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FOURTH-QUARTER 2017

OPERATIONS REPORT

FEBRUARY 6, 2018

2017 HIGHLIGHTS

Continuing the Strategy

Anadarko remained focused on its core tenets in 2017, demonstrating active portfolio management, financial discipline and delivering capital-efficient growth. Capital allocation was concentrated in high-margin and infrastructure-advantaged opportunities in the Delaware Basin, DJ Basin and Deepwater Gulf of Mexico, and the company made significant advancements on its LNG project in Mozambique.

Assets Positioned to Deliver

Following value-driven capital investment reduction in 2016, Anadarko increased its U.S. Onshore rig activity in 2017, enabling the company to take necessary steps toward capturing 70% operatorship in its Delaware Basin acreage position and return to an optimal development pace of approximately 300 wells per year in the DJ Basin. Both onshore assets surpassed 2017 oil exit-rate objectives, with a combined average of more than 150,000 BOPD in December.

In the Delaware Basin, the company increased oil sales volumes by 52% year over year and continued to progress foundational components of the value-chain, securing locally sourced sand and continuing acreage trades for operational efficiency, now totaling more than 35,000 acres traded. Additionally, Western Gas and Anadarko Midstream are making significant progress on oil, natural gas and water infrastructure and are leveraging best practices from the DJ Basin playbook in the implementation of a tankless facility design, which is expected to significantly improve environmental performance and operating costs.

In the DJ Basin, Anadarko continues to leverage technology to improve operational efficiency and productivity. During 2017, the company implemented a new completion design, which resulted in a type curve uplift of more than 20% in ultimate recovery for its contiguous core wells. Drilling cycle times and well costs continued to decrease in 2017, delivering more than 50% improvement since 2014.

In the Gulf of Mexico, Anadarko increased year-over-year oil sales volumes by 85%, largely driven by the successful integration of the Freeport-McMoRan deepwater assets acquired in 2016. The company continued to leverage its unmatched infrastructure position to deliver high-margin opportunities, including the first two tiebacks to the 100%-owned Horn Mountain platform, which contributed combined incremental production of more than 25,000 BOPD.

Internationally, Ghana oil sales volumes increased by 48% year over year, largely driven by a full year of production from the TEN field, and the partnership reached milestones to resume development drilling in 2018. In Mozambique, Anadarko and its Area 1 co-venturers established the foundational legal and contractual framework, agreed to key terms including volume and price for approximately 5 MTPA of long-term offtake, and commenced resettlement and onshore site preparation.

Continued Portfolio Management Accelerates Shareholder Returns

In 2017, Anadarko closed more than $4 billion of monetizations, resulting in a high-graded portfolio that is more than 55% oil weighted. Cash raised through divestitures bolstered the company's balance sheet and enhanced financial flexibility in 2017. In September, Anadarko announced a $2.5 billion share repurchase program, funded from its strong cash position. Approximately $1.6 billion of the program has been completed to date.

DJ Basin, Colorado

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

FOURTH-QUARTER & FULL-YEAR 2017 DELIVERY

Sales Volumes

Sales volumes for the quarter were 57 MMBOE, or 628,000 BOE/d, representing an 8% increase from the 4th quarter of 2016 on a divestiture-adjusted basis. Oil sales volumes were 367,000 BOPD, a 4% increase from 3rd quarter on a divestiture-adjusted basis. Fourth-quarter oil sales volumes exceeded the high end of guidance due to strong performance from the DJ and Delaware basins, both of which delivered more than 20% quarter-over-quarter oil growth and surpassed year-end oil exit-rate targets.

In 2017, full-year same-store sales volumes averaged 621,000 BOE/d, a 14% increase from the prior year. Oil sales volumes were 349,000 BOPD, representing a 24% increase from 2016 on a divestiture-adjusted basis. Primary contributors to year-over-year oil growth include increased activity in the Delaware Basin, ramping production at the TEN field in Ghana and the integration of Freeport-McMoRan deepwater assets in the Gulf of Mexico.

Capital Investments

Fourth-quarter capital investments were within guidance at $1,209 million, excluding $295 million of capital investments made by WES.

Full-year 2017 capital investments were at the midpoint of guidance at $4,344 million, excluding $956 million of capital investments made by WES. Upstream capital investments were $3,779 million.

Reserves

Anadarko replaced approximately 100% of its production in 2017 by organically adding 244 MMBOE of proved reserves, before the effects of price revisions. The company's oil and natural gas exploration and development costs were approximately $4.2 billion.*

The company ended the year with estimated proved reserves of 1.44 billion BOE, comprised of 63% liquids with approximately 78% proved developed.

* See non-GAAP definition and reconciliation on Page 16.

2017 SALES VOLUMES FULL YEAR TOTAL COMPANY**	ACTUAL	OCTOBER GUIDANCE
MMBOE	227	224 – 228
MBOPD	349	343 – 348

*** Initial 2017 guidance was adjusted in July and October as a result of the Eaglebine, Utah CBM and Moxa divestitures, impact of NTO-related work in the DJ Basin and deferred production from Hurricanes Harvey, Irma and Nate.*

SALES VOLUMES

	4Q17 Oil MBOPD	4Q17 NGLs MBbl/d	4Q17 Gas MMcf/d	4Q17 MMBOE	4Q16 Oil MBOPD	4Q16 NGLs MBbl/d	4Q16 Gas MMcf/d	4Q16 MMBOE
Lower 48	156	79	934	35	120	76	986	33
Gulf of Mexico	120	9	85	13	81	9	93	9
Alaska (1)	11	0	0	1	11	0	0	1
Total U.S.	**287**	**88**	**1,019**	**49**	**212**	**85**	**1,079**	**43**
International (2)	80	3	0	8	96	8	0	10
Divestiture-Adjusted Sales	**367**	**91**	**1,019**	**57**	**308**	**93**	**1,079**	**53**
Divestitures (3)	0	2	45	1	28	31	802	18
Total Company	**367**	**93**	**1,064**	**58**	**336**	**124**	**1,881**	**71**

(1) *Alaska divestiture announced and closed in 1Q18.*

(2) *Quarterly sales volumes are influenced by size, timing and scheduling of tanker liftings.*

