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CONOCOPHILLIPS
Form 11-K
June 24, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

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

For the fiscal year ended DECEMBER 31, 2004

OR

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

For the transition period from _____ to _____

Commission file number 001-32395

CONOCOPHILLIPS SAVINGS PLAN
(Full title of the Plan)

CONOCOPHILLIPS
(Name of issuer of securities)

600 NORTH DAIRY ASHFORD
HOUSTON, TEXAS 77079
(Address of principal executive office) (Zip code)

FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements

Financial statements of the ConocoPhillips Savings Plan, filed as part of this annual report, are listed in the accompanying index.

(b) Exhibits

Exhibit 23 Consent of Independent Registered Public Accounting
Firm

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the ConocoPhillips Savings Plan Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

CONOCOPHILLIPS

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SAVINGS PLAN

/s/ J. W. Sheets

J. W. Sheets
Plan Financial Administrator

June 21, 2005

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AND SCHEDULE

CONOCOPHILLIPS SAVINGS PLAN

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* Other supplemental schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The ConocoPhillips Savings Plan Committee
ConocoPhillips Savings Plan

We have audited the accompanying statements of net assets available for benefits of ConocoPhillips Savings Plan as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in its net assets available for benefits for the year ended December 31, 2004, in conformity with U. S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2004, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ERNST & YOUNG LLP
ERNST & YOUNG LLP

Houston, Texas
June 21, 2005

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STATEMENTS OF NET ASSETS
AVAILABLE FOR BENEFITS

CONOCOPHILLIPS SAVINGS PLAN

| | Thousands of Dollars | |
|--------------------------------|----------------------|-----------|
| At December 31 | 2004 | 2003 |
| ASSETS | | |
| Investments | | |
| Plan interest in Master Trusts | | |
| ConocoPhillips Stock Fund | \$1,660,153 | 1,356,479 |
| DuPont Stock Fund | 217,803 | 259,323 |
| Stable Value Fund | 1,998,674 | 1,947,229 |

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| | | |
|--|-------------|-----------|
| Leveraged Stock | 721,791 | 640,260 |
| Loan 2 Suspense, unallocated | 566,101 | 464,097 |
| Insurance contract | 10 | 13 |
| Loans to Plan participants | 72,466 | 70,976 |
| Fidelity Low-Priced Stock Fund | 146,214 | 111,173 |
| Fidelity Magellan Fund | 139,941 | 162,755 |
| PIMCO Total Return Fund - Administrative Class | 22,435 | 22,159 |
| Vanguard Funds: | | |
| 500 Index Fund | 350,151 | 324,560 |
| Asset Allocation Fund | 10,406 | 5,957 |
| Balanced Index Fund | 25,298 | 18,252 |
| Explorer Fund | 90,776 | 86,800 |
| Extended Market Index Fund | 38,559 | 29,310 |
| Growth Index Fund | 14,354 | 7,986 |
| Inflation-Protected Securities Fund | 33,741 | 21,961 |
| International Growth Fund | 37,425 | 25,274 |
| International Value Fund | 51,758 | 36,375 |
| LifeStrategy Conservative Growth Fund | 14,066 | 9,303 |
| LifeStrategy Growth Fund | 26,241 | 15,443 |
| LifeStrategy Income Fund | 10,895 | 5,334 |
| LifeStrategy Moderate Growth Fund | 90,611 | 83,018 |
| Long-Term Treasury Fund | 19,086 | 16,905 |
| Mid-Cap Index Fund | 43,617 | 19,548 |
| Morgan Growth Fund | 20,938 | 17,307 |
| Prime Money Market Fund | 150,720 | 161,676 |
| PRIMECAP Fund | 240,918 | 194,619 |
| Small-Cap Growth Index Fund | 32,854 | 20,081 |
| Small-Cap Value Index Fund | 49,876 | 15,468 |
| Total Bond Market Index Fund | 77,159 | 75,334 |
| Total International Stock Index Fund | 25,688 | 13,048 |
| Total Stock Market Index Fund | 25,986 | 17,753 |
| Value Index Fund | 16,974 | 5,378 |
| Wellington Fund | 84,233 | 62,276 |
| Windsor II Fund | 106,804 | 70,253 |
| Vanguard Retirement Savings Trust | -- | 1 |
| Vanguard Prime Money Market - Loan 2 unallocated | 73 | 65 |
| ----- | | |
| Total Investments | 7,234,795 | 6,393,749 |
| Participant Contributions Receivable | 860 | -- |
| Company Contributions Receivable | 89 | -- |
| ----- | | |
| Total Assets | 7,235,744 | 6,393,749 |
| ----- | | |
| LIABILITIES | | |
| Securities Acquisition Loans, unallocated | 252,600 | 275,150 |
| Interest Payable, unallocated | 498 | 300 |
| ----- | | |
| Total Liabilities | 253,098 | 275,450 |
| ----- | | |
| NET ASSETS AVAILABLE FOR BENEFITS | \$6,982,646 | 6,118,299 |
| ===== | | |

See Notes to Financial Statements.

