



ANADARKO ANNOUNCES SALE OF PARTIAL INTEREST IN K2 UNIT IN THE GULF OF MEXICO

HOUSTON, March 12, 2007 – Anadarko Petroleum Corporation (NYSE: APC) today announced it has agreed to sell a portion of its interest in the K2 Unit in the Gulf of Mexico to two undisclosed parties for \$1.2 billion. The sale is effective Jan. 1, 2007.

Year to date, gross daily production averaged 37,100 barrels of oil equivalent per day from six wells within the K2 Unit, in which Anadarko currently has a 65 percent working interest and is operator. The sale represents a 23.2 percent working interest. Following the transaction, Anadarko will remain the K2 Unit operator with a 41.8 percent working interest.

“This partial sale affirms our view of the value of this field and its contribution to our equity story, as well as keeping us ahead of schedule on debt reduction efforts,” Anadarko Chief Financial Officer Al Walker said.

“This transaction allows us to both diversify our risk profile and retain a meaningful working interest as the operator in the unit,” Anadarko Chairman, President and Chief Executive Officer Jim Hackett said. “We believe there is outstanding upside potential in this unit and are working with our partners to finalize plans to enhance the recovery of oil from this large reservoir.”

“We believe getting our debt reduced quickly and maintaining a solid investment grade credit rating are integral to the successful execution of our business model,” Hackett said. “We continue to be very pleased with the pace of, and values realized in, our divestiture program.”

The transaction is expected to close in the second quarter of 2007, subject to applicable pre-emption rights of co-owners in the subject leases and other closing conditions agreed to by the parties.

Scotia Waterous marketed the assets, while UBS and Credit Suisse served as Anadarko’s financial advisors.

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 2006, the company had 3.0 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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