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FIRST-QUARTER 2018
OPERATIONS REPORT
MAY 1, 2018

2018 FIRST-QUARTER HIGHLIGHTS

Strong Oil Delivery

Anadarko began 2018 with a sharp focus on execution. In the 1st quarter, the company achieved oil sales volumes of 367,000 BOPD on a divestiture-adjusted basis, matching the highest quarterly oil sales volume in the company's history, and is an increase of 9% from the 1st quarter of 2017. The company continued its historical focus on capital efficiency and performed within guidance on both operating expenses and capital investments.

In the 1st quarter, Anadarko exceeded the high end of guidance for U.S. oil sales volumes and delivered 284,000 BOPD on a divestiture-adjusted basis driven by strong delivery in the U.S. Onshore and Deepwater Gulf of Mexico.

In the Delaware Basin, Anadarko achieved record oil sales volumes of 52,000 BOPD as the company remains on track to deliver significant volume growth timed with the scheduled commissioning of oil infrastructure. The company operated an average of nine drilling rigs during the quarter, and subsequent to quarter end, reduced to seven operated drilling rigs where it expects to remain for the remainder of 2018.

Simultaneously, Anadarko continued its horizontal campaign in the royalty-and-infrastructure-advantaged DJ Basin focused on delivering exceptional rates of return from this capital-efficient asset. The company was active with six operated drilling rigs and four frac crews drilling and completing multi-well pads.

In the Gulf of Mexico, Anadarko averaged a record-high 128,000 BOPD in the 1st quarter. The company continued to leverage its unmatched infrastructure position to generate competitive rates of return, including the first tieback to the 100%-owned Marlin facility, which contributed incremental production of more than 8,000 BOPD compared to the prior quarter.

Internationally, the partnership in Ghana commenced drilling operations and plans to deliver high-margin development wells at TEN and Jubilee this year. In Mozambique, Anadarko and the Area 1 co-venturers continued to make significant progress on the Golfinho/Atum project, for which the Government of Mozambique has formally approved the Development Plan.

Proactively Securing Takeaway

In the Delaware Basin, one of Anadarko's key U.S. Onshore growth assets, the company is focused on aligning its production growth with necessary midstream and downstream infrastructure. Anadarko has been proactive and secured future takeaway ahead of the rapid pace of development. The company has secured access to substantial long-term crude oil transportation capacity to both the Gulf Coast refining and U.S. export markets as one of the anchors on Enterprise's Midland pipeline to Houston and Plains' Cactus II pipeline to Corpus Christi. Anadarko's long-term commitments ramp to reach approximately 200,000 BOPD of capacity and are expected to cover approximately half of projected operated oil production in 2018 and increase to approach 100% of projected operated oil production in 2019 and 2020.

Anadarko also secured firm transport or firm sales controlling basin export capacity for approximately 80% of projected operated natural gas production, and the company expects to have adequate capacity to move 100% of operated NGLs from the basin to Mont Belvieu.

Peer-Leading Return Focus

Anadarko expects to generate compelling returns on capital and remains committed to delivering returns of capital to shareholders. In March of this year, the company entered into an Accelerated Share Repurchase agreement for $1.4 billion – which represents the remainder of the share repurchase authorized by its Board of Directors. Anadarko expects to complete the $3 billion share repurchase by mid-year, an impressive result funded by cash on hand.

Delaware Basin, Texas

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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 Anadarko's ability to meet financial and operating guidance and achieve production growth and cash flow levels identified in this presentation; timely complete and commercially operate the projects, infrastructure, and drilling prospects identified in this presentation; successfully drill, complete, test, and produce the wells identified in this report, successfully complete the share repurchase program; and successfully plan, secure additional government approvals, enter into long-term sales contracts, finance, build, and operate the necessary infrastructure and LNG park in Mozambique. Other factors that could impact any forward-looking statements are described in "Risk Factors" in the company's 2017 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.

OVERVIEW

Sales Volumes

Sales volumes for the quarter were 58 MMBOE, or 639,000 BOE/d, representing a 4% increase from the 4th quarter of 2017 on a divestiture-adjusted basis. Oil sales volumes were 367,000 BOPD, a 3% increase from the previous quarter and a 9% increase from 1st quarter of 2017 on a divestiture-adjusted basis. Total liquids mix has increased to 73% and oil mix has increased to 57%, both increases of 4 percentage points from the 1st quarter of 2017 on a divestiture-adjusted basis.

First-quarter oil sales volumes exceeded the high end of guidance due to strong performance from the company's U.S. assets, which delivered more than 18% growth from the 1st quarter of 2017 on a divestiture-adjusted basis.

Capital Investments

First-quarter capital investments were within guidance at $1,377 million, excluding $327 million of capital investments made by WES.

FIRST QUARTER SALES VOLUMES*

	ACTUAL	FEBRUARY GUIDANCE
MMBOE	58	55 - 58
MBOPD	367	352 - 365
United States	284	270 - 280
Algeria	55	55 - 56
Ghana	28	27 - 29

**Divestiture-adjusted sales exclude the Alaska divestiture which closed in 1Q18*

SALES VOLUMES

	1Q18 Oil MBOPD	1Q18 NGLs MBbl/d	1Q18 Gas MMcf/d	1Q18 MMBOE	1Q17 Oil MBOPD	1Q17 NGLs MBbl/d	1Q17 Gas MMcf/d	1Q17 MMBOE
U.S. Onshore	156	83	967	36	115	85	1,058	34
Gulf of Mexico	128	9	84	14	125	12	129	14
Total U.S.	284	92	1,051	50	240	97	1,187	48
International (1)	83	5	0	8	98	6	0	10
Divestiture-Adjusted Sales	**367**	**97**	**1,051**	**58**	**338**	**103**	**1,187**	**58**
Divestitures (2)	4	0	0	0	29	15	672	14
Total Company	371	97	1,051	58	367	118	1,859	72

