

ANADARKO ANNOUNCES 2018 THIRD-QUARTER RESULTS

HOUSTON, Oct. 30, 2018 /PRNewswire/ -- Anadarko Petroleum Corporation (NYSE: APC) today announced 2018 third-quarter results, reporting net income attributable to common stockholders of \$363 million, or \$0.72 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 \$48 million, or \$0.10 per share (diluted), on an after-tax basis.⁽¹⁾ Net cash provided by operating activities in the third quarter of 2018 was \$1.65 billion.

THIRD-QUARTER 2018 HIGHLIGHTS

- Achieved record U.S. onshore oil sales volume of 175,000 barrels of oil per day (BOPD), representing a 37-percent increase over third quarter of 2017 on a divestiture-adjusted basis
- Expanded **Delaware** Basin oil processing capacity by 120,000 BOPD in 2018 including the successful startup of the Loving Regional Oil Treating Facility (ROTF) in the third quarter
- Improved margins per barrel⁽²⁾ by 58 percent over the third quarter of 2017 to \$33.68 per barrel of oil equivalent (BOE)
- Returned \$625 million of cash to shareholders, including \$500 million of additional share repurchases and \$125 million of dividends, which is 38 percent of third-quarter cash flow from operations



"We delivered a very strong quarter with improving and attractive per-barrel margins, which helped drive cash flow from operations to more than \$1.6 billion," said Al Walker, Anadarko Chairman, President and CEO. "Our cash flows were bolstered by the startup of an additional oil gathering and treating system in the **Delaware** Basin, where this year we have added 120,000 barrels per day of operated oil processing capacity with the Reeves and Loving ROTFs. This integrated upstream and midstream development approach provides a competitive advantage as we realize improved netback pricing for our product while also driving significant oil growth in the basin.

"As we look ahead to 2019, our focus will continue to be on delivering healthy oil growth within a capital-efficient framework," added Walker. "We have built a portfolio focused on properties with higher-margin oil and liquids that aligns well with our durable strategy of delivering attractive per-debt-adjusted-share growth metrics and returns to shareholders. We continue to have a high degree of confidence in our ability to deliver double-digit oil growth in a \$50 oil-price environment, and look forward to communicating the details of the 2019 program later this quarter. Our disciplined growth approach, to be achieved while investing within a conservative cash-flow estimate and using cash and incremental free cash flow to fund share buybacks, debt reduction and potential dividend increases over time, is a differentiating strategy."

OPERATING HIGHLIGHTS

Anadarko's third-quarter 2018 sales volumes of oil, natural gas and natural gas liquids (NGLs) totaled 63 million barrels of oil equivalent (BOE), or an average of 682,000 BOE per day.

Anadarko increased its oil production to a record 70,000 BOPD in the **Delaware** Basin during the third quarter, an increase of 83 percent over the third quarter of 2017. This strong oil-volume growth continues to be facilitated by the company's successful infrastructure expansions, which included startup of its Loving ROTF during the quarter. Anadarko operated seven drilling rigs and five completion crews in the basin during the quarter.

In the DJ Basin of northeast **Colorado**, Anadarko increased oil sales volumes by approximately 16 percent over the third quarter of 2017, with oil volumes averaging 96,000 BOPD. The company continued to enhance efficiency in the basin by setting new cycle-time records on short, long and extra-long lateral wells during the quarter. Additionally, the company placed its sixth train in service during the quarter at its Centralized Oil Stabilization Facility (COSF), bringing total oil-processing capacity in the basin to 155,000 BOPD. Anadarko operated four drilling rigs and two completion crews during the quarter.

In the Deepwater Gulf of Mexico, Anadarko achieved a monthly record oil rate of more than 140,000 BOPD in August. The company achieved record production during the quarter at its Caesar/**Tonga** development, largely supported by its eighth well coming on line. Anadarko also brought new wells on production during the quarter at its Marlin and Holstein platforms, and finished drilling at the first Hadrian North expansion well, which will be tied back to the Lucius platform. The second Hadrian North well is expected to be completed by year-end 2018 with first production from the development anticipated in 2019.

