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## NEWS

### **ANADARKO ANNOUNCES FIRST-QUARTER RESULTS**

**HOUSTON**, May 6, 2009 – Anadarko Petroleum Corporation (NYSE: APC) today announced a first-quarter 2009 net loss attributable to common stockholders of \$338 million, or \$0.73 per share (diluted). These results include certain items typically excluded by the investment community in published estimates. In total, these items increased the net loss by approximately \$96 million, or \$0.20 per share (diluted) on an after-tax basis.<sup>(1)</sup> Cash flow from continuing operations in the first quarter of 2009 was \$527 million, and discretionary cash flow totaled \$741 million.<sup>(2)</sup>

#### **FIRST-QUARTER 2009 HIGHLIGHTS**

- Announced four significant deepwater discoveries
- Achieved sequential volume growth over fourth-quarter 2008
- Recognized further improvements in cost structure and drilling efficiencies
- Issued bonds to refinance near-term debt and supplement liquidity

“Our portfolio yielded very good operating results during the quarter; however, we continue to face a challenging period until we see better alignment between costs and commodity prices,” Anadarko Chairman and CEO Jim Hackett said. “We prudently scaled back our near-term capital spending and still improved sales volumes by approximately 2 million barrels from the fourth quarter of 2008. Toward the end of the second quarter we expect to resume production of approximately 30,000 net BOE (barrels of oil equivalent) per day, currently shut-in due to the lingering effects of hurricane-related outages to downstream infrastructure in the Gulf of Mexico. We remain on track to achieve our 2009 production target of between 208 million and 212 million BOE.”

“We also had an outstanding quarter with regard to exploration success, which reinforces our commitment to invest in this program. We announced four high-impact

discoveries during the quarter – the Heidelberg and Shenandoah prospects in the deepwater Gulf of Mexico and the Tweneboa and Mahogany Deep prospects in West Africa. Additionally, we achieved important milestones in the development of our three mega projects, enabling us to effectively manage costs and maintain schedules for first production.”

Anadarko and its partners continue to move forward with the Phase I development of the Jubilee field. The Ghanaian government is currently reviewing the field’s Plan of Development, and Jubilee remains on track to deliver first production in late 2010. In the deepwater Gulf of Mexico, preparations are under way to begin development drilling in the third quarter at the company’s Caesar/Tonga complex, with first production anticipated in early 2011. In Algeria, Anadarko and its partners have awarded the key contracts for the development of the El Merk project, with production expected to commence in 2012.

“The advancement of these major development projects and our exploration successes continue to position Anadarko for material future reserve and production growth. Our financial position, improving cost structure and drilling efficiencies are allowing us to manage through the current market environment with a focus on future growth,” Hackett added.

First-quarter 2009 sales volumes of natural gas, crude oil and natural gas liquids totaled 54 million BOE, or 600,000 BOE per day. First-quarter 2009 natural gas sales volumes averaged 2.3 billion cubic feet per day. Oil sales volumes in the first quarter averaged 174,000 barrels per day and natural gas liquids sales volumes averaged 40,000 barrels per day.

**CONFERENCE CALL *TOMORROW* AT 9 A.M. CDT, 10 A.M. EDT**

Anadarko will host a conference call on Thursday, May 7, at 9 a.m. Central Daylight Time (10 a.m. Eastern Daylight Time) to discuss first-quarter results and the company’s outlook for the remainder of 2009. The dial-in number is 888.713.4213 in the United States or 617.213.4865 internationally. The confirmation number is 62504318. For complete instructions on how to participate in the conference call, or to listen to the live audio webcast and slide presentation, please visit [www.anadarko.com](http://www.anadarko.com). A replay of the call will also be available on the Web site for approximately 30 days following the conference call.

**ANADARKO OPERATIONS REPORT**

For more details on Anadarko's operations, please refer to the comprehensive report on first-quarter activity. The report will be available at [www.anadarko.com](http://www.anadarko.com) on the Investor Relations page.