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

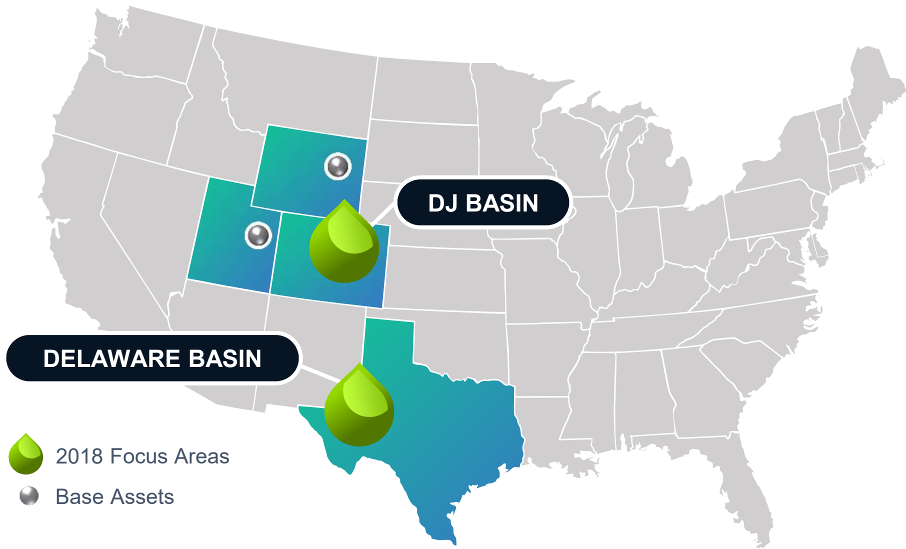
(2) Eagleford and the majority of the Marcellus divestiture closed in 1Q17; Eaglebine and Utah CBM divestitures closed in 2Q17; Moxa divestiture closed in 4Q17; Alaska divestiture closed in 1Q18.

CAPITAL INVESTMENTS

	1Q18 $MM
U.S. Onshore	745
Gulf of Mexico	293
Total U.S.	1,038
International	51
Midstream ‡	582
Capitalized Items/Other ‡	33
Total Company	1,704

‡ Includes WES capital investments of $327 MM, which includes $4 MM of capitalized items.

U.S. ONSHORE



Anadarko's U.S. Onshore assets delivered sales volumes of 400,000 BOE/d on a divestiture-adjusted basis, an increase of 3% from the 4th quarter of 2017. Oil sales volumes were 156,000 BOPD, representing an increase of 36% from the 1st quarter of 2017 on a divestiture-adjusted basis. Anadarko is on track to deliver significant oil growth toward the back half of 2018 with the planned startup of infrastructure expansions in the Delaware Basin.

As of May 1, 2018, the company is operating 11 rigs in the Delaware and DJ basins.

SALES VOLUMES

	1Q18 Oil MBOPD	1Q18 NGLs MBbl/d	1Q18 Gas MMcf/d	1Q18 MBOE/d	1Q17 Oil MBOPD	1Q17 NGLs MBbl/d	1Q17 Gas MMcf/d	1Q17 MBOE/d
DJ Basin	98	61	612	260	79	60	616	242
Delaware Basin	52	15	109	85	31	9	85	54
Greater Natural Buttes	1	6	221	45	2	7	261	53
Wyoming/Other	5	1	25	10	3	9	96	27
Divestiture-Adjusted Sales	**156**	**83**	**967**	**400**	**115**	**85**	**1,058**	**376**
*Divestitures**	0	0	0	0	18	15	672	145
Total	156	83	967	400	133	100	1,730	521

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

APC CAPITAL INVESTMENTS‡

	UPSTREAM 1Q18 $MM	MIDSTREAM 1Q18 $MM
DJ Basin	347	16
Delaware Basin	345	243
Wyoming/Other	53	0
Total	745	259

‡ Excludes WES capital investments.

