

ANADARKO ANNOUNCES 2018 SECOND-QUARTER RESULTS

HOUSTON, July 31, 2018 /PRNewswire/ -- Anadarko Petroleum Corporation (NYSE: APC) today announced 2018 second-quarter results, reporting net income attributable to common stockholders of \$29 million, or \$0.05 per share (diluted). These results include certain items typically excluded by the investment community in published estimates. In total, these items decreased net income by \$249 million, or \$0.49 per share (diluted), on an after-tax basis.⁽¹⁾ Net cash provided by operating activities in the second quarter of 2018 was \$1.23 billion.

SECOND-QUARTER 2018 HIGHLIGHTS

- Increased U.S. onshore oil volumes by 47 percent on a divestiture-adjusted basis and improved per-barrel margins by almost 50 percent year-over-year
- Expanded **West Texas** infrastructure with the successful startup of the Reeves Regional Oil Treating Facility (ROTF) during the quarter and commissioning of the North Loving ROTF subsequent to quarter end
- Achieved significant advancements on the Mozambique LNG project, including new heads of agreements and expected cost reductions, with an anticipated Final Investment Decision (FID) during the first half of 2019
- Completed \$3.0 billion of the share-repurchase program



"During the second quarter, we delivered a 54,000 barrel-per-day increase in our U.S. onshore oil volumes over the second quarter of 2017 on a divestiture-adjusted basis, while improving our per-barrel margins⁽²⁾ to nearly \$31.60," said Al Walker, Anadarko Chairman, President and CEO. "Our project-management and midstream teams have done exceptional work to safely achieve the on-time startup of our initial ROTF in **West Texas**. This is a major accomplishment as the Reeves ROTF and newly commissioned North Loving ROTF are catalysts for production and cash-flow growth in the second half of this year and beyond. Our Mozambique LNG project has made excellent progress, and we expect a Final Investment Decision in the first half of 2019.

"The strong operational results and actions we have taken to enhance shareholder value reinforces our strategy to deliver capital-efficient growth and generate improved returns. While we have not increased our operated activity level, the current commodity-price environment has resulted in some modest service-cost inflation, as well as an increase in non-operated activity and non-consents, which present very high-return opportunities for Anadarko," added Walker. "We have also continued to core up acreage in the **Delaware** and DJ basins, which has enabled us to drill longer laterals with higher working interest for enhanced returns. Accordingly, we are increasing our anticipated full-year capital-investment expectations by \$250 million from previous guidance. The updated guidance excludes approximately \$100 million of leasehold acquisitions in an emerging oil play in **Wyoming's Powder River Basin**."

OPERATING HIGHLIGHTS

Anadarko's second-quarter 2018 sales volumes of oil, natural gas and natural gas liquids (NGLs) totaled 58 million barrels of oil equivalent (BOE), or an average of 637,000 BOE per day, which was at the high end of the company's second-quarter guidance.

In the **Delaware** Basin of **West Texas**, the company's oil production achieved record levels averaging 62,000 barrels of oil per day (BOPD) for the quarter, representing an 88-percent increase over the second quarter of 2017. The quarter was highlighted by the successful startup of the Reeves ROTF in May, as well as a record number of wells turned to sales. The company also advanced its first full pad development at the Silvertip-A location in **Loving County**, where it has completed 12 extended-reach lateral wells targeting multiple intervals in the Wolfcamp-A formation. These wells are expected to begin producing in the second half of 2018 and will flow to the recently commissioned North Loving ROTF.

In the DJ Basin of northeast **Colorado**, Anadarko continues its horizontal drilling campaign featuring natural-gas powered rigs and noise-reduction technology, two enhancements that improve the compatibility of operations with local communities. During the quarter, the DJ Basin averaged net production of 261,000 BOE per day.

In the Deepwater Gulf of Mexico, Anadarko averaged 115,000 BOPD in the second quarter as it leveraged its unmatched infrastructure, including the third successful tieback to the 100-percent-owned Horn Mountain facility. Development drilling is also underway in the North Hadrian field, which will be tied back to Anadarko's Lucius spar.

