

Window ConocoPhillips

康菲之窗

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New Appointments Announced at ConocoPhillips

ConocoPhillips recently announced two senior level appointments. Ryan Lance is now the company's Asia Pacific President of Exploration and Production. Mr. Lance previously served as Vice President of Exploration and Production, Lower 48. In addition, Jim Knudsen will serve as the new President of ConocoPhillips China, Inc. Mr. Knudsen was the former Vice President, Upstream Technology of ConocoPhillips.

To ride on the tide of economic development and to meet the increasing energy demand the world over, ConocoPhillips has devoted sustained efforts to expanding and upgrading its Upstream business. The Asia Pacific market, especially China's energy sector, continues to surface as a primary focus for potential investment. The region's new senior management team is committed to strengthen its cooperation with the Chinese energy industry and to contribute to the sector's future development. ConocoPhillips China Inc. is committed to explore opportunities in further cooperation with Chinese partners and to continually play a positive role in boosting the growth of the country's energy industry.

Letter from the President



I'm delighted to have been appointed President of ConocoPhillips China Inc. ConocoPhillips is one of the world's leading energy companies with an impressive array of global facilities. I am excited to come to this dynamic and fast growing market and look forward to enhancing our partnership in China to build stronger ties and strengthen mutual benefits.

In recent years, China has achieved remarkable economic growth, and its oil industry has entered a new era of robust growth. As a leading force in the global energy industry, ConocoPhillips takes great pride in bringing our expertise and technology into China and facilitating the growth of its oil industry.

ConocoPhillips has established an exceptional partnership in China. As a result, we have achieved mutual progress. In the years to come, we will continue to build on our long-standing commitment to our Chinese partners, to continue our success in the fields of exploration, production, technical innovation, and environmental protection, and to increase common development at a time when challenges and opportunities can go hand in hand.

Jim Knudsen

President of ConocoPhillips China Inc.



Two Additional Discoveries in China's Bohai Bay

New achievements scored in Bohai - ConocoPhillips made two additional exploration discoveries in its 19-9-1 and 13-1-1 exploration wells at its Bozhong 11/05 block in Bohai Bay, bringing the number of its discoveries in Bozhong to seven.

In January 2003, ConocoPhillips drilled the PL19-9-1 exploration well located two miles east of the PL19-3 field. The well encountered 31 meters (102 feet) of net hydrocarbon pay in the reservoirs. This discovery and the adjacent structure will be part of the PL19-3 Phase II development.

Drilling on the PL13-1-1 exploration well located 18 miles north of the PL19-3 field was brought to conclusion on March 2003. The well encountered approximately 40 meters (132 feet) of net hydrocarbon pay in the reservoir. The company plans to drill additional wells there to appraise the discovery and its surrounding structures.

When ConocoPhillips and CNOOC signed a petroleum contract in 1994, granting the former the right to explore Block 11/05 in the Bohai Bay, concerted efforts of the partnership produced abundant success. Phase I of the PL19-3 development was called into action in December 2002 and the field's current production is approximately 30,000 BOPD (gross). Phase II development is under way and will incorporate the knowledge gained from the Phase I drilling and production.



PengLai 19-3 Platform in China's Bohai Bay

Constantly Enhancing to Achieve Successive Breakthroughs

– By Bill Berry, Executive Vice President, E&P, ConocoPhillips



The Ekofisk field in the Norwegian North Sea.

With the changes announced on June 5th, we've continued with an organizational structure that blends strong regional alignment with solid worldwide functional competency.

Our strategic objectives remain the same. We will increase the value of Upstream and improve our return on capital employed. We will become one of the premier gas solution providers in the world, as well as one of the leading heavy-oil experts. In addition, we will be recognized as one of the best developers of talent and the safest, most environmentally conscious upstream organization in the industry.