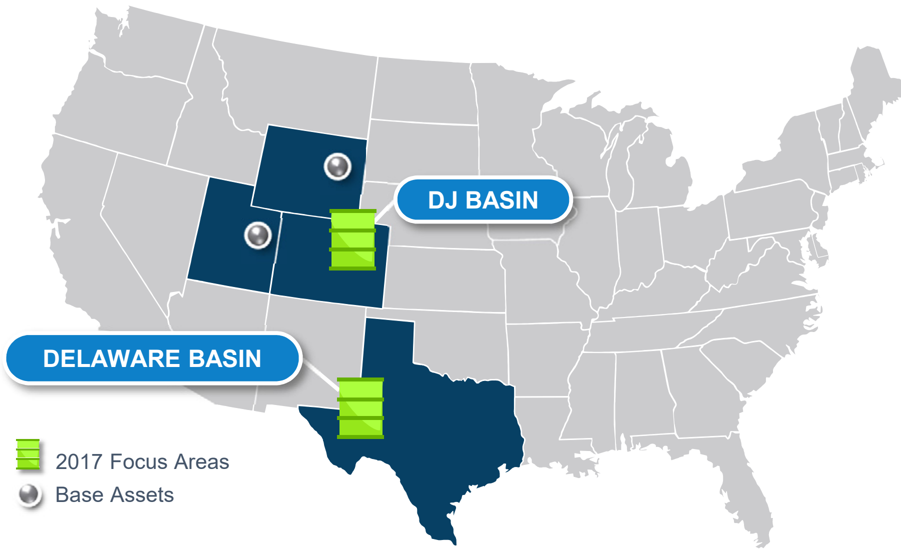
(3) *Carthage and Hugoton divestitures closed in 4Q16; Eagleford and the majority of the Marcellus divestiture closed in 1Q17; Eaglebine and Utah CBM divestitures closed in 2Q17; Moxa divestiture closed in 4Q17.*

CAPITAL INVESTMENTS

	4Q17 $MM
Lower 48	781
Gulf of Mexico	151
Alaska	23
Total U.S.	**955**
International	28
Midstream ‡	491
Capitalized Items/Other ‡	30
Total Company	**1,504**

‡ *Includes WES capital investments of $295 MM, which includes $3 MM of capitalized items.*

U.S. ONSHORE



Anadarko's U.S. Onshore assets delivered sales volumes of 391,000 BOE/d on a divestiture-adjusted basis, an increase of 9% from the 4th quarter of 2016. Oil sales volumes were 156,000 BOPD, representing a 23% increase from the 3rd quarter on a divestiture-adjusted basis, largely driven by exceptional performance from the DJ and Delaware basins, both of which delivered more than 20% quarter-over-quarter oil growth and surpassed year-end 2017 oil exit-rate objectives.

As of Feb. 6, 2018, the company is operating 15 rigs, 9 of which are in the Delaware Basin, with the balance in the DJ Basin.

During the 4th quarter, Anadarko closed the previously announced divestiture of the Moxa asset in southwest Wyoming.

SALES VOLUMES

	4Q17 Oil MBOPD	4Q17 NGLs MBbl/d	4Q17 Gas MMcf/d	4Q17 MBOE/d	4Q16 Oil MBOPD	4Q16 NGLs MBbl/d	4Q16 Gas MMcf/d	4Q16 MBOE/d
DJ Basin	100	57	583	254	85	58	605	244
Delaware Basin	47	13	97	77	28	9	80	50
Greater Natural Buttes	1	7	227	46	2	8	273	56
Other	8	2	27	14	5	1	28	10
Divestiture-Adjusted Sales	156	79	934	391	120	76	986	360
*Divestitures**	0	2	45	9	28	31	802	193
Total	**156**	**81**	**979**	**400**	**148**	**107**	**1,788**	**553**

** Carthage and Hugoton divestitures closed in 4Q16; Eagleford and the majority of the Marcellus divestitures closed in 1Q17; Eaglebine and Utah CBM divestitures closed in 2Q17; Moxa divestiture closed in 4Q17.*

APC CAPITAL INVESTMENTS‡

	UPSTREAM 4Q17 $MM	MIDSTREAM 4Q17 $MM
DJ Basin	276	8
Delaware Basin	346	191
Other	159	0
Total	**781**	**199**

‡ Excludes WES capital investments.

DELAWARE BASIN

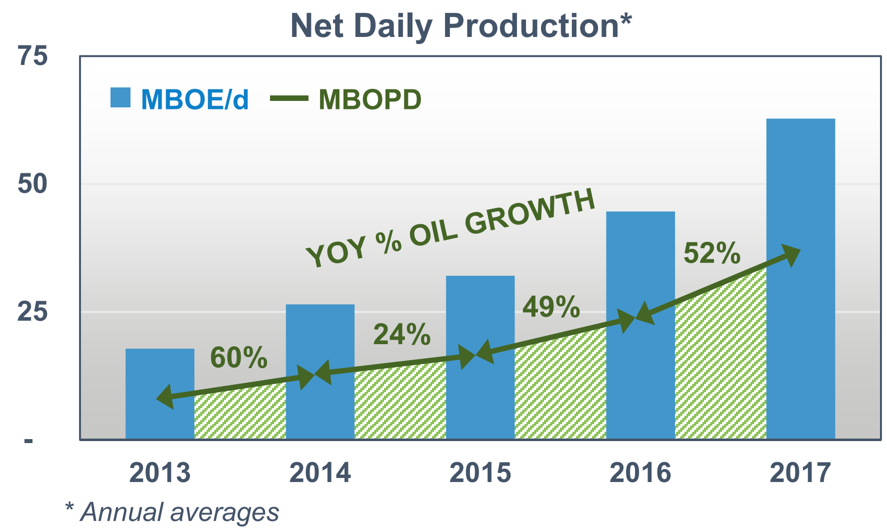
4Q17 ACTIVITY		
Average Operated Rigs	Wells Spud	Wells Turned to Sales
11	36	44

Exceeding Production Expectations

- Anadarko continued to deliver record production in the Delaware Basin, with total sales volumes in the 4th quarter of 77,000 BOE/d. Oil sales volumes averaged 47,000 BOPD, representing a 26% increase from the prior quarter and a 69% increase from the 4th quarter of 2016.
- The company exceeded the year-end oil exit-rate target of 50,000 BOPD in December.

Capturing Operatorship & Delivering Record Wells to Sales

- Anadarko concluded the drilling of operatorship-capture wells during the quarter and reduced the rig fleet to an average of 11 operated drilling rigs. Subsequent to year-end, the company further reduced the operated rig fleet to 9 rigs.
- Seven operated completion crews were maintained during the quarter, delivering a record 44 wells turned to sales, representing a 159% increase from the previous quarter. In 2017, the company turned 97 wells to sales, a 24% increase since 2016.



