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**ANADARKO PETROLEUM CORPORATION**

**Bank of America Merrill Lynch  
2011 Global Energy Conference**

**Al Walker**  
**President and Chief Operating Officer**

**November 15, 2011**

# Cautionary Language

## Regarding Forward-Looking Statements and Other Matters

*This presentation 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. While Anadarko believes that its expectations are based on reasonable assumptions as and when made, no assurance 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 presentation, including the following: the Company's ability to successfully defend itself against any remaining claims relating to the Deepwater Horizon event (including, but not limited to, fines, penalties and punitive damages) and BP's ability to fulfill its indemnification obligations to Anadarko; the legislative and regulatory changes, such as the delays in processing and approval of drilling permits, exploration plans and oil response plans that may impact the Company's Gulf of Mexico and International offshore operations resulting from the Deepwater Horizon events; Anadarko's ability to achieve its production targets, successfully manage its capital expenditures and to complete, test and produce the wells and prospects identified in this presentation; to successfully plan, build and operate an LNG facility; and achieve its production and budget expectations on its mega projects. Other factors that could impact any forward-looking statements are described in "Risk Factors" in the company's 2010 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other public filings and press releases. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.*

Please also see our Web site at [www.anadarko.com](http://www.anadarko.com) under "Investor Relations" for reconciliations of the differences between any non-GAAP measures used in this presentation and the most directly comparable GAAP financial measures.

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# Our Premier Balanced Portfolio is Built to Deliver

## Our Strategy is Working:

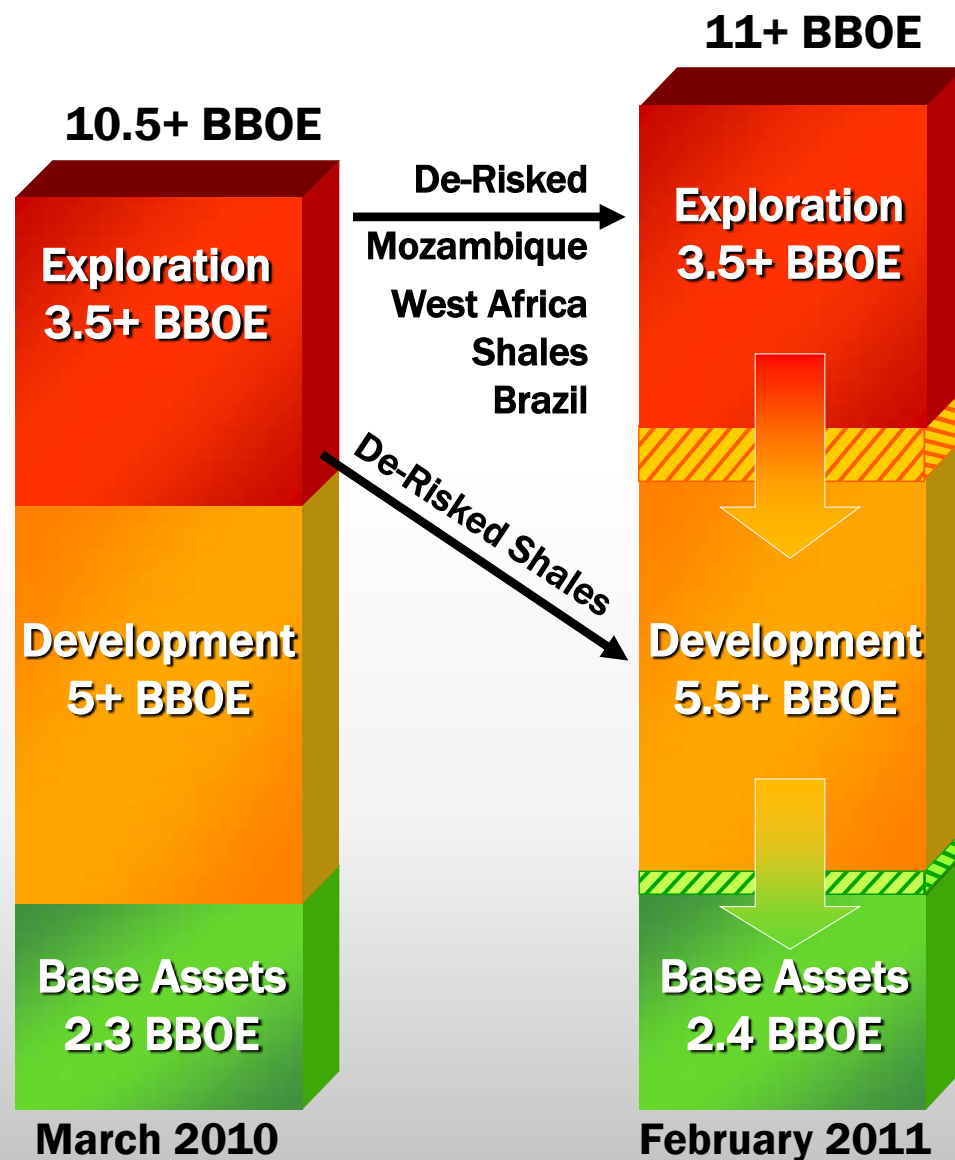
- Identify and Commercialize Resources
- Explore in High-Potential, Proven Basins
- Employ a Global Business Development Approach
- Ensure Financial Discipline and Flexibility





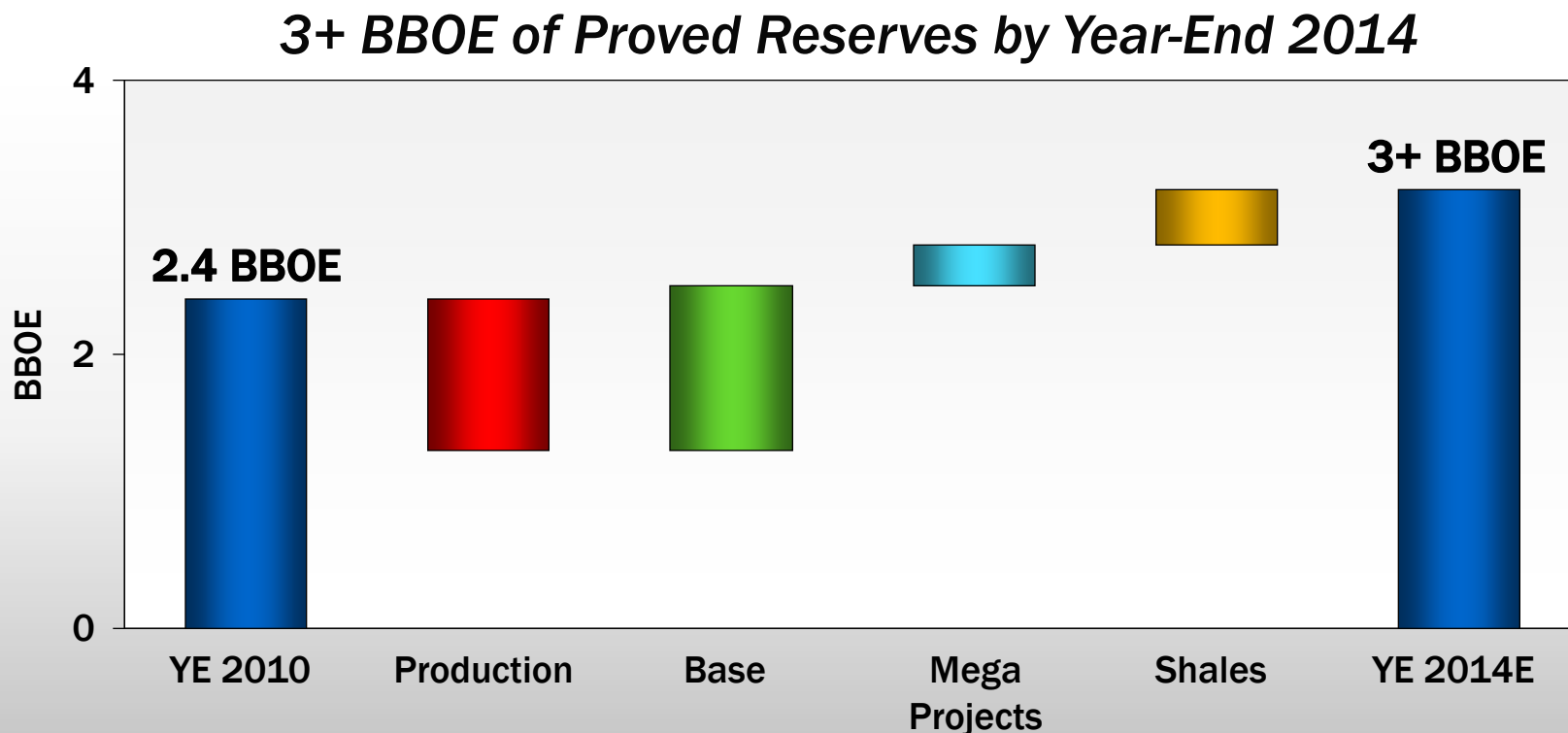
# Built for Sustainable Growth and Value

