

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

OCEANIC EXPLORATION COMPANY, a Delaware corporation, 7800 East Dorado Place, Suite 250, Englewood, Colorado 80111; and PETROTIMOR COMPANHIA DE PETROLEOS, S.A.R.L., a corporation organized under the laws of Portugal, 7800 East Dorado Place, Suite 250, Englewood, Colorado 80111,

Plaintiffs,

v.

CONOCOPHILLIPS, a Delaware corporation;
CONOCOPHILLIPS COMPANY, a Delaware corporation,

Defendants.

Civil Action No. 04 CV 00332 EGS

**CONOCOPHILLIPS' AND CONOCOPHILLIPS COMPANY'S
ANSWER TO THE SECOND AMENDED COMPLAINT**

Defendants, CONOCOPHILLIPS and CONOCOPHILLIPS COMPANY (the "ConocoPhillips Defendants") hereby answer the allegations of the Second Amended Complaint, on their own behalf only, and assert affirmative defenses, as follows. Numbered paragraphs and headings herein correspond to the paragraphs and headings of the Second Amended Complaint. The repetition of headings in this Answer is for the sake of convenience only and does not represent an admission to any allegations or characterizations contained in such headings. To the extent that any allegation or characterization contained in the Second Amended Complaint is not specifically admitted, it is denied.

ANSWER

I. PRELIMINARY STATEMENT

1. The ConocoPhillips Defendants admit that Oceanic has brought this action; but the ConocoPhillips Defendants deny that they, their affiliates or their respective employees bribed Mari Alkatiri or others, and deny that Oceanic has suffered any damages or was prevented from bidding “for rights to explore for and produce oil and natural gas from the seabed between East Timor and Australia.” The ConocoPhillips Defendants deny the remaining allegations in paragraph 1 of the Second Amended Complaint.

2. The ConocoPhillips Defendants admit that during the exercise of Indonesian sovereignty over East Timor, Indonesia and Australia entered into a treaty which provided for certain joint sovereignty over development of natural resources, and refer to the treaty for the terms thereof. The ConocoPhillips Defendants also admit that the Joint Authority created by that treaty awarded certain production sharing contracts to Phillips entities that are now affiliates of the later-formed ConocoPhillips, giving the Phillips entities certain rights to explore for and produce oil and natural gas within the areas defined by those contracts. The ConocoPhillips Defendants deny the remaining allegations in paragraph 2 of the Second Amended Complaint.

3. The ConocoPhillips Defendants deny the allegations in paragraph 3 of the Second Amended Complaint.

4. The ConocoPhillips Defendants admit that an employee of a ConocoPhillips affiliate referred in the course of making other statements to the potential loss of hundreds of millions of dollars of investment in the Timor Sea developments as a potential

disaster of major proportions. The ConocoPhillips Defendants deny the remaining allegations in paragraph 4 of the Second Amended Complaint.

5. The ConocoPhillips Defendants deny that Oceanic “had positioned itself to compete for and bid for the exploration and production rights that would be awarded in the Timor Gap.” The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 5 of the Second Amended Complaint and therefore deny the same.

6. The ConocoPhillips Defendants deny the allegations in paragraph 6 of the Second Amended Complaint.

II. JURISDICTION AND VENUE

7. The ConocoPhillips Defendants deny the allegations in paragraph 7 of the Second Amended Complaint.

8. The ConocoPhillips Defendants deny the allegations in paragraph 8 of the Second Amended Complaint.

9. The ConocoPhillips Defendants admit that ConocoPhillips has a government relations office at 1776 I Street, Washington, DC, and that ConocoPhillips Company has registered with the government of the District of Columbia as a foreign business corporation. The ConocoPhillips Defendants admit that James Godlove works in the District of Columbia, but deny that he resides in the District or that he resided or worked in the District of Columbia at the time that the events at issue in the Complaint took place. The ConocoPhillips Defendants refer to the statutes cited for their true contents and deny the remaining allegations in paragraph 9 of the Second Amended Complaint.

III. PARTIES

A. Plaintiffs

10. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 10 of the Second Amended Complaint, and therefore deny the same, but admit that Oceanic's court filings and SEC filings assert that Oceanic is organized under Delaware law and has its corporate offices in Englewood, Colorado.

11. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 11 of the Second Amended Complaint and therefore deny the same.

B. The ConocoPhillips Defendants

12. The ConocoPhillips Defendants admit that ConocoPhillips is a corporation organized under the laws of the State of Delaware with a principal place of business in Houston, Texas. The ConocoPhillips Defendants admit that ConocoPhillips has a government relations office at 1776 I Street, Washington, DC. The ConocoPhillips Defendants deny the remaining allegations in paragraph 12 of the Second Amended Complaint.

13. The ConocoPhillips Defendants admit that ConocoPhillips Company is a corporation organized under the laws of the State of Delaware, that it has registered to do business in the District of Columbia and that it has a registered agent for service of process in the District of Columbia.

14. The defendant identified in paragraph 14 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

15. The defendant identified in paragraph 15 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

16. The defendant identified in paragraph 16 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

17. The defendant identified in paragraph 17 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

18. The defendant identified in paragraph 18 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

19. The defendant identified in paragraph 19 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

20. The defendant identified in paragraph 20 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

21. The defendant identified in paragraph 21 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

22. The defendant identified in paragraph 22 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

23. The defendant identified in paragraph 23 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

24. The defendant identified in paragraph 24 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

25. The defendant identified in paragraph 25 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

26. The defendant identified in paragraph 26 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

27. The defendant identified in paragraph 27 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

28. The defendant identified in paragraph 28 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

29. The defendant identified in paragraph 29 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

30. The defendant identified in paragraph 30 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

31. The defendant identified in paragraph 31 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

32. The defendant identified in paragraph 32 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

33. The defendant identified in paragraph 33 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

34. The defendant identified in paragraph 34 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

35. The defendant identified in paragraph 35 of the Second Amended Complaint has been dismissed for lack of personal jurisdiction and accordingly no answer is required.

