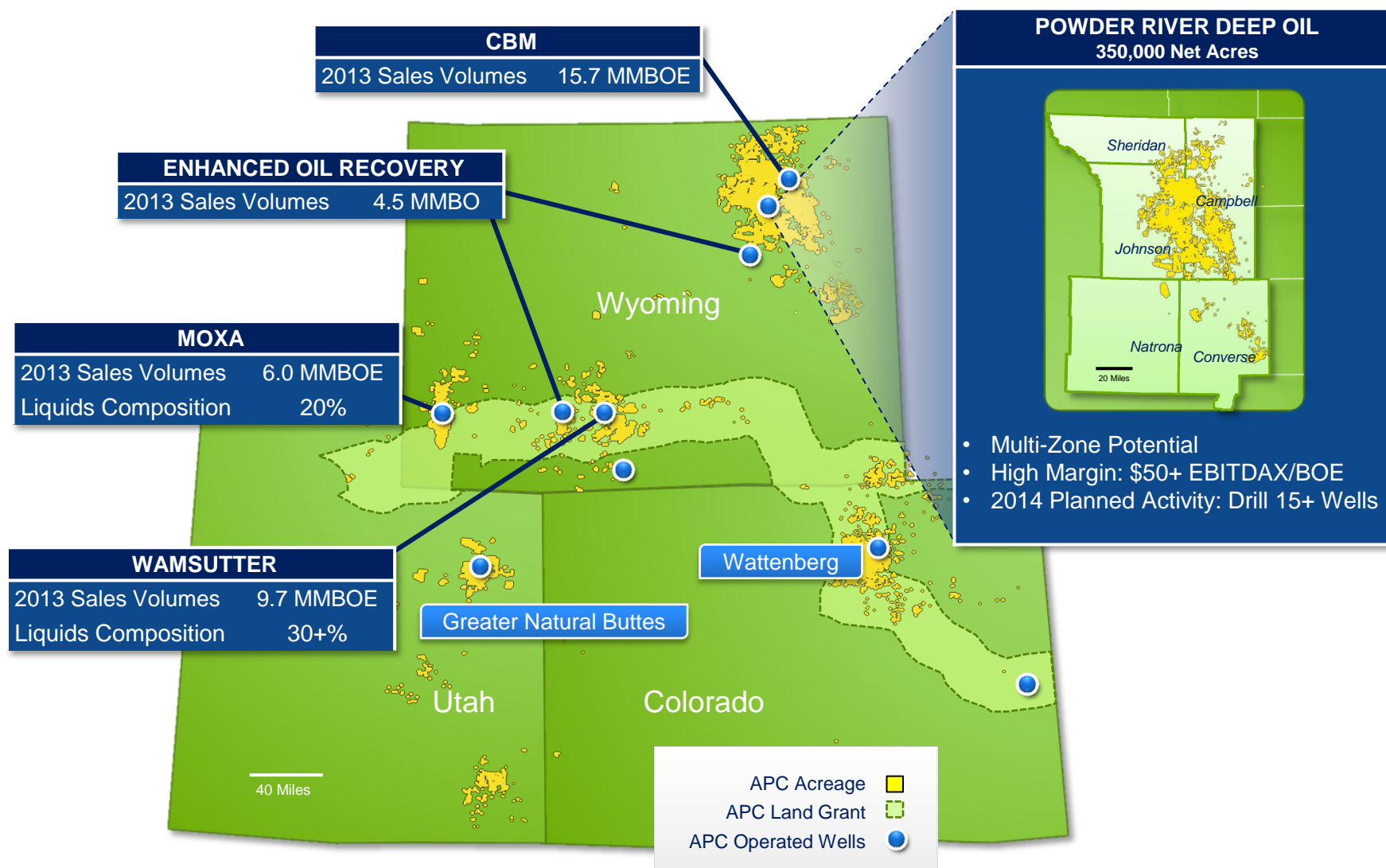


APPENDIX



Rockies: Pursuing Additional Value



Note: See appendix for non-GAAP financial measures.