- Accelerate Production and Reserves Growth
- Allocate Capital with NAV Focus
- Capitalize Upon Portfolio Optionality



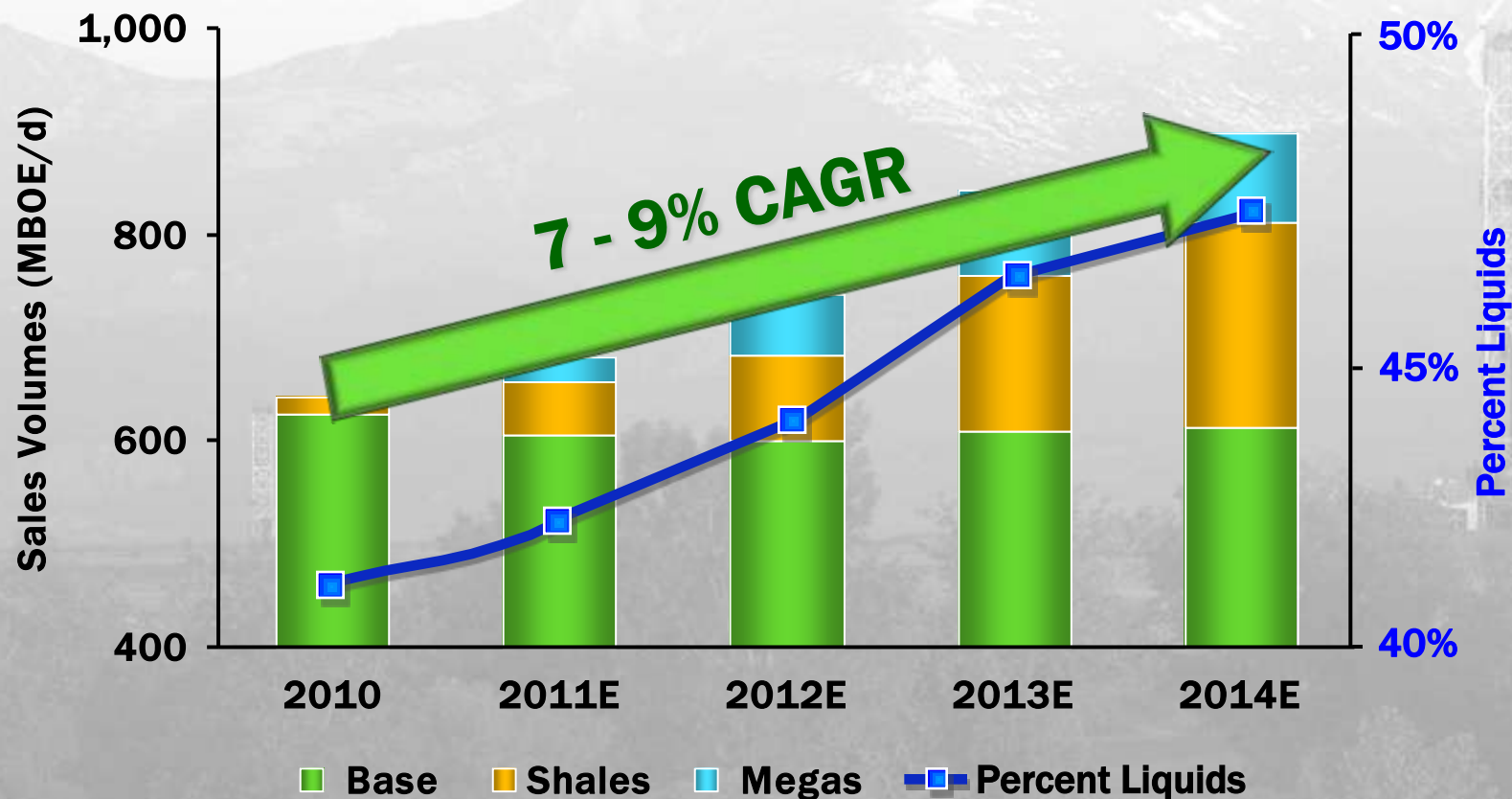
# Predictable Reserves Generator

- Capital-Efficient Base More Than Replaces Production
- Mega Projects and Shales Accelerate Reserves Growth



# Line-of-Sight Production Growth

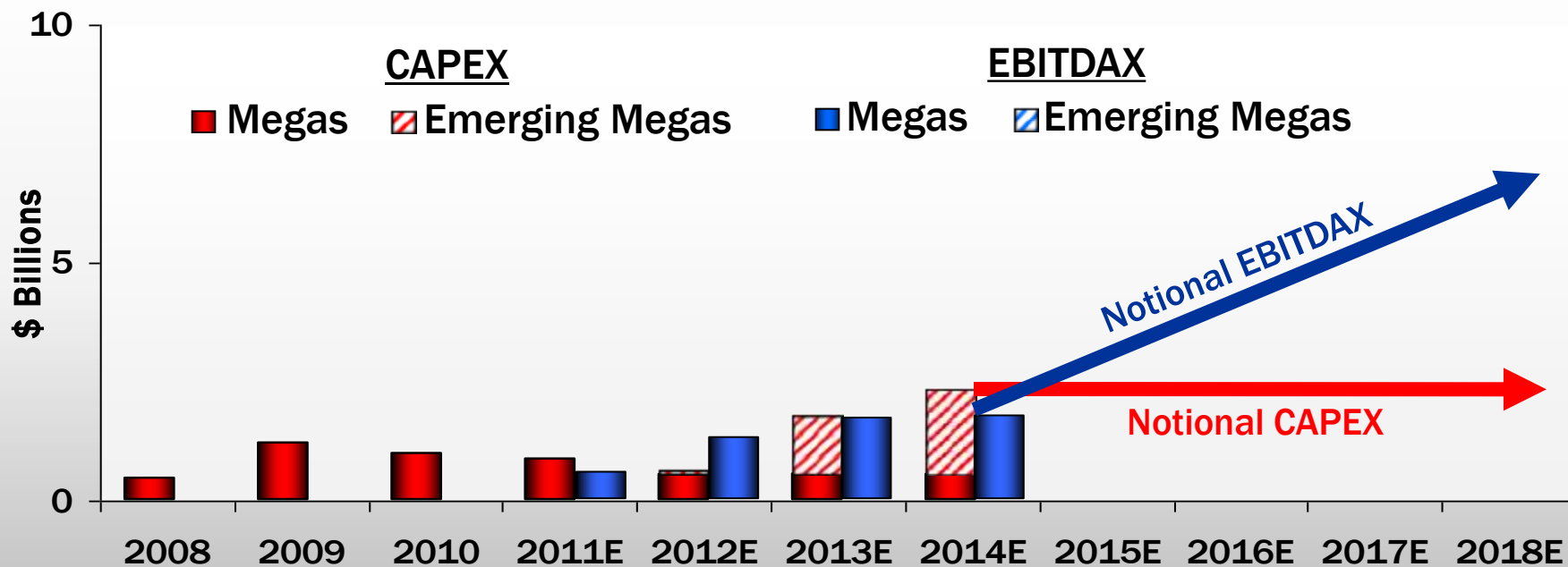
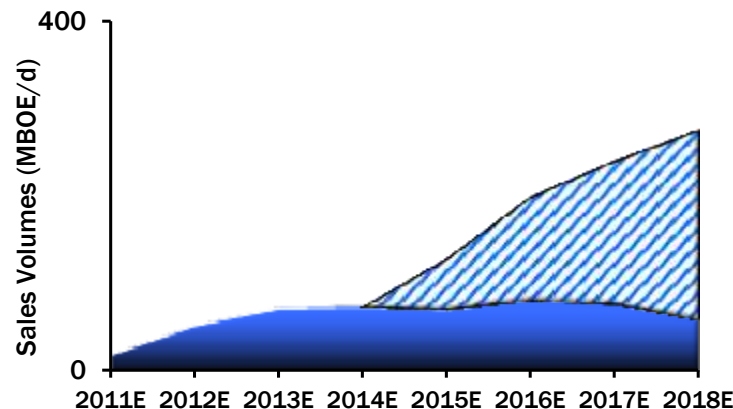
- 7 - 9% Five-Year Production CAGR
- Moving Toward Equalized Product Mix