36. The ConocoPhillips Defendants deny the allegations in paragraph 36 of the Second Amended Complaint. The entities identified in paragraph 36 are separate legal entities, and the ConocoPhillips Defendants deny that it is appropriate to treat them as a single entity “ConocoPhillips,” or otherwise to fail to differentiate them. Throughout this answer, the ConocoPhillips Defendants’ references to “the ConocoPhillips Defendants” are, for convenience only, to the entities with the proper legal names “ConocoPhillips” and “ConocoPhillips Company”; references to ConocoPhillips are exclusively to the entity known by the legal name ConocoPhillips.

37. The defendants identified in paragraphs 14 through 35 of the Second Amended Complaint have been dismissed for lack of personal jurisdiction and accordingly no answer is required with respect to them. The ConocoPhillips Defendants deny the allegations in paragraph 37 of the Second Amended Complaint.

C. The ConocoPhillips Group

38. The entities identified in paragraph 38 of the Second Amended Complaint are separate legal entities, and the ConocoPhillips Defendants deny that it is appropriate to treat them collectively as “the ConocoPhillips Group.” The ConocoPhillips Defendants deny the remaining allegations in paragraph 38 of the Second Amended Complaint.

39. The ConocoPhillips Defendants deny the allegations in paragraph 39 of the Second Amended Complaint.

D. The Designated Authority Group

40. The ConocoPhillips Defendants admit that the Designated Authority entered into production sharing contracts with certain companies affiliated with ConocoPhillips,

and refer to those contracts for their true contents. The ConocoPhillips Defendants deny the remaining allegations in paragraph 40 of the Second Amended Complaint.

41. The ConocoPhillips Defendants deny the allegations in paragraph 41 of the Second Amended Complaint.

E. Doe Defendants

42. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 42 of the Second Amended Complaint and therefore deny the same.

43. The ConocoPhillips Defendants deny the allegations in paragraph 43 of the Second Amended Complaint.

F. Non-Defendant Co-Conspirators

44. The ConocoPhillips Defendants admit that Oceanic has not named the Joint Authority, Pertamina or BPMIGAS as defendants in the Second Amended Complaint. The ConocoPhillips Defendants deny the remaining allegations in paragraph 44 of the Second Amended Complaint.

1. The Pertamina Group

45. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 45 of the Second Amended Complaint and therefore deny the same.

46. To the extent paragraph 46 of the Second Amended Complaint purports to allege any illegal conduct by or the existence of any illegal enterprise involving any of the ConocoPhillips Defendants, such allegations are denied. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the

remaining allegations in paragraph 46 of the Second Amended Complaint and therefore deny the same.

2. The Joint Authority Group

47. The ConocoPhillips Defendants admit that when Indonesia exercised sovereignty in East Timor it formed the Timor Gap Joint Authority (the “Joint Authority”) in agreements with Australia, and that the Joint Authority entered into production sharing contracts with certain companies affiliated with ConocoPhillips. The ConocoPhillips Defendants refer to those contracts for the true contents thereof. The ConocoPhillips Defendants deny the remaining allegations in paragraph 47 of the Second Amended Complaint.

48. To the extent paragraph 48 of the Second Amended Complaint purports to allege any illegal conduct by or the existence of a RICO enterprise involving any ConocoPhillips Defendants, such allegations are denied. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 48 of the Second Amended Complaint and therefore deny the same.

IV. BACKGROUND

A. The Timor Gap

49. The ConocoPhillips Defendants admit that the Timor Gap is an area of the Timor Sea between East Timor and Australia. The ConocoPhillips Defendants further admit that on or about May 17, 1971 Australia and Indonesia signed the Australian-Indonesian Continental Shelf Agreement that delimited certain maritime borders between Australia and Indonesia on both sides of East Timor. The ConocoPhillips Defendants admit that the boundary line in the Timor Sea between Australia and Indonesia was not continuous and that the break in the Indonesian-Australian boundary line between East Timor and Australia came to be known as the

“Timor Gap.” The ConocoPhillips Defendants admit that a map generally depicting the Timor Gap is attached as Exhibit A, but deny its accuracy for any purpose other than a general depiction of the Timor Gap’s location in the Timor Sea between Australia and East Timor. The ConocoPhillips Defendants deny the remaining allegations in paragraph 49 of the Second Amended Complaint.

50. The ConocoPhillips Defendants admit that certain petroleum and natural gas reserves (including reserves within the Bayu-Undan, Elang-Kakatua, Kakatua North and Sunrise fields) are located in the Timor Sea between Australia and Indonesia and East Timor, and that at least some of these reserves are located in “the Timor Gap.” The ConocoPhillips Defendants are without sufficient information to understand the basis for or to form a belief about the truth or falsity of the reserve or value estimates stated in paragraph 50 of the Second Amended Complaint and therefore deny the remaining allegations in paragraph 50.

B. Oceanic Exploration Company

51. The ConocoPhillips Defendants deny that “Oceanic is an established oil and gas exploration company with a history of successful exploration.” The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in paragraph 51 of the Second Amended Complaint and therefore deny the same.

V. COMMON ALLEGATIONS

A. Oceanic's Activities in the Timor Sea

52. The ConocoPhillips Defendants deny the allegations contained in the first sentence in paragraph 52 of the Second Amended Complaint. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining

allegations contained within paragraph 52 of the Second Amended Complaint and therefore deny the same.

53. The ConocoPhillips Defendants deny the last sentence of paragraph 53 of the Second Amended Complaint and deny that any rights were vested in Oceanic or Petrotimor, as alleged in paragraph 53 of the Second Amended Complaint. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained within paragraph 53 of the Second Amended Complaint and therefore deny the same.

54. The ConocoPhillips Defendants deny that any rights were vested in Oceanic or Petrotimor, as alleged in paragraph 54 of the Second Amended Complaint. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained within paragraph 54 of the Second Amended Complaint and therefore deny the same.

55. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained within paragraph 55 of the Second Amended Complaint and therefore deny the same.

56. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained within paragraph 56 of the Second Amended Complaint and therefore deny the same.