PROGRESSING INFRASTRUCTURE BUILD-OUT	
Ramsey Train VI	200 MMcf/d of cryogenic gas processing capacity placed in service 4th quarter 2017
Reeves ROTF	On track for first 30,000 BOPD train of planned two-train facility to be in service 2nd quarter 2018
Loving ROTF	On track to be in service 3rd quarter 2018

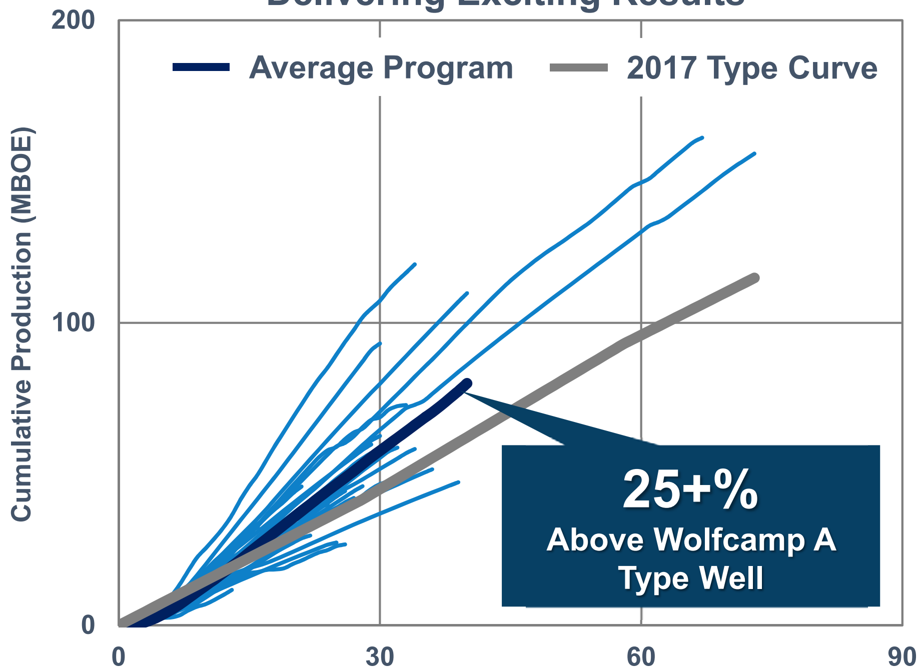

Ramsey Plant, West Texas

DELAWARE BASIN

Extended Flowback Tests Demonstrate Strong Deliverability

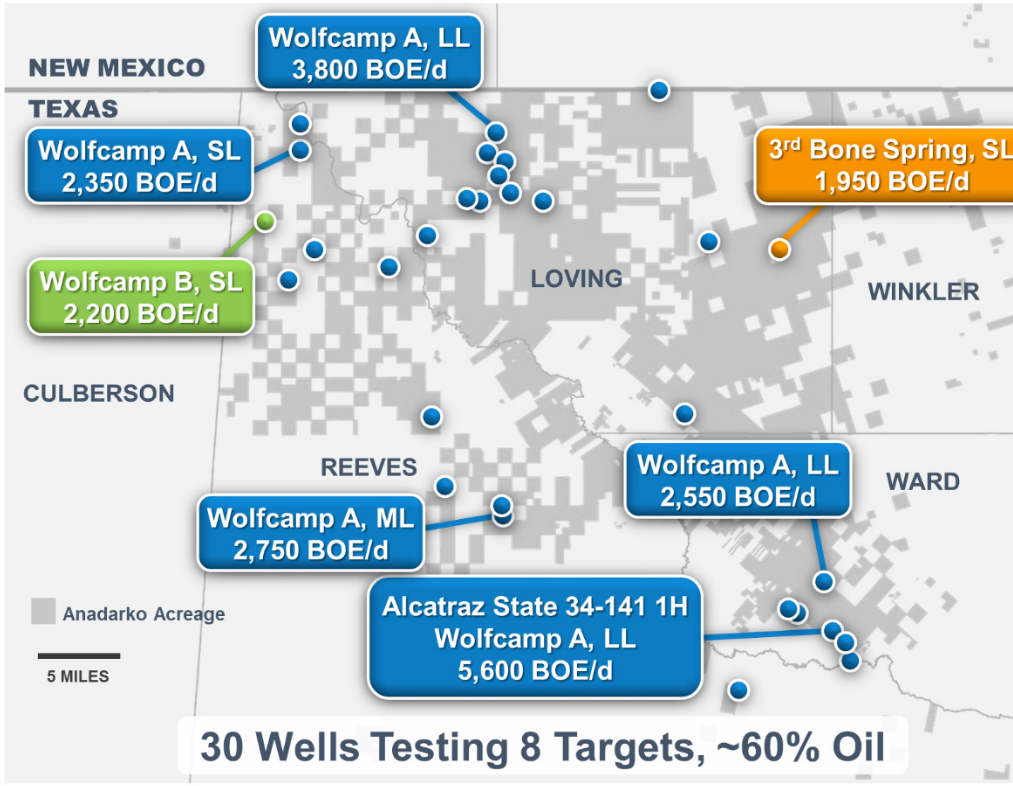
- As the company advances toward tankless production facilities, ROTFs and associated infrastructure, an extended flowback testing program was performed on 30 wells across the field. Results from the program have been strong, delivering rates more than 25% above the Wolfcamp A type curve. This early-life performance continues to demonstrate the deliverability potential of Anadarko wells across the Delaware Basin when produced through optimized facilities and infrastructure.
- The Alcatraz State 34-141 1H well, a Wolfcamp A long-lateral well located in the southern part of the acreage, reached daily rates of 5,600 BOE/d and was comprised of more than 70% oil.

