

CONOCOPHILLIPS
Form 10-K/A
April 01, 2010

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2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K/A
Amendment No. 1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **001-32395**

ConocoPhillips

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

01-0562944

*(I.R.S. Employer
Identification No.)*

**600 North Dairy Ashford
Houston, TX 77079**

(Address of principal executive offices) (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.01 Par Value	New York Stock Exchange
Preferred Share Purchase Rights Expiring June 30, 2012	New York Stock Exchange
6.65% Debentures due July 15, 2018	New York Stock Exchange
7% Debentures due 2029	New York Stock Exchange
9.375% Notes due 2011	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for

Yes No

such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting
company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of common stock held by non-affiliates of the registrant on June 30, 2009, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on that date of \$42.06, was \$62.3 billion. The registrant, solely for the purpose of this required presentation, had deemed its Board of Directors and grantor trusts to be affiliates, and deducted their stockholdings of 811,943 and 39,808,419 shares, respectively, in determining the aggregate market value.

The registrant had 1,486,838,088 shares of common stock outstanding at January 31, 2010.

Documents incorporated by reference:

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on May 12, 2010 (Part III)

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PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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PART IV
Explanatory Note

This Amendment No. 1 to the Annual Report on Form 10-K of ConocoPhillips for the year ended December 31, 2009, is being filed for the purpose of providing separate audited financial statements of OAO LUKOIL in accordance with Rule 3-09 of Regulation S-X. These audited financial statements, which were not available prior to the due date for filing our 2009 Form 10-K, are included in Item 15, Exhibits, Financial Statement Schedules. Otherwise, this amendment does not update or modify in any way the financial position, results of operations, cash flows or the disclosures in ConocoPhillips Annual Report on Form 10-K for the year ended December 31, 2009, and does not reflect events occurring after the original filing date of February 25, 2010.

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements and Supplementary Data

The financial statements and supplementary information, as listed in the Index to Financial Statements on page 70 of the original 2009 Form 10-K, were filed as part of the original 2009 Form 10-K filed on February 25, 2010.

2. Financial Statement Schedules

Schedule II Valuation and Qualifying Accounts was filed on page 173 of the original 2009 Form 10-K filed on February 25, 2010. All other schedules are omitted because they are not required, not significant, not applicable or the information is shown in another schedule, the financial statements or the notes to consolidated financial statements.

The following information is included herein in this amended Form 10-K pursuant to Rule 3-09 of Regulation S-X:

OAO LUKOIL

Independent Auditors Report.

Consolidated Balance Sheets as of December 31, 2009 and 2008.

Consolidated Statements of Income for the years ended December 31, 2009, 2008 and 2007.

Consolidated Statements of Stockholders Equity and Comprehensive Income for the years ended December 31, 2009, 2008 and 2007.

Consolidated Statements of Cash Flows for the years ended December 31, 2009, 2008 and 2007.

Notes to Consolidated Financial Statements.

Supplementary Information on Oil and Gas Exploration and Production Activities (Unaudited).

3. Exhibits

(c) The financial statements of OAO LUKOIL, which appear below, are filed in accordance with Rule 3-09 of Regulation S-X.

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**OAO LUKOIL
CONSOLIDATED FINANCIAL STATEMENTS
(prepared in accordance with US GAAP)
 As of December 31, 2009 and 2008
and for each of the years in the three-year period
 ended December 31, 2009**

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Independent Auditors Report

The Board of Directors of OAO LUKOIL:

We have audited the accompanying consolidated balance sheets of OAO LUKOIL and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2009. These consolidated financial statements are the responsibility of the management of OAO LUKOIL. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of OAO LUKOIL and its subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

/s/ ZAO KPMG

ZAO KPMG

Moscow, Russian Federation

March 19, 2010

Table of Contents**OA O LUKOIL****Consolidated Balance Sheets****As of December 31, 2009 and 2008****(Millions of US dollars, unless otherwise noted)**

