



NEWS

INITIAL ENGINEERING AND DESIGN CONTRACT AWARDED FOR EL MERK DEVELOPMENT, ALGERIA

HOUSTON, March 16, 2006 – Sonatrach and Anadarko Petroleum Corporation (NYSE:APC), on behalf of the El Merk partners (Maersk Olie Algeriet AS, Eni Oil Algeria Limited, Eni Algeria Limited Sarl, Burlington Resources Algeria LLC, Talisman (Algeria) BV and Teikoku Oil (Algeria) Co., Ltd.) today announced the award of an initial engineering and detailed design contract for their proposed El Merk development in Algeria to Brown & Root – Condor.

The El Merk development, located in Block 208, 90 kilometres (56 miles) south of the Sonatrach/Anadarko-operated Hassi Berkine South (HBNS) facility, will include a central processing facility, export pipelines and field infrastructure. The entire El Merk development will be operated by the Sonatrach-Anadarko Association.

The facility will serve as a production hub for the region, processing hydrocarbons from Block 208 (operated by the Sonatrach/Anadarko Association), Block 212 (operated by the Sonatrach/Eni Association), the unitized El Merk field (located on a portion of both Block 208 and Sonatrach/Burlington-operated Block 405a), and liquid-rich gas from HBNS.

Hydrocarbons from the four fields discovered by the Sonatrach/Anadarko Association in Block 208 – El Merk North, El Merk East, El Merk and El Kheit Et Tesseka – together with hydrocarbons from the other areas, will be produced through oil and natural gas liquid processing facilities with a combined capacity of 108,000 barrels of oil per day, 55,000 barrels of condensate per day and 75,000 barrels of LPG per day.

“We are pleased to have reached this key stage in the El Merk project, which moves us closer to our target of first production from the facility in late 2008,” said Bob Daniels, Anadarko Senior Vice President, Exploration and Production. “The El Merk development is a significant component of Anadarko’s growth strategy.”

Daniels added that the project is expected to bring far-reaching economic benefits to the country during construction and beyond through the creation of jobs and extensive business opportunities for Algerians.

Design work has already begun and successful completion of this initial engineering and design study will pave the way for formulation of the engineering, procurement and construction (EPC) contract, which is expected to be finalized in 2006.

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 2005, the company had 2.45 billion barrels-equivalent of proved reserves, making it one of the world's largest independent exploration and production companies. Anadarko's operational focus in North America extends from the deepwater Gulf of Mexico, up through the western U.S. and Canadian regions and onto the North Slope of Alaska. Anadarko's international activities are focused on its major positions in North Africa, the Middle East, Indonesia and exploration or production operations in several other countries. For more information about how Anadarko is bringing excellence to the surface, 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. See "Risk Factors" under Item 1a in the company's Annual Report on Form 10-K and other public filings, press releases and discussions with company management. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.

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