7	76	1	21
South Louisiana (BR)	Various	Various	--	89	--	15
Onshore Other Total	--	--	4	162	4	34
COP Onshore	Various	Various	2	153	2	29
BR Onshore	Various	Various	2	9	2	5
Ursa/Princess (COP)	16.0%	Shell	12	17	1	16
Magnolia (COP)	75.0%	ConocoPhillips	17	43	2	26
K2 (COP)	16.8%	Agip	1	--	--	1
Offshore Other (COP)	Various	Various	1	5	--	2
<b>Total Lower 48</b>			<b>108</b>	<b>2,162</b>	<b>73</b>	<b>541</b>

## Onshore

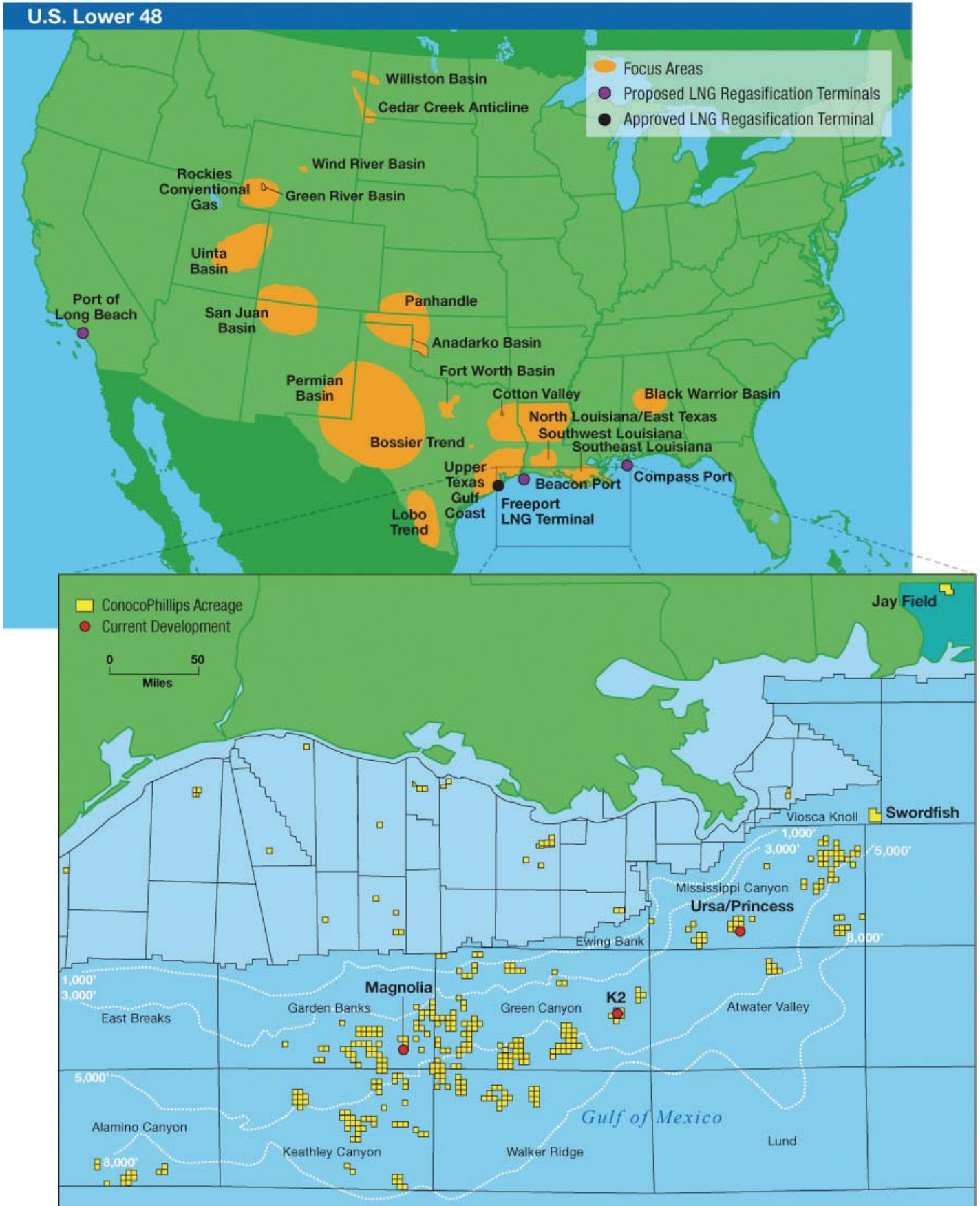
### San Juan Basin

ConocoPhillips is the largest operator in the San Juan Basin, located in northwest New Mexico and southwest Colorado. As of March 31, 2006, the company is a significant holder of productive leasehold and mineral acreage in this area. This area includes the majority of ConocoPhillips' coalbed methane production.

- **Fruitland Coal (coalbed methane):** In 2005, net production from the Fruitland Coal averaged 470 MMCFD of gas and 1 MBD of NGL. To offset natural decline from the Fruitland Coal, the company has an ongoing program that consists of

drilling new wells, performing workovers on existing wells, adding compression and installing artificial lift, where appropriate.

- **Mesaverde, Pictured Cliffs and Dakota Formations (conventional):** The company continues to pursue development opportunities in these three conventional formations. The Mesaverde formation, which consists of the Lewis Shale, Cliffhouse, Menefee and Point Lookout sands, is the largest-producing tight gas formation in the San Juan Basin. Net production from the tight gas producing formations averaged 521 MMCFD of gas, 47 MBD of NGL and 2 MBOD in 2005.



### Wind River Basin

Covering more than 70,000 acres in Wyoming, the Madden Field is operated by ConocoPhillips. Net gas production averaged 127 MMCFD in 2005 from multiple horizons ranging in depth from 5,000 feet to more than 25,000 feet, where the deep Madison formation occurs. The company owns an approximate 48 percent working interest in the Lost Cabin Gas Plant and net revenue interests varying from 22 to 40 percent in the producing reservoirs.

### Williston Basin

The Williston Basin operations, located in western North Dakota and eastern Montana, were focused on activities on the Cedar Creek Anticline and in the Bakken Shale formation during 2005. The water-flood development program continued with 160-acre infill drilling at both the Cedar Hills South and East Lookout Butte Units. In addition to the development drilling program on the Cedar Creek Anticline, drilling continued in the siltstone of the Bakken Shale formation. With interests covering 98,000 net acres, total Williston Basin production averaged 34 MBOD and 11 MMCFD of gas in 2005.

### Anadarko Basin

The Anadarko Basin, located principally in western Oklahoma, encompasses more than 30,000 square miles and contains some of the deepest producing formations in the world, ranging in depth from 11,000 feet to more than 21,000 feet. Net production for 2005 from the Anadarko Basin averaged 72 MMCFD of gas and 2 MBD of NGL. During 2005, activity focused on the Red Fork and Atoka formations.

### Permian Basin

ConocoPhillips holds operated and non-operated assets in this region in west Texas, including primary recovery (Val Verde Basin), secondary recovery (Waddell Ranch, Southeast New Mexico and Howard Glasscock fields), and tertiary recovery projects (carbon dioxide floods). Activities in 2005 were centered on continued optimization and development of these assets. Total Permian Basin (ConocoPhillips and Burlington Resources) net production in 2005 averaged 130 MMCFD of gas, 26 MBOD and 6 MBD of NGL.

### Fort Worth Basin

In the Fort Worth Basin of north-central Texas, the company continued to develop its Barnett Shale formation acreage in Denton and Wise counties. Additional acreage was also acquired during 2005 mostly in Johnson, Hood, Parker, and Palo Pinto counties. The company now has an interest in 102,000 net acres in the Fort Worth Basin. Net production averaged 41 MMCFD of gas, more than 4 MBD of NGL and 1 MBOD in 2005.

### Texas and Oklahoma Panhandles

The company holds approximately 1 million acres of development and exploration assets in this region. Producing wells are primarily shallow gas wells in the panhandles of Texas and Oklahoma. In 2005, ConocoPhillips traded its interests in the Powder River Basin coalbed methane development for Anadarko's interests in the Texas Panhandle, which integrated well with ConocoPhillips' existing assets in the region.

### Lobo Trend

Lobo is a large, long-life gas field. ConocoPhillips operates more than 2,000 wells in the trend and drilled approximately 64 wells in 2005. The company anticipates a similar level of drilling activity in 2006. Net production averaged 275 MMCFD of gas and 1 MBOD in 2005.

### Bossier Trend

In the Bossier Trend in east Texas, the company had interests in more than 177,000 net acres at year-end and is expanding beyond its Savell field development with other exploration and development activities along the trend. Net production averaged 76 MMCFD of gas, 7 MBOD and 1 MBD of NGL in 2005.

### Southern Louisiana

In southern Louisiana, the company owns 660,000 net acres of fee lands with both surface and mineral rights. Drilling activities include select development and exploration opportunities. Net gas production averaged 89 MMCFD in 2005.

### Onshore Other

Other properties exist in Wyoming (Rockies conventional gas and Green River Basin), East Texas, the Texas Gulf Coast, Louisiana, Utah (Uinta Basin), Alabama (Black Warrior Basin) and the Florida Panhandle (Jay field).

### Gulf of Mexico

#### Ursa/Princess

*Mississippi Canyon 765, 766, 808, 809, 810, 852, 853, 854*

*Operator: Shell (45.4%)*

*Co-venturers: BP (22.6%), ConocoPhillips (16.0%),*

*ExxonMobil (16.0%)*

Ursa, one of the largest fields in the Gulf of Mexico, began production in March 1999. The Ursa tension-leg platform (TLP), in a water depth of 3,900 feet, is an established infrastructure hub. Ursa began processing 50 MBOED net of third-party production from the Crosby satellite field in December 2001. Primary field development on Ursa was completed in 2004.

The Princess development is a northern subsalt extension of the Ursa field. Princess was discovered in 2000, and first production was

achieved in 2002 via an extended reach well from the Ursa TLP. A three-well subsea tieback to the Ursa TLP was completed in 2003. Additional subsea wells may be added, pending the results of the first subsea program. In addition, a field-wide waterflood development has been undertaken by the co-venturers in order to increase resource recovery from the Ursa field.

In 2005, the daily production rate from Ursa/Princess was impacted by hurricane-related shut-downs and the subsequent repairs following hurricanes. Production from the fields was shut-in, or significantly curtailed, for 85 days.

### Magnolia

*Garden Banks 783, 784*

*Operator: ConocoPhillips (75.0%)*

*Co-venturer: Devon (25.0%)*

Discovered in 1999, the Magnolia field is located 165 miles south of the Louisiana coastline in Garden Banks blocks 783 and 784 in a water depth of 4,700 feet. The field is being developed with eight wells tied back to the deepest TLP operation in the world. Processing facilities are designed to handle 50 MBOD and 150 MMCFD of gas (gross). First production began in 2004. Well completion activities continued throughout 2005 and will continue into 2006. Hurricanes shut-in Magnolia for approximately 20 days in 2005, but caused only minimal damage.

### K2

*Green Canyon 562*

*Operator: Agip (18.2%)*

*Co-venturers: Anadarko (52.5%), ConocoPhillips (16.8%),*

*Chevron (12.5%)*

The K2 accumulation, discovered in 1999, is located in Green Canyon 562. This project was sanctioned for development in 2004, and development plans include a four-well subsea tieback to Marco Polo (Anadarko, GC 608). First production began in May 2005. Hurricanes shut-in K2 for approximately 22 days in 2005, but caused no damage to the field. Drilling and completion activities will continue throughout 2006.

An agreement to expand K2 operations was reached by the co-venturers in early 2006. The expansion plans include the addition of Green Canyon 518 and other surrounding blocks, increasing the number of blocks in the unit from two to seven. Under the terms of the agreement, ConocoPhillips' working interest would become 12.4 percent in the expanded unit and Anadarko would operate the unit. The expansion agreement must be approved by the U.S. Minerals Management Service. If approved, the expansion could lead to additional drilling in 2007 and 2008.

### Offshore Other

Other properties exist offshore, including the Green Canyon 52 and 184, High Island 136 and 160, and Swordfish blocks.

## U.S. Lower 48 Exploration and Business Development

### Onshore Exploration

In 2005, a discovery near the Savell field in the Bossier Trend extended the productive area. In 2006, ConocoPhillips' Lower 48 onshore exploration program will be focused on the Bossier Trend in east Texas, capitalizing on the company's substantial acreage position.

### Gulf of Mexico Exploration

ConocoPhillips acquired an interest in 22 blocks in 2005. As of year-end, the company had an interest in a total of 376 gross (238 net) blocks in the deepwater Gulf of Mexico.

### Freeport LNG Terminal

In late 2003, ConocoPhillips signed an agreement with Freeport LNG Development, L.P. to participate in its proposed LNG regasification terminal in Quintana, Texas. As the largest capacity holder, this agreement gives ConocoPhillips 1 BCFD of regasification capacity in the terminal and a 50 percent interest in the general partnership managing the venture. The terminal is being designed with a storage capacity of 6.9 BCF and a send-out capacity of 1.5 BCFD. Freeport LNG received all required permits in early 2005. Construction commenced shortly thereafter and ConocoPhillips is serving as the project manager. Commercial startup is expected in 2008. In 2005, the company executed an option to secure 0.3 BCFD of capacity in a subsequent expansion of the facility, which is subject to certain regulatory approvals and commercial decisions to proceed.

### Proposed LNG Terminals

ConocoPhillips is pursuing three other proposed LNG regasification terminals. The Beacon Port Terminal would be located in federal waters in the Gulf of Mexico, 56 miles south of the Louisiana mainland. Also in the Gulf of Mexico is the proposed Compass Port Terminal, expected to be located approximately 11 miles offshore Alabama. The third proposed facility would be a joint venture located in the Port of Long Beach, Calif.

In June 2006, ConocoPhillips withdrew its application for a license under the federal Deepwater Port Act for the Compass Port Terminal. A decision on whether or not to proceed with re-filing an application for Compass Port will be made after consideration of all the economic factors. The other two proposed terminals are advancing through various stages of the regulatory permitting process.

## South America

### Venezuela

ConocoPhillips, with its co-venturers, is currently developing and producing from both the Petrozuata and Hamaca projects in the central portion of the Orinoco heavy-oil belt in east central Venezuela. Both projects consist of two components: production of extra-heavy crude oil from the fields within the Orinoco basin and

processing this oil at separate upgrader facilities at Jose on the north-eastern coast.

The company also is pursuing the development of the Corocoro discovery in the Gulf of Paria and exploration activities in both the Gulf of Paria and the Plataforma Deltana.

#### Venezuela Production *ConocoPhillips Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Petrozuata	50.1%	Petrozuata	50	--	--	50
Hamaca	40.0%	Petrolera Ameriven	56	6	--	57
<b>Total Venezuela</b>			<b>106</b>	<b>6</b>	<b>--</b>	<b>107</b>

#### Petrozuata

*Operator: Petrozuata, S.A., with seconded employees of ConocoPhillips and Petroleos de Venezuela, S.A. (PDVSA)*  
*Co-venturers: ConocoPhillips (50.1%), PDVSA (49.9%)*  
 Petrozuata is located in the Zuata region of the Orinoco belt and is operating under a 35-year production contract. The first commercial sales began in April 2001. The extra-heavy oil is upgraded to heavy, processed crude oil and light, processed crude oil at the Jose industrial complex and shipped to ConocoPhillips' Lake Charles refinery in Westlake, La., and PDVSA's Cardon refinery in Venezuela.

#### Hamaca

*Operator: Petrolera Ameriven, with seconded employees from ConocoPhillips, Chevron and PDVSA*  
*Co-venturers: ConocoPhillips (40.0%), Chevron (30.0%), PDVSA (30.0%)*  
 Hamaca is located east of Petrozuata and is operating under a 35-year production contract. Construction of the heavy-oil upgrader, pipelines and associated production facilities for the Hamaca project at the Jose industrial complex was completed in 2004, and first commercial sales began in October 2004. The upgrader reached full capacity in 2005.

### Venezuela Exploration and Business Development

#### Corocoro

*Operator: ConocoPhillips (32.2%)*  
*Co-venturers: CVP (35.0%), Eni (25.8%), OPIC (6.4%), IneParia (0.6%)*  
 Corocoro, located in the Gulf of Paria West and East blocks, was discovered in 1999 and appraised with four wells in 2001-2002. In 2003, approval for Phase I of the development plan for the field was obtained from the Venezuelan authorities. In March 2005, a devel-

opment plan addendum for Phase I was approved by the Venezuelan authorities. The wellhead platform was installed in late 2005, and the drilling program is expected to begin in the second quarter of 2006. First production from the central processing facility is targeted for 2008.

#### Plataforma Deltana Block 2

*Operator: Chevron (60.0%)*  
*Co-venturer: ConocoPhillips (40.0%)*  
 ConocoPhillips acquired a 40 percent interest in Block 2 of Plataforma Deltana in 2003. Plataforma Deltana is a major natural gas region on



Venezuela's continental shelf, and Block 2 includes a gas discovery made by PDVSA in 1983. Two appraisal wells were completed in 2004, and a third was completed in January 2005. All appraisal wells indicate that the target zones are natural-gas bearing. In addition, a new natural gas/condensate discovery was made in a deeper zone.

## Colombia

Through its acquisition of Burlington Resources in early 2006, ConocoPhillips has an ownership interest in one exploration contract in Colombia.

### Orquidea Area

*Operator: ConocoPhillips (100%; as of March 31, 2006)*

The company holds an exploration contract for the Orquidea area of the Middle Magdalena Basin.

## Ecuador

Through its acquisition of Burlington Resources in early 2006, ConocoPhillips has an ownership interest in two producing blocks in Ecuador, as well as two exploration blocks.

### Block 7

*Operator: Perenco (45.0%)*

*Co-venturers: ConocoPhillips (30.0%; as of March 31, 2006), OMV (25.0%)*

Located in the Oriente Basin, Burlington Resources acquired an interest in the block in 2002. Production began in 2001, and the participation contract term ends in 2010. During 2005, six wells were drilled, and the company signed an agreement to acquire 50 percent of OMV Aktiengesellschaft's interest in the block. Pending government approvals, ConocoPhillips' interest would increase to 42.5 percent.

### Block 21

*Operator: Perenco (45.0%)*

*Co-venturers: ConocoPhillips (37.5%; as of March 31, 2006), OMV (17.5%)*

Burlington Resources acquired its interest in this Oriente Basin block in 2002. Production commenced in 2003. The production contract

Development of the Plataforma Deltana field may include a well platform in approximately 300 feet of water, a 170-mile pipeline to shore and an LNG facility.

PDVSA has the option to enter the project with a 35 percent interest, which would proportionately reduce ConocoPhillips' interest to 26 percent.



term ends in 2021. In 2005, development of the Yuralpa field continued, with 11 wells successfully drilled. The company also signed an agreement to acquire 50 percent of OMV Aktiengesellschaft's interest in the block. Pending government approvals, ConocoPhillips' interest would increase to 46.25 percent.

**Ecuador Production** Burlington Resources Average Daily Net Production, 2005

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Block 7	30.0%	Perenco	3	--	--	3
Block 21	37.5%	Perenco	3	--	--	3
<b>Total Ecuador</b>			<b>6</b>	<b>--</b>	<b>--</b>	<b>6</b>

## Peru

Through its acquisition of Burlington Resources in early 2006, ConocoPhillips has an ownership interest in four exploration blocks in Peru.

### Block 39

Operator: *Repsol (55.0%)*

Co-venturer: *ConocoPhillips (45.0%; as of March 31, 2006)*

The company participated in a discovery with the drilling of the Buena Vista #1 well in July 2005. The well tested 2.5 MBOD gross from two zones. Additional drilling is being done in 2006 to determine whether there are sufficient reserves in the area to allow commercial development to proceed.

### Block 104

Operator: *ConocoPhillips (100%; as of March 31, 2006)*

Located in the Marañon Basin, ConocoPhillips has seismic and geologic studies under way in order to evaluate the hydrocarbon potential of the block.

### Block 57

Operator: *Repsol (35.0%)*

Co-venturers: *Petrobras (41.1%),*

*ConocoPhillips (23.9%; as of March 31, 2006)*

### Block 90

Operator: *Repsol (76.1%)*

Co-venturer: *ConocoPhillips (23.9%; as of March 31, 2006)*

Blocks 57 and 90 are located in the Ucayali Basin. Exploration is ongoing on both blocks.



## Argentina

Through its acquisition of Burlington Resources in early 2006, ConocoPhillips has an ownership interest in one concession in Argentina.

Argentina Production Burlington Resources Average Daily Net Production, 2005						
Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Sierra Chata /	25.7%	Petrobras	--	21	--	4
<b>Total Argentina</b>						

### Sierra Chata Concession

Operator: *Petrobras (19.9%)*

Co-venturers: *ExxonMobil (51.0%), ConocoPhillips (25.7%; as of March 31, 2006), Others (3.4%)*

Located in the Neuquen Basin, three development wells were drilled on the concession in 2005.



