

## **ANADARKO ANNOUNCES 2017 FOURTH-QUARTER AND FULL-YEAR RESULTS UPDATES 2018 CAPITAL PROGRAM AND SALES-VOLUME GUIDANCE**

**HOUSTON**, Feb. 6, 2018 /PRNewswire/ -- Anadarko Petroleum Corporation (NYSE: APC) today announced 2017 fourth-quarter results, reporting net income attributable to common stockholders of \$976 million, or \$1.80 per share (diluted). These results include certain items typically excluded by the investment community in published estimates. In total, these items increased net income by \$870 million, or \$1.62 per share (diluted), on an after-tax basis.<sup>(1)</sup> Net cash provided by operating activities in the fourth quarter of 2017 was \$1.4 billion.

For the year ended Dec. 31, 2017, Anadarko reported a net loss attributable to common stockholders of \$456 million, or \$0.85 per share (diluted). Full-year 2017 net cash provided by operating activities totaled \$4.0 billion.



### **2017 HIGHLIGHTS**

- Further improved oil sales-volume product mix to 53 percent, with liquids increasing to 67 percent, contributing to a 67-percent improvement in margins per barrel<sup>(2)</sup>
- Achieved production exit rates totaling more than 150,000 barrels of oil per day (BOPD) combined from the **Delaware** and DJ basins
- Closed more than \$4.0 billion of asset divestitures
- Announced \$2.5 billion share repurchase program and, by year end, repurchased 21.9 million shares for approximately \$1.1 billion (average price of \$48.33 per share)
- Achieved completion of the Legal and Contractual Framework and commenced resettlement for the Mozambique LNG project

"Given the significant volatility the energy sector faced in 2017, we continued to focus on capital efficiency throughout the year by investing upstream capital within discretionary cash flow, while materially improving margins per barrel - an approach that produced very encouraging results as we concluded the year," said Al Walker, Anadarko Chairman, President and CEO. "These operational efficiencies, an improving market environment, and strong momentum provide an exciting backdrop to 2018. Our capital-investment program this year is well positioned to deliver attractive cash returns that produce healthy production growth. As we have stated previously, we will complement this capital-efficient investment plan with additional share buybacks, increases to our dividend yield, and improvements to our credit metrics, as market conditions permit, rather than materially increasing our capital expenditures to pursue greater production volume."

### **SALES VOLUMES AND PROVED RESERVES**

Anadarko's full-year sales volumes of oil, natural gas and natural gas liquids (NGLs) totaled 245 million barrels of oil equivalent (BOE), or an average of 672,000 BOE per day. Fourth-quarter 2017 sales volumes of oil, natural gas and NGLs averaged approximately 637,000 BOE per day.

In 2017, Anadarko organically added 244 million BOE of proved reserves before the effects of price revisions. Anadarko's costs incurred were \$4.1 billion. The company's oil and natural gas exploration and development costs were \$4.2 billion.<sup>(2)</sup> The company estimates its proved reserves at year-end 2017 totaled 1.44 billion BOE, with 78 percent of its reserves categorized as proved developed. At year-end 2017, Anadarko's proved reserves were comprised of 63 percent liquids and 37 percent natural gas.

### **OPERATING HIGHLIGHTS**

By year-end 2017, oil sales volumes in the **Delaware** Basin of **West Texas** surpassed 50,000 BOPD, representing a 69-percent increase over the fourth quarter of 2016. The company also made significant progress toward full development mode as it successfully concluded its drilling program to capture 70-percent operatorship across its 240,000-net-acre position.

In the DJ Basin of northeast **Colorado**, Anadarko achieved record sales volumes of more than 254,000 BOE per day. Oil sales volumes surpassed 100,000 BOPD in December, driving an increase of almost 20 percent over the previous quarter. In addition, the company's new completion design implemented in 2017 increased its estimated ultimate recovery (EUR) to 690,000 BOE per well in the contiguous core, representing an increase of more than 20-percent over the previous type curve.

**Gulf of Mexico** sales volumes averaged 143,000 BOE per day in the fourth quarter, representing a 35-percent increase over the fourth quarter of 2016. Oil sales volumes for the quarter averaged 120,000 BOPD, a 48-percent increase over the fourth quarter of 2016, while also reflecting the impact of Hurricane Nate and the prolonged shutdown at the third-party-operated Enchilada platform.

Anadarko's international and frontier operations averaged 94,000 barrels per day during the fourth quarter of 2017, representing an 18-percent decrease relative to the fourth quarter of 2016, which was largely driven by statutory maintenance on the El Merk facility in **Algeria** and the timing and size of tanker liftings. Additionally, during the fourth quarter, the company made meaningful progress with its Mozambique LNG project by beginning the resettlement process to prepare the onshore location for the future LNG park.

### **OPERATIONS REPORT**

For additional details on Anadarko's fourth-quarter 2017 operations and exploration program, please refer to the comprehensive Operations Report available at [www.anadarko.com](http://www.anadarko.com).