# Mega Projects Deliver Differentiating Value

*Estimates Based on \$90/Bbl and \$4.50/Mcf*

- Significant Oil Volumes and Reserves
- Robust Economics and Margins
- World-Class Projects with Optionality



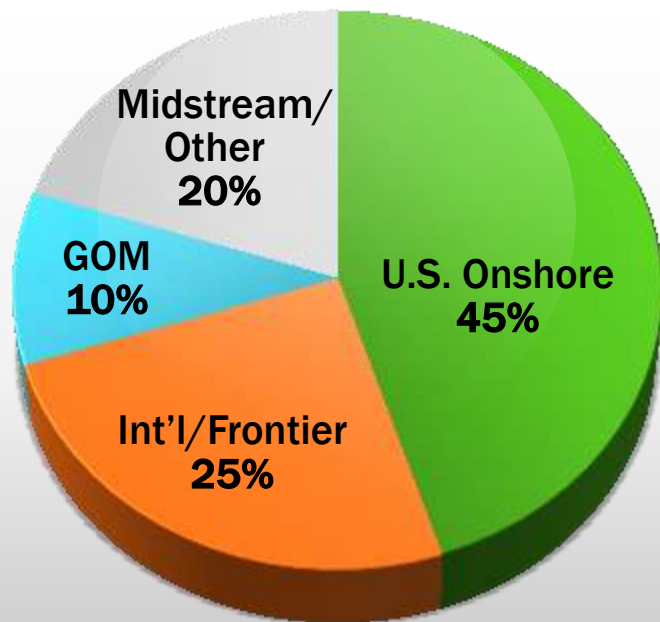
Notional Estimates Assume No Monetizations

# 2011 Expectations

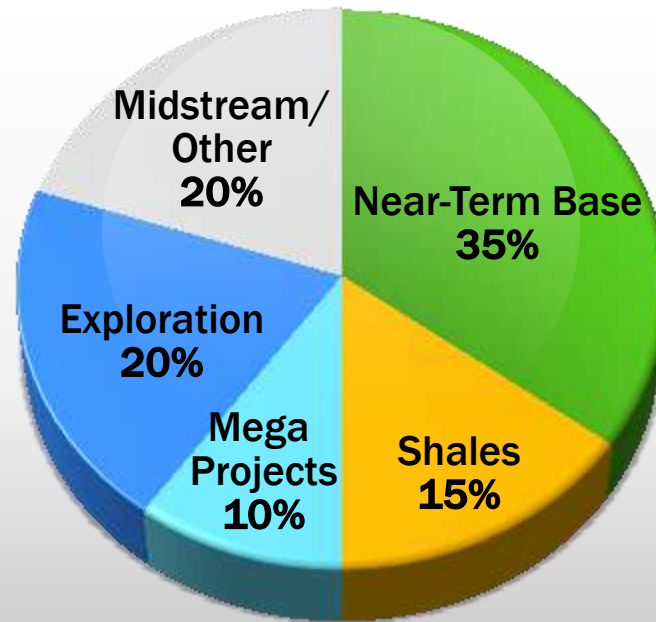
## Guidance

|                       |               |
|-----------------------|---------------|
| Sales Volumes (MMBOE) | 245 - 248     |
| Capital* (Billions)   | \$6.1 - \$6.4 |
| Reserve Replacement   | 150+%         |

## By Area



## By Type



## 2011 Capital

\*Excludes Western Gas Partners, LP (WES)



# Strength of Balance Sheet

- Ended 3Q11 with ~\$3.5 Billion of Cash on Hand
- Access to 5-Year \$5 Billion Undrawn Credit Facility
- Generated Free Cash Flow in 3Q11



# Capital-Efficient U.S. Onshore Portfolio

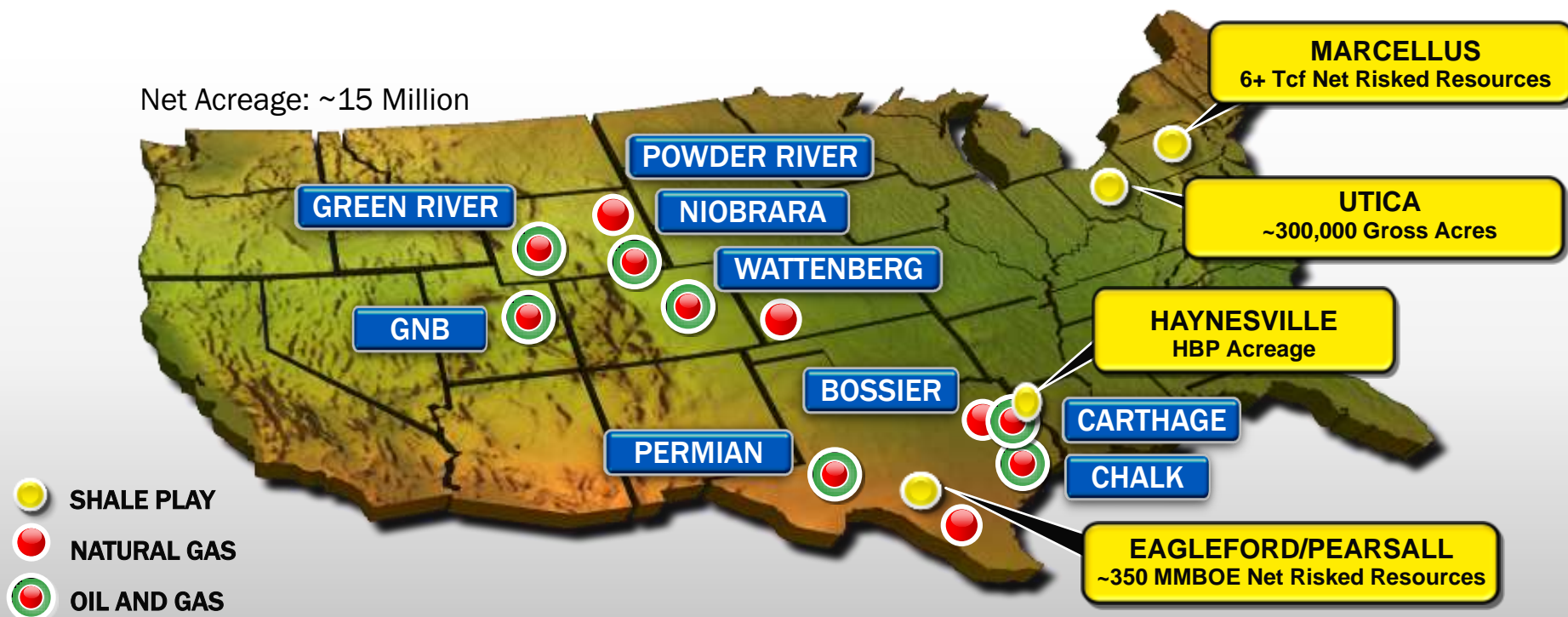
## ■ Base Assets

- 25+ Tcfe Resource Base
- Scaleable Programs
- Enhancing Margins and Efficiencies

