vision

assets

people

community

Burlington Resources 2002 Annual Report

our reasons reaffirmed

BURLINGTON RESOURCES

CONTENTS
ANNUAL REPORT

ABBREVIATIONS USED IN THIS REPORT

Bbls
Barrels

BCF
Billion Cubic Feet

BCFE
Billion Cubic Feet of Gas Equivalent

BOD
Barrels of Oil per Day

MBbls
Thousands of Barrels

MMBbls
Millions of Barrels

MCF
Thousand Cubic Feet

MCFE
Thousand Cubic Feet of Gas Equivalent

MMCFD
Million Cubic Feet of Gas per Day

MMCFE
Million Cubic Feet of Gas Equivalent

MMCFED
Million Cubic Feet of Gas Equivalent per Day

TCF
Trillion Cubic Feet

TCFE
Trillion Cubic Feet of Gas Equivalent

NGLs
Natural Gas Liquids

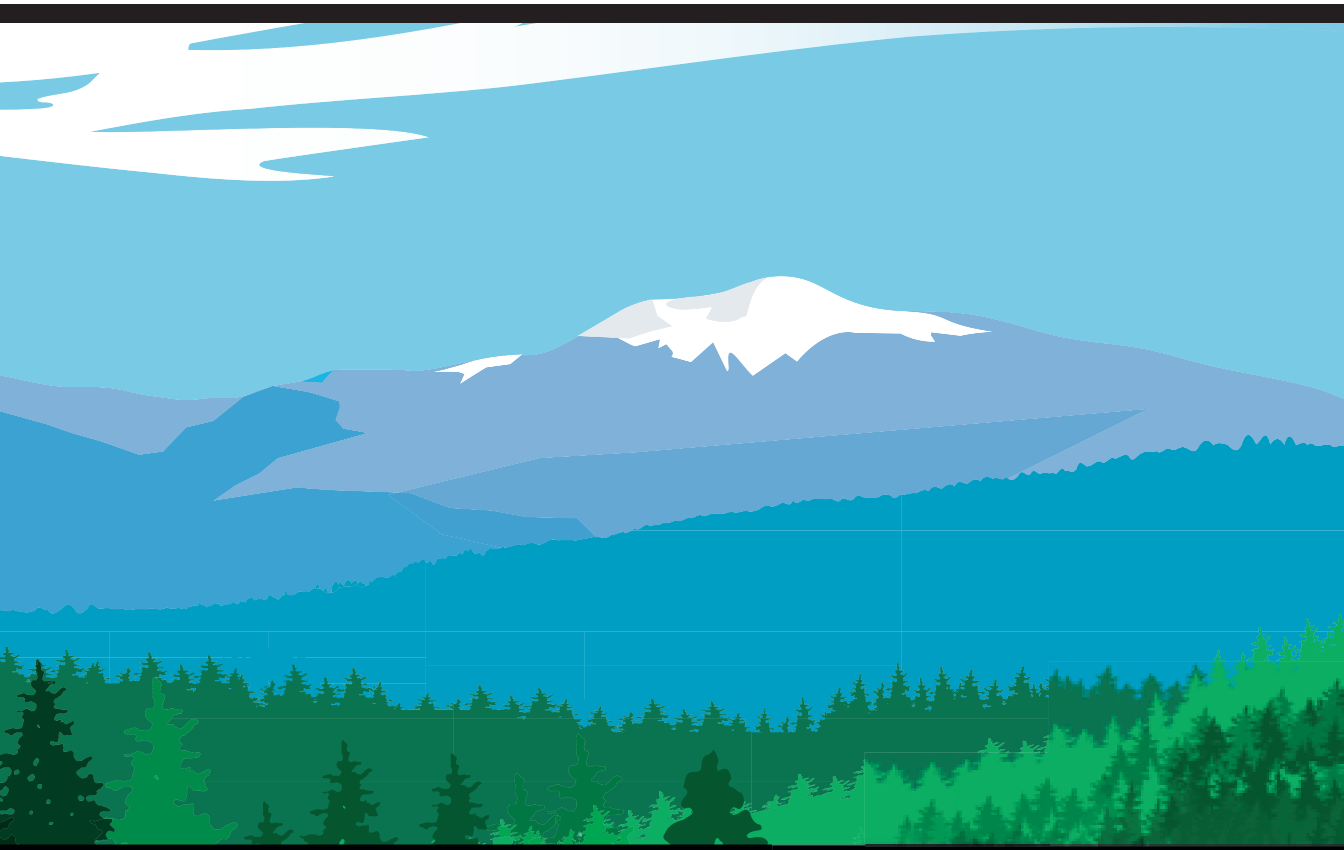
Burlington Resources Inc.
5051 Westheimer, Suite 1400
Houston, Texas 77056
(713) 624-9500
www.br-inc.com

Dear Stockholders,

More than a year ago, we at Burlington Resources stated the reasons we were optimistic about our future — we had a clear vision, high-quality assets, outstanding people and a commitment to our communities. After a year of diligent work, I am pleased to say that for Burlington Resources, 2002 was a year of goals met, objectives achieved and promises kept. We are proudly reaffirming these reasons, and we are more optimistic than ever about our future.

— Bobby Shackouls

our vision reinforced



We work relentlessly to deliver long-term value for stockholders.

At Burlington Resources, 2002 was a year of measurable progress and achievement.

It has now been more than four years since we first spoke of adopting a returns-based approach to the exploration and production business. We realized this would require transforming our asset base and revising our capital allocation process, and that this work would be neither quick nor easy. The wisdom of these often-difficult changes has been confirmed by results that clearly reflect improved performance. Particularly satisfying is the fact that an investment in Burlington shares during 2002 returned 15.2 percent to our stockholders at a time when the S&P 500 average declined 22 percent. Our approach to returns-based investing is also gaining wider acceptance within our industry and among the investors who follow the sector.