Sales volumes from Anadarko's international operations in **Algeria** and **Ghana** averaged 107,000 barrels per day during the third quarter of 2018, an 18-percent increase over the third quarter of 2017 on a divestiture-adjusted basis. Anadarko and its co-venturers in the Mozambique LNG project continue to make progress converting non-binding LNG off-take agreements to fully termed Sale and Purchase Agreements, which is necessary to secure financing and reach an expected Final Investment Decision in the first half of 2019.

OPERATIONS REPORT

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

FINANCIAL HIGHLIGHTS

Anadarko generated approximately \$1.65 billion of cash flow from operations during the quarter. Capital investments totaled approximately \$1.075 billion, excluding Western Gas Partners, LP (WES) and acquisitions in the Powder River Basin. The company ended the quarter with \$1.9 billion of cash on hand after completing the repurchase of an additional \$500 million of outstanding shares on the open market during the quarter.

Anadarko has now executed \$3.5 billion of its expanded \$4 billion share-repurchase program, representing more than 10 percent of the shares outstanding at inception of the program one year ago. Using cash and anticipated free cash flows, Anadarko expects to complete the remaining \$500 million of share repurchases by mid-2019 and to retire an additional \$1.4 billion of debt, including the senior notes due in 2019.

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

Anadarko will host an investor conference call on Wednesday, Oct. 31, 2018, at 8 a.m. Central Daylight Time (9 a.m. Eastern Daylight Time) to discuss its third-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 3294324. 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 current hedge positions, a reconciliation of "divestiture-adjusted" or "same-store" sales, and updated financial and production guidance, which has been narrowed to reflect the limited number of days left in the year and the impact of hurricane-related downtime and previous capital-allocation adjustments.

(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 finalize its capital program for 2019; to meet financial and operating guidance and achieve production and cash-flow growth identified in this news release; to successfully drill, complete, test, and produce the wells identified in this report; to successfully complete the share-repurchase program and debt-reduction expectations; to increase the dividend; 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.

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.

| <i>millions except per-share amounts</i> | Quarter Ended September 30, 2018 | | |
|---|---|----------------------|--------------------------------|
| | Before Tax | After Tax | Per Share (diluted) |
| Net income (loss) attributable to common stockholders (GAAP) | | \$ 363 | \$ 0.72 |
| Adjustments for certain items affecting comparability | | | |
| Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives* | \$ 167 | 127 | 0.25 |
| Gains (losses) on divestitures, net | 3 | 2 | — |
| Impairments | | | |
| Hard-minerals - Coal | (145) | (111) | (0.22) |
| Exploration assets | (64) | (49) | (0.10) |
| Producing properties (after noncontrolling interest) | (15) | (12) | (0.02) |
| Contingency adjustments | 26 | 20 | 0.04 |

| | | | |
|--|---------|--------|---------|
| Restructuring charges | (33) | (25) | (0.05) |
| Impact of tax reform legislation | | 5 | 0.01 |
| Change in uncertain tax positions | | (5) | (0.01) |
| Certain items affecting comparability | \$ (61) | (48) | (0.10) |
| Adjusted net income (loss) (Non-GAAP) | | \$ 411 | \$ 0.82 |

* Includes \$72 million related to interest-rate derivatives and \$95 million related to commodity derivatives.

| <i>millions except per-share amounts</i> | Quarter Ended September 30, 2017 | | |
|---|----------------------------------|-----------|---------------------|
| | Before Tax | After Tax | Per Share (diluted) |
| Net income (loss) attributable to common stockholders (GAAP) | | \$ (699) | \$ (1.27) |
| Adjustments for certain items affecting comparability | | | |
| Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives* | \$ (98) | (62) | (0.11) |
| Gains (losses) on divestitures, net | (194) | (123) | (0.23) |
| Impairments - exploration assets | (106) | (82) | (0.15) |
| Change in uncertain tax positions | | (5) | (0.01) |
| Certain items affecting comparability | \$ (398) | (272) | (0.50) |
| Adjusted net income (loss) (Non-GAAP) | | \$ (427) | \$ (0.77) |

