

CONOCOPHILLIPS
Form 424B3
February 27, 2006
Table of Contents

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-130967

February 24, 2006

Dear Burlington Resources Inc. Stockholder:

The board of directors of Burlington Resources Inc. has unanimously approved a merger agreement with ConocoPhillips. If BR stockholders approve and adopt the merger agreement and the merger is subsequently completed, BR will merge into a subsidiary of ConocoPhillips and stockholders of BR will receive (i) 0.7214 of a share of ConocoPhillips common stock and (ii) \$46.50 in cash for each share of BR common stock owned. The implied value of the stock consideration will fluctuate as the market price of ConocoPhillips common stock fluctuates. You should obtain current stock price quotations for BR common stock and ConocoPhillips common stock. BR common stock is quoted on the New York Stock Exchange under the symbol BR. ConocoPhillips common stock is quoted on the NYSE under the symbol COP. Based on the closing price of ConocoPhillips common stock on the NYSE on February 24, 2006, the value of the aggregate consideration to be received by BR stockholders would be approximately \$91.75 per share. Upon completion of the merger, we estimate that BR's former stockholders will own approximately 16% of the common stock of ConocoPhillips.

You will be asked to vote on the merger proposal at a special meeting of BR stockholders to be held on March 30, 2006, in the Ambassador Room at the St. Regis Hotel, 1919 Briar Oaks Lane, Houston, Texas 77027, at 9:00 a.m. local time. Only holders of record of BR common stock at the close of business on February 24, 2006, the record date for the special meeting, are entitled to vote at the special meeting. Attached to this letter is an important document containing detailed information about BR, ConocoPhillips, the proposed merger and the merger agreement. We urge you to read this document carefully and in its entirety. **In particular, see Risk Factors beginning on page 18.** You can also obtain information about BR and ConocoPhillips from documents that BR and ConocoPhillips have filed with the Securities and Exchange Commission, or the SEC.

After careful consideration, BR's board of directors has unanimously determined that the merger is advisable and in the best interests of BR and its stockholders and unanimously recommends BR stockholders vote FOR approval and adoption of the merger agreement.

Your vote is very important. Because approval and adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of BR common stock entitled to vote at the special meeting, a failure to vote will have the same effect as a vote against approval and adoption of the merger agreement.

Whether or not you plan to attend the special meeting, please complete, sign, date and return the enclosed proxy card or voting instruction card in the enclosed envelope as soon as possible so that your shares are represented at the meeting. This action will not limit your right to vote in person if you wish to attend the special meeting and vote in person.

BR's board of directors very much appreciates and looks forward to your support.

Sincerely,

Bobby S. Shackouls
Chairman of the Board, President and

Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger nor have they determined if this document is accurate or complete. Furthermore, the Securities and Exchange Commission has not determined the fairness or merits of the merger. Any representation to the contrary is a criminal offense.

This document is dated February 24, 2006, and is first being mailed to stockholders of BR on or about February 25, 2006.

Table of Contents

ADDITIONAL INFORMATION

This document, which is sometimes referred to as this proxy statement/prospectus, constitutes a proxy statement of BR to BR stockholders with respect to the solicitation of proxies for the special meeting described within and a prospectus of ConocoPhillips for the shares of ConocoPhillips common stock that ConocoPhillips will issue to BR stockholders in the merger. As permitted under the rules of the SEC, this proxy statement/prospectus incorporates important business and financial information about BR, ConocoPhillips and their affiliates that is contained in documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. You may obtain copies of these documents, without charge, from the web site maintained by the SEC at www.sec.gov, as well as other sources. See **Additional Information for Stockholders Where You Can Find More Information** beginning on page 101. You may also obtain copies of these documents, without charge, from ConocoPhillips and from BR by writing or calling:

Burlington Resources Inc.	ConocoPhillips
Corporate Secretary	Shareholder Relations Department
717 Texas Avenue, Suite 2100	P.O. Box 2197
Houston, Texas 77002	Houston, Texas 77079
(800) 262-3456	(281) 293-6800

You also may obtain documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from D.F. King & Co., the proxy solicitor for the merger, at the following address and telephone number:

48 Wall Street, 22nd Floor
New York, New York 10005
(800) 714-3313

To receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than March 20, 2006.

In **Questions and Answers About the Merger and the Special Meeting** and in the **Summary** below, we highlight selected information from this proxy statement/prospectus. However, we may not have included all of the information that may be important to you. To better understand the merger agreement and the merger, and for a description of the legal terms governing the merger, you should carefully read this entire proxy statement/prospectus, including the appendices, as well as the documents that we have incorporated by reference into this proxy statement/prospectus. See **Additional Information for Stockholders Where You Can Find More Information** beginning on page 101.

Table of Contents

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD MARCH 30, 2006

TO THE STOCKHOLDERS OF BURLINGTON RESOURCES INC.:

You are cordially invited to attend the special meeting of stockholders of Burlington Resources Inc., a Delaware corporation, which will be held on March 30, 2006, in the Ambassador Room at the St. Regis Hotel, 1919 Briar Oaks Lane, Houston, Texas 77027, at 9:00 a.m. local time for the following purposes:

to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of December 12, 2005, by and among Burlington Resources Inc., sometimes referred to in this document as BR, ConocoPhillips and Cello Acquisition Corp., a wholly owned subsidiary of ConocoPhillips;

to consider and vote upon a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of the approval and adoption of the merger agreement; and

to consider and transact any other business as may properly be brought before the special meeting or any adjournments or postponements thereof.

Only holders of record of BR common stock at the close of business on February 24, 2006, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and at any adjournments or postponements thereof. A complete list of BR stockholders entitled to vote at the special meeting shall be made available for inspection by any BR stockholder at the special meeting. The affirmative vote of the holders of a majority of the outstanding shares of BR common stock entitled to vote at the special meeting is required to approve and adopt the merger agreement in order for the merger to be completed.

A copy of the merger agreement is attached as *Annex A* to this proxy statement/prospectus of which this notice is a part. The proposal to approve and adopt the merger agreement is described in more detail in the accompanying proxy statement/prospectus. You should read these documents carefully and in their entirety before voting.

BR's board of directors has unanimously determined that the merger is advisable and in the best interests of BR and its stockholders and unanimously recommends BR stockholders vote FOR the proposal to approve and adopt the merger agreement.

By Order of the Board of Directors

JEFFERY P. MONTE

February 24, 2006

Houston, Texas

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the special meeting, please complete, sign, date and return your proxy card or voting instruction card in the enclosed envelope as soon as possible. A proxy may also be completed electronically or by phone as described on the proxy card in the attached document. Giving your proxy will not affect your right to vote in person if you attend the special meeting.

Table of Contents

VOTING ELECTRONICALLY OR BY TELEPHONE

In addition to voting by signing, dating and timely returning a completed proxy card provided with this proxy statement/prospectus, BR's stockholders of record may submit their proxies:

through the Internet, by visiting a web site established for this purpose at <http://www.eproxyvote.com/br> and following the instructions; or

by telephone, by calling the toll-free number 1-877-PRX-VOTE (1-877-779-8683) in the United States, Puerto Rico or Canada on a touch-tone pad and following the recorded instructions.

Internet and telephone voting facilities will be available 24 hours a day and will close at 8:30 a.m., Eastern Time, on March 30, 2006. Please have your proxy card in hand when you use the Internet or telephone voting options.

If your shares are held by a broker, bank or other holder of record, please refer to your voting card or other information forwarded by that entity to determine whether you may vote by telephone or electronically on the Internet, following the instructions on the card or other information provided by the record holder.

If you do not vote in favor of approval and adoption of the merger agreement and you strictly comply with the procedures set forth in Section 262 of the Delaware General Corporation Law, you will be entitled to obtain payment in cash of the fair market value of your shares of BR common stock under applicable provisions of Delaware law. A copy of the applicable Delaware statutory provisions is included as *Annex D* to this document, and a summary of these provisions can be found in the section titled "The Merger Appraisal Rights" beginning on page 40.

Please do not send your stock certificates at this time. If the merger is completed, you will be sent instructions regarding the surrender of your stock certificates.

YOUR VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY CARD EVEN IF YOU PLAN TO ATTEND THE SPECIAL MEETING.

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	5
<u>HISTORICAL MARKET PRICE AND DIVIDEND DATA</u>	11
<u>SELECTED HISTORICAL FINANCIAL DATA OF CONOCOPHILLIPS</u>	12
<u>SELECTED HISTORICAL FINANCIAL DATA OF BR</u>	13
<u>SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA</u>	14
<u>COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA</u>	15
<u>COMPARATIVE MARKET VALUE OF SECURITIES</u>	16
<u>RECENT DEVELOPMENTS</u>	17
<u>RISK FACTORS</u>	18
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	24
<u>THE MERGER</u>	26
<u>General</u>	26
<u>The Companies</u>	26
<u>Background of the Merger</u>	26
<u>BR's Reasons for the Merger and the BR Board's Recommendation</u>	29
<u>ConocoPhillips' Reasons for the Merger</u>	33
<u>Accounting Treatment</u>	33
<u>Material United States Federal Income Tax Consequences of the Merger</u>	33
<u>Regulatory Matters</u>	39
<u>Appraisal Rights</u>	40
<u>Federal Securities Laws Consequences: Stock Transfer Restriction Agreements</u>	43
<u>OPINIONS OF BR'S FINANCIAL ADVISORS</u>	44
<u>Opinion of Morgan Stanley</u>	44
<u>Opinion of JPMorgan</u>	52
<u>INTERESTS OF BR DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER</u>	59
<u>THE MERGER AGREEMENT</u>	64
<u>Structure of the Merger</u>	64
<u>Timing of Closing</u>	64
<u>Merger Consideration</u>	64
<u>Explanation of Potential Adjustment to Merger Consideration</u>	64
<u>Conversion of Shares</u>	65
<u>Exchange of BR Stock Certificates</u>	65
<u>Treatment of BR Options and Other Incentive Awards</u>	65
<u>Covenants</u>	66
<u>Representations and Warranties</u>	72
<u>Conditions to the Completion of the Merger</u>	74
<u>Termination of the Merger Agreement</u>	75
<u>Expenses</u>	76
<u>Amendments; Waivers</u>	76
<u>INFORMATION ABOUT THE SPECIAL MEETING AND VOTING</u>	77
<u>COMPARISON OF STOCKHOLDER RIGHTS</u>	81
<u>STOCK OWNERSHIP OF MANAGEMENT AND CERTAIN OTHER HOLDERS</u>	89
<u>DESCRIPTION OF CONOCOPHILLIPS CAPITAL STOCK</u>	91
<u>ConocoPhillips Common Stock</u>	91
<u>ConocoPhillips Preferred Stock</u>	91
<u>Note on Delaware Law Change Regarding Uncertificated Shares</u>	91
<u>UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION</u>	92
<u>SUPPLEMENTAL OIL AND GAS DISCLOSURES (UNAUDITED)</u>	98
<u>LEGAL MATTERS</u>	100

Table of Contents

<u>EXPERTS</u>	100
<u>STOCKHOLDER PROPOSALS</u>	100
<u>ADDITIONAL INFORMATION FOR STOCKHOLDERS</u>	101
<u>Where You Can Find More Information</u>	101
<u>Documents Incorporated by Reference</u>	101
<u>Annex A: Agreement and Plan of Merger</u>	A-1
<u>Annex B: Opinion of Morgan Stanley & Co. Incorporated</u>	B-1
<u>Annex C: Opinion of J.P. Morgan Securities Inc.</u>	C-1
<u>Annex D: Appraisal Rights; Section 262 of the Delaware General Corporation Law</u>	D-1

Table of Contents

**QUESTIONS AND ANSWERS ABOUT
THE MERGER AND THE SPECIAL MEETING**

About the Merger

Q: What am I voting on?

A: ConocoPhillips is proposing to acquire BR. You are being asked to vote to approve and adopt the merger agreement. In the merger BR will merge into Cello Acquisition Corp., a wholly owned subsidiary of ConocoPhillips. We sometimes refer to this subsidiary as merger sub. Merger sub would be the surviving entity in the merger and would remain a wholly owned subsidiary of ConocoPhillips, and BR would no longer be a separate company.

BR is also seeking your approval of a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of approval and adoption of the merger agreement and any other matters that may come before the special meeting.

Q: What will I receive in exchange for my BR shares?

A: Upon completion of the merger, you will receive a combination of 0.7214 of a share of ConocoPhillips common stock and \$46.50 in cash, without interest, for each share of BR common stock that you own. We refer to the aggregate amount of the stock consideration and cash consideration to be received by BR stockholders pursuant to the merger as the merger consideration.