### **FINANCIAL HIGHLIGHTS**

During the year, Anadarko generated \$4.0 billion of net cash provided by operating activities while investing \$3.8 billion on upstream exploration and development activities.<sup>(3)</sup> The company ended 2017 with \$4.6 billion of cash on hand and closed asset divestitures totaling more than \$4.0 billion during the year. Subsequent to year end, Anadarko divested its non-operated interest in its **Alaska** assets for approximately \$400 million. The transaction is subject to regulatory approval.

During the fourth quarter, approximately \$1.1 billion of the company's previously announced \$2.5 billion share-repurchase program was executed under an accelerated share repurchase (ASR) agreement and through open-market purchases. In February 2018, Anadarko completed a repurchase of 8.5 million shares for \$500 million (average price of \$58.82 per share) under an additional ASR agreement. To date, the company has completed \$1.6 billion of repurchases under the program, totaling 30.4 million shares at an average price of \$51.27 per share.

Subsequent to year end, the company amended both its \$3.0 billion, five-year credit facility to extend the maturity date to January 2022 and its \$2.0 billion, 364-day credit facility to extend the maturity date to January 2019.

### **2018 CAPITAL PROGRAM AND SALES-VOLUME GUIDANCE**

Anadarko's 2018 guidance has been adjusted from its November 2017 news release for the divestiture of its **Alaska** assets and anticipated production impacts related to non-operated downtime in the **Gulf of Mexico**. The company expects full-year capital investments in the range of \$4.1 to \$4.5 billion, not including capital investments made by Western Gas Partners, LP (NYSE: WES).

	<b>2018 Capital<sup>(a)</sup></b> <b>(\$ Million)</b>	<b>2018 Total</b> <b>Sales Volume<sup>(b)</sup></b> <b>(Million BOE)</b>	<b>2018 Oil</b> <b>Sales Volume<sup>(b)</sup></b> <b>(Thousand BOPD)</b>
November 2017 Guidance	\$4,200 - \$4,600	245 - 255	385 - 405
Adjustment	(100)	(7) <sup>(c)</sup>	(16) <sup>(d)</sup>
<b>New Guidance</b>	<b>\$4,100 - \$4,500</b>	<b>238 - 248</b>	<b>370 - 390</b>

Note: All amounts are approximate.

(a) Does not include WES capital investments.

(b) See the accompanying table for a reconciliation of divestiture-adjusted sales volume.

(c) Includes Alaska divestiture (4 million BOE) and GOM, primarily driven by non-operated downtime.

(d) Includes Alaska divestiture (11 thousand BOPD) and GOM, primarily driven by non-operated downtime.

#### CONFERENCE CALL TOMORROW AT 8 A.M. CST, 9 A.M. EST

Anadarko will host an investor conference call on Wednesday, Feb. 7, 2018, at 8 a.m. Central Standard Time (9 a.m. Eastern Standard Time) to discuss fourth-quarter and full-year 2017 results as well as details of the company's 2018 capital program and expectations. The dial-in number is 877.883.0383 in the U.S. or 412.902.6506 internationally. The confirmation number is 4262361. For complete instructions on how to participate in the conference call, or to listen to the [live audio webcast and slide presentation](#), please visit [www.anadarko.com](http://www.anadarko.com). A replay of the call will be available on the website for approximately 30 days following the conference call.

#### FINANCIAL DATA

Twelve pages of summary financial data follow, including costs incurred, proved reserves, current hedge positions, a reconciliation of "divestiture-adjusted" or "same-store" sales, and updated financial and production guidance.

- See the accompanying table for details of certain items affecting comparability.
- See the accompanying table for a reconciliation of GAAP to non-GAAP financial measures and a statement indicating why management believes the non-GAAP financial measures provide useful information for investors.
- Does not include Anadarko midstream capital investments or capital investments made by Western Gas Partners, LP (NYSE: WES).

Logo - <http://photos.prnewswire.com/prnh/20141103/156201LOGO>

Anadarko Petroleum Corporation's mission is to deliver a competitive and sustainable rate of return to shareholders by exploring for, acquiring and developing oil and natural gas resources vital to the world's health and welfare. As of year-end 2017, the company had 1.44 billion barrels-equivalent of proved reserves, making it one of the world's largest independent exploration and production companies. For more information about Anadarko and APC Flash Feed updates, please visit [www.anadarko.com](http://www.anadarko.com).

*This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Anadarko believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this news release, including Anadarko's ability to realize its expectations regarding performance; to finalize year-end reserves; to successfully execute upon its capital program; to efficiently identify and deploy capital resources; to meet financial and operating guidance; to timely complete and commercially operate the projects and drilling prospects identified in this news release; to consummate the transaction described in this news release; to finalize the necessary steps to secure operatorship; to successfully complete the share repurchase program and to enter into additional programs; to increase the dividend; to reduce debt; and to successfully plan, secure additional government approvals, enter into long-term sales contracts, finance, build, and operate the necessary infrastructure and LNG park in **Mozambique**. See "Risk Factors" in the company's 2016 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.*

#### Anadarko Contacts

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#### Anadarko Petroleum Corporation Reconciliation of GAAP to Non-GAAP Financial Measures

Below are reconciliations of certain GAAP to non-GAAP financial measures, each as required under Regulation G of the Securities Exchange Act of 1934. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be comparable to similarly titled measures.