	Note	2009	2008
Assets			
Current assets			
Cash and cash equivalents	3	2,274	2,239
Short-term investments		75	505
Accounts and notes receivable, net	5	5,935	5,069
Inventories	6	5,432	3,735
Prepaid taxes and other expenses		3,549	3,566
Other current assets		574	519
Total current assets		17,839	15,633
Investments	7	5,944	3,269
Property, plant and equipment	8	52,228	50,088
Deferred income tax assets	12	549	521
Goodwill and other intangible assets	9	1,653	1,159
Other non-current assets		806	791
Total assets		79,019	71,461
Liabilities and Stockholders equity			
Current liabilities			
Accounts payable		4,906	5,029
Short-term borrowings and current portion of long-term debt	10	2,058	3,232
Taxes payable		1,828	1,564
Other current liabilities		902	750
Total current liabilities		9,694	10,575
Long-term debt	11, 15	9,265	6,577
Deferred income tax liabilities	12	2,080	2,116
Asset retirement obligations	8	1,189	718
Other long-term liabilities		412	465
Total liabilities		22,640	20,451
Equity			
OA O LUKOIL stockholders equity			
Common stock		15	15
Treasury stock, at cost		(282)	(282)
Additional paid-in capital		4,699	4,694
Retained earnings		51,634	45,983

Accumulated other comprehensive loss	(75)	(70)
Total OAO LUKOIL stockholders equity	55,991	50,340
Non-controlling interests	388	670
Total equity	56,379	51,010
Total liabilities and equity	79,019	71,461

/s/ Alekperov V.Y.

/s/ Kozvrev I.A.

President of OAO LUKOIL
Alekperov V.Y.

Chief accountant of OAO LUKOIL
Kozyrev I.A.

The accompanying notes are an integral part of these consolidated financial statements.

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Table of Contents**OA O LUKOIL****Consolidated Statements of Income****For the years ended December 31, 2009, 2008 and 2007****(Millions of US dollars, unless otherwise noted)**

	Note	2009	2008	2007
Revenues				
Sales (including excise and export tariffs)	22	81,083	107,680	81,891
Costs and other deductions				
Operating expenses		(7,124)	(8,126)	(6,172)
Cost of purchased crude oil, gas and products		(31,977)	(37,851)	(27,982)
Transportation expenses		(4,830)	(5,460)	(4,457)
Selling, general and administrative expenses		(3,306)	(3,860)	(3,207)
Depreciation, depletion and amortization		(3,937)	(2,958)	(2,172)
Taxes other than income taxes	12	(6,474)	(13,464)	(9,367)
Excise and export tariffs		(13,058)	(21,340)	(15,033)
Exploration expenses		(218)	(487)	(307)
Loss on disposals and impairments of assets		(381)	(425)	(123)
Income from operating activities		9,778	13,709	13,071
Interest expense		(667)	(391)	(333)
Interest and dividend income		134	163	135
Equity share in income of affiliates	7	351	375	347
Currency translation (loss) gain		(520)	(918)	35
Other non-operating expense		(13)	(244)	(240)
Income before income tax		9,063	12,694	13,015
Current income taxes		(1,922)	(4,167)	(3,410)
Deferred income taxes		(72)	700	(39)
Total income tax expense	12	(1,994)	(3,467)	(3,449)
Net income		7,069	9,227	9,566
Less: net income attributable to non-controlling interests		(58)	(83)	(55)
Net income attributable to OA O LUKOIL		7,011	9,144	9,511
Basic and diluted earnings per share of common stock				
(US dollars) attributable to OA O LUKOIL:	14	8.28	10.88	11.48

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**OAO LUKOIL****Consolidated Statements of Stockholders Equity and Comprehensive Income****For the years ended December 31, 2009, 2008 and 2007****(Millions of US dollars, unless otherwise noted)**

	2009		2008		2007
	Stockholders	Comprehen-	Stockholders	Comprehen-	Stockholders
	equity	sive	equity	sive	equity
		income		income	
					Comprehen-
					sive
					income
Common stock					
Balance as of January 1	15		15		15
Balance as of December 31	15		15		15
Treasury stock					
Balance as of January 1	(282)		(1,591)		(1,098)
Stock purchased			(219)		(712)
Stock disposed			1,528		219
Balance as of December 31	(282)		(282)		(1,591)
Additional paid-in capital					
Balance as of January 1	4,694		4,499		3,943
Premium on non-outstanding shares issued			20		
Effect of stock compensation plan	20		103		103
Changes in non-controlling interests	(15)				
Proceeds from sale of treasury stock in excess of carrying amount			72		453
Balance as of December 31	4,699		4,694		4,499
Retained earnings					
Balance as of January 1	45,983		38,349		30,061
Net income	7,011	7,011	9,144	9,144	9,511
Dividends on common stock	(1,360)		(1,510)		(1,223)
Balance as of December 31	51,634		45,983		38,349