Q: Do I have the option to receive all cash consideration or all stock consideration for my BR shares?

A: No. All BR stockholders will receive the fixed combination of the cash consideration and the stock consideration for each share of BR common stock that they own.

Q: What are the tax consequences of the merger to me?

A: The merger is intended to constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, so that you generally will recognize gain (but not loss) in an amount not to exceed any cash received as part of the merger consideration for United States federal income tax purposes as a result of the merger. The merger is conditioned on the receipt of legal opinions that for U.S. federal income tax purposes the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

For a more complete discussion of the U.S. federal income tax consequences of the merger, see "The Merger" Material United States Federal Income Tax Consequences of the Merger beginning on page 33.

Tax matters are very complicated and the consequences of the merger to any particular BR stockholder will depend on that stockholder's particular facts and circumstances. You are urged to consult your own tax advisor to determine your own tax consequences from the merger.

Edgar Filing: CONOCOPHILLIPS - Form 424B3

Q: Will I continue to receive future dividends?

A: Before completion of the merger, BR expects to continue to pay regular quarterly cash dividends on BR shares, which currently are \$0.10 per share, at times and intervals consistent with its prior practice. Receipt of the regular quarterly dividend will not reduce your per share merger consideration. After completion of the merger, you will be entitled only to dividends on any ConocoPhillips shares you receive in the merger. While ConocoPhillips provides no assurances as to the level or payment of any future ConocoPhillips dividends on shares of ConocoPhillips common stock, and ConocoPhillips' board of directors has the power to modify dividend policy, ConocoPhillips presently pays dividends at a quarterly dividend rate of \$0.31 per share of ConocoPhillips common stock.

Table of Contents

Q: What is the required vote to approve and adopt the merger agreement?

A: Holders representing a majority of the outstanding shares of BR common stock entitled to vote at the special meeting must vote to approve and adopt the merger agreement to complete the merger. No vote of ConocoPhillips stockholders is required in connection with the merger.

Q: What happens if I do not vote?

A: Because the required vote of BR stockholders is based upon the number of outstanding shares of BR common stock entitled to vote rather than upon the number of shares actually voted, abstentions from voting and broker non-votes will have the same practical effect as a vote AGAINST approval and adoption of the merger agreement. If you return a properly signed proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR approval and adoption of the merger agreement and FOR approval of any proposal to adjourn or postpone the special meeting to solicit additional proxies in favor of approval and adoption of the merger agreement.

Q: How does the BR board of directors recommend I vote?

A: The board of directors of BR unanimously recommends that BR's stockholders vote FOR approval and adoption of the merger agreement. The BR board of directors believes the merger is advisable and in the best interests of BR and its stockholders.

Q: Do I have dissenters' or appraisal rights with respect to the merger?

A: Yes. Under Delaware law, you have the right to dissent from the merger and, in lieu of receiving the merger consideration, obtain payment in cash of the fair value of your shares of BR common stock as determined by the Delaware Chancery Court. To exercise appraisal rights, you must strictly follow the procedures prescribed by Section 262 of the DGCL. See *The Merger Appraisal Rights* beginning on page 40. In addition, the full text of the applicable provisions of Delaware law is included as *Annex D* to this proxy statement/prospectus.

Q: When do you expect the merger to be completed?

A: We are working on completing the merger as quickly as possible. To complete the merger, we must obtain the approval of the BR stockholders and satisfy or waive all other closing conditions under the merger agreement, which we currently expect should occur in the first half of 2006. However, we cannot assure you when or if the merger will occur. See *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 74. If the merger occurs, we will promptly make a public announcement of this fact.

Q: What will happen to my BR shares after completion of the merger?

A: Upon completion of the merger, your shares of BR common stock will be canceled and will represent only the right to receive your portion of the merger consideration (or the fair value of your BR common stock if you seek appraisal rights) and any declared but unpaid dividends that you may be owed. In addition, trading in shares of BR common stock on the New York Stock Exchange will cease and price quotations for shares of BR common stock will no longer be available.

About the Special Meeting

Q: When and where is the BR special stockholder meeting?

Edgar Filing: CONOCOPHILLIPS - Form 424B3

A: The BR special stockholder meeting will take place on March 30, 2006, at 9:00 a.m. local time, and will be held in the Ambassador Room at the St. Regis Hotel, 1919 Briar Oaks Lane, Houston, Texas 77027.

Table of Contents

Q: Who is entitled to vote at the special meeting?

Only holders of record of BR common stock at the close of business on February 24, 2006, which is the date BR's board of directors has fixed as the record date for the special meeting, are entitled to receive notice of and vote at the special meeting.

Q: What do I need to do now?

A: After carefully reading and considering the information contained and referred to in this proxy statement/prospectus, including its annexes, please authorize your shares of BR common stock to be voted by returning your completed, dated and signed proxy card in the enclosed return envelope, or vote by telephone or the Internet, as soon as possible. To be sure that your vote is counted, please submit your proxy as instructed on your proxy card even if you plan to attend the special meeting in person. DO NOT enclose or return your stock certificate(s) with your proxy card. If you hold shares registered in the name of a broker, bank or other nominee, that broker, bank or other nominee has enclosed or will provide a voting instruction card for use in directing your broker, bank or other nominee how to vote those shares.

Q: May I vote in person?

A: Yes. You may attend the special meeting of BR's stockholders and vote your shares in person rather than by signing and returning your proxy card. If you wish to vote in person and your shares are held by a broker, bank or other nominee, you need to obtain a proxy from the broker, bank or nominee authorizing you to vote your shares held in the broker's, bank's or nominee's name.

Q: If my shares are held in street name, will my broker, bank or other nominee vote my shares for me?

A: Yes, but your broker, bank or other nominee may vote your shares of BR common stock only if you instruct your broker, bank or other nominee how to vote. If you do not provide your broker, bank or other nominee with instructions on how to vote your street name shares, your broker, bank or other nominee will not be permitted to vote them on the merger agreement. You should follow the directions your broker, bank or other nominee provides to ensure your shares are voted at the special meeting. Please check the voting form used by your broker, bank or other nominee to see if it offers telephone or Internet voting.

Q: May I change my vote?

A: Yes. You may change your vote at any time before your proxy is voted at the special meeting. If your shares of BR common stock are registered in your own name, you can do this in one of three ways.

First, you can deliver to BR, prior to the special meeting, a written notice stating that you want to revoke your proxy. The notice should be sent to the attention of Mr. Jeffery P. Monte, Corporate Secretary, Burlington Resources Inc., 717 Texas Avenue, Suite 2100, Houston, Texas 77002, to arrive by the close of business on March 29, 2006.

Second, prior to the special meeting, you can complete and deliver a new proxy card. The proxy card should be sent to the addressee indicated on the pre-addressed envelope enclosed with your initial proxy card to arrive by the close of business on March 29, 2006. The latest dated and signed proxy actually received by this addressee before the special meeting will be counted, and any earlier proxies will be considered revoked.

If you vote your proxy electronically through the Internet or by telephone, you can change your vote by submitting a different vote through the Internet or by telephone, in which case your later-submitted proxy will be recorded and your earlier proxy revoked.

Edgar Filing: CONOCOPHILLIPS - Form 424B3

Third, you can attend the BR special meeting and vote in person. Any earlier proxy will thereby be revoked automatically. Simply attending the meeting, however, will not revoke your proxy, as you must vote at the special meeting to revoke a prior proxy.

Table of Contents

If you have instructed a broker to vote your shares, you must follow directions you receive from your broker to change or revoke your vote.

If you are a street-name stockholder and you vote by proxy, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity's procedures.

Q: Why is it important for me to vote?

A: We cannot complete the merger without holders of a majority of the outstanding shares of BR common stock entitled to vote voting in favor of the approval and adoption of the merger agreement.

Q: What happens if I sell my shares of BR common stock before the special meeting?

A: The record date for the special meeting is February 24, 2006, which is earlier than the date of the special meeting. If you hold your shares of BR common stock on the record date you will retain your right to vote at the special meeting. If you transfer your shares of BR common stock after the record date but prior to the date on which the merger is completed, you will lose the right to receive the merger consideration for shares of BR common stock and any dividends that have a record date after the date on which you transfer your shares. The right to receive the merger consideration will pass to the person who owns your shares of BR common stock when the merger is completed.

Q: Should I send in my stock certificates with my proxy card?

A: No. **PLEASE DO NOT SEND ANY STOCK CERTIFICATES WITH YOUR PROXY CARD.** After the merger is completed, you will receive written instructions informing you how to send in your stock certificates to receive the merger consideration. In the event the merger agreement is terminated, any BR stock certificates that you previously sent to the exchange agent will be promptly returned to you without charge.

How to Get More Information

Q: Where can I find more information about BR and ConocoPhillips?

A: You can find more information about BR and ConocoPhillips from various sources described under the heading "Additional Information for Stockholders" "Where You Can Find More Information" beginning on page 101.

Q: Who do I call if I have questions about the meeting or the merger?

A: If you have any questions about the special meeting, the merger or this proxy statement/prospectus, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact BR's proxy solicitation agent, D.F. King & Co., toll-free at (800) 714-3313. If your broker holds your shares, you can also call your broker for additional information.

Table of Contents

SUMMARY

*This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should carefully read this proxy statement/prospectus and the documents to which we have referred you, including the merger agreement attached as Annex A to this proxy statement/prospectus. See **Additional Information for Stockholders Where You Can Find More Information** beginning on page 101.*

BR Stockholder Vote Required to Approve the Merger (page 74)

Approval and adoption of the merger agreement requires the affirmative vote of holders representing a majority of the shares of BR common stock outstanding as of the close of business on February 24, 2006, the record date for the special meeting of BR stockholders.

What BR Stockholders Will Receive in the Merger (page 64)

BR stockholders will receive a combination of 0.7214 of a share of ConocoPhillips common stock and \$46.50 in cash for each share of BR common stock owned, which we refer to as the merger consideration.

Fractional Shares

You will not be entitled to receive any fractional shares of ConocoPhillips common stock in the merger. Instead, you will be entitled to receive cash, without interest, for any fractional share of ConocoPhillips common stock you might otherwise have been entitled to receive, based on a portion of the proceeds from the sale of all fractional shares in the market.

Material United States Federal Income Tax Consequences of the Merger to BR Stockholders (page 33)

The merger is intended to constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, so that you generally will recognize gain (but not loss) in an amount not to exceed any cash received as part of the merger consideration for U.S. federal income tax purposes as a result of the merger. The merger is conditioned on the receipt of legal opinions that the merger will constitute a reorganization for U.S. federal income tax purposes.

For a more complete discussion of the U.S. federal income tax consequences of the merger, see **The Merger Material United States Federal Income Tax Consequences of the Merger** beginning on page 33.

Tax matters can be complicated and the tax consequences of the merger to BR stockholders will depend on each stockholder's particular tax situation. You should consult your tax advisors to understand fully the tax consequences of the merger to you.

BR Board's Recommendation to BR Stockholders (page 29)

The BR board of directors has unanimously determined that the merger is advisable and in your best interests and unanimously recommends that you vote FOR the approval and adoption of the merger agreement and any adjournment or postponement of the special meeting.

Opinions of BR's Financial Advisors (page 44)

In deciding to approve the merger, BR's board of directors received opinions from Morgan Stanley & Co. Incorporated and J.P. Morgan Securities Inc., which we refer to as Morgan Stanley and JPMorgan, respectively, each dated December 12, 2005, as to the fairness from a financial point of view to the holders of BR common stock of the consideration to be received in the merger. These opinions are attached as *Annex B* and *Annex C*,

Table of Contents

respectively. You should read these opinions in their entirety for a discussion of the assumptions, qualifications and limitations set forth in the review by Morgan Stanley and JPMorgan in rendering their opinions. These opinions do not constitute a recommendation to any stockholder as to how he or she should vote on the merger.

ConocoPhillips Reasons for the Merger (page 33)

ConocoPhillips believes the complementary assets and strategies of ConocoPhillips and BR, in combination with their personnel, technical expertise and financial strength, will create a company with capabilities and resources better positioned to succeed and grow in the new competitive energy marketplace.

These anticipated benefits depend on several factors, including the ability to obtain the necessary approvals for the merger and on other uncertainties. See **Risk Factors** beginning on page 18.

Ownership of ConocoPhillips After the Merger

BR stockholders will receive a total of approximately 270.97 million shares of ConocoPhillips common stock in the merger. The shares of ConocoPhillips to be received by BR stockholders in the merger will represent approximately 16% of the outstanding ConocoPhillips common stock after the merger. This information is based on the number of ConocoPhillips and BR shares outstanding on February 24, 2006 and does not take into account stock options or other equity-based awards or any other shares that may be issued or repurchased before the merger as permitted by the merger agreement.

