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FOURTH-QUARTER 2018

OPERATIONS REPORT

FEBRUARY 5, 2019

FOURTH-QUARTER & 2018 HIGHLIGHTS

Commitment to Capital Efficiency and Cash Returns

Anadarko remained focused on its 2018 strategy, demonstrating capital efficiency and a commitment to returning cash to shareholders. Since September 2017, the company has announced share-repurchase and debt-retirement programs totaling $7 billion and increased its per-share dividend by 500%. In the 4th quarter, Anadarko repurchased $250 million of stock and retired more than $500 million of outstanding debt, resulting in the completion of $3.75 billion of its $5 billion share-repurchase program and more than $600 million of its $2 billion debt-retirement program. The company expects to conclude these programs by mid-2020. During the 4th quarter, Anadarko also increased its per-share quarterly dividend from $0.25 to $0.30.

The company announced its 2019 capital program in November and remains committed to investing within discretionary cash flow in a $50 oil-price environment and continuing to prioritize free cash flow to fund stock repurchases and debt retirements, as well as potential dividend increases over time.

Midstream Transaction Accelerates Value

In November 2018, Anadarko announced a transaction to sell substantially all of its remaining midstream assets to WES in exchange for more than $4 billion of value, comprised of approximately $2 billion of cash proceeds and approximately $2 billion of additional WES units. Concurrently, WES and WGP announced a merger agreement, resulting in a simplified structure. Both transactions are expected to close in 1st quarter 2019. Anadarko will maintain operating control of the combined entity with approximately 55.5% pro forma ownership. In addition to approximately $2 billion of sales proceeds, the company expects to receive more than $600 million of pro forma annual distributions, materially reduce future midstream capital funding, and benefit from enhanced liquidity of its residual ownership of MLP securities post simplification.

Resilient and Diversified Portfolio Delivers Stable Cash Flow

Anadarko allocated approximately 75% of its 2018 capital program (excluding WES) to upstream and midstream activities in its U.S. Onshore portfolio, which is comprised of decades of scalable, short-cycle and infrastructure-advantaged investments. In 2018, Anadarko's oil sales volume in the Delaware and DJ basins increased approximately 71% and 17% year over year, respectively.

In the Delaware Basin, the company focused on completing its extensive network of foundational infrastructure and began transitioning from operatorship capture to pad development. In 2018, Anadarko and WES placed into service the Reeves and Loving ROTFs, the Mentone I gas-processing plant, and nearly all associated backbone oil, natural gas, and produced-water infrastructure. These developments facilitated initial production from the Silvertip-A campaign—Anadarko's first multi-well and multi-pad development with optimized infrastructure. The company also continued to enhance its basin takeaway strategy to improve natural gas flow assurance and access to Gulf Coast crude-oil markets, where premium waterborne pricing can be achieved.

In August 2018, Anadarko announced details of its acquisition and appraisal efforts in the southern Powder River Basin, a 300,000-gross-acre position that presents another emerging short-cycle investment opportunity with stacked-oil potential. Anadarko invested $181 million on acquisitions in the southern Powder River Basin in 2018 and is planning a $250 million appraisal program in 2019, focused on the Turner Formation.

Anadarko's conventional oil assets in Algeria, Ghana, and the deepwater Gulf of Mexico offer portfolio diversification with an investment profile that delivers significant free cash flow resulting from premium pricing and low capital intensity. Collectively, these assets delivered approximately 55% of the company's 4th quarter oil sales volume, delivering stable, high-margin production, economically enhanced by access to waterborne pricing. In the Gulf of Mexico, the company continued to leverage its unmatched infrastructure position to deliver eight development wells in 2018, including highly economic tiebacks to its 100%-owned Horn Mountain, Marlin, and Holstein platforms.

Mozambique Progressing Toward FID and Significant Future Cash Flow Provider

Anadarko and Area 1 co-venturers achieved major milestones in 2018, positioning the initial two-train Golfinho/Atum project for FID consideration in the first half of 2019. LNG SPAs were advanced subsequent to year end, increasing total executed volume to more than 7.5 MTPA. An additional 2.0 MTPA of contracted volume has been finalized and is anticipated to be executed prior to FID. This progress enabled the formal launch of project financing in December 2018. Additionally, the preferred offshore construction and installation contractor consortium was selected during the 4th quarter. Major onshore projects, including resettlement, are progressing as planned, preparing the Afungi site for LNG facility construction following FID.