## ■ Accelerating Value From Shales

- Premier Acreage Position
- Production and Reserves Growth Engine

Net Acreage: ~15 Million



# Wattenberg HZ: A Superior Growth Opportunity

*Horizontal Niobrara / Codell Program*

## ■ 500 Million to 1.5 Billion BOE Net Resources

- 1,200 - 2,700 Horizontal Drillsites
- 300 - 600 MBOE EUR per Well

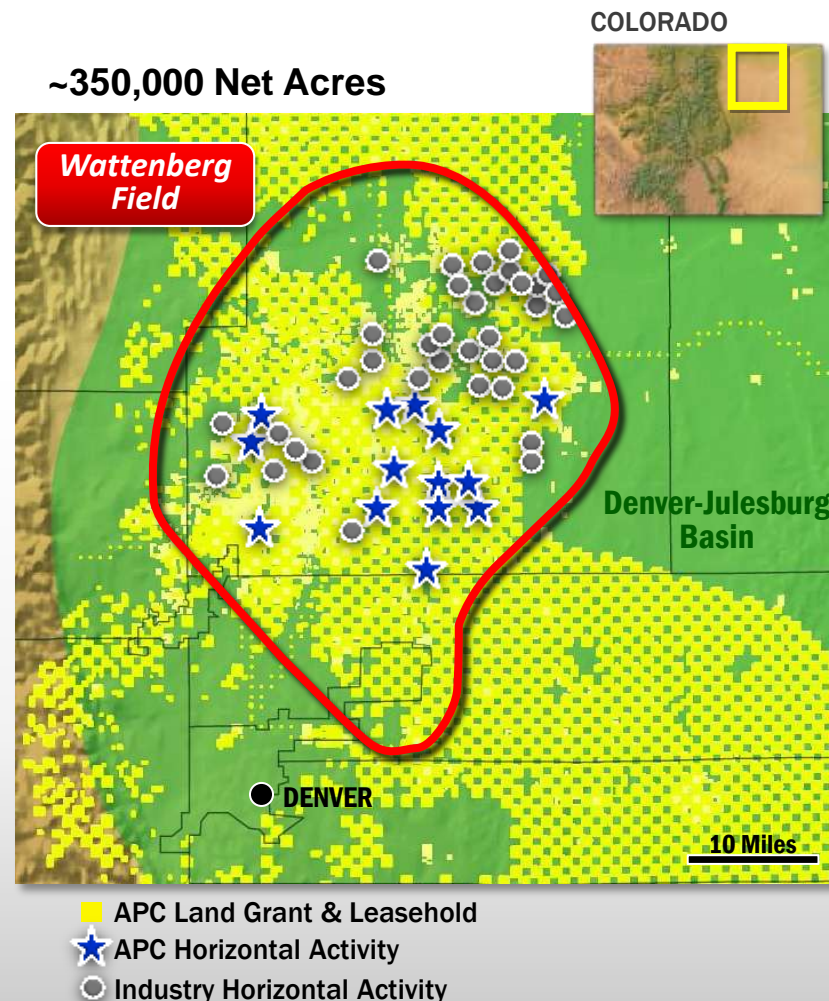
## ■ Enhanced Returns

- Mineral Interest Ownership
- Midstream Value Uplift

## ■ Strong Cash Generation

- Wattenberg Field Already Producing 70+ MBOE/d

## ■ Positioned to Deliver Today





# Everything in Place to Deliver

- ✓ Premier Land Position and Mineral Ownership
- ✓ High-Quality, Liquids-Rich Reservoir
- ✓ Strong Well Performance
- ✓ Low Development Cost
- ✓ Expandable Existing Infrastructure

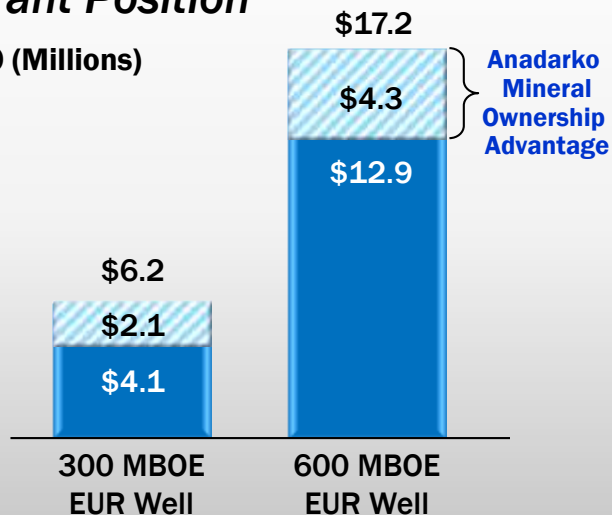


# Premier Land Position and Mineral Ownership

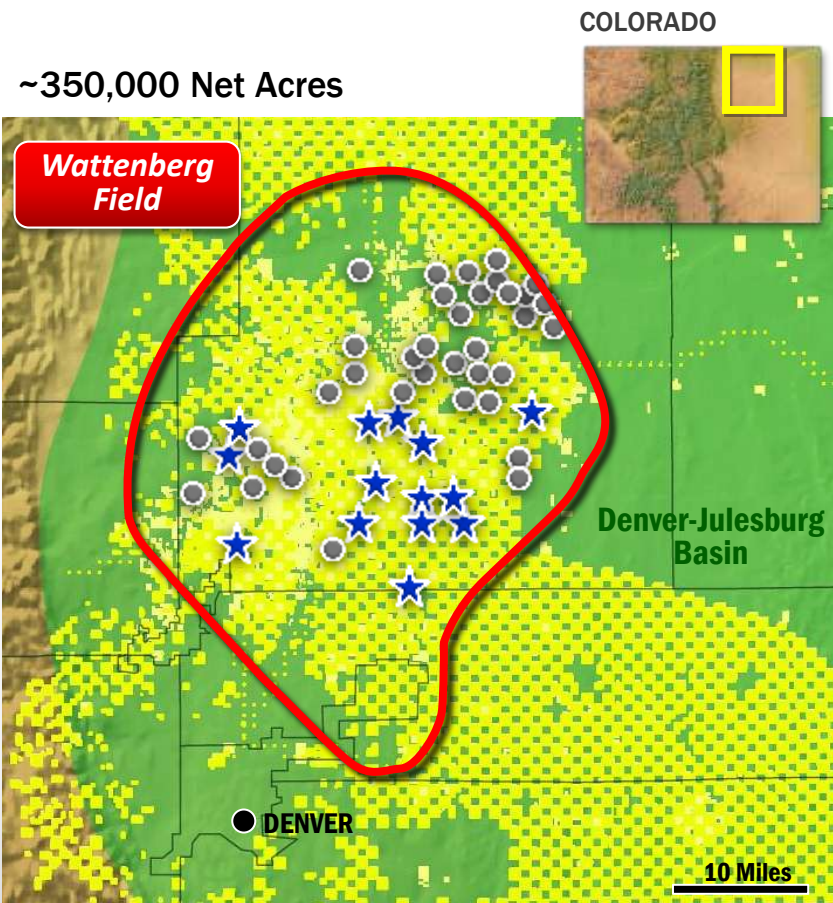
- Mineral Ownership Supercharges Economics
- Royalty Benefit from Non-Op Wells on Land Grant

## Anadarko Economics Enhanced by Land Grant Position

BTAX PV10 (Millions)



Based on \$4.5 million well cost and NYMEX prices of \$90/Bbl and \$4.50/Mcf



- APC Land Grant and Leasehold
- ★ APC Horizontal Activity
- Industry Horizontal Activity

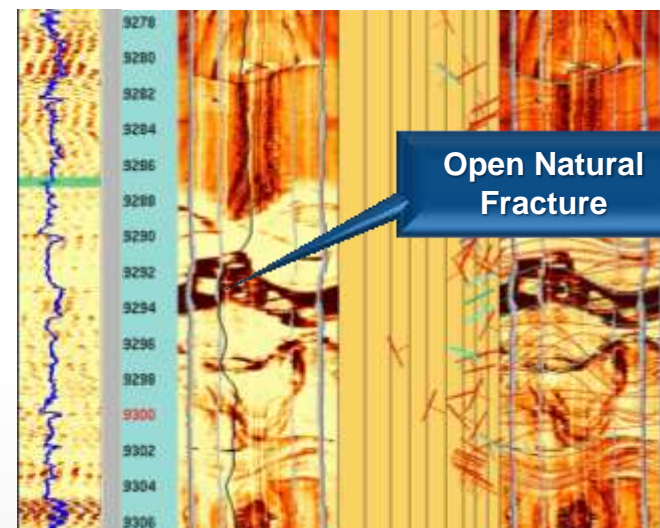
APC Owns Minerals on Two-Thirds of Acreage