Wolfcamp A Extended Flowback Program Delivering Exciting Results*



* Volumes exclude cleanup period

Maximum 24-Hour Rates (Processed BOE/d)



PROGRAM OBJECTIVES

- Characterize early-life reservoir performance
  - Multiple target intervals
  - Range of lateral lengths
  - Various completion designs
- Build confidence in well deliverability

DJ BASIN

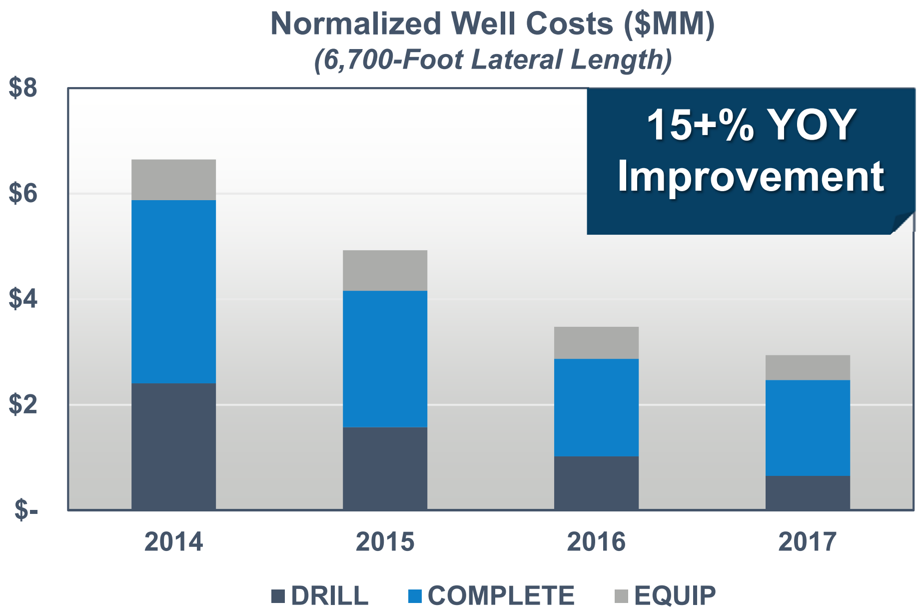
4Q17 ACTIVITY		
Average Operated Rigs	Wells Spud	Wells Turned to Sales
6	80	81

Exceeding Production Expectations

- Anadarko continued to deliver record production in the DJ Basin, with total sales volumes for the quarter of 254,000 BOE/d. Oil sales volumes were 100,000 BOPD, representing a 20% increase from the previous quarter.
- The company exceeded the year-end oil exit-rate target of 100,000 BOPD in December.

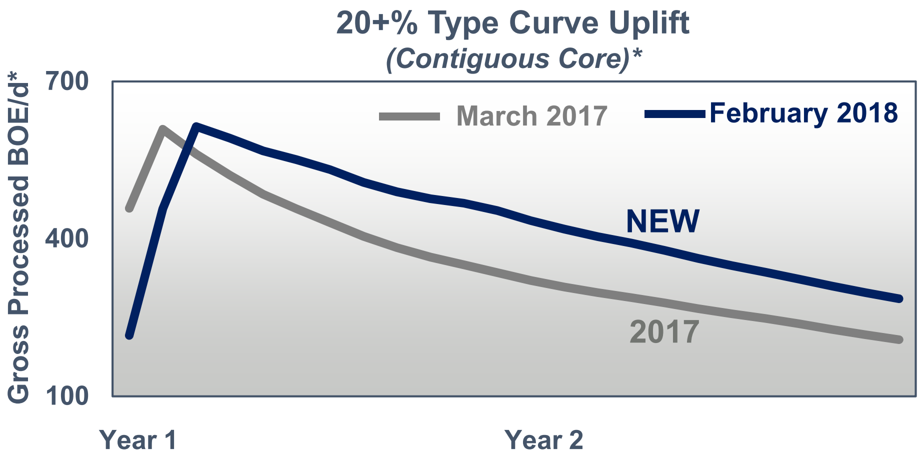
Optimal Pace of Development & Continued Improvements

- Anadarko maintained six operated drilling rigs and averaged approximately three completion crews in the 4th quarter. A fourth completion crew, which features noise-reduction technology, was added in December.
- The company turned 81 wells to sales during the quarter and 244 in 2017, representing an 18% increase from 2016.
- Well costs continued a downward trend in 2017, delivering a decrease of more than 15% from 2016 and more than 55% since 2014.



New Completion Design Delivers Improved Recovery

- Based on results from a completion design change in 2017, the company is increasing its contiguous core type curve EUR to 690 MBOE per well, representing more than 20% uplift from the previous type curve. Tests are ongoing to determine applicability in areas outside of the contiguous core.



** The Contiguous Core type curve is a blend of Niobrara and Codell wells, assumes full ethane recovery and 6,700-foot lateral length.*

Unrivaled Midstream Assets Delivering Record Throughput

- The WES-owned gas gathering and processing system in the DJ Basin achieved record throughput of more than 1,100 MMcf/d during the quarter and delivered the lowest line pressure in the basin, averaging approximately 130 psi. This exceptional performance enables stable and consistent production of Anadarko equity volumes today and into the future.
- The Anadarko-owned COSF also received record delivery during the quarter, with throughput of more than 110,000 BOPD.
- The Anadarko-owned water-on-demand system delivered a record of more than 51.5 million barrels of water to completions activity in 2017, eliminating an estimated 340,000 trucks from Colorado roads.