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ASSETS AVAILABLE FOR BENEFITS

| Year Ended December 31, 2004 | Thousands of Dollars ----- |
|---|----------------------------------|
| ADDITIONS | |
| Company Contributions | |
| Company matching contributions | \$ 111,101 |
| Funds for debt service, unallocated | 525 |
| Basic allocation requirements | 98,732 |
| Participant Contributions | 247,536 |
| | ----- |
| | 457,894 |
| | ----- |
| Investment Income | |
| Dividends and interest, allocated | 55,771 |
| Dividends and interest, unallocated | 12,356 |
| Interest, participant loans | 3,381 |
| Plan interest in Master Trusts | |
| Stable Value Fund | 89,168 |
| DuPont Stock Fund | 18,643 |
| ConocoPhillips Stock Fund | 458,537 |
| Net appreciation in fair value of investments, allocated | 247,287 |
| Net appreciation in fair value of investments, unallocated | 146,639 |
| | ----- |
| | 1,031,782 |
| | ----- |
| Other Additions | |
| Asset transfers in | 5,688 |
| Other additions | 193 |
| | ----- |
| | 5,881 |
| | ----- |
| Total | 1,495,557 |
| | ----- |
| DEDUCTIONS | |
| Distributions to participants or their beneficiaries | 625,324 |
| Interest expense, unallocated | 4,821 |
| Administrative expense | 995 |
| Other deductions | 70 |
| | ----- |
| Total | 631,210 |
| | ----- |
| NET INCREASE | 864,347 |
| NET ASSETS AVAILABLE FOR BENEFITS | |
| Beginning of Year | 6,118,299 |
| | ----- |
| End of Year | \$6,982,646 |
| | ===== |

See Notes to Financial Statements.

NOTE 1--PLAN DESCRIPTION

The following describes the ConocoPhillips Savings Plan (Plan), subject to and qualified by the more complete information appearing in the Plan document.

General: The Plan is a defined contribution, 401(k) profit sharing plan which includes a Stock Savings Feature and a Thrift Feature. This Plan was formerly known as the Long-Term Stock Savings Plan of Phillips Petroleum Company (LTSSP); the name was changed at the close of business on December 31, 2002, along with the formal merger of the Thrift Plan of Phillips Petroleum Company (Thrift Plan) into the Plan. The Thrift Plan became the Thrift Feature of the Plan, the LTSSP became the Stock Savings Feature, and ConocoPhillips Company (Company) became the Plan sponsor. On October 3, 2003 assets of the Thrift Plan for employees of Conoco, Inc. (Conoco Thrift Plan) were merged into the Plan. On February 18, 2004, assets of the River Gas 401(k) Plan were merged into the Plan. On September 24, 2004 assets of the Retirement Savings Plan of ConocoPhillips Company (RSP) were merged into the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the Internal Revenue Code, as amended by the Tax Reform Act of 1986 and subsequent legislation.

Eligibility: Generally, employees of ConocoPhillips Company (Company) and its subsidiaries on the U.S. direct dollar payroll are eligible to participate in the Plan, except retail marketing outlet employees and certain other employee classifications.

A summary of the key provisions of the Plan are as follows:

Thrift Feature: Participants may contribute from 1 to 30 percent of pay on a before-tax basis, an after-tax basis, or a combination of both. The Company contributes \$1 for each \$1 deposited by the participant up to 1.25 percent of pay. Thrift assets are invested in 32 investment funds; however, the DuPont Stock Fund and the Fidelity Low-Priced Stock Fund are closed to new investment elections. Investments in the Thrift Feature are participant-directed.

Stock Savings Feature: The Stock Savings Feature is a stock bonus plan that contains an Employee Stock Ownership Plan (ESOP). Participants may contribute 1 percent of pay on a before-tax basis. Participants' Stock Savings Feature contributions are invested in the ConocoPhillips Stock Fund. Participants in the Stock Savings

Feature receive semiannual allocations of ConocoPhillips common stock (Company Stock) as of June 30 and December 31 of each year. The semiannual allocation to participants is based on the ratio of the participant's Stock Savings Feature (SSF) contributions to all participants' SSF contributions for the allocation period. A supplemental allocation shall be made each year-end if all shares released for allocation, based on loan payment provisions, have not been allocated. Semiannual allocations and supplemental allocations are invested in the ConocoPhillips Stock Fund and the Leveraged Stock Fund.

