

Carbon Disclosure Project 2010 Information Request

We request a reply to the following questions by 31 May 2010.

Please respond to the information request using our Online Response System (ORS). In early April 2010, instructions on how to access the ORS will be sent to you by e-mail.

We encourage companies to consult the CDP 2010 reporting guidance, (see www.cdproject.net/cdp-guidance), and to use the guidance within the ORS.

Please answer the questions as comprehensively as possible. Where you do not have all of the information requested, please respond with what you have as this is more valuable to us than no response.

Companies will be able to explain why some questions are not relevant to their business. This symbol ζ indicates those questions. For example, the symbol appears after question 15.1:

15.1 Please provide data on sources of Scope 3 emissions that are relevant to your organization. ζ(15.2)

When ζ(15.2) is selected, a text box will open with a prompt for an explanation:

15.2 Please explain why not.

This pattern is followed whenever the ζ appears. In these cases, companies can explain why the question is not relevant to their company instead of answering the question.

We encourage companies to assess the relevance of questions in accordance with the principles of “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)” developed by the World Resources Institute and the World Business Council for Sustainable Development (www.ghgprotocol.org).

According to these principles, which are also set out in the CDP guidance, information is relevant if it contains the detail that users, both internal and external to the company, need for their decision-making.

Next to certain CDP 2010 questions is the number of the CDP 2009 question that covered the same subject. Please note the wording may have changed. Please see the guidance for details.

CDP has written a draft framework which companies are invited to trial in reporting their greenhouse gas (GHG) emissions to CDP in 2010. The aim of the framework is to increase comparability of emissions figures, providing further guidance where required. It is not intended to introduce a new set of rules, rather it draws on existing reporting requirements and protocols, including the GHG Protocol, and will describe the approach that companies should take where they are subject to mandatory reporting requirements but also wish to provide information on emissions not covered by these requirements (see www.cdproject.net/cdp-framework).

The ORS has evolved to request data in a more structured format to allow for greater automated analysis of responses by data-users. Therefore, there are fewer free text fields and more tables with fields with drop down menus and fields that only accept numerical values.

Please note that the reporting period for which you will be providing data will be collected on a page of the ORS before the actual start of the CDP 2010 questionnaire.

Sector-specific Question Modules and Instructions

In addition to questions 1-22 that follow, specific questions have been prepared for companies in the electric utility, auto and auto component manufacture, and oil and gas sectors. These are based on reporting frameworks devised by the Institutional Investors Group on Climate Change, Ceres and the Investors Group on Climate Change (Australia/ New Zealand). These modules will be presented within the ORS and can be previewed at: www.cdproject.net/cdp-questionnaire. Companies with businesses in these sectors should answer questions 1-22 for all businesses within their consolidated boundary and provide information specific to businesses in those sectors in answer to the additional questions.

Within the main questionnaire, there are notes that only apply to companies in the electric utility, auto and auto component manufacture, and oil and gas sectors. These are indicated by a green background.

Governance

1. Group and Individual Responsibility: (CDP 2009 Q25)

1.1 Where is the highest level of responsibility for climate change within your company?

The highest level within Anadarko responsible for climate change is the Board of Directors. The Board of Directors' Nominating and Corporate Governance Committee prioritizes and instigates climate change activity within Anadarko, which then evolves and develops via an internal Anadarko Climate Change Committee. These two committees have overall responsibility for evaluating and addressing climate change issues. Additionally there is a corporate risk management process that considers climate change and is actively modelling current public policy and legislative proposals for how they will potentially impact Anadarko's business activities now and in the future. The corporate environment, health and safety team handles implementation and communication of climate change activities. GHG management extends through the business units for data collection, which is ultimately fed into the corporate environmental team for assimilation and analysis.

If it is at board committee or other executive body level:

1.2 What is the mechanism by which the board committee or other executive body reviews the company's progress and status regarding climate change?

The Climate Change Committee, composed of employees representing multiple disciplines across Anadarko, continues to organize, evaluate, and advise on climate change and GHG issues within the Company. 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. Promulgation of new carbon legislation, advancements in SEC reporting, and required reporting of GHGs to the EPA are examples of events that prompt an increased frequency of Climate Change Committee meetings and relevant reports to the Board of Directors.

If it is at a lower level:

1.3 Please explain how overall responsibility for climate change is managed within your company.

Individual Performance: (CDP 2009 Q26)

1.4 Do you provide incentives for the management of climate change issues, including the attainment of greenhouse gas (GHG) targets?

Yes

If so,

1.5 Please complete the table.

Who is entitled to benefit from those incentives?	The type of incentives
<p>Business units actively reducing emissions may inherently be increasing productivity as well. Therefore, any business unit engaged in efficient operation and implementation of actions that reduce emissions will benefit as a result of those actions. If business units improve financial performance because of these actions, incentives in the form of larger bonuses and employee recognition and/or career advancement may result.</p>	<p>Anadarko indirectly provides incentives for prudently managing GHG emissions; since methane is the major component of natural gas, Anadarko's inherent best interest includes capturing the gas produced for sale in lieu of emissions. Utilizing BMPs and PROs provided by the voluntary U.S. EPA Natural Gas STAR program, Anadarko reports methane reductions achieved annually, exhibiting additional profits for the business units.</p>

Risks and Opportunities

2. Process to Identify Risks and Opportunities: (CDP 2009 Q1-6)

2.1 Describe your company's process for identifying significant risks and/or opportunities from climate change and assessing the degree to which they could affect your business, including the financial implications.

Anadarko has a culture of risk management that focuses on efficient identification and mitigation of risks. Understanding that many of the risks associated with climate change can also represent significant opportunities, Anadarko is dedicated to incorporating opportunity maximization into its risk management process for climate change.

In regards to regulatory, financial, and strategic business risks and opportunities, Anadarko has an internal process for tracking current and emerging climate change legislation and regulation at the state, regional, federal, and global levels. Anadarko uses various internal and external resources to evaluate legislative and regulatory concerns and their potential impact to business. An important part of Anadarko's evaluation process is its involvement in multiple industry groups such as the American Petroleum Institute (API), American Exploration and Production Council (AXPC), Gas Processors Association (GPA), Independent Petroleum Association of America (IPAA), America's Natural Gas Alliance (ANGA), Business Roundtable, and others through which Anadarko constantly monitors and tracks regulatory activities and participates in the legislative process. Participation in these organizations serves to communicate Anadarko's position on legislative proposals in order to help create fair and effective regulations regarding carbon management. Anadarko assesses the potential business impact as well as the effect on consumers of each regulatory activity through policy analysis, modeling, and strategic engagement, in order to ensure proactive strategies to manage and ensure compliance. This process allows Anadarko to prioritize actions (i.e. lobbying for a legislative proposal that provides least carbon cost to Anadarko).

Like risks, opportunities are assessed through financial modeling that considers Anadarko's assets, the production mix of natural gas versus oil, and how legislative proposals may impact business. The process for evaluating regulatory, financial, and strategic business risks and opportunities is managed by the Environment, Health, and Safety Department, and given that most of these risks are continually emerging and changing, evaluation is continuous.