Governance

ConocoPhillips has agreed to take all action necessary, as of the effective time of the merger, to appoint Bobby S. Shackouls, BR's Chairman of the Board, President and Chief Executive Officer, and William E. Wade Jr., a member of the BR board of directors, to the ConocoPhillips board of directors. ConocoPhillips has also agreed to appoint Randy Limbacher, BR's Executive Vice President and Chief Operating Officer, as Executive Vice President, responsible for North and South America Exploration and Production.

Market Prices and Share Info

ConocoPhillips common stock is quoted on the NYSE under the symbol **COP**. BR common stock is quoted on the NYSE under the symbol **BR**. The following table shows the closing sale prices of ConocoPhillips and BR common stock as reported on the NYSE on December 9, 2005, the last business day preceding the press accounts of discussions between the parties regarding a potential merger, and on February 24, 2006, the last practicable day before the distribution of this proxy statement/prospectus. This table also shows the merger consideration equivalent proposed for each share of BR common stock, which we calculated by multiplying the closing price of ConocoPhillips common stock on those dates by the exchange ratio of 0.7214 and adding the cash consideration of \$46.50.

	Closing Price per Share	
	December 9,	February 24,
	2005	2006
ConocoPhillips Common Stock	\$ 63.07	\$ 62.73
BR Common Stock	\$ 76.09	\$ 91.35
BR Merger Consideration Equivalent	\$ 92.00	\$ 91.75

Because the 0.7214 exchange ratio is fixed and will not be adjusted as a result of changes in the market price of ConocoPhillips common stock, the merger consideration equivalent will fluctuate with the market price of ConocoPhillips common stock. The merger agreement does not include a price-based termination right or provisions that would limit the impact of increases or decreases in the market price of ConocoPhillips common stock. You should obtain current market quotations for the shares of both companies from a newspaper, the Internet or your broker prior to voting on the merger agreement.

Table of Contents

The Interests of Certain BR Officers and Directors in the Merger May Differ from Your Interests (page 59)

When you consider the BR board of directors' recommendation that BR stockholders vote in favor of the approval and adoption of the merger agreement and any adjournment or postponement of the special meeting, you should be aware that some BR officers and directors may have interests in the merger that may be different from, or in addition to, the interests of other BR stockholders generally. The BR board of directors was aware of these interests and considered them, among other matters, in unanimously approving and adopting the merger agreement and unanimously recommending that BR stockholders vote to approve and adopt the merger agreement. As of the record date for the special meeting, BR's directors, executive officers and their affiliates beneficially owned in the aggregate less than 1% of BR's outstanding common stock entitled to vote at the BR special meeting.

Accounting Treatment (page 33)

The combination of the two companies will be accounted for as an acquisition of BR by ConocoPhillips using the purchase method of accounting.

The purchase price (reflecting the cash consideration and the weighted average price of ConocoPhillips' common stock two days before, two days after and the first trading day after the transaction was announced on the evening of Monday, December 12, 2005) will be allocated to BR's identifiable assets and liabilities based on their respective estimated fair values at the closing date of the acquisition, and any excess of the purchase price over those fair values will be accounted for as goodwill. The valuation of BR's assets and liabilities and the finalization of plans for restructuring after the closing of the merger have not yet been completed. The allocation of the purchase price reflected in this proxy statement/prospectus may be revised as additional information becomes available.

Completion of the Merger Is Subject to Certain Conditions (page 74)

The completion of the merger depends upon satisfaction of a number of conditions, including the following:

approval and adoption of the merger agreement by BR stockholders;

expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act;

receipt of all approvals required in connection with the Canadian Competition Act and Investment Regulations, and all other regulatory approvals, except where the failure to obtain such approval would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on BR;

absence of any legal prohibition on completion of the merger;

Edgar Filing: CONOCOPHILLIPS - Form 424B3

ConocoPhillips registration statement on Form S-4, which includes this proxy statement/prospectus, being effective and not subject to any stop order by the Securities and Exchange Commission;

approval for the listing on the NYSE of the shares of ConocoPhillips common stock to be issued in the merger;

performance by the other party of the obligations required to be performed by it at or prior to closing, to the extent specified in the merger agreement;

accuracy as of the closing of the representations and warranties made by the other party to the extent specified in the merger agreement; and

receipt by each of ConocoPhillips and BR of an opinion of its counsel, dated as of the closing date of the merger, to the effect that for U.S. federal income tax purposes the merger will constitute a

Table of Contents

reorganization within the meaning of Section 368(a) of the Code. BR will resolicit stockholder approval if BR waives its closing condition that it receive an opinion of its counsel to the effect that, for U.S. federal income tax purposes, the merger will constitute a reorganization within the meaning of Section 368(a) of the Code.

Regulatory Approvals (page 39)

Certain regulatory requirements imposed by U.S. and foreign regulatory authorities must be complied with before the merger is completed.

Under the HSR Act and the related rules and regulations, the merger may not be completed until notifications have been submitted to the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice and specified waiting period requirements have been satisfied. The applicable statutory waiting period under the HSR Act expired on February 17, 2006.

Completion of the merger may also require regulatory approvals of other foreign regulatory authorities. Under the laws of certain jurisdictions, the merger may not be completed unless certain filings are made with the antitrust regulatory authorities of these jurisdictions and these authorities approve or clear the merger. All regulatory approvals required to be obtained prior to closing have been obtained.

The Merger Agreement May Be Terminated (page 75)

The merger agreement may be terminated at any time prior to the closing in any of the following ways:

by mutual written consent of ConocoPhillips and BR;

by either ConocoPhillips or BR if:

the merger has not been completed by June 12, 2007 (provided that neither party may terminate if its failure to fulfill any of its obligations under the merger agreement has been the primary cause of, or resulted in, the failure to complete the merger by such date);

the approval of BR stockholders has not been obtained by reason of the failure to obtain the required vote at the BR special meeting of stockholders or at any adjournment or postponement of that special meeting;

there is a permanent legal prohibition to closing the merger, or a governmental entity has failed to take actions necessary to fulfill certain closing conditions (provided that neither party may terminate if its failure to fulfill its obligations under the merger agreement has been the primary cause of, or resulted in, such legal action or inaction); or

the other party has breached any of its representations, warranties, covenants or obligations under the merger agreement, and that breach would result in the failure to satisfy certain specified closing conditions and is incapable of being cured or, if

Edgar Filing: CONOCOPHILLIPS - Form 424B3

capable of being cured, has not been cured by the earlier of June 12, 2007, or within 30 days after the party alleged to have breached receives written notice of the breach (provided that neither party may terminate if such party is then in material breach of the merger agreement);

by ConocoPhillips if:

the BR board of directors fails to recommend the merger agreement or withdraws, qualifies or modifies in a manner adverse to ConocoPhillips its approval or recommendation of the merger agreement;

BR materially breaches its obligation to call the BR stockholder meeting or to comply with its obligations under the merger agreement with respect to this proxy statement/prospectus; or

Table of Contents

BR has materially breached its obligations. See The Merger Agreement Covenants Acquisition Proposals beginning on page 66;

by BR, prior to approval and adoption by BR's stockholders of the merger agreement if the BR board of directors has determined that it has received a superior proposal and BR has complied with its obligations under the no-solicitation provisions of the merger agreement. See The Merger Agreement Covenants Acquisition Proposals beginning on page 66.

If the merger agreement is validly terminated, the agreement will become void without any liability on the part of any party unless such party is in breach. However, certain provisions of the merger agreement, including, among others, those provisions relating to expenses and termination fees, will continue in effect notwithstanding termination of the merger agreement.

Certain Fees May Be Payable on Termination of the Merger Agreement (page 76)

BR has agreed to pay ConocoPhillips a \$1.0 billion termination fee in cash if BR terminates the merger agreement prior to its adoption by BR's stockholders, if the BR board of directors has determined that it has received a superior proposal and BR has complied with its obligations with respect to non-solicitation of other acquisition proposals.

BR has alternatively agreed to pay ConocoPhillips a \$1.0 billion termination fee in cash if within twelve months of any termination of the merger agreement, BR enters into a definitive agreement with respect to, or consummates, an acquisition proposal (as such term is defined below in The Merger Agreement Covenants Acquisition Proposals except that references in the definition of acquisition proposal to 20% are for purposes of this termination fee determination, changed to 50%) with any third party, and:

ConocoPhillips terminates the merger agreement because BR has breached any of its representations, warranties, covenants or obligations under the merger agreement, and that breach would result in the failure to satisfy certain specified closing conditions and is incapable of being cured or, if capable of being cured, has not been cured by the earlier of June 12, 2007 or the date within 30 days after BR receives written notice of the breach, and at any time prior to any such termination, an acquisition proposal with respect to BR has been announced or otherwise communicated to the senior management, board of directors or stockholders of BR, which proposal has not been withdrawn prior to such termination;

ConocoPhillips terminates the merger agreement because (A) the BR board failed to recommend the merger agreement to its stockholders or has otherwise changed or proposed publicly to change its recommendation of the merger agreement to its stockholders; (B) BR failed to comply with its obligation to hold the BR stockholders' special meeting or to obtain SEC clearance for this proxy statement/prospectus; or (C) BR has materially breached its obligations under the merger agreement with respect to non-solicitation of other acquisition proposals, and at any time prior to any such termination, an acquisition proposal with respect to BR has been announced or otherwise communicated to the senior management, board of directors or stockholders of BR, which proposal has not been withdrawn prior to such termination; or

either ConocoPhillips or BR terminates the merger agreement because BR's stockholders fail to adopt the merger agreement and, at any time prior to the BR stockholders' special meeting, an acquisition proposal has been publicly announced or otherwise communicated to BR's stockholders and the proposal is not withdrawn prior to the BR stockholders' special meeting.

Table of Contents

The Companies

ConocoPhillips

600 North Dairy Ashford

Houston, Texas 77079

(281) 293-1000

ConocoPhillips is an international, integrated energy company, known worldwide for its technological expertise in deepwater exploration and production, reservoir management and exploitation, 3-D seismic technology, petroleum coke upgrading and sulfur removal from petroleum feedstocks. Headquartered in Houston, Texas, ConocoPhillips, operating in more than 40 countries, had approximately 35,800 employees worldwide and assets of \$104 billion at September 30, 2005. ConocoPhillips has four core activities worldwide: petroleum exploration and production; petroleum refining, marketing, supply and transportation; natural gas gathering, processing and marketing; and chemicals and plastics production and distribution. In addition, ConocoPhillips is investing in several emerging businesses fuels technology, gas-to-liquids, power generation and emerging technologies that provide current and potential future growth opportunities.

Burlington Resources Inc.

717 Texas Avenue, Suite 2100

Houston, Texas 77002

(713) 624-9000

BR is one of the world's leading independent oil and natural gas exploration and production companies with a focus on natural gas, long-life reserves, strong cash flow generation throughout the business cycle, and high expertise in managing large-scale development programs and maximizing recovery from geologically complex reservoirs. BR has assembled an international portfolio that offers a combination of current production growth and long-term potential. Headquartered in Houston, Texas, BR employs more than 2,200 people, with major offices located in Calgary, Alberta; London, England; Farmington, New Mexico; Midland, Texas and Fort Worth, Texas.

Table of Contents**HISTORICAL MARKET PRICE AND DIVIDEND DATA**

The following table sets forth the high and low intra-day trading prices and dividends per share of ConocoPhillips and BR common stock, as adjusted for all stock splits and as reported on the NYSE, for the periods indicated:

	ConocoPhillips*			BR**		
	High	Low	Dividends	High	Low	Dividends
For the quarterly period ended:						
2003						
March 31, 2003	\$ 26.93	\$ 22.57	\$ 0.20	\$ 24.04	\$ 20.38	\$ 0.06875
June 30, 2003	27.98	24.84	0.20	27.98	22.92	0.06875
September 30, 2003	28.77	25.65	0.20	27.04	22.52	0.075
December 31, 2003	33.02	27.15	0.215	28.73	23.48	0.075
2004						
March 31, 2004	35.75	32.15	0.215	31.98	26.33	0.075
June 30, 2004	39.50	34.29	0.215	37.49	31.23	0.075
September 30, 2004	42.18	35.64	0.215	41.24	34.92	0.085
December 31, 2004	45.61	40.75	0.25	46.41	39.19	0.085
2005						
March 31, 2005	56.99	41.40	0.25	53.32	40.40	0.085
June 30, 2005	61.36	47.55	0.31	57.18	44.72	0.085
September 30, 2005	71.48	58.05	0.31	81.98	55.57	0.10
December 31, 2005	70.66	57.05	0.31	87.03	64.02	0.10
2006						
Through February 24, 2006	66.25	58.01	0.36***	92.25	86.41	0.10****

* All ConocoPhillips amounts reflect a two-for-one stock split effected as a 100% stock dividend on June 1, 2005.