Management uses adjusted net income (loss) to evaluate operating and financial performance and believes the measure is useful to investors because it eliminates the impact of certain noncash and/or other items that management does not consider to be indicative of the Company's performance from period to period. Management also believes this non-GAAP measure is useful to investors to evaluate and compare the Company's operating and financial performance across periods, as well as facilitating comparisons to others in the Company's industry.

	<b>Quarter Ended December 31, 2017</b>		
	<b>Before</b>	<b>After</b>	<b>Per Share</b>
	<b>Tax</b>	<b>Tax</b>	<b>(diluted)</b>
<i>millions except per-share amounts</i>			
<b>Net income (loss) attributable to common stockholders (GAAP)</b>		<b>\$ 976</b>	<b>\$ 1.80</b>
Adjustments for certain items affecting comparability			

Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives*	\$ (168)	(105)	(0.20)
Gains (losses) on divestitures, net	(141)	(83)	(0.15)
Impairments			
Producing properties	(25)	(16)	(0.03)
Exploration assets	(24)	(15)	(0.03)
Early termination of rig	(39)	(25)	(0.05)
Change in uncertain tax positions		(56)	(0.10)
Impact of tax reform legislation		1,170	2.18
Certain items affecting comparability	\$ (397)	870	1.62
<b>Adjusted net income (loss) (Non-GAAP)</b>		\$ 106	\$ 0.18

\* Includes \$(171) million related to commodity derivatives, \$(1) million related to interest-rate derivatives, and \$4 million related to gathering, processing, and marketing sales.

<i>millions except per-share amounts</i>	<b>Quarter Ended December 31, 2016</b>		
	<b>Before Tax</b>	<b>After Tax</b>	<b>Per Share (diluted)</b>
<b>Net income (loss) attributable to common stockholders (GAAP)</b>		\$ (515)	\$ (0.94)
Adjustments for certain items affecting comparability			
Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives*	\$ 304	193	0.35
Gains (losses) on divestitures, net	(241)	(155)	(0.28)
Impairments			
Producing and general properties	(166)	(101)	(0.18)
Exploration assets	(149)	(115)	(0.21)
Restructuring charges	(26)	(16)	(0.03)
Early termination of rig	(49)	(32)	(0.06)
Loss on early extinguishment of debt	(31)	(20)	(0.04)
Environmental reserves	21	13	0.03
Change in uncertain tax positions		(10)	(0.02)
Certain items affecting comparability	\$ (337)	(243)	(0.44)
<b>Adjusted net income (loss) (Non-GAAP)</b>		\$ (272)	\$ (0.50)

\* Includes \$(179) million related to commodity derivatives and \$483 million related to interest-rate derivatives.

#### **Anadarko Petroleum Corporation Reconciliation of GAAP to Non-GAAP Measures**

Management believes that the presentation of Adjusted EBITDAX (Margin) provides information useful in assessing the Company's operating and financial performance across periods.

<i>millions</i>	<b>Years Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Net income (loss) attributable to common stockholders (GAAP)</b>	\$ (456)	\$ (3,071)
Interest expense	932	890
Income tax expense (benefit)	(1,477)	(1,021)
DD&A	4,279	4,301
Exploration expense	2,541	946
(Gains) losses on divestitures, net	(674)	757
Impairments	408	227
Total (gains) losses on derivatives, net, less net cash from settlement of commodity derivatives	156	559
Restructuring charges	21	389
Other operating expense	—	1
Loss on early extinguishment of debt	2	155
Certain other nonoperating items	—	(58)
<b>Consolidated Adjusted EBITDAX (Margin) (Non-GAAP)</b>	\$ 5,732	\$ 4,075
Total barrels of oil equivalent (BOE)	245	290
<b>Consolidated Adjusted EBITDAX (Margin) per BOE</b>	\$ 23.40	\$ 14.05

Management believes oil and natural gas exploration and development costs is a more accurate reflection of the expenditures incurred during the current year excluding certain obligations to be paid in future periods.

<i>millions</i>	<b>Year Ended December 31, 2017</b>
	<b>Costs incurred (GAAP)*</b>
Asset retirement obligation liabilities incurred	(5)
Cash expenditures for asset retirement obligations	131
<b>Oil and natural gas exploration and development costs (Non-GAAP)</b>	\$ 4,219

\* Includes \$499 million of unproved property acquisitions.

Management uses net debt to determine the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand. Management believes that using net debt in the capitalization ratio is useful to investors in determining the Company's leverage since the Company could choose to use its cash and cash equivalents to retire debt. In addition, management believes that presenting Anadarko's net debt excluding WGP is useful because WGP is a separate public company with its own capital structure.