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The number of shares allocated semiannually on each allocation date in 2004 was 4,349 shares for each 100 employees eligible to make deposits. The number of shares allocated on each allocation date in 2005 will be 8,698 shares for each 100 eligible employees as a result of a two-for-one stock split declared on April 7, 2005. After 2005 and through the allocation date following the date the second loan is repaid, the number of shares to be allocated semiannually on each basic allocation date will be 7,924 shares for each 100 eligible employees. In late 1995, the Company extended the terms of the second loan to the year 2015. Without the extension, allocations of stock to employees would have been completed in 2005 or before. The extension required additional shares of Company Stock to be delivered to the Plan. The Plan is eligible to receive shares from the Company's Compensation and Benefits Trust (CBT). In 2004, the Company used the CBT to contribute 1,209,904 shares of stock to the Plan. The fair value of the shares was approximately \$99 million.

The Plan is required to retain and use eligible dividends on Company Stock to make payments on the loans it used to acquire Company Stock for the Stock Savings Feature. If the Company does not elect to make a special contribution and if eligible dividends from participants' accounts are used to make loan payments, participants receive a dividend replacement allocation. The Plan used \$14.3 million in dividends on allocated shares to make loan payments and allocated 185,114 shares in dividend replacement allocations to participants' accounts in 2004.

The Company made contributions to the Plan which, when aggregated with certain Plan dividends and certain interest earnings, equaled the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its loan. The Company can also elect to make contributions to the Plan, as an alternative to using the dividends. Finally, the Company can make contributions to the Plan in the amount necessary to bring the number of shares of stock released for allocation up to the level required to complete the semiannual allocation by contributing cash or by contributing Company Stock.

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Catch-up Deposits: Participants are eligible to make catch-up deposits to the Thrift Feature beginning in the year they attain age 50. The participant is allowed to elect catch-up deposits to be deducted as a dollar amount from each paycheck up to the applicable dollar limit, as defined by the Plan, for such Plan year. Effective January 1, 2004, elections to make catch-up contributions remain in effect until changed or revoked by a participant.

Participant Accounts: Participants' contributions and company contributions are credited directly to employees' accounts as soon as administratively practicable. The interest of participants in each fund is represented by shares or units attributable to them.

Vesting: Participants are always vested in their contributions and amounts credited to their accounts.

Share Accounting Method for Company Stock: Any shares purchased or sold on any business day for the Plan are valued at the Participant Transaction Price, which is calculated using a weighted-average price of the Company Stock traded on that business day and any carryover impact from the previous trading day.

Distributions: Total distributions from participant accounts can be made upon the occurrence of specified events, including the attainment of age 59 1/2, disability, or termination of employment. Partial distributions are permitted in cases of specified financial hardship. Unless a request for withdrawal is made as of any earlier date, distribution to a former employee participant is

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deferred to February 1 of the year following the year the employee reaches age 70 1/2. If the participant dies, distribution to a surviving spouse beneficiary can be deferred to the later of December 31st of the year the participant would have reached age 70 1/2 or December 31st of the year following the year the participant died. These deferrals are revocable by the participant or the surviving spouse. Distributions to non-spouse beneficiaries can be deferred approximately five years. A participant can elect a direct rollover of the taxable and/or non-taxable portion of most distributions to an Individual Retirement Account or another tax-qualified plan.

Installment Payments: A terminated employee or a beneficiary who is the surviving spouse of a participant is eligible to elect a distribution based on a fixed-dollar amount or life-expectancy installment payments.

Installment distribution options offered under the Conoco Thrift Plan and exercised by a participant were grandfathered into the Plan.

Dividend Pass Through: A participant can make an election to receive cash dividends from the ConocoPhillips Stock Fund on a portion of his account invested in Company Stock. The distribution of these

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dividends is made on each dividend payment date.

Forms of Payment: Generally, distributions from participant accounts invested in Company Stock and DuPont stock can be made in cash, stock, or a combination of both. Distributions from all other funds in the Thrift Feature are made in cash. An election to make an eligible rollover distribution is also available.

Loans: Active employee participants can request a loan from their account in the Plan. The minimum loan is \$1,000. Generally, the maximum loan is the lesser of \$50,000 or one-half of the value of the account. For those eligible for loans, three outstanding loans are available at any one time, one of which can be a home loan for a term of up to 238 months.

