Wattenberg HZ Operations
ACEC Energy & Environmental Committee
August 9, 2013
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: Anadarko’s ability to meet financial and operating guidance; 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, secure necessary government approvals, finance, build and operate the necessary infrastructure and LNG plant; to achieve its production and budget expectations on its mega projects; 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; and 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. Other factors that could impact any forward-looking statements are described in “Risk Factors” in the company’s 2011 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 website at 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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Anadarko’s Mission and Values

Anadarko’s mission is to provide 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.

- Integrity and Trust
- Servant Leadership
- People and Passion
- Commercial Focus
- Open Communication
The Niobrara Shale

<table>
<thead>
<tr>
<th>Emerging Oil Play Position</th>
<th>Net Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Wattenberg Acreage</td>
<td>350,000</td>
</tr>
<tr>
<td>Additional DJ Basin Acreage</td>
<td>550,000</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>900,000</strong></td>
</tr>
</tbody>
</table>

- **Competitive Advantage of Land Grant**
  - Mineral Acreage – 100% WI, 100% NRI
  - Held in Perpetuity, No Lease Bonus

- **Extensive Subsurface Knowledge**
  - 5,500 Operated Wells
  - 120,000+ BOE/d Net Production
  - Joint Ventures in DJ

- **Established Midstream Infrastructure**
  - Natural Gas Gathering & Processing
  - White Cliffs Oil Pipeline

- **Drilled 178 Horizontal Wells in 2012**
  - Currently Running 13 Horizontal Rigs
  - Estimated 300+ Wells Drilled in 2013
  - ~$1.5 billion investment in 2013
The Equipment: From Drilling Rig to Producing Well

Drilling Rig (1 - 2 Weeks per Well)

Hydraulic Fracturing and Associated Activity (<5 Days)

Producing Well (20+ Years)
Horizontal Well Construction

- COGCC Closely Regulates Wellbore Construction
- Multiple Layers of Steel Pipe (Casing) Protect the Aquifer and are Cemented in Place to the Surface.
  - 9-5/8” casing & cement set at 600–1,200’
  - 7” casing set at ~8,000’ and cemented into previous casing
- More Than a Mile of Solid Rock Separates Producing Formations from Aquifers.
- Closed Loop – No Reserve Pit
  - Dry formation cuttings are collected, flowback water is presently disposed of in permitted disposal wells.
- Offset Wells must be Safety Prepped before HRZ Well is Drilled.
- Non-Producing Wells are Sealed in Accordance with Regulations
Horizontal Drilling – Significant Surface-Space Reduction

Traditional Vertical Wells

- Traditional Vertical Wells

Horizontal Drilling

- Horizontal Drilling
Hydraulic Fracturing

- Essential Technology in Oil and Natural Gas Production from Tight Sands and Shales

- Involves Injecting a Mixture of Water, Sand and a Relatively Small Amount of Additives Under Pressure into Targeted Formations

- Pressure Creates Pathways, Propped Open by Sand, for Oil or Natural Gas to Flow to the Wellbore

1+ Mile Separates Aquifer from Fractured Formation

Multiple Layers of Protective Steel and Cement
Hydraulic Fracturing Equipment

- Frac Van
- Blender
- Wellhead
- Sand tanks
- Water tank
- Pump trucks
Hydraulic Fracturing Technology

- **Equipment**
  - Water Tanks
  - Pump Trucks
  - Sand Storage
  - Blenders

- **Frac Design**
  - Primarily Water and Sand
  - Additives Include:
    - Gel (milk shake thickener)
    - Biocide (bleach)
    - Friction reducer
      (polymer used in make-up, nail and skin products)

**Anadarko Publicly Shares the Ingredients of All Hydraulic Fracturing Operations at www.FracFocus.org**
Hydraulic Fracturing is Transparent

- Anadarko was Instrumental in Creating the Ground Water Protection Council’s Online Public Registry that Enhances Transparency by Publicly Sharing the Ingredients Used in Hydraulic Fracturing on a Per-Well Basis.

Fracfocus.org

- GWPC’s Online Public Registry
- Publicly Shares All Fracing Ingredients on an Individual-Well Basis
- Available to Anyone at Any Time
Protecting Water Quality in Colorado

- COGCC Regulates Water Well Sampling
- Independent Third-Party Experts Collect Water Samples Prior to Drilling ...
- And Again After Drilling
- To Ensure Water Quality is Protected

All Water-Quality Data is Maintained by the Colorado Oil and Gas Conservation Commission
Water Usage – (http://cogcc.state.co.us/)

**Water Demands in Colorado**

The table below shows the amount of water currently diverted for beneficial use for all uses in Colorado on an average annual basis. It is important to note that water use in Colorado varies significantly on a year to year basis, and the projected increase in demand for hydraulic fracturing is well within Colorado’s current year to year variation. This table is broken down into three categories. The third category, “Total All Others”, is then further broken down into seven categories, including hydraulic fracturing.