B. Indonesian Invasion of East Timor

57. The ConocoPhillips Defendants admit that after December 1975 Indonesia occupied and annexed East Timor. The ConocoPhillips Defendants are without sufficient

knowledge or information to form a belief as to the truth of the remaining allegations contained within paragraph 57 of the Second Amended Complaint and therefore deny the same.

58. The ConocoPhillips Defendants admit that on or about July 17, 1976 East Timor was formally annexed into Indonesia as its twenty-seventh province. The ConocoPhillips Defendants deny the remaining allegations in paragraph 58 of the Second Amended Complaint.

C. ConocoPhillips' Corruption in Indonesia

The ConocoPhillips Defendants deny the allegations in subheading V (C) of the Second Amended Complaint.

59. The ConocoPhillips Defendants deny the allegations in paragraph 59 of the Second Amended Complaint.

60. The ConocoPhillips Defendants deny that they, their affiliates, predecessors or employees made corrupt payments as alleged in paragraph 60 of the Second Amended Complaint, and further deny the allegations in the first three sentences and the last two sentences in paragraph 60 of the Second Amended Complaint. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 60 of the Second Amended Complaint and therefore deny the same.

61. The ConocoPhillips Defendants are without sufficient information to form a belief as to the truth or falsity of the allegations in the first sentence in paragraph 61 of the Second Amended Complaint and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 61 of the Second Amended Complaint.

62. To the extent paragraph 62 of the Second Amended Complaint purports to allege any illegal conduct by or the existence of any illegal enterprise involving any of the ConocoPhillips Defendants, such allegations are denied. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 62 of the Second Amended Complaint and therefore deny the same.

63. The ConocoPhillips Defendants deny the allegations in paragraph 63 of the Second Amended Complaint.

64. The ConocoPhillips Defendants deny the allegations in paragraph 64 of the Second Amended Complaint.

65. The ConocoPhillips Defendants state that they have not been able to identify information to confirm whether the allegations in paragraph 65 of the Second Amended Complaint are true and therefore deny the same, and further deny any improper reporting on tax returns.

66. The ConocoPhillips Defendants admit that the Internal Revenue Code allows certain foreign tax credits but refer to the relevant statutes and regulations for the true contents of those provisions. The ConocoPhillips Defendants deny the remaining allegations in paragraph 66 of the Second Amended Complaint.

67. The ConocoPhillips Defendants deny the allegations in paragraph 67 of the Second Amended Complaint.

68. The ConocoPhillips Defendants deny the allegations in paragraph 68 of the Second Amended Complaint.

69. The ConocoPhillips Defendants admit that ConocoPhillips uses a calendar year as its tax year and that ConocoPhillips has mailed certain United States Consolidated Tax Returns (Form 1120) to the Internal Revenue Center in Austin, Texas. The ConocoPhillips Defendants deny the remaining allegations in paragraph 69 of the Second Amended Complaint.

70. The ConocoPhillips Defendants deny the allegations in paragraph 70 of the Second Amended Complaint.

D. As a Result of ConocoPhillips' Corruption in Indonesia, ConocoPhillips Gained Favored Status with the Joint Authority

The ConocoPhillips Defendants deny the allegations in subheading V (D) of the Second Amended Complaint.

71. The ConocoPhillips Defendants deny the allegations in paragraph 71 of the Second Amended Complaint.

72. The ConocoPhillips Defendants admit that on or about December 11, 1989 Indonesia and Australia agreed to pursue the development of certain oil and natural gas reserves in the Timor Gap by agreeing to a Zone of Cooperation between East Timor and Northern Australia, and that Area A of the Zone of Cooperation overlaps with some of the area in which Oceanic claims it has been given a concession. The ConocoPhillips Defendants deny the remaining allegations in paragraph 72 of the Second Amended Complaint.

73. The ConocoPhillips Defendants admit that Australia and Indonesia created the Joint Authority to represent their joint sovereign interests over the production, marketing and sales of oil and natural gas in the Zone of Cooperation; the ConocoPhillips Defendants deny the characterization of the Joint Authority as a purely commercial entity. The ConocoPhillips Defendants admit the Joint Authority established its head office in Jakarta, with an operative

office in Darwin, Australia. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 73 of the Second Amended Complaint and therefore deny the same.

74. The ConocoPhillips Defendants admit that on behalf of Australia and Indonesia the Joint Authority was responsible for activities relating to exploration for and exploitation of the petroleum resources in Area A of the Zone of Cooperation and that it had as a goal to achieve the optimum commercial utilization of the petroleum resources of Area A. The ConocoPhillips Defendants admit that the Joint Authority had the right, if it wished, to market any or all petroleum production. The ConocoPhillips Defendants admit that the Joint Authority was responsible on behalf of Australia and Indonesia for the marketing, selling and disposing of its portion of the oil and natural gas produced in the Joint Petroleum Development Area. The ConocoPhillips Defendants deny the remaining allegations in paragraph 74 of the Second Amended Complaint.

75. The ConocoPhillips Defendants admit that the Joint Authority entered into certain production sharing contracts, but refer to such contracts for their true contents. The ConocoPhillips Defendants deny the remaining allegations in paragraph 75 of the Second Amended Complaint.

76. The ConocoPhillips Defendants admit that the Joint Authority had independent legal status, the ability to contract, to acquire and dispose of moveable and immovable property and to institute and be party to legal proceedings. The ConocoPhillips Defendants further refer to the relevant legal documents and authorities for a complete and true characterization of the Joint Authority.

77. The ConocoPhillips Defendants admit that in 1991, the Joint Authority released for tender 14 contract areas in Zone A of the Zone of Cooperation. The ConocoPhillips Defendants deny the remaining allegations in paragraph 77 of the Second Amended Complaint.

78. The ConocoPhillips Defendants admit that bidding for contracts in Zone A of the Zone of Cooperation was opened on or about June 24, 1991 and was to close on or about October 7, 1991. The ConocoPhillips Defendants further admit that a former Phillips-affiliated entity participated in the bid for Block 91-13. The ConocoPhillips Defendants also admit that the financial commitment to be undertaken by the bidding company in exploring for hydrocarbon resources was one of the factors used in evaluating bids. The ConocoPhillips Defendants deny the remaining allegations in paragraph 78 of the Second Amended Complaint.