Trust Agreements: On January 1, 2003, ConocoPhillips entered into both a trust agreement and a master trust agreement with Vanguard Fiduciary Trust Company (Vanguard), as Trustee, and subsequently both were superceded by a trust agreement and a master trust agreement dated October 3, 2003. The master trust agreement provides for the administration by the Trustee of each Investment Fund in the Trust Fund that consists primarily of Company Stock in both the Stock Savings Feature and the Thrift Feature. Effective July 2, 2004, the master trust agreement was renamed as the ConocoPhillips Stock Fund Master Trust Agreement. The trust agreement provides for the administration of all the other assets in the Plan by the Trustee or any Successor Trustee.

An additional master trust agreement with the Trustee, effective October 3, 2003, provides for the administration by the Trustee of the DuPont Stock Fund in the Thrift Feature. Effective September 24, 2004, the name of the master trust agreement was renamed as the DuPont Stock Fund Master Trust Agreement.

Effective October 3, 2003, pursuant to a master trust agreement, the trustee for the Stable Value Fund in the Thrift Feature is State Street Bank and Trust Company. Effective September 24, 2004, the name of the master trust agreement was renamed as the Stable Value Fund Master Trust Agreement.

Administration: The Plan is administered by the ConocoPhillips Savings Plan Committee (Committee), a Plan Financial Administrator, a Plan Benefits Administrator, and the Chief Financial Officer of the Company. Members of the Committee are appointed by the Board of Directors of ConocoPhillips Company. The

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Plan Financial Administrator and the Plan Benefits Administrator are the persons who occupy, respectively, the ConocoPhillips positions of Vice President and Treasurer, and Manager Global Compensation and Benefits COE (Center of Excellence). Members of the Committee and the Plan Administrators serve without compensation, but are reimbursed by the Company for necessary expenditures incurred in the

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discharge of their duties. Administrative expenses of the Plan are paid by the Trustee from assets of the Plan to the extent allowable by law, unless paid by the Company. In 2004, reimbursement of administrative expenses paid to ConocoPhillips totaled \$994,954.

NOTE 2--SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Plan's financial statements are presented on the accrual basis of accounting. Distributions to participants or their beneficiaries are recorded when paid.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 3--SECURITIES ACQUISITION LOANS

The Plan borrowed \$250 million (Loan 1) and \$400 million (Loan 2) in 1988 and 1990, respectively, and purchased 14,336,918 and 14,159,292 shares of Company Stock, respectively. The shares are held in a Loan 2 suspense account until allocated to eligible participants based on the provisions of the Plan. Upon allocation to participants' accounts, the Loan 2 shares are transferred to the Leveraged Stock Fund. The Plan released 373,132 Loan 2 suspense shares in 2004 for semiannual allocations to participants' accounts. The fair value of the Loan 2 shares used in the semiannual allocations was approximately \$30 million. At December 31, 2004 and 2003, the market value of unallocated shares was \$566 million and \$464 million, respectively. There were no other unallocated assets at December 31, 2004 and December 31, 2003.

Loan 1 was fully repaid in June 1998 and all leveraged shares associated with Loan 1 have been allocated to participant accounts.

Loan 2 was amended in 1995 to extend its term from 15 to 25 years, requiring repayment in annual installments beginning in 2005, through the year 2015. Due to loan prepayments, the first required payment is currently scheduled to be in 2010.

Loan 2 was refinanced on October 12, 2004. The loan balance, maturity, and number of shares were not changed as a result of the refinancing. Additionally, there was no change to the current allocation schedule of stock to Plan participants as a result of this refinancing.

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Each bank participating in the loan also has the optional right, if the current Directors of ConocoPhillips or their approved successors cease to be a majority of the Board of Directors, and upon not less than 90 days notice, to cease to participate in the loan. Under the above conditions, such banks' rights and obligations under the loan agreement must be purchased by ConocoPhillips if not transferred to another bank of ConocoPhillips' choice.

The outstanding balance of Loan 2 at December 31, 2004, was \$253 million and at December 31, 2003 was \$275 million. Loan 2 prepayments totaled \$23 million in 2004. Loan 2 provides for variable interest rates. The rates were 2.84 percent and 1.44 percent at December 31, 2004 and 2003, respectively.

Loan 2 is guaranteed by ConocoPhillips and is being repaid through contributions made by the Company; dividends on certain allocated and unallocated shares, and earnings on the short-term investment of dividends. The Loan 2 carrying amount approximates fair value.