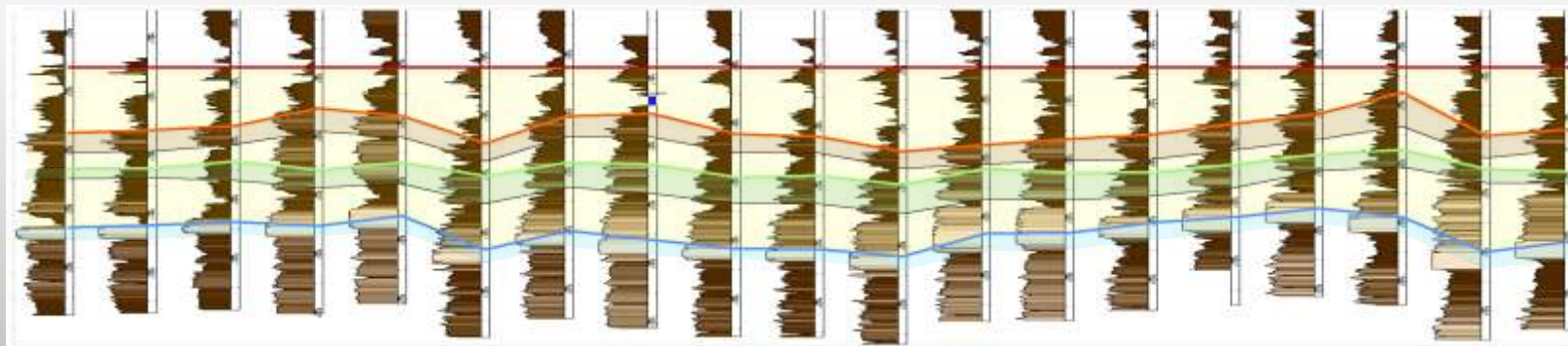
# Wattenberg HZ: High-Quality, Liquids-Rich Reservoirs

- Large Continuous Reservoirs
- High Hydrocarbon Saturations
- Open Natural Fractures
- Over-Pressured
- Production from Thousands of Vertical Wells

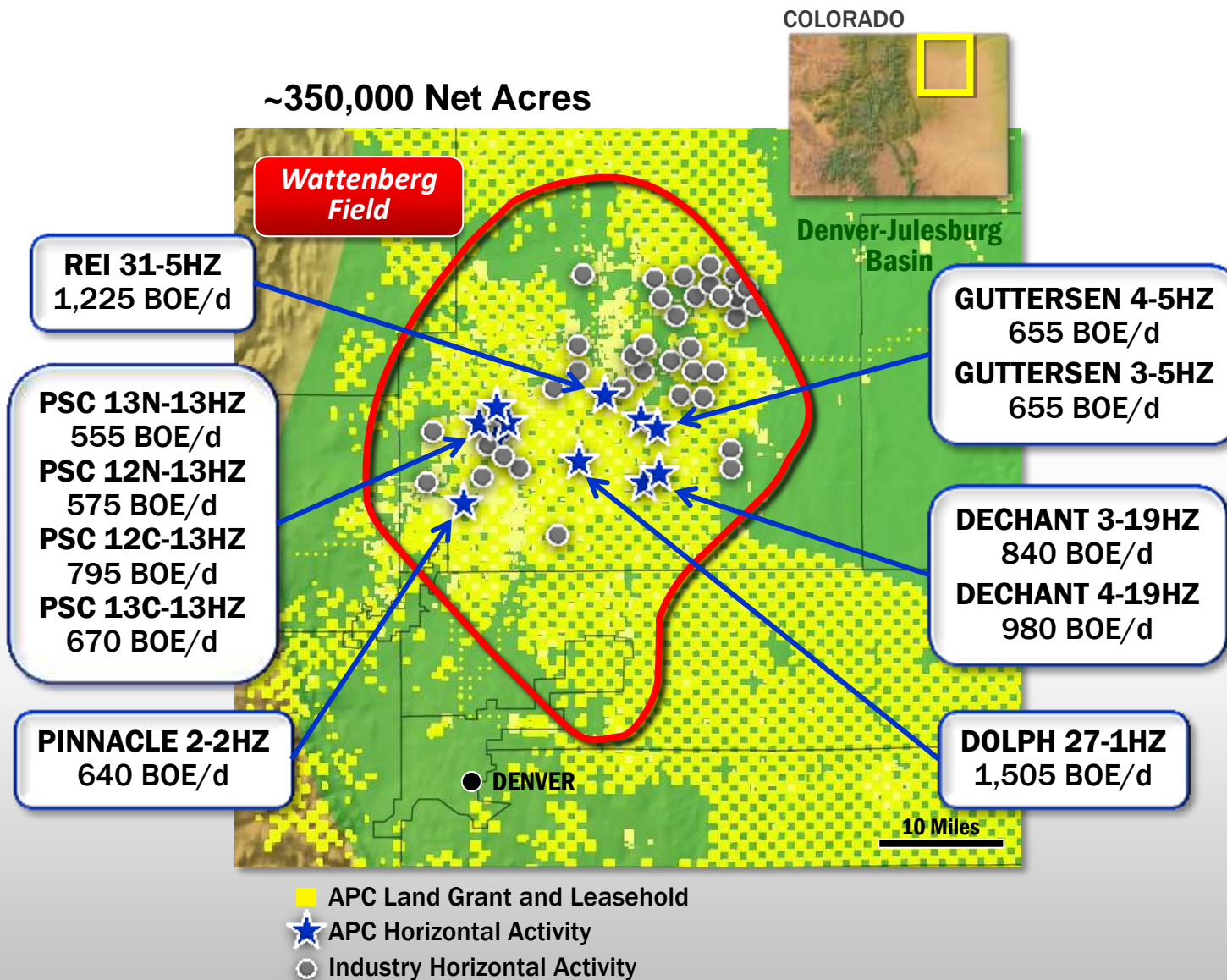
FMI Log Showing Significant Fracturing



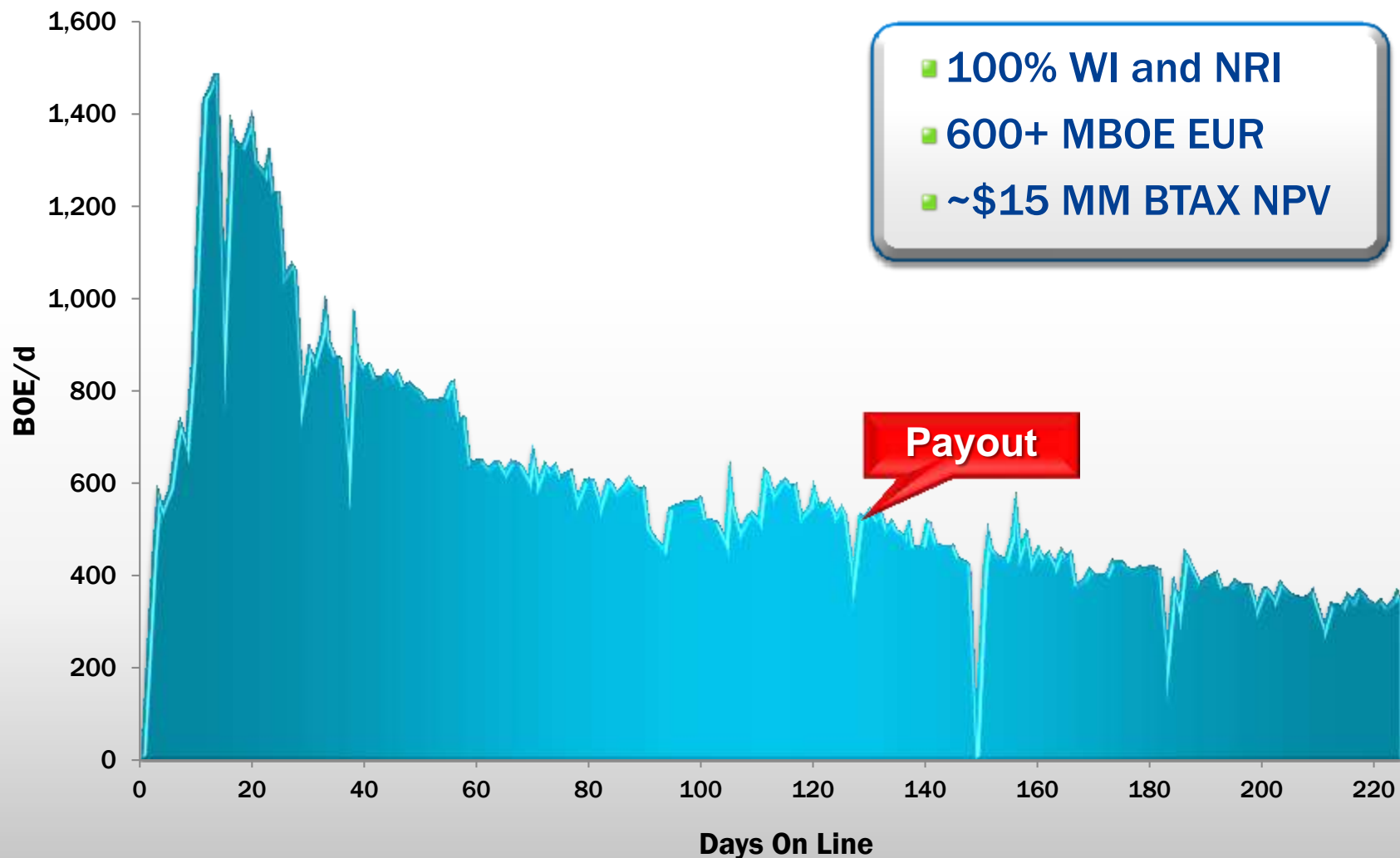
North to South Niobrara Cross Section Showing Continuity