Sales volumes from Anadarko's international operations in **Algeria** and **Ghana** averaged 85,000 barrels per day during the second quarter of 2018. The Anadarko-operated Mozambique LNG project continued to make significant progress in the second quarter as the company announced it anticipates being in position to take FID in the first half of 2019 for the Golfinho/Atum development within the Anadarko-operated Offshore Area 1. Additionally, the company and its contractors expect to realize substantial cost savings, with Anadarko now expecting to deliver the first two onshore liquefaction trains with 12.88 million tonnes per annum (MTPA) capacity for less than \$600 per tonne.

OPERATIONS REPORT

For additional details on Anadarko's second-quarter 2018 operations, please refer to the comprehensive Operations Report available at www.anadarko.com.

FINANCIAL HIGHLIGHTS

Anadarko's second-quarter capital investments, excluding Western Gas Partners, LP (WES), were approximately \$1.5 billion, and the company

closed the quarter with \$2.3 billion of cash on hand. After completing the \$3.0 billion share-repurchase program at the end of the second quarter, Anadarko announced a \$1.0 billion expansion of the share-repurchase program, as well as a \$500 million expansion of its debt-reduction program to be funded by future free cash flow. These expansions raise the aggregate equity and debt-buyback programs to \$5.5 billion, with the board authorization for the share repurchases extended through the end of June 2019.

CONFERENCE CALL TOMORROW AT 8 A.M. CDT, 9 A.M. EDT

Anadarko will host an investor conference call on Wednesday, Aug. 1, 2018, at 8 a.m. Central Daylight Time (9 a.m. Eastern Daylight Time) to discuss its second-quarter 2018 financial and operating results. The dial-in number is 877.883.0383 in the U.S. or 412.902.6506 internationally. The confirmation number is 4427245. For complete instructions on how to participate in the conference call, or to listen to the [live audio webcast](#), please visit www.anadarko.com. A replay of the call will be available on the website for approximately 30 days following the conference call.

FINANCIAL DATA

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

(1) See the accompanying table for details of certain items affecting comparability.

(2) 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.

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.

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 successfully execute upon its capital program; to efficiently identify and deploy capital resources; to meet financial and operating guidance and achieve production and cash-flow growth identified in this news release; to timely complete and commercially operate the projects, infrastructure and drilling prospects identified in this news release; to successfully drill, complete, test, and produce the wells identified in this report; to successfully complete the share-repurchase and debt-reduction programs; and to successfully plan, secure additional government approvals, enter into long-term sales contracts, take FID and the timing thereof, finance, build, achieve expected cost savings, and operate the necessary infrastructure and LNG park in Mozambique. See "Risk Factors" in the company's 2017 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.

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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.

| <i>millions except per-share amounts</i> | Quarter Ended June 30, 2018 | | |
|---|-----------------------------|--------------|------------------------|
| | Before Tax | After Tax | Per Share (diluted) |
| Net income (loss) attributable to common stockholders (GAAP) | | \$ 29 | \$ 0.05 |
| Adjustments for certain items affecting comparability | | | |
| Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives* | \$ (267) | (205) | (0.40) |
| Gains (losses) on divestitures, net | 52 | 39 | 0.07 |
| Impairments | | | |

| | | | |
|--|----------|--------|---------|
| Producing properties (after noncontrolling interest) | (45) | (35) | (0.07) |
| Exploration assets | (41) | (31) | (0.06) |
| Contingency accrual | (13) | (10) | (0.02) |
| Change in uncertain tax positions | | (7) | (0.01) |
| Certain items affecting comparability | \$ (314) | (249) | (0.49) |
| Adjusted net income (loss) (Non-GAAP) | | \$ 278 | \$ 0.54 |

* Includes \$32 million related to interest-rate derivatives, \$(298) million related to commodity derivatives, and \$(1) million related to gathering, processing, and marketing sales.