Accumulated other comprehensive loss, net of tax						
Balance as of January 1	(70)		(59)		(21)	
Pension benefits:						
Prior service cost	(4)	(4)	(5)	(5)	(16)	(16)
Actuarial gain (loss)	1	1	(6)	(6)	(22)	(22)
Unrecognized loss on available-for-sale securities	(2)	(2)				
Balance as of December 31	(75)		(70)		(59)	
Total comprehensive income for the year		7,006		9,133		9,473
Total OAO LUKOIL stockholders equity as of December 31	55,991		50,340		41,213	
Non-controlling interests						
Balance as of January 1	670		577		523	
Net income attributable to non-controlling interests	58		83		55	
Changes in non-controlling interests	(340)		10		(1)	
Balance as of December 31	388		670		577	
Total equity as of December 31	56,379		51,010		41,790	

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**OAO LUKOIL****Consolidated Statements of Stockholders' Equity and Comprehensive Income****For the years ended December 31, 2009, 2008 and 2007****(Millions of US dollars, unless otherwise noted)**

	2009 (thousands of shares)	Share Activity 2008 (thousands of shares)	2007 (thousands of shares)
Common stock, issued			
Balance as of January 1	850,563	850,563	850,563
Balance as of December 31	850,563	850,563	850,563
Treasury stock			
Balance as of January 1	(3,836)	(23,321)	(23,632)
Purchase of treasury stock		(2,899)	(8,756)
Disposal of treasury stock		22,384	9,067
Balance as of December 31	(3,836)	(3,836)	(23,321)

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**OAO LUKOIL****Consolidated Statements of Cash Flows****For the years ended December 31, 2009, 2008 and 2007****(Millions of US dollars)**

	Note	2009	2008	2007
Cash flows from operating activities				
Net income		7,011	9,144	9,511
Adjustments for non-cash items:				
Depreciation, depletion and amortization		3,937	2,958	2,172
Equity share in income of affiliates, net of dividends received		(213)	(238)	209
Dry hole write-offs		117	317	143
Loss on disposals and impairments of assets		381	425	123
Deferred income taxes		72	(700)	39
Non-cash currency translation (gain) loss		(57)	(668)	251
Non-cash investing activities		(20)	(29)	(36)
All other items net		138	404	297
Changes in operating assets and liabilities:				
Accounts and notes receivable		(1,171)	2,647	(2,297)
Inventories		(1,719)	963	(1,148)
Accounts payable		96	(989)	1,599
Taxes payable		292	(521)	386
Other current assets and liabilities		19	599	(368)
Net cash provided by operating activities		8,883	14,312	10,881
Cash flows from investing activities				
Acquisition of licenses		(40)	(12)	(255)
Capital expenditures		(6,483)	(10,525)	(9,071)
Proceeds from sale of property, plant and equipment		91	166	72
Purchases of investments		(216)	(398)	(206)
Proceeds from sale of investments		478	636	175
Sale of interests in subsidiaries and affiliated companies		92	3	1,136
Acquisitions of subsidiaries and non-controlling interests (including advances related to acquisitions), net of cash acquired		(2,845)	(3,429)	(1,566)
Net cash used in investing activities		(8,923)	(13,559)	(9,715)
Cash flows from financing activities				
Net movements of short-term borrowings		(1,281)	974	(59)
Cash received under sales-leaseback transaction			235	
Proceeds from issuance of long-term debt		5,467	2,884	2,307
Principal repayments of long-term debt		(2,697)	(1,547)	(1,632)
Dividends paid on company common stock		(1,337)	(1,437)	(1,230)
Dividends paid to non-controlling interest stockholders		(85)	(168)	(78)

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Financing received from related and third party non-controlling interest stockholders	20	39	177
Purchase of Company's stock		(219)	(712)
Proceeds from sale of Company's stock			129
Other net		2	
Net cash provided by (used in) financing activities	87	763	(1,098)
Effect of exchange rate changes on cash and cash equivalents	(12)	(118)	21
Net increase in cash and cash equivalents	35	1,398	89
Cash and cash equivalents at beginning of year	2,239	841	752
Cash and cash equivalents at end of year	3	2,274	841