



## ANADARKO ANNOUNCES 2019 FIRST-QUARTER RESULTS

**HOUSTON**, April 25, 2019 /PRNewswire/ -- Anadarko Petroleum Corporation (NYSE: APC) today announced 2019 first-quarter results, reporting a net loss attributable to common stockholders of \$15 million, or \$0.03 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 \$274 million, or \$0.56 per share (diluted), on an after-tax basis.<sup>(1)</sup>

Anadarko generated \$1.129 billion of cash flow from operations during the quarter, while capital expenditures totaled \$1.030 billion, excluding Western Midstream Partners, LP (NYSE: WES). Additionally, the company reported discretionary cash flow from operations of \$1.541 billion<sup>(2)</sup> and adjusted free cash flow of \$381 million<sup>(2)</sup> for the quarter.

### FIRST-QUARTER 2019 HIGHLIGHTS

Anadarko's first-quarter 2019 sales volume of oil, natural gas and natural gas liquids (NGLs) totaled 64 million barrels of oil equivalent (BOE), or an average of 715,000 BOE per day, which included 412,000 barrels of oil per day (BOPD).

Anadarko's U.S. onshore assets averaged sales volume of 465,000 BOE per day during the first quarter of 2019, which included 195,000 BOPD. Anadarko's **Gulf of Mexico** averaged a record 166,000 BOE per day in the quarter, which included 138,000 BOPD. Internationally, the company averaged 84,000 BOE per day during the first quarter, which included 79,000 BOPD.

The company also continued to make significant progress with its Mozambique LNG project, announcing Sale and Purchase Agreements (SPAs) now totaling more than 9.5 million tonnes per annum (MTPA), with two additional SPAs in the final stages of execution that, if executed, would bring the total volume to more than 11 MTPA. During the quarter, the project also was designated as the first mover by the Government of **Mozambique** for the marine facilities to support the onshore LNG industry in **Mozambique**. The company remains positioned to take a final investment decision (FID) during the first half of this year.

### FINANCIAL DATA

Nine pages of summary financial data follow, including 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.

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 2018, the company had 1.47 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 successfully plan, secure additional government and partner approvals, enter into the additional long-term sales contracts identified in this release, take FID and the timing thereof, finance, build, and operate the necessary infrastructure and LNG park in **Mozambique**. See "Risk Factors" in the company's 2018 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 March 31, 2019		
	Before Tax	After Tax	Per Share (diluted)
<b>Net income (loss) attributable to common stockholders (GAAP)</b>		\$ (15)	\$ (0.03)
Adjustments for certain items affecting comparability			
Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives (after noncontrolling interest)*	\$ (300)	(232)	(0.47)
Gains (losses) on divestitures, net	(5)	(4)	(0.01)
Contingency accruals	(9)	(7)	(0.01)
Reorganization-related charges	(19)	(15)	(0.04)
Change in uncertain tax positions		(16)	(0.03)
Certain items affecting comparability	\$ (333)	(274)	(0.56)
<b>Adjusted net income (loss) (Non-GAAP)</b>		\$ 259	\$ 0.53

\* Includes \$(155) million related to commodity derivatives, \$(148) million related to interest-rate derivatives (after noncontrolling interest) and \$3 million related to gathering, processing, and marketing sales.

<i>millions except per-share amounts</i>	Quarter Ended March 31, 2018		
	Before Tax	After Tax	Per Share (diluted)
<b>Net income (loss) attributable to common stockholders (GAAP)</b>		\$ 121	\$ 0.22
Adjustments for certain items affecting comparability			
Total gains (losses) on derivatives, net, less net cash from settlement of commodity derivatives*	\$ 27	21	0.04
Gains (losses) on divestitures, net	(24)	(17)	(0.03)
Impairments			
Producing properties	(19)	(15)	(0.03)
Exploration assets	(53)	(41)	(0.08)
Contingency accruals	(132)	(101)	(0.19)
Change in uncertain tax positions		(5)	(0.01)
Certain items affecting comparability	\$ (201)	(158)	(0.30)
<b>Adjusted net income (loss) (Non-GAAP)</b>		\$ 279	\$ 0.52

\* Includes \$(94) million related to commodity derivatives, \$127 million related to interest-rate derivatives, and \$(6) million related to gathering, processing, and marketing sales.