79. The ConocoPhillips Defendants deny the allegations in paragraph 79 of the Second Amended Complaint.

80. The ConocoPhillips Defendants admit that in connection with the 1991 bidding process, Oceanic did not submit a bid for Block 91-13 or any other Block released at that time. The ConocoPhillips Defendants admit that Portugal attempted to bring an action in the International Court of Justice but refer to the proceedings in that case for the true nature and contents of the proceeding. The ConocoPhillips Defendants deny the remaining allegations in paragraph 80 of the Second Amended Complaint.

81. The ConocoPhillips Defendants deny that Oceanic had a “long history and involvement in the area.” The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 81 of the Second Amended Complaint and therefore deny the same.

82. The ConocoPhillips Defendants admit that the Bayu-Undan natural gas field falls within Blocks 91-12 and 91-13. The ConocoPhillips admit that an estimate was made with the combined input of participants in the Bayu-Undan project that the field could contain approximately 400 million barrels of petroleum liquids and approximately 3.4 trillion cubic feet of natural gas. The ConocoPhillips Defendants deny the remaining allegations in paragraph 82 of the Second Amended Complaint.

E. East Timor Gains Its Independence and Vitiates All Prior Interests in the Timor Sea

The ConocoPhillips Defendants admit that East Timor vitiates under East Timorese law all prior interests in the Timor Sea other than those confirmed by action of the new East Timorese government, but the ConocoPhillips Defendants deny that Oceanic ever had any prior legitimate interests in the Timor Sea. The ConocoPhillips Defendants deny any remaining allegations contained in heading V (E) of the Second Amended Complaint.

83. The ConocoPhillips Defendants admit that on August 30, 1999, an election in East Timor resulted in a vote in favor of independence. The ConocoPhillips Defendants admit that the United Nations Security Council, on October 25, 1999, established a United Nations Transitional Administration in East Timor for the purposes stated in United Nations Security Council Resolution 1272. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 83 of the Second Amended Complaint and therefore deny the same.

84. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 84 of the Second Amended Complaint and therefore deny the same.

85. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 85 of the Second Amended Complaint and therefore deny the same.

86. The ConocoPhillips Defendants admit that James Godlove made a statement that included, but was not limited to, the language quoted in paragraph 86 of the Second Amended Complaint, but refer to the text of that statement for the true contents and context of that statement. The ConocoPhillips deny the remaining allegations in paragraph 86 of the Second Amended Complaint.

87. The ConocoPhillips Defendants admit that the Exchange of Notes were signed on February 10, 2000 and admit that the Exchange of Notes provided for an interim agreement to continue the terms of the Timor Gap Treaty. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 87 of the Second Amended Complaint and therefore deny the same.

88. The ConocoPhillips Defendants admit that the East Timorese Constitution contained provisions addressing natural resources and concessions of natural resource rights under East Timorese law, but refer to the provisions themselves for their true contents and effect under East Timorese law. The ConocoPhillips Defendants deny the remaining allegations in paragraph 88 of the Second Amended Complaint.

F. ConocoPhillips Bribes East Timor's Prime Minister Mari Alkatiri

The ConocoPhillips Defendants deny the allegations in subheading V (F) of the Second Amended Complaint.

89. The ConocoPhillips Defendants deny the allegations in paragraph 89 of the Second Amended Complaint.

90. The ConocoPhillips Defendants deny the allegations in paragraph 90 of the Second Amended Complaint.

91. The ConocoPhillips Defendants deny the allegations contained in the last sentence in paragraph 91 of the Second Amended Complaint. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 91 of the Second Amended Complaint and therefore deny the same.

92. The ConocoPhillips Defendants admit that Mari Alkatiri was the Chief Economic Affairs Minister for UNTAET from August 30, 1999 until April 14, 2002, and that Jose Teixeira is a commissioner on the Designated Authority. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 92 of the Second Amended Complaint and therefore deny the same.

93. The ConocoPhillips Defendants admit that the 2000 Annual Report of Phillips Petroleum Company contains language referring to an affiliate having “donated 13 trucks for agricultural use,” “to help the new nation of East Timor.” The ConocoPhillips Defendants further admit that the 2000 Annual Report pictured Stephen Brand, “Australasia division president,” presenting an additional vehicle to be used as “a mobile medical clinic” to three nuns: Sister Marie Carmen Pangilinan, Sister Alma Marie Cantorna and Sister Bernadette Velayo. The ConocoPhillips Defendants deny the remaining allegations in paragraph 93 of the Second Amended Complaint.

94. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations contained in the first sentence in paragraph 94 of the Second Amended Complaint. The ConocoPhillips Defendants deny the remaining allegations in paragraph 94 of the Second Amended Complaint.

95. The ConocoPhillips Defendants admit that on or about July 5, 2001, Mari Alkatiri, then Cabinet Member for Economic Affairs for the UNTAET, signed a Memorandum of Understanding with Australia, and refer to the text of that Memorandum for its true contents. The ConocoPhillips Defendants admit that the area of the Joint Petroleum Development Area overlaps with the area that Oceanic claims to be covered by a concession from Portugal, but deny the validity or effect of any such concession. The ConocoPhillips Defendants deny the remaining allegations in paragraph 95 of the Second Amended Complaint.

96. The ConocoPhillips Defendants admit that consideration of tax rates on ConocoPhillips affiliates resulted in consideration of what the consequences on projects in the area of such tax rates would be, including possible suspension of further investment in the projects. The ConocoPhillips Defendants deny that James Mulva, Stephen Brand, and James Godlove arrived in Dili on August 24, 2001, but admit that they arrived in Dili on August 25, 2001 traveling on a ConocoPhillips aircraft Registration No. N663P. The ConocoPhillips Defendants deny the remaining allegations in paragraph 96 of the Second Amended Complaint.