DELAWARE BASIN

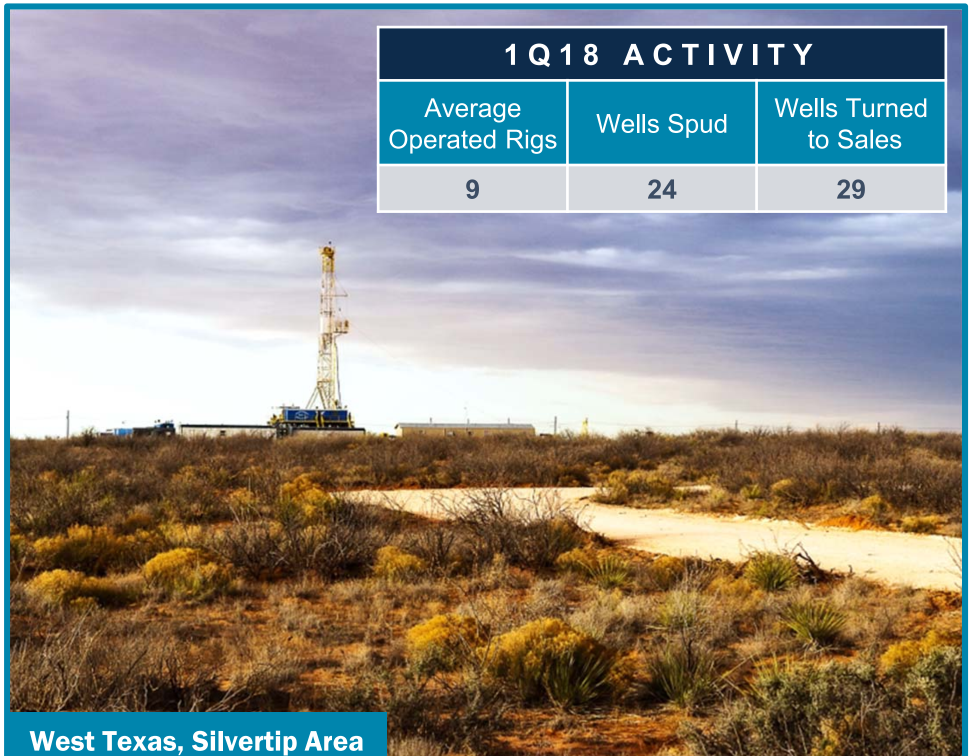
Record Oil Volumes

- Anadarko delivered record production in the Delaware Basin, with total sales volumes in the 1st quarter of 85,000 BOE/d. Oil sales volumes averaged 52,000 BOPD, representing a 10% increase from the previous quarter and a 70% increase from the 1st quarter of 2017.
- The company averaged nine operated drilling rigs and seven completion crews during the quarter. Subsequent to quarter close, the company reduced to seven drilling rigs and five completion crews, which the company plans to operate for the remainder of 2018.

Securing Basin Takeaway with Firm Agreements

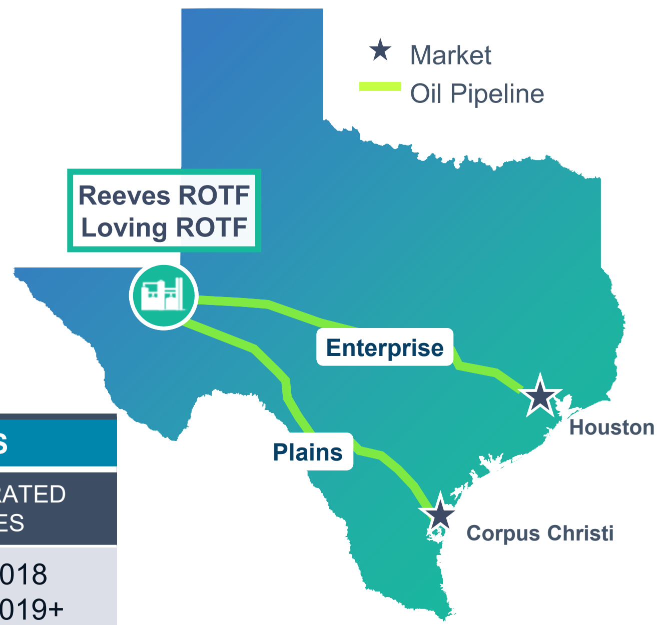
- Anadarko has secured access to substantial long-term crude oil transportation capacity to both the Gulf Coast refining and U.S. export markets as one of the anchor shippers on Enterprise's Midland pipeline to Houston and Plains' Cactus II pipeline to Corpus Christi. As expected operator of approximately 70% of its leasehold, Anadarko has significant size and scale, enabling the company to participate through the value chain to the highest netback markets. The company's long-term takeaway commitments ramp to approximately 200,000 BOPD of capacity and are expected to cover approximately half of projected operated oil production in 2018 and increase to approach 100% of projected operated oil production in 2019 and 2020. The balance of this production is being sold at Midland to high-quality buyers in the near term.
- Subsequent to quarter end, Anadarko exported its first Delaware Basin international crude oil cargo.
- The company is covered by firm transport or firm sales with reliable counterparties controlling basin export capacity for 80% of operated gas production.
- Anadarko expects to have adequate capacity to move 100% of operated NGLs from the Ramsey plant and other processing plants to Mont Belvieu.

1Q18 ACTIVITY		
Average Operated Rigs	Wells Spud	Wells Turned to Sales
9	24	29



West Texas, Silvertip Area

OIL TAKEAWAY SOLUTIONS



FIRM AGREEMENTS	
PRODUCT	% OF OPERATED VOLUMES
Oil	50% in 2018 100% in 2019+
Gas	80% covered

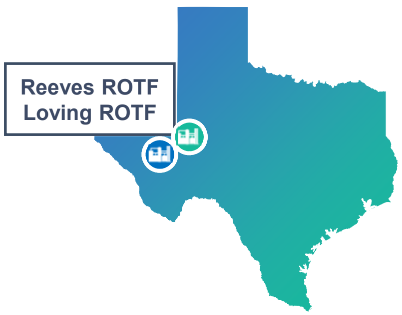
DELAWARE BASIN

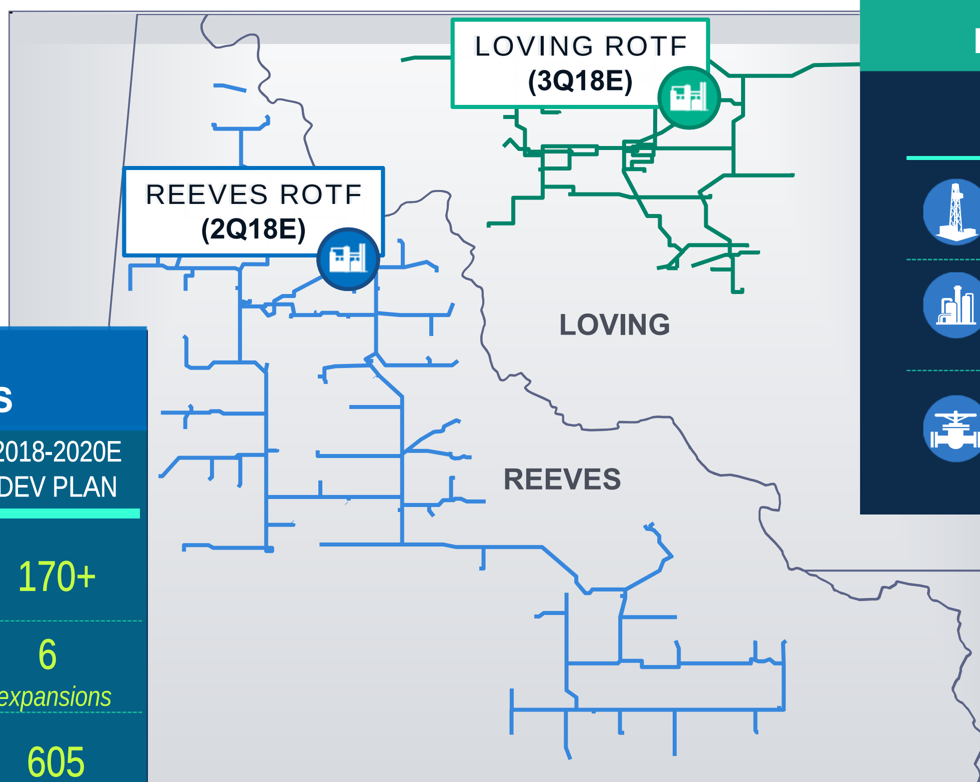
Silvertip-A Development Campaign Commencement