Consistent with activities last year, Anadarko continues to analyze data from previous seasons to better prepare for future weather events. These physical risks that may impact operations in the Gulf of Mexico, Utah, Colorado, Wyoming, and Alaska have not changed over the past 12 months. Furthermore, operations in low-lying areas close to sea level in Africa and Indonesia may also be subject to these same physical risks. These risks are ongoing due to their seasonality; therefore, they are constantly being evaluated by Anadarko.

3. Regulatory Risks: (CDP 2009 Q1)

3.1 Do current and/or anticipated regulatory requirements related to climate change present significant risks to your company?

Yes

Yes

4. Physical Risks: (CDP 2009 Q2)

4.1 Do current and/or anticipated physical impacts of climate change present significant risks to your company?

Yes

Yes

5. Other Risks: (CDP 2009 Q3)

5.1 Does climate change present other significant risks – current and/or anticipated – for your company?

No

6. Regulatory Opportunities: (CDP 2009 Q4)

6.1 Do current and/or anticipated regulatory requirements related to climate change present significant opportunities for your company?

7. Physical Opportunities: (CDP 2009 Q5)

7.1 Do current and/or anticipated physical impacts of climate change present significant opportunities for your company?

8. Other Opportunities: (CDP 2009 Q6)

8.1 Does climate change present other significant opportunities – current and/or anticipated – for your company?

Yes

Where the answer to any of questions 3-8 is yes, please provide individual answers to the following questions, as you will be prompted to do so in the ORS.

- o What are the current and/or anticipated significant risks/opportunities and their associated countries/regions and timescales?

3.2 The scope of proposed state, regional, and national legislation mandating limits on GHGs indicates that Anadarko's operations will be impacted to some, undetermined extent at an indeterminate point. For its hydrocarbon exploration and production (E&P) activities, the risk lies primarily in uncertainty around what emission sources will be regulated (essentially, whether or not the financial burden presented by regulation will be imposed on the production of a resource or the end use of that resource), when the burden will be imposed, and associated carbon costs. Depending on the specifics of a GHG-limiting law, Anadarko may be required to report its emissions over a certain threshold and subsequently reduce emissions to meet a particular cap. These actions represent a potential cost of carbon that Anadarko must absorb through various compliance mechanisms. Because uncertainty exists over when, and if legislation will be signed into law, Anadarko continues to assume that regulation may be promulgated at any point.

Should the U.S. enter into an international climate change agreement, or current legislative activity in the U.S. be enacted, Anadarko operations are at risk.

U.S. regulatory risks regarding a federal framework for reducing GHG emissions under a cap & trade program or similar market mechanism are currently emerging and would be expected to gain form and credibility in the next 12 to 18 months; Anadarko is currently taking advantage of this timescale by engaging proactively in legislative activity and preparing for regulation by continuing to improve existing verifiable emission inventories and emission reduction projects.

Regarding mandatory reporting of GHG emissions, Anadarko is subject to compliance risks and costs with the EPA GHG Mandatory Reporting Rule under Subpart W, which will be finalized in the near future, and potentially Subpart C, depending on its operations. This rule represents a current minimal risk that Anadarko is prepared for and managing.

4.2 Physical risks are primarily related to extreme weather events (e.g., hurricanes) which research indicates may increase in intensity with increasing temperature. The 2005 hurricane season in the Gulf of Mexico demonstrated the potential damage and

business impact that severe weather can have on the oil and natural gas industry. Anadarko had a strong environmental, health, and safety record that season, with no injuries to its employees and relatively minimal risk to its platforms and the environment. Anadarko also has minimal risk pertaining to onshore operations from tornado activity in Kansas, Oklahoma, and Texas and operational shut-ins due to extreme cold in Utah, Colorado, and Wyoming. At this time, these risks are difficult to assess. Overall, severe weather is most likely to affect offshore operations, but we are aware that onshore weather patterns may also change in ways that affect our operations.

5.2 Shifting consumer attitude and demand for hydrocarbons present some broad risks to the industry as a whole.

Anadarko's entire global portfolio is subject to risks associated with consumer preferences. Anadarko is currently exposed to these risks given 2009's global recession and visibility of climate change as a federal issue to address; these risks may increase or decrease depending on the health of the global economy, development of alternative fuels, and the price of traditional fossil fuels

6.2 The Salt Creek and Monell EOR projects are evaluated financially via the increased production that results from their implementation and the value of the emission reductions they represent.

Anadarko consistently demonstrates its leadership in carbon capture and storage (CCS) technology and employing carbon sequestration in tandem with EOR; many of our peers lack this experience. Additionally, Anadarko recognizes that long-term potential economic and regulatory opportunities may be recognized through its current emission reduction projects that may proactively put Anadarko in an advantageous position to comply with potential regulation or potentially sell emission reduction credits.

Anadarko's highly successful Salt Creek project in Wyoming sequesters anthropogenic carbon dioxide to produce oil from a 100-year-old field, thus representing increased production and decreased GHG emissions. Anadarko continues to evaluate additional opportunities to apply the lessons learned at Salt Creek to create win-win situations for both its business and the environment. Anadarko hopes that the verified emissions reductions (VER) generated by these projects will allow us to meaningfully participate in the carbon markets and gain early action credit as regulatory regimes develop.

8.2 As a provider of clean-burning natural gas, Anadarko is positioned to provide a lower carbon footprint to consumers, which will in turn aid their potential compliance with regulatory schemes to reduce GHG emissions. Anadarko produces natural gas nationwide and expects to contribute significantly to domestic natural gas supplies.

The vision of natural gas as a low-carbon fuel and the development of and investment in natural gas infrastructure has already begun and will only increase within coming years. Climate change has led to investment or planned investment in order to maximize climate change opportunities. Anadarko's unique positioning as a major provider of domestic natural gas creates an opportunity for us to fill a growing demand in a carbon-constrained environment to which our competitors may be less adaptable. Our views on being a major provider of natural gas and seeing natural gas as a low-carbon solution has not changed over the past 12 months.

- o Describe the ways in which the identified risks / opportunities affect or could affect your business and your value chain.

3.3 Anadarko recognizes that if GHG regulation affects its operations, the potential carbon cost or benefit will impact the price of its oil and natural gas products provided to the market. For example, if Anadarko accrues costs associated with reducing GHG emissions or purchasing allocations under a cap and trade scheme, the price of its oil and natural gas products will rise. This cost will be passed onto processors and refiners, who will in turn pass the cost onto consumers and end-users.

Furthermore, should the U.S. enter into a federal framework for GHG emission reductions, it is possible that consumers may begin to purchase crude products from producers located in other countries that are not subject to GHG regulations that increase costs.

Additionally, attention to renewable and low carbon fuel standards indicates that demand for less carbon-intensive fuels may be greater in the future. These regulations may drive development of biomass-based fuels, which may possibly reduce demand for fossil-fuel based fuels that Anadarko produces. That said, Anadarko believes that fossil fuels, particularly natural gas, will continue to be an integral part of developing new low-carbon fuel options. Anadarko advocates that any legislation passed into law should recognize natural gas as a clean and abundant fuel.