97. The ConocoPhillips Defendants admit that the August 25, 2001 visit to East Timor took place shortly before elections in East Timor, that James Mulva (and others from ConocoPhillips affiliates) met with Alkatiri (and other UNTAET representatives), and that the representatives of ConocoPhillips affiliates and of UNTAET discussed deferring further

discussion about the Bayu-Undan gas project until after the elections. The ConocoPhillips Defendants deny the remaining allegations in paragraph 97 of the Second Amended Complaint.

98. The ConocoPhillips Defendants admit that on or about October 12, 2001, certain ConocoPhillips officials flew to Dili from Perth on a ConocoPhillips aircraft, Registration No. N663P, later returning to Darwin. The ConocoPhillips Defendants deny the remaining allegations in paragraph 98 of the Second Amended Complaint.

99. The ConocoPhillips Defendants deny the allegations in paragraph 99 of the Second Amended Complaint.

100. The ConocoPhillips Defendants admit that on or about April 14, 2002, Mari Alkatiri was designated to become the Prime Minister of East Timor. The ConocoPhillips Defendants further admit that James Mulva, flew on a ConocoPhillips aircraft, Registration No. N663P, to visit Dili, departing on April 17, 2002, in the company of Billy Parker, Stephen Brand and Blair Murphy, with a destination of Sydney, Australia. The ConocoPhillips Defendants further admit that East Timor celebrated its independence day the following month. The ConocoPhillips deny the remaining allegations in paragraph 100 of the Second Amended Complaint.

101. The ConocoPhillips Defendants admit that James Mulva, ConocoPhillips CEO, traveled to Dili and attended East Timor's independence celebrations. The ConocoPhillips Defendants further admit that James Mulva traveled on a ConocoPhillips aircraft, Registration No. N667P, and arrived in Dili on or about May 19, 2002, in the company of Blair Murphy, Stephen Brand and Billy Parker. The ConocoPhillips Defendants also admit that prior to the arrival in Dili, the aircraft stopped in Darwin, Australia. The ConocoPhillips Defendants deny the remaining allegations in paragraph 101 of the Second Amended Complaint.

102. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 102 of the Second Amended Complaint and therefore deny the same.

103. The ConocoPhillips Defendants deny the allegations in paragraph 103 of the Second Amended Complaint.

104. The ConocoPhillips Defendants admit that after being signed on or about May 20, 2002, the Timor Sea Treaty required ratification by both countries. The ConocoPhillips Defendants also admit that a International Unitization Agreement was contemplated by the Timor Sea Treaty as an agreement between the two countries in light of the fact that the Greater Sunrise gas field straddled the eastern border of the Joint Petroleum Development Area and is thus partially outside the boundaries covered by the Timor Sea Treaty. The ConocoPhillips Defendants deny the remaining allegations in paragraph 104 of the Second Amended Complaint.

105. The ConocoPhillips Defendants admit that certain of its affiliates asserted that spending company capital to proceed with the Darwin liquid natural gas plant would not be appropriate until such time as the process of ratifying the Timor Sea Treaty was complete. The ConocoPhillips Defendants deny making any knowingly false statements. The ConocoPhillips Defendants have not been able to confirm the truth of the remaining allegations in paragraph 105 of the Second Amended Complaint and therefore deny the same.

106. The ConocoPhillips Defendants admit that the Timor Sea Treaty was ratified by East Timor in December of 2002, before agreeing to the International Unitization Agreement with respect to the Sunrise oil fields. The ConocoPhillips Defendants admit that a January 2003 publication reports that Blair Murphy said, in substance, that East Timor could receive approximately \$3 billion from the Bayu-Undan oil field over the succeeding 17 years.

The ConocoPhillips Defendants deny the remaining allegations in paragraph 106 of the Second Amended Complaint.

107. The ConocoPhillips Defendants deny the allegations in paragraph 107 of the Second Amended Complaint.

108. The ConocoPhillips Defendants admit that certain affiliates asserted that ratification of the Timor Sea Treaty by March 11, 2003 was important in order to go forward with the construction of a liquid natural gas facility in Darwin and to meet a construction schedule and completion deadline. The ConocoPhillips Defendants deny the remaining allegations in 108 of the Second Amended Complaint, but admit that the Timor Sea Treaty formally came into effect on April 2, 2003.

109. The ConocoPhillips Defendants admit that the Designated Authority was formed on or about April 2, 2003 to represent the sovereign interests of Australia and East Timor with respect to hydrocarbon resources within the Timor Gap. The ConocoPhillips Defendants admit that the Designated Authority entered into production sharing contracts on April 2, 2003, including production sharing contracts with groups that included certain ConocoPhillips affiliates. The ConocoPhillips Defendants further admit that the Designated Authority shared the potential benefit associated with oil and gas production under these contracts; but deny that the Designated Authority risked capital in connection with the associated ventures. The ConocoPhillips Defendants admit that under the production sharing contracts awarded, the Designated Authority reserved the right, if it wished, to engage in certain downstream activities. The ConocoPhillips Defendants are without sufficient information to form a belief as to the truth or falsity of the allegations in the last sentence of paragraph 109 of the Second Amended

Complaint and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 109 of the Second Amended Complaint.

110. The ConocoPhillips Defendants admit that James Mulva traveled to Dili to meet with Mari Alkatiri and others in the second week of April, 2003, flying with William Berry and Blair Murphy on a ConocoPhillips aircraft, Registration No. N667P, which departed Dili on April 14, 2003 for Darwin, Australia. The ConocoPhillips Defendants deny the remaining allegations in paragraph 110 of the Second Amended Complaint.

111. The ConocoPhillips Defendants admit that it was announced on June 15, 2003, that the Designated Authority had approved the gas development plan for Bayu-Undan and that ConocoPhillips affiliates would then proceed with the approximately \$1.5 billion development that included a pipeline from the Bayu-Undan gas field to Darwin, Australia, and the construction of a liquefied natural gas plant in Darwin. The ConocoPhillips Defendants admit that production of gas condensate in Bayu-Undan began in 2004.

G. Oceanic's Efforts to Obtain New Interests in the Timor Sea or New Recognition of its Prior Interests

The ConocoPhillips Defendants are without sufficient information to form a belief as to the truth or falsity of any allegations in heading V (G) of the Second Amended Complaint and therefore deny the same.

