31-12-06

CONOCOPHILLIPS (U.K.) ALPHA LIMITED

FINANCIAL STATEMENTS 2006

(Registered in England No 2374592)

CONOCOPHILLIPS (U.K) ALPHA LIMITED

(Registered in England No 2374592)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2006

Board of Directors:

T W Fredin
A W Kennedy
C Gautrey
A R Halliwell

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 December 2006

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Company is a wholly owned subsidiary of ConocoPhillips (U K) Limited The Company's ultimate parent company is ConocoPhillips, an international, integrated energy company listed on the New York Stock Exchange

The Company's principal activities are the exploration for, and production of, natural gas and natural gas liquids The Company's principal assets are its interests in the South Valiant and Vulcan fields (operated by ConocoPhillips) The directors are not aware, at the date of this report, of any likely major changes in the Company's principal activities in the next year

The Company is committed to maintaining significant production from its principal assets and continued to trade profitably during the year As shown in the Company's Profit and Loss Account on page 5, the Company increased its turnover by 8 5% from the previous financial year and achieved an operating profit margin of 79% (2005 restated - 78%)

The Balance Sheet on page 6 of the financial statements shows the Company has net assets at 31 December 2006 of £39 2 million, an increase of £2 0 million from 31 December 2005 This represents the profit for the financial year, which has been transferred to reserves The Company did not declare an ordinary dividend in 2006 (2005 - £5 0 million)

There were no significant events arising after the balance sheet date

The Company has many performance indicators in place measuring Health, Safety and the Environment to ensure that it continues to build on a legacy of strong commitment and performance Safety of personnel, coupled with a responsible proactive approach to managing the environment is core to the Company's business The ultimate financial impact arising from environmental policies, laws, and regulations is difficult to determine as current and new standards continue to evolve

Under section 234ZZB of the Companies Act 1985, the directors are required to disclose the Company's financial and non-financial key performance indicators ConocoPhillips manages its operations at a segmental and geographical level For this reason, the Company's directors believe that the disclosure of further key performance indicators for this Company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the ConocoPhillips group, which includes this company, is discussed within the annual report of the ultimate parent undertaking, ConocoPhillips

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company are those that impact profitability The Company operates in the worldwide gas market, and as such, is exposed to fluctuations in gas prices Generally, the ConocoPhillips' group policy is to remain exposed to market prices of commodities

Another significant factor that can affect profitability is asset impairment The Company's investment in fixed assets can become impaired when reserve estimates are revised downward or when gas prices decline significantly for long periods of time Following an impairment review in 2006, management do not believe there is any impairment in the Company's asset values

The Company has no third party debt and therefore has no exposure to interest rate risk

The risks and uncertainties facing the ConocoPhillips group, which includes this company, are discussed within the annual report of the ultimate parent undertaking, ConocoPhillips

REPORT OF THE DIRECTORS (continued)

DIRECTORS AND THEIR INTERESTS

The present directors are listed on page 1 Mr T W Fredin, Mr C Gautrey, Mr A W Kennedy and Mr A R Halliwell served as directors throughout the financial year

The directors had no beneficial interest at 31 December 2006, or at any time during the year, in shares or debentures of group companies incorporated in the United Kingdom

The company has elected to dispense with the holding of Annual General Meetings

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Pursuant to an elective resolution to dispense with the requirement to hold Annual General Meetings, the company is not obliged to reappoint its auditors annually and Ernst & Young LLP will therefore continue in office

Approved by the Board of Directors
and signed on behalf of the Board

C Gautrey
Director
27th June 2007

Registered Office
Portman House
2 Portman Street
LONDON
W1H 6DU

CONOCOPHILLIPS (U.K.) ALPHA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

CONOCOPHILLIPS (U.K.) ALPHA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CONOCOPHILLIPS (U.K) ALPHA LIMITED

We have audited the Company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 17 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
Aberdeen 28 June 2007

CONOCOPHILLIPS (U.K) ALPHA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 £'000	As restated 2005 £'000
Turnover	2	10,124	9,332
Cost of sales		(2,144)	(2,030)
Operating profit	3	7,980	7,302
Income from shares in group undertakings		74	84
Loss on disposal of fixed assets	4	(975)	-
Interest receivable and similar income	5	288	21
Interest payable and similar charges	6	(130)	(163)
Profit on ordinary activities before taxation		7,237	7,244
Taxation on profit on ordinary activities	7	(5,239)	(3,073)
Profit for the financial year	14	1,998	4,171