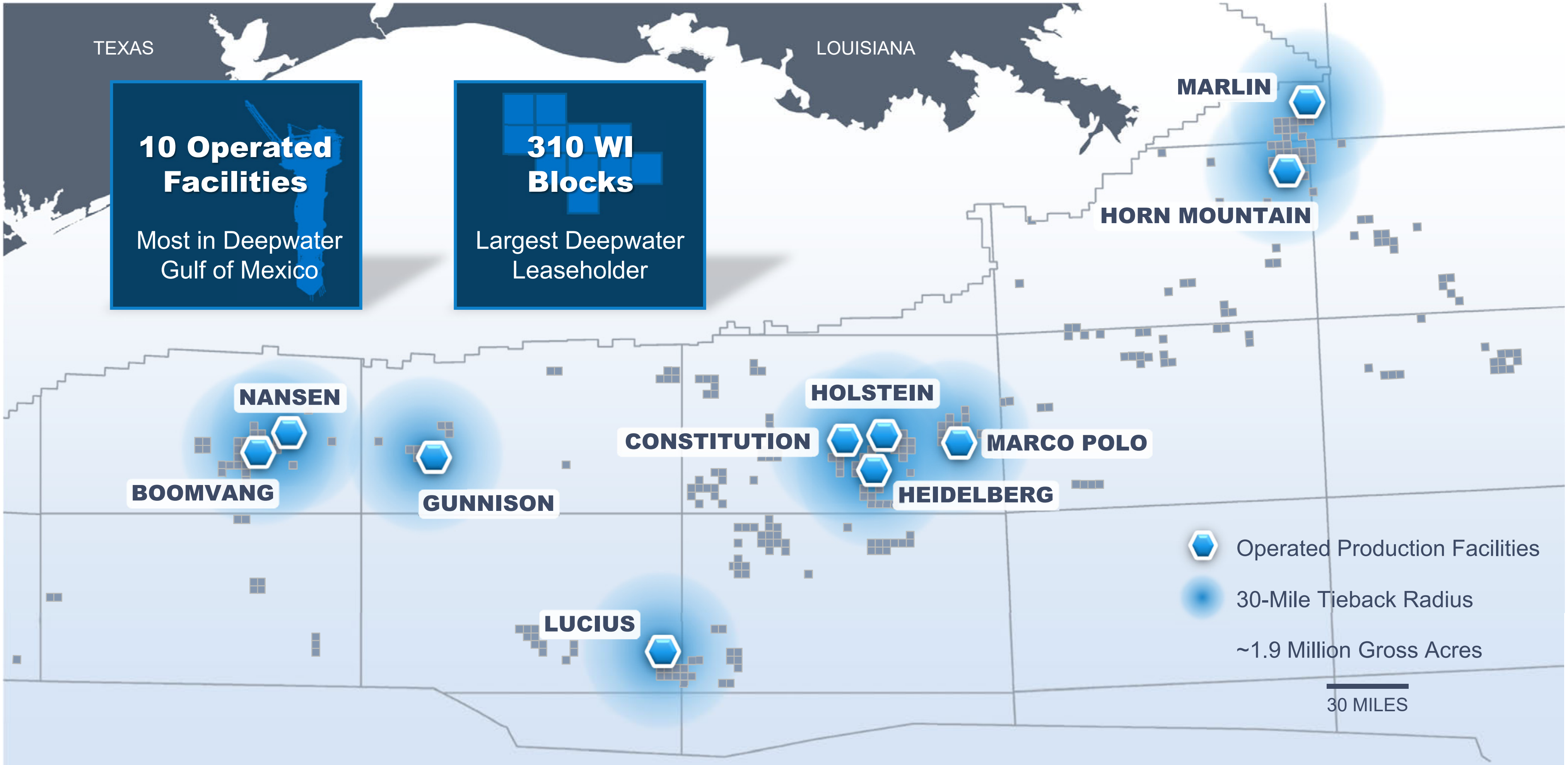
GULF OF MEXICO

Anadarko's Gulf of Mexico sales volumes averaged 143,000 BOE/d during the quarter, representing a decrease from the prior quarter, largely driven by deferred production associated with Hurricane Nate in October and non-operated volumes, which remain shut-in as a result of a fire that damaged the third-party Enchilada platform in November. The prolonged nature of the Enchilada event impacted Anadarko's Gulf of Mexico oil exit rate.

SALES VOLUMES*

	4Q17 Oil MBOPD	4Q17 NGLs MBbl/d	4Q17 Gas MMcf/d	4Q17 MBOE/d	4Q16 Oil MBOPD	4Q16 NGLs MBbl/d	4Q16 Gas MMcf/d	4Q16 MBOE/d
Total	**120**	**9**	**85**	**143**	**81**	**9**	**93**	**106**

** Includes the impact of weather-related downtime*



GULF OF MEXICO

HORN MOUNTAIN:

Mississippi Canyon 126/127 (APC WI 100%, Operator)

- New wells continue to bolster Horn Mountain production, delivering oil rates at their highest level since 2006. The first Anadarko development well was brought on line in June and continues to produce at approximately 16,000 BOPD. The second well was brought on line in October and is currently producing approximately 9,000 BOPD from the initial completion interval. The third well reached TD at the end of the 4th quarter and found 42 feet of high-quality oil pay with favorable structural position and good connectivity to existing wells. Completion and first production are scheduled for the first half of 2018.

MARLIN:

Mississippi Canyon 84/85/129 (APC WI 100%, Operator)
Viosca Knoll 871/915 (APC WI 100%, Operator)

- Anadarko's first tieback well to the Marlin facility, located in the King field, was drilled in 2017 and is expected to achieve first production in the 1st quarter of 2018. A second Marlin tieback well, located in the Dorado field, spud in January 2018.

HOLSTEIN:

Green Canyon 643/644/645/688 (APC WI 100%, Operator)

- Platform rig work commenced in November 2017, and the first of four planned sidetrack wells is drilling ahead. First production from the program is expected in the first half of 2018.

CAESAR/TONGA:

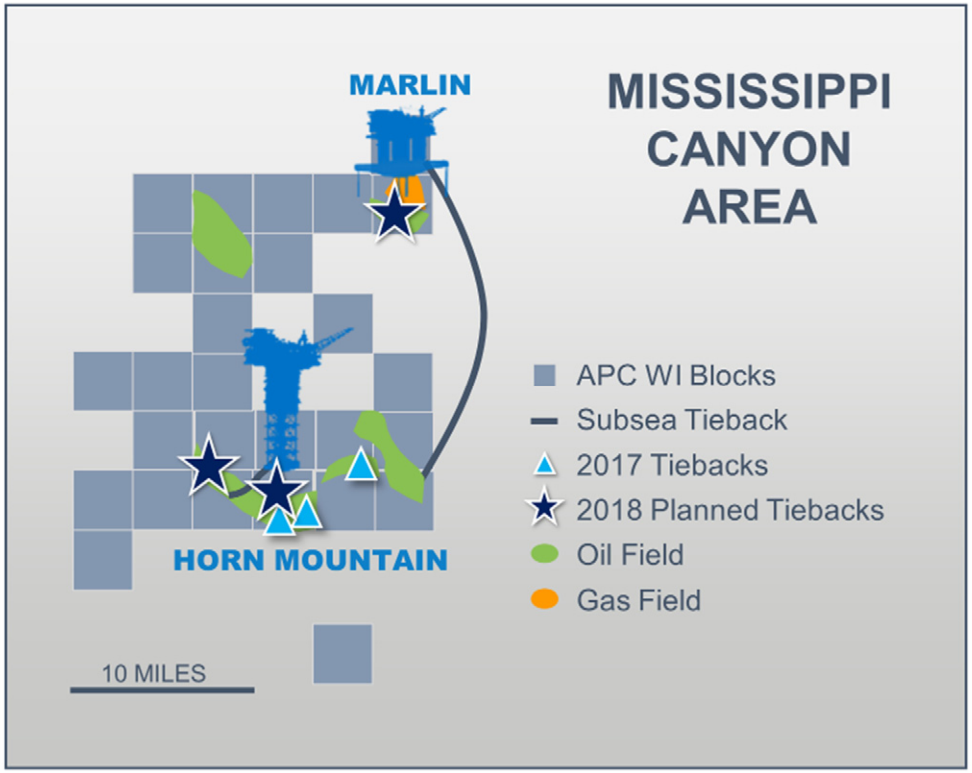
Green Canyon 683/726/727/770 (APC WI 33.75%, Operator)

- Production rates from seven wells are strong, with a record oil rate recently attained. The eighth well spud in November 2017 and is expected to achieve first production in mid-2018.