Let me convey some of our other achievements that go beyond the numbers, starting with the most important — the transformation of our assets. During these past four years, we've established a major position in western Canada, which now supplies more than 40 percent of our production. Within the U.S., we've moved to counteract the naturally declining coalbed methane production in the San Juan Basin by implementing new programs that target conventional producing sands there. Meanwhile, we've more than doubled the productive capacity of Wyoming's Madden Field. Along the Cedar Creek Anticline of Montana and North Dakota, we've tested and begun what we believe is the world's largest horizontal waterflood program in two oil fields that are already responding to our enhanced recovery operations. Internationally, we're rapidly developing a number of projects that we expect to drive future production growth.

Taken together, these achievements have positioned Burlington to deliver competitive returns as well as profitable production growth. They also enabled Burlington to record the following milestones during 2002:

- We earned net income of $454 million in 2002, or $2.25 per diluted share, and generated more than $1.5 billion in operating cash flow, despite weak commodity prices early in the year.
- Total production grew 8 percent, or 11 percent per share, to 2,571 MMCFED, despite the sale of nearly one-tenth of our total asset base during the year. We reached the upper end of our long-term goal of averaging 3 percent to 8 percent annual production growth, and have reaffirmed this goal. We anticipate 2003 production growth near the low end of the range and 2004 growth near the upper end.
- We restored our balance sheet flexibility, reducing total-debt-to-total-capitalization to 51 percent at year-end from a peak of 58 percent following asset acquisitions early in the year. Including approximately $443 million in cash and cash equivalents on hand, our net-debt-to-total-capitalization was 48 percent at year-end. Our debt-reduction efforts benefited significantly from the expanded $1.3 billion property sales program during 2002.
- We replaced 161 percent of 2002 production with new reserves at an average cost of $1.06 per MCFE, both extremely competitive metrics within our industry. Excluding acquisitions, average replacement costs were $1.03 per MCFE, indicating the effectiveness of our internal drilling programs. Year-end reserves totaled 11.4 TCFE, compared to 11.8 TCFE the year before, with the decrease attributable to property sales during 2002.
- Unit cash operating costs (including production, processing and administrative expenses) declined 11 percent from the previous year, to $0.67 per MCFE, as we divested assets with higher operating costs and added more-efficient properties characterized by lower costs, lower decline rates and higher margins. In addition, we implemented cost-reduction initiatives throughout the company, with progress in virtually every area.
- Our concentration in large producing fields where we enjoy economies of scale and competitive advantages in technology made possible continued additions of reserves and production, even in

mature areas. Ongoing drilling and development activity was particularly successful in the San Juan Basin of the U.S. and in Canada's Deep Basin, Whitecourt/O'Chiese and Southern Plains areas.

- Our return on capital employed was 9 percent, despite average realized prices for natural gas that were nearly $1 per MCF lower during 2002 than in 2001. Our returns benefited from the continuing portfolio optimization and an improved capital-allocation methodology that directs our spending toward higher-margin projects.
- We continued making progress on our major development projects. Following completion of the Madden Field's processing plant expansion, we are currently drilling a final well to finish development of this very large domestic reservoir. Oil production began in December 2002 from the Ourhoud Field in Algeria, and we expect a mid-2003 start-up of the MLN Field there. We also anticipate late-2003 start-ups of the Bootes and Ursa offshore oil fields in China and a new oil field in Ecuador, followed by the early-2004 initiation of natural gas production from the Rivers Fields in the East Irish Sea.

As we enter 2003, we believe that the state of our company is extremely sound. However, we are not content to rest. We are determined to maintain our momentum, and to do so we have established a capital budget of $1.35 billion for the year. To guide our actions, we have also set five key goals — further improving the safety performance of employees and contractors, ensuring that we meet our production goals, securing future opportunities through our exploration and unconventional-resource initiatives, continuing our focus on capital and expense efficiencies, and maintaining our commitment to creating value for our stockholders.

We are proud of our 2002 accomplishments, and look forward to achieving new successes during the years ahead.

Bobby S. Shackouls

Chairman, President and Chief Executive Officer

our management responds

An interview with Randy Limbacher, executive vice president and chief operating officer, and Steve Shapiro, executive vice president and chief financial officer

Energy prices are currently high by historical standards. Are they sustainable?

Shapiro: Whether they are or not, we believe we have positioned Burlington to generate moderate growth and sector-leading returns regardless of commodity prices, a strategy that protects us against downturns while maximizing the benefits realized during up-cycles. Our view is that we are "price-takers" with no control over the market, so we focus intensely on the elements of our business that we can control, such as our cost structure and capital efficiency. That said, we watch the commodity markets closely, particularly North American natural gas. We believe that this market is fundamentally balanced within a long-term price range of $3 to $4+ per MCF, albeit with very significant volatility. We are still learning about demand elasticity at the higher prices we've seen recently. Until we have more history about the sustainability of the recent price levels, we'll continue gearing Burlington for success at the lower end of this range.

Describe Burlington's approach to the exploration and production business.

Shapiro: Our objectives are to generate sector-leading returns on our investments, as well as long-term production growth in the 3 percent to 8 percent annual average range. We believe that this model is appropriate and achievable considering the high quality of our producing assets. In fact in this model, differential asset quality and ongoing investment discipline determine the winners. We believe we have both!

Are your assets really differential to those of your competitors, and why?

Limbacher: Yes, we believe they are. Most of our investments go into fields that hold multiple trillions of cubic feet of long-lived reserves or potential. We usually have interests in hundreds or even thousands of wells and often operate the infrastructure. Our employees typically have unparalleled technical and geologic expertise and years of experience with such assets. Together, our core assets and competencies translate into lower decline rates, lower costs, lower risks and greater ability to find new reserves and production, even in mature areas.