# High IP Rates Across the Wattenberg Field



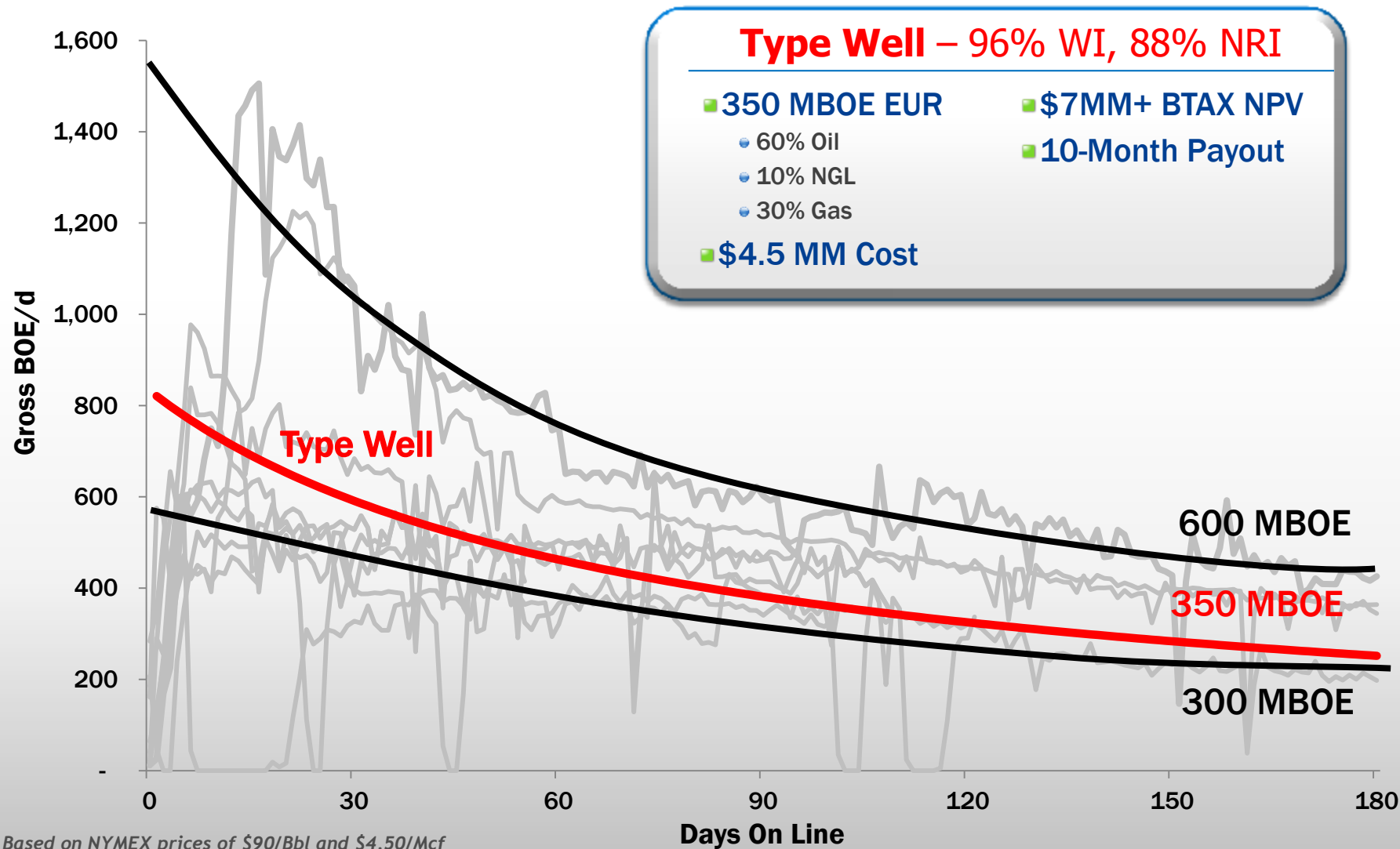
# Dolph 27-1 HZ: Four-Month Payout



Based on NYMEX prices of \$90/Bbl and \$4.50/Mcf

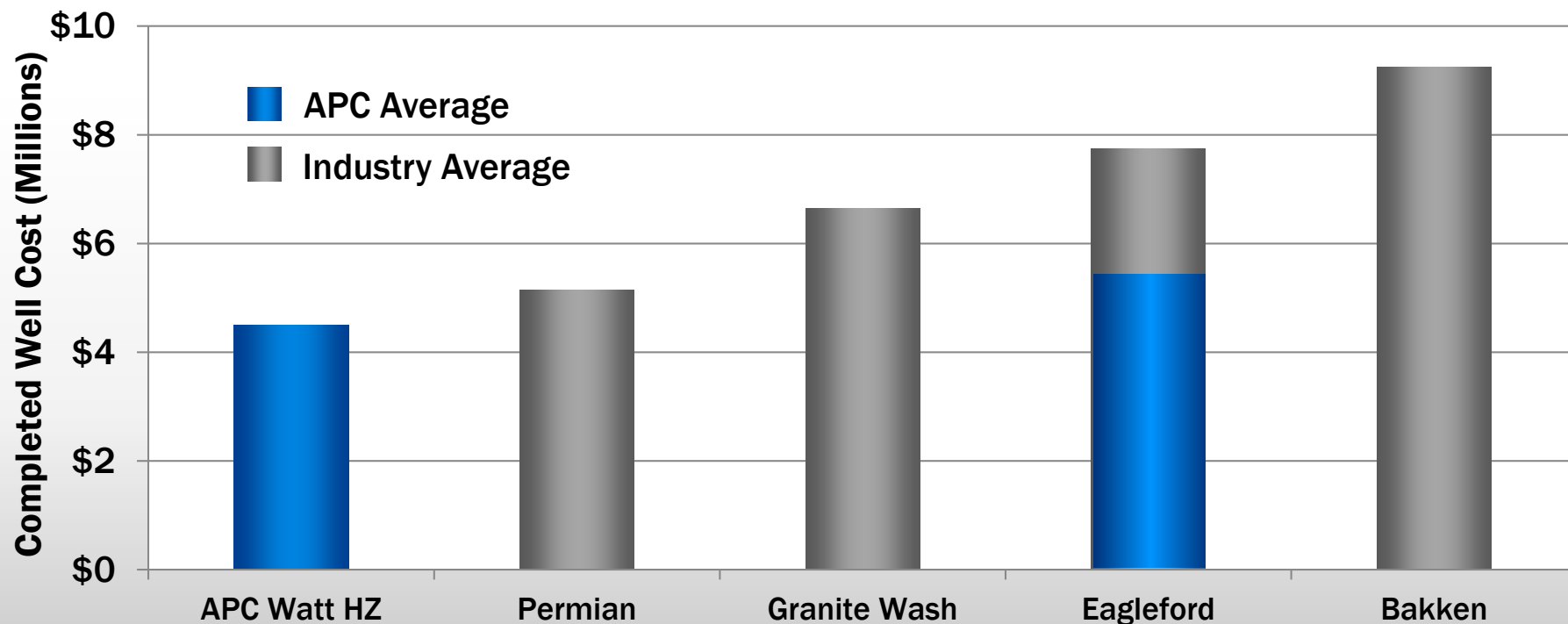
# Powerful Returns and Value

300–600 MBOE/Well EUR Range



# Low-Cost, Liquids-Rich Horizontal Program

- Best APC Niobrara Well Cost to Date \$3.8 Million
- Continuing to Drive Efficiencies
- Optimizing Lateral Lengths, Well Density and Frac Stages