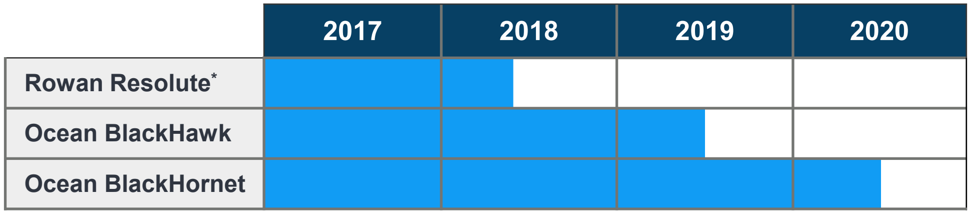
LUCIUS:

Keathley Canyon 874/875/918/919 (APC WI 48.9%, Operator)

- In late-2017, the company entered into an agreement with partners to expand the Lucius unit to encompass the adjacent Hadrian North discovery. Development of the initial subsea tieback program commenced in January 2018, with first production expected in 2019. The initial development phase is targeting high-quality Pliocene reservoir sands with similar rock and fluid properties as the prolific Lucius producing wells.

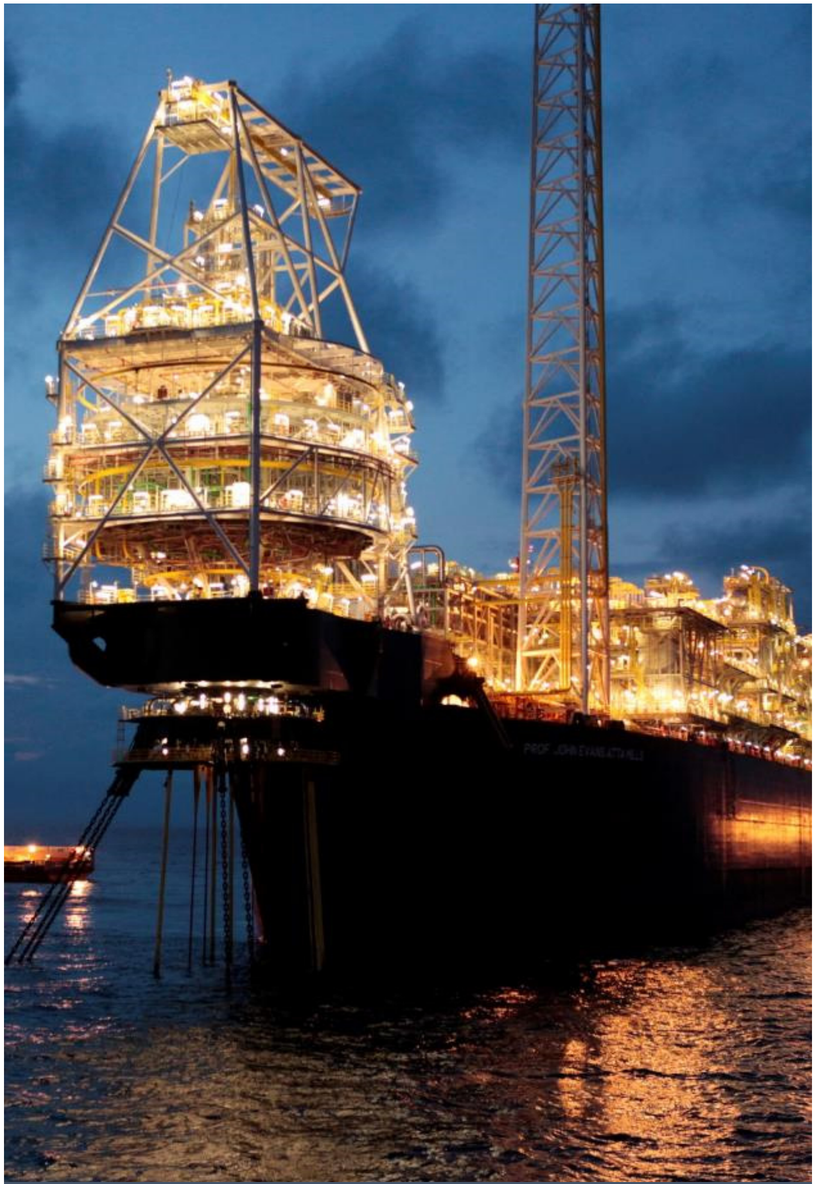


Deepwater Rig Schedule



** On Nov. 13, 2017, Anadarko notified Rowan Companies PLC of its intent to terminate the Resolute contract effective June 1, 2018, approximately two months prior to the original contract termination date.*

INTERNATIONAL & FRONTIER



TEN FPSO, Ghana

Anadarko's International and Frontier region sales volumes averaged 94,000 Bbl/d during the 4th quarter, representing a decrease from the prior quarter, largely driven by statutory maintenance completed on the El Merk facility in Algeria.

In Ghana, the partnership secured a rig and expects to resume development drilling in Jubilee and TEN.

In Mozambique, the remaining Government approvals were secured to commence onshore site preparation activities.

Subsequent to year-end, Anadarko divested its non-operated interest in Alaska for approximately $400 million. The transaction is subject to regulatory approval.

SALES VOLUMES

	4Q17	4Q16
	MBbl/d	MBbl/d
Alaska [1]	11	11
Algeria [2]	57	76
Ghana [2]	26	28
Total	**94**	**115**

[1] Alaska divestiture announced and closed in 1Q18.

[2] Quarterly sales volumes are influenced by size, timing and scheduling of tanker liftings.

CAPITAL INVESTMENTS

	4Q17
	$MM
Alaska	23
Algeria	7
West Africa	11
Mozambique	6
Colombia	4
Total	**51**

INTERNATIONAL & FRONTIER

DEVELOPMENT

ALGERIA:

- Gross production averaged 275,000 BOE/d during the 4th quarter. The El Merk facility completed statutory maintenance in 34 days, resulting in average production rates of approximately 70,500 BOE/d during the quarter. The HBNS facility is scheduled to begin statutory maintenance in late 1st quarter of 2018.
- During the 4th quarter, the Ourhoud field surpassed a cumulative production milestone of 1 BBO.