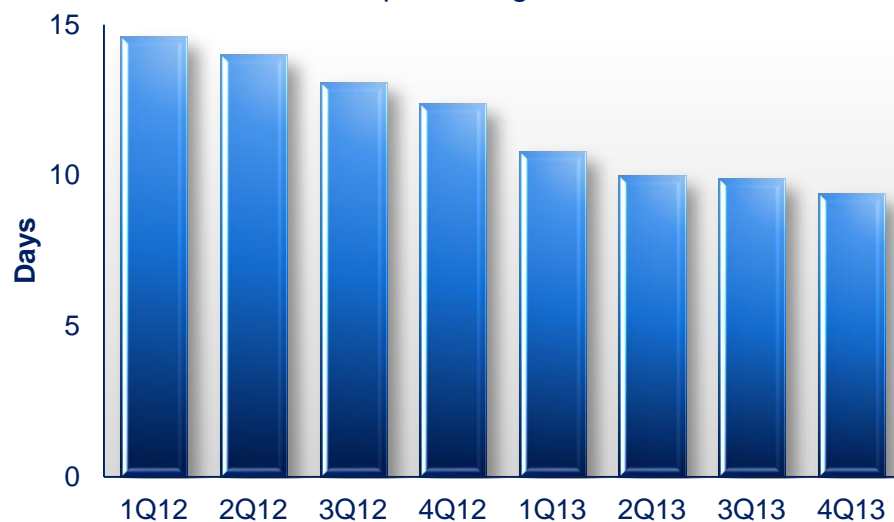
Wattenberg HZ: Realizing Significant Efficiencies

Over the Last 2 Years

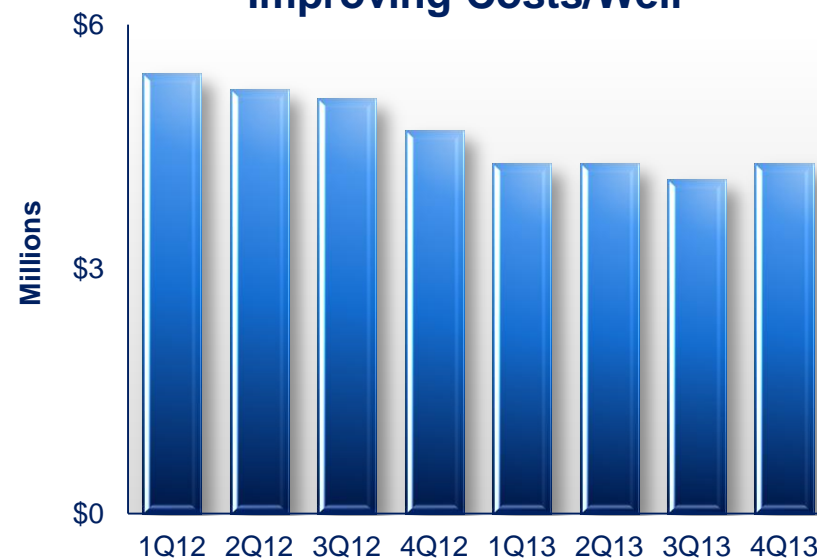
- ~36% Cycle-Time Improvements
- \$1.3 Million Well-Cost Reduction