Shapiro: Last year we strengthened our asset base by selling into a robust market a number of non-core properties with limited remaining potential and higher cost structures. Meanwhile, we were adding premium properties in Canada, in the Barnett Shale trend and in several other areas. These steps improved our ability to generate free cash flow by lowering the amount of capital required to achieve our growth goals.

How do you allocate capital and deploy your free cash flow?

Shapiro: Under our returns-based investment philosophy, we allocate capital among three alternatives: drill bit, acquisitions, and financial opportunities such as share repurchases or debt repayment. Typically, drilling opportunities are evaluated against each other, with the best projects comprising our base capital programs each year. In making incremental investments above the base program, we test all these alternatives against each other and decide upon the approach that assures the greatest incremental returns and future optionality.

How does the significant price volatility impact your approach to the business?

Limbacher: Our long-lived asset base enables us to take a longer-term view rather than a short-term, reactive approach. In most of our core properties, we maintain constant activity levels instead of ramping our programs up or down in response to prices. This "level-loading" improves efficiency, and is a luxury afforded us by our emphasis on large fields that offer years of low-cost development opportunities.

Shapiro: The volatility actually creates opportunity because it impacts the commodity, asset and equity values differ-

ently, depending on the cycles. We can arbitrage these relative valuations by taking such steps as buying or selling assets, repurchasing shares or hedging our production. Our hedging philosophy is to use wide "collars" that assure minimum returns during down-cycles, while enabling stockholders to retain exposure to improving commodity prices during up-cycles.

Given its maturity, does North America still offer sufficient exploration and production opportunities?

Shapiro: We don't argue with the notion that North America is a mature province. However, we also believe there are abundant opportunities remaining for a company like Burlington, given our core area positions, especially in the natural-gas-prone onshore basins. We believe that our assets and skills will become increasingly differential in this environment. The fundamentals of the gas market in North America are still extremely attractive.

Limbacher: Canada is less mature than the lower-48 U.S. states, and over the past few years we have amassed a very large position there. We have a superb history of managing major natural gas development programs, which are precisely the type of opportunities remaining in both regions. In these programs, successfully drilling and completing hundreds of wells under relentless cost and efficiency pressure is much like a manufacturing business, in which the repeatability of the process enables you to optimize your methods. We call this "resource manufacturing," and our capabilities in that process are perfectly matched to the opportunities remaining in North America.

Considering that production fell in the fourth quarter, can you explain the sources of your future growth?

Limbacher: The decline was attributable to the property sales program, which we completed late in the year. We exited 2002 with production of 2,370 MMCFED. This is the starting point for our future growth projections, and the point from which the quality of our core assets should become apparent. We expect 5 percent to 8 percent higher production in Canada this year, virtually all from low-risk development in existing fields. Meanwhile, we expect production from the Madden Field to climb and then stabilize, and our Barnett Shale production to grow. We also expect four major growth initiatives to come on line or ramp up within the next year. We'll further supplement our organic growth with tactical "bolt-on" acquisitions in and around our core areas.

Do exploration and unconventional-resource programs offer much potential?

Limbacher: Yes, over time. We expect our growth through 2005 to come from projects already in advanced stages of development, so we're now evaluating exploration and unconventional-resource opportunities that can drive growth beyond that time frame. Examples include testing new tight-sands reservoirs in both the U.S. and Canada, and evaluating coalbed methane potential in Canada. We expect our technological skills and experience to make some of these new areas commercially feasible. Meanwhile, several exploration programs are under way, focused around our core international areas.

What contributions do you expect from your international programs?

Shapiro: We focus on selected areas where we have competitive edges that enable us to create value. We've transformed the program by narrowing our focus from a dozen countries several years ago to a half-dozen core areas today that offer exposure to high-impact, longer-term growth opportunities.

Limbacher: Our development projects in Algeria, the East Irish Sea and offshore China are already approaching start-up. We're also pursuing opportunities to export the resource manufacturing and basin-centered gas skills we've developed in North America to our meaningful positions in enormous tight-sands gas reserves onshore China, and basin-centered gas reserves and production in Argentina. These represent growth options for the future.

our assets refined

Our portfolio of assets offers multiyear development opportunities.

Burlington's future is underpinned by an asset base centered on high-quality core properties in the North American natural gas fairway that extends from the Gulf Coast through the Rocky Mountains of the U.S. and Canada. More than 85 percent of the company's reserves and production are in the form of natural gas and associated liquids, with the vast majority located in approximately a dozen major fields within the fairway. In these fields, Burlington typically enjoys competitive advantages that enable the ongoing development of new reserves, and thus the maintenance of a strong production base.

Supplementing these core properties are international assets that offer low-risk, near-term development opportunities expected to help drive Burlington's growth through the middle part of the decade, as well as several prospective projects that could contribute to growth over the long term.

Burlington Resources Canada

An interview with Mark Ellis, president

What was the rationale behind Burlington's entry into Canada and later expansions there?

Ellis: With the U.S. considered highly mature from a drilling standpoint, producers there face the question "Where do we go next?" Our expertise in natural gas production in the Rocky Mountains made western Canada an obvious answer. It offers similar geology, lower levels of maturity and large producing fields tailor-made for our resource manufacturing approach. We initially identified several prime acquisition candidates and were able to acquire Poco Petroleums in 1999 and Canadian Hunter in 2001. Overall, our results have been very satisfying.

Is the Canadian Hunter integration now complete?

Ellis: Yes, and our combined employee teams are applying new ideas and generating many new opportunities. We plan to drill more than 800 wells this year and 1,000 in 2004, a tremendous ramp-up of activity from past levels. We are also optimizing our administrative functions by implementing common computing platforms and best practices. Our teams deserve tremendous credit for their efforts.

Are the Canadian Hunter assets all that you expected?

Ellis: We're extremely pleased with the Canadian Hunter properties, and believe that we've only begun tapping the upside of this merger of people and assets.