OVERVIEW

Sales Volume

Sales volume for the quarter at 64 MMBOE, or 701,000 BOE/d, was within guidance. Oil sales volume was also within guidance at a record 407,000 BOPD, representing a 3% increase from the prior quarter and a 15% increase from 4th quarter 2017, on a divestiture-adjusted basis.

In 2018, full-year same-store sales volume was at the midpoint of guidance at 243 MMBOE, or 664,000 BOE/d, a 9% increase from the prior year. Oil sales volume was also at the midpoint of guidance at 383,000 BOPD, representing a 14% increase from 2017 on a divestiture-adjusted basis, largely driven by increased development activity in Ghana and strong oil delivery from the Delaware and DJ basins, which increased year-over-year oil sales volume by 71% and 17%, respectively. Oil now comprises approximately 58% of the company's daily sales volume mix, a greater than 4% increase from 2017, on a divestiture-adjusted basis.

Capital Investments

Capital investments in the 4th quarter were $982 million, excluding $258 million of capital investments made by WES. Full-year 2018 capital investments were $4,831 million, excluding $176 million of unbudgeted Powder River Basin acquisitions and $1,178 million of capital investments made by WES.

Reserves

Anadarko replaced approximately 117% of its production in 2018 by organically adding 284 MMBOE of proved reserves, before the effects of price revisions. The company's oil and natural gas exploration and development costs were approximately $4.5 billion (*see Non-GAAP Financial Measures on page 12*).

The company ended the year with estimated proved reserves of 1.47 billion BOE, comprised of 63% liquids with approximately 78% developed.

2018 SALES VOLUME* FULL YEAR TOTAL COMPANY	ACTUAL	OCTOBER GUIDANCE
MMBOE	243	240 - 245
MBOPD	383	380 - 389

* *Amounts are divestiture adjusted.*

SALES VOLUME

	4Q18					4Q17				
	Oil MBOPD	NGLs MBbl/d	Gas MMcf/d	MBOE/d	MMBOE	Oil MBOPD	NGLs MBbl/d	Gas MMcf/d	MBOE/d	MMBOE
U.S. Onshore	189	95	1,038	457	42	156	79	934	390	35
Gulf of Mexico	120	9	80	142	13	119	9	73	140	13
Total U.S.	**309**	**104**	**1,118**	**599**	**55**	**275**	**88**	**1,007**	**530**	**48**
International (1)	98	4	0	102	9	80	3	0	83	8
Divestiture-Adjusted Sales	**407**	**108**	**1,118**	**701**	**64**	**355**	**91**	**1,007**	**613**	**56**
Divestitures (2)	0	0	0	0	0	12	2	57	24	2
Total Company	**407**	**108**	**1,118**	**701**	**64**	**367**	**93**	**1,064**	**637**	**58**

(1) *Quarterly sales volume is influenced by size, timing, and scheduling of tanker liftings.*

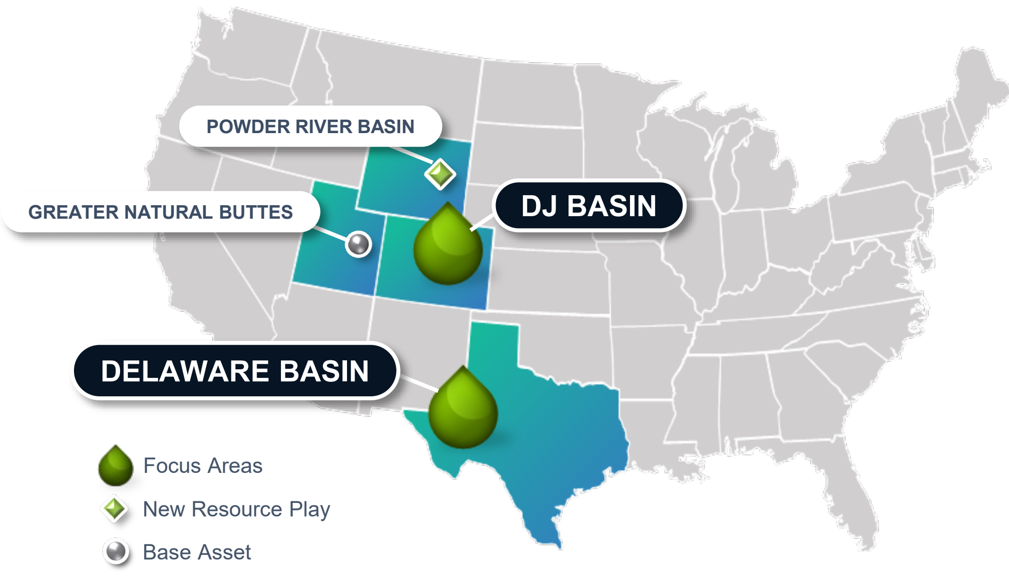
(2) *Moxa divestiture closed in 4Q17; Alaska divestiture closed in 1Q18; Ram Powell divestiture closed in 2Q18.*

