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Quick Facts

from

Key Producing Regions Company-wide

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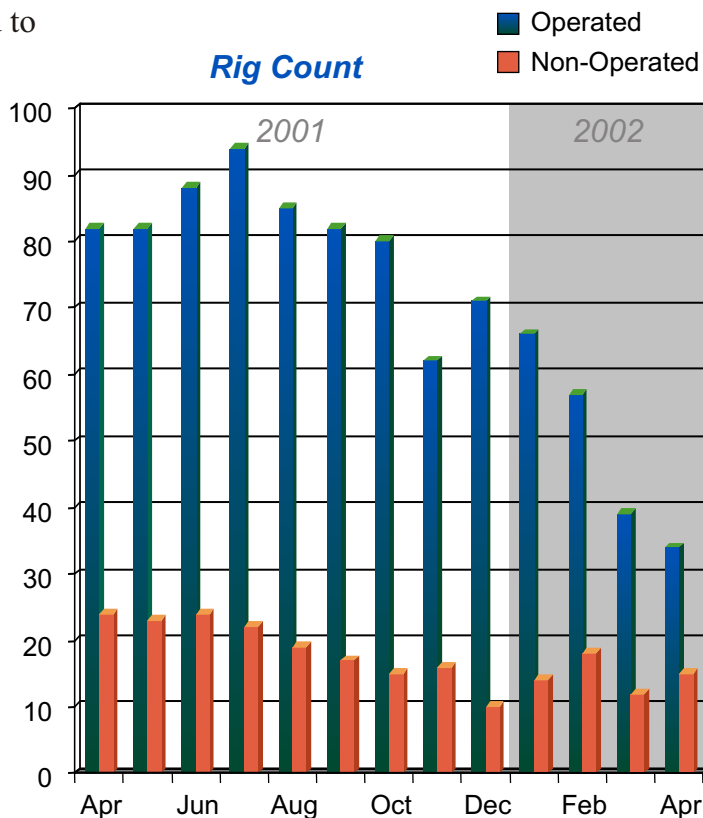
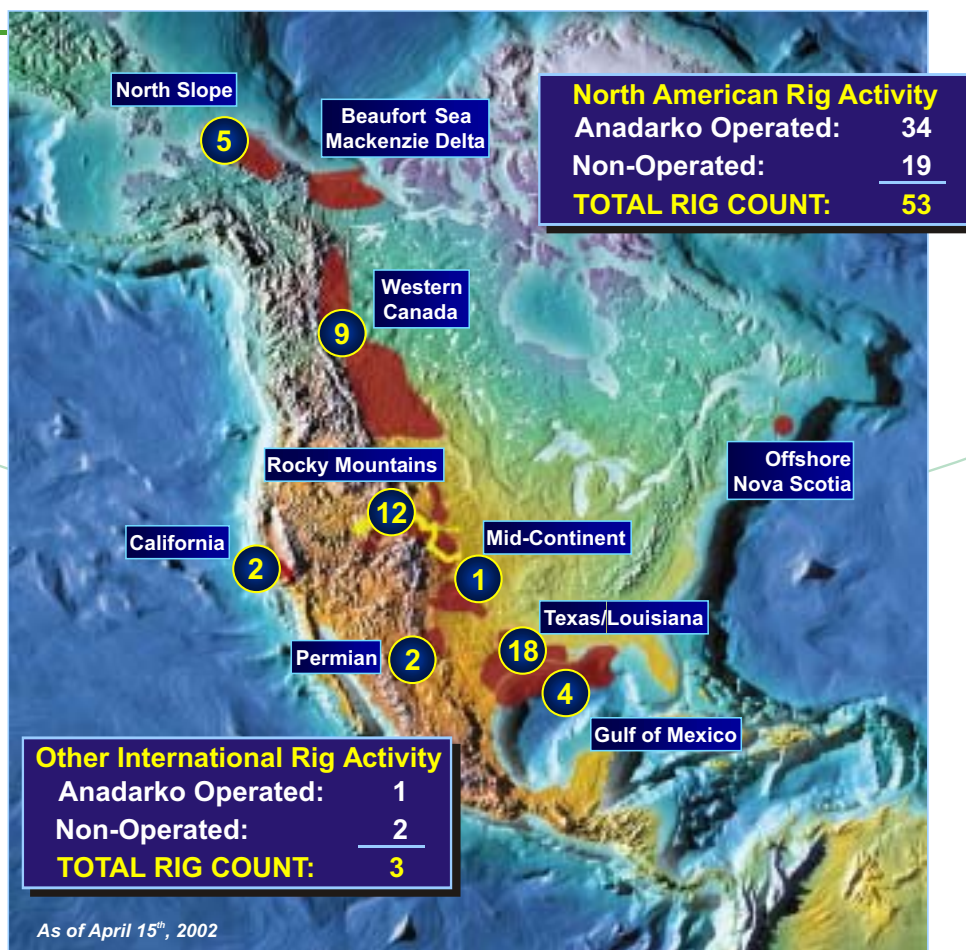
Rig Activity

Overview

Anadarko's capital budget of \$2.0 billion roughly equals the cash flow expectation for 2002 using relatively weak commodity prices of \$2.70/Mcf for NYMEX gas and \$21/Bbls for NYMEX oil. The budget was designed to maintain company-wide production and to grow the inventory of opportunities that the Company can take advantage of when prices recover. The capital budget was also front-end loaded with a high level of activity carried over from late 2001, and aggressive drilling programs in Canada and Alaska in areas that can only be accessed during the winter season. Anadarko's plan for 2002 is to maintain capital discipline; to focus on reserve growth; to high grade the portfolio with tactical sales and purchases; and to manage the balance sheet by matching capital spending to available cash flow.

Rig Activity

Anadarko continued to slow its overall level of activity through the quarter. The Company started the year with about 70 operated rigs in North America and by the end of the quarter it was down to 35. During the first quarter, Anadarko participated in a total of 307 wells with an overall success rate of 95%. The exploration success rate was 74%. Drilling results included 224 gas wells, 68 oil wells, and 15 dry holes.



G&G evaluation is underway in South Auger AMI

Activity in the Gulf of Mexico saw a modest decline as Anadarko finished a number of exploration carryover wells in subsalt and deepwater. Currently, 1 rig is working for Anadarko on the shelf and another 3 rigs are outside operated.

First quarter net production from Anadarko's Gulf of Mexico properties averaged 251 MMcf/d of natural gas and 20,100 Bbls/d of liquids compared to 298 MMcf/d and 22,400 Bbls/d from the fourth quarter of 2001.