Why do you call the Deep Basin a "crown jewel?"

Ellis: In size it rivals the San Juan Basin, yet is more than 20 years younger in terms of development. We have mineral interests in half of its acreage, including more than a thousand undrilled sections. There are 17 producing formations, but the relatively tight zones were traditionally bypassed. Our forte is evaluating and developing zones like these. During 2002, we drilled 78 successful wells into the tight Cadomin and Chinook formations and successfully recompleted 20 existing wells. And we have worked with regulators to obtain approval to drill more than one well per 640-acre spacing unit in some portions of the basin. These steps and a very successful conventional drilling program raised field production by nearly 10 percent last year and should do so again in 2003.

What did the Viking-Kinsella properties bring you?

Ellis: Immediate growth. In one year we nearly tripled production to 88 MMCFED by drilling 60 new wells, restarting some shut-in wells and recompleting others, expanding the pipeline infrastructure, installing new compression and optimizing the previously undercapitalized field production facilities. In short, we applied our technical expertise to an area previously thought mature.

How can you achieve the planned 5 percent to 8 percent production growth in Canada?

Ellis: Primarily by stepping up activity in key producing fields, all of which offer large-scale development potential and sizable project inventories. We're injecting capital, technology, new ideas and pure enthusiasm as part of an overall culture that strives for extraordinary results.

Do you agree with industry observers who say that Canada's best prospecting days are over?

Ellis: Although the Western Canadian Sedimentary Basin is maturing, it's far less developed than the U.S., where we've demonstrated the ability to extract value from similar environments. Our combination of a strong asset base and experienced personnel should drive continued growth by the drill bit for the foreseeable future. We also expect opportunities to add assets through "bolt-on" acquisitions in core areas.

San Juan Division

An interview with Richard Fraley, vice president

How much opportunity remains in the San Juan Basin?

Fraley: The basin still offers tremendous opportunity. We continually maintain a multiyear project inventory. Each year we complete hundreds of projects, but also identify hundreds of new ones that replenish the inventory. It's been that way for years. So although the overall basin is declining, it's a long way from finished, particularly for proficient operators like Burlington.

How do you keep your employees challenged, given the basin's maturity?

Fraley: We have an excellent staff of experienced people, and sufficient capital to do our jobs and keep everyone busy. We realize that despite 75 years of production here, decades of work remain. Also, this is where we developed the resource manufacturing concept that Burlington now exports throughout the company. It's satisfying to continue devising new ways to recover bypassed reserves here, and then successfully apply them in other mature areas. In addition, everyone is very focused on managing costs and becoming more efficient, which is critical in this type of operation.

What activity levels do you foresee for the future?

Fraley: During 2003, we plan 600 Burlington-operated capital projects in the Mesaverde, Dakota and Pictured Cliffs conventional sands and the Fruitland coal intervals. These include 150 new wells and 450 workovers of existing wells. We'll also participate in 150 partner-operated projects.

Do any opportunities remain in the coalbed methane play?

Fraley: Absolutely. Our studies indicate that more wells are needed to fully develop the Fruitland coalbeds. During 2002, we obtained approval to conduct infill drilling in part of the coalbed fairway, and we'll seek additional approvals in the future.

How is Burlington a differential operator here?

Fraley: As the basin's largest producer, we have unsurpassed economies of scale, access to the latest technology, and a long history of developing and utilizing the finest production optimization techniques. We drill stable, repeatable programs year-in and year-out that help us optimize all aspects of operations. We also benefit from excellent relationships with the regulatory authorities, our partners, our suppliers and the vast majority of other land-users.

What challenges and opportunities lie ahead for the San Juan Division?

Fraley: The basin contains huge quantities of economically recoverable gas, and more that could become recoverable with higher commodity prices and further technology improvements. Our challenge is gaining access and managing the infrastructure constraints to make these potential resources a reality. For example, the insufficient pipeline capacity in the western U.S. is depressing regional gas prices. We actively manage this challenge by encouraging new industry pipeline proposals, using hedging to mitigate the impact of the price differentials and transporting our gas to the best available markets when feasible. Locally, we work with pipeline companies to encourage enhancement of the basin's aging transportation, compression and processing infrastructure and thus reduce outside disruptions that curtail our production. We also face rising impediments to drilling, but fortunately the regulatory agencies recognize Burlington's excellent environmental and operational record.

Mid-Continent Division

An interview with Barry Winstead, vice president

What was the impact of the recent portfolio upgrading process on your division?

Winstead: The Mid-Continent Division contains a unique mix of geologically diverse and geographically dispersed assets. In recent years, we've divested non-core properties that had limited growth potential and higher costs, while retaining core assets that offer excellent growth potential and scale. They include the Madden Field, the Waddell Ranch Field, the Cedar Creek Anticline, the Barnett Shale trend, South Louisiana and the Anadarko Basin.

Why did you expand in the Fort Worth Basin?

Winstead: The basin's Barnett Shale trend is one of the most active U.S. drilling plays. On a small land position there, in late 2001 and early 2002, we drilled nine successful pilot wells, finding higher-than-expected production while developing ways to cut drilling costs and improve the economics. Once we proved the area's viability for us, we made a $141 million acquisition that added 21,000 acres of leases with more than 800 potential well sites, becoming the trend's second-largest player. We plan to drill 100 to 150 wells during 2003, achieve year-end production of 40 MMCFED and continue cutting costs.

Why is the Cedar Creek Anticline program so important?

Winstead: It will be a major growth engine. We operate on the eastern flank of the Williston Basin's Cedar Creek Anticline, in the East Lookout Butte and Cedar Hills oil fields. The flank was long considered marginal due to its thin producing horizon, but this zone covers a broad expanse that we felt would respond to advanced horizontal drilling technology. Over the last few years, we began implementing one of the world's largest horizontally drilled waterflood programs, utilizing wells that extend laterally over a mile into the formation. With 320-acre well spacing, we expect to boost net recovery by 75 MMBbls and more than double production to 18,000 BOD by 2006. We're also testing 160-acre well spacing that, if successful, could raise production to more than 25,000 BOD by 2008.