Drilling Cycle-Time Improvements

Spud to Rig Release



Improving Costs/Well



GNB: Free Cash Flow & Predictable Results

• Scale, Predictable and Repeatable

- ~1,800 Fairway Wells
- 6,000+ Wells Economic at Higher Prices

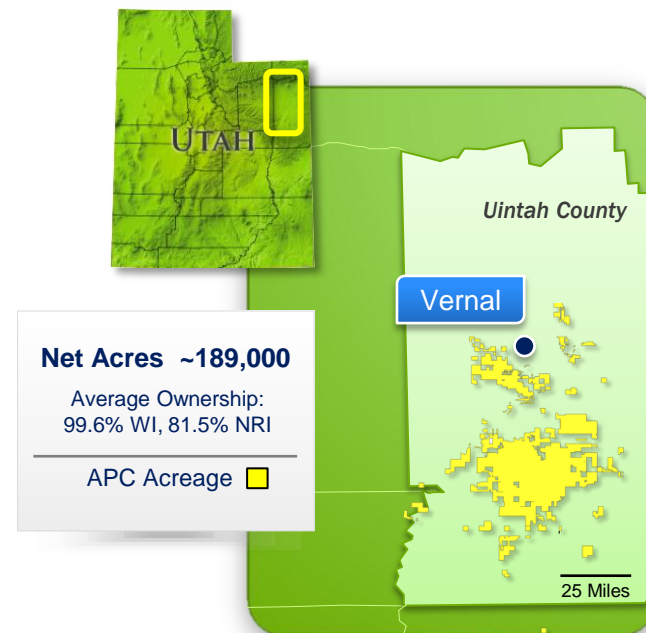
• Efficient, Low Cost

- ~\$5/BOE Development Costs
- 35% Reduction in LOE/BOE Since 2009

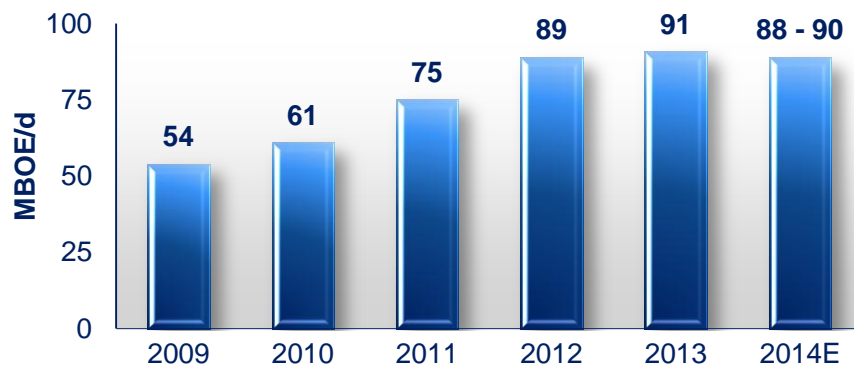