We'll accomplish our strategic objectives and reach our financial and operating targets by:

- Building legacy assets — assets that are profitable, sizeable and sustainable.
- Honoring our core values and demonstrating our absolute commitment to safety and environmental responsibility.
- Achieving performance excellence across all areas of our business, especially in the areas of drilling and production operations, project management and commercial negotiations.
- Rigorously benchmarking ourselves — both internally and externally.
- Seeking and sharing information across Upstream. Our culture must nurture open and honest communication, encourage trust, and constantly drive knowledge sharing to 100% effectiveness among our work groups, our regions and our support staff.
- Exhibiting an individual commitment to excellence and working as a team to achieve exceptional goals.

We are already making great strides toward achieving our goals. Our first quarter operating results were outstanding and provide us with a solid foundation for the remainder of the year. We have high quality projects and opportunities, a world-class workforce and much to look forward to. Just recently, we announced the approval of plans to increase recovery from the Ekofisk area offshore Norway and to develop the Corocoro field offshore of Venezuela. We are moving forward with the development of Phase I of the Bayu-Undan project in the Timor Sea and anticipate receiving the final approvals needed to advance Phase II shortly. In April, we made an oil discovery offshore of Norway in the Kneler prospect, and this year's exploration program continues with several key wells in progress.

As we move forward with our strategy, I'm personally very excited about the future prospects for ConocoPhillips Upstream. It's very important to me that we create a work environment that fosters a passion for excellence, is challenging, and provides the resources for each and every one of us to be able to perform at the highest level of our capabilities.

Horizontal Well Record Set in South China Sea

On March 11th, with the successful completion of the Xijiang 24-3 A23 extended reach well, a new horizontal well drilling record was achieved in the South China Sea. A dropped angle successfully hit the target reservoir, then went back to horizontal at a 26,246-foot displacement - an exceptional achievement.

"I am very proud of the entire Xijiang team, they consistently exceed expectations," said Mark Tompkins, Vice President of China Operations.

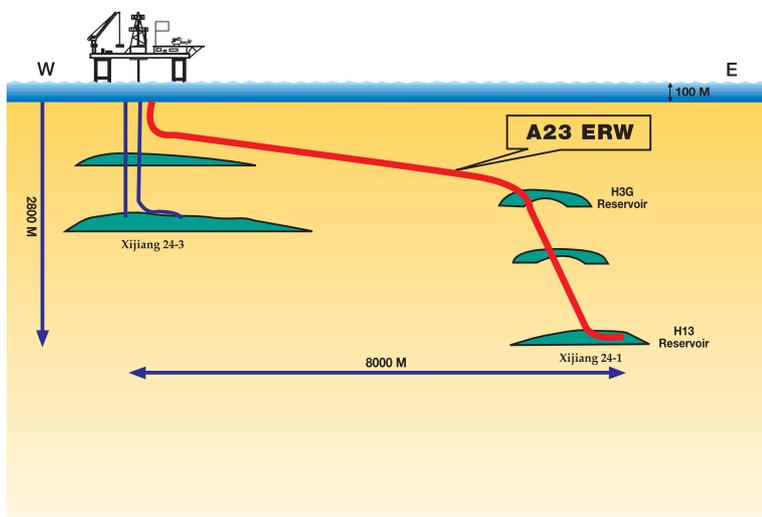
The A23 well was drilled from the Xijiang 24-3 platform to the satellite oil field of Xijiang 24-1. This marks the company's sixth successful extended reach well drilled in Xijiang since 1997. While the A23 was not a world record for extended reach, it was nevertheless the most difficult well we have ever drilled.

Challenges at A23 included a dogleg as big as 4.4 degrees at 29,527 feet of measured depth, along with 26,246 feet of horizontal displacement and a target as small as 164 feet in diameter. Notwithstanding these difficult conditions, the well was completed and handed over to production 12 days ahead of schedule and \$500,000 under budget, without any significant downtime. An excellent no-injury safety record was maintained by the crew's high level of awareness and dedication to zero incidents.

A23 is expected to significantly contribute to the Xijiang production. The well was put on production with an initial flow rate of 6,800 BOPD (Barrels of Oil Per Day). As of April 16th, 197,722 barrels of oil had been produced with a present production rate of 5,660 BOPD.

"It was a great milestone," said Deng Zhiyun, general manager of Xijiang operations. "This achievement further demonstrated that outstanding teamwork and continued utilization of new technology would enable us to overcome all the difficulties and to generate exceptional results. The success of this well brings much confidence to the Xijiang team to drill more extended reach horizontal wells in this field in the future."