Lease Sale

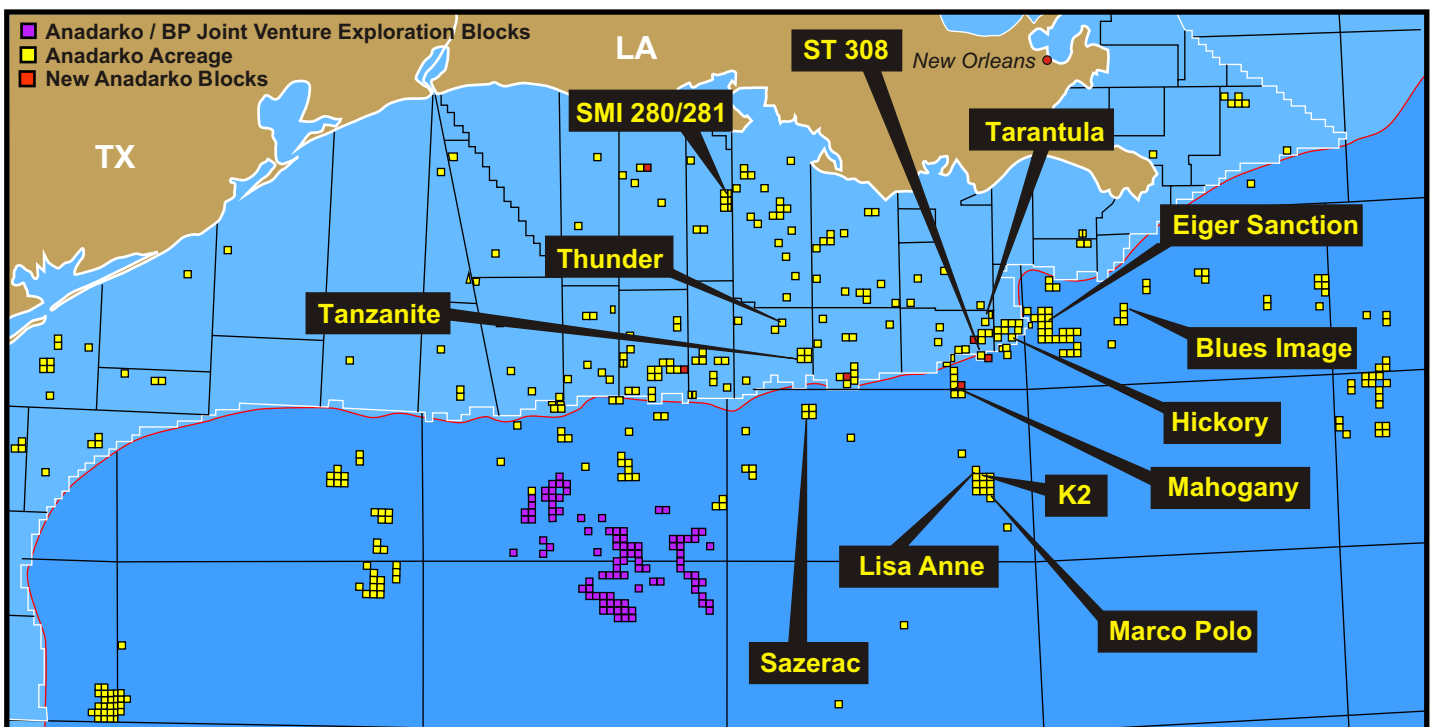
Anadarko participated in the Gulf of Mexico Lease Sale 182 held in March and was the apparent high bidder on 6 tracts covering about 29,000 acres. The blocks, which represent an investment of \$3 MM, were all 100% working interest.

Subsalt

During the quarter, successful workovers were performed at **Hickory** and **Mahogany** fields. At Hickory (APC 50% WI), the Grand Isle 116 A1 saw its production more than double to 78 MMcf/d and 5,000 Bbls/d from an acid job. At Mahogany (APC 41% WI), a recompletion to the "O" sand in Ship Shoal 349 A7 tested 5,000 Bbls/d and 7 MMcf/d. Gross production from the subsalt (Hickory, Tanzanite and Mahogany) at the end of the quarter stood at 213 MMcf/d and 18,500 Bbls/d.

South Timbalier 308 #2 (APC 100% WI), an extension of the Company's Tarantula subsalt discovery, was sidetracked to a total depth of 20,500 feet in late February and encountered 153 feet of pay from 5 zones. Tarantula development options are under evaluation and an additional delineation well is planned for the fourth quarter of 2002.

Eiger Sanction (APC 100% WI), **Sazerac** (APC 100% WI) and **Thunder** (APC 30% WI) reached total depth and have been abandoned.



Shelf

Shallow water projects on the Shelf continue to represent an important piece of Anadarko's Gulf of Mexico strategy as it exploits the potential around several of its larger, more mature fields. One such field is **South Marsh Island (SMI) 280/281** where the Company installed the SMI 280 "**H**" platform in late March, bringing on line 2 prior-year discoveries. These discoveries, **SMI 280 #6** and **#7** (APC 50% WI), are producing 100 MMcf/d and 1,920 Bbls/d. In addition, the Company expects to install the SMI 281 "**I**" platform, bringing on 3 recent discoveries (APC WI ranges 49 - 66%) with first production expected in the third quarter. These first quarter discoveries were:

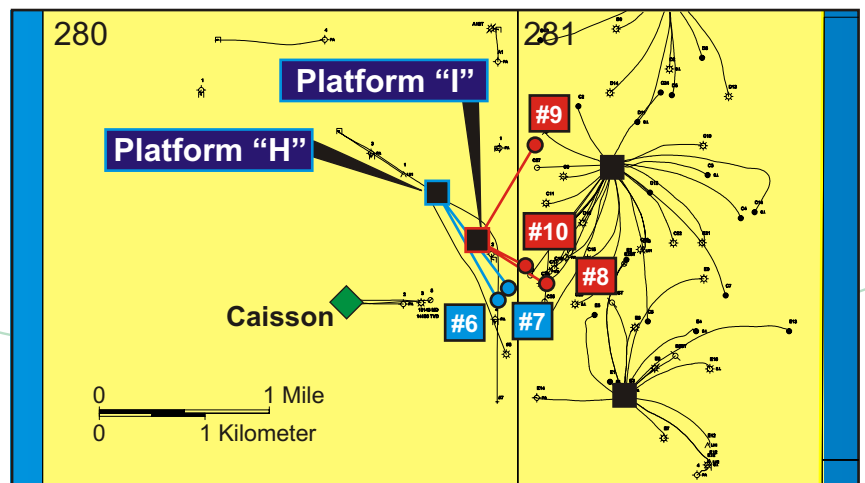
SMI 281 #8 tested 24.8 MMcf/d and 600 Bbls/d from 67 feet of net pay with 82 feet of net pay up-hole

SMI 281 #9 tested 11.2 MMcf/d and 550 Bbls/d from 23 feet of net pay with 21 feet of net pay up-hole

SMI 281 #10 tested 16.0 MMcf/d and 1,100 Bbls/d from 50 feet of net pay

Deepwater

The definitive development and transportation agreements for **Marco Polo** (APC 100%), Anadarko's first deepwater discovery, were signed in April. Under this arrangement, El Paso will install a floating production platform (TLP) with capacity of 100,000 Bbls/d of oil and 250 MMcf/d of gas. The platform, stationed in 4,300 feet of water, will function as a hub, accommodating production from Anadarko and others with nearby discoveries. El Paso will own the platform and Anadarko will be the operator. Anadarko will have firm capacity of 50,000 Bbls/d and 150 MMcf/d. The hull and topsides fabrication, as well as



development drilling, will commence in the second quarter with first production targeted for the first half of 2004.

K2 (Green Canyon 562 - APC 52% WI) was spudded mid-April as a delineation well to a discovery made in 1999. The well is targeting a fold belt feature in the middle Miocene sands at a proposed depth of 26,000 feet. GlobalMarine's Celtic Sea rig is drilling the well, which is located in 3,930 feet of water. K2 is a potential satellite field to the Marco Polo development.

Lisa Anne (Green Canyon 474 #1- APC 100% WI) was drilled to a total depth of 14,000 feet during the quarter. The well encountered wet sands in the prospective intervals and was subsequently plugged and abandoned.

Blues Image (Mississippi Canyon 587 - APC 50% WI), a BP operated well, was drilled to a depth of 14,000 feet before suspending operation due to drilling problems. The well did not reach the targeted objectives at 24,000 feet. The Company expects to re-enter the well and sidetrack the original wellbore later this year.