Anadarko continues to see a primary long-term opportunity to supply the U.S. market with clean-burning natural gas. Anadarko's Eastern Gulf of Mexico projects recently accounted for approximately two percent of the nation's overall supply of natural gas. As consumers seek to shift to less carbon-intensive fuels, Anadarko believes that its ability to deliver this resource will serve it well under a carbon-constrained regulatory environment.

4.3 Extreme weather events, particularly hurricanes, have the ability to shut down operations and halt oil and natural gas production from affected areas. This not only impacts Anadarko's revenue stream, but also the flow of natural gas and crude oil to marketers and refiners of fuels for heating, transportation, and

electricity. If these physical risks remain constant, they could be the cause of potential fossil fuel resources scarcity in the Gulf of Mexico and surrounding regions of the US.

5.3 As consumer preferences change due to rising costs, culture, and greater environmental awareness, Anadarko understands that demand for petroleum-based products may decline. These declines may come from the end-user, and eventually result in decreased demand for refined products, and ultimately, a decreased demand for crude oil.

6.3 Because Anadarko is involved in EOR projects, the oil and natural gas produced at these fields are lower in carbon intensity than oil and natural gas produced without the use of EOR. Particularly in regards to crude oil, fuel producers concerned with compliance with low carbon fuel standards may find advantage in sourcing crude from fields using EOR, thereby putting Anadarko at a competitive advantage.

Additionally, many of Anadarko's international operations are subject to potential opportunities from international climate change regulation pertaining to emission reduction credits that may be earned on a project-basis. International opportunities are ongoing, and U.S. regulatory risks and opportunities are currently emerging.

8.3 The provision of natural gas, a low-carbon fuel, may reduce costs for consumers who otherwise would need to buy credits or invest in technology to comply with local and federal standards. Furthermore, the increased production of natural gas is a contributor to national security, which is essential for all levels of the economy. As a provider of a cheap and abundant fuel source that is also lower in carbon than traditional fossil fuel resources such as coal and oil, Anadarko is strategically positioned to play a role in the success of consumers and partners along its value chain.

- o Are there financial implications associated with the identified risks/opportunities?
- o If so, please describe them.

Yes

3.5 Financial risks are currently expected in regards to compliance with the US EPA Mandatory GHG Reporting Rule and the potential fines to be imposed for failure to comply. Anadarko expects to be in full compliance with any applicable subparts of the rule, and therefore costs are expected to be zero.

In regards to a cap and trade program, depending on the GHG emissions cap, Anadarko may be required to purchase allowances or make capital costs to comply with the regulation. Any impact from this alternative can only be evaluated once the scope of the proposal is known.

4.5 Should extreme weather events halt Anadarko operations, the revenue stream generated from those

activities would immediately cease. A reduction in available oil and natural gas production may result in increases in current price, as noted during the 2005 hurricane season. Increased costs are passed indirectly to the consumer in natural gas heating and fuel prices.

5.5 If consumer preferences shift so much that demand of petroleum products declines, Anadarko may note a decrease in revenues from crude oil. Because the energy market is global and integrated, these financial impacts may be felt due to economic activity and cultural shifts to low-carbon products worldwide.

6.5 Given the development of several low carbon fuel standards nationwide, Anadarko expects demand for EOR-produced natural gas and oil to rise because of its lower carbon content. This demand may result in increased profits.

8.5 As a producer of low-carbon natural gas, Anadarko expects that demand for natural gas will increase in a carbon-constrained economy. Therefore, natural gas consumption will increase and provide additional revenue to Anadarko, particularly if demand increases so much that natural gas prices go up.

- o In the case of risks: describe any actions the company has taken or plans to take to manage or adapt to the risks that have been identified, including the cost of those actions.

3.6 Anadarko is currently involved, through various trade associations, in the assessment and rulemaking process concerning the EPA proposed Subpart W of the GHG Mandatory Reporting Rule and GHG cap-and-trade legislation currently in deliberation in the Senate. Anadarko believes that any legislation passed into law should apply to all sectors of the economy and be uniform at the local, state, and federal levels. Anadarko prefers proposals designating the point of regulation as close as possible to the point of emission in order to more effectively drive consumer choice. Additionally, in the case of international agreements, Anadarko believes that the U.S. and U.S.-based businesses should not be treated disproportionately. Anadarko seeks to minimize risks associated with emissions limits or efficiency standards through voluntary participation in programs such as the U.S. EPA Natural Gas STAR and API Climate Action Challenge; involvement in these programs leads to direct improvements in profitability. In 2008, Anadarko joined the Climate Registry as a Founding Reporter and verified and disclosed its corporate GHG emissions starting in 2008; furthermore, Anadarko's involvement in development of The Climate Registry's Oil and Gas Production Protocol exhibits its commitment to understanding and crafting GHG quantification and reporting methods easily aligned with current business practices. Anadarko's involvement in this nation-wide registry will prepare it for mandatory reporting brought forth by legislation and identify the company as an informed and well-positioned E&P company.

4.6 Anadarko believes that supply risks generated by extreme weather events and other physical impacts that reduce or cease operation may be mitigated by enhancing production from unaffected regions. Therefore, Anadarko understands the importance of regional and local threats and strives to maintain a well-diversified portfolio that accounts for potential physical impacts.

5.6 Anadarko's portfolio of strong North American assets, including large volumes of natural gas and EOR projects that sequester carbon dioxide, positions the company well to anticipate changing consumer awareness and preferences in the U.S. energy markets. Anadarko anticipates natural gas demand to increase and the demand for more carbon-intensive crude oil may decrease, particularly as end users recoil from volatile oil prices and refining demand lowers.

Anadarko's portfolio is relatively balanced between oil and natural gas, so risks are spread among higher and lower carbon intensive fuels. Anadarko expects to continue to invest in natural gas and carbon sequestration in order to adapt to a carbon-constrained world and mitigate potential economic losses from a reduction in crude oil demand. Additionally, Anadarko's EOR projects may enhance attractiveness to buyers looking to lower their carbon footprint. Anadarko is committed to being part of the solution to climate change.

- o In the case of opportunities: describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.

6.6 Anadarko is a Founding Member of the American Carbon Registry in order to take advantage of a voluntary registry that is progressively providing consistency on how GHG emission reductions should be reported, in addition to providing protocols and reporting standards that may be useful templates for future regulation. ACR is one of the only voluntary carbon registries that provide a verifiable methodology for emission reductions from CCS activities.

Anadarko continues to primarily invest in climate change activities with its Salt Creek and Monell EOR projects. Rather than venting carbon dioxide after use, more than 30 million tons of CO₂ over the lifetime of these projects will be sequestered.

Anadarko also actively participates in various trade associations to communicate its position on legislative proposals in order to create fair and effective regulations addressing climate change. Anadarko is heavily involved in the debate surrounding legislative attempts to address climate change by providing comments on potential regulation and assessing how various legislative proposals may impact Anadarko's business and EOR projects. Anadarko hopes that future regulations will

recognize early voluntary action to reduce GHG emissions, particularly emissions reduced through valid CCS projects. Although these regulatory opportunities have not changed over the past 12 months, they are more certain now given the change in administration and increased level of federal activity.