112. The ConocoPhillips Defendants deny the allegations in paragraph 112 of the Second Amended Complaint.

113. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 113 of the Second Amended Complaint and therefore deny the same.

114. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 114 of the Second Amended Complaint and therefore deny the same.

115. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 115 of the Second Amended Complaint and therefore deny the same.

116. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 116 of the Second Amended Complaint and therefore deny the same.

117. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 117 of the Second Amended Complaint and therefore deny the same.

118. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 118 of the Second Amended Complaint and therefore deny the same.

119. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 119 of the Second Amended Complaint and therefore deny the same.

120. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 120 of the Second Amended Complaint and therefore deny the same.

121. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 121 of the Second Amended Complaint and therefore deny the same.

122. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 122 of the Second Amended Complaint and therefore deny the same.

123. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 123 of the Second Amended Complaint and therefore deny the same.

124. The ConocoPhillips Defendants admit that ConocoPhillips affiliates own a portion of the interests of companies who are involved in development of the Sunrise Field. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in the first and second sentences in paragraph 124 of the Second Amended Complaint and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 124.

125. The ConocoPhillips Defendants admit that on or about April 2, 2003, the Designated Authority awarded seven production sharing contracts in the Joint Petroleum Development Area to companies that previously had production sharing contracts in the same area, as required by the terms of the Timor Sea Treaty. The ConocoPhillips Defendants deny the remaining allegations in paragraph 125 of the Second Amended Complaint.

126. The ConocoPhillips Defendants admit that six production sharing contracts awarded by the Designated Authority were awarded to groups that included companies now known as ConocoPhillips (91-12) Pty Ltd.; ConocoPhillips (91-13) Pty Ltd.;

ConocoPhillips JPDA Pty Ltd.; ConocoPhillips (96-16) Pty Ltd.; ConocoPhillips (95-19) Pty Ltd.; ConocoPhillips (96-20) Pty Ltd.; and ConocoPhillips (00-21) Pty Ltd. The ConocoPhillips Defendants deny the remaining allegations in paragraph 126 of the Second Amended Complaint.

127. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in the first and second sentences in paragraph 127 of the Second Amended Complaint and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 127 of the Second Amended Complaint.

VI. DEFENDANTS' CONTACTS WITH THE UNITED STATES

128. The ConocoPhillips Defendants deny the allegations in paragraph 128 of the Second Amended Complaint.

129. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 129 of the Second Amended Complaint and therefore deny the same.

130. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 130 of the Second Amended Complaint and therefore deny the same.

131. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 131 of the Second Amended Complaint and therefore deny the same.

132. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in first sentence in

paragraph 132 of the Second Amended Complaint and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 132 of the Second Amended Complaint.

133. The ConocoPhillips Defendants deny the allegations in paragraph 133 of the Second Amended Complaint.

134. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 134 of the Second Amended Complaint and therefore deny the same.

135. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in the first through third sentences in paragraph 135 of the Second Amended Complaint and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 135 of the Second Amended Complaint.

136. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations contained in the first sentence in paragraph 136 of the Second Amended Complaint and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 136 of the Second Amended Complaint.

137. The ConocoPhillips Defendants deny the allegations in paragraph 137 of the Second Amended Complaint.

138. The ConocoPhillips Defendants deny the allegations contained in the first sentence in paragraph 138 of the Second Amended Complaint. The ConocoPhillips Defendants

are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations contained in the second sentence in paragraph 138 of the Second Amended Complaint and therefore deny the same.

139. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 139 of the Second Amended Complaint and therefore deny the same.

140. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 140 of the Second Amended Complaint and therefore deny the same.

141. The ConocoPhillips Defendants deny the allegations in paragraph 141 of the Second Amended Complaint.

142. The ConocoPhillips Defendants deny the allegations in paragraph 142 of the Second Amended Complaint.

143. The ConocoPhillips Defendants deny the allegations in paragraph 143 of the Second Amended Complaint.

144. The ConocoPhillips Defendants deny the allegations in paragraph 144 of the Second Amended Complaint.

VII. DEFENDANTS' CONCEALMENT OF INHERENTLY SECRET WRONGFUL ACTS AND PLAINTIFFS' DISCOVERY OF SUCH ACTS

The ConocoPhillips Defendants deny the allegations in subheading VII of the Second Amended Complaint.

145. The ConocoPhillips Defendants deny the allegations in paragraph 145 of the Second Amended Complaint.

146. The ConocoPhillips Defendants deny that they engaged in any illegal or wrongful acts. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of allegations in paragraph 146 the Second Amended Complaint concerning plaintiffs' knowledge, and therefore deny the same. The ConocoPhillips Defendants deny the remaining allegations in paragraph 131 of the Second Amended Complaint.

147. The ConocoPhillips Defendants admit that East Timor adopted a constitution in 2002, but refer to that document for its true contents. The ConocoPhillips Defendants deny the remaining allegations in paragraph 147 of the Second Amended Complaint.

148. The ConocoPhillips Defendants deny that they engaged in any illegal or wrongful acts and incorporate and restate their responses to the allegations in paragraphs 89 through 111 of the Second Amended Complaint. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 148 of the Second Amended Complaint and therefore deny the same.

149. The ConocoPhillips Defendants deny that they engaged in any illegal or wrongful acts, including bribery or the corruption of officials of East Timor. The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in paragraph 149 of the Second Amended Complaint and therefore deny the same.

150. The ConocoPhillips Defendants deny that they engaged in any "corrupt acts." The ConocoPhillips Defendants are without sufficient knowledge or information to form a belief regarding any allegations in paragraph 150 of the Second Amended Complaint concerning Oceanic's knowledge and therefore deny the same.

FIRST CLAIM

RACKETEER INFLUENCED AND CORRUPT

ORGANIZATIONS ACT

(18 U.S.C. §§ 1962(c) and 1964(c))

(Against All Defendants)

151. The ConocoPhillips Defendants incorporate and restate their responses to the allegations in paragraphs 1 through 150 of the Second Amended Complaint.