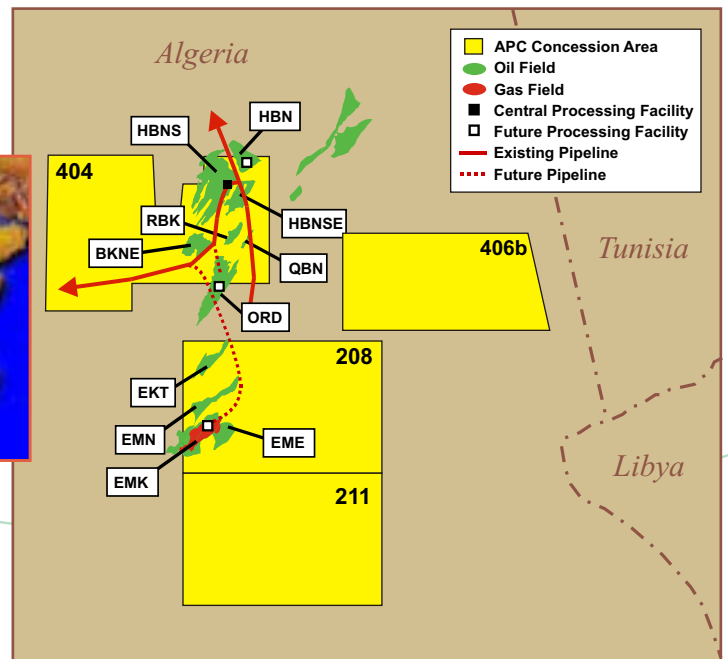
Anadarko commissioned fourth production train ahead of schedule



Development

Several production records were set at the Hassi Berkine CPF in the first quarter. In January, the CPF achieved a peak one-day production rate of 217,000 Bbls/d and in February produced at a monthly average rate of 170,000 Bbls/d.

Another milestone was reached in Algeria when the fourth oil production train at the **Hassi Berkine** central processing facility (CPF) started up in April - 4 months ahead of the contracted completion date. This train is capable of processing 75,000 Bbls/d of oil from 5 satellite fields (HBNSE, BKNE, RBK, QBN, and BKE) in Block 404, increasing gross oil production capacity through the 4-train CPF to 285,000 Bbls/d. Production through the fourth production train marks completion of the current development plan at the Hassi Berkine CPF. The facility was developed in stages to allow flexibility of 4 trains to be brought on stream at different times. Production from the first train began in May 1998, the second in August 2001, and the third in December 2001.



Another CPF with 3 production trains is under construction at the giant **Ourhoud** Field. First production is expected in early 2003 with full production capacity of 230,000 Bbls/d by mid-2003.

During the first quarter, Anadarko continued its development activity in Algeria, drilling 14 wells, of which 8 were service wells. In total, 58 development wells are planned for 2002. Notable production completions in the quarter include:

HBNSE-7 tested 6,106 Bbls/d

BKNE-3 tested 5,713 Bbls/d

HBNSE-5 tested 5,598 Bbls/d

HBN-15 tested 4,718 Bbls/d



Exploration

Anadarko commenced the acquisition of about 1,000 kilometers of 2D seismic over new exploration prospects in Block 404 and 208. At least one exploration well is planned to be drilled by year-end.

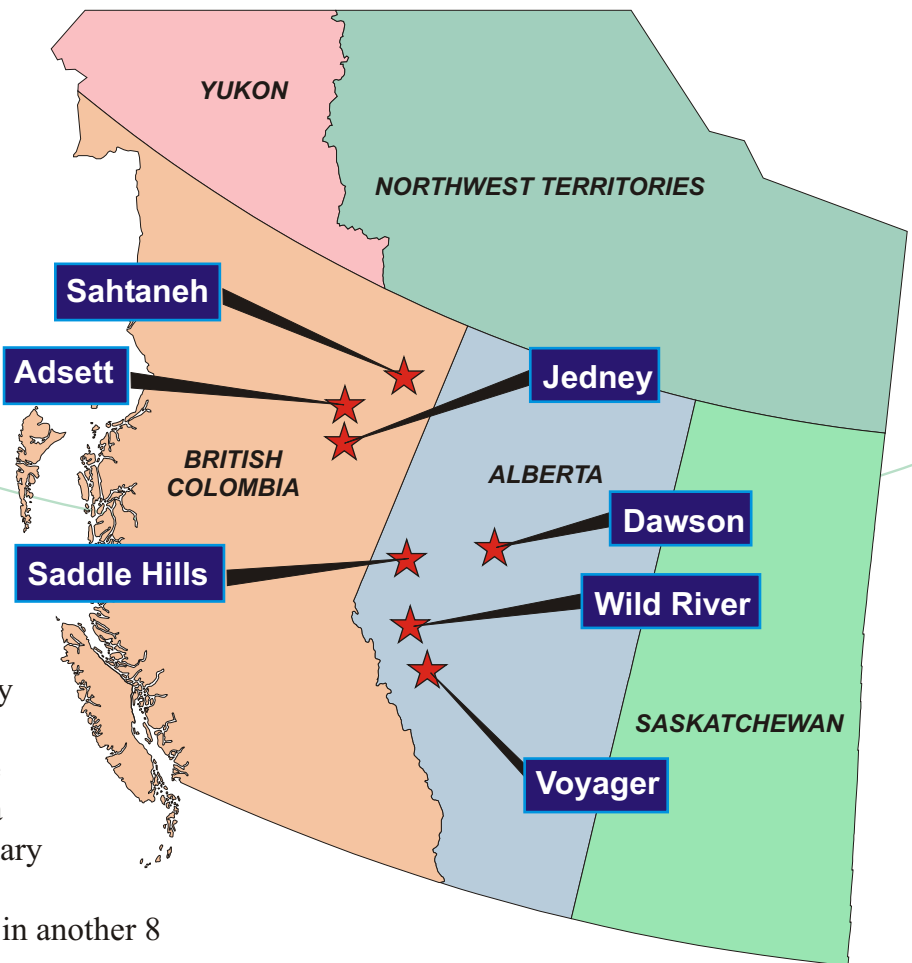
Exploration success highlights 2001-2002 winter drilling season

Anadarko's Canadian operation significantly increased its exploration activity during the 2001-2002 winter season, participating in 40 wells - many on projects acquired from Berkley in March 2001. As one of the most active drillers in Canada, Anadarko reached a peak of 26 operated rigs in early February with 10 rigs drilling exploratory wells. Anadarko had a non-operated position in another 8 wells during the quarter.

During the first quarter, Anadarko was involved in the acquisition of nearly 500 kilometers of 2D and over 1,200 square kilometers of 3D seismic in Canada. One 2D (60 km) and 2 3D (277 sq. km) seismic programs were completed in the southern Northwest Territories. Anadarko completed a 195 kilometers 2D seismic program over Block 407 (APC 100% WI) in the Mackenzie Delta and participated in another 3 seismic shoots in the Delta. In northeast British Columbia, 2 operated 3D seismic programs totaling 387 square kilometers were conducted over the **Jedney** and **Adsett** areas. Three non-operated programs in northern Alberta and the southern NWT were also completed.

Northeast British Columbia

Exploratory drilling in northeast British Columbia resulted in several natural gas discoveries. The **Sahtaneh 83-H** (APC 100% WI), a Slave Point well, flowed at 9.5 MMcf/d after extended testing.



This new field discovery was put on production in early April 2002 at an allowable restricted rate of 5 MMcf/d. A second Slave Point discovery, the **Adsett b-82-G** (APC 100% WI), came on stream in February and is producing at 5 MMcf/d. This well is also gas allowable restricted. In this winter-only access area, the Company plans an aggressive follow-up drilling program for the 2002-2003 winter season.