## Europe

### United Kingdom

ConocoPhillips' objective in the United Kingdom is to maintain the existing production level over the next several years by pursuing existing field development, satellite accumulations near existing production and new field developments. The effort will be largely

focused in the Southern and Central North Sea areas. With the acquisition of Burlington Resources in early 2006, the company now receives natural gas production from the East Irish Sea.

#### United Kingdom Production *Combined Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Britannia (COP)	58.7%	ConocoPhillips & Chevron	11	315	3	67
Alba (COP)	23.4%	Chevron	14	--	--	14
J-Block (COP)	32.5-36.5%	ConocoPhillips	13	123	1	34
MacCulloch (COP)	40.0%	ConocoPhillips	9	--	--	9
Southern North Sea <sup>1</sup> (COP)	20.0-59.5%	ConocoPhillips	1	279	--	47
East Irish Sea (BR)	100%	Burlington Resources	--	68	--	11
Other <sup>2</sup> (COP)	Various	Various	12	34	--	18
<b>Total United Kingdom</b>			<b>60</b>	<b>819</b>	<b>4</b>	<b>200</b>

<sup>1</sup> Includes Rotliegendes/LOGGS/VTS and Carboniferous/CMS.

<sup>2</sup> Includes Armada, Clair, Miller, Statfjord U.K., Galleon and Everest.

### Central North Sea

#### Britannia

*Operators: ConocoPhillips (58.7%), Chevron (32.3%)*

*Co-venturer: BP (9.0%)*

Britannia is one of the largest gas and gas condensate fields to be developed in the North Sea in recent years. Commercial production began in August 1998. Oil is delivered through the Forties Pipeline to the Grangemouth refinery in Scotland. Gas is transported through Britannia's own gas line to St. Fergus, Scotland. Britannia has an estimated production span of 30 years, and development drilling is expected to continue into 2007.

#### Britannia Satellites

##### Callanish

*Operator: ConocoPhillips (83.5%)*

*Co-venturer: Chevron (16.5%)*

##### Brodgar

*Operator: ConocoPhillips (75.0%)*

*Co-venturer: Chevron (25.0%)*

ConocoPhillips approved a plan for the development of Britannia satellites Brodgar and Callanish in late 2003, and the plan received government approval in March 2004. The development plan involves producing the fields via subsea manifolds and two new pipelines to Britannia. A new platform, bridge-linked to Britannia, will be installed to separate production prior to processing on the Britannia platform. Development drilling was completed in 2005. Completion of the pipelines, manifolds and bridge-linked platform is expected in 2006. First production is targeted for 2007.

#### Alba

*Operator: Chevron (21.2%)*

*Co-venturers: ConocoPhillips (23.4%), Statoil U.K. (17.0%), BP (15.5%), Others (22.9%)*

The Alba field was discovered in 1984 while appraising the deeper Britannia gas condensate accumulation. The first phase, comprising the Alba Northern Platform, the floating storage unit for oil exports, and the Northern Area drilling program, achieved first oil in 1994. In 2001, the Alba extreme-south development was sanctioned as a two-phase subsea tieback to the existing Alba Northern Platform. The second phase came online in late 2004.

#### J-Block

##### Judy/Joanne

*Operator: ConocoPhillips (36.5%)*

*Co-venturers: ENI UK Limited (33.0%), BG (30.5%)*

##### Jade

*Operator: ConocoPhillips (32.5%)*

*Co-venturers: BG (35.0%), Chevron (19.9%),*

*ENI UK Limited (7.0%), Others (5.6%)*

Commercial oil production and gas sales from Judy/Joanne began in 1997. After being processed on the Judy platform, gas is transported through the CATS pipeline and liquids are transported to Teesside through the Norpipe system. In 2002, the Jade field came onstream. The Jade development consists of a normally unmanned platform tied back to the Judy platform. The Judy P19 and P20 wells were successfully completed in 2005.



### MacCulloch

*Operator: ConocoPhillips (40.0%)*

*Co-venturers: ENI UK Limited (40.0%), Talisman Energy (13.5%), Noble Energy (6.5%)*

The MacCulloch field is located in block 15/24b, approximately 23 miles north of the Britannia field. It began production in August 1997. The wells are tied back to two subsea manifolds and then to a floating production storage offtake. Oil and gas are delivered to the Piper B platform by pipeline. The MacCulloch 4-D seismic evaluation was completed in 2003. Work is ongoing to assess any subsurface and facility opportunities for the asset.

### Armada

*Operator: BG Group (46.8%)*

*Co-venturers: BP (18.2%), ConocoPhillips (11.5%), Others (23.5%)*

The Armada complex consists of gas/condensate fields Hawkins, Drake and Fleming. The three fields were discovered in 1980, 1982 and 1987, respectively, and all three came onstream in 1997. The fields were developed via a single platform with extended-reach wells.

### Southern North Sea

#### Rotliegendes/LOGGS

*Operator: ConocoPhillips (20.0-50.0%)*

*Co-venturers: Various*

ConocoPhillips maintains a significant position in the Rotliegendes portion of the Southern North Sea, with a 50 percent interest in numerous fields and a lesser position in several others.

The Lincolnshire Offshore Gas Gathering System (LOGGS) complex was built in 1988 and acts as a hub, receiving gas from the V-fields, Ganymede, Callisto, Europa, NW Bell, Vampire, Saturn and Valkyrie fields, as well as the third-party fields Ann, Allison, Annabel, Audrey and Anglia. Infill wells were completed on the Vulcan and Ganymede fields in 2005.

V-fields gas development involves the exploitation of four accumulations (North Valiant, South Valiant, Vanguard and Vulcan). The gas is commingled offshore and forwarded to the Theddlethorpe Gas Terminal via the LOGGS 36-inch pipeline.

#### Saturn Unit Area

*Operator: ConocoPhillips (42.9%)*

*Co-venturers: RWE Dea UK Development Limited (35.1%), Venture Production (North Sea Developments) Limited (22.0%)*

First production from the Saturn Unit Area began in September 2005. Initially, the development consists of three wells from a six-slot wellhead platform. Saturn production is delivered into the LOGGS infrastructure. Net production is expected to increase to a maximum rate of approximately 73 MMCFD of gas.

Located nearby Saturn, the Mimas and Tethys fields are sanctioned for development in 2006.

### Carboniferous/CMS

*Operator: ConocoPhillips (30.0-59.5%)*

*Co-venturers: Various*

ConocoPhillips maintains a significant position in the Carboniferous portion of the Southern North Sea. The Caister-Murdoch System (CMS) consists of two platforms installed in 1993. The CMS was expanded in 1996 and 2002 to tie-in additional fields and provide offshore compression. The system acts as a hub for the Murdoch, Caister, Boulton, Hawksley and Murdoch K fields and provides third-party transportation to the Schooner and Ketch fields. The McAdam and Watt fields were brought onstream in 2003. The CMS III project concluded in March 2004 with the completion of the Boulton H-1 well. The Munro development, a single well that ties into the Hawksley subsea manifold, came online in August 2005.

ConocoPhillips is the operator of Munro with a 46 percent interest. In late 2005, a second McAdam well was successfully completed.

### Atlantic Margin

#### Clair

*Operator: BP (28.6%)*

*Co-venturers: ConocoPhillips (24.0%), Chevron (19.4%), Enterprise Oil (18.7%), Amerada Hess (9.3%)*

Clair is one of the largest oil discoveries in development in Europe. It extends over 54,300 acres across five blocks in the west of Shetland area. Phase I development targeted a core area of the field where much of the appraisal has been concentrated. First production came onstream in February 2005. Peak production is expected in 2007 at a net rate of 14 MBOED. The Clair development includes a conventional platform with production and process topsides supported by a fixed-steel jacket. Oil production from Clair is delivered through a dedicated trunk line to the Sullom Voe Terminal on Shetland Island, while natural gas is carried through a spur line into the Magnus enhanced oil recovery trunk line.

### East Irish Sea

#### Millom and Dalton

*Operator: ConocoPhillips (100%; as of March 31, 2006)*

Part of the Burlington Resources acquisition, Millom and Dalton have been developed using a small, normally unmanned platform and two subsea drilling centers with a total of nine wells. Production started in 1999 and gas offtake is via Centrica's North Morecambe platform. The gas is then commingled with Centrica gas, transported onshore to the Barrow terminal where it is processed to sales specification, including nitrogen removal, and sold into the U.K. spot market.

## Rivers

*Operator: ConocoPhillips (100%; as of March 31, 2006)*

The Rivers Fields development was included in the Burlington acquisition in early 2006. The first of the four sour gas fields, Calder, has been developed with an unmanned platform and three development wells. Gas offtake is via pipeline to the new Rivers Terminal at Barrow which provides compression, hydrogen sulfide removal and metering. Production start-up was delayed so that remedial work related to the onshore terminal could be completed. Production commenced in April 2006. Development of the remaining sour gas fields is contingent on an economic development plan.

## U.K. Facilities

### Teesside Oil Terminal

*Operator: ConocoPhillips (29.3%)*

*Co-venturers: Total E&P Norge (32.9%), Statoil U.K. (22.0%), Others (15.8%)*

Completed in 1975, this facility is designed to store crude oil for further shipment and is capable of handling 810 MBOD. The facility also fractionates natural gas liquids into ethane, propane and butane.

### Rivers Gas Terminal

*Operator: ConocoPhillips (100%; as of March 31, 2006)*

Located in Barrow-in-Furness, United Kingdom, this natural gas terminal is capable of handling 120 MMCFD. Repairs to the terminal were completed in early 2006 and start-up has commenced. The terminal is expected to return to full capacity later in the year.

### Theddlethorpe Gas Terminal

*Operator: ConocoPhillips (50.0%)*

*Co-venturer: BP (50.0%)*

Located in Lincolnshire, England, in the southern part of the U.K. North Sea, the Theddlethorpe Gas Terminal receives and processes the gas produced through the LOGGS, CMS and the Viking Transportation System (VTS), as well as third-party volumes from the Pickerill field offshore and the Saltfleetby field onshore. The facility's gross capacity is 1.6 BCFD of gas.

### Interconnector Pipeline

*Operator: Interconnector (U.K.) Ltd.*

*Co-venturers: BG (25.0%), ConocoPhillips (10.0%), Others (65.0%)*

Up to 746 BCF per year of natural gas can be transported through this 145-mile, 40-inch-diameter subsea pipeline running from Bacton, United Kingdom, to a reception terminal at Zeebrugge, Belgium. The pipeline has the capability to reverse flow and has been fully operational since October 1998. ConocoPhillips' equity share allows it to ship approximately 200 MMCFD of gas to markets in continental Europe, and the company's reverse-flow rights provide 85 MMCFD of natural gas import capability to the United Kingdom.

## United Kingdom Exploration and Business Development 2005 Activity

License	Interest	Operator	Activity
Judy P20	36.5%	ConocoPhillips	One successful tail well was completed.
Enochdhu / Finlaggan	50.0%	ConocoPhillips	One successful well was completed.
Jackdaw	16.25%	ConocoPhillips	One successful well was completed.
Clair 206/8T	24.0%	BP	Drilling began in December 2005 and was under way at year-end.
K3	50.0%	ConocoPhillips	One successful well was completed.
Humphrey	46.6%	ConocoPhillips	Drilling commenced in December 2005 and was under way at year-end.
Dalton	100%	Burlington Resources	One well was drilled on this field in 2005. The well was deemed noncommercial and was plugged and abandoned.
Kelly	---	Farmed out to Vitol	One well was drilled on this field in 2005. The well was deemed noncommercial and was plugged and abandoned.
Darwen East	100%	Burlington Resources	One well was drilled on this field in 2005. The well was deemed noncommercial and was plugged and abandoned.
Asland North	100%	Burlington Resources	One well was drilled on this field in 2005. The well was deemed noncommercial and was plugged and abandoned.

In 2006, ConocoPhillips plans to complete the two wells started in 2005. In addition, another five wells are planned, including two in the

J-Block area, one in the Southern North Sea, one in the Clair field in the Atlantic Margin and one in a non-core area.

### Proposed LNG Terminal and Combined Heat and Power Plant

In December 2005, ConocoPhillips and its co-venturers announced their intent to pursue planning permission for an LNG regasification terminal and combined heat and power plant at the existing oil terminal at Teesside, which is operated by ConocoPhillips. The

planning permission process is expected to be complete in 2007. Once a final investment decision to proceed with construction of the facilities has been made, and subject to planning permission and other approvals, the facilities could be operational within three to four years.

## Norway

ConocoPhillips has a significant production and exploration position in the Norwegian sector of the North Sea. In addition to the Greater Ekofisk Area, ConocoPhillips has ownership interests in several

assets operated by co-venturers. An exploration effort will continue on some of the more prospective offshore acreage blocks.

### Norway Production *ConocoPhillips Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Ekofisk Area	35.1%	ConocoPhillips	120	122	5	145
Heidrun	24.3%	Statoil	35	21	--	39
Statfjord	15.2%	Statoil	18	28	3	26
Huldra	23.3%	Statoil	2	44	--	9
Troll	1.6%	Statoil/Hydro	4	43	--	11
Grane	6.4%	Norsk Hydro AS	11	--	--	11
Other <sup>1</sup>	Various	Various	7	14	1	10
<b>Total Norway</b>			<b>197</b>	<b>272</b>	<b>9</b>	<b>251</b>

<sup>1</sup> Includes Visund and Oseberg.

### Greater Ekofisk Area

*(Equity interests exclude Tor)*

*Operator: ConocoPhillips (35.1%)*

*Co-venturers: Total E&P Norge (39.9%), Eni Norge (12.4%),*

*Others (12.6%)*

The Greater Ekofisk Area is comprised of four producing fields: Ekofisk, Eldfisk, Embla and Tor. The Ekofisk complex is located 200 miles offshore Stavanger, Norway, in the center of the North Sea. Since first production in 1971, technology has been used to increase production and extend the economic life of the field. Ekofisk serves as a hub for petroleum operations in the area, with surrounding developments utilizing the Ekofisk infrastructure. Ekofisk oil is exported to Teesside, England, and the gas is exported to Emden, Germany.

In 2003, a project was undertaken to further develop the Greater Ekofisk Area. The project included the construction of a new wellhead platform, Ekofisk 2/4M, and modification of the existing Ekofisk and Eldfisk complexes to increase processing capacity. The platform was

installed in 2004 and first production was achieved in October 2005.

The Eldfisk field consists of two production platforms. Water injection at Eldfisk has resulted in increased production and recoverable reserves.

### Heidrun

*Operator: Statoil (12.4%)*

*Co-venturers: Petoro (58.2%), ConocoPhillips (24.3%),*

*Eni Norge (5.1%)*

The Heidrun field is located in the Norwegian Sea and is an integrated development. Oil from the field is transported to Mongstad in Norway and Tetney in the United Kingdom by three double-hulled shuttle tankers. Part of the gas is shipped and sold to buyers in Europe and part is used as feedstock in a methanol plant in Norway, in which ConocoPhillips has an 18.1 percent interest. ConocoPhillips discovered and developed the field, with operatorship turned over to Statoil in 1995.

**Statfjord**

*Operator in Norwegian sector of the field: Statoil (44.3%)*

*Operator in U.K. sector of the field: ConocoPhillips*

*(15.2%, of which 10.3% is in the Norwegian sector, 4.8% is in the U.K. sector)*

*Co-venturers: Esso E&P Norway (21.4%), Norske Shell (8.6%),*

*Others (10.5%)*

The Statfjord field was discovered in 1973 and straddles the boundary between Norway and the United Kingdom. It was developed with three integrated platforms supported by gravity-base structures featuring concrete storage cells. Oil and gas from the Snorre, Sygna, Statfjord East and Statfjord North fields are processed on and transported from the Statfjord installations.

In order to extend the production life of the field, a project is under way to transform the field from an oil producer to a gas producer with associated oil. The Statfjord Late Life Project application for development and operation was approved by the Norwegian and U.K. authorities in 2005. First production is expected to occur near year-end 2007. The project is expected to extend the field's life to 2016.

**Huldra**

*Operator: Statoil (19.7%)*

*Co-venturers: Petoro (32.0%), Total E&P Norge (24.3%),*

*ConocoPhillips (23.3%), Others (0.7%)*

Huldra is a gas and condensate field located north of the Oseberg area. It is remotely controlled from the Veslefrikk platform. Condensate is transported via a pipeline to Veslefrikk B for processing and transport to the Sture terminal near Bergen through the Oseberg Transportation System. Gas is piped to Heimdal for processing and transportation through Gassled. A booster compressor facility will be installed in 2006 to stem the decline of flowing wellhead pressure. Field life is expected to be extended until 2011.

**Troll**

*Operators: Statoil (20.8%), Norsk Hydro (9.8%)*

*Co-venturers: Petoro (56.0%), A/S Norske Shell (8.1%),*

*Total E&P Norge (3.7%), ConocoPhillips (1.6%)*

Troll East is northwest Europe's largest offshore gas field, while Troll West is one of Norway's largest oil and gas producing fields. Production drilling is ongoing on Troll West to further develop the oil reservoirs.

**Grane**

*Operator: Norsk Hydro (38.0%)*

*Co-venturers: Petoro (30.0%), Esso E&P Norway (25.6%),*

*ConocoPhillips (6.4%)*

Grane is located 124 miles west of Stavanger. It was developed using an integrated processing/drilling quarters platform. Stabilized oil is transported via pipeline to the Sture onshore terminal. Production from the field started in September 2003. The platform has a gross production capacity of 214 MBOD (14 MBOD net). Plateau production was reached in 2005.

**Oseberg Area**

*Operator: Norsk Hydro (34.0%)*

*Co-venturers: Petoro (33.6%), Statoil (15.3%), Total E&P Norge (10.0%), Mobil Development Norway (4.7%), ConocoPhillips (2.4%)*

The Oseberg Area is located west of Troll. It was developed with four producing platforms, two processing platforms and a number of subsea installations. Oil is transported from the Oseberg Field Center to Sture through the Oseberg Transportation System. Gas is transported through the Oseberg Gas Transport to Heimdal.

**Alvheim**

*Operator: Marathon (65.0%)*

*Co-venturers: ConocoPhillips (20.0%), Lundin Oil (15.0%)*

The Alvheim development will consist of a floating production, storage and offloading vessel and subsea installations. Produced oil will be exported via shuttle tankers. Rich gas will be transported to the United Kingdom via a new pipeline to the Beryl-Sage system. The plan for development and operation was approved by the Norwegian authorities in October 2004. Development drilling started in early 2006, and first production is expected in 2007.

**Visund**

*Operator: Statoil (32.9%)*

*Co-venturers: Petoro (30.0%), Norsk Hydro (20.3%),*

*ConocoPhillips (9.1%), Total (7.7%)*

Located in the Tampen area, the Visund field is a subsea development tied into a floating drilling, production and accommodation unit. Oil production started in 1999. The oil is transported by pipeline to Gullfaks A and then offloaded to tankers. Gas exports through the Kvitebjørn/Troll system to Kollsnes began in late 2005.

## Norway Facilities

### Norpipe Oil Pipeline System

Operator: ConocoPhillips (35.1%)

Co-venturers: Total E&P Norge (34.9%), Statoil (20.0%),

Others (10.0%)

This 220-mile North Sea pipeline carries crude oil from Ekofisk to a large terminal and NGL processing facility at Teesside, England. The pipeline has a net capacity of 900 MBD and serves several fields in Norway and the United Kingdom, including the J-Block development in the U.K. sector of the North Sea.

### Langede Gas Pipeline

Operator: Gassco A/S

Co-venturers: Petoro (33%), Norsk Hydro Produksjon (17.6%), A/S Norske Shell (16.5%), Statoil (15%), ConocoPhillips (0.8%),

Others (17.1%)

Langede is a pipeline built as part of the Ormen Lange project. The southern leg will become operational in 2006 and the northern leg in 2007. Norsk Hydro is the operator during the development phase.

## Norwegian Continental Shelf (NCS)

### Gas Transportation (Gassled)

Operator: Gassco A/S

Co-venturers: Petoro (38.3%), Statoil (20.4%), Norsk Hydro

Produksjon (11.1%), ConocoPhillips (2.3%), Others (27.9%)

Gassled, a joint venture in which ConocoPhillips is a co-venturer, owns and operates the gas transportation infrastructure on the NCS.

## Norway Exploration and Business Development 2005 Activity

License	Interest	Operator	Activity
Oseberg Area	2.4%	Norsk Hydro	Two near-field exploration wells were drilled in the Oseberg licences. The well in Oseberg B-prospect was declared a dry hole and the well in J-Sentral was successful.
Troll	1.6%	Statoil and Norsk Hydro	One near-field exploration well was drilled in the Troll licences. The well identified hydrocarbons. Operations commenced on a second near-field well and concluded in March 2006. The second well was declared a dry hole.
Voring Basin	25.0%	Norsk Hydro	One exploration well was drilled in the PL283 licence. Although the well was expensed as a dry hole, plans to conduct further appraisal are under way.