CAPITAL INVESTMENTS

	4Q18 $MM
U.S. Onshore	610
Gulf of Mexico	164
International	70
Total Upstream	**844**
APC Midstream	85
WES Midstream †	258
APC Capitalized Interest/Other	53
Total Company	**1240**

† *Includes $5 MM of capitalized interest.*

U.S. ONSHORE



Anadarko's U.S. Onshore assets delivered sales volume of 457,000 BOE/d in 4th quarter 2018, a more than 6% increase from the prior quarter and 17% increase from 4th quarter 2017, on a divestiture-adjusted basis. Oil sales volume was a record 189,000 BOPD, representing an increase of 8% from the prior quarter and a 21% increase from 4th quarter 2017, on a divestiture-adjusted basis.

The DJ and Delaware basins delivered record production in 4th quarter 2018, with average oil sales volume increasing 6% and 7% from the prior quarter, respectively.

As of Feb. 5, 2019, the company is operating 14 drilling rigs in the U.S. Onshore, with nine in the Delaware Basin, four in the DJ Basin and one in the Powder River Basin.

Anadarko invested $181 million on acquisitions in its emerging Powder River Basin asset in 2018, of which $176 million was unbudgeted. In 2019, the company is focused on appraisal and delineation of its more than 300,000-gross-acre position in the southern Powder River Basin, with plans to deliver 10 to 15 wells to sales, focused mainly on the Turner Formation.

SALES VOLUME

	4Q18				4Q17			
	Oil MBOPD	NGLs MBbl/d	Gas MMcf/d	MBOE/d	Oil MBOPD	NGLs MBbl/d	Gas MMcf/d	MBOE/d
DJ Basin	102	61	648	272	100	57	583	254
Delaware Basin	75	25	162	127	49	14	101	80
Greater Natural Buttes	1	7	199	42	1	7	227	46
Wyoming/Other	11	2	29	16	6	1	23	10
Divestiture-Adjusted Sales	**189**	**95**	**1,038**	**457**	**156**	**79**	**934**	**390**
*Divestitures**	0	0	0	0	0	2	45	10
Total	**189**	**95**	**1,038**	**457**	**156**	**81**	**979**	**400**

** Moxa divestiture closed in 4Q17.*

APC CAPITAL INVESTMENTS†

	UPSTREAM	MIDSTREAM
	4Q18 $MM	
DJ Basin	262	11
Delaware Basin	280	72
Wyoming/Other	68	2
Total	**610**	**85**

† Excludes WES midstream capital investments.