**December 31, 2017**

**Anadarko**

<i>millions</i>	<b>Anadarko Consolidated</b>	<b>WGP* Consolidated</b>	<b>excluding WGP</b>
<b>Total debt (GAAP)</b>	<b>\$ 15,689</b>	<b>\$ 3,493</b>	<b>\$ 12,196</b>
Less cash and cash equivalents	<b>4,553</b>	<b>80</b>	<b>4,473</b>
<b>Net debt (Non-GAAP)</b>	<b>\$ 11,136</b>	<b>\$ 3,413</b>	<b>\$ 7,723</b>

<i>millions</i>	<b>Anadarko Consolidated</b>	<b>Anadarko excluding WGP</b>
Net debt	<b>\$ 11,136</b>	<b>\$ 7,723</b>
Total equity	<b>13,790</b>	<b>10,696</b>
<b>Adjusted capitalization</b>	<b>\$ 24,926</b>	<b>\$ 18,419</b>

<b>Net debt to adjusted capitalization ratio</b>	<b>45 %</b>	<b>42 %</b>
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\* Western Gas Equity Partners, LP (WGP) is a publicly traded consolidated subsidiary of Anadarko, and Western Gas Partners, LP (WES) is a consolidated subsidiary of WGP.

**Anadarko Petroleum Corporation  
Cash Flow Information  
(Unaudited)**

<i>millions</i>	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Cash Flows from Operating Activities</b>				
Net income (loss)	<b>\$ 1,039</b>	<b>\$ (452)</b>	<b>\$ (211)</b>	<b>\$ (2,808)</b>
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation, depletion, and amortization	<b>1,044</b>	1,099	<b>4,279</b>	4,301
Deferred income taxes	<b>(1,143)</b>	(117)	<b>(2,169)</b>	(1,238)
Dry hole expense and impairments of unproved properties	<b>77</b>	313	<b>2,221</b>	613
Impairments	<b>25</b>	166	<b>408</b>	227
(Gains) losses on divestitures, net	<b>141</b>	241	<b>(674)</b>	757
Loss on early extinguishment of debt	<b>—</b>	31	<b>2</b>	155
Total (gains) losses on derivatives, net	<b>164</b>	(342)	<b>131</b>	292
Operating portion of net cash received (paid) in settlement of derivative instruments	<b>4</b>	38	<b>25</b>	267
Other	<b>78</b>	86	<b>303</b>	342
Changes in assets and liabilities	<b>(39)</b>	60	<b>(306)</b>	92
Net Cash Provided by (Used in) Operating Activities*	<b>\$ 1,390</b>	<b>\$ 1,123</b>	<b>\$ 4,009</b>	<b>\$ 3,000</b>
Net Cash Provided by (Used in) Investing Activities	<b>\$ (1,002)</b>	<b>\$ (1,506)</b>	<b>\$ (1,028)</b>	<b>\$ (2,762)</b>
Net Cash Provided by (Used in) Financing Activities	<b>\$ (1,086)</b>	<b>\$ (413)</b>	<b>\$ (1,613)</b>	<b>\$ 2,008</b>
<b>Capital Expenditures</b>				
Exploration and Production and other	<b>\$ 1,009</b>	<b>\$ 843</b>	<b>\$ 3,886</b>	<b>\$ 2,764</b>
Midstream - Anadarko**	<b>200</b>	15	<b>458</b>	59
Midstream - WES	<b>295</b>	135	<b>956</b>	491
Total	<b>\$ 1,504</b>	<b>\$ 993</b>	<b>\$ 5,300</b>	<b>\$ 3,314</b>

\* Restructuring charges (excluding noncash share-based compensation) were \$1 million for the quarter ended December 31, 2017, \$23 million for the quarter ended December 31, 2016, \$21 million for the year ended December 31, 2017, and \$357 million for the year ended December 31, 2016. Cash payments for restructuring charges were \$1 million for the quarter ended December 31, 2017, \$30 million for the quarter ended December 31, 2016, \$53 million for the year ended December 31, 2017, and \$247 million for the year ended December 31, 2016.

\*\* Excludes WES.