** All BR amounts reflect a two-for-one stock split effected as a 100% stock dividend on June 1, 2004.

*** Payable on March 1, 2006 to stockholders of record on February 21, 2006.

**** Payable on April 10, 2006 to stockholders of record on March 9, 2006.

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF CONOCOPHILLIPS**

We are providing the following information to aid you in your analysis of the financial aspects of the merger. The selected historical financial data in the table below for the nine-month periods ended September 30, 2005 and 2004, were derived from ConocoPhillips' unaudited consolidated financial statements. The data for the five years ended December 31, 2004, were derived from ConocoPhillips' audited consolidated financial statements. **This information is only a summary, and you should read it together with ConocoPhillips' historical financial statements and related notes contained in the annual reports and other information that ConocoPhillips has filed with the SEC and incorporated by reference into this proxy statement/prospectus. See Additional Information for Stockholders Where You Can Find More Information beginning on page 101.**

Millions of Dollars Except Per Share Amounts

	Nine Months Ended		Year Ended December 31				
	September 30						
	2005	2004	2004	2003	2002	2001	2000
Sales and other operating revenues	\$ 128,184	\$ 95,691	\$ 135,076	\$ 104,246	\$ 56,748	\$ 24,892	\$ 22,155
Income from continuing operations	9,858	5,627	8,107	4,593	698	1,601	1,848
Per common share*							
Basic	7.06	4.08	5.87	3.37	0.72	2.73	3.63
Diluted	6.94	4.03	5.79	3.35	0.72	2.71	3.60
Net income (loss)	9,850	5,697	8,129	4,735	(295)	1,661	1,862
Per common share*							
Basic	7.05	4.13	5.88	3.48	(0.31)	2.83	3.66
Diluted	6.94	4.08	5.80	3.45	(0.31)	2.82	3.63
Total assets	\$ 104,372	\$ 88,818	\$ 92,861	\$ 82,455	\$ 76,836	\$ 35,217	\$ 20,509
Long-term debt	\$ 12,372	\$ 14,407	\$ 14,370	\$ 16,340	\$ 18,917	\$ 8,610	\$ 6,622
Mandatorily redeemable minority interests and preferred securities				141	491	650	650
Cash dividends declared per common share*	\$ 0.87	\$ 0.645	\$ 0.895	\$ 0.815	\$ 0.74	\$ 0.70	\$ 0.68

* The per-share amounts in all periods reflect a two-for-one stock split effected as a 100% stock dividend on June 1, 2005.

The following transactions affect the comparability of the amounts included in the table above:

The merger of Conoco Inc. and Phillips Petroleum Company in 2002.

The acquisition of Tosco Corporation in 2001.

The acquisition of ordinary shares of LUKOIL in 2004 and 2005.

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF BR**

We are providing the following information to aid you in your analysis of the financial aspects of the merger. The selected historical financial data in the table below for the nine-month periods ended September 30, 2005 and 2004, were derived from BR's unaudited consolidated financial statements. The data for the five years ended December 31, 2004, were derived from BR's audited consolidated financial statements. **This information is only a summary, and you should read it together with BR's historical financial statements and related notes contained in the annual reports and other information that BR has filed with the SEC and incorporated by reference into this proxy statement/prospectus. See Additional Information for Stockholders Where You Can Find More Information beginning on page 101.**

	Millions of Dollars Except Per Share Amounts						
	Nine Months Ended		Year Ended December 31				
	September 30						
	2005	2004	2004	2003	2002	2001	2000
Sales and other operating revenues	\$ 5,215	\$ 4,060	\$ 5,618	\$ 4,311	\$ 2,968	\$ 3,419	\$ 3,218
Income from continuing operations	1,756	1,127	1,527	1,260	454	558	675
Per common share							
Basic	4.60	2.87	3.90	3.17	1.13	1.35	1.57
Diluted	4.56	2.84	3.86	3.15	1.13	1.34	1.56
Net income(1)	1,756	1,127	1,527	1,201	454	561	675
Per common share(1)(2)(3)							
Basic	4.60	2.87	3.90	3.02	1.13	1.35	1.57
Diluted	4.56	2.84	3.86	3.00	1.13	1.35	1.56
Total assets	\$ 17,858	\$ 14,851	\$ 15,744	\$ 12,995	\$ 10,645	\$ 10,582	\$ 7,506
Long-term debt	\$ 3,893	\$ 3,917	\$ 3,887	\$ 3,873	\$ 3,853	\$ 4,337	\$ 2,301
Cash dividends declared per common share(3)	\$ 0.27	\$ 0.24	\$ 0.32	\$ 0.29	\$ 0.28	\$ 0.28	\$ 0.28

- (1) Year 2004 includes an income tax benefit of \$23 million or \$0.06 per share related to the reduction of the Canadian federal income tax rate and \$45 million or \$0.11 per share related to the reduction of the Alberta provincial income tax rate. In 2004, BR recorded a U.S. income tax expense of \$26 million or \$0.07 per share related to the planned repatriation of \$500 million of eligible foreign earnings to the U.S. under the one-time provisions of the American Jobs Creation Act of 2004. Year 2004 also includes a non cash after-tax charge of \$59 million (\$90 million pretax) or \$0.15 per share related to the impairment of undeveloped properties in Canada. Year 2003 includes an income tax benefit of \$203 million or \$0.51 per share related to the reduction of the Canadian federal income tax rate and \$11 million or \$0.02 per share related to the reduction of the Alberta provincial income tax rate. Year 2003 also includes a non cash after-tax charge of \$38 million (\$63 million pretax) or \$0.09 per share related to the impairment of oil and gas properties in Canada.
- (2) Year 2003 includes a cumulative effect of change in accounting principle, which we refer to as a Cumulative Effect, loss of \$0.15 related to the adoption of Statement of Financial Accounting Standards, which we refer to as SFAS, No. 143, *Asset Retirement Obligations*. Year 2001 includes a Cumulative Effect gain of \$0.01 related to the adoption of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended.
- (3) Share amounts related to years 2000 through 2003 have been retroactively adjusted to reflect the two-for-one stock split of BR's common stock effective June 1, 2004.

Table of Contents**SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA**

The following selected unaudited pro forma financial data has been derived from and should be read together with the unaudited pro forma combined financial statements and related notes on pages 92 through 97. This information is based on the historical consolidated balance sheets and related historical consolidated statements of income of ConocoPhillips and BR, and gives effect to the acquisition using the purchase method of accounting.

The financial results may have been different had the companies always been combined. You should not rely on the selected pro forma combined financial data as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that ConocoPhillips will experience.

	(Millions of Dollars, except per share amounts)	
	Nine Months Ended September 30, 2005	Twelve Months Ended December 31, 2004
Income statement data		
Sales and other operating revenues	\$ 132,699	\$ 140,116
Income from continuing operations	10,665	8,269
Basic(1)	6.40	5.00
Diluted(1)	6.29	4.94
	At September 30, 2005	
Balance sheet data		
Total assets	\$ 150,493	
Long-term debt	29,708	

(1) Both periods reflect ConocoPhillips two-for-one stock split effected as a 100% stock dividend on June 1, 2005.

Table of Contents**COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA**

Set forth below are the ConocoPhillips and BR historical and pro forma amounts per share of common stock for income from continuing operations, cash dividends and book value. The exchange ratio for the pro forma computations is 0.7214 of a share of ConocoPhillips common stock for each share of BR common stock. The basic consideration for the transaction is 0.7214 of a share of ConocoPhillips common stock and \$46.50 in cash for each share of BR common stock outstanding immediately prior to completion of the merger.

The BR pro forma (equivalent) information shows the effect of the merger from the perspective of an owner of BR common stock. The information was computed by multiplying the ConocoPhillips pro forma combined information by the exchange ratio of 0.7214. This computation does not include the benefit to BR stockholders of the cash component of the transaction.

You should read the information below together with the historical financial statements and related notes contained in the ConocoPhillips and BR Annual Reports on Form 10-K for the year ended December 31, 2004, and other information filed with the SEC and incorporated by reference. See **Additional Information for Stockholders** **Where You Can Find More Information** beginning on page 101.

The unaudited pro forma combined data below is for illustrative purposes only. The pro forma adjustments for the balance sheet are based on the assumption that the transaction was consummated on September 30, 2005. The pro forma adjustments for the income statements are based on the assumption that the transaction was consummated on January 1, 2004.

The financial results may have been different had the companies always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or of the future results of the combined company. See **Unaudited Pro Forma Combined Condensed Financial Information** beginning on page 92 for a discussion of the pro forma financial data used in the comparative per-share amounts in the table below.

	Nine Months Ended September 30, 2005	Year Ended December 31, 2004
ConocoPhillips historical(1)		
Income from continuing operations basic	\$ 7.06	\$ 5.87
Income from continuing operations diluted	6.94	5.79
Cash dividends	0.87	0.895
Book value at end of period	35.92	30.75
ConocoPhillips pro forma combined(1)		
Income from continuing operations basic	\$ 6.40	\$ 5.00
Income from continuing operations diluted	6.29	4.94
Cash dividends(2)	0.87	0.895
Book value at end of period	39.95	n/a(3)
BR historical		
Income from continuing operations basic	\$ 4.60	\$ 3.90
Income from continuing operations diluted	4.56	3.86
Cash dividends	0.27	0.32
Book value at end of period	21.24	18.07
BR pro forma (equivalent)		

Edgar Filing: CONOCOPHILLIPS - Form 424B3

Income from continuing operations - basic	\$ 4.62	\$ 3.61
Income from continuing operations - diluted	4.54	3.56
Cash dividends	0.628	0.646
Book value at end of period	28.82	n/a(3)

-
- (1) Both periods reflect a two-for-one stock split effected as a 100% stock dividend on June 1, 2005.
- (2) Same as ConocoPhillips' historical, since no change in dividend policy is expected as a result of the merger.
- (3) Book value is presented on a pro forma basis only for the most recent balance sheet date - September 30, 2005.

Table of Contents**COMPARATIVE MARKET VALUE OF SECURITIES**

The following table sets forth the closing price per share of ConocoPhillips common stock and the closing price per share of BR common stock on December 9, 2005 (the last business day preceding the press accounts of discussions between the parties regarding a potential merger) and February 24, 2006 (the date of this proxy statement/prospectus). The table also presents the equivalent market value per share of BR common stock on December 9, 2005 and February 24, 2006 for receipt of a combination of 0.7214 of a share of ConocoPhillips common stock and \$46.50 in cash, without interest, for each share of BR common stock that you own.

You are urged to obtain current market quotations for shares of ConocoPhillips common stock and BR common stock before making a decision with respect to the merger.

No assurance can be given as to the market prices of ConocoPhillips common stock or BR common stock at the closing of the merger. Because the exchange ratio will not be adjusted for changes in the market price of ConocoPhillips common stock, the market value of the shares of ConocoPhillips common stock that holders of BR common stock will receive at the effective time of the merger may vary significantly from the market value of the shares of ConocoPhillips common stock that holders of BR common stock would have received if the merger were consummated on the date of the merger agreement or on the date of this proxy statement/prospectus.

	Closing Price per Share	
	December 9, 2005	February 24, 2006
ConocoPhillips Common Stock	\$ 63.07	\$ 62.73
BR Common Stock	\$ 76.09	\$ 91.35
BR Merger Consideration Equivalent	\$ 92.00	\$ 91.75

Table of Contents

RECENT DEVELOPMENTS

On December 15 and 16, 2005, two stockholder lawsuits were filed in the District Court of Harris County, Texas, both alleging that BR's board of directors breached its fiduciary duties in approving the proposed merger between BR and ConocoPhillips. The first action is a stockholder derivative action purportedly filed on behalf of BR against the BR board of directors, and contains claims for abuse of control, breach of the duty of candor, gross mismanagement, waste and unjust enrichment, and breach of fiduciary duty. The second suit is a purported stockholder class action lawsuit against BR and the BR board of directors (except for John LaMacchia), and contains a claim for breach of fiduciary duty. Both petitions allege, among other things, that the BR board of directors engaged in self-dealing by approving a proposed merger that allegedly advances the BR board of directors' personal interests at the expense of BR's stockholders, thus causing BR stockholders to receive an unfair price for their shares of BR common stock. Both petitions seek, among other things, an injunction preventing the completion of the merger, rescission if the merger is consummated, attorneys' fees and expenses associated with the lawsuit, and any other further equitable relief as the courts may deem just and proper. On February 10, 2006, the defendants filed a motion to have the two lawsuits consolidated before one judge. That motion has not been decided yet. On February 22, 2006, the defendants filed their original answers in the derivative action, generally denying all of the allegations contained in the derivative petition. BR believes these actions are without merit and intends to defend them vigorously.