In early 2006, ConocoPhillips completed one near-field exploration well within the Troll license that was started in 2005, one near-field exploration well within the Heidrun license and one near-field exploration well within the Oseberg licenses. In addition, five exploration

and appraisal wells are planned for later in the year on licenses operated by co-venturers. Four of these are near-field wells within the Oseberg licenses, and one is within the Alvheim license.

## Denmark

ConocoPhillips holds four exploration licenses in Denmark: 5/98 (Hejre), 4/98, 1/04 and 1/06.

### 5/98 Hejre

Hejre was discovered in 2001 through the Hejre-1 well. The Hejre-2 appraisal well was spudded in 2004 and was plugged and abandoned in early 2005. Oil and associated gas were produced in a production test with good production rates. The results from the appraisal well will be evaluated to determine the path forward for the discovery. If a development decision is made, first production is expected in 2010.

### 4/98

A second well in the 4/98 license is planned for 2006.

### 1/04

License 1/04 was acquired through the 2006 acquisition of Burlington Resources. The 40 percent interest in exploration license 1/04 is through the company's ownership of affiliate Burlington Resources Nederland Petroleum B.V. The license comprises 11 blocks or partial blocks. In 2005, 2-D seismic was acquired by DONG, the operator of the blocks. Analysis of the seismic is under way.

### 1/06

ConocoPhillips applied for acreage close to the Hejre discovery in the sixth licensing round in 2005 and was awarded the operatorship of the 1/06 license in May 2006. The company has a 24 percent interest in the license.

## The Netherlands

Through its acquisition of Burlington Resources in early 2006, ConocoPhillips gained a non-operated production interest in the Dutch sector of the North Sea.

### Netherlands Production *Burlington Resources Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Dutch Sector/ <b>Total Netherlands</b>	2.26%-22.5%	NAM & Wintershall	--	57	--	10

### Dutch Sector of the North Sea

*Operator: NAM & Wintershall (23.0% - 45.6%)*

*Co-venturers: ConocoPhillips (2.26% - 22.5%; as of March 31, 2006), Others, 0.8% - 50.0%*

In the Dutch sector of the North Sea, the company has interests in 4,690 square kilometers of acreage, 35 fields, 26 platforms, 298 kilometers of offshore pipelines, and an onshore gas plant and terminal at Den Helder. Approximately 68 percent of production is from the unitized JDA Region (operator is NAM). About 27 percent of production is from the southern Q fields (operator is Wintershall). A small portion of the total production is in the mature Eastern Area (NAM is operator). The Northern Area includes the F16-E field, which commenced production in November 2005. Production from the field is almost entirely gas. The Nogat pipeline and two other transportation systems deliver gas to the European markets.

### Netherlands Exploration and Business Development

#### Proposed LNG Terminal

In 2005, ConocoPhillips and Essent Energie B.V. signed a Memorandum of Understanding to evaluate the development of an LNG regasification terminal in the Netherlands. The companies have executed a land option agreement for a potential 100-acre site at the Port of Eemshaven and completed a feasibility study of the terminal. A final investment decision could be made as early as 2007, subject to the economic outlook and the receipt of the necessary permits. Once a final investment decision to proceed with construction of the terminal is made, the terminal could be operational within three to four years.



# Africa

## Algeria

Following the acquisition of Burlington Resources in early 2006, ConocoPhillips now has interests in three fields in Block 405a.

Algeria Production Burlington Resources Average Daily Net Production, 2005						
Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Menzel Lejmat North	65.0%	Burlington Resources	12	--	--	12
Ourhoud	3.7%	L'Organization Ourhoud	5	--	--	5
<b>Total Algeria</b>			<b>17</b>	<b>--</b>	<b>--</b>	<b>17</b>

### Block 405a

#### Menzel Lejmat North (MLN)

Operator: ConocoPhillips (65.0%; as of March 31, 2006)

Co-venturer: Talisman (35.0%)

Discovered in 1996, the field began producing in 2003. In 2005, the company approved the MLN expansion project, which is expected to increase field production and reserves through additional pressure maintenance. One development well was drilled in the area in 2005.

#### EI Merk (EMK)

Operator: Groupement Berkine (37.7% on behalf of Sonatrach)

Co-venturers: Anadarko (18.1%), ConocoPhillips (16.9%; as of March 31, 2006), ENI (9.1%), Talisman (9.1%), Maersk (9.1%)

Development of this area progressed with the co-venturers agreeing to

form the EMK Oil Field Unit. The co-venturers have initiated engineering studies and drilling activities with the expectation of finalizing the development plan in 2006. Two wells were drilled in 2005.

#### Ourhoud

Operator: L'Organization Ourhoud (36.1% on behalf of Sonatrach)

Co-venturers: Cepsa (39.8%), Anadarko (9.2%), Maersk (4.6%), ENI (4.6%), ConocoPhillips (3.7%; as of March 31, 2006), Talisman (2.0%)

Discovered in 1996, the field began producing in 2002. Six development wells, two injection wells and one water-source well were drilled during 2005, and the waterflood development of this large crude oil field continued.



## Libya

### Waha Concession

*Operator: Waha Oil Co.*

*Co-venturers: Libyan National Oil Corp. (59.17%), ConocoPhillips (16.33%), Marathon (16.33%), Amerada Hess (8.17%)*

In December 2005, ConocoPhillips and its co-venturers reached agreement with the Libyan National Oil Corp. on the terms under which it returned to its former oil and gas production operations in

Libya. The Waha concession currently produces approximately 350 MBOD gross and encompasses nearly 13 million acres located in the Sirte Basin. As a result of the transaction, and based on the gross production figures provided to the company at year-end, ConocoPhillips expects to add in the range of 45 MBOD net to its production profile in 2006. The re-entry terms include a 25-year extension of the concessions to 2031-2034.

## Egypt

With the acquisition of Burlington Resources in early 2006, ConocoPhillips acquired a non-operated interest in a concession in Egypt that includes the development of the Tao gas field and its associated facilities.

### Offshore North Sinai Concession (ONS)

*Operator: North Sinai Petroleum (Perenco/EGAS – 50.0%)*

*Co-venturers: ConocoPhillips (50.0%; as of March 31, 2006)*

This concession includes the Tao gas field located in the Nile Delta Basin of the Mediterranean Sea. The development plan for the field was approved by the company in 2005. Detailed engineering studies are under way for the facilities and pipelines, and plans are being developed to commence drilling in 2007.

## Nigeria

ConocoPhillips has an interest in four onshore Oil Mining Leases (OMLs). The company also has exploration rights on three deep-water Nigeria Oil Prospecting Licenses (OPLs) and one offshore

OML. In addition, ConocoPhillips has an interest in a gas-fired, combined-cycle power plant and is conducting engineering studies on an LNG facility.

### Nigeria Production *ConocoPhillips Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBOD	Gas MMCFD	NGL MBLD	Total MBOED
OMLs 60-63 /	20.0%	Agip	27	84	2	43
<b>Total Nigeria</b>						

### OMLs 60, 61, 62, 63

*Operator: Agip (20.0%)*

*Co-venturers: Nigerian National Petroleum Corp. (60.0%), ConocoPhillips (20.0%)*

These four licenses are valid through 2027. An active exploration program continues on the four licenses. Three-dimensional seismic data coverage is available over approximately 85 percent of the area covered by the four licenses. Twelve flow stations, the Obiafu-Obrikom NGL plant and the Brass River tanker loading terminal support production. With the availability of new markets, an increase is expected in sales of gas and associated liquids.

- **Obiafu-Obrikom and Kwale:** Projects under way will increase gas utilization, boost oil recovery and reduce flaring.
- **Samabri-Biseni:** The first phase of development of this unitized

field was completed in 2003, with new production flowing to an upgraded flow station at Idu. Well results indicated lower gas/oil contacts than originally premised, and a major field study was initiated in 2004 and continued through 2005 in order to revise the field development plan.

- **Irri-Isoko South:** In 2005, a drilling and completion program was performed that is expected to add future gas reserves. A flow station started up in 2005 is delivering gas and condensate production to the Kwale flow station.
- **GTS4 36" Pipeline:** This major gas pipeline was completed and commissioned in 2005, adding 900 MMCFD capacity to the delivery system to the Bonny Island N-LNG. The completion of this project results in two pipelines from Obiafu-Obrikom to Bonny Island.

### Kwale-Okpai Independent Power Plant

Operator: Agip (20.0%)

Co-venturers: Nigerian National Petroleum Co. (60.0%),

ConocoPhillips (20.0%)

This 480-megawatt gas-fired, combined-cycle power plant came online in March 2005 and supplies electricity to PHCN, Nigeria's national electricity supplier. The plant consumes 68 MMCFD of natural gas, including that from ConocoPhillips' proven gas reserves in the OMLs.

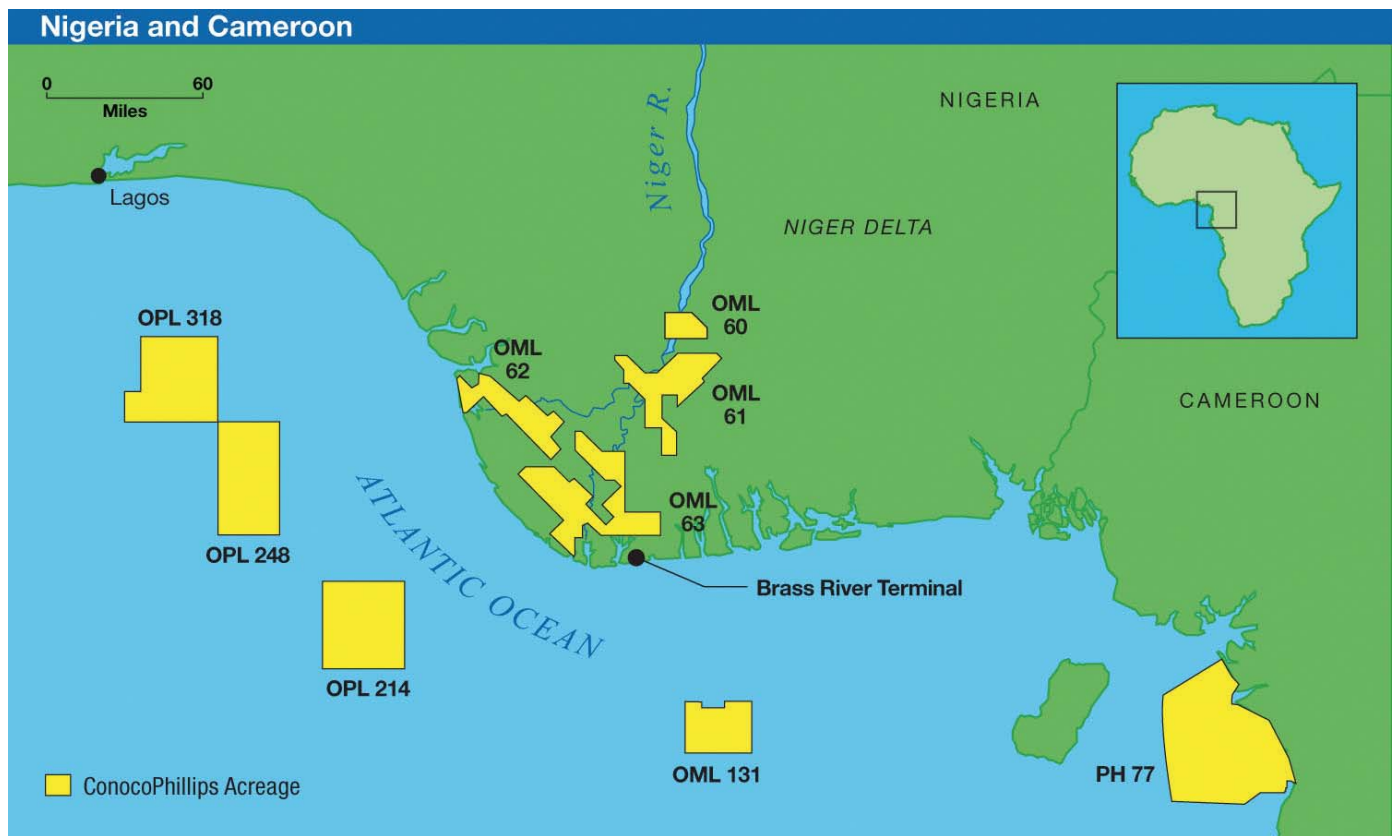
### Bonny Island N-LNG

ConocoPhillips supplies more than 90 MMCFD of feedstock gas to a Nigerian LNG facility on Bonny Island. The facility, in which ConocoPhillips does not hold an interest, began operating in 1999. Projects are under way to increase the amount of gas the company supplies to the facility, with net volumes anticipated to grow to 160 MMCFD when Train 6 is online in 2008.

### Brass LNG

In 2003, ConocoPhillips, the Nigerian National Petroleum Corp. and two other co-venturers signed a Heads of Agreement to progress the development of an LNG facility in Nigeria's central Niger Delta. The agreement covers the front-end engineering and design studies for the facility, which could include two trains, each nominally sized at 5 million metric tons per year. The engineering and design studies continued in 2005, and completion is expected in 2006. In early 2006, five potential buyers signed Memorandum of Understanding agreements for the purchase of LNG produced at the Brass facility. The facility could become operational as early as 2010.

ConocoPhillips anticipates supplying 147 MMCFD of feedstock gas to the LNG facility.



### Nigeria Exploration and Business Development 2005 Activity

License	Interest	Operator	Activity
OPL 220 / OML 131	47.5%	ConocoPhillips	Deepwater license covering 598,000 acres containing the Chota structure, discovered in 1998. ConocoPhillips converted OPL 220 to a production license, OML 131, in 2005. Seismic interpretation continues.
OPL 248	28.8%	ConocoPhillips	Deepwater license covering 524,000 acres acquired in 2003. The first exploration well was drilled in 2004 and declared a dry hole. A second exploration well is planned for 2007.
OPL 214	20.0%	ExxonMobil	Deepwater license covering 639,000 acres acquired in 2003. Drilling of the first exploration well in 2005 resulted in an oil discovery. The well was temporarily abandoned.
OPL 318	35%	ConocoPhillips	Deepwater license covering 640,000 acres acquired in 2002. The first exploration well was drilled and declared a dry hole in 2005.
OPL 250	6.4%	Chevron	Relinquished in November 2005.

Up to three exploration wells will be completed onshore in 2006 on OMLs 60-63. Acquisition of 3-D seismic data will continue.

## Cameroon

### PH 77

*Operator: ConocoPhillips (50.0%)*

*Co-venturer: PETRONAS Carigali (50.0%)*

License PH 77, which covers more than 1 million acres in the Douala Basin, is located offshore Cameroon. In December 2002, ConocoPhillips announced that the Coco Marine No. 1 exploration well, drilled in 75 feet of water, successfully flowed oil during a drill stem test of a lower tertiary reservoir. A 3-D seismic survey was

acquired in 2003 to fully assess the potential of this acreage, and the seismic data was evaluated in 2004. The Londji Marine No. 1 and Coco Marine No. 2 wells were drilled consecutively in 2005, with the Coco Marine No. 2 encountering some hydrocarbon producing zones. Both wells were plugged and abandoned as dry holes. ConocoPhillips continues to evaluate the block, on which its interest expires in March 2007 unless extended or divested.

## Caspian Region



## Kazakhstan

### North Caspian Sea Production Sharing Agreement (NCSPSA)

Operator: Agip KCO

Co-venturers: (as of May 4, 2005) Agip Caspian Sea B.V. (18.5%), ExxonMobil (18.5%), Shell (18.5%), Total (18.5%), ConocoPhillips (9.3%), Inpex (8.3%), KazMunayGas (8.3%)

In 1998, ConocoPhillips acquired an interest in 10.5 blocks covered by a production-sharing agreement with the Republic of Kazakhstan in the Caspian Sea offshore Kazakhstan. The first exploration well, Kashagan E-1, was completed as a discovery in 2000. A declaration of commerciality was made in 2002, followed by the submission of a Kashagan Development Plan and Budget, which was approved by the Republic of Kazakhstan in early 2004. Phase I field development includes the construction of artificial drilling islands for more than 60 wells, barges with processing facilities and living quarters, and pipelines to carry products onshore to oil, gas and sulfur plants. The

initial production phase of the contract is for 20 years, with options to extend the agreement an additional 20 years.

In 2002, the co-venturers announced a new hydrocarbon discovery in the Kalamkas More-1 well, which is located in the Kalamkas More prospect 40 miles southwest of the Kashagan field. In 2003, the Aktote-1 was announced as a hydrocarbon discovery offsetting Kashagan. Appraisal of the Aktote discovery began in 2004, with the successful drilling of the Aktote-2 appraisal well. Also in 2004, the Kairan-1 exploration well was completed as a discovery on the Kairan prospect. The testing of the Kairan-1 well brought the exploration period on the NCSPSA to a close.

In 2005, appraisal drilling was conducted on Kalamkas More and 3-D seismic operations were carried out on the Kairan and Aktote prospects. In 2006, the co-venturers plan to conduct further appraisal activities with an additional well on Kalamkas and Kairan.

## Azerbaijan

### Zafar-Mashal

*Operator: ExxonMobil (30.0%)*

*Co-venturers: SOCAR (50.0%), ConocoPhillips (20.0%)*

In the south Caspian Sea offshore Azerbaijan, the first well in the Zafar-Mashal prospect – the Zafar #1 well – was spudded in late 2003 and completed in late 2004. The prospect was declared noncommercial, and ConocoPhillips has elected to exit this license.

### Azerbaijan Facilities

#### Baku-Tbilisi-Ceyhan (BTC) Pipeline

*Operator: BP (30.1%)*

*Co-venturers: SOCAR (25.0%), Chevron (8.9%), Statoil (8.7%), TPAO (6.5%), Eni (5.0%), Total (5.0%), Itochu (3.4%), ConocoPhillips (2.5%), Inpex (2.5%), Amerada Hess (2.4%)*

This 1,760-kilometer, 34-46-inch pipeline will transport crude oil from the Caspian Region through Azerbaijan, Georgia and Turkey, for tanker loadings at the Mediterranean port of Ceyhan. The BTC pipeline is expected to be operational by mid-2006. The pipeline's nameplate capacity is 1 MMBD, and ConocoPhillips has net capacity of 25 MBD.

## Middle East

### Qatar

#### Qatargas 3 Joint Venture

*Operator: Qatargas Operating Co.*

*Co-venturers: Qatar Petroleum (68.5%),*

*ConocoPhillips (30%), Mitsui & Co. Ltd. (1.5%)*

In 2003, ConocoPhillips and Qatar Petroleum signed a Heads of Agreement for the development of Qatargas 3, a large-scale LNG project to be located at Ras Laffan Industrial City, Qatar. In December 2005, the onshore engineering, procurement and construction (EPC) contract for the project was awarded – marking the final investment decision for the project, with all definitive agreements signed and financing completed.

The integrated project comprises upstream gas production facilities to produce approximately 1.4 billion gross cubic feet per day of natural gas over the 25-year life of the project, and an initial average of approximately 70,000 gross barrels per day of liquefied petroleum gas and condensate combined from Qatar's North field. The EPC contract covers the requirements for a large-scale LNG train, with a nameplate capacity of 7.8 million gross tons-per-annum. The LNG will be shipped from Qatar in a fleet of large, state-of-the-art LNG carriers, and is destined for sale primarily in the United States. First LNG cargos are expected to be delivered from Qatargas 3 in 2009.

In order to capture cost savings, Qatargas 3 will execute the



development of the onshore and offshore assets as a single integrated project with Qatargas 4, a joint venture between Qatar Petroleum and Royal Dutch Shell plc. This includes the joint development of offshore facilities situated in a common offshore block in the North field, as well as the construction of two identical LNG process trains, and associated gas treating facilities for both the Qatargas 3 and Qatargas 4 joint ventures.

## United Arab Emirates

### Dubai

*Operator: ConocoPhillips (32.5%)*

*Co-venturers: Total (27.5%), Repsol (25.0%), RWE (10.0%),*

*Wintershall (5.0%)*

Through a wholly owned subsidiary, ConocoPhillips produced first oil in 1969 and continues to operate four large, offshore oil fields.

The company is using advanced horizontal drilling techniques and advanced reservoir drainage technology to enhance the recovery rates and efficiencies in these late-life fields.

## Iraq

#### LUKOIL Production Sharing Agreement (PSA)

In 2004, ConocoPhillips and LUKOIL announced their intent to seek the right to develop the West Qurna field in Iraq. Subject to confirmation of LUKOIL's rights under its PSA related to the field, as well

as the consents of governmental authorities and parties to the contract, ConocoPhillips expects to enter into further agreements regarding the assignment of a 17.5 percent interest in the PSA to ConocoPhillips by LUKOIL.