* Includes \$(39) 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 September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|----------|------------------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net income (loss) attributable to common stockholders (GAAP) | \$ 363 | \$ (699) | \$ 513 | \$ (1,432) |
| Interest expense | 240 | 230 | 705 | 682 |
| Income tax expense (benefit) | 256 | (425) | 507 | (366) |
| Depreciation, depletion, and amortization | 1,130 | 1,083 | 3,123 | 3,235 |
| Exploration expense ⁽¹⁾ | 118 | 750 | 380 | 2,366 |
| (Gains) losses on divestitures, net | (3) | 194 | (31) | (815) |
| Impairments | 172 | — | 319 | 383 |
| Total (gains) losses on derivatives, net, less net cash from settlement of commodity derivatives | (167) | 98 | 73 | (12) |
| Restructuring charges | 13 | 3 | 13 | 20 |
| Consolidated Adjusted EBITDAX (Margin) (Non-GAAP) | \$ 2,122 | \$ 1,234 | \$ 5,602 | \$ 4,061 |
| Total barrels of oil equivalent (MMBOE) | 63 | 58 | 179 | 187 |
| Consolidated Adjusted EBITDAX (Margin) per BOE | \$ 33.68 | \$ 21.28 | \$ 31.30 | \$ 21.72 |

⁽¹⁾ Includes restructuring charges of \$20 million for the three and nine months ended September 30, 2018.

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> | September 30, 2018 | | |
|--------------------------------|-----------------------|-------------------|------------------------|
| | Anadarko Consolidated | WGP* Consolidated | Anadarko excluding WGP |
| Total debt (GAAP) | \$ 16,693 | \$ 4,594 | \$ 12,099 |
| Less cash and cash equivalents | 1,883 | 133 | 1,750 |
| Net debt (Non-GAAP) | \$ 14,810 | \$ 4,461 | \$ 10,349 |

| <i>millions</i> | Anadarko Consolidated | Anadarko excluding WGP |
|--------------------------------|-----------------------|------------------------|
| | Net debt | \$ 14,810 |
| Total equity | 11,237 | 8,701 |
| Adjusted capitalization | \$ 26,047 | \$ 19,050 |

| | | |
|--|------|------|
| Net debt to adjusted capitalization ratio | 57 % | 54 % |
|--|------|------|

* 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> | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------|------------------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| Cash Flows from Operating Activities | | | | |
| Net income (loss) | \$ 427 | \$ (641) | \$ 618 | \$ (1,250) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation, depletion, and amortization | 1,130 | 1,083 | 3,123 | 3,235 |
| Deferred income taxes | 114 | (854) | 141 | (1,026) |
| Dry hole expense and impairments of unproved properties | 63 | 678 | 212 | 2,144 |
| Impairments | 172 | — | 319 | 383 |
| (Gains) losses on divestitures, net | (3) | 194 | (31) | (815) |
| Total (gains) losses on derivatives, net | 33 | 82 | 506 | (33) |
| Operating portion of net cash received (paid) in settlement of derivative instruments | (199) | 16 | (433) | 21 |
| Other | 85 | 68 | 224 | 227 |
| Changes in assets and liabilities | (175) | 13 | (377) | (267) |
| Net Cash Provided by (Used in) Operating Activities | \$ 1,647 | \$ 639 | \$ 4,302 | \$ 2,619 |
| Net Cash Provided by (Used in) Investing Activities | \$ (1,603) | \$ (1,247) | \$ (4,659) | \$ (28) |
| Net Cash Provided by (Used in) Financing Activities | \$ (480) | \$ (155) | \$ (2,306) | \$ (527) |
| Capital Expenditures | | | | |
| Exploration and Production and other* | \$ 996 | \$ 976 | \$ 3,367 | \$ 2,876 |
| WES Midstream | 292 | 224 | 920 | 662 |
| Other Midstream** | 155 | 131 | 658 | 258 |
| Total | \$ 1,443 | \$ 1,331 | \$ 4,945 | \$ 3,796 |

* Includes \$76 million for the three months ended September 30, 2018, and \$176 million for the nine months ended September 30, 2018, related to Powder River Basin acquisitions.