• Infrastructure in Place

• 2014 Planned Activity

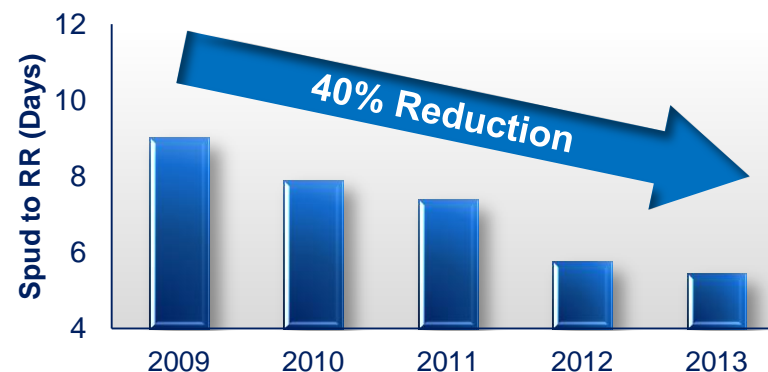
- Operate 3 Rigs



Net Sales Volumes

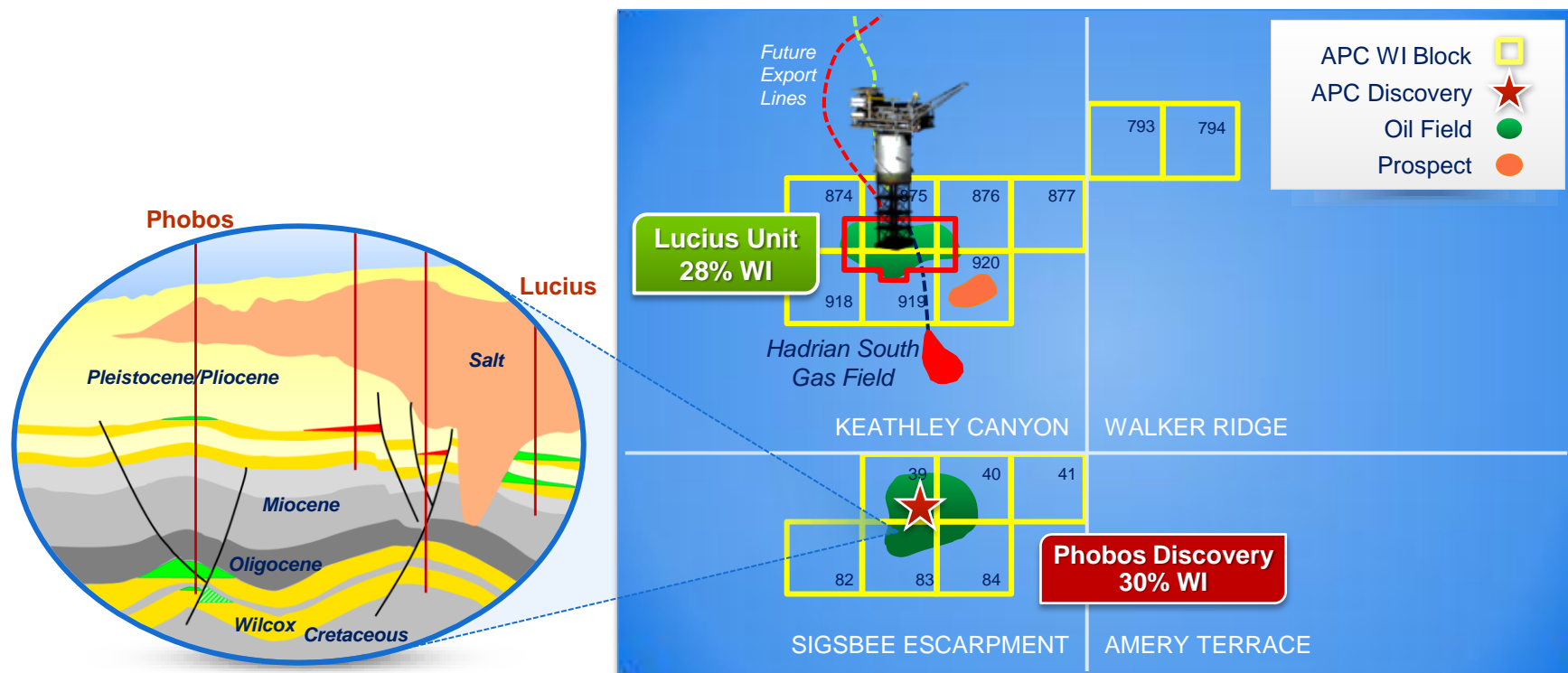


Drilling Cycle-Time Improvement



Phobos Discovery

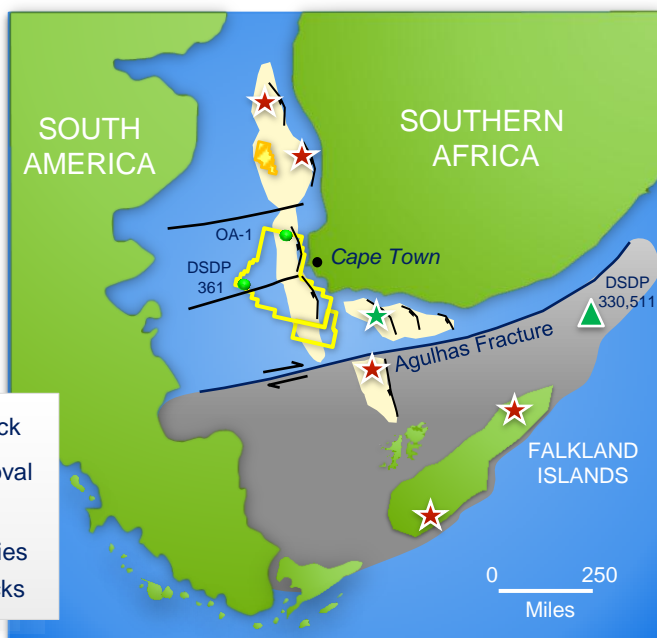
- 250 Net Feet of Oil Pay
- Ability to Leverage Infrastructure
- Additional Appraisal Drilling Planned