**Anadarko Petroleum Corporation  
(Unaudited)**

<b>Summary Financial Information</b> <i>millions except per-share amounts</i>	<b>Quarter Ended December 31,</b>		<b>Year ended December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Consolidated Statements of Income</b>				
<b>Revenues and Other</b>				
Oil sales	<b>\$ 1,900</b>	<b>\$ 1,454</b>	<b>\$ 6,552</b>	<b>\$ 4,668</b>
Natural-gas sales	<b>258</b>	443	<b>1,348</b>	1,564
Natural-gas liquids sales	<b>301</b>	281	<b>1,069</b>	921
Gathering, processing, and marketing sales	<b>583</b>	399	<b>2,000</b>	1,294
Gains (losses) on divestitures and other, net	<b>(113)</b>	(190)	<b>939</b>	(578)
Total	<b>2,929</b>	2,387	<b>11,908</b>	7,869
<b>Costs and Expenses</b>				
Oil and gas operating	<b>252</b>	203	<b>1,000</b>	811
Oil and gas transportation	<b>216</b>	258	<b>914</b>	1,002
Exploration	<b>170</b>	440	<b>2,541</b>	946
Gathering, processing, and marketing	<b>452</b>	329	<b>1,560</b>	1,087
General and administrative	<b>235</b>	324	<b>1,075</b>	1,440
Depreciation, depletion, and amortization	<b>1,044</b>	1,099	<b>4,279</b>	4,301
Production, property, and other taxes	<b>133</b>	114	<b>582</b>	536
Impairments	<b>25</b>	166	<b>408</b>	227

Other operating expense	64	64	221	118
Total	2,591	2,997	12,580	10,468
<b>Operating Income (Loss)</b>	<b>338</b>	<b>(610)</b>	<b>(672)</b>	<b>(2,599)</b>
<b>Other (Income) Expense</b>				
Interest expense	252	233	932	890
Loss on early extinguishment of debt	—	31	2	155
(Gains) losses on derivatives, net	168	(343)	135	286
Other (income) expense, net	(10)	(15)	(53)	(101)
Total	410	(94)	1,016	1,230
<b>Income (Loss) Before Income Taxes</b>	<b>(72)</b>	<b>(516)</b>	<b>(1,688)</b>	<b>(3,829)</b>
Income tax expense (benefit)	(1,111)	(64)	(1,477)	(1,021)
<b>Net Income (Loss)</b>	<b>1,039</b>	<b>(452)</b>	<b>(211)</b>	<b>(2,808)</b>
Net income (loss) attributable to noncontrolling interests	63	63	245	263
<b>Net Income (Loss) Attributable to Common Stockholders</b>	<b>\$ 976</b>	<b>\$ (515)</b>	<b>\$ (456)</b>	<b>\$ (3,071)</b>
<b>Per Common Share</b>				
Net income (loss) attributable to common stockholders—basic	\$ 1.80	\$ (0.94)	\$ (0.85)	\$ (5.90)
Net income (loss) attributable to common stockholders—diluted	\$ 1.80	\$ (0.94)	\$ (0.85)	\$ (5.90)
<b>Average Number of Common Shares Outstanding—Basic</b>	<b>537</b>	<b>551</b>	<b>548</b>	<b>522</b>
<b>Average Number of Common Shares Outstanding—Diluted</b>	<b>537</b>	<b>551</b>	<b>548</b>	<b>522</b>
<b>Exploration Expense</b>				
Dry hole expense	\$ 25	\$ 188	\$ 1,433	\$ 397
Impairments of unproved properties	52	125	788	216
Geological and geophysical, exploration overhead, and other expense	93	127	320	333
Total	\$ 170	\$ 440	\$ 2,541	\$ 946

**Anadarko Petroleum Corporation  
(Unaudited)**

<i>millions</i>	December 31, 2017	December 31, 2016
<b>Condensed Balance Sheets</b>		
Cash and cash equivalents	\$ 4,553	\$ 3,184
Accounts receivable, net of allowance	1,829	1,728
Other current assets	380	354
Net properties and equipment	27,451	32,168
Other assets	2,211	2,226
Goodwill and other intangible assets	5,662	5,904
<b>Total Assets</b>	<b>\$ 42,086</b>	<b>\$ 45,564</b>
Short-term debt - Anadarko*	142	42
Other current liabilities	3,764	3,286
Long-term debt - Anadarko*	12,054	12,162
Long-term debt - WES and WGP	3,493	3,119
Deferred income taxes	2,234	4,324
Asset retirement obligations	2,500	2,802
Other long-term liabilities	4,109	4,332
Common stock	57	57
Paid-in capital	12,000	11,875
Retained earnings	1,109	1,704
Treasury stock	(2,132)	(1,033)
Accumulated other comprehensive income (loss)	(338)	(391)
<b>Total stockholders' equity</b>	<b>10,696</b>	<b>12,212</b>
Noncontrolling interests	3,094	3,285
<b>Total Equity</b>	<b>13,790</b>	<b>15,497</b>
<b>Total Liabilities and Equity</b>	<b>\$ 42,086</b>	<b>\$ 45,564</b>
<b>Capitalization</b>		
Total debt	\$ 15,689	\$ 15,323
Total equity	13,790	15,497
Total	\$ 29,479	\$ 30,820
<b>Capitalization Ratios</b>		
Total debt	53 %	50 %
Total equity	47 %	50 %