**FINANCIAL DATA**

Nine pages of summary financial data follow, including current hedge positions, financial guidance and supplemental production guidance.

Anadarko Petroleum Corporation's mission is to deliver a competitive and sustainable rate of return to shareholders by exploring for, acquiring and developing oil and natural gas resources vital to the world's health and welfare. As of year-end 2008, the company had approximately 2.3 billion barrels of oil equivalent of proved reserves, making it one of the world's largest independent exploration and production companies. For more information about Anadarko, please visit [www.anadarko.com](http://www.anadarko.com).

- <sup>(1)</sup> See the accompanying table for details of certain items affecting comparability.
- <sup>(2)</sup> See the accompanying table for a reconciliation of GAAP to non-GAAP financial measures and a statement indicating why management believes the non-GAAP financial measures provide useful information for investors.

*This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Anadarko believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this news release, including Anadarko's ability to achieve its production targets, successfully manage its capital expenditures, and timely complete and commercially operate the drilling prospects identified in this news release. See "Risk Factors" in the company's 2008 Annual Report on Form 10-K and other public filings and press releases. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.*

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## Anadarko Petroleum Corporation

### Certain Items Affecting Comparability

<i>millions except per share amounts</i>	Quarter Ended March 31, 2009		
	Before Tax	After Tax	Per Share (diluted)
Unrealized gains (losses) on derivatives, net	\$ (240)	\$ (153)	(0.33)
Gains (losses) on divestitures, net	10	8	0.02
Impairments	(51)	(33)	(0.07)
Change in uncertain tax positions (FIN48)	-	82	0.18
	\$ (281)	\$ (96)	\$ (0.20)

<i>millions except per share amounts</i>	Quarter Ended March 31, 2008		
	Before Tax	After Tax	Per Share (diluted)
Unrealized gains (losses) on derivatives, net	\$ (488)	\$ (311)	(0.66)
Gains (losses) on divestitures, net	(171)	(109)	(0.23)
Other adjustments	81	52	0.11
	\$ (578)	\$ (368)	\$ (0.78)

### Reconciliation of GAAP to Non-GAAP Measures

Below is a reconciliation of cash provided by operating activities (GAAP) to discretionary cash flow and free cash flow (non-GAAP) and net income from continuing operations (GAAP) to adjusted net income from continuing operations (non-GAAP) as required under Regulation G of the Securities Exchange Act of 1934. The company uses discretionary cash flow and free cash flow to demonstrate the company's ability to internally fund capital expenditures and to service or incur additional debt. It is useful in comparisons of oil and gas exploration and production companies because it excludes fluctuations in assets and liabilities. The company uses adjusted net income from continuing operations to evaluate the company's operational trends and performance.

<i>millions</i>	Quarter Ended March 31	
	2009	2008
<b>Cash Flow</b>		
Net cash provided by operating activities - continuing operations	\$ 527	\$ 2,008
Add back:		
Change in accounts receivable	(256)	(412)
Change in accounts payable and accrued expenses	589	87
Change in other items - net	(119)	187
<b>Discretionary Cash Flow from Continuing Operations*</b>	\$ 741	\$ 1,870

\*Discretionary cash flow from continuing operations for the quarter ended March 31, 2009 was reduced by current tax expense of \$85 million. However, actual cash tax payments for the quarter ended March 31, 2009 were \$207 million. For the same period of 2008, discretionary cash flow from continuing operations was reduced by current tax expense of \$309 million. However, actual cash tax refunds for the quarter ended March 31, 2008 were \$296 million.

## Anadarko Petroleum Corporation

### Reconciliation of GAAP to Non-GAAP Measures

<i>millions</i>	Quarter Ended March 31	
	2009	2008
Discretionary cash flow from continuing operations	\$ 741	\$ 1,870
Less: Capital expenditures	1,107	1,056
<b>Free Cash Flow**</b>	<b>\$ (366)</b>	<b>\$ 814</b>

\*\*Free cash flow for the quarter ended March 31, 2009 was reduced by current tax expense of \$85 million. However, actual cash tax payments for the quarter ended March 31, 2009 were \$207 million. For the same period of 2008, free cash flow was reduced by current tax expense of \$309 million. However, actual cash tax refunds for the quarter ended March 31, 2008 were \$296 million.