South Africa: Big Block, Big Opportunity

- Multiple Play Types Identified
- Active Petroleum System Indications
- Acquired 2D Seismic

Early Cretaceous-Age Reconstruction



- Anadarko WI Block
- Waiting for Approval
- ★ Oil/Gas Fields
- ★ Oil/Gas Discoveries
- ▲ Cret. Source Rocks



Gross Acres (APC Operator) ~23 MM
Block 5/6/7 80% WI


APC WI Block 60 miles
Waiting for Approval 96 km

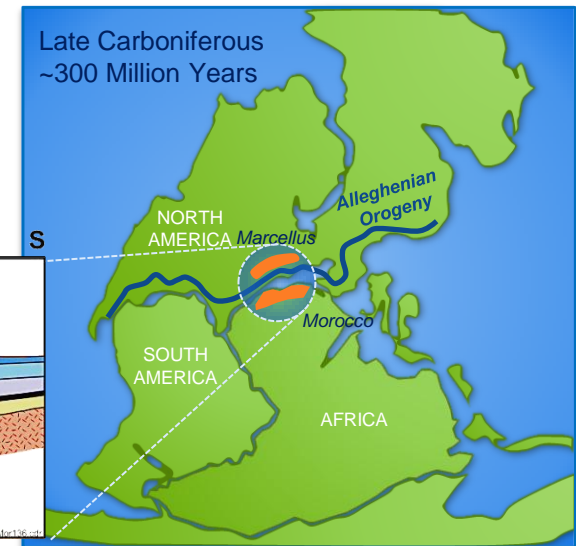
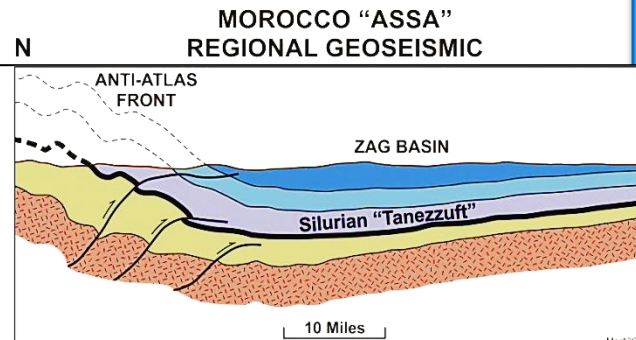
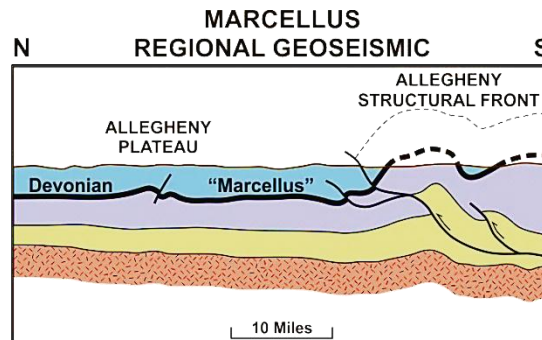


North Africa: Marcellus Analog Near Premium Markets



- Large Resource Opportunity
- Attractive Contract Terms
- Direct Knowledge Transfer

Gross Acres (APC Operator)	~14 MM
ASSA Reconnaissance License	100% WI
BEKS Block	80% WI
APC WI Block	
	<u>200 miles</u> 320 km



Non-GAAP Financial Measure Definitions and Reconciliations

- This list of non-GAAP financial measure definitions and related reconciliations is intended to satisfy the requirements of Regulation G of the Securities Exchange Act of 1934, as amended. This information is historical in nature. Anadarko Petroleum Corporation (the “Company”) undertakes no obligation to publicly update or revise any non-GAAP financial measure definitions and related reconciliations.