8.6 Anadarko continues to invest in research and the development of natural gas production, as it sees itself as a major supplier of natural gas, a low-carbon fuel, in future years.

Where the answer to any of questions 3-8 is no, please answer the following question:

- o In the case of risks: explain why you do not consider your company to be exposed to significant risks – current or anticipated.

- o In the case of opportunities: explain why you do not consider your company to be presented with significant opportunities – current or anticipated.

7.7 Due to a lack of data on how physical impacts of climate change may positively impact the oil and natural gas industry, potential opportunities have not been considered at this time. Because physical risks presented to Anadarko's business pertain to extreme weather events, moderate seasonal weather patterns and events represent business as usual for Anadarko's operations and do not provide enhanced business opportunities. These views are consistent with those of the past 12 months.

Where the answer to any of questions 3-8 is "Don't know", please explain why not.

Strategy

9. Strategy: (New for CDP 2010)

9.1 Please describe how your overall group business strategy links with actions taken on risks and opportunities (identified in questions 3 to 8), including any emissions reduction targets or achievements, public policy engagement and external communications.

Anadarko strives to operate in a safe, responsible and sustainable manner, seeking competitive returns for our shareholders, while maximizing benefits to communities and environments in which it operates. At the corporate level, Anadarko understands that climate and energy policy at various levels of jurisdiction will be a part of doing business now and in the future; therefore, Anadarko believes in proactively incorporating carbon management strategies throughout the organization that go above and beyond compliance. This corporate perspective is exhibited in its EOR projects, founding involvement in organizations like The Climate Registry and the American Carbon Registry, participation in rule and legislation development, and its internal commitment to the transparent and accurate accounting and reporting of GHG emissions.

Targets: (CDP 2009 Q23)

9.2 Do you have a current emissions reduction target?

No

If you do not have a target:

9.3 Please explain why not and forecast how your Scope 1 and Scope 2 emissions will change over the next 5 years.

Because Anadarko's baseline was revised to be aligned with the 2006 emissions inventory following the acquisitions of Kerr-McGee and Western Gas Resources, Anadarko is currently evaluating the role of emission and energy reduction activities and their impact on its GHG emissions baseline. The role of different emission reduction projects is currently being evaluated via financial modelling.

If you are in the process of developing a target:

9.4 Please give details of the target(s) you are developing and when you expect to announce it/them.

If you have had a target and the date for completing it fell within your reporting year, please answer questions 9.5 and 9.6.

9.5 Please explain if you intend to set a new target.

If you have an emissions reduction target:

9.6 Please complete the table.

Target type	Value of the target	Unit	Base year	Emissions in base year (metric tonnes CO ₂ -e)	Target year	GHGs and GHG sources to which the target applies	For recently completed targets only: was target met?

Emission Reduction Activities: (CDP 2009 Q23)

9.7 Please use the table below to describe your company's actions to reduce its GHG emissions. ¿(9.8)

Actions	Achieved or anticipated annual energy savings (if relevant)	Achieved or anticipated annual emissions reductions	Investment made or planned to enable actions (if relevant)	Achieved or anticipated annual monetary savings (if relevant)	Timescale of actions & associated investments (if relevant)
Green completions		2,140,095 mscf CH4		\$14,980,665	
Replacing high-bleed pneumatic controllers with low- or no-bleed controllers		18,228 mscf CH4		\$127,596	
Installation of pluger lifts		50,757 mscf CH4		\$355,299	
Recover Gas From Pigging Operations		1,519,204 mscf CH4		\$10,634,428	
Pump Exhaust Recovery		30,355 mscf CH4		\$212,485	
Convert pneumatic pumps to solar		194,496 mscf CH4		\$1,361,472	
Other		140,787 mscf CH4		\$985,509	

9.9 Please provide any other information you consider necessary to describe your emission reduction activities.

Anadarko has a GHG Management Plan that includes development of emission reducing activities. Policies include the use of best management practices to enhance energy efficiency and capture methane in addition to implementation of projects that show significant savings economically in addition to the environmental benefits.

Anadarko continually looks for innovative ways to minimize the overall environmental impacts of its activities, including reduction of GHG emissions and energy use. As a voluntary member of the U.S. EPA Natural Gas STAR program and API Climate Action Challenge, Anadarko is committed to reporting reductions in methane emissions, considering cost-effective ways to reduce GHG intensity, and developing ideas to reduce, sequester, and offset GHG emissions. Additionally, Anadarko contributes to emission reductions through its EOR projects that sequester CO₂. Anadarko plans to include these activities, including new innovate strategies to reduce emissions, into the GHG emissions reduction plan it plans to develop.

Engagement with Policy Makers: (CDP 2009 Q28)

9.10 Do you engage with policy makers on possible responses to climate change including taxation, regulation and carbon trading?

Yes

If so,

9.11 Please describe.

Anadarko regularly engages with policymakers via participation in development of climate change legislative proposals at the local, state, and federal levels, through industry groups and educational efforts with federal legislators. Through this engagement, Anadarko communicates concerns on a variety of climate change topics

and initiatives at both the regional and federal levels. Examples of engagement include involvement in development of protocols and guidance for the oil and natural gas industry for the Western Climate Initiative and The Climate Registry; Anadarko actively comments on protocols managing GHG emission accounting, inventory management, GHG emission reduction, and verification procedures. Additionally, Anadarko frequently comments on legislative proposals (e.g., Anadarko is currently involved with industry groups on federal activity with the proposed Subpart W of the EPA GHG Mandatory Reporting Rule and legislation that is currently pending in the Senate.) Anadarko feels it crucial to be informed, involved and comment, where appropriate, on any legislative proposals or regulatory initiatives (including regulatory rulemaking and guidance document development or revision) pertaining to climate change that may impact its business and consumers.

GHG Emissions Accounting, Energy and Fuel Use, and Trading

10. Reporting Boundary: (CDP 2009 Q8)

10.1 Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

- Companies over which financial control is exercised – per consolidated audited financial statements;
- **Companies over which operational control is exercised;**
- Companies in which an equity share is held;
- Other – please provide details.

10.2 Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions within this boundary which are not included in your disclosure?

Information about how to respond to this section may be found in “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)” developed by the World Resources Institute and the World Business Council for Sustainable Development (“the GHG Protocol”). For more information, see www.ghgprotocol.org and the CDP 2010 reporting guidance.

Please also provide CDP with responses to questions 10, 11, 12 and 13 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request.

Yes

If so,

10.3 Please complete the following table.

Source	Scope	Explain why the source is excluded
Stationary combustion, flaring, venting, electricity consumption, mobile fleets, fugitive emissions	Scopes 1 and 2	International assets are joint ventures that fall under equity control or do not meet operational control definitions.

11. Methodology: (CDP 2009 Q9)

11.1 Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions and/or describe the procedure you have used.