All activities relate to continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR YEAR ENDED 31 DECEMBER 2006

	2006 £'000	As restated 2005 £'000
Profit for the financial year	1,998	4,171
Total recognised gains and losses relating to the year	1,998	4,171
Prior year adjustment (Note 16)	1,470	2,632
Total gains and losses recognised since last Annual Report	3,468	6,803

CONOCOPHILLIPS (U.K.) ALPHA LIMITED

BALANCE SHEET AT 31 DECEMBER 2006

	Note	2006 £'000	As restated 2005 £'000
Fixed assets			
Intangible assets	8	-	1,370
Tangible assets	8	2,733	2,688
		2,733	4,058
Current assets			
Debtors -amounts falling due within one year	10	10,515	34,630
Cash at bank and in hand		31,381	3,548
		41,896	38,178
Creditors - amounts falling due within one year	11	(2,981)	(3,129)
Net current assets		38,915	35,049
Total assets less current liabilities		41,648	39,107
Provisions for liabilities	12	(2,419)	(1,876)
		39,229	37,231
Capital and reserves			
Called up share capital	13	10,000	10,000
Capital redemption reserve	14	10,000	10,000
Profit and loss account	14	19,229	17,231
Total equity shareholder's funds	15	39,229	37,231

These financial statements were approved by the board on 27th June and signed on its behalf by

C Gautrey

C Gautrey
Director
27th June. 2007

CONOCOPHILLIPS (U.K) ALPHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards and the Statement of Recommended Practice "Accounting for oil and gas exploration, development, production and decommissioning activities", except as detailed below

The financial statements have been prepared in accordance with the provisions of the SORP currently in effect, except in respect of the depreciation policy for production and development costs and the disclosure of reserves The SORP recommends that the cost element of the unit of production amortisation calculation for well costs should be the costs incurred to date together with the estimated future development costs of obtaining access to all the reserves included in the unit of production calculation The Company believes that using estimated future development costs to compute amortisation rates can introduce a subjective element into the financial accounting and reporting process and therefore, consistent with corporate policy, only costs incurred to date are amortised on the basis of proved developed reserves (future capital expenditure and proved undeveloped reserves are excluded from the calculation) The Company has not made reserves disclosures on the basis that these are commercially sensitive Reserve disclosures are made in the financial statements of the Company's ultimate parent company, ConocoPhillips, for the ConocoPhillips group worldwide

In accordance with FRS 1(5) the Company has taken advantage of the 90% owned subsidiary exemption and not presented a cashflow statement The Company's cashflows are included in the cashflow statement prepared by its ultimate parent company, ConocoPhillips

(b) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

(c) Gas field expenditure

Expenditure on acquiring unproved properties and exploring for and developing gas reserves is, in general, capitalised and amortised over the life of the field on a unit-of-production basis Only those costs that are directly attributable to bringing the relevant assets into working condition for their intended use are capitalised Subsequent expenditure is capitalised where such expenditure -

- (i) Enhances the economic benefits of the asset in excess of its previously assessed standard of performance or
- (ii) Replaces or restores a component of the asset that has been treated separately for depreciation purposes and depreciated over its individual useful economic life or
- (iii) Relates to a major inspection or overhaul that restores the economic benefits of the asset that have been consumed by the entity and have already been reflected in depreciation

Immediate write-offs are made in the following circumstances

- (i) Geological and geophysical expenses as incurred
- (ii) Expenditure on unproved properties to the extent that the value is considered to have been impaired by the absence of successful drilling results
- (iii) Costs of those exploratory wells which have been determined as being dry holes
- (iv) Subsequent expenditure undertaken to ensure that the asset maintains its previously assessed standard of performance, for example routine repairs and maintenance expenditure

Receipts and payments in respect of unitisations and redeterminations are credited or charged to the respective fixed asset accounts when the new partner shares have been formally agreed

(d) Depreciation

All capitalised costs including licence and concession costs associated with developed properties are considered to be tangible costs for the purpose of these financial statements Such costs are amortised on a unit-of-production basis which is calculated to write off the book value of each field in line with the depletion of total proved reserves, or proved developed reserves for well costs Where tangible fixed assets comprise two or more major components with substantially different useful economic lives, each component is accounted for separately for depreciation purposes and depreciated over its individual useful economic life

