



Anadarko Petroleum Corporation (Anadarko) response to the Carbon Disclosure Project (CDP4) Greenhouse Gas Emissions Questionnaire

We request as full a reply as possible to the following questions by no later than 31st May 2006. Please send your response electronically, in English, to the Project Coordinator at info@cdproject.net or use our web site for direct data entry www.cdproject.net/cdp4. If you already publish the relevant information, please indicate for each question how this can be accessed. If at this stage you can only provide indicative information we would still welcome this; "a best guess" is more valuable to us than no response. If you are unable to answer any of these questions please state the reasons why.

This is the fourth CDP information request (CDP4). Please state the dates of reporting periods, and if reporting emissions for the first time, please provide data for the last four measurement periods, where available. For previous respondents, please highlight developments and trends since CDP3. The following pages provide guidance on answering the questionnaire and further information about CDP4.

1. General: How does climate change represent commercial risks and/or opportunities for your company?

As an exploration and production ("E&P") company with no refinery operations or petrochemical plants, we have limited exposure to the major commercial implications of carbon emissions regulation. Nevertheless, these risks are routinely factored into our regular planning process.

2. Regulation: What are the financial and strategic impacts on your company of existing regulation of GHG emissions, and what do you estimate to be the impact of proposed future regulation?

Until the regulatory framework in the United States has solidified, it is difficult to estimate future impacts such regulations might have on our business. As a leading U.S. producer of natural gas, the most carbon-efficient fossil fuel, and a long-time operator of CO₂ sequestration in the form of enhanced oil recovery ("EOR"), we believe that we are well-positioned to respond to both the short and longer-term implications of any regulations on GHG emissions.

3. Physical risks: How are your operations affected by extreme weather events, changes in weather patterns, rising temperatures, sea level rise and other related phenomena both now and in the future? What actions are you taking to adapt to these risks, and what are the associated financial implications?

Extreme weather events, such as those seen in the Gulf of Mexico during the 2005 hurricane season, are risks faced by our industry year after year. Anadarko weathered the 2005 season successfully from an environmental, health and safety standpoint. Our platforms withstood the onslaught of multiple storms without any structural failures, and our staff were all successfully evacuated with no injuries or impact to the environment. The severity of the 2005 season has re-emphasized the need to plan carefully for the successful evacuation and shut-in of operations in potential risk exposure areas. Our paramount concern is the safety and well-being of our staff and the safeguarding of the environment in which we operate.

We have established a new, more rigorous corporate-wide plan for business continuity in the face of natural disasters, building on the experience of the 2005 season, and planning forward to address operations and safety concerns for all our employees in all of our operating areas.

4. *Innovation: What technologies, products, processes or services has your company developed, or is developing, in response to climate change?*

Public pressure in the U.S. and other countries to address causes of climate change has led to an increase in research funding devoted to this issue. At the same time, market prices for hydrocarbons have created additional incentives to participate in research focused on the subsurface behaviour of carbon dioxide. As a company without an internal R&D business unit, Anadarko selectively participates in those programs, which deliver results based on sound science and provide value for our shareholders.

We currently participate in research relationships with several universities and national laboratories, including members of at least two (2) of the U.S. Regional Partnerships for CO₂ sequestration, to learn more about the behaviour of CO₂ in the subsurface. We feel strongly that this research will lead to real value for our industry, and for the communities in which we live and work.

5. *Responsibility: Who at board level has specific responsibility for climate change related issues and who manages your company's climate change strategies? How do you communicate the risks and opportunities from GHG emissions and climate change in your annual report and other communications channels?*

A Climate Change Committee, composed of employees representing disciplines across the Company, continues to organize, evaluate and advise on climate change and GHG issues. The Committee meets, in full or in part, on a quarterly basis or more frequently, as necessary. The Committee reports annually through executive management to the Board of Directors' Nominating and Corporate Governance Committee. Externally, Anadarko communicates information about its Global Climate Change activities on its website and through advertising in appropriate media. Information about our EOR activities is also included in our Annual Report.

6. *Emissions: What is the quantity in tonnes CO₂e of annual emissions of the six main GHG's produced by your owned and controlled facilities in the following areas, listing data by country?*

- Globally.
- Annex B countries of the Kyoto Protocol.
- EU Emissions Trading Scheme.