# Russia

## Polar Lights

*Operator: Polar Lights Company*

*Co-venturers: ConocoPhillips (50.0%), Rosneft (50.0%)*

Polar Lights Company (PLC) is a Russian limited liability company established in January 1992 to develop the Ardalin field in the Timan-Pechora province in northwest Russia above the Arctic Circle. PLC started producing oil from the Ardalin field in 1994 and has since developed three satellite fields to Ardalin. The first satellite, Oshkotyn, commenced production in 2002. The other two satellites, East Kolva and Dyusushev, achieved first oil in 2003. In 2005, average daily net production was nearly 13 MBOD.

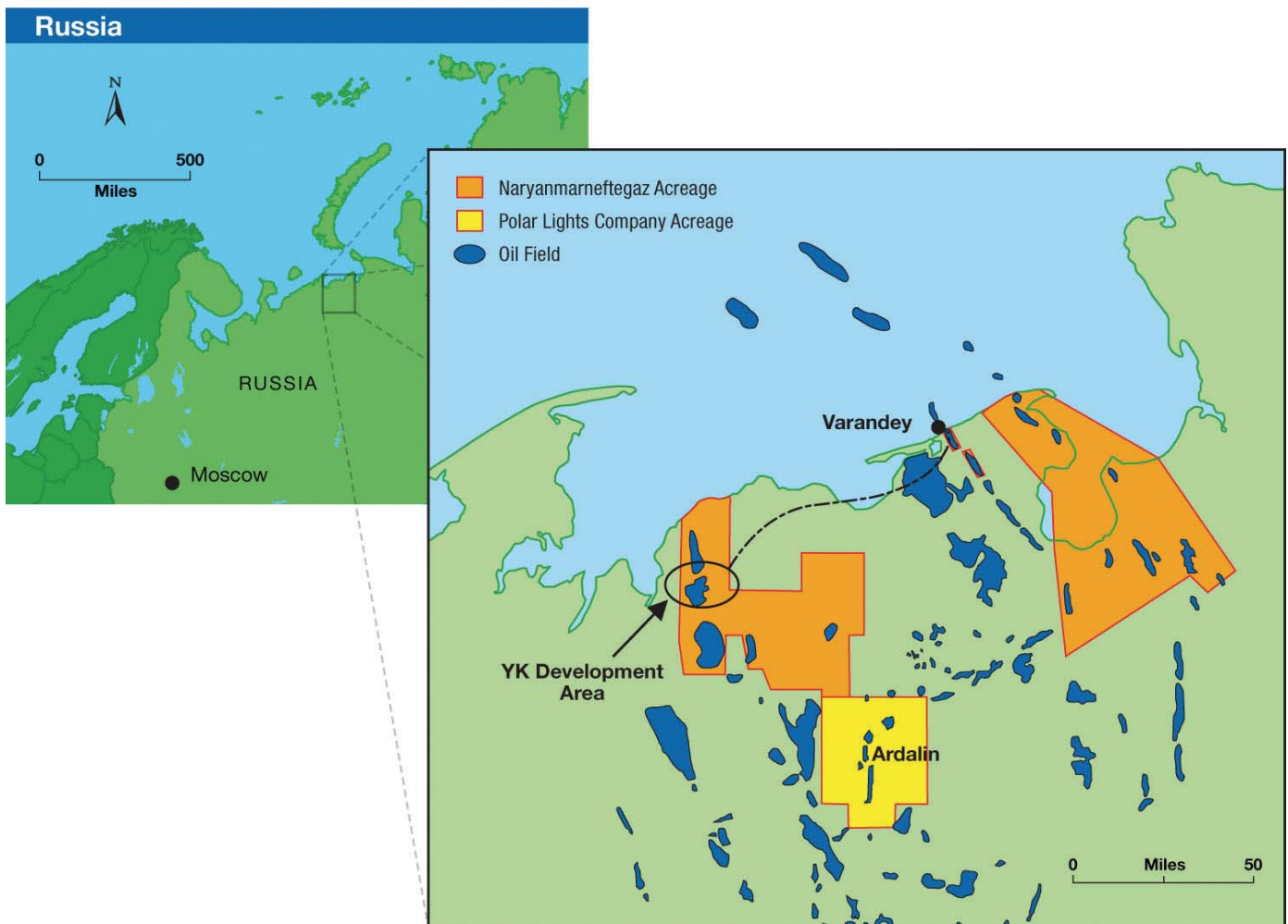
## Naryanmarneftegaz Joint Venture

*Operator: OOO Naryanmarneftegaz (NMNG)*

*Co-venturers: LUKOIL (70.0%), ConocoPhillips (30.0%)*

As part of a larger strategic alliance, ConocoPhillips entered into an agreement with LUKOIL in 2004 to create a joint venture to develop oil and gas resources in the northern part of Russia's Timan-Pechora province. ConocoPhillips and LUKOIL finalized the creation of the NMNG joint venture in June 2005, and ConocoPhillips has a 50 percent voting interest in the venture.

NMNG is expected to be producing and marketing approximately 200 MBOED gross at peak. Production from the joint-venture fields is transported via pipeline to LUKOIL's existing terminal at Varandey Bay on the Barents Sea and then shipped via tanker to international markets. LUKOIL intends to complete an expansion of the terminal capacity to 240 MBOED in late 2007, with





ConocoPhillips participating in the design and financing of the terminal. First oil production from the anchor field, Yuzhno Khylochuyu, is targeted for late 2007.

## Asia Pacific

### China

ConocoPhillips' operations in China include the Xijiang and Panyu oil fields in the South China Sea, the Peng Lai (PL) 19-3 oil field in China's Bohai Bay, and the Ba Jiao Chang (BJC) gas field located

onshore in Sichuan province. Interests in the Panyu and BJC fields were attained through ConocoPhillips' acquisition of Burlington Resources in March 2006.

#### China Production Combined Average Daily Net Production, 2005

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Bohai Bay (COP)	49.0%	ConocoPhillips	13	--	--	13
Xijiang (COP)	12.3-24.5%	ConocoPhillips	10	--	--	10
Panyu (BR)	24.5%	CNOOC	15	--	--	15
Ba Jiao Chang (BR)	100%	Burlington Resources	--	5	--	1
<b>Total China</b>			<b>38</b>	<b>5</b>	<b>--</b>	<b>39</b>

#### Bohai Bay PL 19-3, PL 25-6 Block 11/05

Operator: ConocoPhillips (49.0%)

Co-venturer: China National Offshore Oil Corp. Ltd. (51.0%)

Located in the 1.6 million-acre Block 11/05 in China's Bohai Bay, the PL 19-3-1 discovery well was drilled in May 1999. It was followed by six successful appraisal wells. In 2000, the PL 25-6 oil field was discovered, and one appraisal well was drilled in 2001. Phase I development of the PL 19-3 oil field included one 24-slot wellhead platform and a floating production, storage and offloading (FPSO) vessel. Phase I production began in late 2002. Phase II development of the PL 19-3 field, and concurrent development of the nearby PL 25-6 field, were approved by the Chinese government in January 2005. Phase II will include five wellhead platforms, central process facilities and a larger FPSO vessel. Construction activities related to Phase II are under way. First oil from the initial platform through the existing facilities is expected in 2007, with production through the new FPSO by early 2009.

#### Xijiang 24-3, 24-1 Block 15/11

Operator: ConocoPhillips (24.5%)

Co-venturers: Shell (24.5%),

China National Offshore Oil Corp. Ltd. (51.0%)

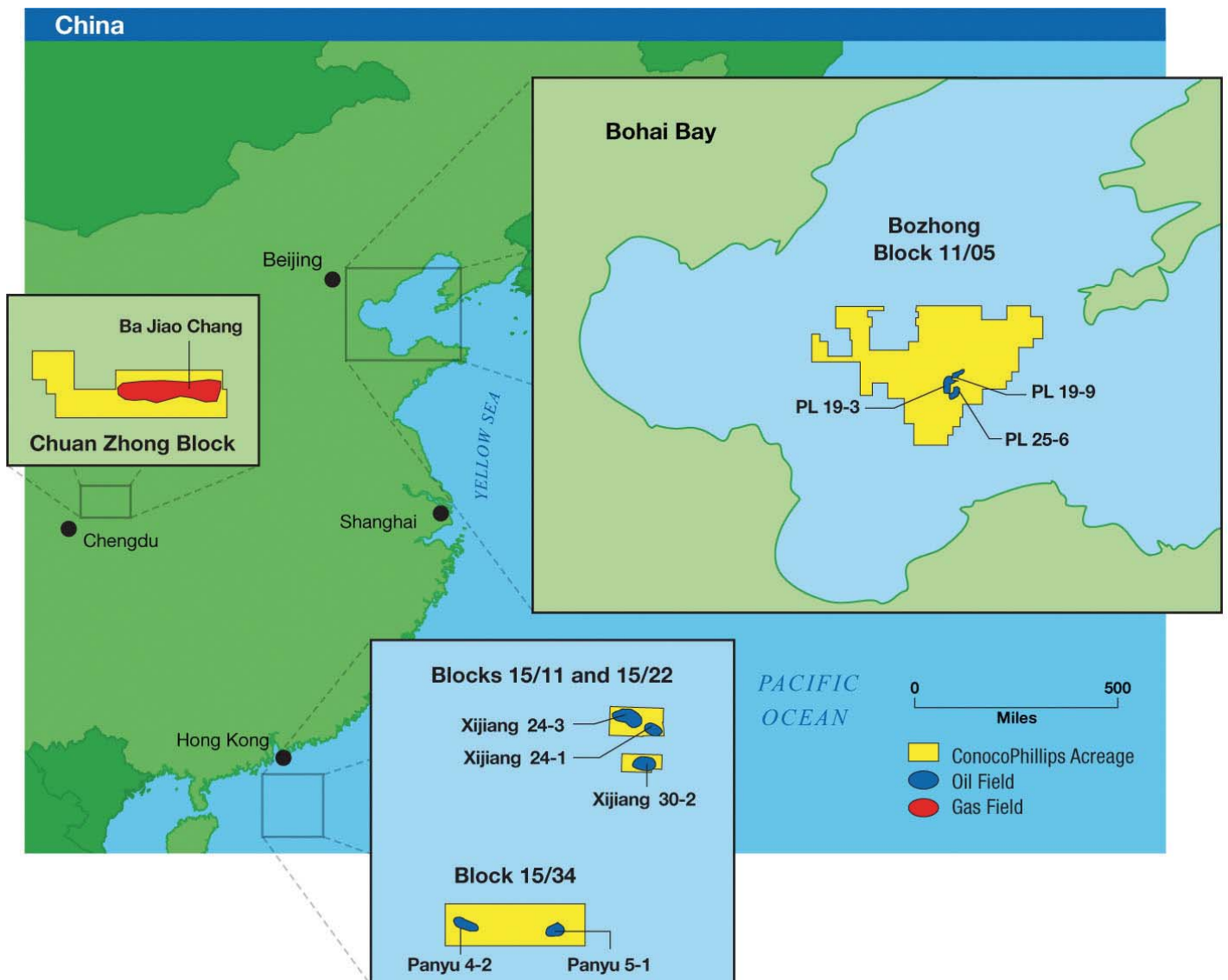
#### Xijiang 30-2 Block 15/22

Operator: ConocoPhillips (12.3%)

Co-venturers: Shell (47.7%),

China National Offshore Oil Corp. Ltd. (40.0%)

Xijiang consists of two oil fields and a satellite development located approximately 80 miles from Hong Kong in blocks 15/11 and 15/22 of the South China Sea. First production was in 1994. Xijiang facilities consist of two platforms and an FPSO vessel.



**Panyu 5-1, 4-2  
Block 15/34**

*Operator: China National Offshore Oil Corp. Ltd. (51.0%)  
Co-venturers: ConocoPhillips (24.5%; as of March 31, 2006),  
Devon Energy (24.5%)*

Located in the South China Sea in the Pearl River Mouth Basin, the Panyu development involves two oil fields, PY 5-1 and PY 4-2, in Block 15/34. During 2005, Phase II of the development drilling program was initiated. Government approvals were received and work began on a facilities upgrade to handle the additional volumes. In addition, a development plan for the PY 11-6 satellite discovery was approved by the government. The PY 11-6 discovery will be produced from the PY 5-1 platform.

**Ba Jiao Chang (BJC)  
Chuan Zhong (CZ) Block**

*Operator: ConocoPhillips (100%; as of March 31, 2006)  
Co-venturer: China National Petroleum Corp.*

The BJC gas field is located onshore in the 295,000 acre CZ Block in the Sichuan province. Pilot production began in 1999. Government approval of the field development plan was granted in early 2004. At year-end 2005, 18 development wells had been drilled and development was ongoing.

**China Exploration and Business Development 2005 Activity**

License	Interest	Operator	Activity
Bohai Bay Block 11-05	49.0%	ConocoPhillips	A 390-square-kilometer 3-D seismic survey over the BZ 22 prospect was started and is expected to be complete in the first quarter of 2006.
Xijiang Block 15/11	24.5%	ConocoPhillips	An exploration tail well, XJ 24-3 A15ST2, was drilled and encountered more than 10 meters (2,000 BOD) of light oil.
Chuan Zhong Block	100%	Burlington Resources	A 300 square-kilometer 3-D seismic survey over the Qiulin prospect was initiated and is expected to be complete in the second quarter of 2006.

Within Bohai Bay, ConocoPhillips plans to complete the acquisition of BZ 22 3-D seismic and pre-stack depth migration processing in 2006. The company will drill two appraisal wells to test the PL 19-9 field and one appraisal well to test PL 19-3 Area 5. In the Xijiang

development area, ConocoPhillips will drill exploration well XJ 24-3 NE to test a satellite structure near the 24-3 field in 2006. In addition, the 3-D acquisition and processing of the Qiulin prospect in the Chuan Zhong Block is expected to be complete.

## Vietnam

ConocoPhillips is a major investor in Vietnam and holds 4.1 million gross acres (2.7 million net) in five blocks. Through exploration

success, the company has significantly increased its daily production and oil and gas infrastructure in Vietnam over the last several years.



### Block 15-1: Su Tu Den, Su Tu Vang, Su Tu Trang, Su Tu Nau

Operator: *Cuu Long Joint Operating Co.*

Co-venturers: *PetroVietnam (50.0%), ConocoPhillips (23.3%), KNOC (14.2%), SK Corp. (9.0%), Geopetrol (3.5%)*

Block 15-1 is located in the Cuu Long Basin in the South China Sea. The Su Tu Den field was discovered on Block 15-1 in 2000 with the Su Tu Den 1 exploration well. The Su Tu Den Phase I development project was approved in December 2001, and production began in late 2003. Production from Su Tu Den is being processed and stored in the one-million-barrel Cuu Long M/V 9 FPSO vessel.

Four additional fields have been discovered in Block 15-1 since the Su Tu Den discovery. These discoveries are Su Tu Vang, discovered in 2001; Su Tu Den Northeast, discovered in 2002; Su Tu Trang, discovered in 2003; and Su Tu Nau, discovered in 2005.

Development of the Su Tu Vang field is under way, and first production is expected in 2008. First production from Su Tu Den Northeast is anticipated in 2010.

### Vietnam Production ConocoPhillips Average Daily Net Production, 2005

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Su Tu Den	23.3%	Cuu Long Joint Operating Co.	15	--	--	15
Rang Dong	36.0%	Japan Vietnam Petroleum Co.	14	18	--	17
<b>Total Vietnam</b>			<b>29</b>	<b>18</b>	<b>--</b>	<b>32</b>

**Block 15-2: Rang Dong**

Operator: *Japan Vietnam Petroleum Co. (46.5%)*

Co-venturers: *ConocoPhillips (36.0%), PetroVietnam (17.5%)*

The Rang Dong field is located in Block 15-2 in the Cuu Long Basin. Field facilities currently consist of four wellhead platforms in the northern, southern, central and eastern areas of the field; a compression platform allowing for water injection and gas lift; a central liquids processing platform; and a utilities and living quarters platform. The wellhead platforms produce into the Rang Dong 1 FPSO. Development of the central part of the field was completed in 2005, with first production in June.

**Vietnam Facilities****Nam Con Son Pipeline**

Operator: *BP (32.7%)*

Co-venturers: *PetroVietnam (51.0%), ConocoPhillips (16.3%)*

The Nam Con Son Pipeline is a 700 MMCFD, 244-mile transportation system linking gas supplies from the Nam Con Son Basin to gas markets in southern Vietnam. The infrastructure consists of a 26-inch diameter, 227-mile offshore segment connecting the Block 06-1 central platform to the gas plant located at Dinh Co. The gas is conditioned to meet specifications and redelivered via a 30-inch diameter, 17-mile onshore pipeline segment to the Phu My Gas Distribution Center.

**Vietnam Exploration and Business Development 2005 Activity**

License	Interest	Operator	Activity
Block 15-1	23.3%	Cuu Long Joint Operating Co.	Further appraisal of the Su Tu Den Northeast and Su Tu Trang discoveries was conducted in 2005. A successful exploration well was completed in the Su Tu Nau field.
Blocks 133, 134	70.0%	ConocoPhillips	Seismic and geologic studies continued in order to evaluate the hydrocarbon potential of the blocks. The exploration phase was extended to 2011.

Appraisal of the Su Tu Trang and Su Tu Nau discoveries will continue in 2006. Appraisal drilling of the Moc Tinh discovery in Block 5-3 is planned for 2007.

**Indonesia**

ConocoPhillips has had a presence in Indonesia for more than 40 years, and its assets are concentrated in two core areas: the West Natuna Sea and onshore South Sumatra.

ConocoPhillips is one of the largest foreign leaseholders in Indonesia with 11 exploration and production licenses comprising roughly 12.6 million gross acres. The company operates nine Production Sharing Contracts (PSCs) and has a non-operator interest in two others. Of the nine PSCs the company operates, three are offshore: South Natuna Sea Block B, Nila and Ketapang. Six others are onshore: Corridor TAC (Technical Assistance Contract), Corridor PSC, South Jambi 'B,' Sakakemang JOB (jointly operated with a

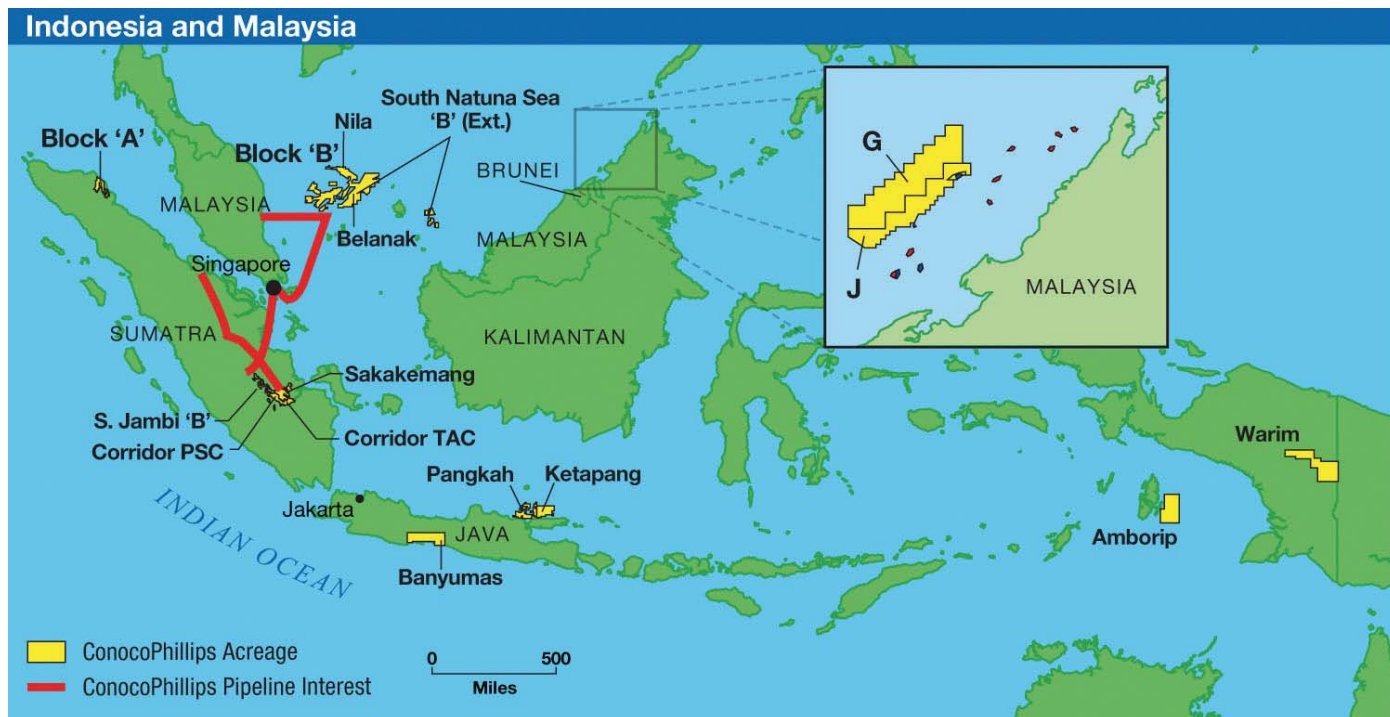
co-venturer) in South Sumatra, Block A PSC in Aceh and Warim PSC in Papua. ConocoPhillips holds non-operator interests in the Pangkah PSC offshore East Java and the Banyumas PSC onshore Java. During 2005, the company sold its interests in the Bentu and Korinci-Baru PSCs in Sumatra and was awarded the Amborip VI PSC in the Arafura Sea. The Amborip PSC agreements are expected to be signed in 2006.