DELAWARE BASIN

4Q18 ACTIVITY		
Average Operated Rigs	Wells Spud	Wells Turned to Sales
7	33	56

2018 Oil Volume and Well Delivery Achieved

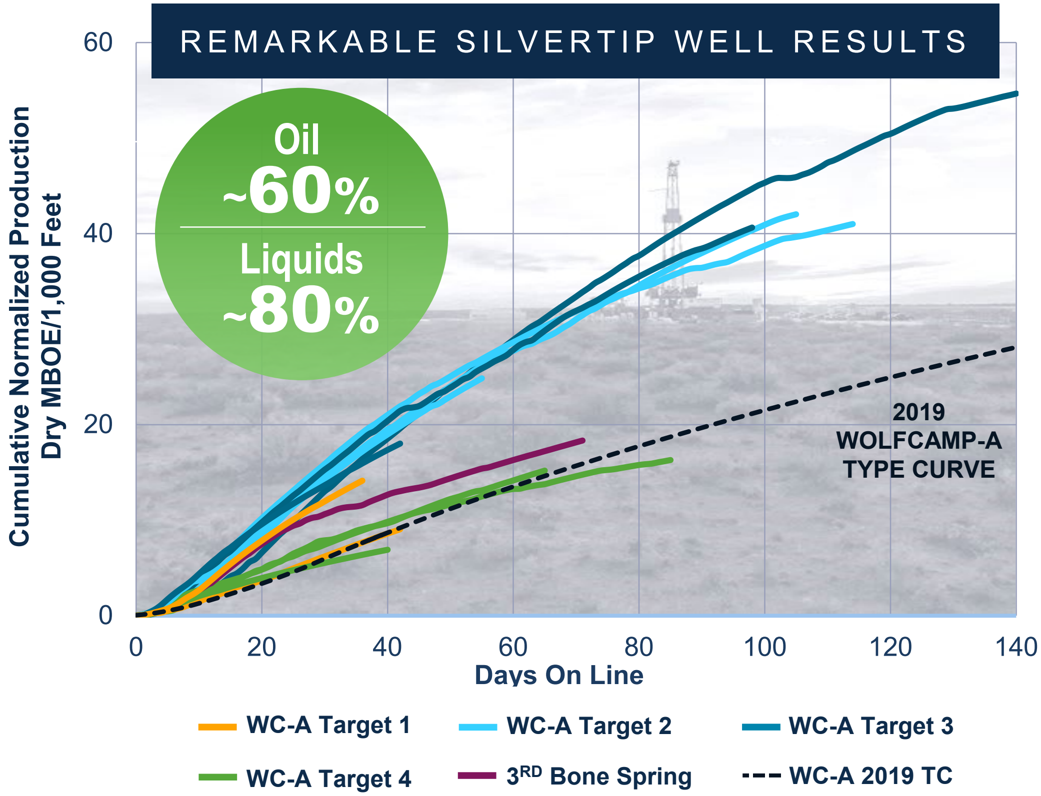
- Anadarko delivered record production in the Delaware Basin in 4th quarter 2018, with total sales volume of 127,000 BOE/d. Oil sales volume averaged 75,000 BOPD, representing a 7% increase from the previous quarter and 53% increase from 4th quarter 2017.
- The company averaged seven operated drilling rigs and five completion crews during the quarter. Two operated drilling rigs have recently been added to the program.
- The company turned 186 operated wells to sales in 2018 in the Delaware Basin, with 56 turned to sales in the 4th quarter.

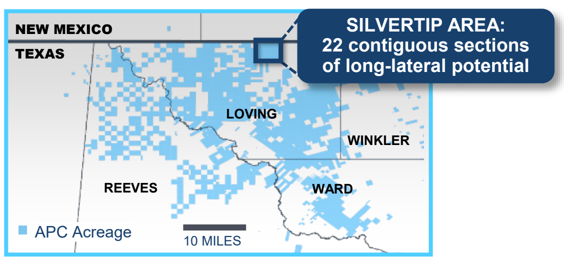
Strategic Infrastructure Buildout Largely Complete

- During the 4th quarter, the WES-owned Mentone I plant was brought on line, adding 200 MMcf/d of gas-processing capacity. Mentone II, another WES-owned 200 MMcf/d plant, is expected to be placed into service by the end of 1st quarter 2019.
- In addition to new gas processing in 2018, Anadarko and WES collectively added approximately 120 MBOPD of oil-treating capacity, 325 MMcf/d of gas compression, 370 MBbl/d of water-disposal capacity, and more than 950 miles of associated pipelines to support Anadarko's volumes in the Delaware Basin.
- This vast infrastructure buildout, along with Anadarko's tankless facility operations, is expected to reduce the company's oil and water trucking requirements in 2019 by more than 50% from 2017.

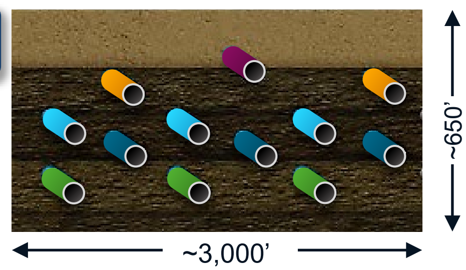
Silvertip Wells Delivering Strong Results

- Anadarko continued operations on the Silvertip-A campaign in the north Loving area during the 4th quarter. All 12 extended-lateral wells focusing on four Wolfcamp-A targets and one 3rd Bone Spring target have been turned to sales and are flowing to the Loving ROTF. Early results continue to be strong, with all wells performing in line or above the company's 2019 published Wolfcamp-A type curve.
- The Silvertip-A campaign represents Anadarko's initial multi-well and multi-pad development without facility constraints, and significant testing is taking place to enhance the company's development strategy for well spacing, completion design, and subsurface targeting.





