

## Executive Summary

Scientific research is continuing to improve our understanding of the earth's climate and how it responds to human activities. The impact of greenhouse gas emissions – particularly carbon dioxide and methane – has emerged as a specific concern. As a good corporate citizen, Anadarko is committed to responsible environmental stewardship. We continually look for innovative ways to minimize the overall environmental impacts of our activities, including reduction of greenhouse gas emissions.

Anadarko is committed to responsible environmental stewardship and looks for innovative ways to minimize the environmental impacts of activities, including the reduction of greenhouse gas emissions. The Company applies generally accepted scientific principles to all of its operational activities - geological, geophysical, in engineering and production, and environmental.

In the environmental arena, Anadarko is a partner in the U.S. Environmental Protection Agency's Natural Gas STAR Program, a member of the American Petroleum Institute's Climate Challenge Program, and a member of the Business Roundtable's Climate RESOLVE Program. As such, the company supports ongoing scientific research while implementing measures to reduce atmospheric carbon emissions and integrating air quality safeguards into our business practices around the world.

Anadarko recognizes the need for quality greenhouse gas data gathering and reporting. As a Founding Reporting of The Climate Registry and a Founding Member of the American Carbon Registry, Anadarko has extensive experience in completing corporate-wide GHG emissions inventories and going through the third-party verification process.

Anadarko's Greenhouse Gas (GHG) Management Plan describes specific actions that the Company has taken and plans to take in order to meet the goals and objectives of these programs. The plan applies to all Anadarko operating locations worldwide and addresses the management of emissions of CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, the primary GHG emissions in the oil and gas industry.

Anadarko demonstrates its commitment and support for continually improving its performance in the area of climate change by:

- Setting corporate objectives and targets and communicating the progress and overall performance in achieving those objectives and targets.
- Promoting climate change initiatives and actions, and communicating its climate change achievements and success stories.
- Participating in climate change programs, committees, and organizations.
- Including climate change topics in business decisions.
- Encouraging employees to communicate their concerns regarding climate change to their supervisors or the Climate Change Committee.

The Environmental, Health and Safety (EHS) Department with the assistance of the Climate Change Committee has overall responsibility for developing Anadarko's GHG Management Plan and will provide specific guidance to Anadarko's operating locations

for its efficient deployment. Anadarko intends to set objectives and targets by formulating a GHG emissions baseline, investing in GHG emissions reductions, and actively participating in the design of international and domestic GHG policies and programs.

Measurable and quantifiable targets are developed to gauge performance and evaluate the overall success of the program with respect to the climate change objectives. These targets are:

- Establish a protocol and calculate a corporate-wide Anadarko-operated GHG emissions inventory baseline based on industry standards and guidelines in 2006, and annually thereafter.
- Implement cost-effective Best Management Practices aimed at reducing GHG emissions.
- Implement GHG emission reduction protocols (e.g., sequestration of CO<sub>2</sub>) for enhanced oil recovery (EOR) projects.
- Assess issues related to emission reductions, including issues associated with the commercialization of the emission reductions and the anticipated need for banking emission reductions by Anadarko in the future.

Additionally, action plans are developed in order to achieve climate change goals. These plans include, at a minimum:

- The identification of key personnel responsible for achieving objectives and targets.
- Time frames for achieving objectives and targets.
- Specific actions to be taken to achieve climate change objectives and targets.
- Education, training and awareness measures to ensure objectives and targets are met.

The EHS Department in partnership with each operating location will be jointly responsible for monitoring and measuring performance in the implementation of the GHG Management Plan. Progress towards achieving GHG objectives, targets and climate change initiatives will be evaluated and adjusted on a regular basis. GHG emissions will be determined, tracked, and trended to help identify ways to reduce and control GHG emissions. Any deficiencies identified during verification and other assessments of the GHG Management Plan will be analyzed and addressed.

Anadarko uses the SANGEA™ Emissions Estimation System to calculate emissions of greenhouse gases from the production of oil and gas. Each operating unit will report its GHG emissions so that overall GHG emissions can be determined.

Appropriate documents and records will be maintained to support the implementation of the GHG Management Plan and the GHG emission inventories. Document control and recordkeeping procedures have been developed to ensure that this information is accurate and readily available, retrievable, and verifiable.

Anadarko will also evaluate the accuracy of GHG emission inventories and emission reduction information to ensure that the information is complete and verifiable. Anadarko will develop action plans for addressing findings and recommendations