ConocoPhillips participates in six long-term natural gas pipeline contracts. In addition, the company began supplying natural gas to markets on Batam Island in 2005 and will begin supplying East Java markets in 2007.

**Indonesia Production ConocoPhillips Average Daily Net Production, 2005**

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Natuna Sea Block B	40.0%	ConocoPhillips	11	117	--	31
Sumatra Corridor PSC	54.0%	ConocoPhillips	2	170	--	30
Other <sup>1</sup>	Various	ConocoPhillips	2	11	--	4
<b>Total Indonesia</b>			<b>15</b>	<b>298</b>	<b>--</b>	<b>65</b>

<sup>1</sup> Includes Corridor TAC and South Jambi 'B'.



## Natuna Sea

### Block B PSC

*Operator: ConocoPhillips (40.0%)*

*Co-venturers: Inpex Natuna Ltd. (35.0%), Chevron (25.0%)*

Block B was awarded in 1968 with an original acreage of 39,700 square miles. First production came online in 1979. After statutory relinquishments, the area was reduced to 4,300 square miles, and a license extension was granted in 1998 until 2028. The block is located in 300 feet of water.

The block has two producing mature oil fields and 16 gas fields in various phases of development (seven of which have recoverable oil or condensate volumes). In late 2004, oil production began from the Belanak oil and gas field through a new floating production, storage and offloading vessel and related facilities. In October 2005, natural gas sales began from the Belanak field. Belanak is the largest current development in Block B.

Elsewhere in Block B, construction activities on the Kerisi and Hiu fields and engineering studies for the North Belut field commenced in 2005. North Belut will be a field development in Block B after Kerisi and Hiu.

Gas from Block B is sold under two long-term contracts. In the first contract, ConocoPhillips participates as a co-venturer in the West Natuna Gas Supply Group (WNG). WNG jointly markets natural gas from fields in three Natuna Sea PSCs, including Block B, to SembGas in Singapore. The second contract is solely supplied with gas from Block B and provides deliveries to Petronas in Malaysia.

## Sumatra

### Corridor PSC

*Operator: ConocoPhillips (54.0%)*

*Co-venturers: Talisman Energy (36.0%), Pertamina (10.0%)*

The Corridor Block PSC is located in South Sumatra and was awarded in 1983. The remaining contract area covers 872 square miles. ConocoPhillips operates six oil fields and six natural gas fields. The principal oil producing fields are Puyuh, Supat and Rawa. The principal gas fields are Suban, Sumpal, Dayung and the Gelam unit. ConocoPhillips supplies natural gas from the Grissik and Suban gas processing plants to the Duri steamflood in central Sumatra and to markets in Singapore and Batam.

In August 2004, the company signed a gas sales agreement with PT Perusahaan Gas Negara (Persero) Tbk. (PGN), the Indonesian state-owned transportation company, to supply natural gas for delivery to the industrial markets in West Java and Jakarta. Under the agreement, ConocoPhillips will supply approximately 850 billion net cubic feet of gas over a 17-year period beginning in 2007. At the contracted rates, initial gas deliveries are about 65 MMCFD, ramping up to approximately 150 MMCFD in 2012 and continuing at that level until the contract terminates in 2023.

Following the execution of the West Java gas sales agreement with PGN in 2004, ConocoPhillips began the development of the Suban Phase II project, which is an expansion of the existing Suban gas plant and pipelines in the Corridor PSC. The Corridor PSC expires in 2023.

**Corridor TAC**

*Operator: ConocoPhillips (60.0%)*

*Co-venturer: Talisman (40.0%)*

The Corridor TAC is located in South Sumatra and was originally awarded in 1968. The remaining contract area covers 186 square miles. The principal oil producing fields are Ramba and Bentayan. Production is delivered to the Pertamina refinery located at Palembang. The Corridor TAC expires in 2010.

**South Jambi 'B' PSC**

*Operator: ConocoPhillips (45.0%)*

*Co-venturers: PetroChina (30.0%), Pertamina E&P (25.0%)*

The South Jambi 'B' PSC is located in South Sumatra and was awarded in 1990. The remaining contract area covers 594 square miles. Gas production from the Teluk Rendah and Geger Kalong fields commenced in June 2004 and July 2005 respectively, to supply the Gas Supply Pte. Ltd. (GSPL) contract, enabling natural gas deliveries to Singapore. The South Jambi 'B' PSC expires in 2020.

**Java Sea****Pangkah PSC**

*Operator: Amerada Hess (75.0%)*

*Co-venturer: ConocoPhillips (25.0%)*

The Pangkah PSC was acquired in 1996 and is located offshore East Java. The development of the Ujung Pangkah field was approved by the Indonesian government in late 2004 following the signing of contracts for the supply of natural gas to markets in East Java. First gas is anticipated in 2007. In October 2005, ConocoPhillips purchased an additional 3 percent interest in the PSC, increasing the company's ownership from 22 percent to 25 percent. A project that may include developing the oil rim of the field and installing a liquefied petroleum gas recovery facility is being evaluated.

**Indonesia Facilities****TransAsia Pipeline Company Pvt. Ltd.**

*Operator: Transgasindo (PGN, 60.0%; Transasia, 40.0%)*

*Transasia Pipeline Co-venturers: ConocoPhillips (35.0%),*

*Petronas (35.0%), Talisman (15.0%), Singapore Petroleum (15.0%)*

ConocoPhillips holds an indirect 14 percent interest in Indonesia's largest gas transmission pipeline company, PT Transportasi Gas Indonesia. The company owns and operates 621 miles of onshore and offshore gas pipelines that deliver ConocoPhillips' South Sumatra gas to market, including the Grissik to Duri, and Grissik to Singapore, natural gas pipelines.

**Indonesia Exploration and Business Development 2005 Activity**

License	Interest	Operator	Activity
Nila PSC	40.0%	ConocoPhillips	The third and final commitment well, Menur-1, was plugged and abandoned as a dry hole. Government approval for full relinquishment of the Nila PSC is expected by the third quarter of 2006. This PSC was awarded in 2001 and is located in the Natuna Sea.
Ketapang PSC	50.0%	ConocoPhillips	The Bukit Tua-4 appraisal well was a successful test of the primary reservoir objective on the Bukit Tua field. A development plan is expected to be submitted to the government by mid-2006. This PSC was acquired in 1998 and is located offshore Java.
Pangkah PSC	22.0%	Amerada Hess	The Ujung Pangkah gas development is under way and the oil development plan has been submitted. The Hayam Wuruk-1 exploration well was spud in December 2005 and was plugged and abandoned as a dry hole in January 2006. 3-D seismic over the Ujung Pangkah field will be acquired during 2006.
Sakakemang JOB	70.0%	Pertamina	An extended pressure survey is being conducted to establish reservoir connectivity between North Sumpal (located within the Sakakemang block) and the Sumpal field (located in the Corridor block). This PSC was awarded in 2001 and is located onshore South Sumatra.
Banyumas PSC	50.0%	Lundin	ConocoPhillips and Lundin completed a cost carry farm-down of the Banyumas PSC to Star Energy in September 2004. Under the terms of the farm-out, the 50.0 percent interest of both Lundin and ConocoPhillips will reduce to 25.0 percent once Star Energy funds the first \$7.6 MM of the Jati-1 exploration well. The Jati-1 reached its targeted depth with oil and gas present in April 2006. Evaluation is in progress. The Banyumas PSC was awarded in 2001 and is located onshore Java.

In 2006, no exploration or appraisal wells are planned. Two 3-D seismic programs are being acquired for field development purposes (North Belut in Block B and Ujung Pangkah in Pangkah). Government approval for full relinquishment of the Nila PSC is expected by the third quarter of 2006.

## Malaysia

In 2000, ConocoPhillips acquired interests in deepwater Blocks G and J located off the east Malaysian state of Sabah.

### Block G

#### Malikai, Ubah and Pisagan

Operator: Shell Malaysia (35.0%)

Co-venturers: ConocoPhillips (35.0%), PETRONAS Carigali (30.0%)

In September 2004, the successful drilling of the Malikai-1 discovery was completed. Appraisal of the Malikai discovery continued in 2005 and is expected to be complete in 2006. Two new discoveries – Ubah-2 and Pisagan-1A – were made on the block in late 2005. Appraisal of these discoveries is scheduled to occur in 2006 and 2007.

### Block J

#### Gumusut

Operator: Shell Malaysia (40.0%)

Co-venturers: ConocoPhillips (40.0%), PETRONAS Carigali (20.0%)

The Gumusut 1 well was drilled in 2003 and resulted in an oil discovery. The field was successfully appraised in 2004 and 2005, and is moving toward field development.

### Block J

#### Kebabangan

Operator: Keabangan Joint Operating Company

Co-venturers: PETRONAS Carigali (60.0%), ConocoPhillips (40.0%)

In early 2005, the Keabangan Joint Operating Co. signed a Production Sharing Contract for the appraisal and development of the Keabangan oil field. The Keabangan gas field was discovered in 1994, and the #3 gas appraisal well – drilled in 2002 – discovered oil. The KBB #4 oil appraisal well was drilled, and the commercial development of this oil field is being evaluated.

## Australia and Timor-Leste

ConocoPhillips holds a significant acreage position in the Timor Sea Joint Petroleum Development Area (JPDA) between Timor-Leste and Australia, the site of the company's major Bayu-Undan development.

ConocoPhillips' other operations in the region are located offshore Western Australia and onshore Australia's Northern Territory.

### Australia and Timor-Leste Production *ConocoPhillips Average Daily Net Production, 2005*

Areas	Interest	Operator	Oil MBD	Gas MMCFD	NGL MBD	Total MBOED
Bayu-Undan Development	56.7%	ConocoPhillips	32	--	16	48
Australia: Athena/Perseus (WA-17-L)	50.0%	ExxonMobil	--	34	--	6
Elang/Kakatua/Kakatua North (JPDA 03-12)	57.4%	ConocoPhillips	1	--	--	1
<b>Total Australia and Timor-Leste</b>			<b>33</b>	<b>34</b>	<b>16</b>	<b>55</b>

### Bayu-Undan Development

Operator: ConocoPhillips (56.7%)

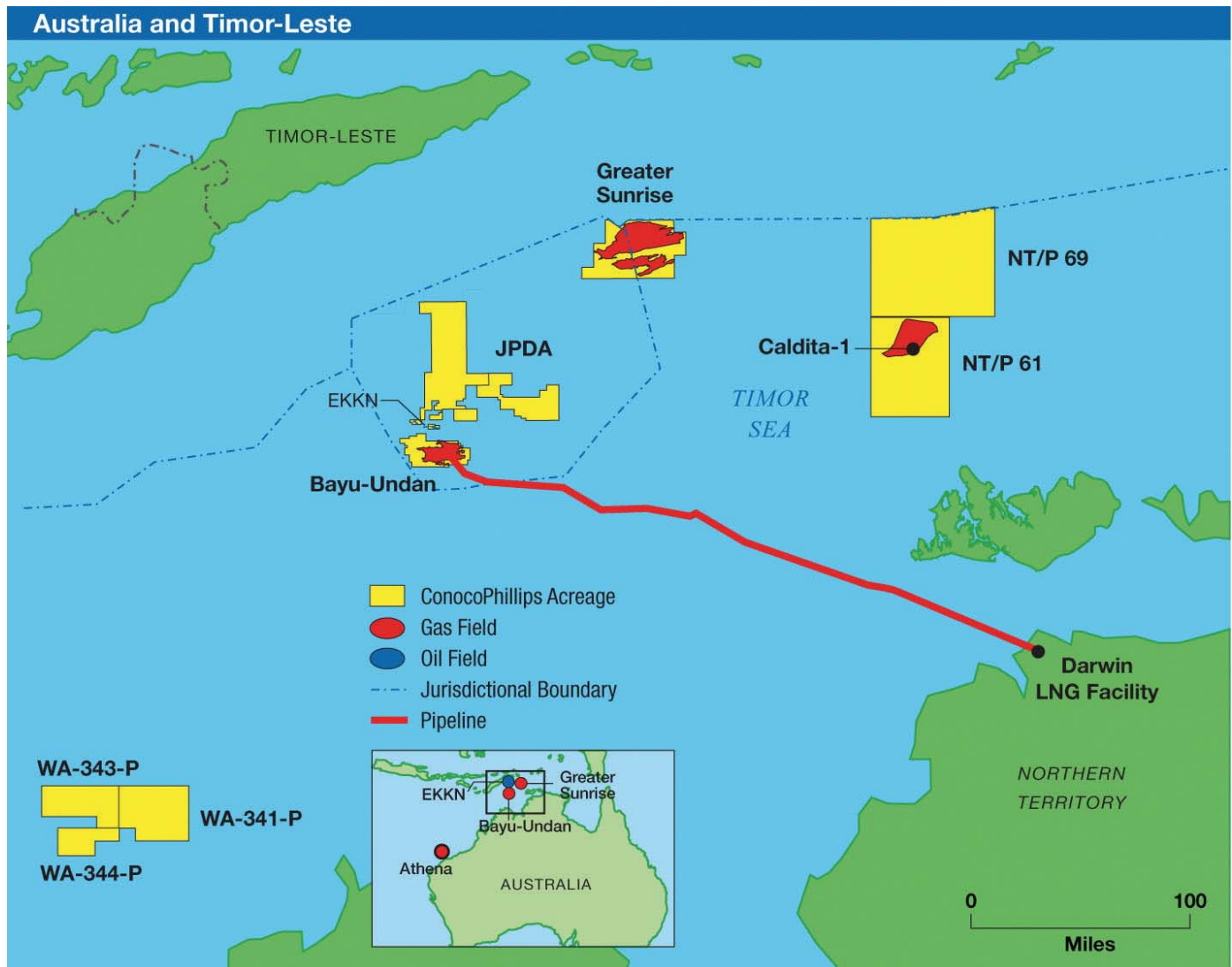
Co-venturers: Eni Australia (12.1%), Santos (10.6%), INPEX (10.5%), Tokyo Electric Power Co., Inc. and Tokyo Gas Co., Ltd. (aggregate 10.1%)

The Bayu-Undan gas condensate field located within the Timor Sea JPDA was discovered in 1995. The field has been developed in two phases. Phase I included a gas recycle project, in which condensate and natural gas liquids were separated and removed for sale, and the dry gas was reinjected back into the reservoir until Phase II (Darwin LNG) was ready to receive the hydrocarbons. Development drilling

and the offshore construction for Phase I started in May 2002.

Production from the first phase began in February 2004. In 2005, development drilling concluded and a major, scheduled maintenance shutdown was successfully completed.

Phase II of the development involved the installation of a natural gas pipeline from the field to Darwin, Australia, and construction of an LNG facility located at Wickham Point, Darwin. ConocoPhillips' net share of natural gas production from the Bayu-Undan field is expected to be approximately 100 MMCFD initially, ramping up to approximately 260 MMCFD net by 2009.



**Athena/Perseus (WA-17-L)**

Operator: ExxonMobil (50.0%)

Co-venturer: ConocoPhillips (50.0%)

These fields are located offshore Western Australia and have produced gas since 2001.

**Elang/Kakatua/Kakatua North (EKKN)**

Operator: ConocoPhillips (57.4%)

Co-venturers: Santos (21.4%), INPEX (21.2%)

These fields are located within the Timor Sea permit JPDA 03-12 and have been producing ultra-light crude oil since 1998.

**Australia Facilities**

**Darwin LNG Facility**

Operator: ConocoPhillips (56.7%)

Co-venturers: Eni Australia (12.1%), Santos (10.6%), INPEX (10.5%), Tokyo Electric Power Co., Inc. and Tokyo Gas Co., Ltd. (aggregate 10.1%)

Construction of the facility and the associated natural gas pipeline from the Bayu-Undan field was completed in 2005 and commissioning was under way at year-end. The first LNG cargo was delivered in February 2006. Upon completion of commissioning activities in 2006, the facility is expected to meet gross contracted sales of up to 3 million tons of LNG per year for a period of 16 years to customers in Japan, including The Tokyo Electric Power Company, Incorporated and Tokyo Gas Co., Ltd.



## Australia and Timor-Leste Exploration and Business Development

### Greater Sunrise

#### JPDA 03-19, 03-20; NT/P 55; NT/RL 2

*Operator: Woodside (33.4%)*

*Co-venturers: ConocoPhillips (30.0%), Shell (26.6%),*

*Osaka Gas (10.0%)*

During 2005, ConocoPhillips and its co-venturers continued to evaluate commercial development options and LNG markets in the Asia Pacific region and the North American West Coast for natural gas and condensate from Sunrise.

In December 2005, the co-venturers were notified that an agreement had been reached between the governments of Australia and Timor-Leste with respect to Sunrise. The agreement needs to be ratified by the respective parliaments. Commercial progress on the project will require further clarification on fiscal and jurisdictional issues with the respective governments.

### Caldita/Barossa

#### NT/P 61

*Operator: ConocoPhillips (60.0%)*

*Co-venturer: Santos Offshore Pty. Ltd (40.0%)*

In September 2005, ConocoPhillips made a discovery in the Caldita-1 exploration well in the NT/P 61 license located offshore Northern Territory Australia. NT/P 61 is located in the Timor Sea approximately 265 kilometers north northwest of Darwin. The well was drilled in 137 meters of water. Technical evaluation to assess the further appraisal and development of the Caldita discovery was under way at year-end. Appraisal work likely will include acquiring and interpreting 3-D seismic data and drilling one or more appraisal wells to define the size and quality of the natural gas accumulation.

#### NT/P 69

*Operator: ConocoPhillips (60.0%)*

*Co-venturer: Santos Offshore Pty. Ltd (40.0%)*

ConocoPhillips was awarded the NT/P 69 license in October 2005. NT/P 69 is located adjacent to NT/P 61. The license contains the previously discovered Lynedoch gas resource. An exploration well is scheduled for 2006.

#### JPDA (03-12)

*Operator: ConocoPhillips (57.4%)*

*Co-venturers: Santos (21.4%), INPEX (21.2%)*

This permit is located within the JPDA in the Timor Sea. The Firebird-1 exploration well was completed in December 2005 and was a non-commercial gas discovery, which was subsequently plugged and abandoned.

#### WA-341-P, WA-343-P, WA-344-P

*Operator: ConocoPhillips (100%)*

ConocoPhillips purchased this acreage in March 2006. The area covered by these licenses is located in Australia's western sector of the Timor Sea. Further appraisal of the area, including reprocessing of 3-D seismic data, is under way.

## MIDSTREAM

ConocoPhillips' Midstream business is primarily conducted through a 50 percent equity investment in Duke Energy Field Services, LLC (DEFS), as well as directly held assets and other equity affiliates. These assets include natural gas gathering and processing operations and natural gas liquids (NGL) fractionation and marketing businesses. The midstream business purchases raw natural gas from producers and gathers natural gas through extensive pipeline gathering systems. The gathered natural gas is then processed to extract NGL. The remaining residue gas is marketed to electrical utilities, industrial

users and gas marketing companies. Most of the NGL are fractionated – separated into individual components such as ethane, propane and butanes. These individual products are marketed as chemical feedstock, fuel or refinery blendstock.

ConocoPhillips' NGL extraction for 2005 totaled 195,000 barrels per day (BD), of which 142,000 BD was from its interest in DEFS and 53,000 BD from other Midstream assets. The company's share of DEFS' raw gas throughput was 2.4 billion cubic feet per day (BCFD).

## DEFS

In July 2005, ConocoPhillips and Duke Energy Corp. restructured their respective ownership levels in DEFS, which resulted in an increase in ConocoPhillips' ownership from 30.3 percent to 50 percent and equally shared governance of DEFS by the two companies.

Headquartered in Denver, Colo., DEFS is one of the largest natural gas and gas liquids gathering, processing and marketing companies in the United States. Its assets are primarily located in the Gulf Coast area, West Texas, Oklahoma, the Texas Panhandle and the Rocky Mountain area.

Operations include gathering and transporting raw natural gas through approximately 56,000 miles of pipeline in six of the major

U.S. natural gas regions, including the U.S. Gulf Coast region, West Texas, Oklahoma, the Texas Panhandle, Southeast New Mexico and the Rocky Mountain area. The collected gas is processed at 54 owned or operated plants. DEFS also has 11 fractionating facilities.

In December 2005, DEFS created a new master limited partnership (MLP), DCP Midstream Partners, LP, of which DEFS owns the general partnership. DCP Midstream Partners gathers, compresses, treats, processes, transports and sells natural gas and also transports and sells natural gas liquids. The company began trading on the New York Stock Exchange on Dec. 2, 2005, under the symbol DPM.