| <i>millions except per-share amounts</i> | Quarter Ended June 30, 2017 | | |
|---|-----------------------------|-----------|---------------------|
| | Before Tax | After Tax | Per Share (diluted) |
| Net income (loss) attributable to common stockholders (GAAP) | | \$ (415) | \$ (0.76) |
| Adjustments for certain items affecting comparability | | | |
| Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives* | \$ (45) | (29) | (0.05) |
| Gains (losses) on divestitures, net | 205 | 130 | 0.24 |
| Impairments | | | |
| Producing and general properties | (10) | (7) | (0.02) |
| Exploration assets | (82) | (65) | (0.12) |
| Restructuring charges | (18) | (11) | (0.02) |
| Change in uncertain tax positions | | (10) | (0.02) |
| Certain items affecting comparability | \$ 50 | 8 | 0.01 |
| Adjusted net income (loss) (Non-GAAP) | | \$ (423) | \$ (0.77) |

* Includes \$(104) million related to interest-rate derivatives and \$59 million related to commodity 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> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|----------|------------------------------|----------|
| | 2018 | 2017 | 2018 | 2017 |
| Net income (loss) attributable to common stockholders (GAAP) | \$ 29 | \$ (415) | \$ 150 | \$ (733) |
| Interest expense | 237 | 229 | 465 | 452 |
| Income tax expense (benefit) | 125 | (38) | 251 | 59 |
| Depreciation, depletion, and amortization | 1,003 | 1,037 | 1,993 | 2,152 |
| Exploration expense | 94 | 532 | 262 | 1,616 |
| (Gains) losses on divestitures, net | (52) | (205) | (28) | (1,009) |
| Impairments | 128 | 10 | 147 | 383 |
| Total (gains) losses on derivatives, net, less net cash from settlement of commodity derivatives | 267 | 45 | 240 | (110) |
| Restructuring charges | — | 18 | — | 17 |
| Consolidated Adjusted EBITDAX (Margin) (Non-GAAP) | \$ 1,831 | \$ 1,213 | \$ 3,480 | \$ 2,827 |
| Total barrels of oil equivalent (BOE) | 58 | 57 | 116 | 129 |
| Consolidated Adjusted EBITDAX (Margin) per BOE | \$ 31.57 | \$ 21.28 | \$ 30.00 | \$ 21.91 |

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.

| <i>millions</i> | June 30, 2018 | | |
|--------------------------------|-----------------------|-------------------|------------------------|
| | Anadarko Consolidated | WGP* Consolidated | Anadarko excluding WGP |
| Total debt (GAAP) | \$ 16,293 | \$ 4,205 | \$ 12,088 |
| Less cash and cash equivalents | 2,321 | 55 | 2,266 |
| Net debt (Non-GAAP) | \$ 13,972 | \$ 4,150 | \$ 9,822 |

| <i>millions</i> | Anadarko Consolidated | Anadarko excluding WGP |
|-----------------|-----------------------|------------------------|
| Net debt | \$ 13,972 | \$ 9,822 |

| | | |
|--|------------------|------------------|
| Total equity | 11,495 | 8,902 |
| Adjusted capitalization | \$ 25,467 | \$ 18,724 |
| Net debt to adjusted capitalization ratio | 55 % | 52 % |