<i>millions except per share amounts</i>	Quarter Ended March 31, 2009		Quarter Ended March 31, 2008	
	After Tax	Per Share (diluted)	After Tax	Per Share (diluted)
Income (loss) from continuing operations attributable to common stockholders	\$ (338)	(0.73)	\$ 236	\$ 0.50
Less: Certain items affecting comparability	(96)	(0.20)	(368)	(0.78)
<b>Adjusted net income from continuing operations</b>	<b>\$ (242)</b>	<b>\$ (0.53)</b>	<b>\$ 604</b>	<b>\$ 1.28</b>

Presented below is a reconciliation of total debt (GAAP) to net-debt (non-GAAP). Management uses net-debt as a measure of the company's outstanding debt obligations relative to its cash and cash equivalents on hand.

<i>millions</i>	March 31 2009
Total debt	\$ 12,990
Less: Cash and cash equivalents	2,165
<b>Net-Debt</b>	<b>\$ 10,825</b>

## Anadarko Petroleum Corporation

Summary Financial Information	Quarter Ended	
	March 31	
<i>millions except per share amounts</i>	2009	2008
<b>Revenues and Other</b>		
Gas sales	\$ 680	\$ 1,199
Oil and condensate sales	626	1,350
Natural gas liquids sales	83	201
Gathering, processing and marketing sales	161	268
Gains (losses) on divestitures and other, net	45	(40)
Total	1,595	2,978
<b>Costs and Expenses</b>		
Oil and gas operating	262	245
Oil and gas transportation and other *	153	130
Exploration	301	243
Gathering, processing and marketing	135	192
General and administrative	209	204
Depreciation, depletion and amortization	806	810
Other taxes	150	359
Impairments	51	-
Total	2,067	2,183
<b>Operating Income (Loss)</b>	<b>(472)</b>	<b>795</b>
<b>Other (Income) Expense</b>		
Interest expense	181	227
Other (income) expense, net	(108)	(12)
Total	73	215
Income (Loss) from Continuing Operations Before Income Taxes	(545)	580
<b>Income Tax Expense (Benefit)</b>	<b>(214)</b>	<b>344</b>
<b>Income (Loss) from Continuing Operations</b>	<b>\$ (331)</b>	<b>\$ 236</b>
<b>Income from Discontinued Operations, net of taxes</b>	<b>-</b>	<b>50</b>
<b>Net Income (Loss)</b>	<b>\$ (331)</b>	<b>\$ 286</b>
Net Income Attributable to Noncontrolling Interests	7	-
<b>Net Income (Loss) Attributable to Common Stockholders</b>	<b>\$ (338)</b>	<b>\$ 286</b>
<b>Amounts Attributable to Common Stockholders</b>		
Income (loss) from continuing operations attributable to common stockholders	\$ (338)	\$ 236
Income from discontinued operations, net of tax	-	50
Net income (loss) attributable to common stockholders	\$ (338)	\$ 286
<b>Per Common Share (amounts attributable to common stockholders):</b>		
Income (loss) from continuing operations attributable to common stockholders - basic	\$ (0.73)	\$ 0.50
Income (loss) from continuing operations attributable to common stockholders - diluted	\$ (0.73)	\$ 0.50
Income from discontinued operations, net of taxes - basic	\$ -	\$ 0.11
Income from discontinued operations, net of taxes - diluted	\$ -	\$ 0.11
Net income (loss) attributable to common stockholders - basic	\$ (0.73)	\$ 0.61
Net income (loss) attributable to common stockholders - diluted	\$ (0.73)	\$ 0.60
<b>Average Number of Common Shares Outstanding - Basic</b>	<b>460</b>	<b>468</b>
<b>Average Number of Common Shares Outstanding - Diluted</b>	<b>460</b>	<b>469</b>
<b>Exploration Expense</b>		
Dry hole expense	\$ 121	\$ 60
Impairments of unproved properties	107	100
Geological and geophysical expense	34	51
Exploration overhead and other	39	32
Total	\$ 301	\$ 243

\* For the quarter ended March 31, 2009, Oil and gas transportation and other expenses includes \$25 million related to payments for early termination of certain drilling rig contracts.