Alberta Foothills

In the Alberta Foothills, the Anadarko **Voyager 5-19** (APC 100% WI), a thrustured Mississippian Rundle horizontal gas well, was completed and tested at 6.4 MMcf/d. Tie-in and well-site options are being reviewed with the expectation that the well will be on line later this year. A second well in the Alberta Foothills (APC 30% WI) was also drilled in the quarter and tested at 6.7 MMcf/d.

Canada

Peace River Arch

In northwest Alberta, Anadarko drilled a discovery well, the **Saddle Hills 15-28** (APC 100% WI), that was also brought on stream in the quarter at 8 MMcf/d.

The **Dawson** oil field in northwest Alberta saw 11 wells completed so far this year. Of significance were 3 offset wells from a fourth quarter 2001 Devonian Slave Point discovery.

Dawson 3-11 (APC 90% WI) tested at 534 Bbls/d

Dawson 11-11 (APC 90% WI) tested at 410 Bbls/d

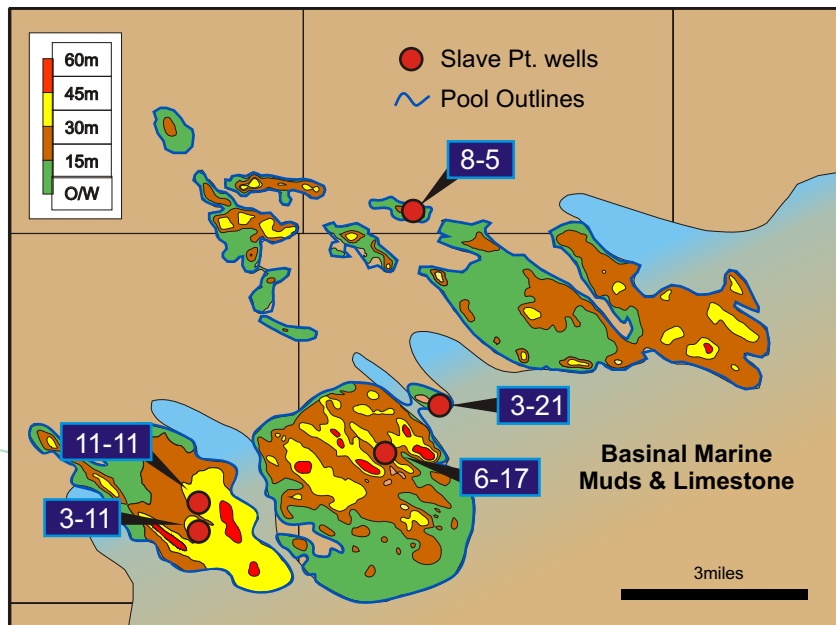
Dawson 6-17 (APC 75% WI) tested at 641 Bbls/d

In addition, two new-pool discoveries were made in the quarter at **Dawson 8-5** and **Dawson 3-21** (Both APC 75% WI), that tested at 580 Bbls/d and 600 Bbls/d, respectively. Fifteen more wells are planned for the remainder of the year in this area of year-round access.

A 5,000 Bbls/d expansion of the Dawson Battery to 10,000 Bbls/d capacity, together with the construction of a new Springburn Battery for 5,000 Bbls/d, are expected to help significantly increase production capacity from the Dawson field.



Dawson Area



Deep Basin

In west central Alberta, 15 lower Cretaceous gas wells were completed in the **Wild River** area.

Critical regulatory approval for commingling Viking to Cadomin reservoirs was obtained in the quarter allowing Anadarko to immediately complete up to 6 zones per well.

Other Canada

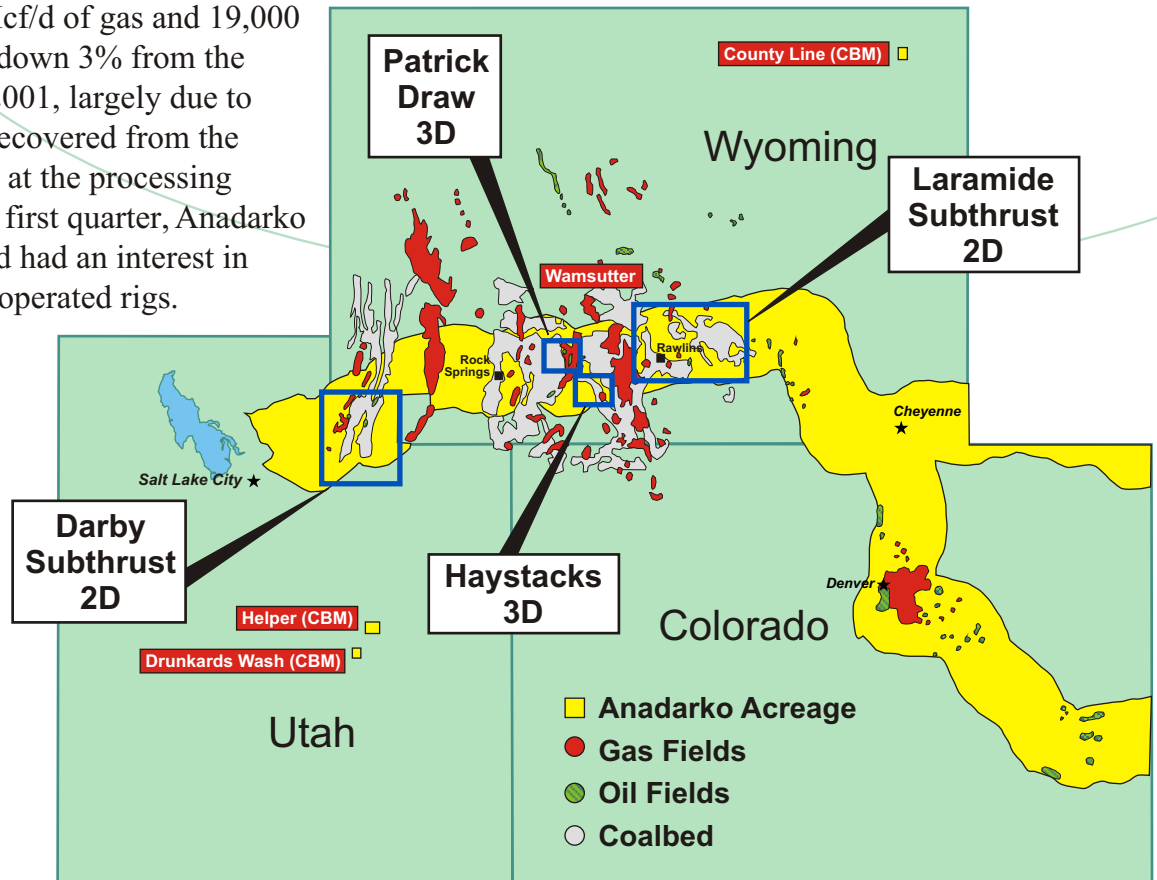
Anadarko's heavy oil production was strong during the quarter at 20,500 Bbls/d. Twenty-four heavy oil wells are expected to be drilled in the second and third quarters.

In southwest Saskatchewan, a total of 70 shallow gas wells were drilled. Additional compression in the quarter added incremental production of 3 MMcf/d.



Anadarko encouraged with initial processing of seismic

Total net production in the quarter averaged 296 MMcf/d of gas and 19,000 Bbls/d of liquids, down 3% from the fourth quarter of 2001, largely due to ethane not being recovered from the natural gas stream at the processing plants. During the first quarter, Anadarko operated 2 rigs and had an interest in another 7 outside-operated rigs.