GHANA:

- Gross production from the TEN development averaged approximately 68,000 BOPD in the 4th quarter. The TEN associated gas sales agreement was approved by the Ghanaian government, enabling the start of gas sales from TEN in the first half of 2018.
- Jubilee gross production averaged approximately 92,000 BOPD during the quarter. Turret bearing stabilization work is expected to take place over two shut-down periods totaling four-to-six weeks in the 1st quarter of 2018. A third shut-down is planned around year end 2018, with an expected duration of three weeks to rotate the FPSO to its permanent heading.
- The partnership has secured the Maersk Venturer rig to resume development drilling activities in TEN and Jubilee, starting the 1st quarter of 2018.

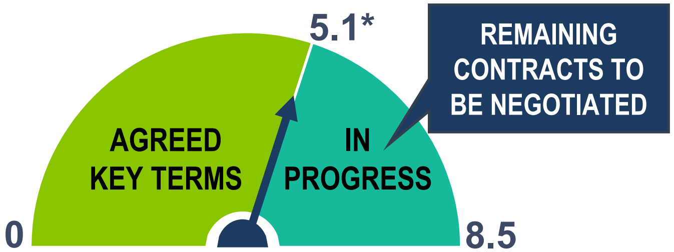
El Merk Facility, Algeria

MOZAMBIQUE

Offshore Area 1 (APC WI 26.5%, Operator)

- During the quarter, progress was marked by commencing resettlement implementation and site preparation activities, all of which position the onshore area for construction of the LNG facilities.
- Based on the recent project advances, finalization of the contract with the selected onshore contractor is underway, and all offshore tender packages were issued to prepare for the selection of the offshore contractor and vendors.
- Anadarko and its co-venturers in Area 1 continue to progress long-term LNG offtake agreements, with key terms agreed for 5.1 MTPA to date and negotiations ongoing for the remaining contracts. During the quarter, a Heads of Agreement was reached with Tohoku Electric Power Company, Inc., bringing one of Japan's most important LNG buyers to the Anadarko-operated Mozambique LNG project.

LNG OFFTAKE PROGRESS (MTPA)



Subject to final approval and includes agreements with PTT, Tohoku Electric, and others

EXPLORATION

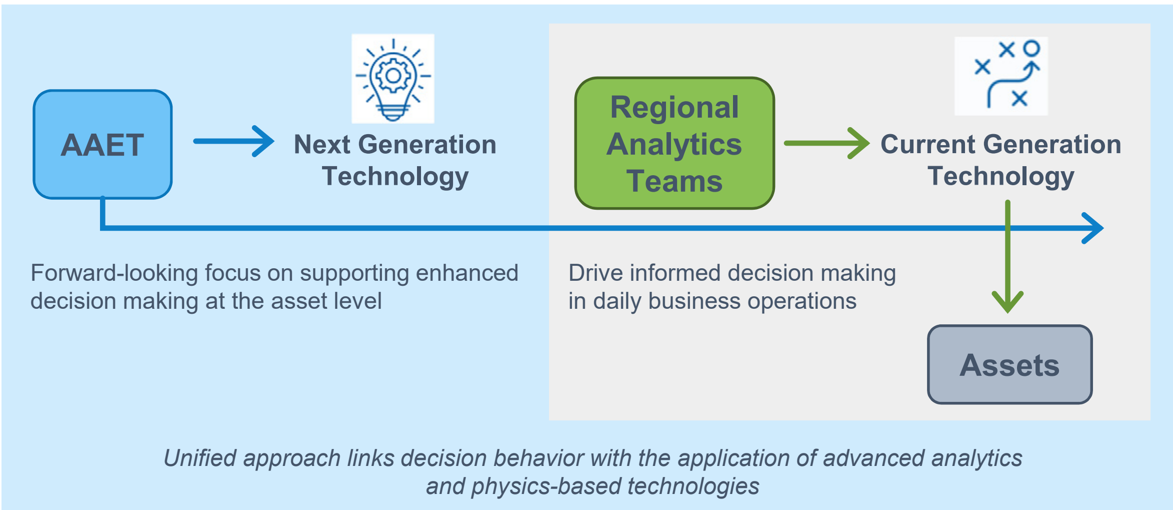
PERU:

- In October 2017, Anadarko secured three offshore blocks for more than 4.7 million acres in the Trujillo Basin. The exploration phase of the agreement is a typical multi-phase structure for seven years with attractive fiscal terms. During the first two years, the company expects to invest approximately $5 million to conduct evaluation activities, primarily consisting of reprocessing existing seismic data and collecting piston cores.

ADVANCED ANALYTICS AND EMERGING TECHNOLOGIES

A Transformational Shift: The AAET Team

With a vision to accelerate the way the company uses technology, the Advanced Analytics and Emerging Technologies team (AAET) was launched in early 2017 as an entrepreneurial organization focused on developing new technologies and next-generation capabilities that can materially enhance the business.



TEAM FOUNDATION

A Mix of Human Capital and Technology Accelerators

PROTOTYPE WORK FLOW

- Product Discovery, Screening & Ideation
- Rapid Go/No-Go Decision
- Pilot Program for Testing & Evaluation
- Roll-out to Portfolio

2017 ANADARKO TECHNOLOGY SUCCESS CASES

PRODUCT CATEGORY	BUSINESS RESULT	INTERNAL PARTNERSHIP
Market Intelligence	Reduced basin screening time from 6 months to 30 days*	U.S. Onshore Exploration
Reservoir Characterization	Increased contiguous core type curve by more than 20%	DJ Basin
Digital Operations *(Implemented onshore and at 12 deepwater facilities)*	Improved onshore drilling-cycle times	DJ and Delaware basins
	Minimized production loss events, avoiding costly workovers* Identified early PI trends and reservoir depletion with enhanced surveillance	Gulf of Mexico and International

** Denotes new tool designed by AAET in 2017. Other products are a continuation of technology that was developed prior to AAET formation by asset and corporate technology teams.*