Source: BofAML/APC



# Value-Adding Infrastructure



*Ft. Lupton Plant*

*Platte Valley Plant*



*Wattenberg Plant*

*White Cliffs® Terminal*



*Mont Belvieu Plant*



## Gas Gathering & Processing

- 400 MMcf/d of Operated\* Processing Capacity
- \$2.60/Mcf Current Uplift
- Planned 300 MMcf/d Cryo Expansion
  - ~95% Ethane Recovery
- 3,000 Miles of Operated Gathering Lines
- Third-Party Revenue

\*APC/WES

## Oil Export Pipeline

- Provided \$12/Bbl Uplift Over Local Market
- Expansion Capacity Available

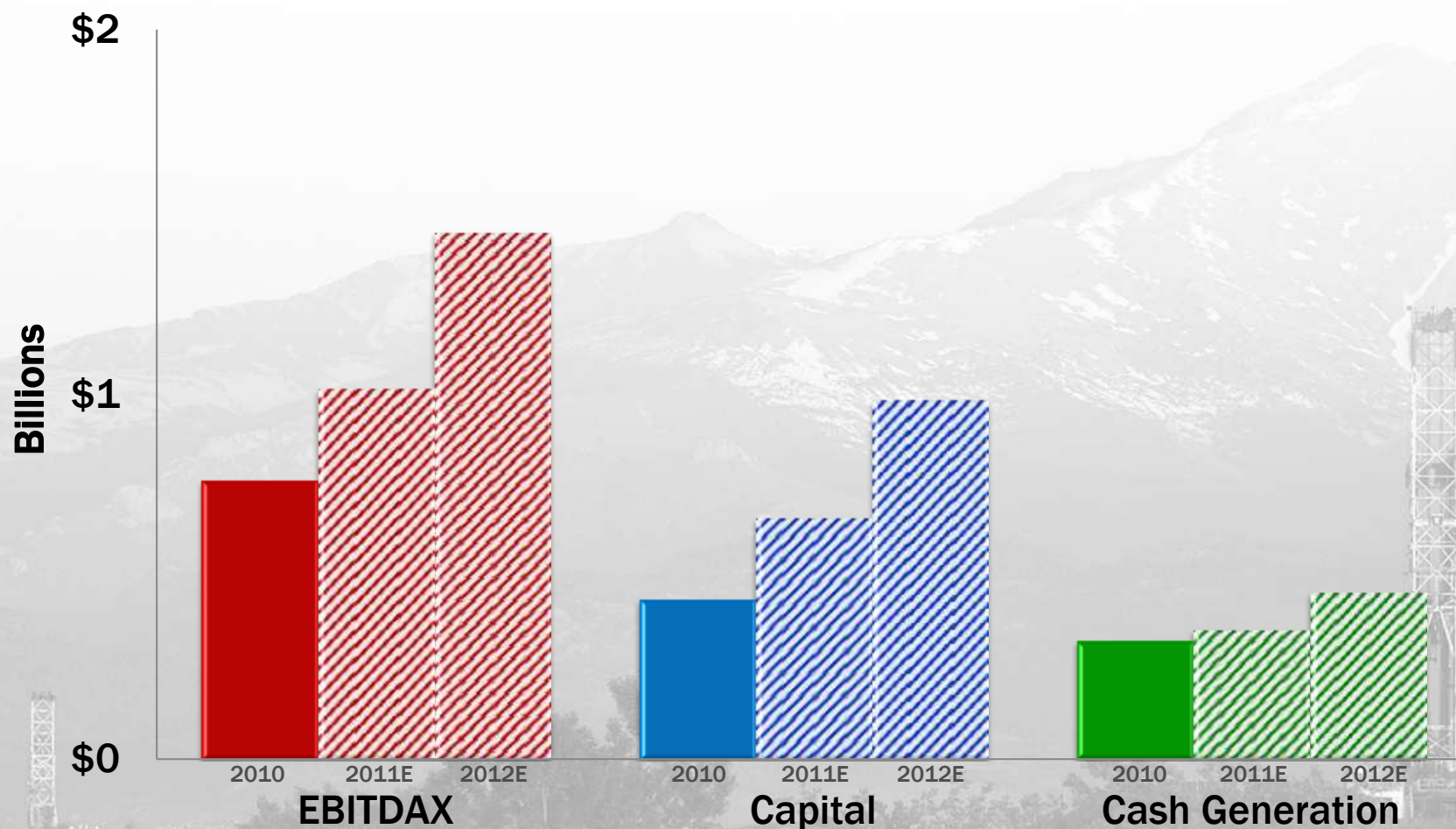
## Gas Export Pipeline

- Access and Capacity on Local and Interstate Pipelines

## Value-Add Expansion

- Texas Express Enables Movement of NGLs to Mont Belvieu
- Continue to Increase Fractionation Capacity at Mont Belvieu