What did the plant expansion in the Madden Field do for Burlington?

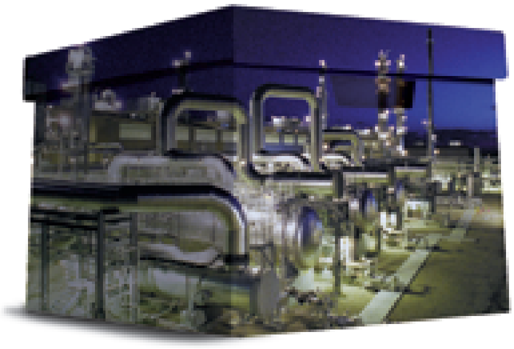
Winstead: The new Train III processing unit enabled us to more than double production from the Madison zone, which lies at depths of 25,000 feet. Completion of the final Bighorn well in 2003 is expected to further raise production, fully loading the plant and yielding 85 MMCFED net for several years.

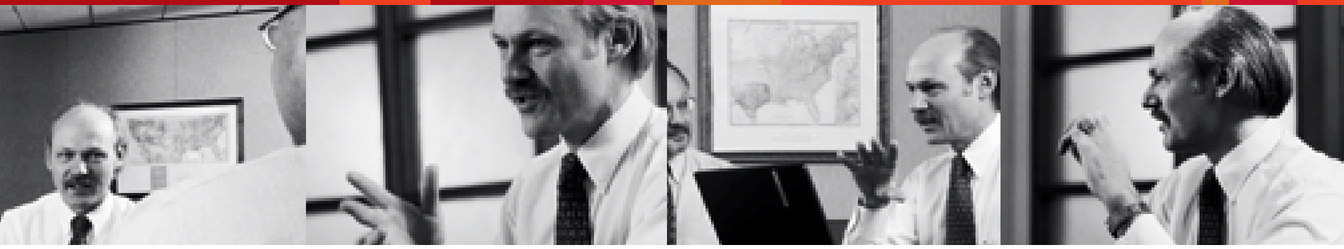
What's going on in South Louisiana and the Anadarko Basin?

Winstead: Together, these areas produce nearly 200 MMCFED. We have outstanding holdings in both, including 660,000 acres of South Louisiana fee lands, and high in-house technical expertise from our decades of experience. We're using 3-D seismic and other advanced technologies to expand our inventories in these core areas.

What challenges and opportunities lie ahead?

Winstead: We plan to continue growing by applying technical and program management expertise to existing reserves and by testing new prospects. We're also looking for tactical acquisitions in areas where we can create value, either through differential growth or cost management. There is a lot of competition, but I'm confident that our expertise and low-cost focus will enable us to continue finding new opportunities.





International Division

An interview with Neil Ritson, vice president

What are the biggest challenges facing the International Division?

Ritson: We have half-a-dozen major development projects under way worldwide, and we're working to complete them safely, on time and on budget. Additionally, we have just consolidated our international offices into one organization, and expect this to yield greater efficiency and closer focus on our opportunities.

What is the status of the Algeria development program?

Ritson: We're just beginning payback after years of investment. The Ourhoud Field is already onstream and is expected to reach 3,500 BOD net production soon. We expect to bring on the Burlington-operated MLN Field on Block 405a by mid year, and then ramp up to about 12,000 BOD net by early 2004. Longer term, we expect to reach 20,000 BOD as we tie in satellite fields by mid-decade, and have also discovered large gas reserves that we will attempt to monetize. Meanwhile, we've begun exploring Block 402d.

Are the other major growth initiatives on schedule?

Ritson: At this point, yes. We expect a late-2003 start-up of oil production from the South China Sea, building to 15,000 net BOD by early 2004. We also plan to initiate gas production from the Rivers Fields in the East Irish Sea in early 2004. In addition, we are making progress on other programs in Ecuador, Egypt and onshore China.

What is the potential for the China onshore program?

Ritson: China's Sichuan Basin is believed to contain vast amounts of gas in place. We've verified much of it by drilling, and proven that modern hydraulic fracturing makes production feasible. The challenge is developing a market for this gas. During 2002, we became the first foreign company to sign a long-term gas sales agreement with PetroChina. We believe we could produce several hundred MMCFD by the end of the decade if additional markets emerge, which would make onshore China a major new core area.

What do Latin America and Egypt, which don't draw a lot of attention, offer Burlington?

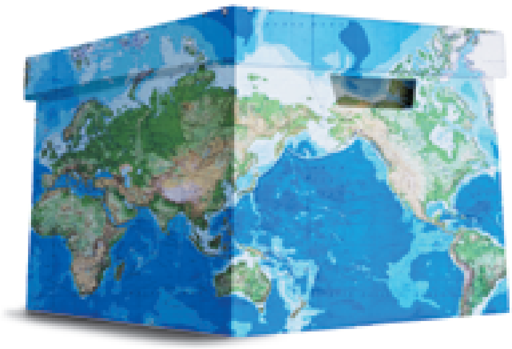
Ritson: They offer large reserve exposure in known productive areas. For example, in Ecuador's prolific Oriente Basin, our Block 7 already produces more than 2,500 BOD. We also have exploratory tracts there and in Peru. So far, our investments are minimal. In Egypt, we have interests in several proven fields in the Nile Delta and are now evaluating options for development.

Is Burlington in the right places internationally?

Ritson: We regularly ask that question, and have developed core areas in Northwest Europe, North Africa, China and Latin America. At this time, we're comfortable in these locations, all of which have development programs under way. These are areas where we've established a good track record and good relations. However, we will not rest on our laurels. Some of these areas may not remain core, while additional areas may emerge over time.