1. **Accounting policies (continued)**

(e) **Impairment of fixed assets**

Fixed assets are assessed for possible impairment by comparing their carrying values to the discounted future pre-tax cash flows, whenever events or changes in circumstances indicate that the carrying value may not be recoverable For this purpose assets are grouped based on separately identifiable and largely independent cash flows The discount rate used equates to the rate of return that the market would generally expect from equally risky investments Impaired assets are written down to their fair values

(f) **Decommissioning**

Provision for the future cost of decommissioning natural gas production and related facilities is recognised in full in the period in which the legal obligation is incurred When the liability is initially recorded, this cost is capitalised by increasing the carrying value of the related tangible fixed assets

The amount recognised is the present value of the estimated future expenditure determined in accordance with statutory conditions and requirements The provision increases as the discount factors applied in calculating the present value of estimated future expenditure unwind The unwinding of the discount is included within interest payable in the profit and loss account The capitalised cost is depreciated as part of the overall capital costs of the production facilities

(g) **Deferred taxation**

Deferred tax is recognized in respect of all timing differences, arising from the different accounting and tax treatment of individual items in the financial statements, that have originated but not reversed at the balance sheet date and which will result in an obligation to pay more, or a right to pay less, tax in the future

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

The measurement of deferred taxation assets is reduced, if necessary, by a valuation allowance representing the amount of any tax benefits for which there is uncertainty over realisation

(h) **Related Party Transactions**

In accordance with FRS 8(3) the Company has taken advantage of the 90% owned subsidiary exemption not to disclose related party transactions with members of the group

2 **Turnover**

Turnover represents the sales value of the Company's production of gas and condensate during the year, and of tariff income on a receivable basis, stated net of value added tax No significant difference arises between the Company's share of production and its sale entitlement based on equity ownership of its interests

The turnover and operating profit are principally attributable to the production of hydrocarbons in the United Kingdom No further segmental analysis of turnover and operating profit is provided as the directors believe that this could be seriously prejudicial to the best interests of the Company

3. **Operating profit**

(a) Operating profit is stated after charging:

	2006 £'000	As restated 2005 £'000
Depreciation and amortisation	353	429

(b) Auditors' remuneration

	2006 £'000	2005 £'000
Fee for the audit of the company	6	5

The auditors' remuneration is borne by another group company

3. Operating profit (continued)

(c) Directors' remuneration

No remuneration was paid to the directors during the year in respect of their services to ConocoPhillips (U K) Alpha Limited

(d) Employees

Other than the directors, the Company has no employees All of the directors' employment contracts are held with another group company

4. Loss on disposal of fixed assets

The loss on disposal of fixed assets of £975,000 relates to the sale of exploration assets

5. Interest receivable and similar income

	2006 £'000	2005 £'000
Bank interest	288	21

6. Interest payable and similar charges

	2006 £'000	As restated 2005 £'000
Other interest	5	51
Unwinding of discount on provisions (Note 12)	125	112
	130	163

7. Taxation on profit on ordinary activities

	2006 £'000	As restated 2005 £'000
Current tax		
UK corporation tax at 30% and 50% (2005 30% & 40%)	977	888
Adjustments in respect of previous periods and group relief	1,118	18
UK petroleum revenue tax at 50% (2005 50%)	3,077	426
Total current tax	5,172	1,332
Deferred tax		
Origination and reversal of timing differences	67	1,427
Prior year adjustment (Note 16)	-	314
	67	1,741
Tax on profit on ordinary activities	5,239	3,073

7. Tax charge on profit on ordinary activities (continued)

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate of the Company on its profit before tax

	2006 £'000	As restated 2005 £'000
Profit on ordinary activities before tax	7,237	7,244
Current tax charge	5,172	1,332
Effective current rate of tax	71%	18%

Factors affecting current tax charge	% profit before tax	
UK Corporation tax rate	30%	30%
Increase (decrease) resulting from		
UK supplementary charge	19%	10%
Permanent differences	-	(1)%
Timing differences	(14)%	(25)%
Adjustments in respect of previous periods and group relief	15%	(2)%
Petroleum revenue tax (PRT) net of corporation tax relief	21%	6%
Effective current tax rate	71%	18%