** Excludes WES.

Anadarko Petroleum Corporation
(Unaudited)

| Summary Financial Information <i>millions except per-share amounts</i> | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|--------------|------------------------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| Consolidated Statements of Income | | | | |
| Revenues and Other | | | | |
| Oil sales | \$ 2,572 | \$ 1,567 | \$ 6,964 | \$ 4,652 |
| Natural-gas sales | 232 | 269 | 682 | 1,090 |
| Natural-gas liquids sales | 382 | 265 | 992 | 768 |
| Gathering, processing, and marketing sales | 421 | 509 | 1,163 | 1,417 |
| Gains (losses) on divestitures and other, net | 90 | (114) | 232 | 1,052 |
| Total | 3,697 | 2,496 | 10,033 | 8,979 |
| Costs and Expenses | | | | |
| Oil and gas operating | 294 | 253 | 845 | 738 |
| Oil and gas transportation | 228 | 220 | 633 | 698 |
| Exploration | 118 | 750 | 380 | 2,366 |
| Gathering, processing, and marketing | 256 | 396 | 745 | 1,101 |
| General and administrative | 248 | 261 | 814 | 768 |
| Depreciation, depletion, and amortization | 1,130 | 1,083 | 3,123 | 3,235 |
| Production, property, and other taxes | 246 | 159 | 637 | 449 |
| Impairments | 172 | — | 319 | 383 |
| Other operating expense | 26 | 123 | 188 | 157 |
| Total | 2,718 | 3,245 | 7,684 | 9,895 |
| Operating Income (Loss) | 979 | (749) | 2,349 | (916) |
| Other (Income) Expense | | | | |

| | | | | |
|---|---------------|-----------------|---------------|-------------------|
| Interest expense | 240 | 230 | 705 | 682 |
| (Gains) losses on derivatives, net | 32 | 82 | 503 | (33) |
| Other (income) expense, net | 24 | 5 | 16 | 51 |
| Total | 296 | 317 | 1,224 | 700 |
| Income (Loss) Before Income Taxes | 683 | (1,066) | 1,125 | (1,616) |
| Income tax expense (benefit) | 256 | (425) | 507 | (366) |
| Net Income (Loss) | 427 | (641) | 618 | (1,250) |
| Net income (loss) attributable to noncontrolling interests | 64 | 58 | 105 | 182 |
| Net Income (Loss) Attributable to Common Stockholders | \$ 363 | \$ (699) | \$ 513 | \$ (1,432) |
| Per Common Share | | | | |
| Net income (loss) attributable to common stockholders—basic | \$ 0.72 | \$ (1.27) | \$ 0.99 | \$ (2.60) |
| Net income (loss) attributable to common stockholders—diluted | \$ 0.72 | \$ (1.27) | \$ 0.99 | \$ (2.61) |
| Average Number of Common Shares Outstanding—Basic | 499 | 553 | 507 | 552 |
| Average Number of Common Shares Outstanding—Diluted | 500 | 553 | 508 | 552 |

| | | | | |
|---|--------|--------|--------|----------|
| Exploration Expense | | | | |
| Dry hole expense | \$ — | \$ 565 | \$ 55 | \$ 1,408 |
| Impairments of unproved properties | 64 | 113 | 158 | 736 |
| Geological and geophysical, exploration overhead, and other expense | 54 | 72 | 167 | 222 |
| Total | \$ 118 | \$ 750 | \$ 380 | \$ 2,366 |

Anadarko Petroleum Corporation
(Unaudited)