What are your key priorities for the future?

Ritson: We want to extend our recent record of success by adding new projects to help drive production growth in the years beyond 2005.



our people refreshed

The skills, expertise and passion of our people represent our main source of energy.

Burlington believes that its most important assets are its more than 2,000 employees. Accordingly, during 2002 the company undertook a number of initiatives to enhance their productivity.

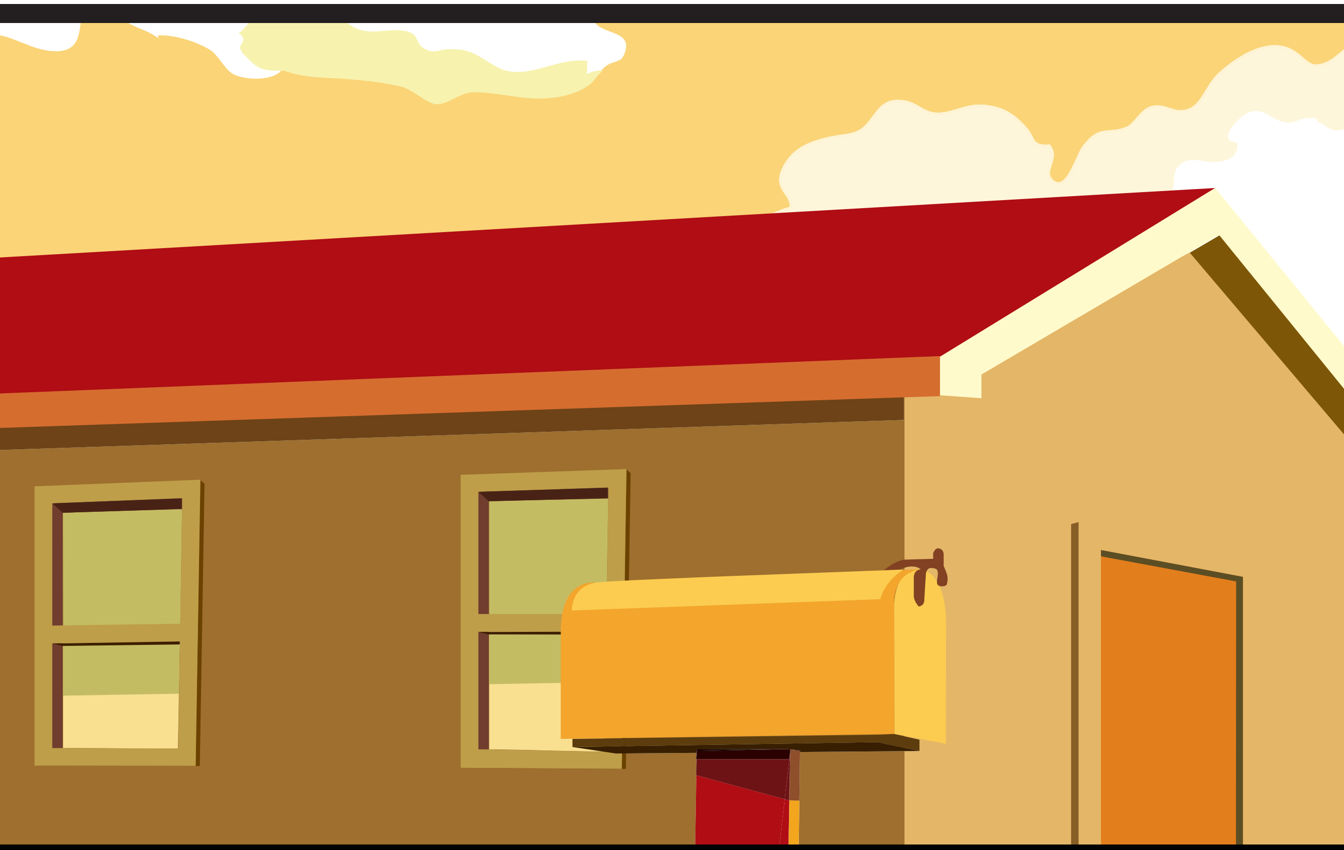
The year began with the integration of 365 people into the work force as a result of the Canadian Hunter acquisition, which closed in December of 2001. A several-month transition placed them into work groups with existing employees under leaders selected from both organizations. The groups determined and implemented "best practices" for the new organization, and quickly merged into a cohesive and effective team.

Other key developments included the formation of a single International Division from formerly separate London and Houston offices, with the goal of more effectively coordinating the company's existing projects as well as future opportunities. Burlington also consolidated its exploratory efforts by forming centralized Exploration and Unconventional Resources teams, both based in Houston. This structure will enable better management and allocation of the human, technical and capital resources devoted to commercializing conventional opportunities, as well as prospects involving tight sands, basin-centered gas accumulations, shale formations, coalbed methane, biogenic gas and similar unconventional reservoirs, regardless of their physical location.

To enhance individual and group productivity, Burlington introduced a number of learning and management knowledge innovations. These include an individualized, computer-based safety training system; a new process that records the unique technical skills of each employee; several collaborative systems that enhance electronic communications and streamline virtual meetings; as well as systems that automate administrative functions.

The company also continued its ongoing work to clarify goals and strategies at the corporate, divisional and individual levels with the aim of achieving and rewarding a high degree of alignment between the company's goals and the personal goals of its primary assets, its employees.

our community recharged



We are committed to improving the quality of life in the communities where our people live and work.

The generosity and volunteerism displayed by Burlington's people during 2002 was one of the company's proudest achievements. Hundreds of employees and family members donated their time and personal funds to worthy causes everywhere Burlington operates, earning the gratitude of the company's many neighbors and constituents.

In addition, the Burlington Resources Foundation elected to maintain its community support despite low commodity prices early in the year. Foundation contributions increased to a record $4.7 million from $4.5 million donated during 2001, with 2003 contributions expected to continue in this range.