[Note: The world record of the extended reach well was set by ConocoPhillips China Inc. - Xijiang Operation in 1997 with horizontal displacement of 26,453 feet]



ConocoPhillips China Inc. - Xijiang Operation Successfully Accomplishes its 500th Oil Lifting Operation

On May 5th, 2003, the Chinese tanker "Jin Ding" sailed from the Xijiang Offshore Terminal loaded with 57,800 metric tonnes of crude oil from the Xijiang Oil Field. This cargo was the 500th to be loaded at Xijiang since operations commenced in December 1994 and brought the total quantity delivered to 32.8 million tonnes.

Crude oil produced at Xijiang is stored on a Floating Production and Storage Offtake (FPSO) operated by ConocoPhillips and transferred to oil tankers on a regular basis with loading operations or 'Liftings' taking place every 4-5 days. Cargo sizes range between 420,000 and 600,000 barrels with the majority of the oil destined for Chinese refiners.

While focusing on increased field production, ConocoPhillips attaches great importance to health, safety, and the environment (HSE). The Xijiang Terminal is located 72 miles offshore Guangdong Province and is subject to severe environmental conditions throughout the year. Lifting operations are performed with an emphasis on safety and efficiency by a ConocoPhillips Team which has developed a high level of expertise and skill working in the sometimes hostile weather conditions of the South China Sea. It is with pride that ConocoPhillips can claim 500 Liftings completed without any accident or incident involving its FPSO or export tankers.

ConocoPhillips has established and maintains effective cooperative relationships with other operators in the Pearl River Basin of South China Sea, exchanging experiences and where possible sharing resources. This co-operation has resulted in long-term benefits including cost reductions for all parties involved.



Ryan Lance
President
Exploration & Production
ConocoPhillips Asia Pacific

Ryan Lance began his career with ARCO Alaska in 1984. He held a number of engineering and operations positions in Alaska before transferring in 1989 to ARCO's Bakersfield, California operations. In 1992, he was transferred to Midland, Texas, where he supervised ARCO's coalbed methane operations in the San Juan Basin. He returned to Alaska in 1994 as Exploration Engineering Manager.

In 1996, Mr. Lance became the Planning Manager of Vastar Resources in Houston, a position he held until 1998 when he was appointed Vice President of the Western North Slope for ARCO Alaska, Inc. He returned to Houston in 2001 as the General Manager of the Lower 48 and Canada for Phillips Petroleum (following the acquisition of ARCO Alaska, Inc.). With the merger of ConocoPhillips in 2002, he became Vice President, Lower 48. He assumed his current role in April 2003.

Mr. Lance serves on the boards of both the American Petroleum Institute and the Independent Petroleum Association of America, is an advisory board member of Montana Tech and a member of the Society of Petroleum Engineers.



J. R. (Jim) Knudsen
President
ConocoPhillips China Inc.

J.R. Knudsen joined Conoco in 1974 as an engineer in Corpus Christi, Texas. Over the next several years, he progressed through a series of engineering and managerial positions among drilling and production groups in the United States and the United Kingdom.

In 1991, Mr. Knudsen moved to corporate headquarters in Houston to participate in a major restructuring project. The following year he was named Manager of Information Technology for the company's North America Exploration and Production operations. In 1994, he was transferred to Lafayette, Louisiana as a Business Development Manager for the Gulf of Mexico Exploration/ Production Division. He returned to Houston a year later to manage the company's worldwide conversion to a new computer software system.

Mr. Knudsen relocated to Dubai in 1998 as Vice President and General Manager of Dubai Petroleum Company. A year later he was promoted to its President. In 2001, he was named Vice President, Exploration Production Technology. Following the Conoco and Phillips merger in August 2002, Mr. Knudsen became Vice President, Upstream Technology. He assumed his current role in May 2003.

Mr. Knudsen is a member of the American Petroleum Institute and the Society of Petroleum Engineers. He also served as president of the school board for the American School in Dubai from 1999-2001.