#### 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>	Quarter Ended March 31,	
	2019	2018
<b>Net income (loss) attributable to common stockholders (GAAP)</b>	\$ (15)	\$ 121
Interest expense	253	228
Income tax expense (benefit)	166	126
Depreciation, depletion, and amortization	1,081	990
Exploration expense*	49	168
(Gains) losses on divestitures, net	5	24
Impairments	—	19
Total (gains) losses on derivatives, net, less net cash from settlement of commodity derivatives	316	(27)
Reorganization-related charges	18	—
<b>Consolidated Adjusted EBITDAX (Margin) (Non-GAAP)</b>	\$ 1,873	\$ 1,649
Total barrels of oil equivalent (MMBOE)	64	58
<b>Consolidated Adjusted EBITDAX (Margin) per BOE</b>	\$ 29.27	\$ 28.43

\* Includes reorganization-related charges of \$1 million for the three months ended March 31, 2019.

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 WES is useful because WES is a separate public company with its own capital structure.

<i>millions</i>	March 31, 2019		
	Anadarko Consolidated	WES* Consolidated	Anadarko excluding WES
<b>Total debt (GAAP)</b>	\$ 17,924	\$ 7,208	\$ 10,716

Less cash and cash equivalents	2,026	100	1,926
<b>Net debt (Non-GAAP)</b>	<b>\$ 15,898</b>	<b>\$ 7,108</b>	<b>\$ 8,790</b>

<i>millions</i>	Anadarko Consolidated	Anadarko excluding WES
Net debt	\$ 15,898	\$ 8,790
Total equity	10,533	8,928
<b>Adjusted capitalization</b>	<b>\$ 26,431</b>	<b>\$ 17,718</b>
<b>Net debt to adjusted capitalization ratio</b>	<b>60 %</b>	<b>50 %</b>

\* Western Midstream Partners, LP (WES) is a publicly traded consolidated subsidiary of Anadarko.

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

Management uses Discretionary Cash Flow from Operations (DCF), Free Cash Flow (FCF), Adjusted DCF, and Adjusted FCF to determine the company's ability to internally fund its capital expenditures and to service or incur additional debt. These measures eliminate the impact of certain items that management does not consider to be indicative of the Company's performance from period to period. To assist in measuring the Company's performance, management will also evaluate Anadarko on a deconsolidated basis, which excludes WES.

*Discretionary Cash Flow from Operations and Free Cash Flow*

<i>millions</i>	Quarter Ended March 31,	
	2019	2018
<b>Net cash provided by (used in) operating activities (GAAP)</b>	<b>\$ 1,129</b>	<b>\$ 1,430</b>
Add back		
Increase (decrease) in accounts receivable	39	(23)
(Increase) decrease in accounts payable and other current liabilities	294	(45)
Other items, net	79	40
<b>Discretionary cash flow from operations (Non-GAAP)</b>	<b>\$ 1,541</b>	<b>\$ 1,402</b>
Less		
APC capital expenditures*	1,030	1,374
WES capital expenditures	266	330
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 245</b>	<b>\$ (302)</b>

\* APC capital expenditures include \$49 million at March 31, 2019, and \$258 million at March 31, 2018, of midstream capitalized costs incurred by Anadarko prior to the contribution and sale of its midstream assets to WES.

*Adjusted Discretionary Cash Flow from Operations and Adjusted Free Cash Flow*

<i>millions</i>	Quarter Ended March 31,	
	2019	2018
<b>Net cash provided by (used in) operating activities (GAAP)</b>	<b>\$ 1,129</b>	<b>\$ 1,430</b>
Adjusted by:		
Increase (decrease) in accounts receivable	39	(23)
(Increase) decrease in accounts payable and other current liabilities	294	(45)
Other items, net	79	40
WES distributions to third parties	(130)	(118)
<b>Adjusted discretionary cash flow from operations (Non-GAAP)</b>	<b>\$ 1,411</b>	<b>\$ 1,284</b>
Less APC capital expenditures (excludes WES)*	1,030	1,374
<b>Adjusted free cash flow (Non-GAAP)</b>	<b>\$ 381</b>	<b>\$ (90)</b>

\* APC capital expenditures include \$49 million at March 31, 2019, and \$258 million at March 31, 2018, of midstream capitalized costs incurred by Anadarko prior to the contribution and sale of its midstream assets to WES.