| <i>millions</i> | September 30, 2018 | December 31, 2017 |
|---|-----------------------|----------------------|
| Condensed Balance Sheets | | |
| Cash and cash equivalents | \$ 1,883 | \$ 4,553 |
| Accounts receivable, net of allowance | 2,191 | 1,829 |
| Other current assets | 397 | 380 |
| Net properties and equipment | 28,744 | 27,451 |
| Other assets | 2,292 | 2,211 |
| Goodwill and other intangible assets | 5,638 | 5,662 |
| Total Assets | \$ 41,145 | \$ 42,086 |
| Short-term debt - Anadarko* | 910 | 142 |
| Short-term debt - WGP/WES | 28 | — |
| Other current liabilities | 4,179 | 3,764 |
| Long-term debt - Anadarko* | 11,189 | 12,054 |
| Long-term debt - WGP/WES | 4,566 | 3,493 |
| Deferred income taxes | 2,455 | 2,234 |
| Asset retirement obligations | 2,538 | 2,500 |
| Other long-term liabilities | 4,043 | 4,109 |
| Common stock | 57 | 57 |
| Paid-in capital | 12,344 | 12,000 |
| Retained earnings | 1,291 | 1,109 |
| Treasury stock | (4,608) | (2,132) |
| Accumulated other comprehensive income (loss) | (383) | (338) |
| Total stockholders' equity | 8,701 | 10,696 |
| Noncontrolling interests | 2,536 | 3,094 |
| Total Equity | 11,237 | 13,790 |
| Total Liabilities and Equity | \$ 41,145 | \$ 42,086 |
| Capitalization | | |
| Total debt | \$ 16,693 | \$ 15,689 |
| Total equity | 11,237 | 13,790 |
| Total | \$ 27,930 | \$ 29,479 |
| Capitalization Ratios | | |
| Total debt | 60 % | 53 % |
| Total equity | 40 % | 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 September 30, 2018 | | | | | | | | | |
| United States | 296 | 1,071 | 100 | 26 | 98 | 10 | \$ 68.25 | \$ 2.35 | \$ 38.66 |
| Algeria | 66 | — | 6 | 6 | — | — | 76.62 | — | 47.51 |
| Other | | | | | | | | | |
| International | 35 | — | — | 4 | — | — | 76.44 | — | — |
| Total | 397 | 1,071 | 106 | 36 | 98 | 10 | \$ 70.37 | \$ 2.35 | \$ 39.16 |
| Quarter Ended September 30, 2017 | | | | | | | | | |
| United States | 266 | 1,086 | 88 | 25 | 100 | 9 | \$ 46.89 | \$ 2.69 | \$ 31.07 |
| Algeria | 60 | — | 4 | 6 | — | — | 52.91 | — | 32.98 |
| Other | | | | | | | | | |
| International | 27 | — | — | 2 | — | — | 51.95 | — | — |
| Total | 353 | 1,086 | 92 | 33 | 100 | 9 | \$ 48.31 | \$ 2.69 | \$ 31.15 |
| Nine Months Ended September 30, 2018 | | | | | | | | | |
| United States | 288 | 1,053 | 96 | 78 | 287 | 27 | \$ 65.96 | \$ 2.37 | \$ 35.62 |
| Algeria | 58 | — | 5 | 16 | — | 1 | 73.11 | — | 42.96 |
| Other | | | | | | | | | |
| International | 31 | — | — | 9 | — | — | 72.36 | — | — |
| Total | 377 | 1,053 | 101 | 103 | 287 | 28 | \$ 67.57 | \$ 2.37 | \$ 36.00 |
| Nine Months Ended September 30, 2017 | | | | | | | | | |
| United States | 259 | 1,392 | 96 | 71 | 380 | 27 | \$ 47.63 | \$ 2.87 | \$ 27.43 |
| Algeria | 63 | — | 5 | 18 | — | 1 | 51.54 | — | 34.02 |
| Other | | | | | | | | | |
| International | 28 | — | — | 7 | — | — | 51.70 | — | — |
| Total | 350 | 1,392 | 101 | 96 | 380 | 28 | \$ 48.66 | \$ 2.87 | \$ 27.77 |

| | Average Daily Sales Volumes MBOE/d | Sales Volumes MMBOE |
|---|--|------------------------|
| Quarter Ended September 30, 2018 | 682 | 63 |
| Quarter Ended September 30, 2017 | 626 | 58 |
| Nine Months Ended September 30, 2018 | 654 | 179 |
| Nine Months Ended September 30, 2017 | 683 | 187 |