Table of Contents

RISK FACTORS

*In addition to the other information included and incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption **Cautionary Statement Concerning Forward-Looking Statements** beginning on page 24, you should carefully read and consider the following factors in evaluating the proposals to be voted on at the special meeting of BR stockholders and in determining whether to vote for approval and adoption of the merger agreement. Please also refer to the additional risk factors identified in the periodic reports and other documents of ConocoPhillips and BR incorporated by reference into this proxy statement/prospectus and see **Additional Information for Stockholders Where You Can Find More Information** beginning on page 101.*

Risk Factors Relating to the Merger

BR will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees, suppliers, partners, regulators and customers may have an adverse effect on BR and potentially on ConocoPhillips. These uncertainties may impair BR's ability to attract, retain and motivate key personnel until the merger is consummated, and could cause suppliers, customers and others that deal with BR to defer purchases or other decisions concerning BR, or to seek to change existing business relationships with BR. Employee retention may be particularly challenging during the pendency of the merger, as employees may experience uncertainty about their future roles with ConocoPhillips. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with ConocoPhillips, ConocoPhillips' business following the merger could be harmed. In addition, the merger agreement restricts BR from making certain acquisitions and taking other specified actions until the merger occurs. These restrictions may prevent BR from pursuing attractive business opportunities that may arise prior to the completion of the merger. See **The Merger Agreement Covenants** beginning on page 66 for a description of the restrictive covenants applicable to BR.

The exchange ratio will not be adjusted in the event the value of ConocoPhillips common stock declines before the merger is completed. As a result, the value of the shares of ConocoPhillips common stock at the time that BR stockholders receive them could be less than the value of those shares today.

In the merger, BR stockholders will be entitled to receive a combination of 0.7214 of a share of ConocoPhillips common stock and \$46.50 in cash for each share of BR common stock owned. ConocoPhillips and BR will not adjust the exchange ratio for the portion of the merger consideration to be paid in ConocoPhillips common stock as a result of any change in the market price of shares of ConocoPhillips common stock between the date of this proxy statement/prospectus and the date that you receive shares of ConocoPhillips common stock in exchange for your shares of BR common stock. The market price of ConocoPhillips common stock will likely be different, and may be lower, on the date you receive your shares of ConocoPhillips common stock than the market price of shares of ConocoPhillips common stock as of the date of this proxy statement/prospectus. During the 12-month period ending on February 24, 2006, the date of this proxy statement/prospectus, ConocoPhillips common stock traded in a range from a low of \$47.55 to a high of \$71.48 and ended that period at \$62.73 (adjusted to reflect a two-for-one stock split effected as a 100% stock dividend on June 1, 2005). See **Historical Market Price and Dividend Data** beginning on page 11 for more detailed share price information. Differences in ConocoPhillips' stock price may be the result of changes in the business, operations or prospects of ConocoPhillips, market reactions to the proposed merger, commodity prices, general market and economic conditions or other factors. If the market price of ConocoPhillips common stock declines after you vote, you may receive less value than you expected when you voted. Neither ConocoPhillips nor BR is permitted to terminate the merger agreement or resolicit the vote of BR stockholders because of changes in the market prices of their respective common stock.

Table of Contents

The failure to integrate BR successfully on a timely basis could reduce ConocoPhillips' profitability and adversely affect its stock price.

ConocoPhillips expects certain benefits to arise from the merger, including increased operating cash flows after budgeted capital expenditures, creation of a leading North American gas position, and certain operating efficiencies and synergies. See "The Merger" ConocoPhillips' Reasons for the Merger beginning on page 33. Achievement of these benefits will depend in part upon how and when the businesses of ConocoPhillips and BR are integrated. If ConocoPhillips is not successful in this integration, its financial results could be adversely impacted. ConocoPhillips management may be required to dedicate significant time and effort to this integration process, which could divert its attention from other business concerns. The challenges involved in this integration include the following:

retaining key employees and maintaining key employee morale, particularly in areas where ConocoPhillips does not currently have personnel;

obtaining the required approvals of various regulatory agencies, any of which could impose conditions or restrictions on its approval;

minimizing the diversion of management attention from ongoing business concerns; and

addressing differences in the business cultures, processes and systems of ConocoPhillips and BR.

Some of the executive officers and directors of BR may have interests that are different from, or in addition to, the interests of other stockholders and that could have influenced their decisions to support or approve the merger.

The interests of some of the executive officers and directors of BR may be different from those of other BR stockholders. As to BR's executive officers, these different interests arise primarily from compensatory arrangements in which the executive officers participate but which are not available to other BR stockholders. These interests consist of, among other things, accelerated vesting of BR stock options, restricted stock and performance share units; the payment of cash bonuses; and the entitlement to severance payments and benefits upon certain terminations of employment. These interests are described in more detail in the section of this proxy statement/prospectus entitled "Interests of BR Directors and Executive Officers in the Merger" beginning on page 59. In addition, upon completion of the merger, Bobby S. Shackouls, Chairman, President and Chief Executive Officer of BR and Steven J. Shapiro, Executive Vice President, Finance and Corporate Development of BR, will retire, and Randy L. Limbacher, currently the Executive Vice President and Chief Operating Officer of BR, will become Executive Vice President of ConocoPhillips responsible for exploration and production activities in North and South America. Mr. Shackouls, Mr. Shapiro and Mr. Limbacher are currently directors of BR. Mr. Shackouls and William E. Wade, Jr., currently an independent director of BR, will join ConocoPhillips' board of directors. BR directors will be entitled to continuation of indemnification and insurance arrangements under the merger agreement.

You should be aware of these interests when you consider the BR board of directors' recommendation that you vote for approval and adoption of the merger agreement.

The failure to obtain required approvals and satisfy closing conditions in a timely manner may delay completion of the merger or reduce the anticipated benefits of the merger.

Edgar Filing: CONOCOPHILLIPS - Form 424B3

Completion of the merger is conditioned upon the receipt of all material governmental authorizations, consents, orders and approvals, including the expiration or termination of the applicable waiting periods, and any extension of the waiting periods, under the HSR Act and the required approval in connection with the Canadian Competition Act and Investment Regulations. ConocoPhillips and BR intend to pursue all required approvals in accordance with the merger agreement. These approvals may impose conditions on or require divestitures relating to the divisions, operations or assets of ConocoPhillips or BR. Such conditions or divestitures may delay completion of the merger or may reduce the anticipated benefits of the merger, although ConocoPhillips is

Table of Contents

required under the merger agreement to take all actions necessary to obtain these approvals. All regulatory approvals required to be obtained prior to closing have been obtained. See *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 74 for a discussion of the conditions to the completion of the merger and *The Merger Regulatory Matters* beginning on page 39 for a description of the regulatory approvals necessary in connection with the merger.

The merger agreement limits BR's ability to pursue alternatives to the merger.

The merger agreement contains provisions that could adversely impact competing proposals to acquire BR. These provisions include the prohibition on BR generally from soliciting any acquisition proposal or offer for a competing transaction and the requirement that BR pay a termination fee of \$1.0 billion in cash if the merger agreement is terminated in specified circumstances in connection with an alternative transaction. In addition, even if the board of directors of BR determines that a competing proposal to acquire BR is superior, BR may not exercise its right to terminate the merger agreement unless it notifies ConocoPhillips of its intention to do so and gives ConocoPhillips at least three business days to propose revisions to the terms of the merger agreement or to make another proposal in response to the competing proposal. See *The Merger Agreement Covenants* beginning on page 66, *The Merger Agreement Termination of the Merger Agreement* beginning on page 75 and *The Merger Agreement Covenants BR Board's Recommendation to Stockholders* beginning on page 68.

ConocoPhillips required BR to agree to these provisions as a condition to ConocoPhillips' willingness to enter into the merger agreement. These provisions, however, might discourage a third party that might have an interest in acquiring all or a significant part of BR from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher value than the current proposed merger consideration. Furthermore, the termination fee may result in a potential competing acquiror proposing to pay a lower per share price to acquire BR than it might otherwise have proposed to pay.

The merger may be dilutive to various financial measurements of ConocoPhillips, which may negatively affect the market price of ConocoPhillips common stock.

ConocoPhillips expects that, in the near term, the merger will be dilutive to its return on capital employed and earnings per share on a pro forma basis. Future events and conditions could cause such dilution to be more significant than expected, including, among other things, adverse changes in

energy market conditions;

commodity prices for oil, natural gas and liquid natural gas;

production levels;

reserve levels;

operating results;

competitive conditions;

laws and regulations affecting the energy business;

capital expenditure obligations; and

general economic conditions.

ConocoPhillips and BR could also encounter other transaction and integration-related costs or other factors, such as the failure to realize benefits from synergies anticipated in the merger. All of these factors could adversely affect the market price of ConocoPhillips common stock.

Table of Contents

The price of ConocoPhillips common stock may be affected by factors different from those affecting the price of BR common stock.

Holders of BR common stock will receive ConocoPhillips common stock in the merger. ConocoPhillips' business is different in certain ways from that of BR (including ConocoPhillips' significant refining and marketing business and its greater exposure to international projects), and ConocoPhillips' results of operations, as well as the price of ConocoPhillips common stock, may be affected by factors different from those affecting BR's results of operations and the price of BR common stock. The price of ConocoPhillips common stock may fluctuate significantly following the merger, including fluctuation due to factors over which ConocoPhillips has no control. For a discussion of ConocoPhillips business and BR's business and certain factors to consider in connection with their businesses, including risk factors associated with their businesses, see ConocoPhillips' Annual Report on Form 10-K for the fiscal year ended December 31, 2004, and Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, and BR's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, which are incorporated by reference into this proxy statement/prospectus. See also the other documents incorporated by reference into this proxy statement/prospectus under the caption "Additional Information for Stockholders - Where You Can Find More Information" beginning on page 101.

Failure to complete the merger could negatively impact the stock price and the future business and financial results of BR.

Although BR has agreed that its board of directors will, subject to fiduciary exceptions, recommend that its stockholders approve and adopt the merger agreement, there is no assurance that the merger agreement and the merger will be approved, and there is no assurance that the other conditions to the completion of the merger will be satisfied. If the merger is not completed, BR will be subject to several risks, including the following:

BR may be required to pay ConocoPhillips a termination fee of \$1.0 billion in cash in the aggregate if the merger agreement is terminated under certain circumstances and BR enters into or completes an alternative transaction;

The current market price of BR common stock may reflect a market assumption that the merger will occur, and a failure to complete the merger could result in a negative perception by the stock market of BR generally and a resulting decline in the market price of BR common stock;

Certain costs relating to the merger (such as legal, accounting and financial advisory fees) are payable by BR whether or not the merger is completed;

There may be substantial disruption to the business of BR and a distraction of its management and employees from day-to-day operations, because matters related to the merger (including integration planning) may require substantial commitments of time and resources, which could otherwise have been devoted to other opportunities that could have been beneficial to BR;

BR's business could be adversely affected if it is unable to retain key employees or attract qualified replacements; and

BR would continue to face the risks that it currently faces as an independent company, as further described in the documents that BR has filed with the SEC that are incorporated by reference into this proxy statement/prospectus.

In addition, BR would not realize any of the expected benefits of having completed the merger. If the merger is not completed, these risks may materialize and materially adversely affect BR's business, financial results, financial condition and stock price.

The shares of ConocoPhillips common stock to be received by BR stockholders as a result of the merger will have different rights from the shares of BR common stock.

BR stockholders will become ConocoPhillips stockholders and their rights as stockholders will be governed by the certificate of incorporation and by-laws of ConocoPhillips and Delaware corporate law. The rights

Table of Contents

associated with BR common stock are different from the rights associated with ConocoPhillips common stock. See the section of this proxy statement/prospectus titled "Comparison of Stockholder Rights" beginning on page 81 for a discussion of the different rights associated with ConocoPhillips common stock.

BR stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

After the merger's completion, BR stockholders will own a significantly smaller percentage of ConocoPhillips than they currently own of BR. Following completion of the merger, BR stockholders will own approximately 16% of the combined company. Consequently BR stockholders will have less influence over the management and policies of ConocoPhillips than they currently have over the management and policies of BR.