DIVESTITURE SALES-VOLUMES SUMMARY

		1Q16	2Q16	3Q16	4Q16	TY16	1Q17	2Q17	3Q17	4Q17	TY17
Hugoton	**MBOE/d**	**7**	**7**	**6**	**2**	**6**	**0**	**0**	**0**	**0**	**0**
	Gas (MMcf/d)	28	28	28	9	23	0	0	0	0	0
	NGLs (MBbl/d)	2	2	2	1	2	0	0	0	0	0
	Oil (MBOPD)	0	0	0	0	0	0	0	0	0	0
Carthage	**MBOE/d**	**48**	**44**	**40**	**18**	**37**	**0**	**0**	**0**	**0**	**0**
	Gas (MMcf/d)	207	188	171	75	160	0	0	0	0	0
	NGLs (MBbl/d)	12	11	10	5	9	0	0	0	0	0
	Oil (MBOPD)	2	1	1	1	1	0	0	0	0	0
Marcellus	**MBOE/d**	**91**	**80**	**78**	**79**	**82**	**84**	**9**	**0**	**0**	**23**
	Gas (MMcf/d)	547	483	469	475	493	504	55	0	0	138
	NGLs (MBbl/d)	0	0	0	0	0	0	0	0	0	0
	Oil (MBOPD)	0	0	0	0	0	0	0	0	0	0
Eagleford	**MBOE/d**	**76**	**75**	**73**	**67**	**73**	**40**	**0**	**0**	**0**	**10**
	Gas (MMcf/d)	142	141	140	131	139	81	0	1	0	20
	NGLs (MBbl/d)	23	24	23	22	23	13	0	0	0	3
	Oil (MBOPD)	29	28	26	23	26	14	0	0	0	3
W.Chalk/Eaglebine	**MBOE/d**	**7**	**7**	**7**	**6**	**7**	**6**	**5**	**0**	**0**	**3**
	Gas (MMcf/d)	5	5	5	5	5	5	4	0	0	2
	NGLs (MBbl/d)	1	1	1	1	1	1	1	0	0	0
	Oil (MBOPD)	5	5	5	4	5	4	4	0	0	2
Utah CBM	**MBOE/d**	**5**	**5**	**5**	**5**	**5**	**5**	**4**	**0**	**0**	**2**
	Gas (MMcf/d)	29	29	28	28	29	27	27	0	0	13
	NGLs (MBbl/d)	0	0	0	0	0	0	0	0	0	0
	Oil (MBOPD)	0	0	0	0	0	0	0	0	0	0
Moxa	**MBOE/d**	**15**	**18**	**18**	**17**	**17**	**12**	**15**	**16**	**9**	**13**
	Gas (MMcf/d)	74	82	86	80	81	56	74	72	45	62
	NGLs (MBbl/d)	2	4	3	3	3	2	3	3	2	2
	Oil (MBOPD)	0	1	1	1	1	0	0	1	0	0
Alaska (Closed in 1Q 2018)	**MBOE/d**	**10**	**12**	**9**	**11**	**10**	**11**	**11**	**11**	**11**	**11**
	Gas (MMcf/d)	0	0	0	0	0	0	0	0	0	0
	NGLs (MBbl/d)	0	0	0	0	0	0	0	0	0	0
	Oil (MBOPD)	10	12	9	11	10	11	11	11	11	11

GLOSSARY OF ABBREVIATIONS

- **AAET:** Advanced Analytics and Emerging Technologies
- **APC:** Anadarko Petroleum Corporation
- **Bbl/d:** Barrels of Liquids per Day
- **BBO:** Billion Barrels of Oil
- **BOE:** Barrels of Oil Equivalent
- **BOE/d:** Barrels of Oil Equivalent per Day
- **BOPD:** Barrels of Oil per Day
- **BSEE:** Bureau of Safety and Environmental Enforcement
- **CBM:** Coal-bed Methane
- **COSF:** Centralized Oil Stabilization Facility
- **DJ:** Denver-Julesberg
- **EUR:** Estimated Ultimate Recovery
- **FID:** Final Investment Decision
- **FPSO:** Floating Production, Storage and Offloading Unit
- **GAAP:** Generally Accepted Accounting Principles
- **HBNS:** Hassi Berkine South
- **LL:** Long-Length Lateral
- **LNG:** Liquefied Natural Gas
- **MBbl/d:** Thousand Barrels per Day
- **MBOE:** Thousand Barrels of Oil Equivalent
- **MBOE/d:** Thousand Barrels of Oil Equivalent per Day
- **MBOPD:** Thousand Barrels of Oil per Day
- **ML:** Medium-Length Lateral
- **MM:** Million
- **MMBOE:** Million Barrels of Oil Equivalent
- **MMcf/d:** Million Cubic Feet per Day
- **MTPA:** Million Tonnes per Annum
- **NGL:** Natural Gas Liquids
- **NTO:** Notice to Operators
- **NYSE**: New York Stock Exchange
- **PI:** Productivity Index
- **PLC:** Public Limited Company
- **psi:** Pounds per Square Inch
- **ROTF:** Regional Oil Treating Facility
- **SL:** Short-Length Lateral
- **TD:** Total Depth
- **TEN:** Tweneboa, Enyenra and Ntomme
- **TY:** Total Year
- **U.S.:** United States of America
- **WES:** Western Gas Partners, LP (NYSE: WES)
- **WI:** Working Interest
- **YOY:** Year Over Year

NON-GAAP RECONCILIATION

This is intended to satisfy the requirements of Regulation G of the Securities Exchange Act of 1934, as amended. This information is historical in nature. Anadarko Petroleum Corporation (the "Company") undertakes no obligation to publicly update or revise the non-GAAP financial measure definition and related reconciliation.

This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be comparable to similarly titled measures.

Oil and Natural Gas Exploration and Development Costs

The Company defines oil and natural gas exploration and development costs as costs incurred, less asset retirement obligation liabilities incurred, plus cash expenditures for asset retirement obligations.

Management believes oil and natural gas exploration and development costs is a more accurate reflection of the expenditures incurred during the current year, excluding certain obligations to be paid in future periods.

Finding and Development Costs

The Company defines finding and development (F&D) costs as oil and natural gas exploration and development costs divided by non-price related reserve additions before acquisitions and divestitures.

Management believes that the presentation of F&D costs provides useful information in assessing the Company's ability to efficiently manage its capital programs.

millions		Year Ended December 31, 2017
Costs incurred (GAAP)*	**$**	**4,093**
Asset retirement obligation liabilities incurred		(5)
Cash expenditures for asset retirement obligations		131
Oil and natural gas exploration and development costs (Non-GAAP)	**$**	**4,219**
Non-price related additions before acquisitions and divestitures (MMBOE)		244
Finding and development costs ($/BOE) (Non-GAAP)	**$**	**17.29**

Includes $499 million of unproved property acquisitions