SILVERTIP-A SPACING



DJ BASIN

Stable Cash Flow Engine

- Anadarko's DJ Basin delivered record sales volume in 4th quarter 2018, averaging 272,000 BOE/d. Oil sales volume averaged 102,000 BOPD, representing a 6% increase from the previous quarter.
- The company averaged three operated drilling rigs and two completion crews during the quarter. A fourth drilling rig was added in December 2018, and two additional completion crews were added in January 2019.
- The company turned 278 operated wells to sales in 2018 in the DJ Basin, with 50 turned to sales in the 4th quarter.

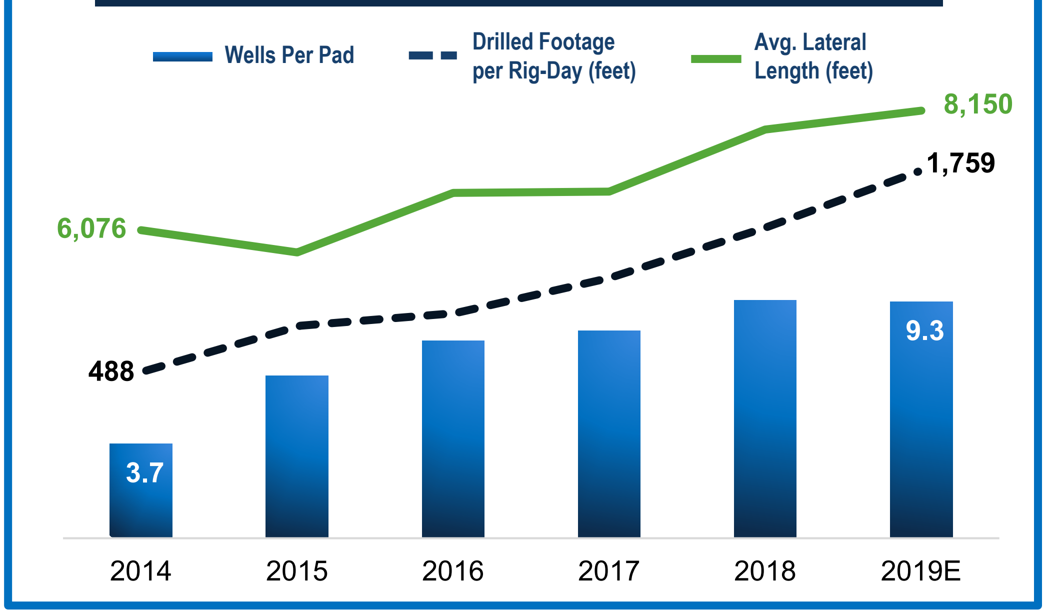
Operations Focused on Efficiency

- Anadarko continues to drive drilling efficiencies in its DJ Basin operations. In 2018, the company increased its horizontal lateral length by approximately 16% and improved its footage drilled per rig-day by approximately 30% from 2017.
- The company was recently recognized as an industry-leading operator for its utilization of development pads that include eight or more horizontal wells, resulting in operations with improved capital efficiency and less surface footprint.*

Owned Infrastructure Supports Production Optimization

- Anadarko continues to benefit from low line pressures in the DJ Basin, sending approximately 97% of its natural gas through WES-owned gathering infrastructure, which averaged approximately 150 psi in 2018. This enables Anadarko to maximize its significant base production volumes while optimizing productivity from new horizontal wells.
- Train I of the WES-owned Latham gas-processing plant is under construction and is expected to add 200 MMcf/d of gas processing in mid-year 2019.

IMPROVING DRILLING EXECUTION



4Q18 ACTIVITY

Average Operated Rigs	Wells Spud	Wells Turned to Sales
3	56	50

DJ Basin, Colorado

* Source: Rystad Energy "Shale Upstream Analytics" report generated Dec. 28, 2018.

GULF OF MEXICO

Anadarko's Gulf of Mexico sales volume averaged 142,000 BOE/d and 120,000 BOPD during the 4th quarter, representing relatively stable production from the prior quarter.