Sales Revenue and Commodity Derivatives

Sales

Net Cash Received (Paid) from Settlement of Commodity Derivatives

| <i>millions</i> | Oil | Natural Gas | NGLs | Oil | Natural Gas | NGLs |
|---|-----------------|-----------------|---------------|-----------------|---------------|---------------|
| Quarter Ended | | | | | | |
| September 30, 2018 | | | | | | |
| United States | \$ 1,858 | \$ 232 | \$ 356 | \$ (202) | \$ 3 | \$ — |
| Algeria | 462 | — | 26 | — | — | — |
| Other International | 252 | — | — | — | — | — |
| Total | <u>\$ 2,572</u> | <u>\$ 232</u> | <u>\$ 382</u> | <u>\$ (202)</u> | <u>\$ 3</u> | <u>\$ —</u> |
| Quarter Ended September 30, 2017 | | | | | | |
| United States | \$ 1,145 | \$ 269 | \$ 253 | \$ 12 | \$ 4 | \$ — |
| Algeria | 291 | — | 12 | — | — | — |
| Other International | 131 | — | — | — | — | — |
| Total | <u>\$ 1,567</u> | <u>\$ 269</u> | <u>\$ 265</u> | <u>\$ 12</u> | <u>\$ 4</u> | <u>\$ —</u> |
| Nine Months Ended | | | | | | |
| September 30, 2018 | | | | | | |
| United States | \$ 5,207 | \$ 682 | \$ 931 | \$ (445) | \$ 8 | \$ — |
| Algeria | 1,152 | — | 61 | — | — | — |
| Other International | 605 | — | — | — | — | — |
| Total | <u>\$ 6,964</u> | <u>\$ 682</u> | <u>\$ 992</u> | <u>\$ (445)</u> | <u>\$ 8</u> | <u>\$ —</u> |
| Nine Months Ended September 30, 2017 | | | | | | |
| United States | \$ 3,368 | \$ 1,090 | \$ 720 | \$ 27 | \$ (1) | \$ (3) |
| Algeria | 885 | — | 48 | — | — | — |
| Other International | 399 | — | — | — | — | — |
| Total | <u>\$ 4,652</u> | <u>\$ 1,090</u> | <u>\$ 768</u> | <u>\$ 27</u> | <u>\$ (1)</u> | <u>\$ (3)</u> |

Anadarko Petroleum Corporation
Financial and Operating External Guidance
As of October 30, 2018

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

| | 4th-Qtr Guidance (see Note) | | | Full-Year Guidance (see Note) | | |
|--|--------------------------------|---|-------|----------------------------------|---|-------|
| | Units | | | Units | | |
| Total Sales Volumes (MMBOE) | 62 | — | 67 | 240 | — | 245 |
| Total Sales Volumes (MBOE/d) | 674 | — | 728 | 658 | — | 671 |
| Oil (MBbl/d) | 394 | — | 427 | 380 | — | 389 |
| United States | 300 | — | 325 | 290 | — | 297 |
| Algeria | 58 | — | 63 | 58 | — | 59 |
| Ghana | 36 | — | 39 | 32 | — | 33 |
| Natural Gas (MMcf/d) | | | | | | |
| United States | 1,040 | — | 1,110 | 1,040 | — | 1,070 |
| Natural Gas Liquids (MBbl/d) | | | | | | |
| United States | 102 | — | 110 | 97 | — | 100 |
| Algeria | 6 | — | 7 | 5 | — | 6 |
| | | | | | | |
| | \$ / Unit | | | \$ / Unit | | |
| Price Differentials vs NYMEX (w/o hedges) | | | | | | |
| Oil (\$/Bbl) | (0.50) | — | 3.40 | (0.50) | — | 2.50 |
| United States | (2.00) | — | 2.00 | (2.00) | — | 1.00 |
| Algeria | 4.00 | — | 8.00 | 4.00 | — | 7.00 |
| Ghana | 4.00 | — | 8.00 | 4.00 | — | 7.00 |
| Natural Gas (\$/Mcf) | | | | | | |

United States (0.80) — (0.55) (0.65) — (0.50)

Anadarko Petroleum Corporation
Financial and Operating External Guidance
As of October 30, 2018

Note: Guidance excludes items affecting comparability.