Among new commitments, Burlington became one of the initial firms to join Habitat for Humanity's *More than Houses, Building Communities* campaign. The Foundation pledged $1.2 million over five years to fund new homes for the less fortunate in several Texas locations and in Canada. Burlington employees and family members are collectively volunteering thousands of hours of personal time to build these homes. Meanwhile, with Burlington's heightened presence in Canada, the company made a CAN $1 million donation to the Children's Hospital of Alberta, and is helping its employees in Canada assume leadership roles in a number of other charitable initiatives.

Medical initiatives received the largest portion of Foundation donations at 32 percent; human services received 24 percent and education 21 percent; with key donations also going to civic, cultural, youth and other charitable services. The Foundation already matched employees' educational donations on a two-for-one basis, and then during 2002 added a new program to match other eligible donations dollar-for-dollar.

Burlington recognizes that good corporate citizenship extends beyond the realm of community support, and readily accepts its responsibilities with respect to operating safely and ethically and serving as a good environmental steward. The company and its people are fully prepared to meet the societal demands placed on today's corporate citizens.

Operating & Financial Data

Operating Data	**2002**	**2001**	**2000**
Year-End Proved Reserves			
Natural Gas (BCF)	7,890	7,925	6,802
Natural Gas Liquids (MMBbls)	300.2	275.4	266.2
Crude Oil (MMBbls)	287.9	371.9	331.7
Total (BCFE)	11,418	11,808	10,389
Production			
Natural Gas (MMCF per day)	1,916	1,724	1,724
Natural Gas Liquids (MBbls per day)	60.1	47.1	47.2
Crude Oil (MBbls per day)	49.1	63.2	73.7
Total (MMCFE per day)	2,571	2,386	2,449
Average Sales Price			
Natural Gas (per MCF)	$ 3.19	$ 4.03	$ 3.42
Natural Gas Liquids (per Bbl)	$ 14.46	$ 16.79	$ 19.51
Crude Oil (per Bbl)	$ 24.11	$ 23.45	$ 25.44
Average Production Costs (per MCFE) [a]	$ 0.50	$ 0.64	$ 0.57
Wells Drilled (Net)	660	550	369
Percentage Successful	85%	85%	80%
Gross Wells Drilling at December 31	67	41	34
Net Wells Drilling at December 31	48	31	23

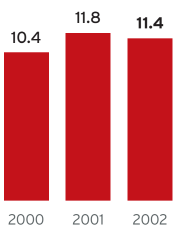
Financial Data	**2002**	**2001**	**2000**
	(In Millions, except Per-Share and Ratio Amounts)		
Revenues	$ 2,964	$ 3,419	$ 3,218
Income before Income Taxes and Cumulative Effect of Change in Accounting Principle [b]	$ 569	$ 907	$ 967
Net Income [b]	$ 454	$ 561	$ 675
Basic Earnings per Common Share [b]	$ 2.26	$ 2.71	$ 3.13
Diluted Earnings per Common Share [b]	$ 2.25	$ 2.70	$ 3.12
Basic Weighted Average Common Shares	201	207	216
Diluted Weighted Average Common Shares	202	208	216
Cash Flows from Operations	$ 1,549	$ 2,106	$ 1,598
Capital Expenditures	$ 1,837	$ 3,454	$ 1,012
Total Assets	$ 10,645	$ 10,582	$ 7,506
Total Debt	$ 3,916	$ 4,337	$ 2,301
Stockholders' Equity	$ 3,832	$ 3,525	$ 3,750
Total-Debt-to-Total-Capital Ratio	51%	55%	38%
Cash Dividends per Common Share	$ 0.55	$ 0.55	$ 0.55

[a] Lease operating costs plus production taxes

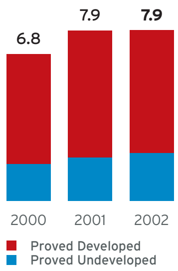
[b] Included in 2002 is a pretax gain of $68 million ($46 million after tax, or $0.23 per share) related to gain on disposal of assets. Included in 2001 is a $184 million non-cash, pretax charge ($116 million after tax, or $0.56 per share) primarily for impairment of oil and gas properties held for sale. Also included in 2001 is a $10 million pretax restructuring charge ($6 million after tax, or $0.03 per share) for severance and other related exit costs.

Statistical Data

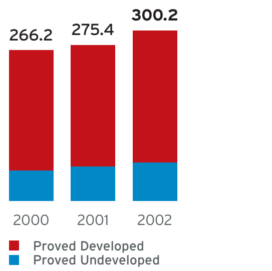
Total Reserves
(December 31 - TCFE)



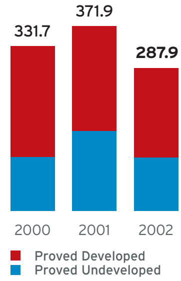
Natural Gas Reserves
(December 31 - TCF)



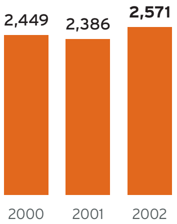
Natural Gas Liquids Reserves
(December 31 - MMBbls)



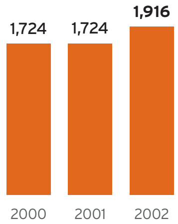
Crude Oil Reserves
(December 31 - MMBbls)



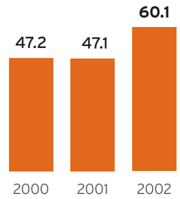
Total Equivalent Daily Production
(Year Ended December 31 - MMCFE per Day)



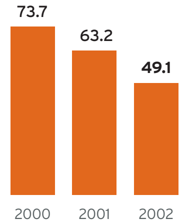
Natural Gas Production
(Year Ended December 31 - MMCF per Day)