HORN MOUNTAIN:

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

- Horn Mountain continues to outperform expectations with total facility gross oil production rates at the highest level in more than 12 years. Final facility preparations were completed in the 4th quarter for the platform rig program. Operations are expected to commence in 1st quarter 2019.

HOLSTEIN:

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

- Platform rig work commenced in November 2017, with the first two wells coming on line in 3rd quarter 2018 and currently producing at a combined rate of approximately 8,500 BOPD. The third development well was drilled during the 4th quarter. Results were in line with expectations, and first production is expected in 1st quarter 2019.

CONSTELLATION:

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

- First production from the Constellation development commenced in January 2019 as a tieback to the 100%-Anadarko-owned Constitution spar.

LUCIUS:

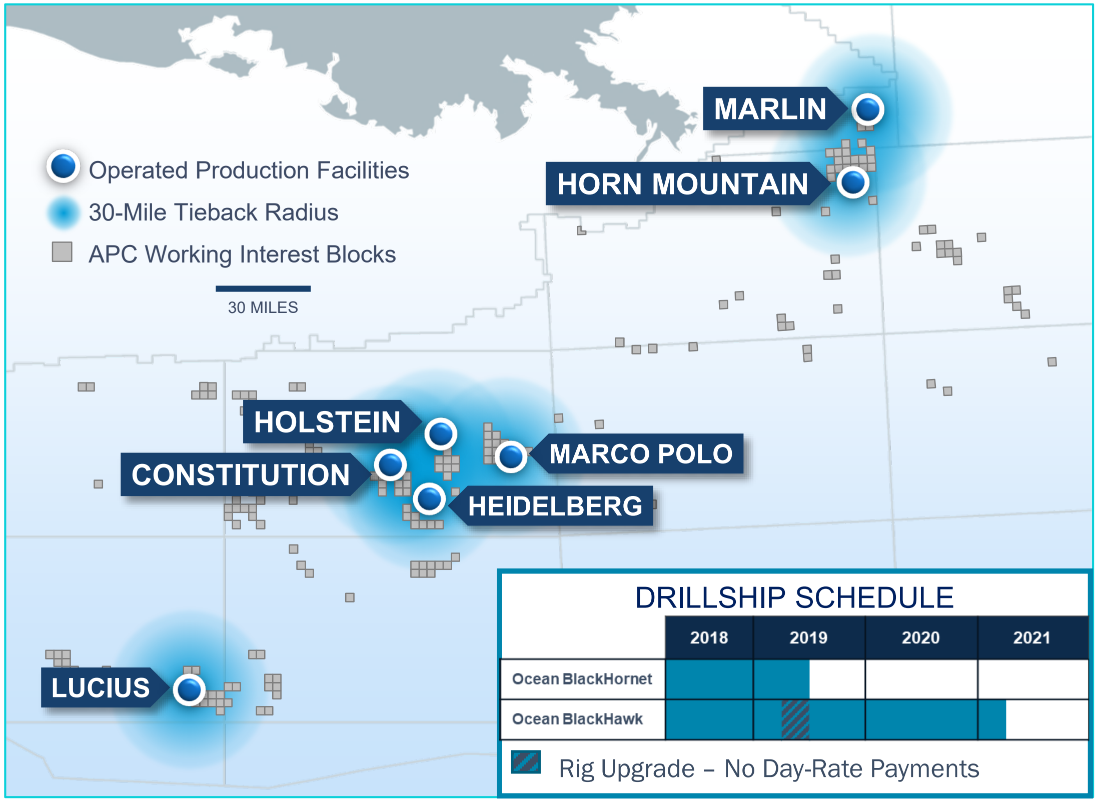
Keathley Canyon 874/875/918/919 (APC WI 48.9%, Operator)

- The second Hadrian North well was completed during the quarter with first production expected in 2nd quarter 2019.
- The ninth producing well in the original Lucius unit was completed and brought on line in 4th quarter 2018. Production is expected to increase once all zones are commingled in 1st quarter 2019. Spud-to-first-production cycle time was 71 days, a company record for a deepwater subsea well.