Exploration

Anadarko's exploration efforts during the quarter were focused on the processing of the 415 square miles of 3D and 350 miles of 2D seismic data acquired in late 2001 on the Land Grant. Final processing and loading of the data sets began in late March and will continue into the second quarter. Interpretation of the Haystacks 3D, and the Overthrust and Hanna 2Ds has begun. The Company expects to have multiple prospects identified later this year.

The Clifton Hollow prospect, operated by Anschutz, reached a total depth of 13,600 feet, and was plugged and abandoned.

Coal Bed Methane

Anadarko's 3 operated coal bed methane properties achieved record gross production of 59 MMcf/d in the first quarter. *Drunkards Wash* combined with *Helper*, both located in the Uinta Basin of Utah, were producing 51 MMcf/d. At *County Line*, the Company's Big George project in the Powder River Basin of Wyoming, production increased to 8 MMcf/d. During the quarter, 50 new wells in County Line were brought on line and have commenced de-watering. CBM gas production is expected to steadily increase throughout the year. The Company continues to evaluate new CBM opportunities on the Land Grant and anticipates a pilot drilling program in the second half of the year.

Western States

Development

Anadarko continued to exploit the Almond and Lewis formations within the greater **Wamsutter** area successfully extending production limits both to the east and west. The Company plans to drill as many as 21 operated wells in 2002. During the first quarter, 7 wells were completed. Notable wells in the quarter were:

Red Desert 10-1 (APC 100% WI) tested 1.2 MMcf/d and 130 Bbls/d of condensate

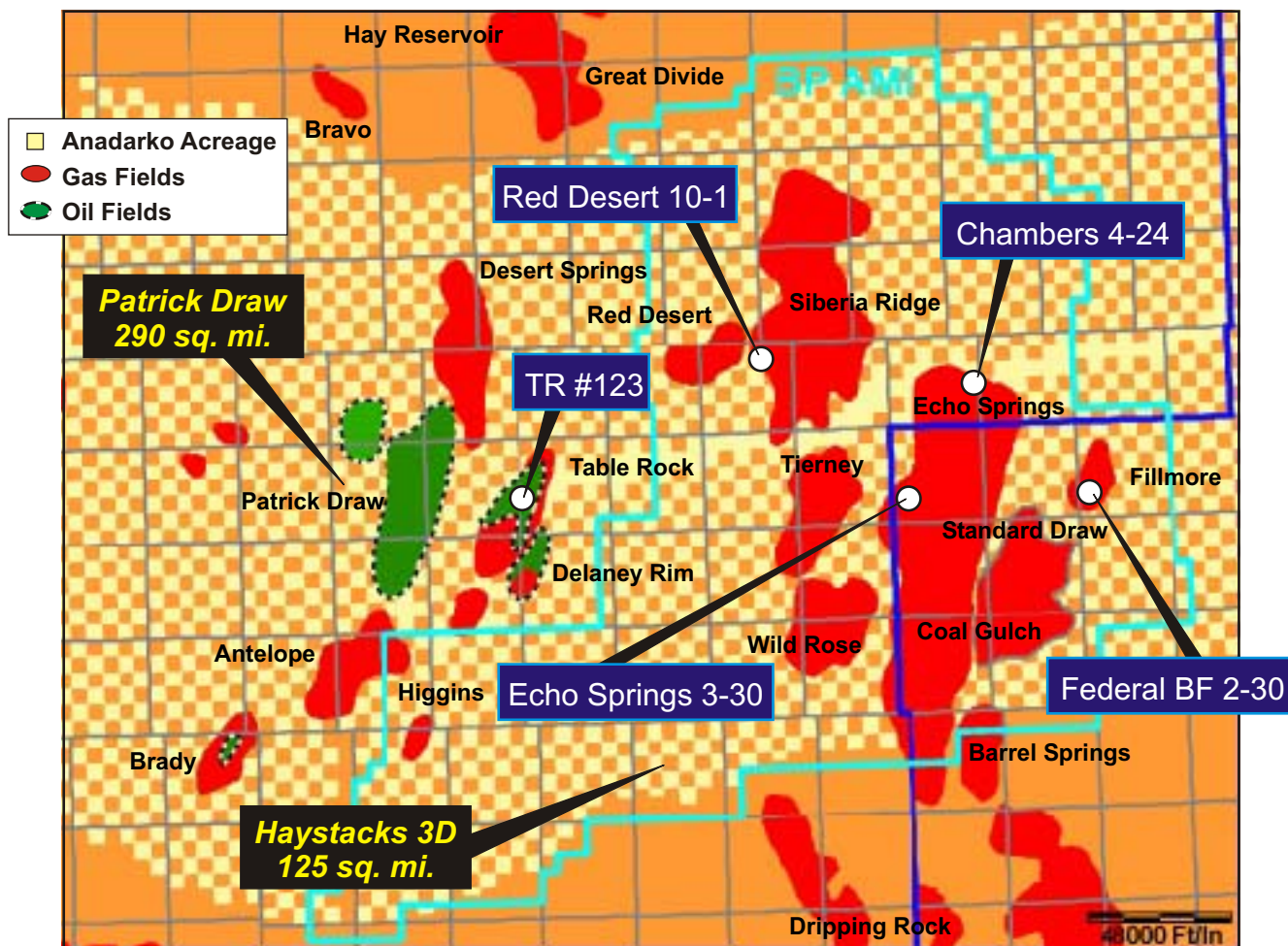
Chambers #4-24 (APC 54% WI) tested 2.0 MMcf/d and 46 Bbls/d of condensate

Echo Springs 3-30 (APC 100% WI) tested 2.0 MMcf/d and 76 Bbls/d of condensate

Federal BF 2-30 (APC 100% WI) tested 2.2 MMcf/d and 130 Bbls/d of condensate

Anadarko also participated in 20 Wamsutter area wells drilled during the quarter with BP, which has reinitiated a 5-rig program in the area. (APC 25% average WI)

In the **Table Rock** field, located in Sweetwater County, Wyoming, the **TR #123** (APC 50% WI) was successfully drilled to the Weber formation at a total depth of 18,000 feet. The well tested 10.5 MMcf/d of sour gas, which will be processed at the nearby Table Rock sweetening plant. The Company expects the well to be on production early in the second quarter.