## Directly Held Assets and Other Affiliates

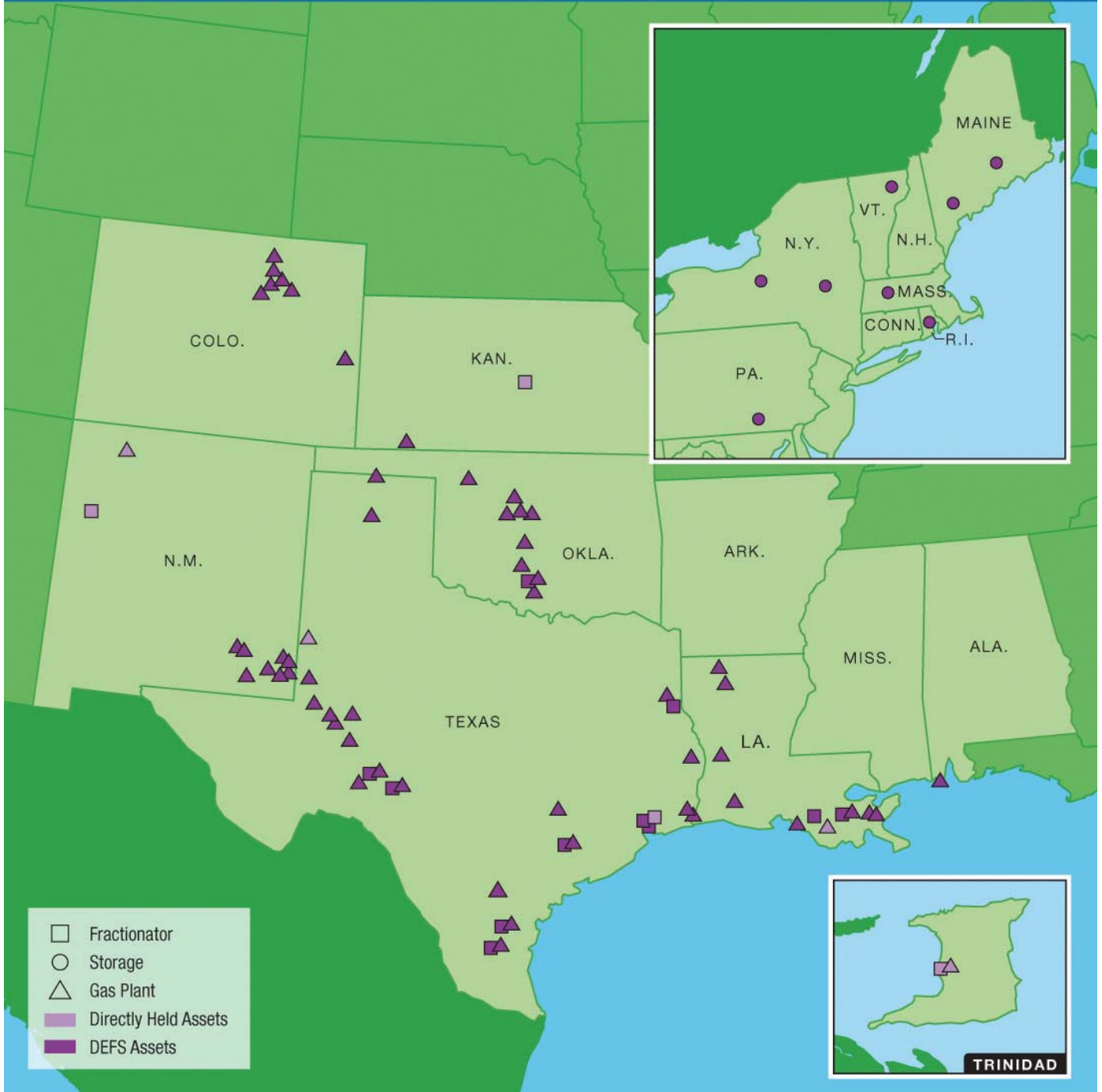
The company owns a 39 percent equity interest in Phoenix Park Gas Processors Limited, which operates a 1.35 BCFD gas processing plant and NGL fractionator in Trinidad. In the fourth quarter of 2005, the NGL fractionator was expanded from 46,000 to 70,000 BD.

ConocoPhillips' share of NGL extracted from this facility averaged 6,100 BD in 2005. Also, the company holds a 22.5 percent equity interest in Gulf Coast Fractionators, which owns a NGL fractionation plant in Mont Belvieu, Texas, with ConocoPhillips' share of capacity at 25,000 BD. Additional assets in ConocoPhillips' portfolio include: a 50 percent interest in a NGL extraction plant in San Juan County, N.M., with total capacity of 500 million cubic feet per day; a minor

interest in two NGL extraction plants located in Texas and Louisiana, respectively; a 25,000 BD capacity NGL fractionation plant in Gallup, N.M.; and a 40 percent interest in a NGL fractionation plant in Conway, Kan., with ConocoPhillips' share of capacity at 42,000 BD.

As of year-end 2005, ConocoPhillips' service contract regarding Syrian gas gathering and processing facilities ended, and the operations were transferred to the Syrian Gas Co. ConocoPhillips' presence in Syria is limited to administrative requirements, which will be finalized in the first half of 2006. The company has no plans to make any additional investments in Syria.

Midstream as of Dec. 31, 2005



## REFINING AND MARKETING

ConocoPhillips is the second largest refiner in the United States, with crude oil processing capacity of approximately 2.2 MMBD; and of non-government-controlled companies, the fourth-largest refiner in the world, with crude oil processing capacity of approximately 2.9 MMBD globally, which includes the acquisition of the Wilhelmshaven refinery on Feb. 28, 2006.

ConocoPhillips' Refining and Marketing (R&M) operations are comprised of global refining, marketing and transportation of petroleum products and related specialty businesses, as well as the development and management of downstream technology. These businesses upgrade crude oil and other feedstocks into higher-value petroleum products, including gasoline, diesel, jet fuel, lubricants, coke and other specialty products.

The company's products are sold at some 14,300 retail and wholesale outlets around the world, primarily under the Phillips 66®, Conoco® and 76® brands in the United States and JET® and ProJET® in Europe and the Asia Pacific region.

ConocoPhillips owns or leases transportation assets – pipelines and terminals, marine and inland vessels, rail cars and trucks – to bring crude oil and feedstock to its refineries and to carry refined products to market.

### Facts

*Year-end 2005 data unless indicated.*

- U.S. Refineries: 12 refineries
- International Refineries: Seven refineries in five countries [includes Wilhelmshaven refinery purchased in February 2006]
- U.S. Marketing: Markets through approximately 11,800 outlets
- International Marketing: Markets through approximately 2,500 outlets in 17 countries
- Crude Processing Capacity: U.S. – 2.2 MMBD; International – 0.7 MMBD [includes Wilhelmshaven refinery capability as of Feb. 28, 2006]
- Key Products: Gasoline, diesel fuel, jet fuel, liquefied petroleum gas (LPG), base oils, lubricants, solvents, aviation gasoline, and premium and fuel grade petroleum cokes
- R&M Total Assets: \$30.7 billion
- Employees: 21,369\*

\*Includes 8,687 retail store employees.



## United States

ConocoPhillips divides its North America refining and marketing activities into four regions. Each region contains assets that are inte-

grated by location, transportation, markets and commercial activities.

## Refining

### East Coast Region *as of Jan. 1, 2006*

Refinery	Crude Charge Capacity (MBD)	Total Charge Capacity (MBD)	Gasoline Production Capacity (MBD)	Distillate Production Capacity (MBD) <sup>1</sup>	Nelson Complexity Factor <sup>2</sup>	Clean Product Yield
Bayway	238	285	145	110	10.0	92%
Trainer	185	190	100	65	7.1	88%
<b>Total</b>	<b>423</b>	<b>475</b>	<b>245</b>	<b>175</b>		

<sup>1</sup> Includes aviation and jet fuel. <sup>2</sup> The Nelson Complexity Factor calculation considers the variety and capacity of the different processing units within a refinery. The higher a refinery's Factor, the greater is its secondary conversion capacity and capability to produce higher-value products.

### Bayway Refinery

The Bayway refinery, located on New York Harbor in Linden, N.J., has a crude oil processing capacity of 238 MBD and processes mainly light low-sulfur crude oil. Crude oil is supplied to the refinery by tanker, primarily from the North Sea, Canada and West Africa. The facility distributes its refined products to East Coast customers through pipelines, barges, railcars and trucks.

The refinery produces a high percentage of transportation fuels, such as gasoline, diesel and jet fuel, along with home heating oil. Other products include petrochemical feedstocks and residual fuel oil. The mix of products produced changes to meet seasonal demand. Gasoline is in higher demand during the summer, while in winter the refinery optimizes operations to increase heating oil production. The complex also includes a 775-million-pound-per-year polypropylene plant.

### Trainer Refinery

The Trainer refinery is located on the Delaware River in Trainer, Pa., southwest of Philadelphia. The refinery has a crude oil processing capacity of 185 MBD and processes mainly light low-sulfur crude oil. The Bayway and Trainer refineries are operated in coordination with each other by sharing crude oil cargoes, moving feedstocks between the facilities and sharing certain personnel. Trainer receives crude oil from the North Sea and West Africa.

The refinery produces a high percentage of transportation fuels, such as gasoline, diesel and jet fuel, along with home heating oil. Other products include residual fuel oil and liquefied petroleum gas. Refined products are distributed to customers in Pennsylvania, New York and New Jersey via pipeline, barge, railcar and truck.

**Gulf Coast Region as of Jan. 1, 2006**

Refinery	Crude Charge Capacity (MBD)	Total Charge Capacity (MBD)	Gasoline Production Capacity (MBD)	Distillate Production Capacity (MBD) <sup>1</sup>	Nelson Complexity Factor <sup>2</sup>	Clean Product Yield
Alliance	247	280	105	120	10.7	82%
Lake Charles	239	280	90	110	8.5	67%
Sweeny	247	300	125	120	12.0	85%
<b>Total</b>	<b>733</b>	<b>860</b>	<b>320</b>	<b>350</b>		

<sup>1</sup> Includes aviation and jet fuel. <sup>2</sup> The Nelson Complexity Factor calculation considers the variety and capacity of the different processing units within a refinery. The higher a refinery's Factor, the greater is its secondary conversion capacity and capability to produce higher-value products.

**Alliance Refinery**

The Alliance refinery is located on the Mississippi River in Belle Chasse, La., about 25 miles south of New Orleans. The refinery has a crude oil processing capacity of 247 MBD and processes mainly light, low-sulfur crude oil. Alliance receives domestic crude oil from the Gulf of Mexico via pipeline, and foreign crude oil from the North Sea and West Africa via pipeline connected to the Louisiana Offshore Oil Port. The refinery produces a high percentage of transportation fuels, such as gasoline, diesel and jet fuel, along with home heating oil. Other products include petrochemical feedstocks and anode petroleum coke. The majority of the refined products are distributed to customers through major common-carrier pipeline systems.

The Alliance refinery was shut down in anticipation of Hurricane Katrina in late-August 2005, and then remained down as a result of flooding and damages sustained during the hurricane. Removal of water from the site was completed by October and repair work began. The refinery began partial operation in late-January 2006 and returned to normal operations by mid-April 2006.

**Lake Charles Refinery**

The Lake Charles refinery, located in Westlake, La., has a crude oil processing capacity of 239 MBD and processes mainly heavy, high-sulfur and acidic crude oil. The refinery receives domestic and foreign crude oil, with a majority of its foreign crude oil being heavy Venezuelan and Mexican crude oil delivered via tanker.

The refinery produces a high percentage of transportation fuels, such as gasoline, off-road diesel and jet fuel, along with heating oil. The majority of its refined products are distributed to customers by truck, railcar or major common-carrier pipelines. In addition, refined products can be sold into export markets through the refinery's marine terminal. Construction of an S Zorb™ Sulfur Removal Technology unit to produce low-sulfur gasoline was completed and began operation in late 2005.

The refinery facilities include a specialty coker and calciner that manufacture graphite petroleum coke, which is supplied to the steel industry. The coking units also provide a substantial increase in light oils production by breaking down the heaviest part of the crude barrel to allow additional production of diesel fuel and gasoline. The Lake Charles refinery supplies feedstocks to Excel Paralubes and Penreco, joint ventures that are part of our Specialty Businesses function within R&M.

The Lake Charles refinery was shut down in anticipation of Hurricane Rita in September 2005, resumed operations in mid-October and returned to full operations in November.

**Sweeny Refinery**

The Sweeny refinery is located in Old Ocean, Texas, about 65 miles southwest of Houston. As a result of incremental debottlenecking efforts over a two-year period, the refinery increased processing capacity by 31 MBD to the current capacity of 247 MBD. The refinery processes mainly heavy, high-sulfur crude oil, but also processes light, low-sulfur crude oil. The refinery primarily receives crude oil through 100-percent-owned and jointly owned terminals on the Gulf Coast, including a deepwater terminal at Freeport, Texas. The refinery produces a high percentage of transportation fuels, such as gasoline, diesel and jet fuel, along with home heating oil. Other products include petrochemical feedstocks and petroleum (fuel) coke. Refined products are distributed throughout the Midwest and southeastern United States by pipeline, barge and railcar.

ConocoPhillips has a 50 percent interest in Mery Sweeny, L.P., a limited partnership that owns a 65 MBD delayed coker and related facilities at the Sweeny refinery. PDVSA, which owns the other 50 percent interest, supplies the refinery with Venezuelan Mery, or equivalent, Venezuelan crude oil. ConocoPhillips is the operating partner.

The Sweeny refinery was shut down in anticipation of Hurricane Rita in September 2005 and resumed full operations by October.

**Central Region as of Jan. 1, 2006**

Refinery	Crude Charge Capacity (MBD)	Total Charge Capacity (MBD)	Gasoline Production Capacity (MBD)	Distillate Production Capacity (MBD) <sup>1</sup>	Nelson Complexity Factor <sup>2</sup>	Clean Product Yield
Borger	146	180	110	55	13.6	92%
Ponca City	187	195	105	75	10.6	90%
Wood River	306	315	165	90	8.8	78%
<b>Total</b>	<b>639</b>	<b>690</b>	<b>380</b>	<b>220</b>		

<sup>1</sup> Includes aviation and jet fuel. <sup>2</sup> The Nelson Complexity Factor calculation considers the variety and capacity of the different processing units within a refinery. The higher a refinery's Factor, the greater is its secondary conversion capacity and capability to produce higher-value products.

**Borger Refinery**

The Borger refinery is located in Borger, Texas, in the Texas Panhandle about 50 miles north of Amarillo and includes a natural gas liquids fractionation facility. The crude oil processing capacity of the refinery is 146 MBD, and the natural gas liquids fractionation capacity is 45 MBD. The refinery processes mainly light-sour and medium-sour crude oil. It receives crude oil and natural gas liquids feedstocks through pipelines from West Texas, the Texas Panhandle and Wyoming. The Borger refinery also can receive foreign crude oil via company-owned pipeline systems. The refinery produces a high percentage of transportation fuels, such as gasoline, diesel and jet fuel, along with a variety of natural gas liquids and solvents. Pipelines move refined products from the refinery to West Texas, New Mexico, Colorado and the Midcontinent region.

During 2005, construction began on a 25 MBD coker at the refinery, with an estimated completion date in the second quarter of 2007. This project will allow Borger to comply with clean fuel regulations for ultra-low-sulfur diesel in 2006 and low-sulfur gasoline in 2007, as well as comply with required reductions of sulfur dioxide emissions. Additional project benefits include improved operating performance by adding additional upgrading capability, improved utilization and the capability of processing heavy Canadian crude oil.

**Ponca City Refinery**

The Ponca City refinery is located in Ponca City, Okla., and has a crude oil processing capacity of 187 MBD. The refinery processes light- and medium-weight, low-sulfur crude oil. Both foreign and domestic crude oil are delivered by pipeline from the Gulf of Mexico,

Oklahoma, Kansas, Texas and Canada. The Ponca City refinery is a high-conversion facility that produces a full range of products, including gasoline, diesel, jet fuel, liquefied petroleum gas (LPG) and anode-grade petroleum coke. The refinery's facilities include fluid catalytic cracking, delayed coking and hydro-desulfurization units that enable it to produce high ratios of gasoline and diesel fuel from crude oil. Finished petroleum products are shipped by truck, railcar and company-owned and common-carrier pipelines to markets throughout the Midcontinent region.

**Wood River Refinery**

The Wood River refinery is located on the east side of the Mississippi River in Roxana, Ill., about 15 miles northeast of St. Louis, Mo. It is ConocoPhillips' largest refinery, with a crude oil processing capacity of 306 MBD. The refinery processes a mix of both light, low-sulfur and heavy, high-sulfur crude oil. Wood River receives domestic and foreign crude oil by various pipelines and produces a high percentage of transportation fuels, such as gasoline, diesel and jet fuel. Other products include petrochemical feedstocks and asphalt. Through an off-take agreement, a significant portion of its gasoline and diesel is sold to a third party for delivery via pipelines into the upper Midwest, including the Chicago, Ill., and Milwaukee, Wis., metropolitan areas. The remaining refined products are distributed to customers in the Midwest by pipeline, truck, barge and railcar.

In November 2005, ConocoPhillips announced plans to install its proprietary S-Zorb™ Sulfur Removal Technology (SRT) at the refinery. The new 32 MBD S-Zorb SRT unit is targeted for completion in early 2007.

**West Coast Region as of Jan. 1, 2006**

Refinery	Crude Charge Capacity (MBD)	Total Charge Capacity (MBD)	Gasoline Production Capacity (MBD)	Distillate Production Capacity (MBD) <sup>1</sup>	Nelson Complexity Factor <sup>2</sup>	Clean Product Yield
Billings	58	64	35	22	12.5	88%
Ferndale	96	100	50	30	8.0	77%
Los Angeles	139	155	85	61	14.6	85%
San Francisco	120	135	50	45	11.2	73%
<b>Total</b>	<b>413</b>	<b>454</b>	<b>220</b>	<b>158</b>		

<sup>1</sup> Includes aviation and jet fuel. <sup>2</sup> The Nelson Complexity Factor calculation considers the variety and capacity of the different processing units within a refinery. The higher a refinery's Factor, the greater is its secondary conversion capacity and capability to produce higher-value products.

**Billings Refinery**

The Billings refinery is located in Billings, Montana. The refinery has a crude oil processing capacity of 58 MBD and processes a mixture of Canadian heavy, high-sulfur crude, plus domestic high-sulfur and low-sulfur crude oil, all delivered by pipeline. A delayed coker converts heavy, high-sulfur residue into higher value light oils. The refinery produces a high percentage of transportation fuels, such as gasoline, jet fuel and diesel, as well as fuel-grade petroleum coke. Finished petroleum products from the refinery are delivered via company-owned pipelines, railcars and trucks. Pipelines transport most of the refined products to markets in Montana, Wyoming, Utah, Colorado and Washington.

**Ferndale Refinery**

The Ferndale refinery is located on Puget Sound in Ferndale, Wash., about 20 miles south of the U.S.-Canada border. Over the last year, as a result of incremental debottlenecking the refinery's crude oil processing capacity was increased by 3 MBD, expanding the refinery's crude oil processing capacity to 96 MBD. The refinery primarily receives crude oil from the Alaskan North Slope, with secondary sources supplied from Canada or the Far East. Ferndale operates a deepwater dock that is capable of taking in large tankers bringing North Slope crude oil from Valdez, Alaska. The refinery also is connected to the Transmountain, formerly Terasen, crude oil pipeline that originates in Canada. The refinery produces transportation fuels, such as gasoline, diesel and jet fuel. Other products include residual fuel oil supplying the northwest marine transportation market. Most refined products are distributed by pipeline and barge to major markets in the northwest United States.

**Los Angeles Refinery**

The Los Angeles refinery is composed of two linked facilities located roughly five miles apart in Carson and Wilmington, Calif., about 15 miles southeast of the Los Angeles International Airport. Carson serves as the front-end of the refinery by processing crude oil, and Wilmington serves as the back-end by upgrading products.

The refinery has a crude oil processing capacity of 139 MBD, and processes mainly heavy, high-sulfur crude oil. The refinery receives domestic crude oil via pipeline from California and both foreign and domestic crude oil by tanker through a third-party terminal in the Port of Long Beach. The refinery produces a high percentage of transportation fuels, such as gasoline, diesel and jet fuel. Other products include fuel-grade petroleum coke. The refinery produces California Air Resources Board (CARB) gasoline, using ethanol. Refined products are distributed to customers in southern California, Nevada and Arizona by pipeline and truck.

In late 2005, ConocoPhillips entered into an agreement to utilize a proposed facility to provide additional waterborne crude oil receipt capacity in Los Angeles harbor. This facility, which is expected to be operational in late 2007 or 2008, will allow the refinery to increase its proportion of waterborne crude oil feedstock versus California crude oil and to accept crude oil from large tankers.