SALES VOLUME

	4Q18				4Q17			
	Oil MBOPD	NGLs MBbl/d	Gas MMcf/d	MBOE/d	Oil MBOPD	NGLs MBbl/d	Gas MMcf/d	MBOE/d
Divestiture-Adjusted Sales	**120**	**9**	**80**	**142**	**119**	**9**	**73**	**140**
*Divestitures**	0	0	0	0	1	0	12	3
Total	**120**	**9**	**80**	**142**	**120**	**9**	**85**	**143**

** Ram Powell divesititure closed in 2Q18.*



INTERNATIONAL

Anadarko's International sales volume averaged 102,000 Bbl/d during the 4th quarter, representing a slight decrease from the prior quarter, largely driven by size and timing of liftings.

The company's portfolio in Algeria and Ghana continues to provide stable, high-margin, and Brent-levered oil production that generates significant free cash flow.

Ghana, TEN FPSO

SALES VOLUME

	4Q18	4Q17
	MBbl/d	MBbl/d
Algeria [1]	66	57
Ghana [1]	36	26
Divestiture-Adjusted Sales	102	83
Divestitures [2]	0	11
Total	**102**	**94**

[1] *Quarterly sales volume is influenced by size, timing, and scheduling of tanker liftings.*

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

CAPITAL INVESTMENTS

	4Q18
	$MM
Algeria	9
West Africa	33
Mozambique	27
Colombia	1
Total	**70**

ALGERIA:

- Gross production averaged 319,000 BOE/d during the 4th quarter with the El Merk facility averaging 140,000 BOE/d.
- Routine statutory maintenance was completed at the Ourhoud field early in the 1st quarter requiring a planned shutdown of the Ourhoud facility for approximately eight days.
- A produced-water treatment project commenced operation at the HBNS facility in October 2018, increasing water-handling capacity and improving long-term oil delivery.
- Infill drilling operations continue with positive results and help to maintain oil plateau at El Merk and minimize overall field declines at HBNS.

GHANA:

- In 4th quarter 2018, gross production from the Jubilee and TEN developments averaged approximately 85,500 BOPD and 65,500 BOPD, respectively.
- During the quarter, the operator completed work necessary to rotate the Jubilee FPSO to its permanent heading. Completion of the permanent spread mooring operations are expected in 1st quarter 2019, with no impact to production anticipated.
- In 4th quarter 2018, drilling operations finished on a production well and water-injector well in the TEN field and work commenced on a water-injection well in the Jubilee field. Additionally, completions operations concluded on a Jubilee production well that is now on line.

MOZAMBIQUE LNG

Offshore Area 1 (APC WI 26.5%, Operator)

- With continued LNG marketing advancements, Anadarko and its Area 1 co-venturers established clear line of sight to approximately 9.5 MTPA of long-term SPAs, which enabled the formal launch of project financing in December 2018. Activities are progressing to finalize project finance arrangements with lenders and to secure all partner and government-related approvals required to proceed with FID.
- Subsequent to year-end 2018, LNG SPAs were executed increasing the total contracted volume to more than 7.5 MTPA. Execution of SPAs representing 2.0 MTPA of additional contracted volume is anticipated prior to FID.
- During the 4th quarter, Anadarko and its Area 1 co-venturers selected a consortium consisting of TechnipFMC and Van Oord as the preferred offshore construction and installation contractor.
- Total workforce at the Afungi site increased in the 4th quarter to approximately 5,000 Mozambicans, who are advancing major onshore infrastructure projects, including resettlement, roads, camps, and an airstrip.
- The initial phase of the resettlement village is expected to be complete in the 1st quarter, and Anadarko continues to engage with the Government of Mozambique to finalize the plan for moving communities into the village, which will help prepare the onshore area for LNG construction.

Resettlement Village Construction

5,000
Mozambican Workforce

Pre-FID 2019 Capital
$200MM

COMPLETED

LEGAL & CONTRACTUAL FRAMEWORK

DEVELOPMENT PLAN APPROVED[1]

OFFTAKE AGREEMENTS
~9.5 MTPA

IN PROGRESS

ONSHORE SITE PREPARATION

PROJECT FINANCING

FID

Anticipated
1H2019

SPAs (MTPA)[2]	
EXECUTED	
Tokyo Gas & Centrica	2.6
Shell	2.0
CNOOC	1.5
EdF	1.2
Tohoku	0.3
FINALIZED[3]	
Two Additional SPAs	2.0

Post-FID Capital
~2/3 Project Financed

[1] Initial Golfinho/Atum two-train development.
[2] All volume numbers are approximate.
[3] Subject to execution.
Note: See Glossary of Abbreviations for formal names of companies with executed SPAs.