Bossier Play



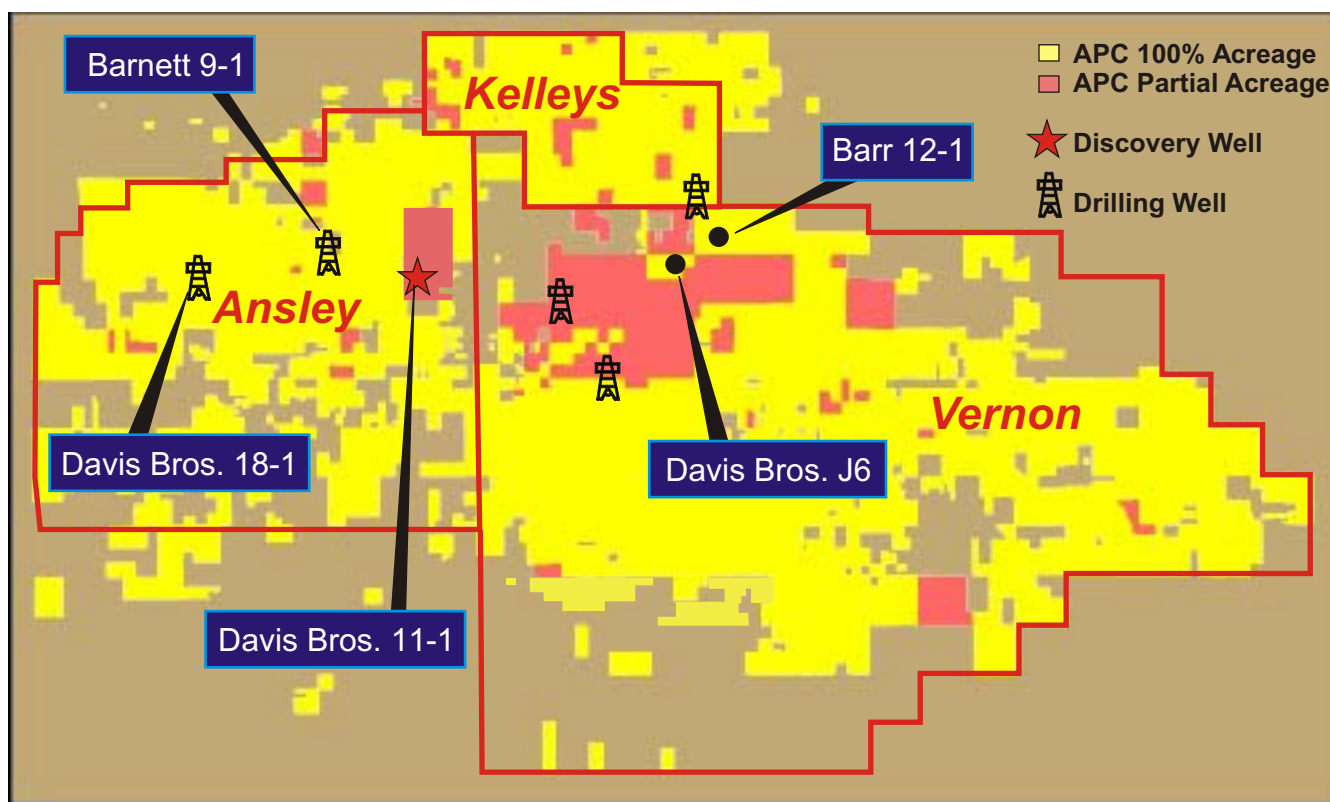
During the quarter, the Company operated an average of 6 rigs as it continued to successfully exploit the 1 Tcf of ultimate reserve recovery in the **Vernon** area. Ten wells were completed in the first quarter, of which only one was a dry hole. A couple of key wells include the **Davis Bros. J6** (APC 90% WI) which tested at a record initial production rate of 14.5 MMcf/d and the **Barr 12-1** (APC 100% WI) which tested at 13.0 MMcf/d.

Ansley discovery extends field potential westward

North Louisiana

Vernon field produced an average of 70 MMcf/d (51 MMcf/d net) in the first quarter and set field production records, producing more than 85 MMcf/d for a single day and averaging over 74 MMcf/d (55 MMcf/d net) in March.

An important exploration well, **Davis Bros. 11-1** (APC 52% WI), was completed in the **Ansley Prospect** area, west of the Vernon Field during the quarter. This initial discovery well, which tested at 8 MMcf/d, significantly expands the potential of the play. Two more exploration wells, **Barnett 9-1** (APC 100% WI) and **Davis Bros. 18-1** (APC 100% WI), are currently drilling in the same area.



Bossier Play

East Texas Bossier

Production volumes from the East Texas Bossier fields remained fairly steady during the first quarter averaging 281 MMcf/d (217 MMcf/d net) even as drilling activity slowed. Compared with the fourth quarter 2001 - 272 MMcf/d (216 MMcf/d), volumes were essentially flat.

Anadarko, using an average of 10 operated rigs in the quarter, continued to focus on building inventory and identifying new reserves by drilling a combination of development, field step-out and exploration wells. A total of 21 wells were completed, several of which have extended known field limits and have identified additional drilling opportunities. Some of the better wells, which helped stabilize volumes this quarter, include:

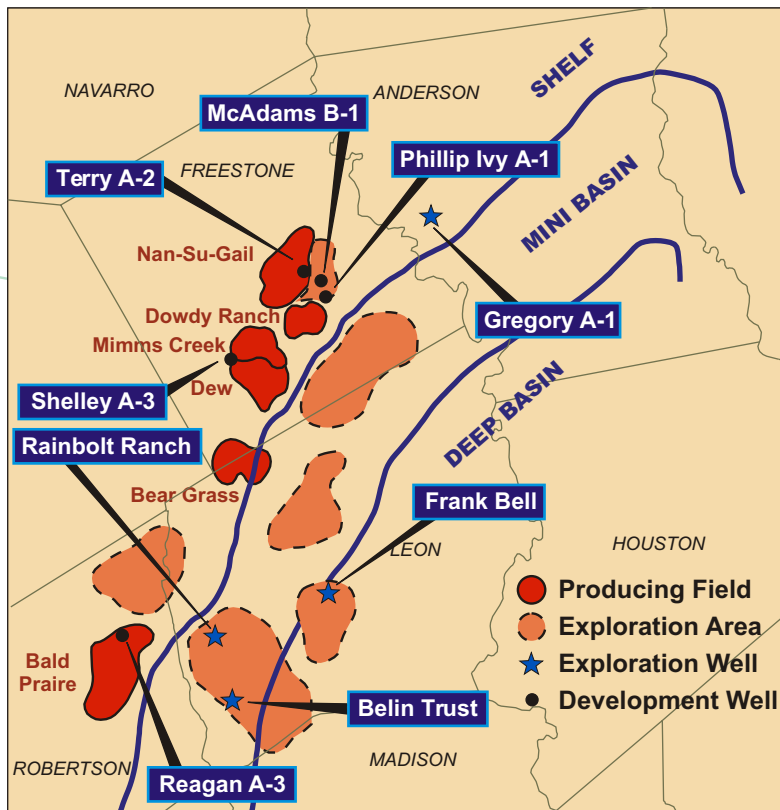
McAdams B-1 (APC 86% WI) tested 13.3 MMcf/d

Phillip Ivy A-1 (APC 100% WI) tested 9.6 MMcf/d

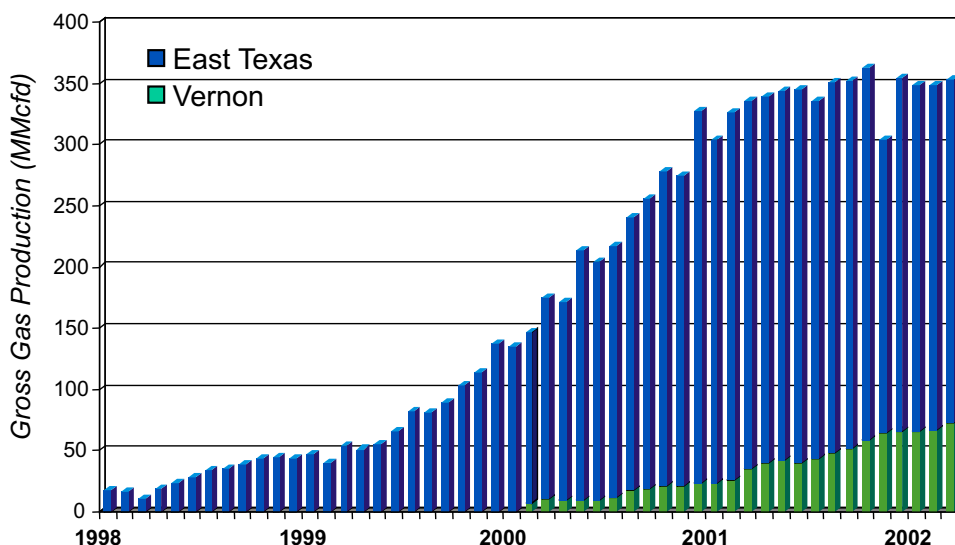
Reagan A-3 (APC 100% WI) tested 6.0 MMcf/d

Terry A-2 (APC 100% WI) tested 5.7 MMcf/d

Shelley A-3 (APC 100% WI) tested 5.2 MMcf/d



The Company drilled 4 exploration wells during the quarter. Results from the Rainbolt Ranch, Frank Bell RE, Belin Trust and Gregory wells are being evaluated.