WRI/WBCSD Greenhouse Gas Protocol
 IPIECA/API/OGP Petroleum Industry Guidelines for Reporting GHG Emissions
 TCR General Reporting Protocol
 API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry

The principles of accuracy, completeness, transparency, relevance, and consistency Anadarko employs in its GHG quantification and reporting come from guidance in the WBCSD/WRI *GHG Protocol*. Calculation methods used come from the IPIECA/API/OGP *Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions*, and are cross-referenced for consistency with The Climate Registry *General Reporting Protocol*. Additionally, the API *Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry* is integrated into the calculation tool Anadarko employs to calculate emissions.

11.2 Please also provide the names of and links to any calculation tools used.

Anadarko has adopted the SANGEA™ GHG Emissions Estimation System for its corporate reporting and evaluation of emission reductions for its EOR operations. The version made available by API is designed to facilitate corporate reporting to API’s GHG Benchmarking Program, a part of API’s Climate Greenhouse Gas Estimation & Reporting Challenge, in which Anadarko participates. Anadarko uses the SANGEA™ system in accordance with the petroleum industry GHG reporting guidance described in the aforementioned protocols. The SANGEA™ Emissions Estimation System can be downloaded from the following link: <http://ghg.api.org/nsoftware.asp>

11.3 Please give the global warming potentials you have applied and their origin.

Gas	Reference	GWP
CH ₄	2 nd IPCC Assessment Report	21
N ₂ O	2 nd IPCC Assessment Report	310
HFC	2 nd IPCC Assessment Report	Varies

11.4 Please give the emission factors you have applied and their origin.

Fuel/material	Emission factor		Reference
	Number	Unit	
Natural Gas / Field Gas	53.46	Kg CO ₂ / mmbtu	Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry, February 2004
Gasoline	70.88	Kg CO ₂ /mmbtu	Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry, February 2004
Diesel	73.15	Kg CO ₂ /mmbtu	Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry, February 2004

GHG Emissions Accounting, Energy and Fuel Use, and Trading

12. Scope 1 Direct GHG Emissions: (CDP 2009 Q10)

12.1 Please give your total gross global Scope 1 GHG emissions in metric tonnes of CO₂-e.

12.2 Please break down your total gross global Scope 1 emissions in metric tonnes CO₂-e by country/region.

¿(12.3)

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 1 emissions by business division and/or facility. (Only data for the current reporting year requested.)

12.4. Business division

12.5 Facility

12.6 Please break down your total gross global Scope 1 emissions by GHG type. (Only data for the current reporting year requested.) ¿(12.7)

When providing answers to questions 12 and 13, please do not deduct offset credits, Renewable Energy Certificates etc., or net off any estimated avoided emissions from the export of renewable energy, or from the use of goods and services. Opportunities are provided elsewhere in the information request to give details of activities that reduce or avoid emissions (please see guidance).

Carbon dioxide emissions from the combustion of biologically sequestered carbon i.e. carbon dioxide from burning biomass/biofuels should be reported separately from emission Scopes 1, 2 and 3. If relevant, please report these emissions under question 17. However, please do include any nitrous oxide or methane emissions from biomass/biofuels in your emissions under the three scopes.

GHG type	Scope 1 Emissions (Metric tonnes)	Scope 1 Emissions (Metric tonnes CO ₂ -e)
CO ₂	4,522,655	4,522,655
CH ₄	127,766	2,683,095
N ₂ O	76	23,641
HFC	1	1,294

12.8 Fuel Consumption

Please use the table to give the total amount of fuel in MWh that your organization has consumed during the reporting year. ¿(12.9)

12.10 Please complete the table by breaking down the total figure by fuel type. ¿(12.11)

Fuels	MWh
Total	20,648,530
<i>Individual fuels</i>	

12.12 Data Accuracy: (CDP 2009 Q19)

Please estimate the level of uncertainty of the total gross global Scope 1 figure that you have supplied in answer to question 12.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Scope 1	
Uncertainty range	Reasonable
Main sources of uncertainty in your data	See “Addressing Uncertainty in Oil and Natural Gas Industry Greenhouse Gas Inventories”; API September 2009
Expand on the main sources of uncertainty in your data	<p>Uncertainty is associated with emissions rates, activity data, and emission factors used to develop Anadarko’s GHG inventory. Improper calibration of instruments and monitoring data may impact the accuracy of flow meters. Additionally, human error may be attributed to uncertainty in emission calculations and assimilation of activity data. Anadarko also recognizes that emission factors, although from appropriate industry-standard resources, have uncertainty characterized by the dispersion of the respective measurement values used to derive them initially.</p>

GHG Emissions Accounting, Energy and Fuel Use, and Trading

13. Scope 2 Indirect GHG Emissions: (CDP 2009 Q11)

Important note about emission factors where zero or low carbon electricity is purchased:

The emissions factor you should use for calculating Scope 2 emissions depends upon whether the electricity you purchase is counted in calculating the grid average emissions factor or not – see below. You can find this out from your supplier.

Electricity that IS counted in calculating the grid average emissions factor:

Where electricity is sourced from the grid and that electricity has been counted in calculating the grid average emissions factor, Scope 2 emissions must be calculated using the grid average emissions factor, even if your company purchases electricity under a zero or low carbon electricity tariff.

Electricity that is NOT counted in calculating the grid average emissions factor:

Where zero or low carbon electricity is sourced from the grid or otherwise transmitted to the company and that electricity is not counted in calculating the grid average, the emissions factor specific to that method of generation can be used, provided that any certificates quantifying GHG-related environmental benefits claimed for the electricity are not sold or passed on separately from the electricity purchased. If certificates quantifying the GHG-related environmental benefits claimed for the electricity are sold or passed on separately from the electricity purchased, then you must report using the grid average emissions factor.

13.1 Please give your total gross global Scope 2 GHG emissions in metric tonnes of CO2-e.

622,058 metric tonnes CO2e (2008 GHG Inventory)

13.2 Please break down your total gross global Scope 2 emissions in metric tonnes of CO2-e by country/region. ¿(13.3)

USA: 622,058 metric tonnes CO2e
Gulf of Mexico: 0 metric tonnes CO2e

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 2 emissions by business division and/or facility. (Only data for the current reporting year requested.)

13.4 Business division

E&P operations: 326,465
Midstream operations: 281,987
Other: 13,606

13.5 Facility

13.6 Purchased Energy

How much electricity, heat, steam, and cooling in MWh has your organization purchased for its own consumption during the reporting year? ¿(13.7)

Energy Type	MWh
Electricity	1,093,644
Heat	None
Steam	None
Cooling	None

13.8 Data Accuracy: (CDP 2009 Q19)

Please estimate the level of uncertainty of the total gross global Scope 2 figure that you have supplied in answer to question 13.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Scope 2	
Uncertainty range	Reasonable
Main sources of uncertainty in your data	See “Addressing Uncertainty in Oil and Natural Gas Industry Greenhouse Gas Inventories”; API September 2009
Expand on the main sources of uncertainty in your data	<p>Uncertainty is associated with emissions rates, activity data, and emission factors used to develop Anadarko’s GHG inventory. Improper calibration of instruments and monitoring data may impact the accuracy of flow meters. Additionally, human error may be attributed to uncertainty in emission calculations and assimilation of activity data. Anadarko also recognizes that emission factors, although from appropriate industry-standard resources, have uncertainty characterized by the dispersion of the respective measurement values used to derive them initially.</p>

GHG Emissions Accounting, Energy and Fuel Use, and Trading

14. Contractual Arrangements Supporting Particular Types of Electricity Generation: (CDP 2009 Q12)

14.1 Do you consider that the grid average factors used to report Scope 2 emissions in question 13 reflect the contractual arrangements you have with electricity suppliers?