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

<i>millions</i>	Quarter Ended March 31,	
	2019	2018
<b>Cash Flows from Operating Activities</b>		
Net income (loss)	\$ 96	\$ 174
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation, depletion, and amortization	1,081	990
Deferred income taxes	1	42

Dry hole expense and impairments of unproved properties	—	106
Impairments	—	19
(Gains) losses on divestitures, net	5	24
Total (gains) losses on derivatives, net	315	36
Operating portion of net cash received (paid) in settlement of derivative instruments	1	(63)
Other	42	74
Changes in assets and liabilities	(412)	28
Net Cash Provided by (Used in) Operating Activities	\$ 1,129	\$ 1,430
Net Cash Provided by (Used in) Investing Activities	\$ (1,528)	\$ (1,113)
Net Cash Provided by (Used in) Financing Activities	\$ 1,129	\$ (1,507)

**Anadarko Petroleum Corporation**  
(Unaudited)

Summary Financial Information <i>millions except per-share amounts</i>	Quarter Ended March 31,	
	2019	2018
<b>Consolidated Statements of Income</b>		
<b>Revenues and Other</b>		
Oil sales	\$ 2,096	\$ 2,127
Natural-gas sales	320	247
Natural-gas liquids sales	240	292
Gathering, processing, and marketing sales	470	360
Gains (losses) on divestitures and other, net	92	19
Total	3,218	3,045
<b>Costs and Expenses</b>		
Oil and gas operating	289	276
Oil and gas transportation	222	196
Exploration	49	168
Gathering, processing, and marketing	256	237
General and administrative	267	278
Depreciation, depletion, and amortization	1,081	990
Production, property, and other taxes	199	190
Impairments	—	19
Other operating expense	21	140
Total	2,384	2,494
<b>Operating Income (Loss)</b>	<b>834</b>	<b>551</b>
<b>Other (Income) Expense</b>		
Interest expense	253	228
(Gains) losses on derivatives, net	313	35
Other (income) expense, net	6	(12)
Total	572	251
<b>Income (Loss) Before Income Taxes</b>	<b>262</b>	<b>300</b>
Income tax expense (benefit)	166	126
<b>Net Income (Loss)</b>	<b>96</b>	<b>174</b>
Net income (loss) attributable to noncontrolling interests	111	53
<b>Net Income (Loss) Attributable to Common Stockholders</b>	<b>\$ (15)</b>	<b>\$ 121</b>
<b>Per Common Share</b>		
Net income (loss) attributable to common stockholders—basic	\$ (0.03)	\$ 0.23
Net income (loss) attributable to common stockholders—diluted	\$ (0.03)	\$ 0.22
<b>Average Number of Common Shares Outstanding—Basic</b>	<b>490</b>	<b>518</b>
<b>Average Number of Common Shares Outstanding—Diluted</b>	<b>490</b>	<b>519</b>
<b>Exploration Expense</b>		
Dry hole expense	\$ —	\$ 53
Impairments of unproved properties	—	53
Geological and geophysical, exploration overhead, and other expense	49	62
Total	\$ 49	\$ 168

**Anadarko Petroleum Corporation**  
(Unaudited)

<i>millions</i>	March 31, 2019	December 31, 2018
<b>Condensed Balance Sheets</b>		
Cash and cash equivalents	\$ 2,026	\$ 1,295
Accounts receivable, net of allowance	2,065	2,026

Other current assets	338	474
Net properties and equipment	28,936	28,615
Other assets	3,006	2,336
Goodwill and other intangible assets	5,622	5,630
<b>Total Assets</b>	<b>\$ 41,993</b>	<b>\$ 40,376</b>
Short-term debt - Anadarko*	21	919
Short-term debt - WES	2,000	28
Other current liabilities	3,728	3,711
Long-term debt - Anadarko*	10,695	10,683
Long-term debt - WES	5,208	4,787
Deferred income taxes	2,624	2,437
Asset retirement obligations	2,876	2,847
Other long-term liabilities	4,308	4,021
Common stock	57	57
Paid-in capital	13,057	12,393
Retained earnings	1,024	1,245
Treasury stock	(4,881)	(4,864)
Accumulated other comprehensive income (loss)	(329)	(335)
<b>Total stockholders' equity</b>	<b>8,928</b>	<b>8,496</b>
<b>Noncontrolling interests</b>	<b>1,605</b>	<b>2,447</b>
<b>Total Equity</b>	<b>10,533</b>	<b>10,943</b>
<b>Total Liabilities and Equity</b>	<b>\$ 41,993</b>	<b>\$ 40,376</b>
<b>Capitalization</b>		
Total debt	\$ 17,924	\$ 16,417
Total equity	10,533	10,943
<b>Total</b>	<b>\$ 28,457</b>	<b>\$ 27,360</b>
<b>Capitalization Ratios</b>		
Total debt	63 %	60 %
Total equity	37 %	40 %