- During the quarter, Anadarko commenced operations on the Silvertip-A campaign in the north Loving area. The company completed drilling operations on 12 extended-lateral wells targeting four Wolfcamp-A targets and one 3rd Bone Spring target. Completion operations are underway, and the wells are expected to be on line in the 2nd half of 2018, timed with the planned startup of the Loving ROTF.
- The company is collecting valuable data to optimize future development, which includes targeting, spacing and completion design in the high-quality Wolfcamp reservoir.
- Anadarko has also secured local sand for cost savings and increased reliability of delivery to location.

Progress on Expansive Infrastructure

- Infrastructure buildout is advancing with the Reeves ROTF construction essentially complete, the commissioning process underway, and respective pipeline buildout more than 85% complete. The startup of the first oil-treating train is expected in the 2nd quarter. The Loving ROTF and Mentone I gas processing plant are both on track and expected to startup in the 3rd quarter.
- In conjunction with the ROTFs, Anadarko has designed Central Transfer Facilities (CTFs) to serve as hubs for gas compression, oil pumping, and produced salt-water disposal facilities enabling economies of scale and construction efficiencies.
- Anadarko added 120,000 BW/d of produced water disposal capacity during the quarter, bringing the total capacity to 400,000 BW/d, more than half of the planned total.





REEVES REGIONAL SYSTEMS

	2018E	2018-2020E DEV PLAN
WELLS	60+	170+
CTFs	6	6 +expansions
MILES OF PIPE *Oil, Gas, and Water*	605	605 +well connects

LOVING REGIONAL SYSTEMS

	2018E	2018-2020E DEV PLAN
WELLS	50+	150+
CTFs	4	4 +expansions
MILES OF PIPE *Oil, Gas, and Water*	239	239 +well connects

DJ BASIN

Free Cash Flow Generation

- Anadarko delivered record net production of 260,000 BOE/d during the quarter and generated $230 million of free cash flow.*

  **See Non-GAAP definition and reconciliation on page 14*

Optimal Pace of Development

- Anadarko averaged six operated drilling rigs and four completion crews during the quarter, and subsequent to quarter end, decreased to four operated drilling rigs and three completion crews. The company's entire DJ Basin completion fleet now features equipment with noise-reduction technology.
- The company spud 89 wells and turned 87 wells to sales during the quarter.

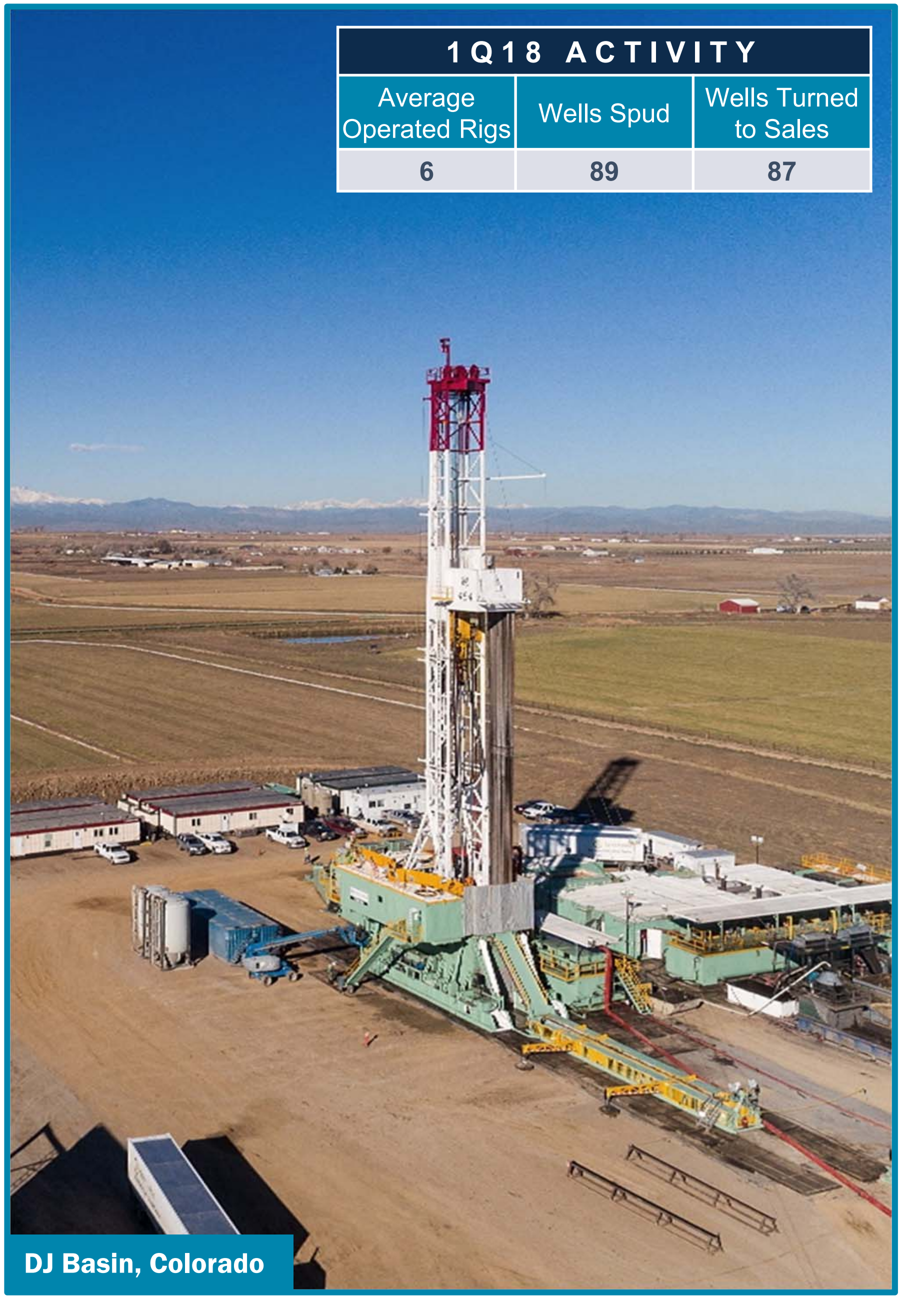
Unrivaled Midstream Assets Continue to Deliver Records