Yes

If not,

14.2 You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO₂-e.

Please also,

14.3 Explain the origin of the alternative figure including information about the emission factors used and the tariffs.

14.4 Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

There are currently two (2) operating facilities on Anadarko land (Mountain Wind I and II) operated by Edison Mission Energy. Anadarko receives a four percent (4%) royalty of gross income from the facilities, specifically including revenue from the sale of renewable energy certificates (RECs). Anadarko's share of REC volume is proportionate to our royalty. In 2009, 232,852 RECs (Anadarko's share) were created and made available.

If so,

14.5 Please provide details including the number and type of certificates.

Type of certificate	Number of certificates	Comments
REC	232,852	Made available for use or sale.

15. Scope 3 Other Indirect GHG Emissions: (CDP 2009 Q13)

15.1 Please provide data on sources of Scope 3 emissions that are relevant to your organization. ¿(15.2)

Sources of Scope 3 emissions	Emissions (in metric tonnes of CO ₂ -e)	Methodology	If you cannot provide a figure for a relevant source of Scope 3 emissions, please describe the emissions:
Business Travel		To calculate mobile combustion emissions Anadarko would employ the methodology outlined in <u>The Climate Registry General Reporting Protocol</u> using fuel consumption or mileage and the associated emission factors provided.	Anadarko does have employee business travel, via aircraft and car to and from operational sites and administrative offices. The emissions resulting from this travel include GHGs from the combustion of transportation fuels. At this time Anadarko does not have a complete estimate of GHG emissions from employee business travel.
Transportation & Distribution		To calculate fugitive and mobile combustion source emissions	Anadarko does have Scope 3 emissions associated with the distribution of oil and gas that it produces. These emissions result from potential leaks and fugitive emissions pertaining to transportation of produced materials via

Sources of Scope 3 emissions	Emissions (in metric tonnes of CO ₂ -e)	Methodology	If you cannot provide a figure for a relevant source of Scope 3 emissions, please describe the emissions:
		<p>Anadarko would employ the methodology outlined in the API Compendium of GHG Emissions Estimation Methodologies for the Oil & Gas Industry using throughput, fuel consumption or mileage, and the associated emission factors provided.</p>	<p>pipeline for processing and/or refining. Additional emissions may also result from transportation of crude oil via tanker and/or truck for refining, and the associated mobile combustion emissions. At this time Anadarko does not have a complete estimate of GHG emissions from distribution and logistics associated with its products.</p>
<p>Waste Generated in Operations</p>		<p>The best representation of these emissions may be assessed by the direct Scope 1 emissions associated with natural gas-fired power plants, cars and trucks, and natural gas heating systems in commercial and residential use. These emissions may be calculated via methods exhibited in the API Compendium.</p>	<p>Anadarko does have Scope 3 emissions associated with the use and disposal of its products. These emissions result primarily from the combustion of natural gas or refined crude oil products for heating, electricity, and transportation. Because these products represent commodities in the global market and are consumed by a variety of end users, estimation of the emissions associated with their use is challenging.</p>
<p>Purchased Goods and Services – Cradle-to-Gate Emissions</p>		<p>Because these sources of Scope 3 emissions are so varied and complex, quantification of their emissions is difficult. Methods to calculate Scope 3 emissions from supply chain activities involve the use of specific life-cycle emission factors for each material used or disposed of throughout our operations. These emission factors may be collected via proprietary life-cycle assessment (LCA) databases.</p>	<p>Anadarko does have Scope 3 emissions associated with its supply chain. These emissions range from the production and transportation of materials and chemicals necessary for our exploration operations to the waste transportation and disposal of spent drill pipe.</p>

Sources of Scope 3 emissions	Emissions (in metric tonnes of CO ₂ -e)	Methodology	If you cannot provide a figure for a relevant source of Scope 3 emissions, please describe the emissions:
Other		While these services are contracted and may not always be included in direct emissions estimates, they may be quantified via methods and emission factors found in the API Compendium.	Anadarko has Scope 3 emissions from the use of oilfield service equipment for drilling and well maintenance.

16. Emissions Avoided Through Use of Goods and Services: (CDP 2009 Q14)

16.1 Does the use of your goods and/or services enable GHG emissions to be avoided by a third party?

Yes

If so,

16.2 Please provide details including the anticipated timescale over which the emissions are avoided, in which sector of the economy they might help to avoid emissions and their potential to avoid emissions.

Anadarko produces natural gas, which is a clean-burning fuel in comparison to more carbon-intensive fuels like coal and crude oil. Therefore, fuel switching to use of natural gas by third-party users such as power plants and operators of wide-scale transportation using trains and buses directly results in avoided GHG emissions. For a typical 1000 MW power plant, switching from the burning of electric utility-grade coal to pipeline-specification natural gas results in a 41 percent reduction in CO₂ emissions over one year (assuming the plant operates 24 hours a day). Using the same assumptions, a switch from the burning of #4 fuel oil to pipeline-specification natural gas results in a 26 percent reduction in CO₂ emissions over one year.

Annual emissions for a 1000 MW power plant burning coal: 2,971,066 metric tons CO₂
 Annual emissions for a 1000 MW power plant burning #4 fuel oil: 2,397,178 metric tons CO₂
 Annual emissions for a 1000 MW power plant burning natural gas: 1,763,510 metric tons CO₂

In this scenario, switching from coal to natural gas results in annual saved emissions of 1,207,556 metric tons CO₂. Switching from #4 fuel oil to natural gas results in annual saved emissions of 633,668 metric tons CO₂. This estimation uses methods outlined in the API Compendium of GHG Emissions Estimation Methodologies for the Oil and Gas Industry and associated LHV emission factors for electric utility coal (0.0994 metric tons CO₂/10⁶ Btu), #4 fuel oil (0.0802 metric tons CO₂/10⁶ Btu), and pipeline natural gas (0.0590 metric tons CO₂/10⁶ Btu) as referenced in Table 4-3.

Fuel switching is an emission reducing activity that may qualify for CERs or VERs, depending on the regulatory or voluntary framework under which the project is developed and implemented. Switching from coal to natural gas in boilers at industrial facilities, for example, may qualify as an emission reduction project that can generate fungible carbon credits.

17. Carbon Dioxide Emissions from Biologically Sequestered Carbon: (CDP 2009 Q15)

17.1 Please provide your total carbon dioxide emissions in metric tonnes CO₂ from the combustion of biologically sequestered carbon i.e. carbon dioxide emissions from burning biomass/biofuels. *¿(17.2)*

Although Anadarko contributes to volunteer and community activities that plant trees and encourage reforestation/afforestation activities, no formal biological sequestration projects have been initiated at this time.