**San Francisco Refinery**

The San Francisco refinery is composed of two facilities linked by a 200-mile pipeline. The Santa Maria facility is located in Arroyo Grande, Calif., while the Rodeo facility is in the San Francisco Bay area. As a result of project implementation related to clean fuels and incremental debottlenecking efforts, the refinery processing capacity has increased by 14 MBD to the current crude oil processing capacity of 120 MBD.

The refinery processes mainly heavy, high-sulfur crude oil. The refinery receives crude oil from central California and both foreign and domestic crude oil by tanker. Both the Santa Maria and Rodeo facilities have calciners to upgrade the value of the coke that is produced. Semi-refined liquid products from the Santa Maria facility are sent by pipeline to the Rodeo facility for upgrading into finished petroleum products. The refinery produces transportation fuels, such as gasoline, diesel and jet fuel. Other products include calcined and fuel-grade petroleum coke. The refinery produces CARB gasoline using ethanol. Refined products are distributed by pipeline, truck and barge.



## Marketing

In the United States, ConocoPhillips markets gasoline, diesel fuel and aviation fuel through approximately 11,800 outlets. The majority of these outlets utilize the Phillips 66®, Conoco® or 76® brands.

ConocoPhillips places a strong emphasis on the wholesale channel of trade because of its lower capital requirement. These operations are strategically served by the company's refineries and transportation systems and feature quality PROclean® gasolines, which were recognized as Top Tier by leading automakers in 2004

([www.toptiergas.com](http://www.toptiergas.com)).

In early 2005, ConocoPhillips introduced its new tri-branded proprietary personal and commercial gasoline credit cards. ConocoPhillips proprietary cardholders have the ability to use one card at Phillips 66®, Conoco® or 76® branded stations across the United States.

### Wholesale

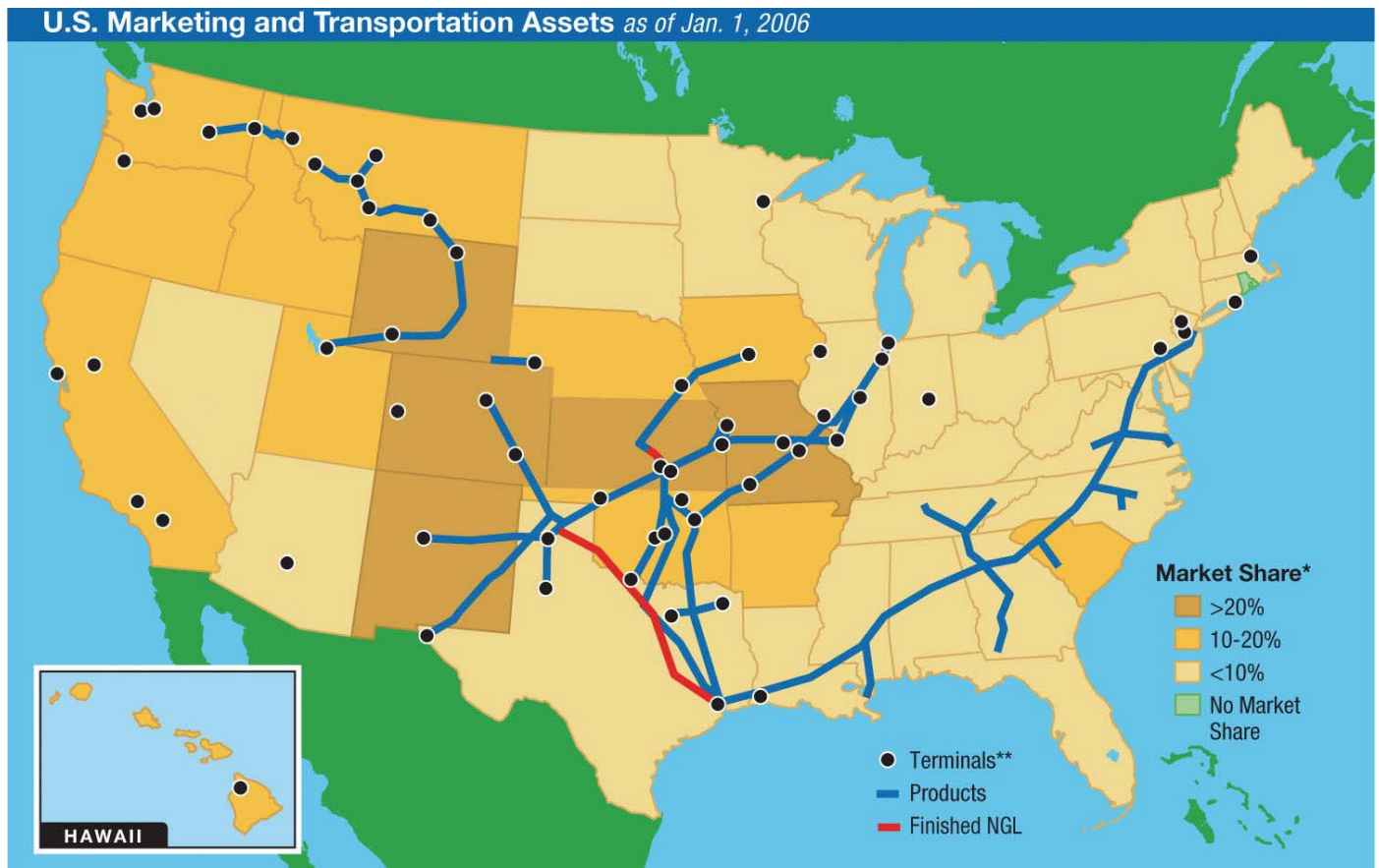
In its wholesale operations, ConocoPhillips utilizes a network of marketers and dealers operating approximately 10,800 outlets. Refined products are marketed on both a branded and unbranded basis. Excluding bulk transactions and product supply activity, wholesale volumes in 2005 were approximately 360 MMBBL.

In addition to automotive gasoline and diesel fuel, the company produces and markets jet fuel and aviation gasoline through independent marketers and dealers at approximately 570 Phillips 66 branded locations in the United States, as well as through unbranded and military channels.

### Retail

ConocoPhillips owns and operates approximately 330 retail outlets under the Phillips 66, Conoco and 76 brands. The company-operated retail outlets are focused in 10 states, mainly in the Midcontinent, Rocky Mountain and West Coast regions. Most of the outlets market merchandise through the Kicks®, Breakplace® or Circle K® brand convenience stores. ConocoPhillips retail fuel volumes for 2005 were approximately 15 MMBBL.

Additionally, CFJ Properties, the company's 50/50 joint venture with Flying J, owns and operates 100 truck travel plazas that carry the Conoco and/or Flying J brands.



\* Market share based on all ConocoPhillips stations as a percentage of total stations in region.

\*\* Terminals based on refined products and LPG terminals.



ConocoPhillips markets fuel under these brands in the United States.

## Transportation

ConocoPhillips owns or leases various assets to provide strategic, timely and environmentally safe delivery and storage of crude oil, refined products and natural gas liquids. These assets include: thousands of miles of pipeline systems; product, crude and liquefied petroleum gas (LPG) terminals; a coke exporting facility; a fleet of innovative, environmentally sound marine and inland vessels; and a diverse fleet of rail cars.

### Pipelines and Terminals

ConocoPhillips has approximately 29,000 miles of common-carrier crude oil, raw natural gas liquids and products pipeline systems in the United States, including those partially owned and/or operated by affiliates. The company also owned and/or operated 66 finished

product terminals, 10 liquefied petroleum gas terminals, seven crude oil terminals and one coke exporting facility.

In November 2005, ConocoPhillips entered into a Memorandum of Understanding which commits the company to ship crude oil on the proposed Keystone oil pipeline, and gives the company the right to acquire up to a 50 percent ownership interest in the pipeline, subject to certain conditions being met. The Keystone pipeline is intended to transport approximately 435 MBD of crude oil from Hardisty, Alberta, to Patoka, Ill., through a 1,840-mile pipeline system. In addition to approximately 1,100 miles of new pipeline in the United States, the Canadian portion of the proposed project includes the construction of approximately 220 miles of new pipeline and the conversion of approximately 540 miles of existing pipeline

facilities from natural gas to crude oil transmission. The Keystone pipeline, upon receipt of the necessary shipper support and appropriate regulatory approvals in Canada and the United States, is expected to be in service in 2009. ConocoPhillips expects to utilize the Keystone pipeline to integrate its upstream assets in Canada with its Wood River refinery in Illinois.

Also in November 2005, Seagas Pipeline Company, a subsidiary of ConocoPhillips, acquired an additional 50 percent interest in the Seaway products pipeline from BP Amoco Seaway Products Pipeline Company, bringing the company's total interest in the pipeline to 100 percent. The pipeline carries refined petroleum products from Pasadena, Texas, to Cushing, Okla., and remains a common carrier system.

### Tankers

On December 31, 2005, the company had under charter 15 double-hulled crude oil tankers, with capacities ranging in size from 650,000 to 1,100,000 barrels. These tankers are utilized to transport feedstocks to certain ConocoPhillips U.S. refineries. In addition, the company

has a domestic fleet of both owned and chartered boats and barges providing inland and ocean-going waterway transportation. This excludes the operations of the company's subsidiary, Polar Tankers, Inc., which is discussed in the E&P section along with the owned tanker on lease to a third party for use in the North Sea.

### Truck and Rail

A joint venture, Sentinel Transportation, LLC, provides dedicated and specialized trucking services for ConocoPhillips and DuPont. The \$96 million trucking entity has more than 700 employees based at 46 terminals, operating approximately 400 transports and driving 34 million miles per year to deliver petroleum feedstocks, finished products and specialty chemicals across the United States. ConocoPhillips represents nearly 60 percent of Sentinel's business activity.

Rail movements are provided via a diverse fleet of over 5,900 owned and leased rail cars moving products in support of U.S. refinery and specialty operations.

## Major Pipeline Systems as of Jan. 1, 2006

Interest	Name	Origination/Terminus	Type	Size	Miles	Capacity BPD
100%	Cushing	Cushing, OK/Ponca City, OK	Crude	12"	59	135,000
100%	Oklahoma Mainline	Wichita Falls, TX/Ponca City, OK	Crude	12"	274	120,000
100%	Sweeny to Pasadena	Sweeny, TX/Pasadena, TX	Product	12, 18"	121	115,000
100%	WA Line	Odessa, TX/Borger, TX	Crude	12-14"	290	108,000
100%	Wichita	Ponca City, OK/Wichita, KS	Product	8-10"	129	100,000
100%	Coast and Valley System	Central CA/Bay Area, CA	Crude	8-12"	600	85,000
100%	Seaway Products	Pasadena, TX/Cushing, OK	Product	16-20"	523	85,000
100%	Standish	Cushing, OK/Wichita, KS	Product	18"	148	85,000
100%	Wood River	Ponca City, OK/Wood River, IL	Product	10-12"	644	57,000
100%	Los Angeles and Ventura	Ventura, CA/Los Angeles Basin, CA	Crude	8-16"	192	50,000
100%	Gold Line	Borger, TX/East Chicago, IL	Product	8-16"	961	50,000
100%	Line 80	Cushing, OK/Borger, TX	Crude	10"	220	48,000
100%	Seminole	Billings, MT/Sinclair, WY	Product	8"	335	45,000
100%	Oklahoma City	Ponca City, OK/Oklahoma City, OK	Product	8"	79	39,000
100%	Cheyenne Products	Cheyenne, WY/Sidney, NE	Product	6"	120	24,000
100%	Wood River Crude	Wood River, IL/Glenpool, OK	Crude	10"	448	20,400
100%	Line 80	Gaines, TX/Borger, TX	Crude	8, 12"	235	20,000
100%	East Texas	Greenville, TX/Mount Pleasant, TX	Product	6"	75	16,000
70%	Borger-Denver	McKee, TX/Denver, CO	Product	8, 12"	318	42,000
67%	Kansas City	El Dorado, KS/Kansas City, MO	Product	8-10"	202	44,000
50% <sup>1</sup>	Seaway Crude	Sweeny, TX/Cushing, OK	Crude	30"	542	350,000
50%	Pioneer	Sinclair, WY/Salt Lake City, UT	Product	8, 12"	305	70,000
50%	ATA Line	Amarillo, TX/Albuquerque, NM	Product	6, 10"	293	32,000
46%	Yellowstone	Billings, MT/Spokane, WA	Product	10"	654	64,000
33%	Harbor	Woodbury, NJ/Linden, NJ	Product	16"	80	104,000
33%	El Paso	McKee, TX/El Paso, TX	Product	10"	408	62,000
33%	SAAL	Amarillo, TX/Amarillo and Lubbock, TX	Product	6"	121	18,000
16.6%	Colonial	Pasadena, TX/New York, NY	Product	30-40"	5,300	2,200,000
13.8%	Explorer	Texas Gulf Coast/Chicago, IL	Product	24, 28"	1,400	500,000

<sup>1</sup> 50% ownership in management company.

## International

### Europe

ConocoPhillips operates in 15 European countries and owns or has an interest in six refineries throughout Europe, with an aggregated crude oil capacity of 635 MBD. The company also has

significant marketing operations in Europe, with JET outlets and convenience stores in 13 countries.

#### Europe Refining as of Jan. 1, 2006

Refinery	Crude Charge Capacity Net (MBD)	Total Charge Capacity (MBD)	Gasoline Production Capacity Net (MBD)	Distillate Production Capacity Net (MBD) <sup>1</sup>	Nelson Complexity Factor <sup>2</sup>	Clean Product Yield
Czech Refineries	27	28	8	11	7.9	63%
Humber	221	228	84	119	12.1	84%
MiRO	56	59	24	25	9.3	82%
Whitegate	71	71	18	30	4.6	65%
<b>Total<sup>3</sup></b>	<b>375</b>	<b>386</b>	<b>134</b>	<b>185</b>		

<sup>1</sup> Includes aviation and jet fuel. <sup>2</sup> The Nelson Complexity Factor calculation considers the variety and capacity of the different processing units within a refinery. The higher a refinery's Factor, the greater is its secondary conversion capacity and capability to produce higher-value products. <sup>3</sup> Does not include capacities for the Wilhelmshaven refinery, purchased in February 2006. With the Wilhelmshaven addition, the aggregated European refining capacity increased by 260 MBD to 635 MBD.

#### Czech Refineries

ConocoPhillips, through its participation in Česká rafinářská, a.s. (CRC), has an interest in two refineries in the Czech Republic, one in Kralupy and the other in Litvinov. The other owners of CRC are Unipetrol a.s., ENI International BV and Shell Overseas Investment B.V. The refinery at Litvinov has a gross crude oil processing capacity of 103 MBD, and the Kralupy refinery has a gross crude oil processing capacity of 63 MBD. ConocoPhillips' 16.33 percent ownership share of the combined capacity is 27 MBD. Litvinov processes Russian export blend delivered by pipeline. Kralupy utilizes an alternative crude supply via a pipeline from the Mediterranean.

The two refineries complement each other and are run on an overall optimized basis, with certain intermediate streams moving between the two facilities. Each equity owner markets their share of finished products in the Czech Republic and neighboring markets.

#### Humber Refinery

ConocoPhillips' wholly owned Humber refinery is located in North Lincolnshire, United Kingdom, and has a crude oil processing capacity of 221 MBD. Crude oil processed at the refinery is supplied primarily from the North Sea and includes lower-cost, acidic crudes.

Humber is one of the most complex refineries in ConocoPhillips' portfolio and one of the most sophisticated in Europe. It is a fully integrated refinery that produces a full slate of light products. Humber's fluid catalytic cracking unit/thermal cracking/coking configuration means that substantial volumes of other feedstocks, such as low-sulfur fuel oil and vacuum gas oil, are processed alongside crude oil to fully utilize Humber's cracking capability. The refinery's location on the east coast of England provides for cost-effective North Sea crude oil imports and product exports to European and world markets.

The refinery also has two coking units with associated calcining plants that upgrade the heavy bottoms and imported feedstocks into light-oil products and high-value graphite and anode petroleum cokes. Humber is the only coking refinery in the United Kingdom and is the world's largest producer of specialty graphite cokes and the largest anode coke producer in Europe.

Approximately 70 percent of the light oils produced in the refinery are marketed in the United Kingdom, while the other products are exported to the rest of Europe and the United States.

#### MiRO Refinery

The Mineraloel Raffinerie Oberrhein GmbH (MiRO) refinery in Karlsruhe, Germany, is a joint-venture refinery with Shell Deutschland Oil GMBH, Esso Deutschland GMBH, and Ruhr Oel GMBH, a 50/50 joint venture between BP and PDVSA. Effective January 2006, the refinery has a gross crude oil processing capacity of 299 MBD, approximately 45 percent being low-cost, high-sulfur crude.

ConocoPhillips has an 18.75 percent interest in MiRO, with a capacity share of 56 MBD. The refinery processes crude and other feedstocks supplied by each of the partners in proportion to their respective ownership interests, with each partner receiving their proportionate share of the products to market.

The MiRO complex is a fully integrated refinery, producing gasoline, middle distillates and specialty products along with a small amount of asphalt, as well as anode and fuel cokes. The refinery has a high capacity to convert lower-cost feedstocks into higher value products, primarily with a fluid catalytic cracker and delayed coker.

### Whitegate Refinery

The Whitegate refinery is located in Cork, Ireland. Whitegate is Ireland's only refinery and has a crude oil processing capacity of 71 MBD. Crude oil processed by the refinery is light, sweet crude sourced mostly from the North Sea. Refined products are distributed inland and exported to international markets. ConocoPhillips also operates a crude oil and products storage complex with 7.5 million barrels of storage facilitated by an offshore mooring buoy in Bantry Bay, Cork, Ireland.

### Wilhelmshaven Refinery

In late February 2006, ConocoPhillips completed its purchase of the Wilhelmshaven refinery in Wilhelmshaven, Germany, from Louis Dreyfus Energy Holdings Limited. The purchase included the 260 MBD refinery, a marine terminal, rail and truck loading facilities and a tank farm, as well as another entity that provides commercial and administrative support to the refinery. The acquisition is expected to provide a foundation for strengthening the company's ability to supply products to key export markets and provide optionality for inland sales.

The company plans a deep conversion project for the refinery, moving it from a low-complexity facility to a high-complexity facility. This proposed project would allow the refinery to run a complete slate of sour crude oil, including Russian-export blends, while increasing overall conversion and reducing operating costs.

### Marketing

ConocoPhillips has significant marketing operations in Europe with approximately 2,110 JET® branded outlets in 13 European countries of which approximately 1,530 are company-owned and 580 are dealer-owned. Through the company's joint venture operations in Switzerland, ConocoPhillips also has an equity interest in 168 sites marketing under the "Coop" brand name. The largest of the company's European marketing networks are in Germany and the United Kingdom. A portion of Irish refinery production is sold to inland Irish markets.

The company's European marketing strategy is to sell primarily through owned, leased or joint-venture retail sites using a low-cost, low-price, high-volume strategy. ConocoPhillips also markets aviation fuels, liquid petroleum gases, heating oils, transportation fuels and marine bunkers to commercial customers and into the bulk or spot market.

During 2005, ConocoPhillips sold its equity interest in a joint venture that marketed products in Turkey.



ConocoPhillips primarily markets fuel under these brands in Europe and Asia.

## Asia Pacific

ConocoPhillips has had downstream operations in the Asia Pacific region since 1993. The company has an interest in a joint-venture refinery in Melaka, Malaysia, as well as a retail presence in Thailand

and Malaysia, and lubes and coke marketing operations in several countries in the region.

Asia Pacific Refining as of Jan. 1, 2006						
Refinery	Crude Charge Capacity Net (MBD)	Total Charge Capacity (MBD)	Gasoline Production Capacity Net (MBD)	Distillate Production Capacity Net (MBD)	Nelson Complexity Factor <sup>1</sup>	Clean Product Yield
Melaka Refinery	58	58	14	36	9.8	89%

<sup>1</sup> The Nelson Complexity Factor calculation considers the variety and capacity of the different processing units within a refinery. The higher a refinery's Factor, the greater is its secondary conversion capacity and capability to produce higher-value products.

### Melaka Refinery

The refinery in Melaka, Malaysia, is a joint venture with PETRONAS, the Malaysian state oil company. ConocoPhillips owns a 47 percent interest in the joint venture. Effective January 2006, the refinery has a rated crude oil processing capacity of 123 MBD of which the company's share is 58 MBD. Crude oil processed by the refinery is sourced mostly from the Middle East. The refinery produces a full range of refined petroleum products. The refinery capitalizes on ConocoPhillips' proprietary coking technology to upgrade low-cost feedstocks to higher-margin products. ConocoPhillips' share of refined products is transported by sea, primarily to Asian markets.