* 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> | Quarter Ended June 30, | | Six Months Ended June 30, | |
|---|---------------------------|----------|------------------------------|----------|
| | 2018 | 2017 | 2018 | 2017 |
| Cash Flows from Operating Activities | | | | |
| Net income (loss) | \$ 17 | \$ (334) | \$ 191 | \$ (609) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation, depletion, and amortization | 1,003 | 1,037 | 1,993 | 2,152 |
| Deferred income taxes | (15) | 488 | 27 | (172) |
| Dry hole expense and impairments of unproved properties | 43 | 454 | 149 | 1,466 |
| Impairments | 128 | 10 | 147 | 383 |
| (Gains) losses on divestitures, net | (52) | (205) | (28) | (1,009) |
| Total (gains) losses on derivatives, net | 437 | 32 | 473 | (115) |
| Operating portion of net cash received (paid) in settlement of derivative instruments | (171) | 13 | (234) | 5 |
| Other | 65 | 76 | 139 | 159 |
| Changes in assets and liabilities | (230) | (714) | (202) | (280) |
| Net Cash Provided by (Used in) Operating Activities | \$ 1,225 | \$ 857 | \$ 2,655 | \$ 1,980 |
| Net Cash Provided by (Used in) Investing Activities | \$ (1,943) | \$ (504) | \$ (3,056) | \$ 1,219 |
| Net Cash Provided by (Used in) Financing Activities | \$ (319) | \$ (174) | \$ (1,826) | \$ (372) |
| Capital Expenditures | | | | |
| Exploration and Production and other | \$ 1,257 | \$ 955 | \$ 2,371 | \$ 1,900 |
| WES Midstream | 301 | 151 | 628 | 437 |
| Other Midstream* | 240 | 104 | 503 | 128 |
| Total | \$ 1,798 | \$ 1,210 | \$ 3,502 | \$ 2,465 |

* Excludes WES.

Anadarko Petroleum Corporation
(Unaudited)

| Summary Financial Information <i>millions except per-share amounts</i> | Quarter Ended June 30, | | Six Months Ended June 30, | |
|--|---------------------------|----------|------------------------------|----------|
| | 2018 | 2017 | 2018 | 2017 |
| Consolidated Statements of Income | | | | |
| Revenues and Other | | | | |
| Oil sales | \$ 2,265 | \$ 1,422 | \$ 4,392 | \$ 3,085 |
| Natural-gas sales | 203 | 319 | 450 | 821 |
| Natural-gas liquids sales | 318 | 214 | 610 | 503 |
| Gathering, processing, and marketing sales | 382 | 464 | 742 | 908 |
| Gains (losses) on divestitures and other, net | 123 | 297 | 142 | 1,166 |
| Total | 3,291 | 2,716 | 6,336 | 6,483 |
| Costs and Expenses | | | | |
| Oil and gas operating | 275 | 229 | 551 | 485 |
| Oil and gas transportation | 209 | 229 | 405 | 478 |
| Exploration | 94 | 532 | 262 | 1,616 |
| Gathering, processing, and marketing | 252 | 355 | 489 | 705 |
| General and administrative | 288 | 244 | 566 | 507 |
| Depreciation, depletion, and amortization | 1,003 | 1,037 | 1,993 | 2,152 |
| Production, property, and other taxes | 201 | 135 | 391 | 290 |
| Impairments | 128 | 10 | 147 | 383 |
| Other operating expense | 22 | 12 | 162 | 34 |
| Total | 2,472 | 2,783 | 4,966 | 6,650 |

| | | | | |
|---|--------------|-----------------|---------------|-----------------|
| Operating Income (Expense) | 819 | (67) | 1,370 | (167) |
| Interest expense | 237 | 229 | 465 | 452 |
| (Gains) losses on derivatives, net | 436 | 32 | 471 | (115) |
| Other (income) expense, net | 4 | 44 | (8) | 46 |
| Total | 677 | 305 | 928 | 383 |
| Income (Loss) Before Income Taxes | 142 | (372) | 442 | (550) |
| Income tax expense (benefit) | 125 | (38) | 251 | 59 |
| Net Income (Loss) | 17 | (334) | 191 | (609) |
| Net income (loss) attributable to noncontrolling interests | (12) | 81 | 41 | 124 |
| Net Income (Loss) Attributable to Common Stockholders | \$ 29 | \$ (415) | \$ 150 | \$ (733) |
| Per Common Share | | | | |
| Net income (loss) attributable to common stockholders—basic | \$ 0.05 | \$ (0.76) | \$ 0.28 | \$ (1.34) |
| Net income (loss) attributable to common stockholders—diluted | \$ 0.05 | \$ (0.76) | \$ 0.28 | \$ (1.34) |
| Average Number of Common Shares Outstanding—Basic | 504 | 552 | 511 | 552 |
| Average Number of Common Shares Outstanding—Diluted | 505 | 552 | 512 | 552 |
| Exploration Expense | | | | |
| Dry hole expense | \$ 2 | \$ 367 | \$ 55 | \$ 843 |
| Impairments of unproved properties | 41 | 87 | 94 | 623 |
| Geological and geophysical, exploration overhead, and other expense | 51 | 78 | 113 | 150 |
| Total | \$ 94 | \$ 532 | \$ 262 | \$ 1,616 |