Non-GAAP Reconciliation

Adjusted EBITDAX (EBITDAX)

The Company defines Adjusted EBITDAX as income (loss) before income taxes; exploration expense; depreciation, depletion, and amortization (DD&A); impairments; interest expense; total (gains) losses on derivatives, net, less net cash received in settlement of commodity derivatives; and certain items not related to the Company's normal operations, less net income attributable to noncontrolling interests. Certain items not related to the Company's normal operations included Deepwater Horizon settlement and related costs, Algeria exceptional profits tax settlement, Tronox-related contingent loss, and certain other nonoperating items included in other (income) expense, net.

Management believes that the presentation of Adjusted EBITDAX provides information useful in assessing the Company's financial condition and results of operations and that Adjusted EBITDAX is a widely accepted financial indicator of a company's ability to incur and service debt, fund capital expenditures, and make distributions to stockholders.

Adjusted EBITDAX, as defined by Anadarko, may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net income (loss) attributable to common stockholders and other performance measures prepared in accordance with GAAP, such as operating income or cash flows from operating activities. Adjusted EBITDAX has important limitations as an analytical tool because it excludes certain items that affect net income (loss) attributable to common stockholders and net cash provided by operating activities. Adjusted EBITDAX should not be considered in isolation or as a substitute for an analysis of the Company's results as reported under GAAP.

<i>\$ Millions</i>	Year Ended December 31, 2013
Income (loss) before income taxes (GAAP)	2,106
Exploration expense	1,329
DD&A	3,927
Impairments	794
Interest Expense	686
Total (gains) losses on derivatives, net, less net cash received in settlement of commodity derivatives	(307)
Deepwater Horizon settlement and related costs	15
Algeria exceptional profits tax settlement	33
Tronox-related contingent loss	850
Certain other nonoperating items	110
Less net income attributable to noncontrolling interests	140
Consolidated adjusted EBITDAX (Non-GAAP)	9,403



Non-GAAP Reconciliation

Net Debt to Adjusted Capitalization

The Company defines net debt as total debt less cash and cash equivalents.

The Company defines net debt to adjusted capitalization ratio as net debt / (net debt + stockholders' equity).

Management uses net debt as a measure of the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand.

	Year Ended December 31, 2013
\$ Millions	
Current portion of long-term debt	500
Long-term debt	13,065
Total debt (GAAP)	13,565
Total debt	13,565
Less: Cash and cash equivalents	3,698
Net debt (Non-GAAP)	9,867
Net debt	9,867
Stockholders' Equity	21,857
Adjusted Capitalization (Non-GAAP)	31,724
Net debt	9,867
Adjusted capitalization	31,724
Net debt to adjusted capitalization ratio (Non-GAAP)	31%



Non-GAAP Reconciliation

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

The Company defines discretionary cash flow from operations as net cash provided by operating activities before Deepwater Horizon settlement and related costs, collections associated with the Algeria exceptional profits tax settlement, changes in accounts receivable, changes in accounts payable and accrued expenses, and changes in other items-net.

The Company defines free cash flow as discretionary cash flow from operations less capital expenditures.

The Company defines adjusted free cash flow as free cash flow plus the collection of the Algeria exceptional profits tax receivable.

Management uses discretionary cash flow from operations because it is useful in comparisons of oil and gas exploration and production companies as it excludes fluctuations in assets and liabilities. Management uses free cash flow and adjusted free cash flow to demonstrate the Company's ability to internally fund capital expenditures and to service or incur additional debt.

<i>\$ Millions</i>	Year Ended December 31, 2013
Net cash provided by operating activities (GAAP)	8,888
Add back:	
Deepwater Horizon settlement and related costs	17
Algeria exceptional profits tax settlement	(730)
Change in accounts receivable	(241)
Change in accounts payable and accrued expenses	167
Change in other items - net	(68)
Discretionary cash flow from operations (Non-GAAP)	8,033
Less: Capital expenditures*	8,523
Free cash flow (Non-GAAP)	(490)
Collection of Algeria exceptional profits tax receivable	730
Adjusted free cash flow (Non-GAAP)	240

* Includes Western Gas Partners, LP (WES) capital expenditures of \$792 million for the year ended December 31, 2013.