- The WES-operated gas gathering and processing system in the DJ Basin achieved record throughput of more than 1,130 MMcf/d during the quarter and continues to deliver 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 in the future.
- The Anadarko-operated Centralized Oil Stabilization Facility (COSF) received record delivery during the quarter, with throughput of more than 111,000 BOPD. Train 6 expansion is on schedule and expected to be on line in the 2nd half of 2018. The expansion will add an incremental 30,000 BOPD of oil processing to support continued Anadarko-operated growth.

DJ BASIN MIDSTREAM

OIL TREATING *Expected By YE 2018*	+30 MBOPD 25% increase
GAS PROCESSING *Lancaster bypass expected by Q3 2018* *Latham I&II expected by 2019*	+660 MMCF/d 60% increase
COMPRESSION *Expected By YE 2019*	+580 MMCF/d 60% increase

1Q18 ACTIVITY		
Average Operated Rigs	Wells Spud	Wells Turned to Sales
6	89	87



DJ Basin, Colorado

GULF OF MEXICO

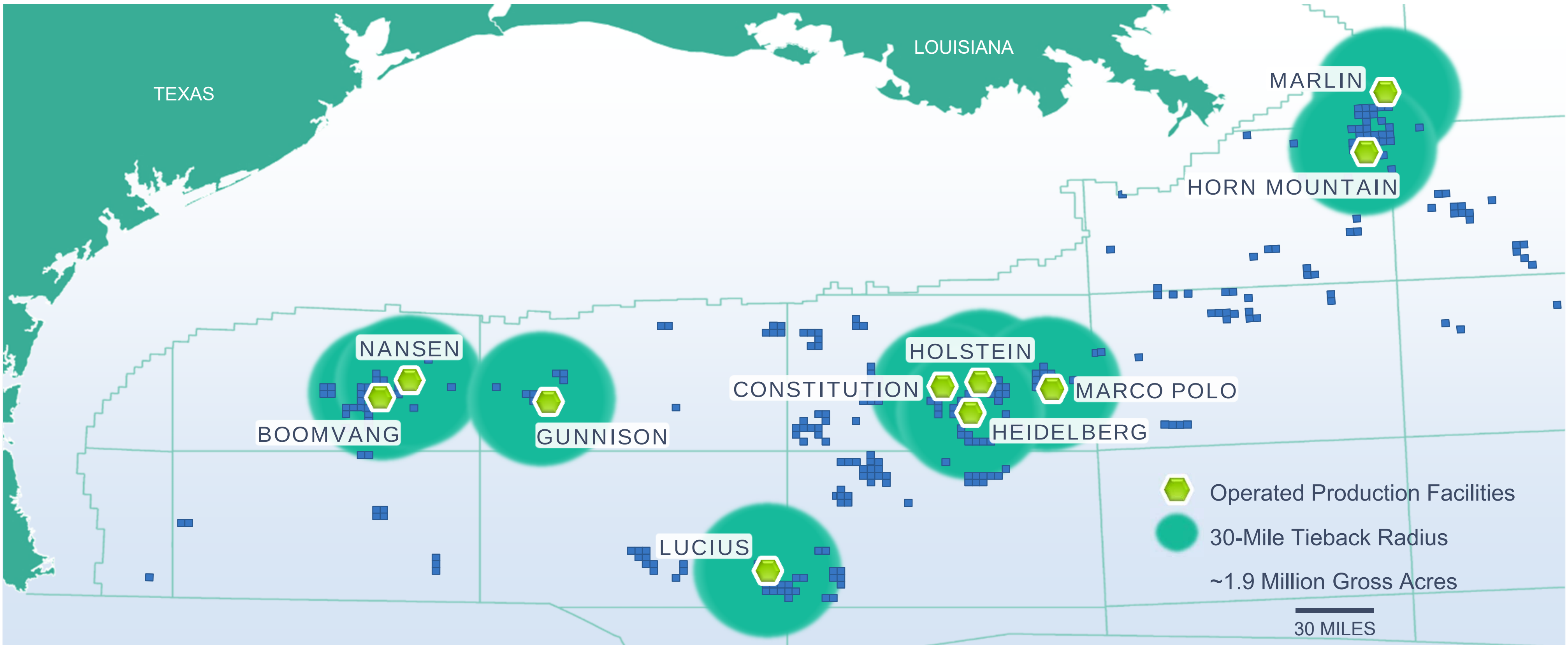
Anadarko's Gulf of Mexico sales volumes averaged 151,000 BOE/d during the quarter, representing a 6% increase from the prior quarter, largely driven by asset performance and a new well on line at Marlin.