NOTE 4--INVESTMENTS

VALUATION

Common stock and mutual fund securities are valued at fair value. Common stock values are based on their quoted market prices. Mutual funds are valued using quoted market prices which represent the net asset values of shares held by the Plan at year-end. The Stable Value Fund is managed under the Stable Value Fund Master Trust Agreement. The assets in this fund include investment contracts, money market instruments, and units of a common collective trust. The investment contracts are valued at contract value and represents contributions, plus interest credited, less distributions, which approximate fair value. The money market instruments are valued at amortized cost, which approximates fair value. The common collective trust is valued at fair value as determined by the issuer based on the current values of the underlying assets of such trust. Participant loans are valued at carrying value, which approximates fair value. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

NET APPRECIATION

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year)

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appreciated in value as follows:

| | Thousands of Dollars ----- |
|-----------------------------|----------------------------------|
| ConocoPhillips Common Stock | \$222,762 |
| Mutual Funds | 171,164 |

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 \$393,926
 =====

NOTE 5--NON-PARTICIPANT-DIRECTED INVESTMENTS

The Company Stock in the Loan 2 Suspense Account of the Stock Savings Feature is the only non-participant-directed investment in the Plan. Information about the net assets and the significant components of the changes in net assets relating to this non-participant-directed investment is as follows:

| At December 31 | Thousands of Dollars | |
|--|----------------------|-----------|
| | 2004 | 2003 |
| Loan 2 Suspense, unallocated | \$ 566,101 | 464,097 |
| Vanguard Prime Money Market Fund - Loan 2 unallocated | 73 | 65 |
| Securities Acquisition Loans, unallocated | (252,600) | (275,150) |
| Interest Payable, unallocated | (498) | (300) |
| ----- | ----- | ----- |
| Net Assets Available for Benefits | \$ 313,076 | 188,712 |
| ===== | ===== | ===== |

Changes in Net Assets during Year Ended December 31, 2004:

| | |
|---|-----------|
| Company contributions, funds for debt service, unallocated | \$ 525 |
| Dividends and interest, unallocated | 12,356 |
| Net appreciation in fair value of investments, unallocated | 146,639 |
| Interfund transfers, allocation of Loan 2 shares | (30,335) |
| Interest expense, unallocated | (4,821) |
| ----- | ----- |
| Net increase | 124,364 |
| Beginning of year | 188,712 |
| ----- | ----- |
| End of year | \$313,076 |
| ===== | ===== |

NOTE 6--ASSET TRANSFERS IN

At the close of business on February 18, 2004, \$14,686 of assets from the River Gas 401(k) Plan, and at the close of business on September 24, 2004, \$5,673,491 of assets from the Retirement Savings Plan of ConocoPhillips Company were transferred into the Plan. These transfers were a result of the mergers discussed in Note 1.

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NOTE 7--TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated March 23, 2004, stating that the Plan, as amended and restated as of October 3, 2003, is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Committee believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan, as amended, is qualified and the related trust is tax exempt.

NOTE 8--PARTY-IN-INTEREST TRANSACTIONS

A large portion of the Plan's assets are invested in Company Stock. Because ConocoPhillips is the parent of the Company, transactions involving Company Stock qualify as party-in-interest transactions. In addition, certain investments of the Plan are in shares of mutual funds managed by Vanguard. Because Vanguard is the Plan's trustee, these transactions also qualify as party-in-interest transactions. All of these types of transactions were exempt from the prohibited transaction rules.

NOTE 9--PLAN TERMINATION

In the event of termination of the Plan, participants and beneficiaries of deceased participants would be vested with respect to, and would receive, within a reasonable time, any funds in their accounts as of the date of the termination. Unallocated assets leveraged to Loan 2 would be allocated pursuant to applicable legal and contractual requirements.

NOTE 10--RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits as of December 31, 2004 and 2003, as reflected in these financial statements, to the amounts reflected in the Plan's Form 5500:

| | Thousands of Dollars | |
|--|----------------------|-----------|
| | 2004 | 2003 |
| | ----- | ----- |
| Net assets available for benefits as reported in the financial statements | \$6,982,646 | 6,118,299 |
| Less: Defaulted loans identified as deemed distributions for tax reporting | (150) | (22) |
| Less: Defaulted loan amounts identified as actual distributions at December 31, 2003 | -- | (30) |
| | ----- | ----- |

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| | | |
|---|-------------|-----------|
| Net assets available for benefits as reported in the Form 5500 | \$6,982,496 | 6,118,247 |
| ===== | | |

The following is a reconciliation of distributions to participants or their beneficiaries for the year ended December 31, 2004, as reflected in these financial statements, to the amounts reflected in the Plan's Form 5500:

| | Thousands of Dollars ----- |
|---|----------------------------------|
| Year Ended December 31, 2004 | |
| Distributions to participants or their beneficiaries reported in the financial statements | \$625,324 |
| Add: Current year deemed distributions of participant loans | 131 |
| Less: Current year distributions previously recognized as deemed | (3) |
| Less: Defaulted loan amounts identified as actual distributions at December 31, 2003 | (30) |
| ----- | |
| Total distributions as reported in the Form 5500 | \$625,422 |
| ===== | |

NOTE 11--MASTER TRUSTS

Three investment options of the Plan are held in master trusts and administered under master trust agreements. These investment options include the Stable Value Fund, ConocoPhillips Stock Fund, and DuPont Stock Fund.