To assist in comparing responses please state which methodology you are using for calculating emissions and the boundaries selected for emissions reporting. Please standardise your response data to be consistent with the accounting approach employed by the GHG Protocol (www.ghgprotocol.org). Please list GHG Protocol scope 1, 2 and 3 emissions equivalent showing full details of the sources. How has this data been audited and/or externally verified?

Anadarko completed its first global corporate-wide GHG emissions inventory baseline for 2004 using our established Corporate GHG Protocol. Our methodology is consistent with established industry guidelines found in the IPIECA/API/OGP Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions report and standards set by the World Business Council for Sustainable Development and the World Resource Institute.

The company's total 2004 GHG direct emissions were approximately 4.2 million metric tons of CO₂ equivalent ("CO₂e"). Indirect emissions (associated primarily with electricity consumption) were approximately 0.7 million metric tons of CO₂e.

This equates to a GHG intensity of 28 metric tons of CO₂eq per thousand barrels of oil equivalent (MBOE) produced. This number includes an emission reduction of 1.28 million metric tons of CO₂eq that occurred as a result of enhanced oil recovery projects in 2004.

Anadarko has registered emission reduction projects at the Canadian GHG Reductions Registry[©]. Anadarko is currently investigating other registries including the U.S. Department of Energy's 1605(b) program and the California Climate Action Registry. Both of these registries would require audits and/or third party verification of our corporate-wide inventory and emission reduction projects.

7. ***Products and services: What are your estimated emissions in tonnes CO₂e associated with the following areas and please explain the calculation methodology employed.***
- *Use and disposal of your products and services?*
 - *Your supply chain?*

Anadarko is an upstream oil and gas company that explores for and produces crude oil and natural gas. Anadarko does not operate refineries or petrochemical plants. Products are sold shortly after production to commercial end users for fuel and raw materials. Anadarko believes that the GHG emissions associated with these products should be estimated by consumers.

8. ***Emissions reduction: What is your firm's current emissions reduction strategy? How much investment have you committed to its implementation, what are the costs/profits, what are your emissions reduction targets and time-frames to achieve them?***

Anadarko is heavily involved in emission reduction projects. EOR is considered to be one of our core business competencies. Anadarko continues to seek out EOR opportunities which result in increased production and the geologic sequestration of carbon dioxide. Additionally, Anadarko continues to reduce its methane emissions by utilizing best management practices.

Anadarko is proceeding with EOR projects at the Salt Creek Field in Natrona County, Wyoming and the Monell Unit in Sweetwater County, Wyoming, which began in 2004, whereby, CO₂, captured through an emissions control program from a facility owned and operated by a third-party, is being injected into the reservoir. Any CO₂ incidentally produced with the oil is captured and re-injected into the field. Anadarko expects to sequester about 29 million tons of CO₂ over the lifetime of these projects. Anadarko is also continuing to develop the Hays Field through EOR by CO₂ injection in Southern Alberta, Canada.

Anadarko has developed Emission Reduction Protocols that describe the process for determining the CO₂ emission reductions that will result from the implementation of these emission reduction projects.

Anadarko is also continuing to implement best management practices ("BMPs") and report methane reductions through the US EPA Natural Gas STAR Program. Some of our reduction activities include: (1) replacing high-bleed pneumatic devices; (2) installing flash tank separators on glycol dehydrators; (3) installing vapour recovery units ("VRUs"); (4) optimizing glycol pump rates; and (5) installing electric compressor engines.

9. ***Emissions trading***: What is your firm's strategy for, and expected cost/profit from trading in the EU Emissions Trading Scheme, CDM/JI projects and other trading systems, where relevant?

As a U.S. company with no EU-based operations, we do not qualify to participate in the EU ETS. We are investigating our options for private transactions in the U.S. market for verified emissions reductions from our EOR operations.

10. ***Energy costs***: What are the total costs of your energy consumption, e.g. fossil fuels and electric power? Please quantify the potential impact on profitability from changes in energy prices and consumption.

As an E&P or energy supply company, the commodity price is a factor of our profitability. The energy used to fuel our E&P operations is provided in many forms from natural gas, electricity and liquid hydrocarbons. The price and volume of energy consumption is unique to each operation and specific data is proprietary.