The Company expects that its total effective tax rate will exceed the UK statutory rate of 30% in future, as a consequence of the supplementary charge on North Sea profits The effect of the supplementary charge on the Company's current tax liability will be mitigated by accelerated tax allowances (100%) on future capital expenditure

With effect from 1 January 2006, the rate of supplementary charge was increased from 10% to 20% in respect of North Sea profits Relevant legislation was enacted on 19 July 2006 The one time restatement of the company's deferred taxation liability as at 1 January 2006 to the revised rate has resulted in a decrease in the taxation charge of approximately £0 4 million in the 2006 financial statements, due to the interaction of deferred corporation tax and deferred petroleum revenue tax, and the deferral of capital expenditure claims for corporation tax purposes

8. Intangible and tangible assets

	Intangible assets £'000	Tangible assets £'000
Cost		
At 1 January 2006 as previously stated	1,370	30,208
Prior year adjustment (Note 16)	-	(3,484)
At 1 January 2006 as restated	1,370	26,724
Additions	-	398
Disposals	(1,370)	-
At 31 December 2006	-	27,122
Accumulated depreciation		
At 1 January 2006 as previously stated	-	25,675
Prior year adjustment (Note 16)	-	(1,639)
At 1 January 2006 as restated	-	24,036
Charge for the year	-	353
At 31 December 2006	-	24,389
Net book amount		
At 31 December 2006	-	2,733
At 31 December 2005 as restated	1,370	2,688

9. Investments

	£
In subsidiary undertakings	
At 1 January 2006 and 31 December 2006	10

Particulars of principal subsidiary undertakings:

	Principal Activities
ConocoPhillips (U K) Beta Limited (registered in England & Wales)	Natural gas production and transportation

The Company holds 100% of the ordinary shares and voting rights in ConocoPhillips (U K) Beta Limited Details of the rights attached to the preference shares are included in the audited financial statements of ConocoPhillips (U K) Beta Limited

In accordance with Section 228 of the Companies Act 1985, ConocoPhillips (U K) Alpha Limited is exempt from preparing consolidated financial statements as the Company is a wholly owned subsidiary of ConocoPhillips (U K) Limited, for which consolidated financial statements are prepared

10 Debtors

	2006 £'000	2005 £'000
Trade debtors	286	12
Other debtors	219	-
Amounts owed by group undertakings	10,010	34,618
	10,515	34,630

All amounts are due within one year

11. Creditors - amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	30	65
Amounts owed to group undertakings	1,254	1,048
Current taxation	1,598	168
Accruals	99	194
Deferred income	-	1,654
	2,981	3,129

On 2 February 1999, ConocoPhillips (U K) Alpha Limited received £18 6 million in respect of certain take or pay gas sales contracts The £18 6 million represented compensation in respect of the relaxation of certain contract terms The amount received was included as part of deferred income in the balance sheet with the release to the profit and loss account over the remaining contract lives, commencing March 1999 The balance remaining at 31 December 2005 of £1,654,000 was fully released to the profit and loss account during 2006

The original amount of £18 6 million was treated as chargeable to corporation tax on receipt and a deferred tax asset was recognised accordingly No Petroleum Revenue Tax was recorded as being payable in respect of this transaction

ConocoPhillips (U K) Alpha Limited may also receive a second payment in 2008 that will be based on ultimate recoverable reserves as agreed at that date

12. Provisions for liabilities

	2006 £'000
Deferred credits on contract sales	
Balance at 1 January	111
Payments and receipts	(22)
Balance at 31 December	89
Decommissiong provision	
Balance at 1 January as previously stated	6,011
Prior year adjustment (Note 16)	(4,295)
Balance at 1 January as restated	1,716
Change in assumptions	373
Unwinding of discount (Note 6)	125
Balance at 31 December	2,214
Deferred taxation	
Balance at 1 January – Deferred taxation asset	(931)
Prior year adjustment (Note 16)	980
Balance at 1 January as restated	49
Profit and loss account	67
Balance at 31 December	116
Total provisions for liabilities at 31 December 2006	2,419
Total provisions for liabilities at 31 December 2005 as restated	1,876