Non-GAAP Reconciliation

Finding and Development Costs

The Company defines finding and development costs as total costs incurred divided by reserve additions. In addition, the Company will use several variations of this calculation, including isolating development costs, incorporating non-price related reserve additions and reserve additions including price-related revisions.

Management believes that the presentation of Finding and Development (F&D) Costs provides useful information in assessing the Company's ability to efficiently manage its capital programs.

Total Costs Incurred for the Year Ended December 31, 2013 (\$ MM)	7,486
Asset Retirement Obligation Liability Incurred (\$ MM)	(180)
Cash Expenditures for Asset Retirement Obligations (\$ MM)	162
Oil and Natural Gas Exploration and Development Costs (\$ MM)	7,468
Non-Price-Related Additions before Divestitures (MMBOE)	551
Finding & Development Costs (\$/BOE)	13.55
Additions Including Price-Related Revisions (MMBOE)	528
Finding & Development Costs Including Price-Related Revisions (\$/BOE)	14.14



Glossary of Abbreviations

- **API:** American Petroleum Institute
- **ATAX:** After Tax
- **AXPC:** American Exploration and Production Council
- **B:** Billion
- **BBI/d:** Barrels of Liquids per Day
- **Bbl:** Barrel
- **B_o:** Shrinkage Calculation
- **BOE/d:** Barrels of Oil Equivalent per Day
- **BOE:** Barrels of Oil Equivalent
- **BOP:** Blowout Preventer
- **BOPD:** Barrels of Oil per Day
- **BTAX:** Before Tax
- **CAGR:** Compound Annual Growth Rate
- **CBM:** Coalbed Methane
- **Cf/d:** Cubic Feet per Day
- **Cf:** Cubic Feet of Natural Gas
- **CPF:** Central Processing Facility
- **E&P:** Exploration and Production
- **EBITDA:** Earnings Before Interest, Tax, Deprecation and Amortization
- **EBITDAX:** Earnings Before Interest, Tax, Deprecation, Amortization and Exploration Expense
- **EGOM:** East Gulf of Mexico
- **EP:** Ethane Propane Mix
- **EUR:** Estimated Ultimate Returns
- **F&D:** Finding and Development Cost
- **F,D & A:** Finding, Development and Acquisition Cost
- **FCF:** Free Cash Flow
- **FEED:** Front-End Engineering Design
- **FPSO:** Floating Production Storage and Offloading Unit
- **Ft:** Foot
- **G&G:** Geology and Geophysics
- **GAAP:** Generally Accepted Accounting Principles
- **GOM:** Gulf of Mexico
- **GNB:** Greater Natural Buttes
- **HBP:** Held by Production
- **HH:** Henry Hub
- **HOA:** Heads of Agreement
- **HP:** Horsepower
- **Hr:** Hour
- **HZ:** Horizontal
- **IHUB:** Independence Hub
- **IPs:** Initial Production Rates
- **Km:** Kilometers
- **Lbs:** Pounds
- **LNG:** Liquefied Natural Gas
- **LOE:** Lease Operating Expense
- **LP:** Limited Partnership
- **M:** Thousands
- **MM:** Millions
- **Moz:** Mozambique
- **MTA:** Mahogany, Teak, Akasa
- **NAV:** Net Asset Value
- **NGL:** Natural Gas Liquids
- **NPV:** Net Present Value
- **NRI:** Net Revenue Interest
- **NYMEX:** New York Mercantile Exchange
- **Op:** Operated
- **OPIS:** Oil Price Information Service
- **PSI:** Pounds per Square Inch
- **ROR:** Rate of Return
- **RR:** Rig Release
- **STOOIP:** Stock Tank Original Oil in Place
- **T:** Trillion
- **TEN:** Tweneboa, Enyenra, Wawa
- **TPA:** Tonnes per Annum
- **TRIR:** Total Recordable Incident Rate
- **WES:** Western Gas Partners, LP
- **WFMP:** Wolfcamp
- **WGP:** Western Gas Equity Partners
- **WI:** Working Interest
- **WTI:** West Texas Intermediate
- **YE:** Year End
- **YOY:** Year over Year
- **Yr:** Year
- **YTD:** Year To Date