DIVESTED SALES-VOLUME SUMMARY

		1Q17	2Q17	3Q17	4Q17	TY17	1Q18	2Q18	3Q18	4Q18	TY18
Marcellus	**MBOE/d**	**84**	**9**	**0**	**0**	**23**	**0**	**0**	**0**	**0**	**0**
	Gas (MMcf/d)	504	56	0	0	138	0	0	0	0	0
	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**	**40**	**0**	**0**	**0**	**10**	**0**	**0**	**0**	**0**	**0**
	Gas (MMcf/d)	81	0	1	0	20	0	0	0	0	0
	NGLs (MBbl/d)	13	0	0	0	3	0	0	0	0	0
	Oil (MBOPD)	14	0	0	0	3	0	0	0	0	0
W.Chalk/Eaglebine	**MBOE/d**	**6**	**5**	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**0**
	Gas (MMcf/d)	5	4	0	0	2	0	0	0	0	0
	NGLs (MBbl/d)	1	1	0	0	0	0	0	0	0	0
	Oil (MBOPD)	4	4	0	0	2	0	0	0	0	0
Utah CBM	**MBOE/d**	**5**	**4**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0**
	Gas (MMcf/d)	27	27	0	0	13	0	0	0	0	0
	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**	**12**	**15**	**16**	**9**	**13**	**0**	**0**	**0**	**0**	**0**
	Gas (MMcf/d)	56	74	72	45	62	0	0	0	0	0
	NGLs (MBbl/d)	2	3	3	2	2	0	0	0	0	0
	Oil (MBOPD)	0	0	1	0	0	0	0	0	0	0
Alaska	**MBOE/d**	**11**	**11**	**11**	**11**	**11**	**4**	**0**	**0**	**0**	**1**
	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)	11	11	11	11	11	4	0	0	0	1
Ram Powell	**MBOE/d**	**1**	**2**	**2**	**3**	**2**	**3**	**1**	**0**	**0**	**1**
	Gas (MMcf/d)	4	5	6	6	5	6	2	0	0	2
	NGLs (MBbl/d)	0	0	0	0	0	0	0	0	0	0
	Oil (MBOPD)	1	1	1	1	1	2	1	0	0	1

GLOSSARY OF ABBREVIATIONS

- **APC:** Anadarko Petroleum Corporation
- **AVG:** Average
- **Bbl/d:** Barrels of Liquids per Day
- **BOE:** Barrel of Oil Equivalent
- **BOE/d:** Barrels of Oil Equivalent per Day
- **BOPD:** Barrels of Oil per Day
- **CBM:** Coalbed Methane
- **Centrica:** Centrica LNG Company Ltd., a subsidiary of Centrica plc
- **CNOOC:** CNOOC Gas and Power Singapore Trading & Marketing Pte. Ltd.
- **DJ:** Denver-Julesberg
- **EdF:** Électricité de France, S.A.
- **FID:** Final Investment Decision
- **FPSO:** Floating Production, Storage and Offloading Unit
- **GAAP:** Generally Accepted Accounting Principles
- **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
- **MLP:** Master Limited Partnership
- **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
- **Shell:** Shell International Trading Middle East Ltd.
- **SPA:** Sale and Purchase Agreement
- **TC:** Type Curve
- **TEN:** Tweneboa, Enyenra and Ntomme
- **Tohoku:** Tohoku Electric Power Company, Inc.
- **Tokyo Gas:** Tokyo Gas Co., Ltd.
- **TY:** Total Year
- **U.S.:** United States of America
- **WES:** Western Gas Partners, LP (NYSE: WES)
- **WGP:** Western Gas Equity Partners, LP (NYSE: WGP)
- **WC-A:** Wolfcamp-A
- **WI:** Working Interest

NON-GAAP FINANCIAL MEASURES

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, 2018
Costs incurred (GAAP)*	**$**	**4,569**
Asset retirement obligation liabilities incurred		(357)
Cash expenditures for asset retirement obligations		263
Oil and natural gas exploration and development costs (Non-GAAP)	**$**	**4,475**
Non-price related additions before acquisitions and divestitures (MMBOE)		284
Finding and development costs ($/BOE) (Non-GAAP)	**$**	**15.76**

Includes $202 million of unproved property acquisitions.