## Anadarko Petroleum Corporation

Summary Financial Information <i>millions</i>	Quarter Ended March 31	
	2009	2008
<b>Cash Flow from Operating Activities</b>		
Net income (loss)	\$ (331)	\$ 286
Less income from discontinued operations, net of taxes	-	50
Depreciation, depletion and amortization	806	810
Deferred income taxes	(299)	37
Dry hole expense and impairments of unproved properties	228	160
Impairments	51	-
(Gains) losses on divestitures, net	(10)	171
Unrealized (gains) losses on derivatives	240	488
Other noncash items	56	(32)
Discretionary Cash Flow from Continuing Operations	741	1,870
(Increase) decrease in accounts receivable	256	412
Increase (decrease) in accounts payable and accrued expenses	(589)	(87)
Other items - net	119	(187)
Net cash provided by (used in) operating activities	\$ 527	\$ 2,008

<b>Capital Expenditures</b>		
Capital spending	\$ 1,091	\$ 1,037
Capitalized interest	16	19
Total	\$ 1,107	\$ 1,056

	March 31, 2009	December 31, 2008
<b>Condensed Balance Sheet</b>		
Cash and cash equivalents	\$ 2,165	\$ 2,360
Other current assets	2,387	3,015
Net properties and equipment	37,154	37,047
Other assets	1,089	1,088
Goodwill and other intangible assets	5,359	5,413
Total Assets	\$ 48,154	\$ 48,923
Current debt	\$ 1,020	\$ 1,472
Other current liabilities	3,153	4,064
Long-term debt	10,231	9,128
Midstream subsidiary note to a related party	1,739	1,739
Other long-term liabilities	13,189	13,364
Stockholders' equity	18,460	18,795
Noncontrolling Interests	362	361
Total Liabilities and Stockholders' Equity	\$ 48,154	\$ 48,923
<b>Capitalization</b>		
Total debt	\$ 12,990	\$ 12,339
Stockholders' equity	18,460	18,795
Total	\$ 31,450	\$ 31,134
<b>Capitalization Ratios</b>		
Total debt	41%	40%
Stockholders' equity	59%	60%

## Anadarko Petroleum Corporation

Sales Volumes and Prices	Quarter Ended March 31	
	2009	2008
<b>Natural Gas</b>		
<i>United States</i>		
Volumes, billion cubic feet	208	194
Average daily volumes, million cubic feet per day	2,315	2,137
Price per thousand cubic feet excluding derivatives	\$ 4.01	\$ 7.58
Realized gain (loss) on derivatives	\$ 0.59	\$ (0.11)
Unrealized gain (loss) on derivatives	\$ (1.34)	\$ (1.30)
Total gains (losses) on derivatives	\$ (0.75)	\$ (1.41)
Total price per thousand cubic feet	\$ 3.26	\$ 6.17
<b>Crude Oil and Condensate</b>		
<i>United States</i>		
Volumes, million barrels	9	10
Average daily volumes, thousand barrels per day	103	122
Price per barrel excluding derivatives	\$ 38.51	\$ 92.59
Realized gain (loss) on derivatives	\$ 2.89	\$ (3.16)
Unrealized gain (loss) on derivatives	\$ (1.94)	\$ (12.39)
Total gains (losses) on derivatives	\$ 0.95	\$ (15.55)
Price per barrel	\$ 39.46	\$ 77.04
<i>Algeria</i>		
Volumes, million barrels	5	5
Average daily volumes, thousand barrels per day	58	51
Price per barrel excluding derivatives	\$ 45.94	\$ 98.02
Realized gain (loss) on derivatives	\$ 1.40	\$ (3.80)
Unrealized gain (loss) on derivatives	\$ (5.48)	\$ (14.23)
Total gains (losses) on derivatives	\$ (4.08)	\$ (18.03)
Price per barrel	\$ 41.86	\$ 79.99
<i>Other International</i>		
Volumes, million barrels	1	2
Average daily volumes, thousand barrels per day	13	17
Price per barrel	\$ 36.79	\$ 81.08
<i>Total</i>		
Volumes, million barrels	15	17
Average daily volumes, thousand barrels per day	174	190
Price per barrel excluding derivatives	\$ 40.86	\$ 93.01
Realized gain (loss) on derivatives	\$ 2.18	\$ (3.04)
Unrealized gain (loss) on derivatives	\$ (2.98)	\$ (11.76)
Total gains (losses) on derivatives	\$ (0.80)	\$ (14.80)
Total price per barrel	\$ 40.06	\$ 78.21
<b>Natural Gas Liquids</b>		
<i>United States</i>		
Volumes, million barrels	4	4
Average daily volumes, thousand barrels per day	40	39
Total price per barrel	\$ 23.05	\$ 56.42
<b>Total Barrels of Oil Equivalent (BOE)</b>		
Volumes, million BOE	54	53
Average daily volumes, thousand BOE per day	600	585