The opinions obtained by BR from its financial advisors will not reflect changes in circumstances between signing the merger agreement and the completion of the merger.

Each of Morgan Stanley and JPMorgan, BR's financial advisors, has delivered a fairness opinion to the BR board of directors. Each opinion states that, as of December 12, 2005, the consideration to be received by BR stockholders pursuant to the merger agreement was fair from a financial point of view to BR stockholders. The opinions do not reflect changes that may occur or may have occurred after December 12, 2005, including changes to the operations and prospects of BR or ConocoPhillips, changes in general market and economic conditions or other factors. Any such changes, or other factors on which the opinions are based, may significantly alter the value of BR or ConocoPhillips or the prices of shares of BR common stock or ConocoPhillips common stock by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or as of any date other than the date of such opinions. For a description of the opinions that BR received from its financial advisors, see "Opinions of BR's Financial Advisors" beginning on page 44. For a description of the other factors considered by BR's board of directors in determining to approve the merger, see "The Merger: BR's Reasons for the Merger and the BR Board's Recommendation" beginning on page 29.

Risk Factors Relating to ConocoPhillips

ConocoPhillips is an international integrated energy company with a diversified business portfolio, strong balance sheet, and a history of generating sufficient cash to fund capital expenditure and investment programs and to pay dividends. Nevertheless, some inherent risks could materially impact ConocoPhillips' financial results of operations or financial condition.

ConocoPhillips is exposed to the effects of changing commodity prices.

ConocoPhillips is primarily in a commodities business with a history of price volatility. Many of the factors influencing the prices of oil, natural gas, natural gas liquids and refined products are beyond ConocoPhillips' control. Generally, ConocoPhillips' policy is to remain exposed to market prices of commodities; however, ConocoPhillips' management may elect to use derivative instruments to hedge the price risk of the ConocoPhillips' crude oil and natural gas production, as well as refinery margins, although there can be no assurance that those hedging strategies, if employed, will be successful. A significant, persistent decline in commodity prices may have a material adverse effect on its results of operations and its capital expenditure and investment plans.

The scope of ConocoPhillips' business will decline if it does not successfully develop resources.

The rate of production from oil and natural gas properties generally declines as reserves are depleted. Except to the extent ConocoPhillips acquires additional properties containing proved reserves, conducts successful exploration and development activities or, through engineering studies, identifies additional secondary

Table of Contents

recovery reserves, ConocoPhillips' proved reserves will decline materially as it produces oil and natural gas. Accordingly, if it is not successful in replacing the crude oil and natural gas it produces with good prospects for future production, its business will decline. Creating and maintaining an inventory of projects depends on many factors, including obtaining rights to explore, develop and produce hydrocarbons in promising areas, drilling success, ability to bring long lead-time, capital intensive projects to completion on budget and on schedule, and efficient and profitable operation of mature properties.

ConocoPhillips' operations could be disrupted by natural or human factors.

ConocoPhillips operates in both urban areas and remote and sometimes inhospitable regions. ConocoPhillips' operations and facilities are therefore subject to disruption from either natural or human causes, including hurricanes, earthquakes, floods and other forms of severe weather, war, civil unrest and other political events, fires and explosions. All such hazards could result in loss of human life, significant property and equipment damage, environmental pollution, impairment of operations and substantial losses to ConocoPhillips. ConocoPhillips maintains insurance against many, but not all, potential losses or liabilities arising from these operating hazards in amounts that it believes to be prudent. Uninsured losses and liabilities arising from operating hazards could reduce the funds available to ConocoPhillips for exploration, drilling, production and other capital expenditures and could materially reduce ConocoPhillips' profitability.

ConocoPhillips' business subjects it to liability risks.

ConocoPhillips produces, transports, refines and markets materials with potential toxicity, and it purchases, handles and disposes of other potentially toxic materials in the course of its business. ConocoPhillips' operations also produce byproducts, some of which may be considered pollutants. Any of these activities could result in liability, either as a result of an accidental, unlawful discharge or as a result of new conclusions on the effects of the ConocoPhillips' operations on human health or the environment.

Political instability could harm ConocoPhillips' business.

ConocoPhillips' operations, particularly exploration and production, can be affected by changing economic, regulatory and political environments in the various countries in which it operates. As has occurred in the past, actions could be taken by host governments to increase public ownership of ConocoPhillips' partially or wholly owned businesses, and/or to impose additional taxes or royalties.

In some locations, host governments have imposed restrictions, controls and taxes, and in others, political conditions have existed that may threaten the safety of employees and ConocoPhillips' continued presence in those countries. Internal unrest, acts of violence or strained relations between a host government and ConocoPhillips or other governments may affect ConocoPhillips' operations. Those developments have, at times, significantly affected ConocoPhillips' related operations and results, and are carefully considered by management when evaluating the level of current and future activity in such countries.

Table of Contents

**CAUTIONARY STATEMENT CONCERNING
FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus and the SEC filings that are incorporated by reference into this proxy statement/prospectus contain or incorporate by reference forward-looking statements that have been made pursuant to the provisions of, and in reliance on the safe harbor under, the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections. Words such as anticipates, expects, intends, plans, believes, seeks, could, should, will, estimates and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. In that event, BR s or ConocoPhillips business, financial condition or results of operations could be materially adversely affected, and investors in BR s or ConocoPhillips securities could lose part or all of their investment. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus or, in the case of documents incorporated by reference, the date referenced in those documents. We are not obligated to update these statements or publicly release the result of any revision to them to reflect events or circumstances after the date of this proxy statement/prospectus or, in the case of documents incorporated by reference, the date referenced in those documents, or to reflect the occurrence of unanticipated events.

You should understand that the following important factors, in addition to those discussed under the caption Risk Factors beginning on page 18 and elsewhere in this proxy statement/prospectus, and in the documents which are incorporated by reference into this proxy statement/prospectus, could affect the future results of ConocoPhillips and BR, and of the combined company after the completion of the merger, and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements:

Economic and Industry Conditions

materially adverse changes in economic, financial or industry conditions generally or in the markets served by our companies

the competitiveness of alternative energy sources or product substitutes

actions of competitors

fluctuations in crude oil, natural gas and natural gas liquids prices

refining and marketing margins

petrochemicals prices and competitive conditions affecting supply and demand for aromatics, olefins and additives products

changes in demographics and consumer preferences

international monetary conditions and exchange controls

Transaction or Commercial Factors

the outcome of negotiations with partners, governments, suppliers, unions, customers or others

our ability to successfully integrate the operations of ConocoPhillips and BR after the merger and to minimize the diversion of management's attention and resources during the integration process

the process of, or conditions imposed in connection with, obtaining regulatory approvals for the merger

Table of Contents

Political/Governmental Factors

political instability or civil unrest in the areas of the world relating to our operations

political developments and laws and regulations, such as forced divestiture of assets, restrictions on production or on imports or exports, price controls, tax increases and retroactive tax claims, expropriation of assets, cancellation of contract rights, and environmental laws or regulations

potential liability for remedial actions, including removal and reclamation obligations, under environmental regulations

liability for litigation

inability to timely obtain permits, comply with government regulations or make capital expenditures required to maintain compliance

Operating Factors

changes of business, operations, results and prospects

potential failure to achieve expected production from existing and future oil and natural gas development projects due to operating hazards, drilling risks and the inherent uncertainties in predicting oil and gas reserves and oil and gas reservoir performance

potential delays in the development, construction or start-up of planned projects

successful introduction of new products

labor relations

accidents or technical difficulties

changes in operating conditions and costs

weather and natural disasters

failure of new products and services to gain market acceptance

Edgar Filing: CONOCOPHILLIPS - Form 424B3

operation and financing of joint ventures

unsuccessful exploratory drilling activities

failure to complete definitive agreements and feasibility studies for, and to timely complete construction of, announced and future projects and facilities

Technology Factors

crude oil, natural gas and petrochemical project advancement

the development and use of new technology including liquified natural gas technology by us or our competitors

unexpected changes in costs or technological requirements for constructing, modifying or operating facilities for exploration and production projects, manufacturing or refining.

Table of Contents

THE MERGER

General

BR's board of directors is using this document to solicit proxies from the holders of BR common stock for use at the BR special meeting, at which holders of BR common stock will be asked to vote upon approval and adoption of the merger agreement. In addition, ConocoPhillips is sending this document to BR stockholders as a prospectus in connection with the issuance of shares of ConocoPhillips common stock in exchange for shares of BR common stock in the merger.

The Companies

ConocoPhillips. ConocoPhillips is an international, integrated energy company, known worldwide for its technological expertise in deepwater exploration and production, reservoir management and exploitation, 3-D seismic technology, petroleum coke upgrading and sulfur removal from petroleum feedstocks. Headquartered in Houston, Texas, ConocoPhillips, operating in more than 40 countries, had approximately 35,800 employees worldwide and assets of \$104 billion at September 30, 2005. ConocoPhillips has four core activities worldwide: petroleum exploration and production; petroleum refining, marketing, supply and transportation; natural gas gathering, processing and marketing; and chemicals and plastics production and distribution. In addition, ConocoPhillips is investing in several emerging businesses—fuels technology, gas-to-liquids, power generation and emerging technologies—that provide current and potential future growth opportunities.

Cello Acquisition Corp. Cello Acquisition Corp., a wholly owned subsidiary of ConocoPhillips, was incorporated in Delaware on December 12, 2005, solely for the purpose of effecting the merger with BR. It has not carried on any activities other than in connection with the merger agreement. Cello Acquisition Corp.'s principal place of business is located at 600 North Dairy Ashford, Houston, Texas 77079 and its telephone number is (281) 293-1000.

BR. BR is one of the world's leading independent oil and natural gas exploration and production companies with a focus on natural gas, long-life reserves, strong cash flow generation throughout the business cycle, and high expertise in managing major development programs and maximizing recovery from geologically complex reservoirs. BR has assembled an international portfolio that offers a combination of current production growth and long-term potential. Headquartered in Houston, BR employs more than 2,200 people, with major offices located in Calgary, Alberta; London, England; Farmington, New Mexico; Midland, Texas and Fort Worth, Texas.

Background of the Merger

The board of directors and senior management of BR periodically discuss BR's long-range plans and consider alternative strategies for increasing stockholder value. In addition to discussing worldwide oil and natural gas exploration and development opportunities, midstream and downstream ventures and possible acquisitions of properties and smaller companies within the industry, BR has from time to time considered business combinations with equal or larger size companies.

Edgar Filing: CONOCOPHILLIPS - Form 424B3

In recent years, the Chairman, President and Chief Executive Officer of BR, Bobby S. Shackouls, has periodically met with the Chairman and Chief Executive Officer of ConocoPhillips, James J. Mulva, to discuss general industry conditions and the activities of industry organizations to which both companies belong. They discussed ConocoPhillips' potential interest in a business combination with BR, but no specific proposals were communicated to Mr. Shackouls. During this period, Mr. Shackouls from time to time engaged in discussions with senior management of other smaller, equal size or larger oil and gas companies. These discussions, which were of a general nature, did not result in any specific business combination proposals due to one or a combination of factors including a lack of strategic fit, differing perceptions of value, or execution risk.

Table of Contents

ConocoPhillips' board of directors and senior management regularly discuss various strategies for the company to increase stockholder value. These discussions have from time to time included the possibility

of business combinations with a number of other companies, including BR, as well as numerous other possibilities. On October 17, 2005, Mr. Mulva had discussions with Mr. Shackouls regarding general industry matters and they discussed scheduling a lunch meeting. In anticipation of the lunch meeting with Mr. Shackouls, Mr. Mulva briefed the ConocoPhillips board of directors on November 9, 2005 with respect to a

potential meeting with BR that could result in discussions regarding a possible business combination between the two companies. The ConocoPhillips board of directors authorized Mr. Mulva to meet again with Mr. Shackouls and pursue discussions if he deemed it appropriate, subject to further review by the ConocoPhillips board of directors.

Messrs. Shackouls and Mulva met on November 14, 2005, and discussed, among other things, whether it would be appropriate to consider a combination of the companies at that time. At that meeting, Mr. Mulva suggested that he and other ConocoPhillips senior executives meet with Mr. Shackouls and other BR senior executives to discuss a potential business combination. Mr. Shackouls indicated that he would confer with the BR board of directors about Mr. Mulva's suggestion. Mr. Shackouls subsequently discussed Mr. Mulva's suggestion with the members of the BR board of directors. It was the consensus of the directors that Mr. Shackouls, together with BR's Executive Vice President and Chief Operating Officer, Randy L. Limbacher, and Executive Vice President, Finance and Corporate Development, Steven J. Shapiro, attend the meeting proposed by Mr. Mulva and report back to the BR board of directors.

