



NEWS

ANADARKO PROVIDES HORIZONTAL NIOBRARA UPDATE

RESULTS INDICATE EXCELLENT ECONOMICS AND NET RESOURCES OF 500 MILLION TO 1.5 BILLION BOE

HOUSTON, Nov. 14, 2011 – Anadarko Petroleum Corporation (NYSE: APC) today provided an update on its Horizontal Niobrara and Codell drilling program in the Wattenberg field (Wattenberg HZ) of northeastern Colorado. To date, the company is producing from 11 horizontal wells within the Wattenberg field boundaries, with each well achieving strong initial rates and high liquids yields.

Wattenberg HZ Program Highlights

Future drilling locations:	1,200 - 2,700
Estimated ultimate recoveries (EURs):	300,000 - 600,000 BOE per well
Net resources:	500 million - 1.5 billion BOE
Initial well costs:	\$4.0 - \$5.0 million
Liquids ratio:	~70 percent

“Based upon the early results of Anadarko’s program in the Wattenberg field, we are confident the liquids-rich Horizontal Niobrara and Codell opportunity provides a net resource potential of 500 million to 1.5 billion BOE (barrels of oil equivalent); and it’s located right in the heart of one of our existing core areas,” said Anadarko Sr. Vice President, Worldwide Operations, Chuck Meloy. “Our activity, which has primarily targeted the Niobrara formation within the Wattenberg field boundaries, has achieved high liquids yields and excellent well performance with average initial production rates of about 800 BOE per day. The value of this resource is further enhanced by our extensive mineral ownership throughout the Land Grant that provides royalty revenue on both operated and non-operated activity. Our strategic acquisitions of and access to midstream assets in the region that include operated infrastructure, takeaway capacity, NGL (natural gas liquids) processing, and the White Cliffs Oil Pipeline provide us with an additional economic advantage. We expect the alignment of our assets, coupled with future investments in expansion opportunities, will continue to enhance field recoveries, access to premium markets and robust margins.”

Anadarko's best horizontal well to date, the Dolph 27-1HZ, demonstrated an initial production (IP) rate of more than 1,100 barrels of oil per day (BOPD) with more than 2.4 million cubic feet of natural gas per day (MMcf/d), resulting in an estimated EUR of better than 600,000 BOE. The Dolph well also paid out in less than four months. Results of the company's first 11 operated Horizontal Niobrara and Codell wells are as follows:

Well		Initial Production (IP)		
		BOPD	Mcf/d	BOE/d
REI 31-5HZ	Niobrara	303	5,537	1,225
Dolph 27-1HZ	Niobrara	1,103	2,416	1,505
Dechant 3-19HZ	Niobrara	715	745	840
Dechant 4-19HZ	Niobrara	810	1,002	980
Guttersen 4-5HZ	Niobrara	561	567	655
Pinnacle 2-2HZ	Niobrara	421	1,303	640
PSC 13N-13HZ	Niobrara	459	578	555
Guttersen 3-5HZ	Niobrara	551	620	655
PSC 12N-13HZ	Niobrara	451	742	575
PSC 12C-13HZ	Codell	523	1,620	795
PSC 13C-13HZ	Codell	467	1,206	670

Average Niobrara/Codell IP = ~600 BOPD and ~1,500 Mcf/d

Anadarko is the largest net producer in the liquids-rich Denver-Julesburg (DJ) Basin at greater than 70,000 BOE per day. The company holds interests in more than 350,000 net acres in the Wattenberg field, and operates more than 5,200 existing wells with an average working interest of approximately 96 percent, and an average net revenue interest of approximately 88 percent.

As part of its ongoing program, Anadarko will be conducting extensive tests to define the optimum spacing and lateral lengths for the Niobrara and Codell formations. The company also plans to increase the Wattenberg HZ drilling program to seven rigs by the end of 2012, while increasing the number of horizontal wells drilled during the year to approximately 160 from about 40 in 2011.

"The results to date demonstrate the Wattenberg HZ program is among the most cost-efficient development projects in our U.S. onshore portfolio, and with initial wells averaging payouts of 10 months, we expect it to quickly become a self-funding, significant cash-flow generator," said Meloy. "With our extensive land position and the drilling results to date, we envision drilling another 1,200 to 2,700 horizontal wells in the core Wattenberg field acreage. Another value addition for our shareholders is our team's demonstrated ability to apply lessons learned in our other resource plays to optimize the learning curve, and we expect to achieve improvements in drilling, completion and reservoir performance as we've successfully done in the Eagleford and Marcellus shales.

“Outside the Wattenberg field, we’re also exploring additional liquids-rich horizontal opportunities where we hold another 550,000 net acres in the greater DJ Basin and 360,000 net acres in the Powder River Basin. Each area is prospective for the Horizontal Niobrara, as well as other horizons that we will evaluate over time.”

Anadarko will provide additional detail regarding the results of its horizontal program in the Wattenberg field and additional opportunities at tomorrow’s Bank of America Merrill Lynch 2011 Global Energy Conference. President and Chief Operating Officer Al Walker will present at 9 a.m. Eastern. A link to the webcast and the presentation slides will be available on the company’s Web site at www.anadarko.com.

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 2010, the company had approximately 2.42 billion barrels-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.

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 successfully drill, develop and operate the drilling prospects identified in this news release. See “Risk Factors” in the company’s 2010 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.

Cautionary Note to U.S. Investors: Effective Jan. 1, 2010, the United States Securities and Exchange Commission (“SEC”) permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC’s definitions for such terms. Anadarko uses certain terms in this news release, such as “net resources,” “net resource potential,” “estimated ultimate recoveries,” and similar terms that the SEC’s guidelines strictly prohibit Anadarko from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in Anadarko’s Form 10-K for the year ended Dec. 31, 2010, File No. 001-08968, available from Anadarko at www.anadarko.com or by writing Anadarko at: Anadarko Petroleum Corporation, 1201 Lake Robbins Drive, The Woodlands, Texas 77380, Attn: Investor Relations. This form may also be obtained by contacting the SEC at 1-800-SEC-0330.

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