# Wattenberg Field: Significant Cash Generation

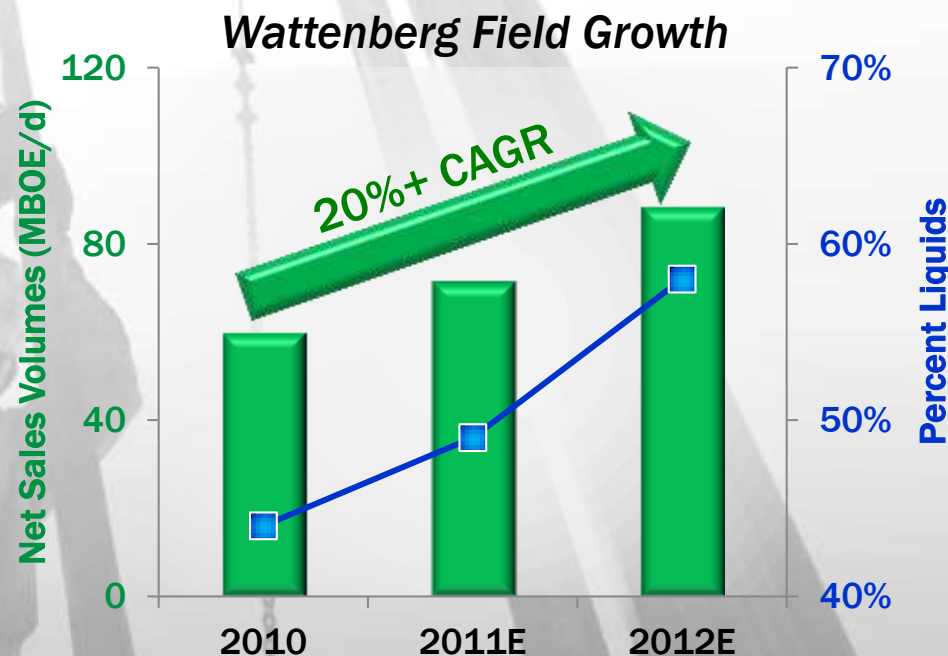


Estimates based on NYMEX prices of \$90/Bbl and \$4.50/Mcf

# 500 Million to 1.5 Billion BOE Net Resources

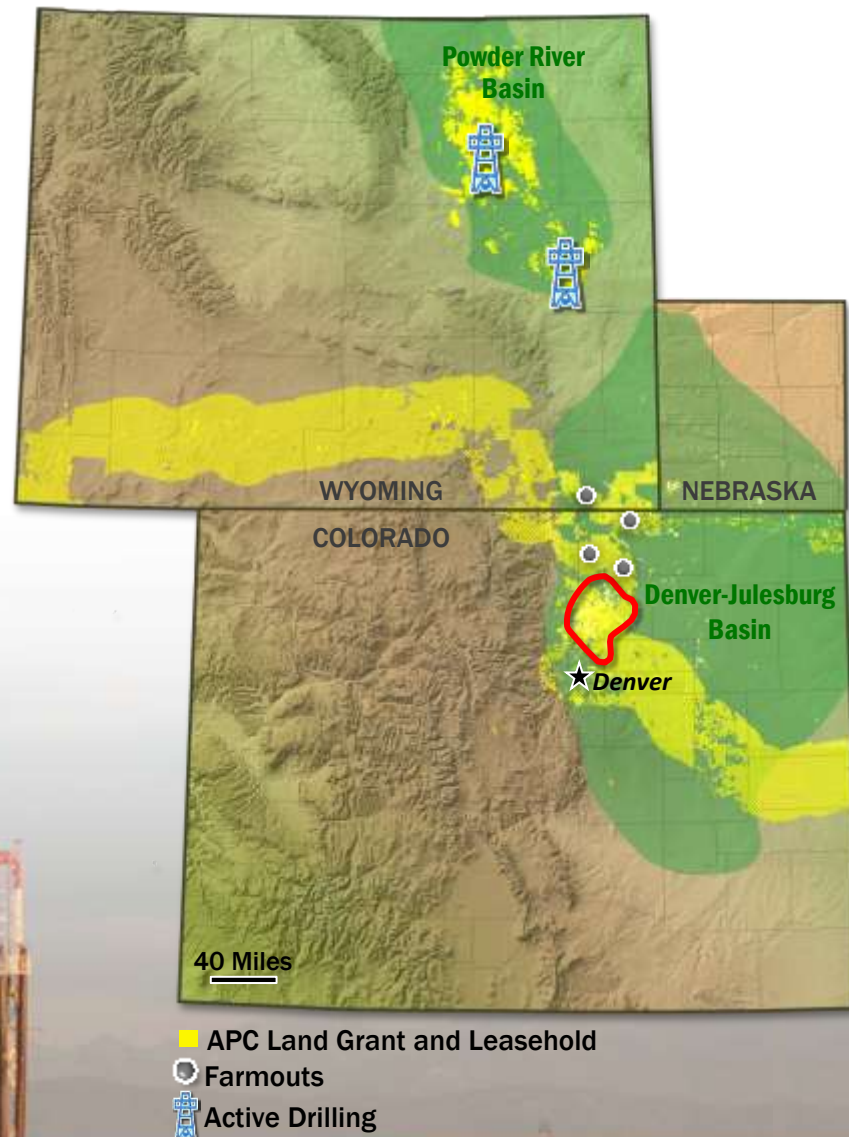
*Accelerating Activity in 2012*

- Ramp to 7+ Horizontal Rigs
- Plan to Drill 160+ Horizontal Wells
- Construct 300 MMcf/d Cryo Plant
- Participate in Texas Express NGL Pipeline
- Evaluate Additional Zones



# Outside Wattenberg

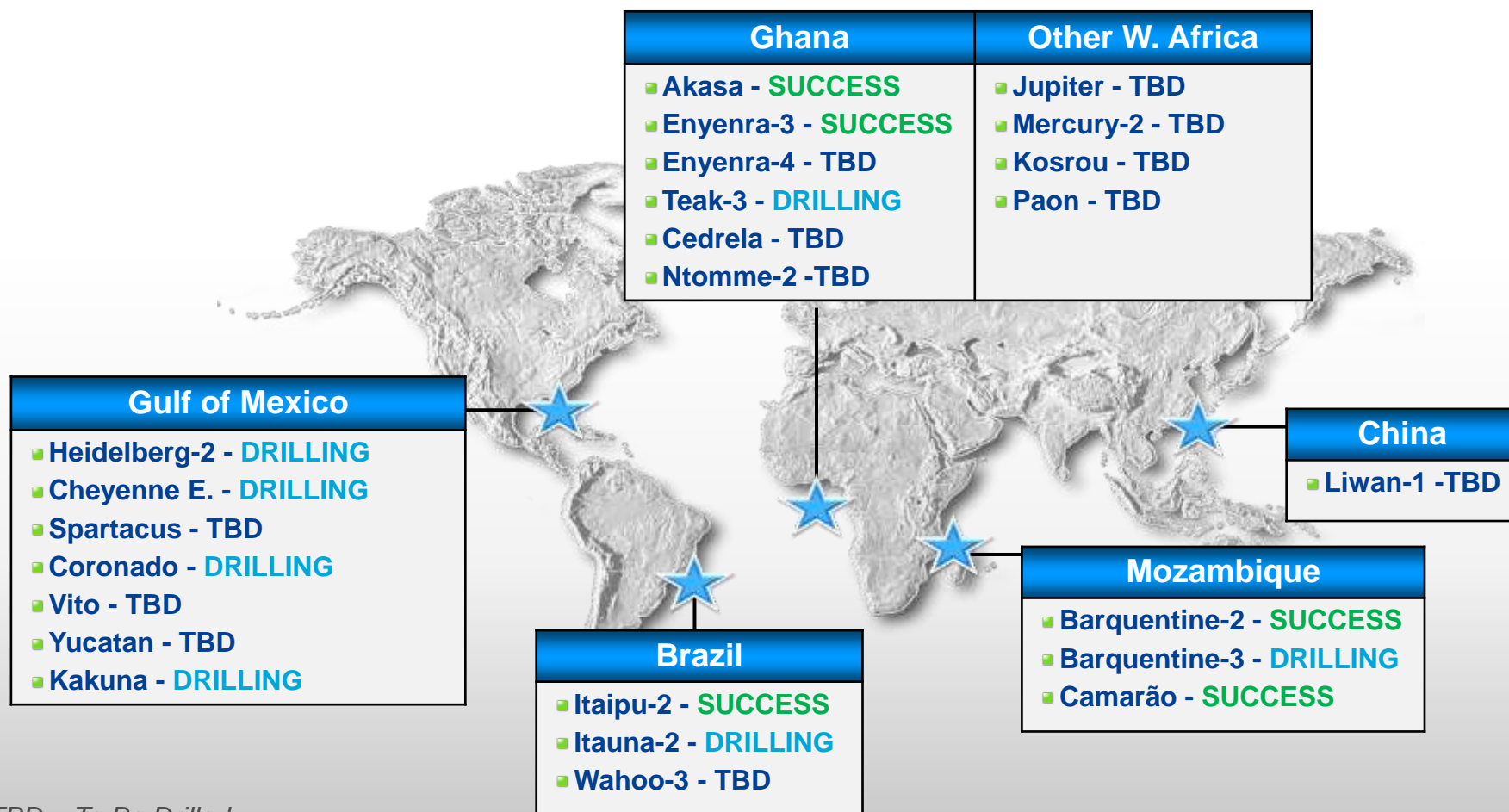
- **900,000+ Additional Net Acres**
  - ~550,000 Acres in Greater DJ
  - ~360,000 Acres in Powder River
  - Acreage Owned or HBP
- **Drilled 15 Operated Wells**
  - Average IP of 350 BOE/d
- **Significant Well Data, Seismic and Royalties from Farmouts**
- **Active Evaluation**
  - Running 2 Operated Rigs
  - ~30 Wells Planned in 2012
  - Potential Joint Venture





# Our Exploration Program is Delivering

## Achieving Deepwater Exploration / Appraisal Success



TBD – To Be Drilled



# Positioned for the Future

- Accelerating Value from **Capital-Efficient Base**
- Realizing Tremendous Growth from **Shale Plays**
- Developing Sanctioned **Mega Projects**
- Advancing **Next-Generation Mega Projects**
- Continuing World-Class **Exploration Program**