On November 30, 2005, Messrs. Shackouls, Limbacher and Shapiro met in Houston, Texas with Mr. Mulva, John E. Lowe, Executive Vice President Planning, Strategy and Corporate Affairs of ConocoPhillips, and John A. Carrig, Executive Vice President and Chief Financial Officer of ConocoPhillips. The ConocoPhillips senior management team outlined a possible merger transaction in which the purchase price would be based on a combination of cash and stock, at a fixed exchange ratio, not subject to adjustment, and BR stockholders would receive a premium for their shares as well as the opportunity to participate, through a significant equity interest, in the future growth of a combined ConocoPhillips/BR. The ConocoPhillips management also discussed the complementary fit between the two companies' assets and operations, particularly in the U.S. and Canada, and the potential to create long-term value through a global, integrated oil and natural gas company with a strong North American natural gas position and a diversified portfolio. They also discussed the possible role of Mr. Limbacher in a new combined organization, as well as possible representation for BR directors on the board of directors of ConocoPhillips. It was understood that the combined company would have a broader emphasis on upstream activities and that Mr. Limbacher's experience and expertise were such that he would be able to play a significant role in the combined enterprise. The presentation by ConocoPhillips management suggested a price representing a 15% premium over an average BR stock price. Mr. Mulva suggested that the parties proceed with a mutual due diligence review, subject to a confidentiality agreement, and negotiation of a merger agreement within a two-week time frame. Mr. Shackouls noted that a 15% share price premium, which at the time represented a price in the low \$80 per share range, would likely not be acceptable to BR's board of directors but that Mr. Shackouls would report back to the BR board of directors on the substance of the discussions with ConocoPhillips.

On December 2, 2005, Mr. Shackouls reported by telephone to the members of the BR board of directors the substance of the November 30, 2005 meeting with ConocoPhillips senior management. Later that day, Mr. Shackouls advised Mr. Mulva that the BR board of directors had concurred with management's recommendation not to pursue discussions about a possible business combination. Mr. Mulva responded that the ConocoPhillips senior management team had subsequent to the parties' prior meeting discussed offering a combination of cash and ConocoPhillips stock that would result in an \$85-\$90 per share value to BR stockholders. Mr. Shackouls indicated that, if ConocoPhillips was willing to consider a transaction that would provide a value to BR stockholders of not less than \$90 per share, he would present that proposal to the BR board of directors.

Table of Contents

Mr. Mulva contacted Mr. Shackouls by telephone on December 4, 2005. He advised that, subject to confirmatory due diligence and approval of the ConocoPhillips board of directors, ConocoPhillips management was prepared to recommend a transaction in which BR stockholders would receive consideration comprising 50% cash and 50% ConocoPhillips stock, equating to approximately \$91 for each share of BR common stock to be based on the closing prices of ConocoPhillips common stock prior to the date of entering into the merger agreement. Mr. Mulva also discussed certain other possible terms of a merger agreement, including a 3% break-up fee payable in various circumstances, including a change in the BR board of directors' recommendation of the merger, and a requirement that BR hold a stockholders meeting to vote on the merger even if the BR board of directors had withdrawn its recommendation, and other related provisions, and proposed that two BR directors be included on the combined company's board of directors. Mr. Mulva suggested that the companies promptly commence due diligence and negotiations, with the goal of reaching final agreement by December 13, 2005. Mr. Shackouls agreed at that time to consult with BR's board of directors and, if supported by BR's board of directors, to proceed with due diligence and preliminary discussions about the terms of a possible transaction.

On December 5, 2005, Mr. Shackouls consulted with all the members of the BR board of directors and they authorized BR management to proceed with the execution of a confidentiality agreement and due diligence.

BR and ConocoPhillips executed a confidentiality agreement on December 5, 2005, following which the parties exchanged certain non-public information. On December 7, 2005, members of BR's senior management and representatives of BR's financial advisor, Morgan Stanley, met with members of ConocoPhillips' senior management to review each company's long-range plans, business strategies, operations, principal properties, financial statements, capital budgets, contingent liabilities, legal and environmental matters and other related topics.

On December 6, 2005, ConocoPhillips furnished to BR a draft of a proposed merger agreement. Between December 5 and December 12, 2005, various discussions also took place between Wachtell, Lipton, Rosen & Katz, counsel to ConocoPhillips, and Fried, Frank, Harris, Shriver & Jacobson LLP, counsel to BR.

On December 9, 2005, the ConocoPhillips board of directors met. ConocoPhillips' management updated the ConocoPhillips board of directors on the status of discussions with BR and the due diligence process. The ConocoPhillips board of directors also reviewed the potential strategic and other benefits of a merger with BR and discussed other strategic issues. They also received a legal presentation from Wachtell, Lipton, Rosen & Katz. After a discussion, ConocoPhillips' board of directors authorized Mr. Mulva and ConocoPhillips' senior management to continue discussions with BR.

On December 10, 2005, the BR board of directors met with BR's senior management and BR's financial and legal advisors. BR's management updated the BR board of directors on the status of discussions with ConocoPhillips and the due diligence process. The BR board of directors also reviewed BR's long-range strategic plan, potential strategic alternatives and the potential strategic and other benefits of a merger with ConocoPhillips. They also received a legal presentation from Fried, Frank, Harris, Shriver & Jacobson LLP and a preliminary financial presentation from Morgan Stanley. After a discussion, BR's board of directors instructed Mr. Shackouls to continue discussions with ConocoPhillips, focusing on price, certainty of consummation, deal protection provisions and retention of key operational personnel.

On December 11, 2005, Mr. Shackouls contacted Mr. Mulva to discuss the key issues raised by the BR board of directors in its December 10 meeting. Mr. Shackouls requested that ConocoPhillips improve its price proposal. Mr. Shackouls also indicated that BR expected ConocoPhillips to assume all regulatory risk in connection with a transaction, to reduce its requested break-up fee of 3%, to provide that a break-up fee would be payable only upon signing or consummation of another deal (and not merely upon a change by BR's board of directors of its recommendation of the deal), to give BR the right to terminate the merger agreement for a superior offer, and to work with BR to provide appropriate protections to employees of BR who would be important to a successful transition for the combined company. Mr. Mulva initially indicated that he would not

Table of Contents

be able to respond to Mr. Shackouls' requests until the following day. However, later that same evening, after learning that the press was reporting rumors of a potential transaction, Mr. Mulva contacted Mr. Shackouls again. He proposed that BR stockholders would receive \$46.50 in cash and 0.7214 of a share of ConocoPhillips common stock for each share of BR common stock owned, which equated to approximately \$92 per share based on the closing sale price of ConocoPhillips common stock on December 9, 2005. Mr. Mulva also proposed a break-up fee of \$1.0 billion (approximately 2.8% of the equity value based upon a price of \$92 per share) and substantially agreed to the other principal terms suggested by Mr. Shackouls. Mr. Mulva and Mr. Shackouls agreed to work to finalize a transaction by the following evening, subject to approval by the two companies' respective boards of directors.

Mr. Shackouls and other members of BR's senior management contacted members of the BR board of directors by telephone that evening to brief them on the developments and discuss their availability for a December 12, 2005 meeting of the BR board of directors. That same evening, counsel to BR provided comments on the draft merger agreement to ConocoPhillips' counsel.

On the morning of December 12, 2005, Mr. Shackouls convened a telephone conference call to update the members of the BR board of directors. A board meeting was scheduled for later that day.

During the day of December 12, 2005, Mr. Mulva convened a telephonic board meeting of the ConocoPhillips board of directors to discuss further the potential transaction with BR. At the board meeting, the ConocoPhillips board of directors reviewed with senior management and ConocoPhillips' financial and legal advisors the proposed merger. ConocoPhillips' senior management provided an update on the status of discussions. Legal counsel reviewed with the ConocoPhillips' board of directors the material terms of the proposed merger agreement. Goldman, Sachs & Co. and Citigroup Global Markets Inc., ConocoPhillips' financial advisors, each gave a financial presentation and orally delivered their opinions to the board of directors of ConocoPhillips as to the fairness of the merger consideration, from a financial point of view, to ConocoPhillips. After discussion and consideration, the ConocoPhillips board of directors approved the merger agreement and the transactions contemplated thereby.

During the course of the day, the parties and their counsel worked to finalize the terms of the merger agreement.

On the afternoon of December 12, 2005, the BR board of directors met with senior management and BR's financial and legal advisors to review the proposed merger. At that meeting, BR's management provided an update on the status of discussions. Legal counsel reviewed with the BR board of directors the material terms of the proposed merger agreement. Morgan Stanley and JPMorgan, BR's financial advisors, each gave a financial presentation and orally delivered their opinions as to the fairness of the merger consideration, from a financial point of view, to BR stockholders subject to the assumptions, qualifications and limitations set forth in their opinions. After discussion and consideration of the factors described under BR's Reasons for the Merger and the BR Board's Recommendation, the BR board of directors unanimously approved the merger agreement and the transactions contemplated thereby.

On the evening of December 12, 2005, BR and ConocoPhillips executed the merger agreement and later that evening the parties publicly announced that they had entered into a definitive agreement.

BR's Reasons for the Merger and the BR Board's Recommendation

Edgar Filing: CONOCOPHILLIPS - Form 424B3

The BR board of directors, at a special meeting held on December 12, 2005, unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, were advisable and in the best interests of BR and its stockholders. The BR board of directors has approved the merger agreement and unanimously recommends BR stockholders vote FOR approval and adoption of the merger agreement and the transactions contemplated thereby, including the merger.

Table of Contents

In reaching its decision, the BR board of directors consulted with BR's management and its financial and legal advisors in this transaction. In concluding that the merger is in the best interests of BR and its stockholders, the BR board of directors considered a variety of factors, including the following material factors:

The merger consideration of \$46.50 in cash plus 0.7214 of a share of ConocoPhillips common stock (with a combined value equal to \$92 per share based upon the closing sale price of ConocoPhillips common stock on December 9, 2005, the last trading day prior to press accounts speculating that BR and ConocoPhillips were engaged in merger discussions), represents a premium of approximately 28.1% to the average closing price of the BR common stock for the 30 days ending on December 9, 2005, and approximately 20.9% to the closing sale price of the BR common stock on December 9, 2005.

The BR board of directors considered the opinions of each of Morgan Stanley and JPMorgan, BR's financial advisors, that, as of December 12, 2005, and based upon and subject to the assumptions, qualifications and limitations set forth in the opinions, the consideration to be paid to BR stockholders pursuant to the merger agreement was fair from a financial point of view to the stockholders of BR. See "Opinions of BR's Financial Advisors" beginning on page 44.

BR stockholders will receive a substantial cash payment for their shares, while at the same time retaining a large equity stake in the combined company, which will afford BR stockholders the opportunity to participate in the future financial performance of a larger, more diversified, global, integrated energy company. The BR board of directors noted that ConocoPhillips was one of the five largest integrated energy companies in the world and further noted the complementary strategic fit between BR, whose business is heavily weighted towards North American natural gas exploration and production, and ConocoPhillips, whose exploration and production business is weighted more towards oil and includes a significantly greater exposure to international oil and gas projects. The combined company will become a leading producer of natural gas in North America.

Stock prices of oil and gas companies are highly sensitive to changes in commodity prices. BR's common stock has recently traded at an all-time high, reflecting recent prices of North American natural gas which, in the view of BR's management, were affected by the Gulf of Mexico hurricane season that significantly impacted energy supply and infrastructure. The BR board of directors, with BR's management and financial advisors, reviewed overall market conditions, including current and anticipated prospective commodity prices and recent trading prices for BR common stock. While future prices for natural gas and oil could be higher or lower than the levels as of the date of execution of the merger agreement, the BR board of directors believed, in light of current market conditions, that the timing of the transaction was favorable to BR.

Because of geographic overlaps between BR's principal exploration and production assets and the Canadian and Lower-48 domestic exploration and production assets of ConocoPhillips, the BR board of directors believed that the combined company should realize operational benefits from the combination of these assets, as well as achieve cost savings and other synergies. The BR board of directors noted that no assurances can be given that any particular level of cost savings or synergies will be achieved.

The BR board of directors noted that the common stock of ConocoPhillips currently trades at lower multiples of earnings and cash flows than the stocks of other major, integrated oil and gas companies and that there may be potential for BR stockholders to realize additional value over time through appreciation of ConocoPhillips common stock. The BR board of directors also noted that ConocoPhillips has historically provided higher dividend yields to its stockholders than BR has historically provided to its stockholders.