Anadarko Petroleum Corporation
(Unaudited)

| <i>millions</i> | June 30, 2018 | December 31, 2017 |
|---|------------------|----------------------|
| Condensed Balance Sheets | | |
| Cash and cash equivalents | \$ 2,321 | \$ 4,553 |
| Accounts receivable, net of allowance | 1,909 | 1,829 |
| Other current assets | 402 | 380 |
| Net properties and equipment | 28,502 | 27,451 |
| Other assets | 2,301 | 2,211 |
| Goodwill and other intangible assets | 5,646 | 5,662 |
| Total Assets | \$ 41,081 | \$ 42,086 |
| Short-term debt - Anadarko* | 910 | 142 |
| Short-term debt - WGP/WES | 28 | — |
| Other current liabilities | 4,489 | 3,764 |
| Long-term debt - Anadarko* | 11,178 | 12,054 |
| Long-term debt - WGP/WES | 4,177 | 3,493 |
| Deferred income taxes | 2,317 | 2,234 |
| Asset retirement obligations | 2,456 | 2,500 |
| Other long-term liabilities | 4,031 | 4,109 |
| Common stock | 57 | 57 |
| Paid-in capital | 12,306 | 12,000 |
| Retained earnings | 1,054 | 1,109 |
| Treasury stock | (4,105) | (2,132) |
| Accumulated other comprehensive income (loss) | (410) | (338) |
| Total stockholders' equity | 8,902 | 10,696 |
| Noncontrolling interests | 2,593 | 3,094 |
| Total Equity | 11,495 | 13,790 |
| Total Liabilities and Equity | \$ 41,081 | \$ 42,086 |
| Capitalization | | |
| Total debt | \$ 16,293 | \$ 15,689 |
| Total equity | 11,495 | 13,790 |
| Total | \$ 27,788 | \$ 29,479 |
| Capitalization Ratios | | |
| Total debt | 59 % | 53 % |
| Total equity | 41 % | 47 % |

* Excludes WES and WGP

Anadarko Petroleum Corporation
(Unaudited)

Sales

Volumes and Prices

| | Average Daily Sales Volumes | | | Sales Volumes | | | Average Sales Price | | |
|---------------------------------------|-----------------------------|-----------------------|-----------------|---------------|--------------------|----------------|---------------------|------------------------|-----------------|
| | Oil MBbls/d | Natural Gas MMcf/d | NGLs MBbls/d | Oil MMBbls | Natural Gas Bcf | NGLs MMBbls | Oil Per Bbl | Natural Gas Per Mcf | NGLs Per Bbl |
| Quarter Ended June 30, 2018 | | | | | | | | | |
| United States | 284 | 1,037 | 95 | 27 | 94 | 8 | \$ 66.94 | \$ 2.15 | \$ 34.66 |
| Algeria | 52 | — | 5 | 5 | — | 1 | 74.73 | — | 39.34 |
| Other International | 28 | — | — | 2 | — | — | 71.76 | — | — |
| Total | 364 | 1,037 | 100 | 34 | 94 | 9 | \$ 68.43 | \$ 2.15 | \$ 34.88 |
| Quarter Ended June 30, 2017 | | | | | | | | | |
| United States | 243 | 1,238 | 89 | 22 | 113 | 8 | \$ 46.68 | \$ 2.84 | \$ 24.82 |
| Algeria | 59 | — | 5 | 6 | — | — | 48.20 | — | 30.48 |
| Other International | 29 | — | — | 2 | — | — | 49.44 | — | — |
| Total | 331 | 1,238 | 94 | 30 | 113 | 8 | \$ 47.19 | \$ 2.84 | \$ 25.14 |
| Six Months Ended June 30, 2018 | | | | | | | | | |
| United States | 286 | 1,044 | 93 | 52 | 189 | 17 | \$ 64.75 | \$ 2.38 | \$ 33.97 |
| Algeria | 54 | — | 5 | 10 | — | 1 | 70.93 | — | 40.06 |
| Other International | 28 | — | — | 5 | — | — | 69.70 | — | — |
| Total | 368 | 1,044 | 98 | 67 | 189 | 18 | \$ 66.03 | \$ 2.38 | \$ 34.27 |
| Six Months Ended June 30, 2017 | | | | | | | | | |
| United States | 256 | 1,547 | 100 | 46 | 280 | 18 | \$ 48.01 | \$ 2.93 | \$ 25.79 |
| Algeria | 64 | — | 6 | 12 | — | 1 | 50.89 | — | 34.36 |
| Other International | 29 | — | — | 5 | — | — | 51.57 | — | — |
| Total | 349 | 1,547 | 106 | 63 | 280 | 19 | \$ 48.84 | \$ 2.93 | \$ 26.27 |