At 31 December 2006, the provision for the future costs of decommissioning natural gas production and related facilities was £2 2 million (2005 restated £1 7 million) The provision has been estimated using existing technology, at current prices, inflated at 2 5% (2005 2%) and discounted at 6% (2005 7%) The impact of the change in inflation and discount rate assumptions in 2006 is disclosed as a change in assumptions

These costs are currently expected to be incurred between 2016 and 2022

(a) Deferred taxation	2006 £'000	2005 £'000
(i) Analysis of movements during the year		
Balance at 1 January		(2,358)
Prior year adjustment (Note 16)		666
Balance at 1 January as restated	49	(1,692)
Profit and loss account	67	1,741
Balance at 31 December	116	49
(ii) Analysis of provision		
Accelerated capital allowances	1,084	1,397
Other timing differences	(968)	(1,348)
	116	49

13. Called up share capital

	2006 £'000	2005 £'000
Authorised:		
100,000 ordinary shares of £100 each	10,000	10,000
200,000 cumulative redeemable preference shares of £100 each	20,000	20,000
	30,000	30,000
Allotted, issued and fully paid:		
100,000 ordinary shares of £100 each	10,000	10,000

14. Reserves

	Capital redemption reserve £'000	Profit and loss account £'000
Balance at 1 January 2006 as previously stated	10,000	15,761
Prior year adjustment (Note 16)	-	1,470
Balance at 1 January 2006 as restated	10,000	17,231
Profit for the financial year	-	1,998
Balance at 31 December 2006	10,000	19,229

15. Reconciliation of movement in shareholder's funds

	2006 £'000	As restated 2005 £'000
Profit for the financial year	1,998	4,171
Dividends paid	-	(5,000)
Net increase / (decrease) in shareholder's funds	1,998	(829)
Opening shareholder's funds as previously stated	35,761	37,062
Prior year adjustment (Note 16)	1,470	998
Opening shareholder's funds as restated	37,231	38,060
Closing shareholder's funds	39,229	37,231

16 Prior year adjustment

A prior year adjustment has been made to the decommissioning provision to remove balances that are required to be reported in other legal entities within the ConocoPhillips UK Group The comparative figures in the primary financial statements and the related notes have been restated to reflect the adjustment required to the decommissioning provision and other related balances

The net adjustment to the closing balance sheet for 2005 as a result of the prior year adjustment is as follows

	2005 **£'000** **Increase (decrease)**
Tangible assets cost	(3,484)
Tangible assets accumulated depreciation	(1,639)
Decommissioning provision	(4,295)
Deferred taxation provision	980
Increase in net assets	1,470

The effect of the prior year adjustment on the 2005 profit and loss account is as follows

	2005 **£'000** **Increase (decrease)**
Cost of sales - depreciation charge	(505)
Interest payable - unwinding of discount on provisions	(281)
Taxation on profit on ordinary activities – deferred taxation	314
Increase in profit for the financial year	472

17. Parent undertaking

ConocoPhillips, a company registered in Delaware, USA, which the directors regard as the Company's ultimate parent undertaking with respect to the year to 31 December 2006, is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member Copies of the 2006 Annual Report may be obtained from 600 North Dairy Ashford, Houston, TX 77079, USA

ConocoPhillips (U K) Limited, a company registered in England is the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member Copies of the financial statements may be obtained from Portman House, 2 Portman Street, London, W1H 6DU

THE FOLLOWING NON-STATUTORY
INFORMATION IS UNAUDITED

Non-statutory information on oil exploration and production activities - unaudited

This data has been prepared in accordance with the provisions of the Statement of Recommended Practice – Accounting for Oil and Gas exploration, development, production and decommissioning activities

(a) Capitalised costs relating to gas exploration and production activities as at 31 December.

	2006 £'000	As restated 2005 £'000
Gross capitalised costs - proved properties	27,122	28,094
Accumulated depreciation and amortisation	(24,389)	(24,036)
Net capitalised costs	2,733	4,058

(b) Results of operations of gas exploration and production activities for the year ended 31 December·

	2006 £'000	As restated 2005 £'000
Turnover	10,124	9,332
Production costs	(1,791)	(1,601)
Depreciation and amortisation	(353)	(429)
Profit before allocable taxes	7,980	7,302
Allocable taxes	(4,377)	(3,200)
Results of operations from exploration and production	3,603	4,102