**Anadarko Petroleum Corporation**  
**Financial and Operating Guidance**  
**Continuing Operations**  
**As of May 6, 2009**

	2nd Qtr Guidance			Total Year Guidance		
	Units			Units		
<b>Total Sales (MMBOE)</b>	51	-	53	208	-	212
<b>Crude Oil (MBbl/d):</b>	175	-	185	165	-	175
United States	107	-	112	100	-	105
Algeria	51	-	55	51	-	55
Other International	17	-	18	13	-	15
<b>Natural Gas (MMcf/d):</b>						
United States	2,100	-	2,150	2,190	-	2,220
<b>Natural Gas Liquids (MBbl/d):</b>						
United States	38	-	40	38	-	40
	\$ / Unit			\$ / Unit		
<b>Price Differentials vs NYMEX (w/o hedges)</b>						
<b>Crude Oil (\$/Bbl):</b>	(4.00)	-	(6.00)	(3.50)	-	(5.50)
United States	(4.00)	-	(6.00)	(4.50)	-	(6.50)
Algeria	1.00	-	(1.00)	1.00	-	(1.00)
Other International	(6.00)	-	(11.00)	(6.00)	-	(11.00)
<b>Natural Gas (\$/Mcf):</b>						
United States	(0.50)	-	(1.00)	(0.50)	-	(1.00)

**Anadarko Petroleum Corporation**  
**Financial and Operating Guidance**  
**Continuing Operations**  
**As of May 6, 2009**

	<u>2nd Qtr Guidance</u>			<u>Total Year Guidance</u>		
	<u>\$ MM</u>			<u>\$ MM</u>		
<b>Other Revenues:</b>						
Marketing and Gathering Margin	30	-	40	120	-	160
Minerals and Other	15	-	25	85	-	105
<hr/>						
<b>Costs and Expenses:</b>						
	<u>\$ / Boe</u>			<u>\$ / Boe</u>		
Oil & Gas Direct Operating	5.25	-	5.75	5.00	-	5.50
LOE less offshore workovers	4.75	-	5.00	4.75	-	5.00
Offshore workovers	0.50	-	0.75	0.25	-	0.50
Oil & Gas Transportation/Other	2.25	-	2.50	2.50	-	2.75
Depreciation, Depletion and Amortization	16.00	-	16.50	16.00	-	16.50
Production Taxes (% of Revenue)	8.0%	-	10.0%	8.0%	-	10.0%
	<u>\$ MM</u>			<u>\$ MM</u>		
General and Administrative	210	-	225	825	-	875
Exploration Expense						
Non-Cash	275	-	300	850	-	950
Cash	70	-	90	300	-	325
Interest Expense (net)	190	-	200	700	-	750
Other (Income) Expense	(10)	-	10	(20)	-	20
<hr/>						
<b>Average Tax Rate</b>						
Algeria			65%			65%
Rest of Company			35%			35%
<hr/>						
<b>Avg. Shares Outstanding (MM)</b>						
Basic	459	-	461	460	-	462
Diluted	460	-	462	462	-	464
	<u>\$ MM</u>			<u>\$ MM</u>		
<b>Capital Investment:</b>						
Capital Projects	1,000	-	1,150	3,900	-	4,400