Central Texas



Anadarko exploring other potential zones

In the Giddings field, Anadarko continued with its horizontal-drilling program targeting the multiple pay zones in Central Texas. The Company is also exploring opportunities to apply horizontal drilling technology to other potential zones including the Edwards, Glen Rose and James Lime.

During the quarter, Anadarko operated 6 rigs throughout the play. Anadarko's net volumes in Central Texas averaged 160 MMcf/d and 13,500 Bbls/d for the quarter, down about 14% from the fourth quarter 2001, mainly due to declines from the deep Georgetown producing area which now has stabilized.

As part of the Company's redevelopment program of the Austin Chalk, Buda and Georgetown formations, 10 wells were re-entered and another 4 wells were drilled during the first quarter.



Austin Chalk formation wells include:

Neibel JB #1-R (APC 75% WI) tested 408 Bbls/d and 2.8 MMcf/d

Lehman-Heirs #1 (APC 100% WI) tested 280 Bbls/d and 1.3 MMcf/d

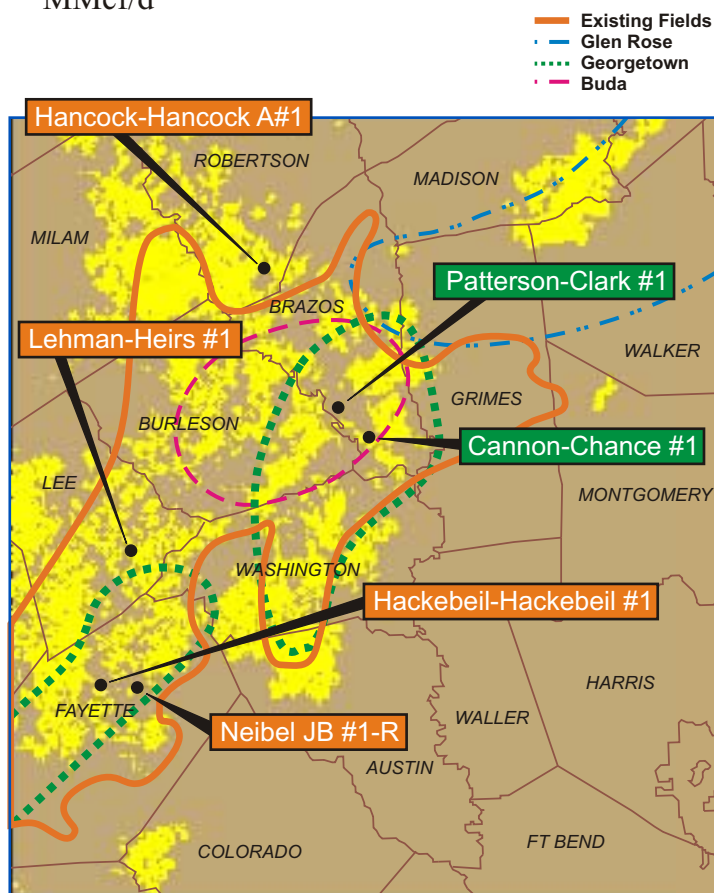
Hackebeil-Hackebeil #1 (APC 91% WI) tested 714 Bbls/d and 1.0 MMcf/d

Hancock-Hancock A# 1 (APC 100% WI) tested 596 Bbls/d and 0.1 MMcf/d

Georgetown formation wells include:

Cannon-Chance #1 (APC 100% WI) tested 2.2 MMcf/d

Patterson-Clark #1 (APC 73% WI) tested 1.8 MMcf/d

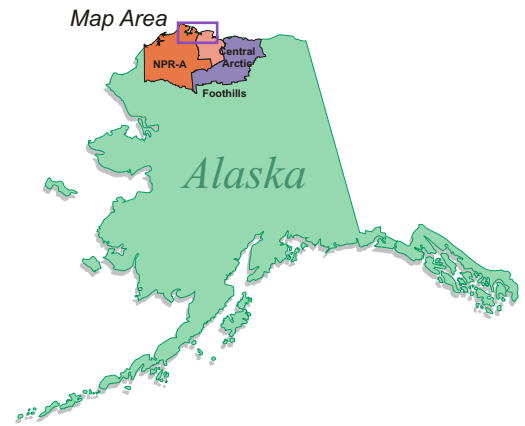


In addition to the drilling activity, the Buda and Austin Chalk re-frac program continues to add production. The 11 wells completed in the first quarter had an average production increase of 350%.

Alpine and Satellite fields

The Alpine field (APC 22% WI) produced an average of 98,200 Bbls/d of oil in the first quarter. During the first quarter, the development drilling program continued, with 4 wells (all injectors) drilled and completed and a fifth well drilled to casing point before moving the rig off CD2 drillsite to drill **Nanuq #5**. The Nanuq #5 well was drilled to further delineate the southern extent of the Nanuq accumulation. The rig then moved back to CD2 to continue drilling at Alpine.

Anadarko and Phillips (the operator) continued work on the Alpine expansion, which will increase oil production capacity to 135,000 Bbls/d to handle the higher than expected production rates from Alpine and the new production anticipated from the satellite fields. The expansion will be completed in two phases over 2003 & 2004. Engineering and permitting work is in progress on the satellite fields - Fiord and Nanuq, which are estimated to contain about 90 MM Boe.



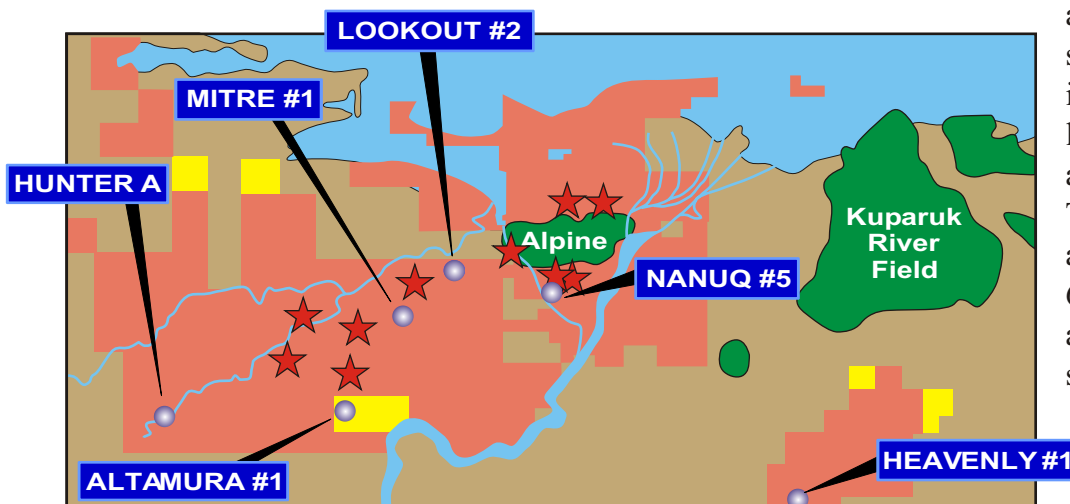
Exploration

Another active winter exploration season is in progress on the North Slope of Alaska. It got off to a late start due to unfavorable weather conditions, which pushed ice road construction into January. The winter access season is expected to end the first week of May, typical by historical standards.