152. The ConocoPhillips Defendants deny the allegations in paragraph 152 of the Second Amended Complaint.

153. The ConocoPhillips Defendants deny the allegations in paragraph 153 of the Second Amended Complaint.

154. The ConocoPhillips Defendants deny the allegations in paragraph 154 of the Second Amended Complaint.

155. The ConocoPhillips Defendants deny the allegations in paragraph 155 of the Second Amended Complaint, including those in all of its subparts.

156. The ConocoPhillips Defendants deny that they or any ConocoPhillips affiliates or their employees violated 18 U.S.C. § 1962(c), and further deny that they or any of their affiliates or their employees are employed by the Joint Authority, the Designated Authority or the Pertamina Group. The ConocoPhillips Defendants lack sufficient information to form a belief as to the truth or falsity of any remaining allegations in paragraph 156 of the Second Amended Complaint and therefore deny the same.

157. The ConocoPhillips Defendants deny the allegations in paragraph 157 of the Second Amended Complaint.

158. The ConocoPhillips Defendants deny the allegations in paragraph 158 of the Second Amended Complaint.

159. The ConocoPhillips Defendants deny the allegations in paragraph 159 of the Second Amended Complaint.

160. The ConocoPhillips Defendants deny the allegations in paragraph 160 of the Second Amended Complaint.

161. The ConocoPhillips Defendants deny the allegations in paragraph 161 of the Second Amended Complaint.

SECOND CLAIM

**CONSPIRACY TO VIOLATE RACKETEER INFLUENCED
AND CORRUPT ORGANIZATIONS ACT**

(18 U.S.C. §§ 1962(d) and 1964(c))

(Against All Defendants)

162. The ConocoPhillips Defendants incorporate and restate their responses to the allegations in paragraphs 1 through 161 of the Second Amended Complaint.

163. The ConocoPhillips Defendants deny the allegations in paragraph 163 of the Second Amended Complaint.

164. The ConocoPhillips Defendants deny the allegations in paragraph 164 of the Second Amended Complaint.

165. The ConocoPhillips Defendants deny the allegations in paragraph 165 of the Second Amended Complaint, including those in all of its subparts.

166. The ConocoPhillips Defendants deny the allegations in paragraph 152 of the Second Amended Complaint.

167. The ConocoPhillips Defendants deny the allegations in paragraph 167 of the Second Amended Complaint.

168. The ConocoPhillips Defendants deny the allegations in paragraph 168 of the Second Amended Complaint.

169. The ConocoPhillips Defendants deny the allegations in paragraph 169 of the Second Amended Complaint.

170. The ConocoPhillips Defendants deny the allegations in paragraph 170 of the Second Amended Complaint.

THIRD CLAIM

VIOLATION OF THE ROBINSON-PATMAN ACT

15 U.S.C. §§ 13(c), 15

(Against the ConocoPhillips Defendants)

171. The ConocoPhillips Defendants incorporate and restate their responses to the allegations in paragraphs 1 through 170 of the Second Amended Complaint.

172. The ConocoPhillips Defendants admit that ConocoPhillips affiliated companies are engaged in the business of exploring for and extracting oil and natural gas. The ConocoPhillips Defendants deny the remaining allegations in paragraph 172 of the Second Amended Complaint.

173. The ConocoPhillips Defendants admit that the ConocoPhillips defendants engage in certain kinds of commerce. The ConocoPhillips Defendants deny the remaining allegations in paragraph 173 of the Second Amended Complaint.

174. The ConocoPhillips Defendants deny the allegations in paragraph 174 of the Second Amended Complaint.

175. The ConocoPhillips Defendants deny the allegations in paragraph 175 of the Second Amended Complaint.

FOURTH CLAIM

VIOLATION OF THE LANHAM ACT

(15 U.S.C. § 1126)

(Against All Defendants)

176. The ConocoPhillips Defendants incorporate and restate their responses to the allegations in paragraphs 1 through 175 of the Second Amended Complaint.

177. No answer to paragraph 177 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants refer to the official records of the Paris Convention for the signatory status of Australia, Indonesia, Portugal and the United States.

178. No answer to paragraph 178 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in paragraph 178 of the Second Amended Complaint and therefore deny the same.

179. No answer to paragraph 179 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 179 of the Second Amended Complaint.

180. No answer to paragraph 180 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 180 of the Second Amended Complaint.

181. No answer to paragraph 181 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 181 of the Second Amended Complaint.

182. No answer to paragraph 182 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 182 of the Second Amended Complaint.

183. No answer to paragraph 183 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 183 of the Second Amended Complaint.

184. No answer to paragraph 184 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 184 of the Second Amended Complaint.

185. No answer to paragraph 185 of the Second Amended Complaint is required because plaintiffs' Fourth Claim has been dismissed as a matter of law. To the extent

that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 185 of the Second Amended Complaint.

FIFTH CLAIM

INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE
(Against the ConocoPhillips Defendants)

186. The ConocoPhillips Defendants incorporate and restate their responses to the allegations in paragraphs 1 through 185 of the Second Amended Complaint.

187. The ConocoPhillips Defendants deny the allegations in paragraph 187 of the Second Amended Complaint.

188. The ConocoPhillips Defendants deny the allegations in paragraph 188 of the Second Amended Complaint.

189. The ConocoPhillips Defendants deny the allegations in paragraph 189 of the Second Amended Complaint.

190. The ConocoPhillips Defendants deny the allegations in paragraph 190 of the Second Amended Complaint.

SIXTH CLAIM

UNJUST ENRICHMENT

(Against all Defendants)

191. The ConocoPhillips Defendants incorporate and restate their responses to the allegations in paragraphs 1 through 190 of the Second Amended Complaint.

192. No answer to paragraph 192 of the Second Amended Complaint is required because plaintiffs' Sixth Claim has been dismissed as a matter of law. To the extent

that any answer is required, the ConocoPhillips Defendants deny the allegations in paragraph 192 of the Second Amended Complaint.