STABLE VALUE FUND

The Stable Value Fund option provided by the Plan is also available to participants in the ConocoPhillips Store Savings Plan, and was available to participants in the Retirement Savings Plan of ConocoPhillips Company from July 2, 2004 through September 24, 2004. Each plan's beneficial interest in the commingled master trust funds is based on that plan's proportionate share, determined by participant-directed balances, of the value of the total net assets in the master trust. Investment income for each plan is calculated using this same basis. The Plan's proportionate share of master

trust net assets was approximately 99.9% as of December 31, 2004 and December 31, 2003.

The Stable Value Fund consisted of guaranteed investment contracts (GICs), separate account guaranteed investment contracts (SAGICs), synthetic contracts (SYNs), a common collective trust (CCT), and short-term investments and cash. The crediting interest rates for the Stable Value Fund's investment contracts ranged from 3.39% to 7.68% as of December 31, 2004. The fund's blended rate of return for 2004 was 4.60%.

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The crediting rates for most SAGIC and SYN contracts were reset quarterly and were based on the market value of the underlying portfolio of assets backing these contracts. Inputs used to determine the crediting rate included each contract's portfolio market value, current yield-to-maturity, duration (i.e., the present value of the weighted average life), and market value relative to contract value. All contracts had a guaranteed rate of 0.0% or higher.

The master trust (Stable Value Fund) values as of December 31, 2004 and December 31, 2003 were as follows:

| | Thousands of Dollars | |
|--|----------------------|-----------|
| | 2004 | 2003 |
| Stable Value Fund | | |
| At December 31 | | |
| GICs | \$ 129,095 | 181,510 |
| SAGICs | 175,350 | 183,861 |
| SYNs | 1,604,147 | 1,502,584 |
| <hr style="border-top: 1px dashed black;"/> | | |
| Assets at Contract Value, which approximates fair value | 1,908,592 | 1,867,955 |
| <hr style="border-top: 1px dashed black;"/> | | |
| CCT | 67,612 | 65,056 |
| Short-term investments and cash | 24,349 | 15,951 |
| <hr style="border-top: 1px dashed black;"/> | | |
| Assets at Fair Value | 91,961 | 81,007 |
| <hr style="border-top: 1px dashed black;"/> | | |
| End of Year | \$2,000,553 | 1,948,962 |
| <hr style="border-top: 1px dashed black;"/> | | |

The estimated fair value of the underlying assets of the synthetic guaranteed investment contracts at December 31, 2004 and 2003, was \$1,627,937,906 and \$1,548,759,889, respectively. The contract values of synthetic guaranteed investment contracts were net of (\$23,790,533) at December 31, 2004 and (\$46,175,584) at December 31, 2003 related to wrapper contracts, which guarantee the contract value of the synthetic guaranteed investment contracts for participant initiated withdrawal events.

The significant components of the changes in net assets relating to the master trust (Stable Value Fund) are as follows:

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| | Thousands of Dollars |
|------------------------------------|-------------------------|
| Stable Value Fund | |
| Year Ended December 31, 2004 | |
| Contributions | \$ 85,091 |
| Interest and Dividend Income (net) | 89,309 |
| Asset Transfers In | 367,341 |

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| | |
|---------------------|--------------|
| Distributions | (220,433) |
| Participant Loans | (3,820) |
| Other Deductions | (70) |
| Asset Transfers Out | (265,827) |
| ----- | |
| Net Increase | 51,591 |
| Beginning of Year | 1,948,962 |
| ----- | |
| End of Year | \$ 2,000,553 |
| ===== | |

CONOCOPHILLIPS STOCK FUND

The ConocoPhillips Stock Fund is comprised of Company Stock held in a master trust. This investment option provided by the Plan is also available to participants in the ConocoPhillips Store Savings Plan, and was available to participants in the Retirement Savings Plan of ConocoPhillips Company until September 24, 2004. Each plan's beneficial interest in the commingled master trust funds is based on that plan's proportionate share, determined by participant-directed balances, of the value of the total net assets in the master trust. Investment income for each plan is calculated using this same basis. The Plan's proportionate share of master trust net assets was approximately 99.9% as of December 31, 2004 and December 31, 2003.