\* Excludes WES and WGP

**Anadarko Petroleum Corporation  
(Unaudited)**

**Sales Volumes and Prices**

	Average Daily Sales Volumes			Sales Volumes			Average Sales Price		
	Oil MMbbls/d	Natural Gas MMcf/d	NGLs MMbbls/d	Oil MMBbls	Natural Gas Bcf	NGLs MMBbls	Oil Per Bbl	Natural Gas Per Mcf	NGLs Per Bbl
<b>Quarter Ended</b>									
<b>December 31, 2017</b>									
<b>United States</b>	287	1,064	90	26	98	7	\$ 54.97	\$ 2.63	\$ 34.99
<b>Algeria</b>	54	—	3	4	—	1	61.35	—	45.29
<b>Other International</b>	26	—	—	3	—	—	60.75	—	—

<b>Total</b>	<b>367</b>	<b>1,064</b>	<b>93</b>	<b>33</b>	<b>98</b>	<b>8</b>	<b>\$ 56.32</b>	<b>\$ 2.63</b>	<b>\$ 35.28</b>
Quarter Ended									
December 31, 2016									
United States	240	1,881	116	22	173	10	\$ 46.31	\$ 2.56	\$ 24.24
Algeria	68	—	8	6	—	1	49.39	—	30.10
Other International	28	—	—	3	—	—	47.18	—	—
<b>Total</b>	<b>336</b>	<b>1,881</b>	<b>124</b>	<b>31</b>	<b>173</b>	<b>11</b>	<b>\$ 47.01</b>	<b>\$ 2.56</b>	<b>\$ 24.62</b>
<b>Year Ended</b>									
<b>December 31, 2017</b>									
<b>United States</b>	<b>266</b>	<b>1,309</b>	<b>95</b>	<b>97</b>	<b>478</b>	<b>34</b>	<b>\$ 49.62</b>	<b>\$ 2.82</b>	<b>\$ 29.24</b>
<b>Algeria</b>	<b>61</b>	<b>—</b>	<b>4</b>	<b>22</b>	<b>—</b>	<b>2</b>	<b>53.74</b>	<b>—</b>	<b>35.64</b>
<b>Other International</b>	<b>28</b>	<b>—</b>	<b>—</b>	<b>10</b>	<b>—</b>	<b>—</b>	<b>53.84</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>355</b>	<b>1,309</b>	<b>99</b>	<b>129</b>	<b>478</b>	<b>36</b>	<b>\$ 50.66</b>	<b>\$ 2.82</b>	<b>\$ 29.54</b>
Year Ended									
December 31, 2016									
United States	233	2,093	122	85	766	44	\$ 39.06	\$ 2.04	\$ 19.32
Algeria	64	—	6	24	—	2	44.15	—	25.63
Other International	19	—	—	7	—	—	43.18	—	—
<b>Total</b>	<b>316</b>	<b>2,093</b>	<b>128</b>	<b>116</b>	<b>766</b>	<b>46</b>	<b>\$ 40.34</b>	<b>\$ 2.04</b>	<b>\$ 19.64</b>

	Average Daily Sales Volumes MBOE/d	Sales Volumes MMBOE
<b>Quarter Ended</b>		
<b>December 31, 2017</b>	<b>637</b>	<b>58</b>
Quarter Ended		
December 31, 2016	774	71
<b>Year Ended</b>		
<b>December 31, 2017</b>	<b>672</b>	<b>245</b>
Year Ended		
December 31, 2016	793	290

### Sales Revenue and Commodity Derivatives

<i>millions</i>	Sales			Net Cash Received (Paid) from Settlement of Commodity Derivatives		
	Oil	Natural Gas	NGLs	Oil	Natural Gas	NGLs
<b>Quarter Ended</b>						
<b>December 31, 2017</b>						
<b>United States</b>	<b>\$ 1,450</b>	<b>\$ 258</b>	<b>\$ 290</b>	<b>\$ (1)</b>	<b>\$ 5</b>	<b>\$ —</b>
<b>Algeria</b>	<b>305</b>	<b>—</b>	<b>11</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other International</b>	<b>145</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>\$ 1,900</b>	<b>\$ 258</b>	<b>\$ 301</b>	<b>\$ (1)</b>	<b>\$ 5</b>	<b>\$ —</b>
Quarter Ended						
December 31, 2016						
United States	\$ 1,025	\$ 443	\$ 259	\$ 39	\$ —	\$ —
Algeria	309	—	22	—	—	—
Other International	120	—	—	—	—	—
<b>Total</b>	<b>\$ 1,454</b>	<b>\$ 443</b>	<b>\$ 281</b>	<b>\$ 39</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Year Ended December 31, 2017</b>						
<b>United States</b>	<b>\$ 4,818</b>	<b>\$ 1,348</b>	<b>\$ 1,010</b>	<b>\$ 26</b>	<b>\$ 4</b>	<b>\$ (3)</b>
<b>Algeria</b>	<b>1,190</b>	<b>—</b>	<b>59</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other International</b>	<b>544</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>\$ 6,552</b>	<b>\$ 1,348</b>	<b>\$ 1,069</b>	<b>\$ 26</b>	<b>\$ 4</b>	<b>\$ (3)</b>
Year Ended December 31, 2016						
United States	\$ 3,330	\$ 1,564	\$ 861	\$ 253	\$ 13	\$ (1)
Algeria	1,043	—	60	—	—	—
Other International	295	—	—	—	—	—
<b>Total</b>	<b>\$ 4,668</b>	<b>\$ 1,564</b>	<b>\$ 921</b>	<b>\$ 253</b>	<b>\$ 13</b>	<b>\$ (1)</b>