Planned downtime for expected tieback preparation and/or maintenance is scheduled to occur in the 2nd quarter at Marlin, Holstein, Horn Mountain and other platforms.

Anadarko's non-operated Conger field remains off line with expectations to come back on line later this year as initially guided.

SALES VOLUMES

	1Q18 Oil MBOPD	1Q18 NGLs MBbl/d	1Q18 Gas MMcf/d	1Q18 MBOE/d	1Q17 Oil MBOPD	1Q17 NGLs MBbl/d	1Q17 Gas MMcf/d	1Q17 MBOE/d
Total	128	9	84	151	125	12	129	159



10 OPERATED FACILITIES
Most in Deepwater GOM

280+ WI BLOCKS
One of the Largest Deepwater Leaseholders

30+
Tieback Opportunities

GULF OF MEXICO

DEVELOPMENT

HORN MOUNTAIN:

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

- New wells continue to substantially increase Horn Mountain production, delivering oil rates at their highest level since 2006, representing an increase of 400% since January 2017. The third Anadarko development well was completed in the 1st quarter and first production is scheduled for the 2nd quarter of 2018 when the platform will be taken down to tieback the well.

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, achieved first production in January and is currently producing at a curtailed rate of 8,000 BOPD. A second Marlin tieback well, located in the Dorado field, encountered 35 feet of high-quality net oil pay in the 1st quarter, and completion and first production are scheduled for the 2nd half of 2018.
- Anadarko continues to leverage its industry-leading infrastructure position to generate revenue with production-handling agreements on third-party volumes. LLOG Exploration's Crown & Anchor tie-in is complete and topsides modifications are in progress. First production is expected in the 2nd quarter of 2018.

HOLSTEIN:

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

- Platform rig work commenced in November 2017, and the second of four planned sidetrack wells is drilling ahead. First production from the program is expected in the 2nd quarter of 2018.

K2:

Green Canyon 518/561/562/605/606 (APC WI 41.8%, Operator)

- The twelfth development well spud in February with first production expected in the 3rd quarter of 2018. This well is a tieback to the Marco Polo facility.

CONSTELLATION:

Green Canyon 583/626/627/628/670 (APC WI 33.3%, Operator)

- First production from the Constellation development is planned for late 2018 or early 2019 as a tieback to the 100%-Anadarko-owned Constitution spar.

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. The Lucius Subsequent Development Plan is progressing with the first well planned in the 2nd quarter of 2018. First production is expected in 2019.

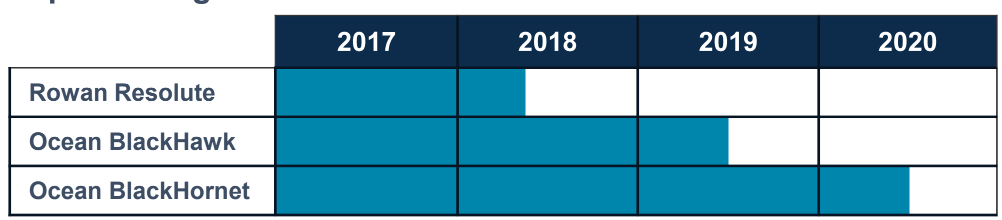
Marlin, Gulf of Mexico

EXPLORATION

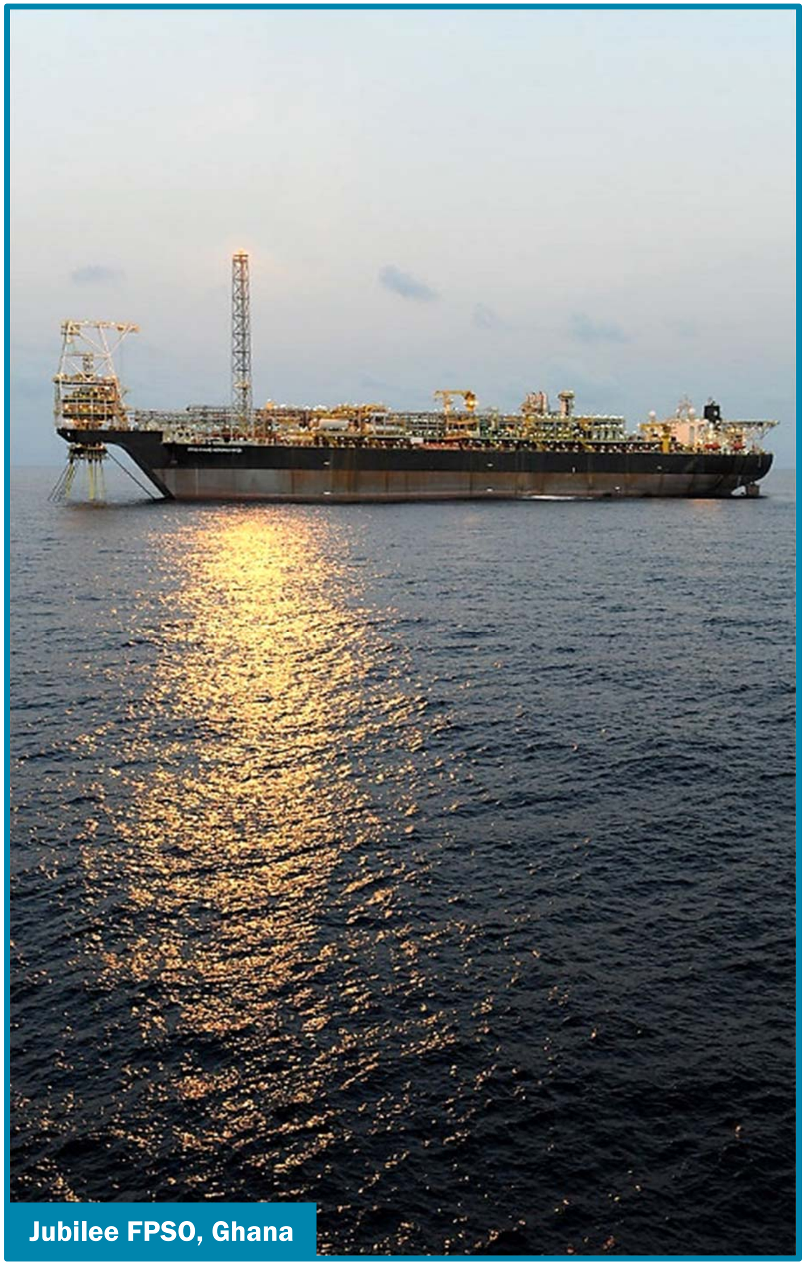
Mississippi Canyon 38 (APC WI 100%, Operator)