| | Average Daily Sales Volumes MBOE/d | Sales Volumes MMBOE |
|--|---------------------------------------|------------------------|
|--|---------------------------------------|------------------------|

Quarter Ended June 30, 2018

| | | |
|-----------------------------|-----|----|
| Quarter Ended June 30, 2018 | 637 | 58 |
| Quarter Ended June 30, 2017 | 631 | 57 |

Six Months Ended June 30, 2018

| | | |
|--------------------------------|-----|-----|
| Six Months Ended June 30, 2018 | 640 | 116 |
| Six Months Ended June 30, 2017 | 713 | 129 |

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 |
| Quarter Ended June 30, 2018 | | | | | | |
| United States | \$ 1,726 | \$ 203 | \$ 301 | \$ (176) | \$ 6 | \$ — |
| Algeria | 359 | — | 17 | — | — | — |

| | | | | | | |
|--------------------------------|-----------------|---------------|---------------|-----------------|---------------|---------------|
| Other International | 180 | — | — | — | — | — |
| Total | \$ 2,265 | \$ 203 | \$ 318 | \$ (176) | \$ 6 | \$ — |
| Quarter Ended June 30, 2017 | | | | | | |
| United States | \$ 1,032 | \$ 319 | \$ 200 | \$ 14 | \$ (1) | \$ — |
| Algeria | 260 | — | 14 | — | — | — |
| Other International | 130 | — | — | — | — | — |
| Total | \$ 1,422 | \$ 319 | \$ 214 | \$ 14 | \$ (1) | \$ — |
| Six Months Ended June 30, 2018 | | | | | | |
| United States | \$ 3,349 | \$ 450 | \$ 575 | \$ (243) | \$ 5 | \$ — |
| Algeria | 690 | — | 35 | — | — | — |
| Other International | 353 | — | — | — | — | — |
| Total | \$ 4,392 | \$ 450 | \$ 610 | \$ (243) | \$ 5 | \$ — |
| Six Months Ended June 30, 2017 | | | | | | |
| United States | \$ 2,223 | \$ 821 | \$ 467 | \$ 15 | \$ (5) | \$ (3) |
| Algeria | 594 | — | 36 | — | — | — |
| Other International | 268 | — | — | — | — | — |
| Total | \$ 3,085 | \$ 821 | \$ 503 | \$ 15 | \$ (5) | \$ (3) |

Anadarko Petroleum Corporation
Financial and Operating External Guidance
As of July 31, 2018

Note: Guidance excludes sales volumes for Alaska and Ram Powell due to divestiture.