<table>
<thead>
<tr>
<th>Sector</th>
<th>2010 Use (Acre-Feet/Yr)</th>
<th>Percent of State Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>16,359,700</td>
<td>爱</td>
</tr>
<tr>
<td>Agriculture</td>
<td>13,981,100</td>
<td>85.5%</td>
</tr>
<tr>
<td>Municipal and Industrial</td>
<td>1,218,600</td>
<td>7.4%</td>
</tr>
<tr>
<td>Total All Others</td>
<td>1,160,000</td>
<td>7.1%</td>
</tr>
<tr>
<td>Breakdown of “All Others”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total All Others</td>
<td>1,160,000</td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td>923,100</td>
<td>5.64%</td>
</tr>
<tr>
<td>Large Industry</td>
<td>136,000</td>
<td>0.83%</td>
</tr>
<tr>
<td>Thermoelectric Power Generation</td>
<td>76,600</td>
<td>0.47%</td>
</tr>
<tr>
<td><strong>Hydraulic Fracturing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Snowmaking</td>
<td>5,300</td>
<td>0.03%</td>
</tr>
<tr>
<td>Coal, Natural Gas, Uranium, and Solar Development</td>
<td>5,100</td>
<td>0.03%</td>
</tr>
<tr>
<td>Oil Shale Development</td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Standard Production Operations

1. Well Head
Wells produce gas, oil and water

2. Separator
The oil, gas and water are heated and separated

3a. Gas Pipeline
From the Separator, natural gas and NGLs flow to a gas processing plant via pipeline

3b. Oil Tank
Oil flows from the Separator into oil tanks. Oil is either trucked to the Oil Polishing Facility or transported via pipeline

3c. Water Tank
Water flows from the Separator into water tanks. Additionally, water settles to the bottom of the oil/condensate tank and flows into the water tank. Water is trucked out

Emission Control Device
Flares and Vapor Recovery Units are used to control emissions from the oil tanks
Committed to Environmental Excellence

- **Automation**
  - *Facility Response and Monitoring*

- **Liquids Gathering Pipelines**
  - *Greatly Reduces Truck Trips, Vehicle Emissions*

- **Industry-Leading Facility Design**
  - *Further Emission Reductions, Reduced Surface Disturbance*

- **Modernizing Engine Fleet**

- **Voluntary Inspection and Maintenance Program**
  - *Improved Safety, Reduced Emissions*

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**Track Record of Controlling and Reducing Emissions**

- **Field Emissions Control**
  - Anadarko consistently outperforming requirements.

- **Volatile Organic Compound (VOC) Emissions**
  - Significant reduced impacts.

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Anadarko Petroleum Corporation
## Environmental Protections & Best Management Practices

- **Pad Drilling:** Reduces Surface Space
- **Closed-Loop System:** No In-Ground Open Pits
- **Water Recycling:** Conserves Water Usage
- **Green Completions:** Reduces Emissions
- **FLIR Cameras:** Identifies Potential Leaks
- **Flowline Testing:** Ensures System Integrity
- **Stuffing Box Shutoff:** Enhances Safety and Protects Environment
- **Drip Catch Pan:** Protects the Surface
- **Oil Polishing Facility:** Reduces Truck Traffic & Emissions
- **Automation:** Reduces Truck Traffic & Emissions
- **Observation Reports:** Ensures Compliance
- **Emission-Control Devices:** Reduces Emissions
Significant Benefit for Colorado

- **Supporting Employment and Growth**
  - *Anadarko directly employs more than 1,100 people in Colorado*

- **High-Quality Jobs for Colorado**
  - *Average wages 52% higher than state average*
    - Geologists, geoscientists, engineers, ...
    - Trade specialists, field operators, ...

![Anadarko’s Growing Colorado Workforce](image)
Generating Significant Tax Revenue in Colorado

**Anadarko Tax Payments**


- Each HZ Well Generates ~$500,000 in First-Year Tax Revenue

Assumes $85.00 per barrel of oil and $3.00 per thousand cubic feet of natural gas
### How Anadarko’s Activity Benefits Weld County (2011)

#### Breakdown of Anadarko Tax Payment:

<table>
<thead>
<tr>
<th>Entity &amp; Percentage</th>
<th>Amount (appx)</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Districts: 41%</td>
<td>$21,416,184</td>
</tr>
<tr>
<td>County: 23.77%</td>
<td>$12,416,163</td>
</tr>
<tr>
<td>Special Districts: 9.11%</td>
<td>$4,686,654</td>
</tr>
<tr>
<td>Fire Protection Districts: 8.51%</td>
<td>$4,445,164</td>
</tr>
<tr>
<td>Cities and Towns: 7.78%</td>
<td>$4,063,851</td>
</tr>
<tr>
<td>Junior Colleges: 7.47%</td>
<td>$3,901,924</td>
</tr>
<tr>
<td>Water Districts: 2.02%</td>
<td>$1,055,139</td>
</tr>
<tr>
<td>Water and Sanitation Districts: 0.18%</td>
<td>$94,022</td>
</tr>
<tr>
<td>Soil Districts: 0.16%</td>
<td>$83,575</td>
</tr>
</tbody>
</table>

- **Weld County: Total Property Taxes**: $383,314,114
- **Anadarko Tax Payment**: $52,234,595 = 13.6%