- The Music City #1 and the Sugar #1 exploration wells reached TD and were plugged and abandoned during the quarter.

Deepwater Rig Schedule



INTERNATIONAL & FRONTIER



Jubilee FPSO, Ghana

Anadarko's International and Frontier region sales volumes averaged 88,000 Bbl/d during the 1st quarter of 2018, representing an increase of 7% from the prior quarter, largely driven by the completion of statutory maintenance at the El Merk facility in Algeria in late 2017 and higher sales volumes in Ghana.

In West Africa, a deepwater rig arrived offshore Ghana and began development drilling activities in the Jubilee and TEN fields.

In East Africa, the Government of Mozambique approved the Development Plan for the Anadarko-operated initial two-train Golfinho/Atum onshore LNG project.

Anadarko closed the divestiture of the non-operated Alaska assets during the 1st quarter for approximately $400 million.

SALES VOLUMES

	1Q18	1Q17
	MBbl/d	MBbl/d
Algeria [(1)]	60	76
Ghana [(1)]	28	28
Divestiture-Adjusted Sales	**88**	**104**
Divestitures [(2)]	4	11
Total	92	115

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

[(2)] *Alaska divestiture closed in 1Q18.*

CAPITAL INVESTMENTS

	1Q18
	$MM
Algeria	9
West Africa	23
Mozambique	17
Colombia	2
Total	51

INTERNATIONAL & FRONTIER

ALGERIA:

- Gross production averaged 326,000 BOE/d during the 1st quarter with the El Merk facility averaging 150,000 BOE/d.
- Subsequent to quarter end, the HBNS facility completed the shutdown for statutory maintenance within the planned duration of 40 days.

GHANA:

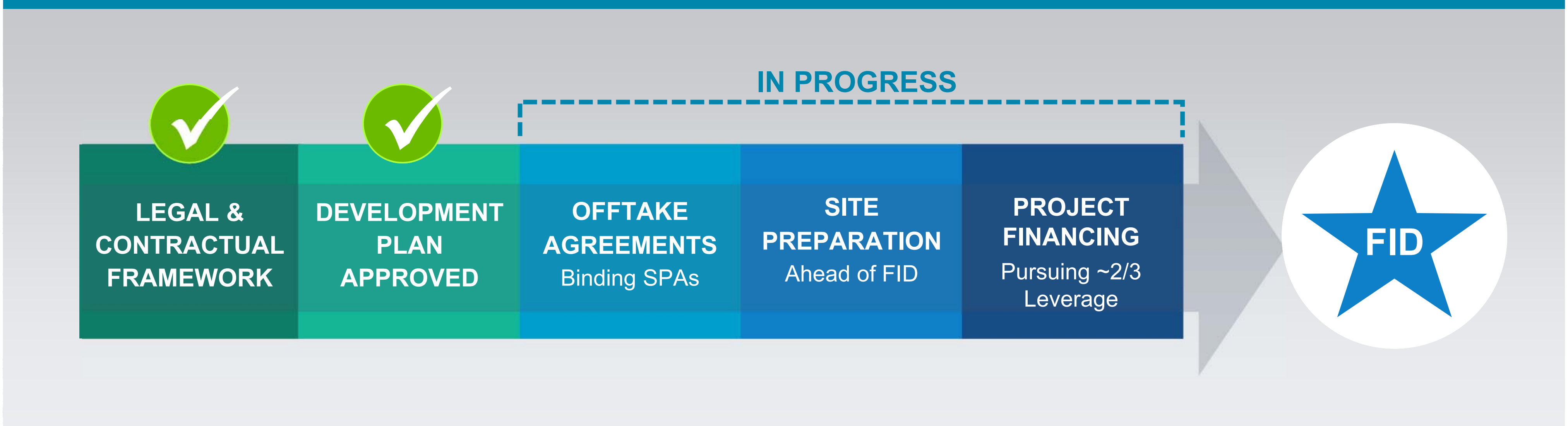
- Gross production from the TEN development averaged approximately 69,000 BOPD in the 1st quarter.
- Jubilee gross production averaged approximately 64,000 BOPD in the 1st quarter. During the quarter, turret bearing stabilization work was initiated with completion of the first shutdown on target at 19 days. The second of three associated shutdowns is anticipated to begin toward the end of the 2nd quarter with an expected duration of approximately three weeks. The final shutdown is planned around year-end 2018 to rotate the FPSO to its permanent heading.
- During the quarter, the Maersk Venturer rig arrived in country and began drilling operations. The first well was drilled to TD in the TEN field, and first production from the well is expected in the 3rd quarter of 2018. The partnership plans to continue to drill development wells in the TEN and Jubilee fields for the remainder of the year.