### Anadarko Petroleum Corporation Estimated Year-End Proved Reserves 2015 - 2017

<i>MMBOE</i>	2017	2016	2015
<b>Proved Reserves</b>			
Beginning of year	<b>1,722</b>	2,057	2,858
Reserves additions and revisions			
Discoveries and extensions	<b>114</b>	40	29
Infill-drilling additions	<b>71</b>	69	89
Drilling-related reserves additions and revisions	<b>185</b>	109	118

Other non-price-related revisions	59	191	289
Net organic reserves additions	244	300	407
Acquisition of proved reserves in place	3	97	1
Price-related revisions	92	(147)	(624)
Total reserves additions and revisions	339	250	(216)
Sales in place	(379)	(294)	(279)
Production	(243)	(291)	(306)
End of year	1,439	1,722	2,057
<b>Proved Developed Reserves</b>			
Beginning of year	1,325	1,632	1,969
End of year	1,127	1,325	1,632

**Anadarko Petroleum Corporation**  
**Financial and Operating External Guidance**  
**As of February 6, 2018**

**Note: Guidance excludes sales volumes for Alaska due to divestiture.**

	1st-Qtr Guidance (see Note)		Full-Year Guidance (see Note)			
	Units		Units			
<b>Total Sales Volumes (MMBOE)</b>	55	—	58	238	—	248
<b>Total Sales Volumes (MBOE/d)</b>	611	—	644	652	—	679
<b>Oil (MBbl/d)</b>	352	—	365	370	—	390
United States	270	—	280	286	—	303
Algeria	55	—	56	57	—	58
Ghana	27	—	29	27	—	29
<b>Natural Gas (MMcf/d)</b>						
United States	1,025	—	1,075	1,085	—	1,125
<b>Natural Gas Liquids (MBbl/d)</b>						
United States	87	—	92	93	—	96
Algeria	4	—	6	5	—	6
	\$ / Unit		\$ / Unit			
<b>Price Differentials vs NYMEX (w/o hedges)</b>						
<b>Oil (\$/Bbl)</b>	(0.80)	—	3.20	(1.90)	—	2.30
United States	(2.00)	—	2.00	(3.00)	—	1.00
Algeria	3.00	—	7.00	2.00	—	7.00
Ghana	3.00	—	7.00	2.00	—	7.00
<b>Natural Gas (\$/Mcf)</b>						
United States	(0.35)	—	(0.15)	(0.45)	—	(0.20)

**Anadarko Petroleum Corporation**  
**Financial and Operating External Guidance**  
**As of February 6, 2018**

**Note: Guidance excludes items affecting comparability.**

	1st-Qtr Guidance (see Note)		Full-Year Guidance (see Note)			
	\$ MM		\$ MM			
<b>Other Revenues</b>						
Marketing and Gathering Margin	145	—	165	700	—	780
Minerals and Other	30	—	50	190	—	230
	\$ / BOE		\$ / BOE			
<b>Costs and Expenses</b>						
Oil & Gas Direct Operating	4.70	—	4.90	4.25	—	4.75
Oil & Gas Transportation and Other	3.40	—	3.60	3.50	—	3.75
Depreciation, Depletion, and Amortization	18.50	—	19.00	18.25	—	18.75
Production Taxes (% of Product Revenue)	6.0 %	—	7.0 %	6.0 %	—	7.0 %
	\$ MM		\$ MM			
General and Administrative	240	—	260	945	—	995
Other Operating Expense	5	—	15	40	—	50
Exploration Expense						

Non-Cash	40	—	70	150	—	200
Cash	50	—	60	200	—	220
Interest Expense (net)	230	—	240	925	—	975
Other (Income) Expense	(5)	—	5	(20)	—	20
<b>Taxes</b>						
Algeria (100% Current)	60 %	—	70 %	60 %	—	70 %
Rest of Company (25% Current/75% Deferred for Q1 and 35% Current/65% Deferred for Total Year)	15 %	—	25 %	15 %	—	25 %
Noncontrolling Interest	50	—	70	300	—	350
<b>Avg. Shares Outstanding (MM)</b>						
Basic	520	—	530	520	—	530
Diluted	520	—	530	520	—	530

<b>Capital Investment (Excluding Western Gas Partners, LP)</b>	<b>\$ MM</b>		<b>\$ MM</b>			
APC Capital Expenditures	1,200	—	1,400	4,100	—	4,500