The BR board of directors considered possible alternatives to the merger, including the possibility of an alternative transaction with a third party. The BR board of directors believed that a limited number of other companies might potentially have an interest in a business combination transaction with BR. The BR board of directors believed that it was uncertain that another third party would have an interest in such a transaction and concluded that there was no assurance that solicitation of alternative proposals from third parties would lead to a proposal that would be more favorable to BR stockholders than the

Table of Contents

transaction proposed by ConocoPhillips. Moreover, the BR board of directors recognized that soliciting alternative proposals would take time and could result in ConocoPhillips withdrawing or reducing its offer. In light of the benefits of the merger transaction with ConocoPhillips, the BR board of directors determined not to solicit alternative proposals prior to execution of the merger agreement with ConocoPhillips. The BR board of directors noted that the merger agreement permits BR, under certain circumstances, to provide information to and engage in discussions with third parties, and to terminate the merger agreement for a superior proposal. The BR board of directors considered potential values realizable by remaining an independent company and pursuing BR's long-range plan on a stand-alone basis, including under scenarios involving a possible leveraged recapitalization. The BR board of directors noted that results achieved under BR's long-term stand-alone business plan would be highly dependant upon future commodity prices and BR's ability to maintain or add to the level of its proved reserves and to offset expected declines in future production from its principal producing assets, including through acquisitions of additional properties. The BR board of directors noted that the long-range plan would take time to execute and would require substantial expenditures by BR.

The BR board of directors, with the assistance of its advisors, considered the general terms and conditions of the merger agreement, including the parties' representations, warranties and covenants, the conditions to their respective obligations as well as the likelihood of consummation of the merger, the proposed transaction structure, the termination provisions of the agreement and the BR board of directors evaluation of the likely time period necessary to close the transaction. The BR board of directors considered the following specific aspects of the merger agreement:

The limited nature of the closing conditions included in the merger agreement, including the absence of any financing contingency and the fact that the transaction is not subject to approval by ConocoPhillips stockholders, and the likelihood of satisfaction of all conditions to the consummation of the merger. In this regard, under the merger agreement, ConocoPhillips is required to take all actions necessary to obtain regulatory approvals. ConocoPhillips is generally obligated to close the merger notwithstanding any breaches of BR's representations and warranties, unless those breaches would in the aggregate have a material adverse effect on BR taken as a whole. The BR board of directors noted that a material adverse effect excludes effects of changes in general regulatory or economic conditions, changes in industry conditions, including changes in commodity prices, and changes resulting from the execution, announcement or pendency of the merger.

The merger agreement provides for a fixed exchange ratio with respect to the stock portion of the merger consideration, regardless of any change in the value of ConocoPhillips stock between signing and closing of the merger. Although BR stockholders will not receive additional consideration if the price of ConocoPhillips common stock is lower at the time of closing than prior to the signing of the merger agreement and will receive lesser value, BR stockholders will receive the benefit of any increase in value of ConocoPhillips common stock as well as a substantial cash payment that will not be affected by any change in the stock price of ConocoPhillips.

BR is not permitted to actively solicit alternative proposals although, subject to the limitations and restrictions in the merger agreement, the BR board of directors is permitted to furnish information to and engage in negotiations with a third party who submits an alternative proposal and change its recommendation to BR stockholders and/or to terminate the merger agreement if BR receives a superior proposal. Prior to changing its recommendation or terminating the merger agreement by reason of a superior proposal, BR must inform ConocoPhillips of the material terms of the alternative transaction and afford ConocoPhillips not less than three business days to submit a revised proposal. In addition, under certain circumstances, BR is obligated to pay to ConocoPhillips a termination fee of \$1.0 billion in cash if the merger agreement is terminated. It is possible that these provisions could discourage a competing proposal to acquire BR or reduce the price in an alternative transaction; however, after considering factors including, among other

Table of Contents

things, its discussions with BR's financial and legal advisors, the BR board of directors concluded that these provisions should not preclude another party from making a competing proposal.

ConocoPhillips has agreed (1) to honor BR's benefit plans in accordance with their terms, (2) to provide continuing BR employees, for at least 18 months following completion of the merger, with compensation and employee benefits under either BR's benefit plans or under ConocoPhillips benefit plans that, in the aggregate, are no less favorable than BR's benefit plans and (3) to permit BR to establish a retention program for key non-executive operations and operations-related employees who are expected to remain with the combined company.

The merger is subject to the approval and adoption of the merger agreement by a majority of the outstanding shares of BR common stock. BR stockholders who do not vote in favor of the approval and adoption of the merger agreement are entitled to appraisal rights under Delaware law. See [Appraisal Rights](#) beginning on page 40.

After considering the above matters, the BR board of directors concluded that the merger was in the best interests of the stockholders of BR.

In the course of its deliberations, the BR board of directors also considered a variety of risks and other potentially negative factors, including the following:

Because the merger agreement provides for a fixed exchange ratio, if the price of ConocoPhillips common stock at the time of closing is lower than the price as of the time of signing, the value received by holders of BR common stock in the merger could be materially less than the value as of the date of the merger agreement.

The risks of the type and nature described under [Risk Factors](#) beginning on page 18.

The restrictions on solicitation of alternative proposals, the right of ConocoPhillips to obtain information with respect to any alternative proposals and to a three business day negotiating period after receipt by BR of a superior proposal, and the termination fee provisions, described above. As previously noted, it is possible that these provisions could discourage a competing proposal to acquire BR or reduce the price in an alternative transaction; however, as described above, after considering factors including among other things its discussions with BR's financial and legal advisors, the BR board of directors concluded that these provisions should not preclude another party from making a competing proposal.

Certain of BR's directors and officers may have conflicts of interest in connection with the merger, as they may receive certain benefits that are different from, and in addition to, those of BR's other stockholders. See [Interests of BR Directors and Executive Officers in the Merger](#) beginning on page 59.

BR may incur significant risks and costs if the merger does not close, including the diversion of management and employee attention during the period after the signing of the merger agreement, potential employee attrition and the potential effect on BR's business and relations with customers and service providers. In that regard, under the merger agreement, BR must conduct its business in the ordinary course and is subject to a variety of other restrictions on the conduct of its business prior to completion of the merger or termination of the merger agreement, which may delay or prevent BR from undertaking business opportunities that may arise or preclude actions that would be advisable if BR were to remain an independent public company.

The foregoing discussion of the information and factors discussed by the BR board of directors is not exhaustive but does include the material factors considered by the BR board of directors. The BR board of directors did not quantify or assign any relative or specific weight to the various factors that it considered. Rather, the BR board of directors based its recommendation on the totality of the information presented to and

considered by it. In addition, individual members of the BR board of directors may have given different weight to different factors.

Table of Contents

ConocoPhillips Reasons for the Merger

The ConocoPhillips board of directors has approved the merger agreement and believes the complementary assets and strategies of ConocoPhillips and BR, in combination with their personnel, technical expertise and financial strength, will create a company with capabilities and resources better positioned to succeed and grow in the new competitive energy marketplace. The ConocoPhillips board of directors approved the merger agreement after ConocoPhillips senior management discussed with the ConocoPhillips board of directors the business, assets, liabilities, results and operations, financial performance and prospects, and possibilities of continued growth of BR.

ConocoPhillips believes the merger joins two well-managed companies, providing strategic and financial benefits to stockholders of ConocoPhillips. ConocoPhillips expects the benefits to include:

creation of a leading North American natural gas position comprised of high-quality, long-lived, low-risk gas reserves with significant unconventional resource potential and enhanced production growth;

enhanced business mix with a higher proportion of exploration and production assets, assets in Organisation for Economic Co-operation and Development countries and North American natural gas;

significant free cash flow and synergy benefits; and

access to BR's talented and technically capable workforce.

Accounting Treatment

The combination of the two companies will be accounted for as an acquisition of BR by ConocoPhillips using the purchase method of accounting.

The purchase price (reflecting the cash consideration and the weighted average price of ConocoPhillips common stock two days before, two days after and the first trading day after the transaction was announced on the evening of Monday, December 12, 2005) will be allocated to BR's identifiable assets and liabilities based on their respective estimated fair values at the closing date of the acquisition, and any excess of the purchase price over those fair values will be accounted for as goodwill. The valuation of BR's assets and liabilities and the finalization of plans for restructuring after the closing of the merger have not yet been completed. The allocation of the purchase price reflected in this proxy statement/prospectus may be revised as additional information becomes available.

Material United States Federal Income Tax Consequences of the Merger

The following is the opinion of White & Case LLP, special U.S. tax counsel to BR, and sets forth, as of the date of this proxy statement/prospectus and subject to the assumptions and limitations contained herein, the material U.S. federal income tax consequences of the

Edgar Filing: CONOCOPHILLIPS - Form 424B3

merger to U.S. holders and non-U.S. holders (as defined below) of BR common stock. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. This discussion is based upon the Code, the regulations of the U.S. Treasury Department and court and administrative rulings and decisions in effect and available on the date of this proxy statement/prospectus, any of which may change, possibly retroactively. Such a change could affect the continuing validity of this discussion. This discussion is also based on certain representations that have been provided by ConocoPhillips and BR as of the date of this proxy statement/prospectus and the assumption that such representations will be true, accurate and complete in all respects as of the completion of the merger.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of BR common stock who for U.S. federal income tax purposes is:

a citizen or resident of the United States;

a corporation, or an entity treated as a corporation, created or organized in or under the laws of the United States or any state or political subdivision thereof;

Table of Contents

a trust that (i) is subject to (a) the primary supervision of a court within the United States and (b) the authority of one or more U.S. persons to control all substantial decisions or (ii) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person; or

an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) holds BR common stock, the tax treatment of a partner generally will depend on the status of the partners and the activities of the partnership. If you are a partner of a partnership holding BR common stock, you should consult your tax advisors.

A non-U.S. holder of BR common stock is a holder, other than an entity or arrangement classified as a partnership for U.S. federal income tax purposes, that is not a U.S. holder.

This discussion assumes that you hold your shares of BR common stock as capital assets within the meaning of the Code. Further, except as specifically set forth below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

a financial institution;

a tax-exempt organization;

an S corporation or other pass-through entity;

an insurance company;

a mutual fund;

a dealer in stocks and securities, or foreign currencies;

a trader in securities who elects the mark-to-market method of accounting for your securities;

a holder of BR common stock subject to the alternative minimum tax provisions of the Code;

a holder of BR common stock who received his or her BR common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

Edgar Filing: CONOCOPHILLIPS - Form 424B3

certain expatriates or a person that has a functional currency other than the U.S. dollar;

a regulated investment company;

a real estate investment trust;

a controlled foreign corporation;

a passive foreign investment company;

a non-U.S. holder who actually or constructively owns or has owned, at any time during the five-year period up to and including the effective time, more than a 5% equity interest in BR;

a holder of options granted under any BR benefit plan; or

a holder of BR common stock who holds BR common stock as part of a hedge against currency risk, a straddle or a constructive sale or a conversion transaction.

Holders of BR common stock are strongly urged to consult their tax advisors as to the specific tax considerations of the merger, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws in their particular circumstances.

In General Merger

Completion of the merger is conditioned on, among other things, the receipt by each of BR and ConocoPhillips of tax opinions from White & Case LLP and Wachtell, Lipton, Rosen & Katz, respectively, that

Table of Contents

for U.S. federal income tax purposes the merger will constitute a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on certain assumptions and on representation letters provided by ConocoPhillips and BR to be delivered at the time of closing.

ConocoPhillips and BR have not and will not seek any ruling from the Internal Revenue Service regarding any matters relating to the merger, and as a result, there can be no assurance that the IRS will not disagree with or challenge any of the conclusions described herein.

BR has received an opinion of White & Case LLP, dated as of the date of this proxy statement/prospectus, to the effect that the merger for U.S. federal income tax purposes will constitute a reorganization within the meaning of Section 368(a) of the Code.

In rendering its opinion, White & Case LLP has relied, among other things, on (i) representations and covenants made by ConocoPhillips and BR, including those contained in representation letters provided by ConocoPhillips and BR as of the date of this proxy statement/prospectus and in the merger agreement, and (ii) certain assumptions, including an assumption regarding the completion of the merger in the manner contemplated by the merger agreement and this proxy statement/prospectus. In addition, White & Case LLP's opinion assumes the absence of changes in existing facts or in law between the date of this proxy statement/prospectus and the effective time of the merger, and that all of the representations and covenants made by ConocoPhillips and BR will continue to be true and accurate in all respects as of the effective time of the merger. If any of the representations, covenants or assumptions are inaccurate, incomplete or untrue or any of the covenants are breached, White & Case LLP's opinion contained herein could be affected.