The master trust (ConocoPhillips Stock Fund) values as of December 31, 2004 and December 31, 2003 were as follows:

| | Thousands of Dollars | |
|---------------------------|----------------------|-----------|
| | 2004 | 2003 |
| | ----- | ----- |
| At December 31 | | |
| ConocoPhillips Stock Fund | \$1,662,488 | 1,358,719 |
| ----- | | |
| End of Year | \$1,662,488 | 1,358,719 |
| ===== | | |

The significant components of the changes in net assets relating to the master trust (ConocoPhillips Stock Fund) are as follows:

| | Thousands of Dollars |
|---|-------------------------|
| | ----- |
| ConocoPhillips Stock Fund | |
| Year Ended December 31, 2004 | |
| Contributions | \$ 174,711 |
| Dividend Income | 35,385 |
| Net Appreciation in Fair Value of Investments | 423,819 |
| Asset Transfers In | 238,946 |
| Other Additions | 38 |

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| | |
|---------------------|--------------|
| Distributions | (127,625) |
| Participant Loans | (17,825) |
| Other Deductions | (626) |
| Asset Transfers Out | (423,054) |
| ----- | |
| Net Increase | 303,769 |
| Beginning of Year | 1,358,719 |
| ----- | |
| End of Year | \$ 1,662,488 |
| ===== | |

DUPONT STOCK FUND

The DuPont Stock Fund is comprised of DuPont stock held in a master trust. This investment option provided by the Plan is also available to participants in the ConocoPhillips Store Savings Plan. Each plan's beneficial interest in the commingled master trust funds is based on that plan's proportionate share, determined by participant-directed balances, of the value of the total net assets in the master trust. Investment income for each plan is calculated using this same basis. The Plan's proportionate share of master trust net assets was approximately 99.9% as of December 31, 2004 and December 31, 2003.

The master trust (DuPont Stock Fund) values as of December 31, 2004 and December 31, 2003 were as follows:

| | Thousands of Dollars | |
|-------------------|----------------------|---------|
| | 2004 | 2003 |
| | ----- | ----- |
| At December 31 | | |
| DuPont Stock Fund | \$ 217,907 | 259,443 |
| ----- | | |
| End of Year | \$ 217,907 | 259,443 |
| ===== | | |

The significant components of the changes in net assets relating to the master trust (DuPont Stock Fund) are as follows:

| | Thousands of Dollars |
|---|-------------------------|
| | ----- |
| DuPont Stock Fund | |
| Year Ended December 31, 2004 | |
| Dividend Income | \$ 7,024 |
| Net Appreciation in Fair Value of Investments | 11,628 |
| Distributions | (16,219) |
| Participant Loans | (428) |
| Other Deductions | (91) |
| Asset Transfers Out | (43,450) |
| ----- | |

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| | |
|-------------------|------------|
| Net Decrease | (41,536) |
| Beginning of Year | 259,443 |
| ----- | |
| End of Year | \$ 217,907 |
| ===== | |

NOTE 12 -- SUBSEQUENT EVENTS

On April 7, 2005, the Board of Directors of ConocoPhillips declared a two-for-one split in the form of a 100% stock dividend, payable June 1, 2005 (Payment Date), to stockholders of record as of May 16, 2005 (Record Date). As a result, ConocoPhillips stockholders, including participants in the Plan, received one additional share of Company Stock for each share owned as of the Record Date. Since there were twice as many shares after the split, each share was worth half of what it was worth immediately before the split, while the value of each participant's total investment in Company Stock remained unchanged until the stock price moved up or down. For participants in the Stock Savings Feature, the formula used to determine the shares allocated for the semiannual allocations has been adjusted to reflect the two-for-one split.

Also, as a result of Department of Labor regulations regarding cash-out distributions, the Plan was amended to eliminate involuntary cash-out distributions of accounts valued at more than \$1,000. Effective March 28, 2005, if a participant terminates from employment, a cash out distribution is only required for each account valued at \$1,000 or less on the valuation dates of March 1st or September 1st, unless the participant has an outstanding loan.

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SCHEDULE H, LINE 4i

CONOCOPHILLIPS SAVINGS PLAN
EIN 73-0400345, PLAN 022

At December 31, 2004

| (a) (b) | (c) | Thousands of Dollars | |
|--|---|---------------------------|-------------------------|
| Identity of issue, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par or maturity value | (d) Historical Cost | (e) Current Value |
| ----- | ----- | ----- | ----- |
| CONOCOPHILLIPS* | 8,312,694 SHARES, LEVERAGED STOCK FUND | \$ 159,480 | \$ 721,791 |
| CONOCOPHILLIPS* | 6,519,634 SHARES, LOAN 2 SUSPENSE, UNALLOCATED | 184,180 | 566,101 |
| FIDELITY INVESTMENTS | 3,632,643 UNITS, FIDELITY LOW PRICE STOCK | ** | 146,214 |
| FIDELITY INVESTMENTS | 1,348,305 UNITS, MAGELLAN FUND | ** | 139,941 |
| PIMCO FUNDS | 2,102,596 UNITS, PIMCO | | |