**Anadarko Petroleum Corporation  
Commodity Hedge Positions  
As of February 6, 2018**

	Volume (MBbls/d)	Weighted Average Price per barrel		
		Floor Sold	Floor Purchased	Ceiling Sold
<b>Oil</b>				
<b>Two-Way Collars</b>				
2018				
WTI	108	\$	50.00	\$ 60.48
<b>Fixed Price - Financial</b>				
2018				
Brent	84	\$	61.45	
	Volume (thousand MMBtu/d)	Weighted Average Price per MMBtu		
		Floor Sold	Floor Purchased	Ceiling Sold
<b>Natural Gas</b>				
<b>Three-Way Collars</b>				
2018	250	\$	2.00	\$ 3.54
<b>Fixed Price - Financial</b>				
2018	280	\$	3.02	

**Interest-Rate Derivatives  
As of February 6, 2018**

Instrument	Notional Amt.	Reference Period	Mandatory Termination Date	Rate Paid	Rate Received
Swap	\$550 Million	Sept. 2016 - 2046	Sept. 2020	6.418%	3M LIBOR
Swap	\$250 Million	Sept. 2016 - 2046	Sept. 2022	6.809%	3M LIBOR
Swap	\$200 Million	Sept. 2017 - 2047	Sept. 2018	6.049%	3M LIBOR
Swap	\$100 Million	Sept. 2017 - 2047	Sept. 2020	6.891%	3M LIBOR
Swap	\$250 Million	Sept. 2017 - 2047	Sept. 2021	6.570%	3M LIBOR
Swap	\$250 Million	Sept. 2017 - 2047	Sept. 2023	6.761%	3M LIBOR

**Anadarko Petroleum Corporation  
Reconciliation of Same-Store Sales**

**Average Daily Sales Volumes**

	Quarter Ended December 31, 2017				Quarter Ended December 31, 2016			
	Oil MBbls/d	Natural Gas MMcf/d	NGLs MBbls/d	Total MBOE/d	Oil MBbls/d	Natural Gas MMcf/d	NGLs MBbls/d	Total MBOE/d
U.S. Onshore	156	934	79	390	120	986	76	360
Gulf of Mexico	120	85	9	143	81	93	9	106
International	80	—	3	83	96	—	8	104
Same-Store Sales	356	1,019	91	616	297	1,079	93	570
Divestitures*	11	45	2	21	39	802	31	204
Total	367	1,064	93	637	336	1,881	124	774
	<b>Year Ended December 31, 2017</b>				<b>Year Ended December 31, 2016</b>			



	Oil MBbls/d	Natural Gas MMcf/d	NGLs MBbls/d	Total MBOE/d	Oil MBbls/d	Natural Gas MMcf/d	NGLs MBbls/d	Total MBOE/d
U.S. Onshore	<b>128</b>	<b>966</b>	<b>79</b>	<b>368</b>	123	991	73	361
Gulf of Mexico	<b>121</b>	<b>107</b>	<b>10</b>	<b>149</b>	65	82	7	86
International	<b>89</b>	<b>—</b>	<b>4</b>	<b>93</b>	83	—	6	89
Same-Store Sales	<b>338</b>	<b>1,073</b>	<b>93</b>	<b>610</b>	271	1,073	86	536
Divestitures*	<b>17</b>	<b>236</b>	<b>6</b>	<b>62</b>	45	1,020	42	257
Total	<b>355</b>	<b>1,309</b>	<b>99</b>	<b>672</b>	316	2,093	128	793

\* Includes Eagleford, Marcellus, Eaglebine, Utah CBM, Moxa, Alaska, East Chalk, Wamsutter, Ozona, Elm Grove, Hugoton, Hearne, and Carthage.

**Note: Data for the quarter ended March 31, 2017, is presented for comparability to the company's First-Quarter 2018 Guidance.**

#### Average Daily Sales Volumes

	Quarter Ended March 31, 2017			
	Oil MBbls/d	Natural Gas MMcf/d	NGLs MBbls/d	Total MBOE/d
U.S. Onshore	<b>115</b>	<b>1,058</b>	<b>85</b>	<b>376</b>
Gulf of Mexico	<b>125</b>	<b>129</b>	<b>12</b>	<b>159</b>
International	<b>98</b>	<b>—</b>	<b>6</b>	<b>104</b>
Same-Store Sales	<b>338</b>	<b>1,187</b>	<b>103</b>	<b>639</b>
Divestitures*	<b>29</b>	<b>672</b>	<b>15</b>	<b>156</b>
Total	<b>367</b>	<b>1,859</b>	<b>118</b>	<b>795</b>

\* Includes Eagleford, Marcellus, Eaglebine, Utah CBM, Moxa, Alaska, East Chalk, Wamsutter, Ozona, Elm Grove, Hugoton, Hearne, and Carthage.

SOURCE Anadarko Petroleum Corporation

Additional assets available online: [DOCUMENTS \(1\)](#)

<http://investors.anadarko.com/2018-02-06-Anadarko-Announces-2017-Fourth-Quarter-And-Full-Year-Results>