The Company is participating in drilling 5 wells and testing several of them. Anadarko drilled its first operated wildcat on the North Slope. The exploration well, **Altamura #1** (APC 100% WI), is located in the NPR-A just south of the Moose's Tooth discovery. Drilling operations have gone as expected. Three other wells (APC 22% WI) were spudded in the NPR-A which included **Lookout #2** and **Mitre #1**, both delineation wells in the Moose's Tooth area, and **Hunter A**, an exploration well, located farther west. In the Central Arctic, another exploration well, the **Heavenly #1** (APC 22% WI) is being drilled.

In the first quarter, Anadarko participated in the acquisition of over 1,000 square miles of 3D seismic in the NPR-A preparing for lease sales later this year and 2003 drilling activity. The Company is also acquiring approximately 600 miles of 2D seismic and 350 square miles of 3D seismic in the Foothills.

- ★ 2000-2001 Drilling
- 2002 Drilling



Other - U.S. Onshore

South Louisiana

Development of the Kent Bayou field (APC 67% WI) in Terrebonne Parish, Louisiana, continued in the first quarter. The Company recompleted the **CL&F #3** and **CL&F #6** into the Etouffee #1 and #2 sand formations. The #3 tested 36 MMcf/d and 7,100 Bbls/d, and the #6 tested at 26 MMcf/d and 4,000 Bbls/d. With recompletions, the field was producing a record 96 MMcf/d and 20,800 Bbls/d of condensate.



Hugoton Embayment

Anadarko continued to successfully utilize 3D seismic to identify and high-grade prospects in deeper zones of the Hugoton Embayment, located in southwest Kansas and the Oklahoma and Texas panhandles. During the quarter, 12 wells were completed with a 67% success rate. In Beaver County, Oklahoma, 3 wells on the **Brown "L"** lease (APC 86% WI) were completed in the Chester formation and tested at a combined rate of 2,000 Bbls/d and 1.3 MMcf/d. The **Henshaw A-1** (APC 75% WI), located in Morton County Kansas, flowed at 10.5 MMcf/d from the lower Morrow formation.

In addition, during the quarter, the Company completed 2 new 3D seismic programs totaling 148 square miles, which supplements its already extensive 3D seismic library of 1,300 square miles in the Hugoton Embayment.

California East Lost Hills

Production for the **ELH #1** in the quarter averaged 1.8 MMcf/d of natural gas, 50 Bbls/d of condensate and 7,000 Bbls/d of water.

Due to the excessive water producing characteristics of this play, Anadarko has been actively pursuing an alternative water disposal option over the last year. Negotiations are proceeding with nearby landowners to lease a site for a disposal well, which has been permitted.

The Company has recently run casing on the **ELH #4** and **ELH #9** and is preparing to complete these wells. The **ELH #2** remains shut-in awaiting further evaluation. **Pyramid Hills 1-9**, located about 20 miles to the northwest of East Lost Hills, spudded late in 2001 and is drilling at a depth below 16,000 feet. The well should reach targeted depth of 18,500 feet during the second quarter.

Divestitures

Purchase and sale agreements have been executed on the South Texas and South Louisiana divestiture packages with closings scheduled in April and May, respectively. Net production from the properties averaged 16 MMcf/d and 290 Bbls/d in the first quarter.



Other - International

Qatar

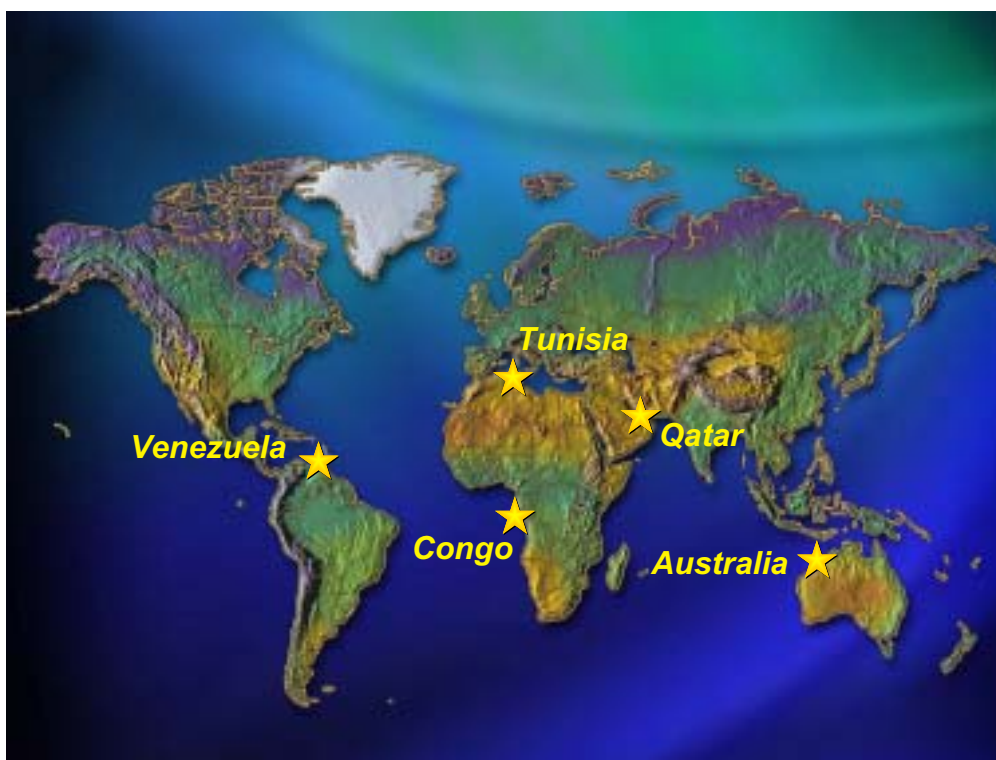
In Qatar, re-development of the *Al Rayyan* field (APC 65% WI) continued as scheduled. During the quarter, 4 development wells were drilled through intermediate casing depth. The horizontal portion of the wells will be drilled in the second quarter. The main construction contract was awarded and the platform has been moved to UAE where the facilities and living quarters are being constructed. Production from the field averaged 16,050 Bbls/d (6,100 Bbls/d net) during the first quarter.

Congo

The Transocean deepwater rig H.G Hulme, Jr. has been contracted to drill the *Rita* prospect (APC 42.5% WI) on the Marine IX block, offshore Congo. The company expects to drill the well late in the second quarter.

Venezuela

Daily oil production from the Venezuela *Oritupano-Leno* Block (APC 45% WI) reached another record level of 53,900 Bbls/d on February 10th and averaged about 51,600 Bbls/d (23,200 Bbls/d net) for the first quarter. The field is recognizing the benefits of the additional water handling facilities installed in 2001.



Tunisia

The Company completed 2 2D seismic programs totaling 431 kilometers over the *Auaquid* (317 km) and *Jenein Nord* (114 km) Blocks, and is in the process of firming up an inventory of drillable prospects.

Australia Northwest Shelf

During the quarter, Anadarko drilled 3 exploratory wells, *Sleeper*, *Sebring* and *Anson North*, which were all unsuccessful.