18. Emissions Intensity: (CDP 2009 Q16)

18.1 Please describe a financial and an activity-related intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

Type of emissions intensity measurement	Units	The resulting figure for Scope 1 and Scope 2 emissions	Please explain if not relevant provide any contextual details that you consider relevant to understand the units or figures you have provided.
Financial	Tonnes CO ₂ e/million USD revenue	873	(7,852,743/9,000*) *From February 23, 2010 10-K
Activity related	Tonnes CO ₂ e/MBOE	17.55	

GHG Emissions Accounting, Energy and Fuel Use, and Trading

19. Emissions History: (CDP 2009 Q17)

19.1 Do the absolute emissions (Scope 1 and Scope 2 combined) for the reporting year vary significantly compared to the previous year?

If so,

19.2 Please explain why they have varied and why the variation is significant.

20. External Verification / Assurance: (CDP 2009 Q18)

20.1 Please complete the following table indicating the percentage of reported emissions that have been verified/assured and attach the relevant statement.

	Scope 1	Scope 2	Scope 3
Percentage of reported emissions that have been externally verified/assured	1.18%	0.38%	NA
Include the verification/assurance statement(s)	See Attached	See Attached	NA

21. Emissions Trading and Offsetting: (CDP 2009 Q21 and 22)

21.1 Do you participate in any emission trading schemes?

We do not currently, but anticipate participating in emissions trading within the next two years.

If so,

21.2 Please complete the following table for each of the emission trading schemes in which you participate.

Although some emission trading schemes may apply solely to the operators of facilities, the financial position of facility owners is also affected indirectly by the operation of the scheme. This question therefore applies to both owners and operators of facilities covered by trading schemes. Even if your company does not wholly own facilities, please give the total number of emissions and allowances.

Scheme name	Time Period		Allowances Allocated	Allowances Purchased	Verified emissions		Details of ownership i.e. owned/ operated/ or both
	Start date	End date			Numbers	Units	

21.3 What is your strategy for complying with the schemes in which you participate or anticipate participating?

Anadarko is proactively preparing for involvement in emissions trading programs by developing verifiable GHG emissions inventories and emission reduction projects. Anadarko's strategy involves compliance with whatever scheme it may be regulated within or elect to voluntarily participate. Whether through command and control or carbon market activities, Anadarko will ensure that its GHG emissions meet the appropriate allowances specified. Specifically, Anadarko feels well-positioned to gain by participation in a cap and trade program due to its experience with carbon sequestration via enhanced oil recovery projects. Anadarko has extensive knowledge regarding carbon capture and storage activities and has successfully implemented these activities at multiple sites. Anadarko's understanding of the best reservoirs for CCS and the modes of drilling necessary to enhance these projects gives it an advantage in identifying and developing emission-saving projects. Furthermore, Anadarko's experience verifying and selling associated emission reduction credits well positions it to actively engage and seek opportunities under a cap and trade program.

21.4 Has your company originated any project-based carbon credits or purchased any within the reporting period?

Yes

If so,

21.5 Please complete the following table.

Credit origination/ credit purchase?	Project Identification	Project documentation URL	Verified to which standard?	Number of credits (metric tonnes CO2- e)	Credits retired?	Purpose e.g. compliance
Origination	Salt Creek	http://www.americancarbonregistry.org/carbon-registry/projects/salt-creek-enhanced-oil-recovery-project	American Carbon Registry	2,239,248	0	Banked for future use.
Origination	Monell	http://www.americancarbonregistry.org/carbon-registry/projects/monell-enhanced-oil-recovery-project	American Carbon Registry	368,322	0	Banked for future use.

Climate Change Communications

22. Climate Change Communications: (CDP 2009 Q27)

22.1 Have you published information about your company's response to climate change/GHG emissions in other places than in your CDP response?

Yes

If so,

22.2 In your Annual Reports or other mainstream filing? Please attach your latest publication(s).

The 2009 Annual Report discusses the sale of emission reduction credits derived from carbon sequestration associated with the EOR projects in Wyoming, as well as Anadarko's annual reported GHG emissions. While SEC filings have not historically addressed climate change or GHGs, their costs and potential burdens have always been indirectly included within Anadarko's environmental liability language comments of the 10-K return. Given SEC guidance on how companies should disclose information pertaining to climate change costs released in February of 2010, Anadarko will begin incorporating its financial analyses of various costs pertaining to climate change in these reports and others moving forward.

22.3 Through voluntary communications such as CSR reports? Please attach your latest publication(s).

Anadarko chooses to use its public website and the CDP as a venue for disclosure concerning its GHG emissions and climate change activities. Anadarko's publicly available climate change information may be found on its website at the following link:

<http://www.anadarko.com/Responsibility/Pages/ClimateChange.aspx>

Additionally, because Anadarko reports to The Climate Registry, GHG emissions will be verified and reported on an annual basis within the public domain.

ADDITIONAL INFORMATION FOR OIL AND GAS SECTOR MODULE

Anadarko reports emissions of carbon dioxide, methane, and nitrous oxide. Emissions of GHGs other than these three within the petroleum industry are generally insignificant. The additional GHG-groups of fluorinated gases, although not closely associated with the petroleum industry, may be emitted by various subsectors in refrigerant systems. These gases may be used as solvents and emitted during various manufacturing processes; however, because none of these processes are core to Anadarko's business, emissions of these gases are assumed to be negligible. This assumption is consistent with IPIECA's Petroleum Industry Guidelines for Reporting GHG Emissions.

Anadarko quantifies GHG emissions using guidance from IPIECA Guidelines as well. These Guidelines describe three data quality tiers for upstream and downstream oil and gas activities; Anadarko estimates emissions using methods corresponding to IPIECA's Tier B standards at a minimum. The uncertainty associated with upstream GHG emissions quantification using Tier B methodologies is between 20 and 40 percent.

Anadarko calculates financial emissions intensity measurements based on million USD revenue. This metric is chosen because of its use and endorsement by the CDP. Anadarko calculates activity-related emissions intensity as well. For exploration and production operations and midstream operations, Anadarko uses two different measurements in order to most appropriately represent the intensity of each business unit. For E&P operations, Anadarko calculates emissions intensity based on million barrels of oil-equivalent produced. For midstream operations, Anadarko calculates emissions intensity based on million barrels of oil-equivalent throughput.

Important Information

This is the eighth time the Carbon Disclosure Project (CDP) has made an information request on behalf of investors. Your company may be receiving this for the first time because in 2010, at the request of signatory investors, we have expanded further the number of companies receiving the questionnaire. To find out more about CDP and the previous responses from other major companies, please refer to our website at www.cdproject.net.

Why is this request from a group of shareholders to a group of companies rather than from an individual shareholder to an individual company?

- (a) To facilitate ease of reporting for companies by providing one standardized request that requires one response to be delivered to numerous investors.
- (b) To receive data in a common format from the largest companies in the world.

Which companies have been written to?