\* Excludes WES

**Anadarko Petroleum Corporation  
(Unaudited)**

**Sales  
Volume and  
Prices**

	Average Daily Sales Volume			Sales Volume			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
<b>Quarter Ended March 31, 2019</b>									
<b>United States</b>	333	1,150	106	29	104	10	\$ 55.14	\$ 3.09	\$ 23.54
<b>Algeria</b>	61	—	5	6	—	—	61.49	—	35.01
<b>Other International</b>	18	1	—	2	—	—	65.04	0.65	—
<b>Total</b>	<b>412</b>	<b>1,151</b>	<b>111</b>	<b>37</b>	<b>104</b>	<b>10</b>	<b>\$ 56.51</b>	<b>\$ 3.09</b>	<b>\$ 24.11</b>
<b>Quarter Ended March 31, 2018</b>									
<b>United States</b>	288	1,051	92	25	95	9	\$ 62.58	\$ 2.61	\$ 33.24
<b>Algeria</b>	55	—	5	5	—	—	67.24	—	40.76
<b>Other International</b>	28	—	—	3	—	—	67.68	—	—
<b>Total</b>	<b>371</b>	<b>1,051</b>	<b>97</b>	<b>33</b>	<b>95</b>	<b>9</b>	<b>\$ 63.66</b>	<b>\$ 2.61</b>	<b>\$ 33.63</b>

	Average Daily Sales Volume MBOE/d	Sales Volume MMBOE
<b>Quarter Ended March 31, 2019</b>	<b>715</b>	<b>64</b>

**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 March 31, 2019</b>						
<b>United States</b>	\$ 1,654	\$ 320	\$ 223	\$ 6	\$ —	\$ —
<b>Algeria</b>	333	—	17	—	—	—
<b>Other International</b>	109	—	—	—	—	—
<b>Total</b>	<b>\$ 2,096</b>	<b>\$ 320</b>	<b>\$ 240</b>	<b>\$ 6</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Quarter Ended March 31, 2018</b>						
<b>United States</b>	\$ 1,623	\$ 247	\$ 274	\$ (67)	\$ (1)	\$ —
<b>Algeria</b>	331	—	18	—	—	—
<b>Other International</b>	173	—	—	—	—	—
<b>Total</b>	<b>\$ 2,127</b>	<b>\$ 247</b>	<b>\$ 292</b>	<b>\$ (67)</b>	<b>\$ (1)</b>	<b>\$ —</b>

**Anadarko Petroleum Corporation  
Commodity Hedge Positions  
As of April 25, 2019**

	Volume (MBbls/d)	Weighted Average Price per barrel		
		Floor Sold	Floor Purchased	Ceiling Sold
<b>Oil</b>				
<b>Three-Way Collars</b>				
2019				
WTI	57	\$ 45.00	\$ 55.00	\$ 70.22
Brent	30	\$ 50.00	\$ 60.00	\$ 78.22
	87			

**Interest-Rate Derivatives  
As of April 25, 2019**

Instrument	Notional Amt.	Reference Period	Mandatory Termination Date	Rate Paid	Rate Received
<b>Anadarko</b>					
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
<b>WES</b>					
Swap	\$375 Million	December 2019 - 2024	December 2019	2.662%	3M LIBOR
Swap	\$375 Million	December 2019 - 2029	December 2019	2.802%	3M LIBOR
Swap	\$375 Million	December 2019 - 2049	December 2019	2.885%	3M LIBOR

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

**Average Daily Sales Volume**

	Quarter Ended March 31, 2019				Quarter Ended March 31, 2018			
	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	195	1,051	94	465	156	969	83	400
Gulf of Mexico	138	97	12	166	126	78	9	148
International	79	1	5	84	83	—	5	88
Same-Store Sales	412	1,149	111	715	365	1,047	97	636
Divestitures*	—	2	—	—	6	4	—	7
<b>Total</b>	<b>412</b>	<b>1,151</b>	<b>111</b>	<b>715</b>	<b>371</b>	<b>1,051</b>	<b>97</b>	<b>643</b>

\* Includes Ram Powell and Alaska.

SOURCE Anadarko Petroleum Corporation

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<http://investors.anadarko.com/2019-04-25-Anadarko-Announces-2019-First-Quarter-Results>