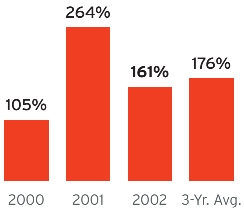
Natural Gas Liquids Production
(Year Ended December 31 - MBbls per Day)



Crude Oil Production
(Year Ended December 31 - MBbls per Day)



Reserve Replacement*
(Year Ended December 31 - Percent of Production)

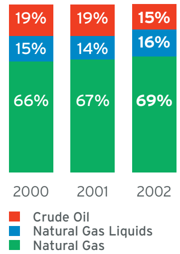


*Including Acquisitions

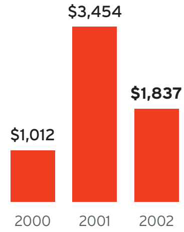
Reserve Replacement Costs*
(Year Ended December 31 - per MCFE)

*Including Acquisitions

Proved Reserves by Product Composition
(December 31)



Capital Expenditures*
(Year Ended December 31 - Millions)



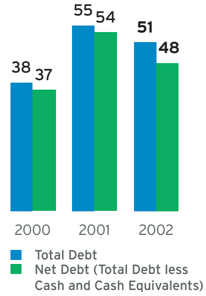
*Including Acquisitions

Realized Natural Gas Prices
(Year Ended December 31 - per MCF)

Realized Natural Gas Liquids Prices
(Year Ended December 31 - per Bbl)

Realized Crude Oil Prices
(Year Ended December 31 - per Bbl)

Debt-to-Total-Capitalization (Percent)
(Year Ended December 31)



BOARD OF DIRECTORS

Mr. Reuben V. Anderson (1)(3)
Partner
Phelps Dunbar LLP

Ms. Laird I. Grant (1)
Managing Director
U.S. Trust Company
and Chief Investment Officer
U.S. Trust Company of Florida

Mr. Robert J. Harding (1)(3)
Chairman
Brascan Corporation

Mr. John T. LaMacchia (2)
Chairman
and Chief Executive Officer
Tellme Networks, Inc.

Mr. James F. McDonald (2)(3)
Chairman of the Board, President
and Chief Executive Officer
Scientific-Atlanta, Inc.

Mr. Kenneth W. Orce (3)
Senior Partner
Cahill Gordon & Reindel

Mr. Donald M. Roberts (1)
Retired Vice Chairman and Treasurer
United States Trust Company of New York and U.S. Trust Corporation

Mr. John F. Schwarz (2)
Chairman, President
and Chief Executive Officer
Entech Enterprises, Inc.

Mr. Walter Scott Jr. (2)(3)
Chairman
Level 3 Communications, Inc.

Mr. Bobby S. Shackouls
Chairman of the Board, President
and Chief Executive Officer
Burlington Resources Inc.

Mr. William E. Wade Jr. (2)
Retired President
Atlantic Richfield (ARCO)

(1) **Audit Committee**
(2) **Compensation Committee**
(3) **Governance and Nominating Committee**

OFFICERS

Mr. Bobby S. Shackouls
Chairman of the Board,
President and Chief Executive Officer

Mr. Randy L. Limbacher
Executive Vice President
and Chief Operating Officer

Mr. Steven J. Shapiro
Executive Vice President
and Chief Financial Officer

Mr. L. David Hanower
Senior Vice President,
Law and Administration

Mr. John A. Williams
Senior Vice President, Exploration

Ms. Ellen R. DeSanctis
Vice President, Investor Relations
and Corporate Communications

Mr. M. Richard Diaz
Vice President
and Chief Information Officer

Mr. Mark E. Ellis
President,
Burlington Resources Canada Ltd.

Mr. Richard E. Fraley
Vice President, San Juan Division

Mr. Daniel D. Hawk
Vice President and Treasurer

Mr. C. Scott Kirk
Vice President, Marketing

Mr. Gregory M. Larberg
Vice President and Chief Geologist

Mr. Joseph P. McCoy
Vice President, Controller
and Chief Accounting Officer

Mr. Thomas B. Nusz
Vice President, Acquisitions

Mr. Frederick J. Plaeger II
Vice President and General Counsel

Mr. Neil Ritson
Vice President, International

Mr. Gavin H. Smith
Vice President, Corporate Affairs

Mr. Brent J. Smolik
Vice President and Chief Engineer

Mr. William B. Usher
Vice President, Human Resources and Administration

Mr. Dane E. Whitehead
Senior Vice President
and Chief Financial Officer,
Burlington Resources Canada Ltd.

Mr. Barry J. Winstead
Vice President, Mid-Continent Division

CORPORATE INFORMATION

Principal Corporate Office
Burlington Resources Inc.
5051 Westheimer, Suite 1400
Houston, Texas 77056
(713) 624-9500
www.br-inc.com

Annual Meeting
The Annual Meeting of Stockholders will be in Houston, Texas, on April 23, 2003.

Common Stock Listings
New York Stock Exchange
Symbol: BR
Toronto Stock Exchange
Symbol: B

Stock Transfer Agent and Registrar
EquiServe Trust Company, N.A.
P.O. Box 43010
Providence, RI
02940-3010
(800) 736-3001
www.equiserve.com

Additional copies of this Annual Report on Form 10-K filed with the Securities and Exchange Commission are available, without charge, by writing or calling:

Investor Relations
Burlington Resources Inc.
P.O. Box 4239
Houston, Texas 77210
(800) 262-3456

FORWARD-LOOKING STATEMENT

The company may, in discussions of its future plans, objectives and expected performance in periodic reports filed by the company with the Securities and Exchange Commission (or documents incorporated by reference therein) and in written and oral presentations made by the company, include projections or other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, as amended. Such projections and forward-looking statements are based on assumptions that the company believes are reasonable, but are by their nature inherently uncertain. In all cases, there can be no assurance that such assumptions will prove correct or that projected events will occur, and actual results could differ materially from those projected.