SEVENTH CLAIM

UNFAIR COMPETITION

(Against All Defendants)

193. The ConocoPhillips Defendants incorporate and restate their responses to the allegations in paragraphs 1 through 193 of the Second Amended Complaint.

194. The ConocoPhillips Defendants deny the allegations in paragraph 194 of the Second Amended Complaint.

195. The ConocoPhillips Defendants deny the allegations in paragraph 195 of the Second Amended Complaint.

196. The ConocoPhillips Defendants deny the allegations in paragraph 196 of the Second Amended Complaint.

DEFENSES

The ConocoPhillips Defendants state that they may assert the following defenses to bar, in whole or in part, the plaintiffs' claims or any recovery plaintiffs seek, without assuming the burden of proof where it otherwise would not be placed on the ConocoPhillips Defendants:

1. Plaintiffs lack standing.
2. Plaintiffs' claims are barred by the political question doctrine.
3. Plaintiffs' claims are barred by the United States Constitution, including but not limited to the due process clauses of the Fifth and Fourteenth Amendments.
4. Plaintiffs' claims are barred because such claims involve the impermissible extra-territorial application of state law or United States law.

5. Plaintiffs' claims are barred by the act of state doctrine.
6. Plaintiffs' claims are barred by the constitutions of Australia and East Timor.
7. Plaintiffs' claims are barred by the Timor Sea Treaty.
8. Plaintiffs' claims are barred by the absence of a private right of action.
9. Plaintiffs fail to state claims as to which relief can be granted.
10. Plaintiffs' claims are barred by collateral estoppel and/or res judicata.
11. Plaintiffs have failed to plead their allegations of fraud with particularity.
12. Plaintiffs' claims are barred by the applicable statutes of limitations and/or statutes of repose.
13. Any property rights held at any time by the plaintiffs have been lost through adverse possession.
14. Plaintiffs' claims are barred by laches.
15. Plaintiffs' claims are barred by plaintiffs' unclean hands.
16. Plaintiffs' claims are barred by estoppel.
17. Plaintiffs' claims are barred by express or implied waiver.
18. Plaintiffs' claims are barred by ratification.
19. Plaintiffs' claims are barred by the doctrine of mistake.
20. Plaintiffs' claims are barred by the doctrine of impossibility.
21. Plaintiffs' claims are barred by plaintiffs' assumption of risk.
22. Plaintiffs' claims are barred because plaintiffs possessed no valid business relationship, expectancy or entitlement with which the ConocoPhillips Defendants could interfere.

23. Plaintiffs' claims are barred because the ConocoPhillips Defendants were not aware of any valid relationship, expectancy or entitlement and therefore the ConocoPhillips Defendants could not have intentionally interfered with the same.

24. Plaintiffs' claims are barred because the actions of the ConocoPhillips Defendants were justified and/or privileged.

25. Plaintiffs' claims are barred by the absence of any interstate commerce.

26. Plaintiff's claims are barred because they do not involve any "goods, wares or merchandise."

27. Plaintiffs' claims are barred because plaintiffs are not competitors in the relevant market.

28. Plaintiffs' claims are barred because no action of the ConocoPhillips Defendants crossed the "buy/seller" line.

29. Plaintiff's claims are barred because they do not involve an antitrust injury.

30. Plaintiffs' RICO claims are barred by the failure to plead any predicate acts with particularity.

31. Plaintiffs' RICO claims are barred because plaintiffs' alleged injuries were not proximately caused by the alleged RICO predicate acts.

32. Plaintiffs' RICO claims are barred under the doctrine of special injury; plaintiffs have not suffered any injuries different from the alleged injuries resulting from the alleged RICO predicate acts.

33. Plaintiffs' RICO claims are barred by the absence of a pattern of racketeering.

34. Plaintiffs' RICO claims are barred by the absence of a related, continuous pattern of conduct.

35. Plaintiffs' RICO claims are barred by the absence of a RICO enterprise.

36. Plaintiffs' RICO claims are barred because by the absence of any overt act by the ConocoPhillips Defendants that allegedly caused plaintiffs' injuries or damages.

37. Plaintiffs' RICO claims are barred by the absence of any concrete financial loss resulting from any alleged activities by the ConocoPhillips Defendants.

38. Plaintiffs' RICO claims are barred by the absence of any distinction between a relevant RICO enterprise and the RICO defendants.

39. Plaintiffs RICO claims are barred by the absence of any distinction between a relevant RICO enterprise and the RICO conspiracy.

40. Plaintiffs' claims are barred because plaintiffs suffered no injury or damage.

41. Plaintiffs' claims are barred because no action of the ConocoPhillips Defendants could have proximately caused the plaintiffs' injuries or damages.

42. Plaintiffs' claims are barred because any alleged injuries or damages were the result of independent, superseding and intervening causes, factors or conditions or by third parties over whom the ConocoPhillips Defendants have no control and for which the ConocoPhillips Defendants are not liable.

43. Plaintiffs' claims are barred because plaintiffs failed to mitigate their damages.

44. Plaintiffs' claims are barred because plaintiffs' alleged damages, if any, are too speculative and uncertain.

45. Plaintiffs' claims are barred by set-off or recoupment of amounts the ConocoPhillips Defendants have invested in acquiring, exploring and developing same.

46. Plaintiffs' claim for punitive damages is barred by the due process clauses of the United States Constitution, and any applicable constitution of any state of the United States.

47. Any award of punitive damages is barred unless the trial is bifurcated and all punitive damage issues are tried only after liability on the merits has been found.

48. Plaintiffs' claims are barred to the extent of any credit or offset for any and all sums that the plaintiffs have received or may hereafter receive by way of any and all settlements arising from plaintiffs' claims and causes of action.

49. Plaintiffs' claims are barred because plaintiffs' failure to join all indispensable parties precludes the Court from granting complete relief to those who are parties to the action and will result in prejudice to the ConocoPhillips Defendants and other indispensable parties.

The ConocoPhillips Defendants reserve the right to amend this pleading and to add additional basis for defense as discovery and investigation may warrant.

Dated: October 10, 2006

Respectfully submitted,

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