This information request has been sent to:

- 800 of the largest global companies in developed countries based on market capitalization (FTSE All-World Developed – Large Cap)
- 800 of the largest and mid sized companies in the Emerging Markets based on market capitalization (S&P/IFCI Large/Mid Emerging Market Index)
- 600 of the largest companies in the UK based on market capitalization (FTSE All-Share)
- 500 of the largest companies globally based on market capitalization (Global 500)
- 500 of the largest companies in Japan based on market capitalization
- 500 of the largest companies in the USA based on market capitalization (S&P 500)
- 300 of the largest companies in Europe based on market capitalization (FTSEurofirst 300 Eurozone)
- 250 of the largest electric utilities globally based on market capitalization
- 250 of the largest companies in France based on market capitalization (SBF 250), in partnership with Crédit Agricole S.A.
- 200 of the largest companies in Australia and 50 of the largest companies in New Zealand based on market capitalization (ASX 200 & NZX 50), in partnership with the Investor Group on Climate Change Australia/New Zealand
- 200 of the largest companies in Canada based on market capitalization, in partnership with The Conference Board of Canada
- 200 of the largest companies in Germany based on market capitalization, in partnership with WWF Germany
- 200 of the largest companies in India based on market capitalization, in partnership with WWF India and the Confederation of Indian Industry – CII-ITC Centre of Excellence for Sustainable Development (CII CESD)
- 200 of the largest companies in Korea based on market capitalization, in partnership with the Korean Sustainability Investing Forum (KoSIF), and Eco-Frontier
- 200 of the largest companies in the Nordic region based on market capitalization, in partnership with ATP and KLP
- 180 of the largest US companies issuing bonds (S&P CDS U.S. Investment Grade Index and Markit iBoxx USD Liquid Investment Grade Index)
- 135 of the largest companies in Asia ex-Japan, India, China and Korea (Asia ex-JICK), selected by and in partnership with the Association for Sustainable and Responsible Investment in Asia (ASrIA)
- 100 of the largest companies in Central & Eastern Europe based on market capitalization, in partnership with Iparfejlesztési Közalapítvány (IFKA - Public Foundation for the Progress of Industry)
- 100 of the largest companies in China based on market capitalization
- 100 of the largest companies in South Africa based on market capitalization (FTSE/JSE 100), in partnership with the National Business Initiative (NBI)
- 100 of the largest companies in Switzerland based on market capitalization (SPI Large & Mid Cap (SOCl)), in partnership with Ethos
- 100 of the largest companies in the transport sector globally based on market capitalization
- 85 of the largest companies in Spain based on market capitalization (IBEX 35 and FTSE Spain All Cap Index), in partnership with ECODES
- 80 of the largest companies in Brazil, listed on the BOVESPA São Paulo Stock Exchange, in partnership with the Brazilian Association of Pension Funds – ABRAPP and Banco Real
- 60 of the largest companies in Italy based on market capitalization
- 50 of the largest companies in Latin America based on market capitalization, in partnership with the Brazilian Institute of Investor Relations – IBRI
- 50 of the largest companies in the Netherlands based on market capitalization (AEX & AMX)
- 50 of the largest companies in Russia based on market capitalization (RTS Index)
- 50 of the largest companies in Turkey based on market capitalization (ISE 50), in partnership with Sabanci University Corporate Governance Forum
- 40 of the largest companies in Ireland based on market capitalization
- 40 of the largest companies in Portugal based on market capitalization (PSI)

Important Information

What are the financial implications of responding?

CDP has charitable status and seeks to use its limited funds effectively. As such, responses must be prepared and submitted at the expense of responding companies. CDP also reserves the right, where it deems it appropriate in view of its charitable aims and objectives, to charge for access to or use of data and/or reports it publishes or commissions.

What is the basis of participation and what will happen to the data received?

Companies responding to CDP 2010 make no claim of ownership in the data they submit and agree that CDP has an irrevocable license to use and copy the responses and their contents without restriction and to authorize others to do the same. Companies responding to CDP 2010 agree that CDP is free to make use of the data including as described below and with respect to public responses otherwise without restriction whatsoever in furtherance of its charitable mission. Companies also agree that CDP will own the databases in which that data is stored, as well as the contents of those databases.

When responding to CDP, you will be given a choice as to whether your response is made public or non-public. We strongly encourage companies to make their responses public which means that the response will be made publicly available from the CDP website as outlined below. Non-public responses will not be made publicly available and will only be used as outlined below.

For public responses

Companies agree that a public response to CDP 2010 will be used by CDP in furtherance of its charitable mission and that the response may be:

1. Made available as soon as it is received by CDP to its signatory investors, partners, appointed report writers, selected rating agencies and any other parties that CDP deem appropriate,
2. Made publicly available at www.cdproject.net starting in September 2010 and stored and preserved on CDP's servers indefinitely thereafter,
3. Distributed through selected partners,
4. Compiled in CDP databases and made available in original, modified or adapted form (for a fee or otherwise) for use by commercial and non-commercial organizations,
5. Amalgamated with information about the responding company from other public sources including rating agencies and financial information distributors,
6. Used as a best practice example in CDP literature and research,
7. Used individually or as part of aggregate results in CDP's reports and in any other research conducted or
8. commissioned by CDP,
9. Used in any other way that accords with CDP's charitable mission.

For non-public responses

Companies agree that a non-public response to CDP 2010 may be:

1. Made available as soon as it is received by CDP to its signatory investors, partners and appointed report writers but not to any other parties, and
2. Used in production of aggregate or anonymous statistics in any CDP report.

Scoring of responses

CDP and other organizations write and publish reports that include an overview of CDP responses. Some of these reports will include a scoring of responses for the comprehensiveness of the companies' disclosure and on performance factors. Companies agree that their response will not be eligible for scoring by report-writers unless it is submitted in the format prescribed by CDP.

Only the top-scoring companies that have made their response public will be eligible for recognition as leaders based on these scoring approaches.

If a company makes a non-public response, the response may still be scored and that score may be published. Please contact your local CDP office (see www.cdproject.net/cdp-worldwide) to find out if your response will be scored.

Important Information

What if a company wishes to change or update a response?

In order for responses and any revisions to be included in the annual reports CDP publishes in September each year, they must be received by 31 May 2010. Where responses are submitted via the Online Response System, they will become 'read-only' after submission and can then only be amended by CDP staff. CDP can accept revisions to responses in writing at any time and will aim to make these available from www.cdproject.net within five days of receipt.

How can a company confirm its participation?

On receipt of these documents, please e-mail respond@cdproject.net to confirm your participation in the Carbon Disclosure Project.

What is the legal status of CDP?

The Carbon Disclosure Project is a UK Registered Charity no. 1122330 and a company limited by guarantee registered in England no. 05013650. In the US, the Carbon Disclosure Project is a special project of Rockefeller Philanthropy Advisors with United States IRS 501(c)(3) charitable status.

The Carbon Disclosure Project is an independent not-for-profit organization holding the largest database of primary corporate climate change information in the world.

Thousands of organizations from across the world's major economies measure and disclose their greenhouse gas emissions and climate change strategies through CDP. CDP puts this information at the heart of financial and policy decision-making and its goal is to collect and distribute high quality information that motivates investors, corporations and governments to take action to prevent dangerous climate change.

Global Reporting Initiative

The CDP secretariat works with the Global Reporting Initiative (GRI) to ensure that this request and the GRI indicators are closely aligned and complementary.