| | 3rd-Qtr Guidance (see Note) | | | Full-Year Guidance (see Note) | | |
|--|--------------------------------|---|--------|----------------------------------|---|--------|
| | Units | | | Units | | |
| Total Sales Volumes (MMBOE) | 60 | — | 65 | 240 | — | 250 |
| Total Sales Volumes (MBOE/d) | 652 | — | 707 | 658 | — | 685 |
| Oil (MBbl/d) | 374 | — | 409 | 377 | — | 397 |
| United States | 275 | — | 300 | 288 | — | 305 |
| Algeria | 65 | — | 71 | 60 | — | 62 |
| Ghana | 34 | — | 38 | 29 | — | 30 |
| Natural Gas (MMcf/d) | | | | | | |
| United States | 1,020 | — | 1,110 | 1,040 | — | 1,100 |
| Natural Gas Liquids (MBbl/d) | | | | | | |
| United States | 99 | — | 107 | 97 | — | 102 |
| Algeria | 5 | — | 6 | 5 | — | 6 |
| | | | | | | |
| | \$ / Unit | | | \$ / Unit | | |
| Price Differentials vs NYMEX (w/o hedges) | | | | | | |
| Oil (\$/Bbl) | (0.80) | — | 3.20 | (1.90) | — | 2.00 |
| United States | (3.00) | — | 1.00 | (3.00) | — | 1.00 |
| Algeria | 3.00 | — | 7.00 | 3.00 | — | 7.00 |
| Ghana | 3.00 | — | 7.00 | 3.00 | — | 7.00 |
| Natural Gas (\$/Mcf) | | | | | | |
| United States | (0.75) | — | (0.50) | (0.70) | — | (0.45) |

Anadarko Petroleum Corporation
Financial and Operating External Guidance
As of July 31, 2018

Note: Guidance excludes items affecting comparability.

| | 3rd-Qtr Guidance (see Note) | | | Full-Year Guidance (see Note) | | |
|---|--------------------------------|---|-------|----------------------------------|---|-------|
| | \$ MM | | | \$ MM | | |
| Other Revenues | | | | | | |
| Marketing and Gathering Margin | 145 | — | 165 | 600 | — | 650 |
| Minerals and Other | 60 | — | 80 | 250 | — | 270 |
| <hr/> | | | | | | |
| | \$ / BOE | | | \$ / BOE | | |
| Costs and Expenses | | | | | | |
| Oil & Gas Direct Operating | 4.50 | — | 4.75 | 4.40 | — | 4.75 |
| Oil & Gas Transportation and Other | 3.20 | — | 3.45 | 3.20 | — | 3.55 |
| Depreciation, Depletion, and Amortization | 17.50 | — | 18.00 | 17.00 | — | 17.50 |
| Production Taxes (% of Product Revenue) | 7.0 % | — | 8.0 % | 7.0 % | — | 7.5 % |
| <hr/> | | | | | | |
| | \$ MM | | | \$ MM | | |
| General and Administrative | 245 | — | 265 | 1,040 | — | 1,090 |
| Other Operating Expense | 35 | — | 45 | 110 | — | 130 |
| Exploration Expense | | | | | | |
| Non-Cash | — | — | 20 | 75 | — | 100 |
| Cash | 45 | — | 55 | 200 | — | 220 |
| Interest Expense (net) | 235 | — | 245 | 930 | — | 960 |
| Other (Income) Expense | (5) | — | 5 | (20) | — | 20 |
| <hr/> | | | | | | |
| Taxes | | | | | | |
| Algeria (100% Current) | 60 % | — | 70 % | 60 % | — | 70 % |
| Rest of Company (25% Current/75% Deferred for Q3 and 25% Current/75% Deferred for Total Year) | 20 % | — | 30 % | 20 % | — | 30 % |
| Noncontrolling Interest | 65 | — | 85 | 200 | — | 250 |
| <hr/> | | | | | | |
| Avg. Shares Outstanding (MM) | | | | | | |
| Basic | 498 | — | 502 | 503 | — | 507 |
| Diluted | 499 | — | 503 | 503 | — | 507 |
| <hr/> | | | | | | |
| Capital Investment (Excluding Western Gas Partners, LP) | | | | | | |
| | \$ MM | | | \$ MM* | | |
| APC Capital Expenditures | 1,050 | — | 1,250 | 4,500 | — | 4,800 |

