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## **ANADARKO ANNOUNCES SALE OF NATURAL GAS ASSETS IN OKLAHOMA AND TEXAS**

**HOUSTON**, Feb. 2, 2007 – Anadarko Petroleum Corporation (NYSE: APC) today announced it has agreed to sell its interests in certain natural gas properties in Oklahoma and Texas to EXCO Resources, Inc. (NYSE: XCO) for \$860 million. The sale is effective Jan. 1, 2007.

"We are very pleased with the progress we have made with our asset sales program and debt reduction. In the six months since closing the acquisitions of Kerr-McGee and Western Gas Resources in August, we have announced property sales approaching \$9 billion in after-tax proceeds. We have accomplished this in light of a highly volatile commodity market and are ahead of the schedule for asset dispositions we have previously communicated," Anadarko Chief Financial Officer Al Walker said. "We currently expect our pro-forma debt-to-capital ratio at the end of the first quarter, assuming all the transactions announced to date are closed, to be approximately 50 - 55 percent. During the balance of the first half of the year we expect to announce additional transactions and continue to believe we will accomplish our goals for balance sheet restoration during 2007."

At year-end 2006, the 155 fields included in the sale were producing about 103 million cubic feet equivalent of natural gas per day (net) from more than 1,300 wells. About 69 percent of the properties are operated by Anadarko. Natural gas accounted for more than 80 percent of the 2006 production.

The agreement is expected to close during the second quarter of 2007, subject to customary closing conditions and adjustments.

Tristone Capital marketed the assets, while Lehman Brothers served as Anadarko's financial advisor.

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 2.4 billion barrels-equivalent of proved reserves, making it one of the world's largest independent exploration and production companies. In August 2006, Anadarko acquired Kerr-McGee Corporation and Western Gas Resources, Inc. in separate transactions.

*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. Anadarko cannot guarantee that it will successfully integrate the recently acquired businesses or complete its pending or proposed asset sales. See “Risk Factors” in the company’s 2005 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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#### **ANADARKO CONTACTS**

##### **Media:**

Susan Richardson, [susan.richardson@anadarko.com](mailto:susan.richardson@anadarko.com), 832.636.1537

John Christiansen, [john.christiansen@anadarko.com](mailto:john.christiansen@anadarko.com), 832.636.8736

##### **Investors:**

John Colglazier, [john.colglazier@anadarko.com](mailto:john.colglazier@anadarko.com), 832.636.2306

Stewart Lawrence, [stewart.lawrence@anadarko.com](mailto:stewart.lawrence@anadarko.com), 832.636.3326