MOZAMBIQUE:

Offshore Area 1 (APC WI 26.5%, Operator)

- The Government of Mozambique approved the Development Plan for the Anadarko-operated initial two-train Golfinho/Atum project.
- Anadarko and the Area 1 co-venturers entered into a long-term LNG SPA with Électricité de France, S.A. for a supply of 1.2 MTPA for a term of 15 years.
- The near-term marketing objective was met with non-binding key terms agreed with multiple buyers for more than 8.5 MTPA. Focus is now on converting these agreements to binding long-term SPAs.
- Resettlement and site preparation activities continue to progress as planned to position the onshore area for construction of the LNG facilities.
- The refreshed offshore tender packages were received and evaluation is underway for the selection of the offshore contractor and vendors. Contract finalization with the selected onshore contractor is on track as the teams continue to optimize costs and implementation plans ahead of FID.

A D V A N C I N G M O Z A M B I Q U E L N G



DIVESTED SALES-VOLUMES SUMMARY

		1Q17	2Q17	3Q17	4Q17	TY17	1Q18
Marcellus	MBOE/d	84	9	0	0	23	0
	Gas (MMcf/d)	504	55	0	0	138	0
	NGLs (MBbl/d)	0	0	0	0	0	0
	Oil (MBOPD)	0	0	0	0	0	0
Eagleford	MBOE/d	40	0	0	0	10	0
	Gas (MMcf/d)	81	0	1	0	20	0
	NGLs (MBbl/d)	13	0	0	0	3	0
	Oil (MBOPD)	14	0	0	0	3	0
W.Chalk/Eaglebine	MBOE/d	6	5	0	0	3	0
	Gas (MMcf/d)	5	4	0	0	2	0
	NGLs (MBbl/d)	1	1	0	0	0	0
	Oil (MBOPD)	4	4	0	0	2	0
Utah CBM	MBOE/d	5	4	0	0	2	0
	Gas (MMcf/d)	27	27	0	0	13	0
	NGLs (MBbl/d)	0	0	0	0	0	0
	Oil (MBOPD)	0	0	0	0	0	0
Moxa	MBOE/d	12	15	16	9	13	0
	Gas (MMcf/d)	56	74	72	45	62	0
	NGLs (MBbl/d)	2	3	3	2	2	0
	Oil (MBOPD)	0	0	1	0	0	0
Alaska	MBOE/d	11	11	11	11	11	4
	Gas (MMcf/d)	0	0	0	0	0	0
	NGLs (MBbl/d)	0	0	0	0	0	0
	Oil (MBOPD)	11	11	11	11	11	4

GLOSSARY OF ABBREVIATIONS

- **APC:** Anadarko Petroleum Corporation
- **Bbl/d:** Barrels of Liquids per Day
- **BOE:** Barrels of Oil Equivalent
- **BOE/d:** Barrels of Oil Equivalent per Day
- **BOPD:** Barrels of Oil per Day
- **BW/d:** Barrels of Water per Day
- **CBM:** Coal-bed Methane
- **CTF:** Central Transfer Facility
- **COSF:** Centralized Oil Stabilization Facility
- **DJ:** Denver-Julesberg
- **FID:** Final Investment Decision
- **FPSO:** Floating Production, Storage and Offloading Unit
- **HBNS:** Hassi Berkine South
- **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
- **MM:** Million
- **MMBOE:** Million Barrels of Oil Equivalent
- **MMcf/d:** Million Cubic Feet per Day
- **MTPA:** Million Tonnes per Annum
- **NGL:** Natural Gas Liquids
- **NYSE:** New York Stock Exchange
- **psi:** Pounds per Square Inch
- **ROTF:** Regional Oil Treating Facility
- **SPA:** Sale and Purchase Agreement
- **SWD:** Salt Water Disposal Well
- **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
- **YE:** Year End

NON-GAAP RECONCILIATION

This non-GAAP financial measure definition and related reconciliation is intended to satisfy the requirements of Regulation G of the Securities Exchange Act of 1934, as amended. The Company undertakes no obligation to publicly update or revise any non-GAAP financial measure definitions and related reconciliations.

Non-GAAP financial measures exclude certain amounts that are included in the corresponding financial measures determined in accordance with GAAP. The following slide includes a reconciliation of a GAAP to non-GAAP financial measure and statements indicating why management believes the non-GAAP financial measure provides useful information for investors. 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.

The non-GAAP financial measure provided in this presentation for a specific asset area is calculated using the same methodology as the consolidated measure. Income taxes are included in consolidated Free Cash Flow (FCF), but excluded from FCF by asset area as taxes are not allocated to specific asset areas.

Discretionary Cash Flow from Operations (DCF) and Free Cash Flow (FCF)

The Company defines DCF as net cash provided by (used in) operating activities before changes in accounts receivable; changes in accounts payable and other current liabilities; other items, net; and certain nonoperating and other excluded items.

The Company defines FCF as DCF, less capital expenditures.

Management believes that these measures are useful to management and investors as a measure of a company’s ability to internally fund its capital expenditures and to service or incur additional debt. These measures eliminate the impact of certain items that management does not consider to be indicative of the Company’s performance from period to period. To assist in measuring the Company’s performance, management will also evaluate Anadarko on a deconsolidated basis, which excludes WES.

	Quarter Ended March 31,			
millions		2018		2017
Net cash provided by (used in) operating activities (GAAP)	$	**1,430**	$	**1,123**
Add back				
Increase (decrease) in accounts receivable		(23)		(68)
(Increase) decrease in accounts payable and other current liabilities		(45)		(395)
Other items, net		40		29
Discretionary cash flow from operations (Non-GAAP) *	$	**1,402**	$	**689**
Less capital expenditures **		1,704		1,255
Free cash flow (Non-GAAP)	$	**(302)**	$	**(566)**

**Includes $(323) million current taxes related to asset monetizations for the quarter ended March 31, 2017.*
***Includes Western Gas Partners, LP (WES) capital expenditures of $327 million for the quarter ended March 31, 2018, and $286 million for the quarter ended March 31, 2017.*