* Excludes \$100 million Powder River Basin lease acquisition

Anadarko Petroleum Corporation
Commodity Hedge Positions
As of July 31, 2018

| | Volume (MBbls/d) | Weighted Average Price per barrel | | |
|--------------------------------|---------------------|-----------------------------------|-----------------|-------------------|
| | | Floor Sold | Floor Purchased | Ceiling Sold |
| Oil | | | | |
| Two-Way Collars | | | | |
| 2018 | | | | |
| WTI | 108 | \$ | 50.00 | \$ 60.48 |
| Fixed Price - Financial | | | | |
| 2018 | | | | |
| Brent | 84 | \$ | 61.45 | |
| Three-Way Collars | | | | |
| 2019 | | | | |
| WTI | 57 | \$ | 45.00 | \$ 55.00 \$ 70.22 |
| Brent | 30 | \$ | 50.00 | \$ 60.00 \$ 78.22 |

| | Volume (thousand MMBtu/d) | Weighted Average Price per MMBtu | | |
|--------------------------------|---------------------------------|----------------------------------|-----------------|--------------|
| | | Floor Sold | Floor Purchased | Ceiling Sold |
| Natural Gas | | | | |
| Three-Way Collars | | | | |
| 2018 | 250 | \$ 2.00 | \$ 2.75 | \$ 3.54 |
| Fixed Price - Financial | | | | |
| 2018 | 280 | \$ 3.02 | | |

| Interest-Rate Derivatives As of July 31, 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 June 30, 2018 | | | | Quarter Ended June 30, 2017 | | | |
|------------------|-----------------------------|----------------------|------------------|-----------------|-----------------------------|----------------------|------------------|-----------------|
| | Oil MBbbls/d | Natural Gas MMcfd | NGLs MBbbls/d | Total MBOE/d | Oil MBbbls/d | Natural Gas MMcfd | NGLs MBbbls/d | Total MBOE/d |
| U.S. Onshore | 169 | 969 | 86 | 417 | 115 | 968 | 76 | 352 |
| Gulf of Mexico | 114 | 66 | 9 | 134 | 112 | 102 | 9 | 138 |
| International | 80 | — | 5 | 85 | 88 | — | 5 | 93 |
| Same-Store Sales | 363 | 1,035 | 100 | 636 | 315 | 1,070 | 90 | 583 |
| Divestitures* | 1 | 2 | — | 1 | 16 | 168 | 4 | 48 |
| Total | 364 | 1,037 | 100 | 637 | 331 | 1,238 | 94 | 631 |

| | Six Months Ended June 30, 2018 | | | | Six Months Ended June 30, 2017 | | | |
|------------------|--------------------------------|----------------------|------------------|-----------------|--------------------------------|----------------------|------------------|-----------------|
| | Oil MBbbls/d | Natural Gas MMcfd | NGLs MBbbls/d | Total MBOE/d | Oil MBbbls/d | Natural Gas MMcfd | NGLs MBbbls/d | Total MBOE/d |
| U.S. Onshore | 163 | 968 | 84 | 408 | 115 | 1,013 | 80 | 364 |
| Gulf of Mexico | 120 | 72 | 9 | 141 | 118 | 114 | 10 | 147 |
| International | 82 | — | 5 | 87 | 93 | — | 6 | 99 |
| Same-Store Sales | 365 | 1,040 | 98 | 636 | 326 | 1,127 | 96 | 610 |
| Divestitures* | 3 | 4 | — | 4 | 23 | 420 | 10 | 103 |
| Total | 368 | 1,044 | 98 | 640 | 349 | 1,547 | 106 | 713 |

* Includes Ram Powell, Alaska, Eagleford, Marcellus, Eaglebine, Utah CBM, and Moxa.

SOURCE Anadarko Petroleum Corporation

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

<http://investors.anadarko.com/2018-07-31-Anadarko-Announces-2018-Second-Quarter-Results>