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| | TOTAL RETURN | ** | 22,435 |
|---------------------|--|----|---------|
| THE VANGUARD GROUP* | 3,136,425 UNITS, VANGUARD 500 INDEX INV | ** | 350,151 |
| | 423,712 UNITS, VANGUARD ASSET ALLOCATION FUND | ** | 10,406 |
| | 1,300,677 UNITS, VANGUARD BALANCED IX INV | ** | 25,298 |
| | 1,217,326 UNITS, VANGUARD EXPLORER FUND | ** | 90,776 |
| | 1,229,569 UNITS, VANGUARD EXTEND MKT INDEX INV | ** | 38,559 |
| | 543,504 UNITS, VANGUARD GROWTH INDEX INV | ** | 14,354 |
| | 2,684,218 UNITS, VANGUARD INFLA-PRO SECUR | ** | 33,741 |
| | 1,984,370 UNITS, VANGUARD INTL GROWTH FUND | ** | 37,425 |

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SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SCHEDULE H, LINE 4i

CONOCOPHILLIPS SAVINGS PLAN
EIN 73-0400345, PLAN 022

At December 31, 2004

| (a) (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | Thousands of Dollars | |
|---|--|---------------------------|-------------------------|
| | | (d) Historical Cost | (e) Current Value |
| THE VANGUARD GROUP* | 1,673,396 UNITS, VANGUARD INTL VALUE FUND | ** | 51,758 |
| | 921,782 UNITS, VANGUARD LIFEST CONSERV GROWTH | ** | 14,066 |
| | 1,309,445 UNITS, VANGUARD LIFEST GROWTH FUND | ** | 26,241 |
| | 805,278 UNITS, VANGUARD LIFEST INCOME FUND | ** | 10,895 |
| | 5,059,226 UNITS, VANGUARD LIFEST MODERATE GROWTH | ** | 90,611 |

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| | | |
|---|----|---------|
| 1,658,236 UNITS, VANGUARD LT TREASURY INV | ** | 19,086 |
| 2,788,808 UNITS, VANGUARD MD-CAP INDEX FUND | ** | 43,617 |
| 1,282,975 UNITS, VANGUARD MORGAN GROWTH INV | ** | 20,938 |
| 150,719,988 UNITS, VANGUARD PRIME MONEY MKT | ** | 150,720 |
| 3,867,066 UNITS, VANGUARD PRIMECAP FUND | ** | 240,918 |
| 2,167,148 UNITS, VANGUARD SM-CAP GROWTH INDEX | ** | 32,854 |
| 3,570,188 UNITS, VANGUARD SM-CAP VALUE INDEX | ** | 49,876 |
| 7,513,088 UNITS, VANGUARD TOTAL BOND MKT INDEX | ** | 77,159 |
| 2,038,712 UNITS, VANGUARD TOTAL INTL STOCK IDX | ** | 25,688 |

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SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SCHEDULE H, LINE 4i

CONOCOPHILLIPS SAVINGS PLAN
EIN 73-0400345, PLAN 022

At December 31, 2003

| (a) (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | Thousands of Dollars | |
|---|--|---------------------------|-------------------------|
| | | (d) Historical Cost | (e) Current Value |
| THE VANGUARD GROUP* | 903,221 UNITS, VANGUARD TOTAL STOCK MKT INV | ** | 25,986 |
| | 795,021 UNITS, VANGUARD VALUE INDEX INV | ** | 16,974 |
| | 2,790,093 UNITS, VANGUARD WELLINGTON INV | ** | 84,233 |
| | 3,475,571 UNITS, VANGUARD | | |

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| | | | |
|------------------------|--|----|--------------|
| | WINDSOR II FUND INV | ** | 106,804 |
| ----- | | | |
| PARTICIPANTS* | LOANS TO PLAN PARTICIPANTS, INTEREST RATES RANGING FROM 4% TO 5% | - | 72,466 |
| ----- | | | |
| THE VANGUARD GROUP* | PRIME MONEY MARKET FUND - LOAN 2 UNALLOCATED | 73 | 73 |
| ----- | | | |
| TRAVELERS INSURANCE | GROUP ANNUITY CONTRACT GR-1966A, DEFERRED SETTLEMENT ACCOUNT | ** | 10 |
| ----- | | | |
| | | | \$ 3,358,165 |
| ===== | | | |

* Party-in-interest

** Historical cost information is not required for participant-directed investments.

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EXHIBIT INDEX

CONOCOPHILLIPS SAVINGS PLAN
EIN 73-0400345, PLAN 022

EXHIBIT
NUMBER

DESCRIPTION

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Consent of Independent Registered Public Accounting Firm

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