### Marketing

ConocoPhillips owns and operates 145 JET® branded outlets in Thailand. In addition, through a joint venture in Malaysia, the company also has an interest in another 43 retail sites that are branded ProJET®. The company has almost completed the process of transitioning its Malaysian retail business from mostly company-operated sites to dealer-operated sites, with the fuel to remain branded ProJET®. In addition, the c-stores within ProJET are now all branded 7-Eleven which gives added brand recognition to the outlets.

ConocoPhillips also markets finished lubricants in the region, using direct sales or distributors depending on the local markets. These lubricants are mainly distributed under the Hydroclear® brand and are blended locally using a high-quality base oils source. Finally, ConocoPhillips also assists in the marketing of specialty cokes in the

region, sourced out of the Humber refinery in the United Kingdom and the Lake Charles refinery in the United States, as well as marketing Melaka's fuel coke locally.



## Specialty Products

ConocoPhillips manufactures and markets lubricants and specialty products. Finished lubricants, petroleum coke, waxes, solvents and pipeline flow improvers are sold to commercial, industrial and wholesale buyers worldwide.

### Petroleum Coke

The company's technical expertise in carbon upgrading services the steel, aluminum and titanium dioxide industries. ConocoPhillips produces all grades of calcined coke in multiple countries and has production at its refineries located in North America and the United Kingdom. Our manufacturing, technology and quality control combine to support our position as the largest global producer of graphite coke.

### Finished Lubricants

ConocoPhillips is one of the largest finished lubricants suppliers in the United States. It manufactures and markets four major lubricant brands: Phillips 66®, Conoco®, 76 Lubricants® and Kendall® Motor Oil. The combination of these diverse brands, along with supplying a number of private label and original equipment manufacturers in North America, gives ConocoPhillips a position in all key lubricants markets. Nationwide, the distribution network consists of marketers, mass merchandise stores, fast lubes, tire stores, automotive dealers and convenience stores.

### Base Oil

The company's 50 percent-owned Excel Paralubes joint-venture is a hydrocracked lubricant base oil manufacturing facility located adjacent to our Lake Charles refinery. The facility produces approximately 20 MBD of high-quality, clear hydrocracked Group II base oils. The Lake Charles refinery supplies Excel Paralubes with gas-oil feedstocks. ConocoPhillips purchases 50 percent of the joint venture's output, and blends the base oil into finished lubricants or markets it to third parties. ConocoPhillips has an exclusive agreement with S-Oil Corporation to distribute and market their Group III base oils in North America.

### CSPI

ConocoPhillips Specialty Products Inc. (CSPI) supplies flow improver to customers on six continents around the globe. LiquidPower™ Flow Improvers maximize the flow potential of pipelines while increasing operational flexibility, throughput capacity and bottom-line profit potentials. Millions of barrels of hydrocarbon liquids are treated every day with LiquidPower™ Flow Improvers for crude oils, refined products and in select water applications.

### Solvents

ConocoPhillips directly, and through the Penreco joint venture, manufactures and markets a broad array of specialty solvents for use in chemical manufacturing and other industries.



ConocoPhillips markets specialty products under these brands.

## LUKOIL INVESTMENT

As of March 31, 2006, ConocoPhillips had acquired 17.1 percent equity ownership in LUKOIL, an international, integrated oil and gas company headquartered in Russia. The company's main activities are oil and gas exploration and production, and production and sale of petroleum products.

LUKOIL's production primarily comes from the company's key operating regions, which are West Siberia and Perm Oblast. LUKOIL also is the only Russian oil company with significant hydrocarbon reserves in two new oil and gas provinces, Timan-Pechora and the northern Caspian. In 2005, ConocoPhillips' estimated net share of LUKOIL's crude oil production was 235 MBD and ConocoPhillips' estimated share of natural gas production was 67 MMCFD.

Geological prospecting by LUKOIL is concentrated mainly in west Siberia, the Timan-Pechora oil province and the Yamal region.

LUKOIL is involved in international exploration and production projects in Azerbaijan, Kazakhstan, Egypt and Colombia.

LUKOIL owns significant refining capacity both in Russia and abroad. The company owns four large Russian refineries in Perm, Volgograd, Ukhta and Nizhny Novgorod. LUKOIL also has refineries in Ukraine, Bulgaria and Romania. ConocoPhillips' estimated net share of LUKOIL's refining throughput was 122 MBD in 2005.

By the end of 2004, LUKOIL's sales network covered 17 countries, including Azerbaijan, Belarus, Bulgaria, Cyprus, the Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Serbia, Ukraine and the United States. The company's retail network included 2,206 owned and leased outlets, as well as 471 franchised outlets.



# CHEMICALS

## Chevron Phillips Chemical Company LLC

Chevron Phillips Chemical Company LLC (CPCChem) is owned 50 percent by ConocoPhillips and 50 percent by Chevron Corporation. CPCChem is one of the world's largest producers of olefins, polyolefins, aromatics and styrenics, piping and proprietary plastics.

Headquartered in The Woodlands, Texas, CPCChem manufactures and markets a wide range of petrochemicals on a worldwide basis through its subsidiaries and equity affiliates, with manufacturing facilities located in the United States, Puerto Rico, Singapore, China, South Korea, Saudi Arabia, Qatar, Mexico, and Belgium. CPCChem's business is comprised of three primary operating segments: Olefins & Polyolefins, Aromatics & Styrenics and Specialty Products.

### At year-end 2005, CPCChem:

- Earned revenue of \$11 billion.
- Had assets of almost \$7 billion.
- Operated 31 manufacturing facilities and six research and technology centers in eight countries.
- Employed approximately 5,150 people.
- Produced chemical products essential to manufacturing more than 70,000 consumer and industrial products.

### U.S. Chemicals



CPChem Plants			
Facility/Location	Segments Served	Product	Approximate Gross Capacity <i>(million pounds per year)</i>
Pasadena Plastics Complex <i>Pasadena, Texas</i>	Aromatics & Styrenics Olefins & Polyolefins	K-Resin® SBC High-density polyethylene	200 <sup>1</sup> 2,240
Sweeny Facility <i>Old Ocean, Texas</i>	Olefins & Polyolefins Olefins & Polyolefins	Ethylene Propylene	4,100 1,100
Borger Facility <i>Borger, Texas</i>	Specialty Products Specialty Products Specialty Products Specialty Products	Organosulfur chemicals Ryton® PPS polymer Performance and reference fuels High-purity hydrocarbons and solvents	200 22 120 140
Cedar Bayou Facility <i>Baytown, Texas</i>	Olefins & Polyolefins Olefins & Polyolefins Olefins & Polyolefins Olefins & Polyolefins Olefins & Polyolefins	Ethylene Propylene NAO Polyalphaolefins Linear-low, low- and high-density polyethylene	1,750 1,000 1,500 104 1,900
Orange Chemical Facility <i>Orange, Texas</i>	Olefins & Polyolefins	High-density polyethylene	930
Port Arthur Facility <i>Port Arthur, Texas</i>	Olefins & Polyolefins Olefins & Polyolefins Aromatics & Styrenics	Ethylene Propylene Cyclohexane	1,750 780 920
Drilling Specialties <i>Conroe, Texas</i>	Specialty Products	Drilling specialty chemicals	29
Houston Compounding Facility <i>La Porte, Texas</i>	Specialty Products	Ryton® PPS compounds	15
St. James Facility <i>St. James, La.</i>	Aromatics & Styrenics	Styrene	2,100
Pascagoula Facility <i>Pascagoula, Miss.</i>	Aromatics & Styrenics Aromatics & Styrenics	Paraxylene Benzene	1,000 1,540
Marietta Facility <i>Marietta, Ohio</i>	Aromatics & Styrenics	Polystyrene	770
Puerto Rico Facility <i>Guayama, Puerto Rico</i>	Aromatics & Styrenics	Paraxylene	715
Performance Pipe Division 9 locations in the United States and one in Mexico	Olefins & Polyolefins	Polyethylene pipe, conduit and pipe fittings	558
<b>Non-U.S.</b>			
Plastics Compounds and Development Center, <i>Singapore</i>	Specialty Products	Ryton® PPS compounds	9
Zhangjiagang, China Facility <i>Zhangjiagang, China</i>	Aromatics & Styrenics	Polystyrene	220
Tessenderlo Chemicals Facility <i>Tessenderlo, Belgium</i>	Specialty Products	Organosulfur chemicals	70
Kallo Compounding Facility <i>Kallo-Beveren, Belgium</i>	Specialty Products	Ryton® PPS compounds	20

<sup>1</sup> Excludes 70 million pounds of idled capacity.

CPChem Plants			
Facility/Location	Segments Served	Product	Approximate Gross Capacity <i>(million pounds per year)</i>
<b>Joint Venture Facilities:</b>			
Qatar Chemical Company Ltd. (Q-Chem) <i>Mesaieed, Qatar</i>	Olefins & Polyolefins	Ethylene	1,100
	Olefins & Polyolefins	High-density polyethylene	1,000
	Olefins & Polyolefins	1-hexene	100
Chevron Phillips Singapore Chemicals (Private) Limited, <i>Singapore</i>	Olefins & Polyolefins	High-density polyethylene	860
Shanghai Golden Phillips Petrochemical Co. <i>Jinshanwei, China</i>	Olefins & Polyolefins	High-density polyethylene	300
Phillips Sumika Polypropylene Company, <i>Pasadena, Texas</i>	Olefins & Polyolefins	Polypropylene	810
Saudi Chevron Phillips Company <i>Al Jubail, Saudi Arabia</i>	Aromatics & Styrenics	Benzene	1,180
	Aromatics & Styrenics	Cyclohexane	620
K R Copolymer Co., Ltd. <i>Yeosu, South Korea</i>	Aromatics & Styrenics	K-Resin® SBC	115



\* See map on page 60.

### CPChem Net Petrochemical and Net Plastics Product Capacities

Petrochemicals and Plastics Product Capacities	Net MMLB/Y (U.S. Only)	Net MMLB/Y (Worldwide)
<b>Olefins and Polyolefins</b>	18,170	19,826
Ethylene <sup>1</sup>	7,600	8,139
Propylene	2,880	2,880
HDPE <sup>2,3</sup>	4,060	5,100
LDPE	600	600
LLDPE	410	410
Polypropylene	486	486
Normal Alpha Olefins (NAO) <sup>4</sup>	1,500	1,549
Polyalphaolefins (PAO)	104	104
Plastic (Polyethylene) Pipe	530	558
<b>Aromatics and Styrenics</b>	6,530	8,434
Benzene <sup>5</sup>	1,540	2,130
Cyclohexane <sup>6,7</sup>	920	1,230
Paraxylene <sup>8</sup>	1,000	1,715
Styrene	2,100	2,100
Polystyrene	770	990
K-Resin <sup>®</sup> SBC <sup>9</sup>	200	269
<b>Specialty Products</b>	504	603
Specialty Chemicals and Plastics	489	559
Ryton <sup>®</sup> PPS <sup>10</sup>	15	44

<sup>1</sup> Worldwide ethylene capacity reflects CPChem's share of an equity affiliate's capacity in Qatar.

<sup>2</sup> U.S. HDPE capacity reflects CPChem's 50 percent interest (350 million pounds) in co-owned capacity at Cedar Bayou facility in Baytown, Texas.

<sup>3</sup> Worldwide HDPE capacity reflects co-owned capacity at Cedar Bayou facility and CPChem's shares of its joint venture facilities in Qatar, Singapore and Jinshanwei, China.

<sup>4</sup> Worldwide NAO capacity reflects CPChem's share of an equity affiliate's capacity in Qatar.

<sup>5</sup> Worldwide benzene capacity reflects CPChem's share of an equity affiliate's capacity in Saudi Arabia.

<sup>6</sup> Cyclohexane reflects CPChem's net production capacity only. If you include exclusive marketing rights to ConocoPhillips' Sweeny and Borger refinery cyclohexane production, then total net U.S. and net worldwide cyclohexane marketing capabilities are 1,780 MM and 2,090 MM pounds, respectively.

<sup>7</sup> Worldwide cyclohexane capacity reflects CPChem's share of an equity affiliate's capacity in Saudi Arabia.

<sup>8</sup> Paraxylene capacity reflects 715 million pounds of capacity at Core facility in Guayama, Puerto Rico, which is campaigning operations to address market conditions.

<sup>9</sup> Worldwide K-Resin<sup>®</sup> SBC capacity reflects CPChem's share of an equity affiliate's capacity in South Korea.

<sup>10</sup> Ryton<sup>®</sup> PPS production capacity defined by compounding capability available at Singapore; Kollo-Beveren, Belgium; and La Porte, Texas of 9 MM, 20 MM and 15 MM pounds/yr., respectively. Borger, Texas, currently capable of producing 22 MM pounds of polymer which is combined with additives/modifiers at compounding operations to provide final product grades.

## Growth Projects

### Qatar

Financial closing of the Q-Chem II Project occurred in November 2005. The Q-Chem II Project will be executed through Qatar Chemical Company II Ltd. (Q-Chem II), a joint venture between Qatar Petroleum (51 percent) and Chevron Phillips Chemical International Qatar Holdings LLC (49 percent), a wholly owned subsidiary of CPChem. The Q-Chem II Project includes a new 350,000 metric-ton-per-year polyethylene plant and a 345,000 metric-ton-per-year normal alpha olefins plant to be built on a site adjacent to the existing Q-Chem complex in Mesaieed, Qatar. The project also includes a joint venture to develop a 1.3 million metric-ton-per-year ethylene cracker in Ras Laffan Industrial City in which Q-Chem II will own 53.85% of the capacity rights and related pipeline facilities.

### Saudi Arabia

Also in the Middle East, construction continues on the Jubail Chevron Phillips Project, a 50-percent-owned CPChem joint venture to build a 1.6 billion-pound-per-year integrated styrene facility and

expansion of an existing benzene plant in Saudi Arabia with the Saudi Industrial Investment Group. Construction began in 2004 and operational start-up is anticipated in late 2007. Additionally, CPChem received authorization for the continued development of what could become the company's third major project in Saudi Arabia. Preliminary studies are focused on the construction of a world scale cracker and a metathesis unit to produce ethylene and propylene as well as downstream units to produce polyethylene, polypropylene, 1-hexene and polystyrene.

### United States

A project to build a new 22 million pound-per-year Ryton® polyphenylene sulfide plant in Borger, Texas also received authorization for development. It is anticipated that final board approval will be sought in 2006, with operational start-up anticipated in early 2008.

## EMERGING BUSINESSES

Emerging Businesses encompass the development of new businesses beyond the company's traditional operations, including evaluations of

emerging energy sources and renewable energy, as well as the search for competitive opportunities that align with the company's business strategy.

### Power Generation

The focus of ConocoPhillips' power business is on developing integrated projects to support the company's E&P and R&M strategies and business objectives.

Immingham CHP, a 730-megawatt, gas-fired combined heat and power plant in North Lincolnshire, United Kingdom, was placed in commercial operation in October 2004. The facility provides steam and electricity to the Humber refinery and steam to a neighboring refinery, as well as merchant power into the U.K. market.

Development work on Immingham Phase II began with the award of a contract for front-end engineering and securing of additional connection availability to the U.K. grid.

ConocoPhillips also owns interests in operational cogeneration facilities in the United States. The SRW Cogeneration facility is a 421-megawatt plant in Orange, Texas, that supplies steam and electricity to a nearby chemical plant, with additional electricity sold to the local grid. In Corpus Christi, Texas, ConocoPhillips has a 50 percent equity interest in a 440-megawatt cogeneration facility that provides steam and electricity to two adjacent chemical plants and sells additional electricity to the local market.

## Technology Solutions

ConocoPhillips' Technology Solutions businesses develop both upstream and downstream technologies and services that can be used

in the company's operations or licensed to third parties.

Technology Solutions		
Proprietary Technology	Description	Applications
E-Gas™ Gasification Technology	Converts petroleum coke or coal to syngas containing mainly hydrogen and carbon monoxide, which can be used as a fuel for electricity and steam generation, converted to pure hydrogen or carbon monoxide, or converted to chemicals in an environmentally friendly manner.	The clean and efficient E-Gas Technology has been in commercial operation since 1987, first at the Louisiana Gasification Technology Inc. facility in Plaquemine, La., and more recently since 1995 at the Wabash River Plant near Terre Haute, Ind. Proven on a wide range of coals and petroleum cokes, E-Gas has market applications in power, refining, chemicals and other industrial applications. By the fall of 2004, within one year of acquiring E-Gas, the technology had been chosen for three projects, with several additional opportunities in development.
Gas-to-Liquids (GTL)	Converts natural gas into high-quality fuels, petrochemical feedstocks and other products.	Using ConocoPhillips' laboratory and pilot plant testing facilities, the company is working on process improvement. GTL products can be readily sold into large existing markets with conventional ships and infrastructure.
ConocoPhillips LNG Process	Designed around a two-train-in-one reliability concept, this proven technology ensures smooth startups and operations for a wide range of gas feed volumes and compositions, while providing high thermal efficiencies.	For 36 years, this process has successfully operated at the company's LNG facility in Kenai, Alaska. The second internal application is now operating near Darwin, Australia, with first cargo delivered in early 2006. The process also is licensed to operators in Trinidad, Egypt and Equatorial Guinea, has been selected for use in Nigeria, and is currently under consideration in Venezuela.
ReVAP™ Enhanced Alkylation Solutions	Produces a high-octane gasoline low in vapor pressure that is well suited to meet clean fuel standards and significantly reduces operating risks previously associated with alkylation processes.	ReVAP currently is licensed at seven refineries.
S Zorb™ Sulfur Removal Technology (S Zorb SRT)	Allows refiners to cost-effectively meet or surpass coming world mandates on sulfur content in gasoline.	ConocoPhillips has three S Zorb SRT units in operation and a fourth under construction. External applications have been developed for units in the United States and China.
ThruPlus™ Delayed Coking Technology	Provides an economical means to process heavier, more challenging crude oils without compromising environmental standards.	ThruPlus technology is licensed in 27 coking facilities, which accounts for a significant portion of the world's delayed coking capacity. Two major grassroots coker projects selected ThruPlus and entered the design phase early in 2005.

## COMMONLY USED ABBREVIATIONS

<b>MBD</b>	Thousands of Barrels per Day	<b>BBL</b>	Barrels
<b>MMBD</b>	Millions of Barrels per Day	<b>MMBBL</b>	Millions of Barrels
<b>BOD</b>	Barrels of Oil per Day	<b>MCFD</b>	Thousands of Cubic Feet per Day
<b>MBOD</b>	Thousands of Barrels of Oil per Day	<b>MMCFD</b>	Millions of Cubic Feet per Day
<b>MMBOD</b>	Millions of Barrels of Oil per Day	<b>BCF</b>	Billion Cubic Feet
<b>BOED</b>	Barrels of Oil Equivalent per Day	<b>BCFD</b>	Billions of Cubic Feet per Day
<b>MBOED</b>	Thousands of Barrels of Oil Equivalent per Day	<b>MMLBY</b>	Millions of Pounds per Year
<b>MMBOED</b>	Millions of Barrels of Oil Equivalent per Day	<b>MTPA</b>	Million Tons per Annum
<b>MMBOE</b>	Millions of Barrels of Oil Equivalent	<b>BTU</b>	British Thermal Unit
<b>BBOE</b>	Billions of Barrels of Oil Equivalent	<b>BR</b>	Burlington Resources
<b>BLD</b>	Barrels of Liquids per Day	<b>COP</b>	ConocoPhillips
<b>MBLD</b>	Thousands of Barrels of Liquids per Day		

## METRICS CONVERSION

6 Thousand Cubic Feet of Gas	=	1 Barrel of Oil Equivalent
100,000 British Thermal Units	=	1 Therm
1 Cubic Feet of Natural Gas	=	1,000 British Thermal Units
1 Ton of Crude Oil	=	7.3 Barrels of Crude Oil
1 Billion Cubic Meters of Gas	=	35.3 Billion Cubic Feet of Gas
1 Million Metric Tons of LNG	=	52.3 Billion Cubic Feet of LNG

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# SAFE HARBOR STATEMENT

This Fact Book contains certain 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. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. Forward-looking statements relating to ConocoPhillips’ operations are based on management’s expectations, estimates and projections about the company and the petroleum industry in general on the date this Fact Book was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

Factors that could cause actual results or events to differ materially include, but are 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 interruption of ConocoPhillips’ production facilities due to accidents or political events; 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 ConocoPhillips’ 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 ConocoPhillips’ businesses generally as set forth in its filings with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the fiscal year ended 2005, especially in the Management’s Discussion and Analysis section, its Quarterly Report on Form 10-Q for the first quarter ending March 2006 and its Current Reports on Form 8-K. ConocoPhillips is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Syncrude production is distinguished from oil and gas production because SEC regulations define syncrude as mining related and not part of conventional oil and natural gas reserves. We use certain terms in this Fact Book that the SEC’s guidelines strictly prohibit us from including in filings with the SEC. United States investors are urged to consider closely the disclosure in our Form 10-K, File No. 000-49987, available from us at 600 North Dairy Ashford Road, Houston, Texas 77079. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

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