**Anadarko Petroleum Corporation**  
**Commodity Hedge Positions (Excluding Natural Gas Basis)**  
**As of May 6, 2009**

	Volume (thousand MMBtu/d)	Weighted Average Price per MMBtu		
		Floor Sold	Floor Purchased	Ceiling Sold
<b>Natural Gas</b>				
<b>Three-Way Collars</b>				
2009	530	\$ 5.45	\$ 7.50	\$ 11.25
2010	210	\$ 4.00	\$ 5.00	\$ 8.91
2011	—	\$ —	\$ —	\$ —

	Volume (thousand MMBtu/d)	NYMEX Price \$/MMBtu
		<b>Natural Gas</b>
<b>Fixed Price Swaps</b>		
2009 (Jun-Aug)	330	\$ 3.85
2010	90	\$ 6.10
2011	90	\$ 6.17

	Volume (thousand MBbls/d)	Weighted Average Price per barrel		
		Floor Sold	Floor Purchased	Ceiling Sold
<b>Crude Oil</b>				
<b>Three-Way Collars</b>				
2009	48	\$ 37.51	\$ 52.51	\$ 87.04
2010	41	\$ 40.25	\$ 55.25	\$ 82.24
2011	3	\$ 35.00	\$ 50.00	\$ 86.00
2012	2	\$ 35.00	\$ 50.00	\$ 92.50

**Interest Rate Derivatives**  
**As of May 6, 2009**

Instrument	Notional Amt.	Start Date	Maturity	Rate Paid	Rate Received
Swap	\$1,000 Million	Current	Sep-09	2.74%	3M LIBOR
Swap	\$750 Million	Oct-11	Oct-21	3.16%	3M LIBOR
Swap	\$1,250 Million	Oct-11	Oct-41	3.28%	3M LIBOR
Swap	\$250 Million	Oct-12	Oct-22	3.45%	3M LIBOR
Swap	\$750 Million	Oct-12	Oct-42	3.22%	3M LIBOR

**Anadarko Petroleum Corporation**  
**Natural Gas Basis Hedge Positions**  
**As of May 6, 2009**

<b>Basis Swaps</b>	<b>Volume (thousand MMBtu/d)</b>	<b>Price per MMBtu</b>
2009		
Gulf Coast	315	\$ (0.15)
Mid Continent	330	\$ (0.85)
Rocky Mountains	555	\$ (1.25)
	<u>1,200</u>	<u>\$ (0.85)</u>
2010		
Mid Continent	125	\$ (0.83)
Rocky Mountains	340	\$ (1.28)
	<u>465</u>	<u>\$ (1.16)</u>
2011		
Mid Continent	15	\$ (0.76)
Rocky Mountains	30	\$ (2.22)
	<u>45</u>	<u>\$ (1.74)</u>

**Rockies Export Firm Transportation**  
**As of May 6, 2009**  
**(Only shown through 2011)**

<b>Delivery/Pricing Point</b>	<b>Daily Volume (MMBtus) by Pricing Point</b>
2009	
Mid Continent	491
West Coast	88
San Juan	15
	<u>594</u>
2010	
Mid Continent	491
West Coast	88
San Juan	15
	<u>594</u>
2011	
Mid Continent	491
West Coast*	294
Mid West**	250
San Juan	15
	<u>1,050</u>

\*New agreement with Ruby estimated to begin in March 2011.

\*\*New agreement with Bison estimated to begin in November 2010.