| | <u>4th-Qtr Guidance (see Note)</u> | | | <u>Full-Year Guidance (see Note)</u> | | |
|--|--|---|-------|--|---|-------|
| | \$ MM | | | \$ MM | | |
| Other Revenues | | | | | | |
| Marketing and Gathering Margin | 170 | — | 190 | 595 | — | 615 |
| Minerals and Other | 70 | — | 90 | 270 | — | 290 |
| <hr/> | | | | | | |
| | <u>\$ / BOE</u> | | | <u>\$ / BOE</u> | | |
| Costs and Expenses | | | | | | |
| Oil & Gas Direct Operating | 4.50 | — | 4.90 | 4.60 | — | 4.80 |
| Oil & Gas Transportation and Other | 3.30 | — | 3.70 | 3.45 | — | 3.65 |
| Depreciation, Depletion, and Amortization | 17.25 | — | 18.00 | 17.25 | — | 17.75 |
| Production Taxes (% of Product Revenue) | 7.0 % | — | 8.0 % | 7.0 % | — | 7.5 % |
| <hr/> | | | | | | |
| | <u>\$ MM</u> | | | <u>\$ MM</u> | | |
| General and Administrative | 245 | — | 275 | 1,050 | — | 1,080 |
| Other Operating Expense | 50 | — | 70 | 120 | — | 140 |
| Exploration Expense | | | | | | |
| Non-Cash | — | — | 20 | 60 | — | 80 |
| Cash | 45 | — | 55 | 190 | — | 200 |
| Interest Expense (net) | 235 | — | 245 | 940 | — | 950 |
| Other (Income) Expense | — | — | 20 | 10 | — | 30 |
| <hr/> | | | | | | |
| Taxes | | | | | | |
| Algeria (100% Current) | 60 % | — | 70 % | 60 % | — | 70 % |
| Rest of Company (55% Current/45% Deferred for Q4 and 30% Current/70% Deferred for Total Year) | 30 % | — | 40 % | 25 % | — | 35 % |
| Noncontrolling Interest | 80 | — | 100 | 185 | — | 205 |
| <hr/> | | | | | | |
| Avg. Shares Outstanding (MM) | | | | | | |
| Basic | 493 | — | 495 | 504 | — | 505 |
| Diluted | 494 | — | 496 | 504 | — | 505 |
| <hr/> | | | | | | |
| Capital Investment (Excluding Western Gas Partners, LP) | | | | | | |
| | <u>\$ MM</u> | | | <u>\$ MM*</u> | | |
| APC Capital Expenditures | 650 | — | 950 | 4,500 | — | 4,800 |

* Excludes \$176 million of Powder River Basin acquisitions

Anadarko Petroleum Corporation
Commodity Hedge Positions
As of October 30, 2018

| | <u>Volume (MBbls/d)</u> | <u>Weighted Average Price per barrel</u> | | |
|--------------------------------|-----------------------------|--|------------------------|---------------------|
| | | <u>Floor Sold</u> | <u>Floor Purchased</u> | <u>Ceiling Sold</u> |
| 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 |
| | 87 | | | | | | |

| | | | |
|--|---|------------------------|---------------------|
| 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 October 30, 2018**

| Instrument | Notional Amt. | Reference Period | Mandatory Termination Date | Rate Paid | Rate Received |
|------------|---------------|-----------------------|----------------------------|-----------|---------------|
| Swap | \$550 Million | September 2016 - 2046 | September 2020 | 6.418% | 3M LIBOR |
| Swap | \$250 Million | September 2016 - 2046 | September 2022 | 6.809% | 3M LIBOR |
| Swap | \$100 Million | September 2017 - 2047 | September 2020 | 6.891% | 3M LIBOR |
| Swap | \$250 Million | September 2017 - 2047 | September 2021 | 6.570% | 3M LIBOR |
| Swap | \$450 Million | September 2017 - 2047 | September 2023 | 6.445% | 3M LIBOR |

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

Average Daily Sales Volumes

| | Quarter Ended September 30, 2018 | | | | Quarter Ended September 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 | 175 | 989 | 91 | 431 | 128 | 907 | 75 | 354 |
| Gulf of Mexico | 121 | 82 | 9 | 144 | 125 | 100 | 10 | 152 |
| International | 101 | — | 6 | 107 | 87 | — | 4 | 91 |
| Same-Store Sales | 397 | 1,071 | 106 | 682 | 340 | 1,007 | 89 | 597 |
| Divestitures* | — | — | — | — | 13 | 79 | 3 | 29 |
| Total | 397 | 1,071 | 106 | 682 | 353 | 1,086 | 92 | 626 |

| | Nine Months Ended September 30, 2018 | | | | Nine Months Ended September 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 | 166 | 976 | 87 | 416 | 119 | 974 | 79 | 360 |
| Gulf of Mexico | 120 | 75 | 9 | 142 | 120 | 113 | 10 | 149 |
| International | 89 | — | 5 | 94 | 91 | — | 5 | 96 |
| Same-Store Sales | 375 | 1,051 | 101 | 652 | 330 | 1,087 | 94 | 605 |
| Divestitures* | 2 | 2 | — | 2 | 20 | 305 | 7 | 78 |
| Total | 377 | 1,053 | 101 | 654 | 350 | 1,392 | 101 | 683 |

* 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/2018-10-30-Anadarko-Announces-2018-Third-Quarter-Results>